



# CHINO BASIN WATERMASTER

Thursday, April 10, 2008

10:00 a.m. – Joint Appropriative & Non-Ag Pool Meeting

Tuesday, April 15, 2008

9:00 a.m. – Agricultural Pool Meeting

## AGENDA PACKAGE





**CHINO BASIN WATERMASTER**  
**JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING**

10:00 a.m. – May 15, 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 Joint Appropriative & Non-Agricultural Pool Meeting held April 10, 2008  
(Page 1)

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of April 2008 (Page 11)
2. Watermaster Visa Check Detail (Page 15)
3. Combining Schedule for the Period July 1, 2007 through March 31, 2008 (Page 17)
4. Treasurer's Report of Financial Affairs for the Period March 1, 2008 through March 31, 2008 (Page 19)
5. Budget vs. Actual July 2007 through March 2008 (Page 21)

**C. WATER TRANSACTION**

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 2,000 acre-feet of water from San Antonio Water Company's storage account to Monte Vista Water District. This lease is made first from SAWC's net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be captured from storage. Date of Application: April 25, 2008  
(Page 23)
2. **Consider Approval for Notice of Sale or Transfer** – The one-year lease of 3,135 acre-feet of water from the City of Chino's annual production rights to the City of Ontario. Date of Application: May 2, 2008 (Page 39)
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 2,862 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage. Date of Application: May 2, 2008 (Page 57)

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

**II. BUSINESS ITEMS**

**A. WATERMASTER 2008-2009 BUDGET**

Discussion and Possible Action to Consider Approval for the Chino Basin Watermaster 2008-2009 Budget *(Page 85)*

**B. CHINO CREEK WELL FIELD COSTS**

Consider Approval to Request to Take Active Role in the Litigation and Remediation of VOC Plume Emanating from the Chino Airport *(Page 115)*

**C. AGREEMENT WITH IEUA FOR REIMBURSEMENT FOR CEQA COSTS**

Consider Approval for the Agreement with Inland Empire Utilities Agency for Reimbursement for CEQA Costs *(Page 119)*

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

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

**B. ENGINEERING UPDATES**

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

**C. FINANCIAL REPORT**

1. Financial Update

**D. CEO/STAFF REPORT**

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

**IV. INFORMATION**

1. Newspaper Articles *(Page 125)*

**V. POOL MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. FUTURE MEETINGS**

May 15, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
May 15, 2008	11:00 a.m.	Recharge Master Plan Follow Up Meeting
May 20, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
May 22, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
May 22, 2007	9:00 a.m.	Advisory Committee Meeting
May 22, 2007	11:00 a.m.	Watermaster Board Meeting

**Meeting Adjourn**

**CHINO BASIN WATERMASTER  
AGRICULTURAL POOL MEETING**

**9:00 a.m. – May 20, 2008**

**At The Offices Of**

**Inland Empire Utilities Agency**

**6075 Kimball Ave., Bldg. A, Board Room**

**Chino, CA 91710**

**AGENDA**

**CALL TO ORDER**

**AGENDA - ADDITIONS/REORDER**

**I. CONSENT CALENDAR**

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**A. MINUTES**

1. Minutes of the Agricultural Pool Meeting held April 15, 2008 *(Page 7)*

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of April 2008 *(Page 11)*
2. Watermaster Visa Check Detail *(Page 15)*
3. Combining Schedule for the Period July 1, 2007 through March 31, 2008 *(Page 17)*
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1. July 24, 2008 Hearing
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1. Conditions Subsequent 5 and 6 Update
2. Changes in the Characteristics in the Santa Ana River Flow

**C. FINANCIAL REPORT**

1. Financial Update

**D. CEO/STAFF REPORT**

1. Legislative Update
2. Recharge Update
3. OIA Update
4. Minimal Producers Usage & Production
5. Sunkist History & Sunkist/Koll Transfer

**IV. INFORMATION**

1. Newspaper Articles (Page 125)

**V. POOL MEMBER COMMENTS**

**VI. OTHER BUSINESS**

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May 22, 2007	9:00 a.m.	Advisory Committee Meeting
May 22, 2007	11:00 a.m.	Watermaster Board Meeting

**Meeting Adjourn**



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Joint Appropriative and Non-Agricultural Pool Meeting – April 10, 2008







**Draft Minutes**  
**CHINO BASIN WATERMASTER**  
**JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING**  
April 10, 2008

The Joint Annual Appropriative and Non-Agricultural Pool Meeting were held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on April 10, 2008 at 10:00 a.m.

**APPROPRIATIVE POOL MEMBERS PRESENT**

Ken Jeske, Vice-Chair	City of Ontario
Robert Tock	Jurupa Community Services District
Raul Garibay	City of Pomona
Robert DeLoach	Cucamonga Valley Water District
Dave Crosley	City of Chino
Ron Craig	RBF Consulting for City of Chino Hills
Mike McGraw	Fontana Water Company
Robert Young	Fontana Union Water Company
Mark Kinsey	Monte Vista Water District
Charles Moorrees	San Antonio Water Company

**NON-AGRICULTURAL POOL MEMBERS PRESENT**

Kevin Sage	Vulcan Materials Company (Calmat Division)
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**Watermaster Staff Present**

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

**Watermaster Consultants Present**

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

**Others Present**

Sandra Rose	Monte Vista Water District
Eunice Ulloa	Chino Basin Water Conservation District
David DeJesus	Three Valleys Municipal Water District

Vice-Chair Jeske called the Joint Appropriative and Non-Agricultural Pool Meeting to order at 10:02 a.m.

**AGENDA - ADDITIONS/REORDER**

No additions or reorders were made to the agenda.

**I. ELECTIONS - ACTION**

**A. Calendar Year 2008 Appropriative Pool Officers**

Nominations will be heard to replace the vacated Appropriative Pool Chair position which will serve during the remaining calendar year 2008.

*Motion by Moorrees, second by Crosley to nominate Ken Jeske as Appropriative Pool Chair, and by unanimous vote*

***Moved to approve the new chair position, as presented***

Chair                      Ken Jeske, City of Ontario

*Motion by Kinsey, second by DeLoach to nominate Robert Tock as Appropriative Pool Vice-Chair, and by unanimous vote*

***Moved to approve the new vice-chair position, as presented***

Vice-Chair              Robert Tock, Jurupa Community Services District

**I. CONSENT CALENDAR**

**A. MINUTES**

- 1. Minutes of the Joint Appropriative & Non-Agricultural Pool Meeting held March 13, 2008

**B. FINANCIAL REPORTS**

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

**C. WATER TRANSACTION**

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

*Motion by Moorrees, second by Bowcock, and by unanimous vote – Non-Ag concurred*  
***Moved to approve Consent Calendar Item A, B, and C1, as presented***

*Motion by Kinsey, second by Craig, and by unanimous vote – Non-Ag concurred*  
***Moved to add KCO, LLC ("KOLL") Intervention to the agenda, as presented***

**ADDED:**

**KCO, LLC ("KOLL") INTERVENTION**

A discussion ensued with regard to the intervention. Chair Jeske commented and responded to questions regarding the Koll intervention.

*Motion by McGraw, second by Craig, and by unanimous vote – Non-Ag concurred*  
***Moved to approve KCO, LLC ("KOLL") to become a member of the Overlying Non-Agricultural Pool, as presented***

**II. BUSINESS ITEMS**

**A. NON-AGRICULTURAL WATER SALE**

No comment was made regarding this item.

**B. PROPOSED BUDGET TRANSFER REQUEST**

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

*Motion by McGraw, second by Craig, and by unanimous vote – Non-Ag concurred  
Moved to approve the budget transfer request in the amount of \$35,000 for the  
Agricultural Pool legal and technical expenses, as presented*

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

Counsel Fife stated this item is regarding the discharge of silt into the Lower Day Basin. A complaint has been filed by Chino Basin Watermaster and served on Hanson Aggregates. A mediation session was held last week which did not produce a settlement. A case management conference is scheduled for April 18, 2008. A discussion regarding this item ensued.

2. Peace II Signatures

Counsel Fife requested the parties who have not yet signed the Peace II documents which are on the Chino Basin Watermaster web site to please do so as quickly as possible.

## Added Comment:

Counsel Fife stated Monte Vista Water District filed a response to Watermaster's previous filings. The response has not been reviewed by counsel yet and is available on the back table for review. Mr. Kinsey offered comment on the response. A discussion regarding Mr. Kinsey's comments ensued.

**B. ENGINEERING UPDATES**1. Engineering Update

Mr. Wildermuth stated a report on the Hydraulic Control Monitoring Program is being sent to the Regional Board next week. A meeting took place with the Regional Board last week regarding changing the monitoring program which will reduce the scope of work and costs substantially. After the report is received and reviewed by the Regional Board, a formal report will be sent to them requesting a change in our current program. The proposal will be sent through the Watermaster process prior to it going to the Regional Board.

Wildermuth Environmental has been working on the test well sites for the Chino Creek Well Field and that work is almost concluded.

With regard to the compliance with the December 21, 2007 court order on the technical issues; conditions subsequent no. 3 was filed on April 3, 2008 and no comments have been received from the Special Referee. Conditions subsequent no. 5 is a mandate to provide to the court an outline that shows the scope of the Recharge Master Plan. There was a meeting held on March 28, 2008 of the stakeholder group to start putting that plan together. Since that meeting a very substantive outline of that report has been prepared. Conditions subsequent no. 6 is a requirement to report on the development of the standards and criteria of which Hydraulic Control can be measured and assessed. As a result of the

second meeting with the Regional Board last week a Strawman is being developed which contains two parts.

### C. **FINANCIAL REPORT**

#### 1. Financial Update

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

### D. **CEO/STAFF REPORT**

#### 1. Legislative Update

No comment was made regarding this item.

#### 2. Recharge Update

Mr. Treweek stated this winter Kennedy Jenks completed the Phase II design process. Watermaster received two bid packages. The first was for berm heightening and hardening to increase the capacity at four basins and also to strengthen the internal berms. The second package was for two new turnouts CB14 and CB20 and associated pipelines. The received bids are 20 to 25% below the engineers estimate which will free up money out of the overall bid package for other work.

Mr. Treweek stated the recharge update is on the back table including recharge numbers through the month of March. A discussion ensued with regard to recharge.

#### 3. May Appropriative and Non-Agricultural Pool Meeting

Mr. Manning informed the committee members that the scheduled May meeting date falls on the day that many parties will be at the ACWA conference. Mr. Manning inquired if the committee members wanted to postpone the meeting one week meaning the next meeting would be held on May 15, 2008 instead of May 8, 2008. It was noted the committee members wanted to reschedule that meeting to May 15, 2008.

*Motion by DeLoach, second by McGraw, and by unanimous vote – Non-Ag concurred  
Moved to approve moving the next Appropriative and Non-Agricultural Pool  
meeting to Thursday, May 15, 2008 at 10:00 a.m., as presented*

### IV. **INFORMATION**

#### 1. Newspaper Articles

No comment was made regarding this item.

### V. **POOL MEMBER COMMENTS**

No comment was made regarding this item.

### VI. **OTHER BUSINESS**

No comment was made regarding this item.

### VII. **FUTURE MEETINGS**

April 10, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
April 15, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
April 16, 2008	9:00 a.m.	GRCC Meeting
April 24, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
April 24, 2007	9:00 a.m.	Advisory Committee Meeting
April 24, 2007	11:00 a.m.	Watermaster Board Meeting

The Joint Appropriative and Non-Agricultural Pool meeting was dismissed by Chair Jeske at 11:02 a.m.

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

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

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# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Agricultural Pool Meeting – April 15, 2008







**Draft Minutes**  
**CHINO BASIN WATERMASTER**  
**AGRICULTURAL POOL MEETING**  
April 15, 2008

The Annual Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on April 15, 2008 at 9:00 a.m.

**Agricultural Pool Members Present**

Jeff Pierson, Chair	Crops
Nathan deBoom	Dairy
Glen Durrington	Crops
Gene Koopman	Milk Producers Council
Rob Vanden Heuvel	Milk Producers Council
John Huitsing	Dairy
Jennifer Novak	State of California Department of Justice for CIM
Pete Hall	State of California/CIM
Nathan Mackamul	State of California/CIW

**Watermaster Board Members Present**

Paul Hofer	Ag Pool - Crops
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**Watermaster Staff Present**

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

**Watermaster Consultants Present**

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

**Others Present**

Steven Lee	Reid & Hellyer
Eunice Ulloa	Chino Basin Water Conservation District

Chair Pierson called the Agricultural Pool meeting to order at 9:02 a.m.

**AGENDA - ADDITIONS/REORDER**

No additions or reorders were made to the agenda. It was noted a revised meeting agenda was sent out prior to the meeting and a copy of that revised agenda is on the back table.

**I. CONSENT CALENDAR**

**A. MINUTES**

1. Minutes of the Agricultural Pool Meeting held March 18, 2008

**B. FINANCIAL REPORTS**

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

5. Budget vs. Actual July 2007 through January 2008

**C. KCO, LLC ("KOLL") INTERVENTION**

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

**D. WATER TRANSACTION**

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

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

***Moved to approve Consent Calendar Item A, B, and D1, as presented***

**Pulled C and D2:**

KCO, LLC (KOLL") Intervention, and the related transfer were pulled for discussion. A discussion regarding this matter ensued. It was noted the Agricultural Pool would like to see more information regarding Sunkist water sources and who the small pumpers are in or out of the Agricultural Pool at the next meeting.

*Motion by Koopman, second by Durrington, and by unanimous vote*

***Moved to approve Consent Calendar Item C and D2, as presented***

**II. BUSINESS ITEMS**

**A. NON-AGRICULTURAL WATER SALE**

No comment was made regarding this item.

**B. PROPOSED BUDGET TRANSFER REQUEST**

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*Motion by Durrington, second by deBoom, and by majority vote – Mr. Koopman voted no*

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

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Hanson Aggregates

Counsel Fife stated this item is regarding the discharge of silt into the Lower Day Basin. A complaint has been filed by Chino Basin Watermaster and served on Hanson Aggregates.

A mediation session was held last week which did not produce a settlement. A case management conference is scheduled for April 18, 2008. A discussion regarding this item ensued.

2. Peace II Signatures

Counsel Fife requested that the parties who have not yet signed the Peace II documents which are on the Chino Basin Watermaster web site to please do so as quickly as possible.

Added Comment:

Counsel Fife stated Monte Vista Water District filed a response last week to Watermaster's previous filings. This response asks the court to put a stay on the courts December 21, 2007 order approving Peace II. A copy of that pleading is on the back table. A discussion this situation ensued. Counsel Fife stated these pleadings were received just last Thursday and they are still being reviewed by staff and counsel.

**B. ENGINEERING UPDATES**

1. Engineering Update

Mr. Wildermuth stated a report on the Hydraulic Control Monitoring Program is being sent to the Regional Board next week. A meeting took place with the Regional Board last week regarding changing the monitoring program which will reduce the scope of work and costs substantially. After the report is received and reviewed by the Regional Board, a formal report will be sent to them requesting a change in our current program. The proposal will be sent through the Watermaster process prior to it going to the Regional Board.

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**C. FINANCIAL REPORT**

1. Financial Update

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

**D. CEO/STAFF REPORT**

1. Legislative Update

No comment was made regarding this item.

2. Recharge Update

Mr. Manning noted that due to his retirement, his will be Gordon's last Agricultural Pool meeting. Mr. Treweek stated this winter Kennedy Jenks completed the Phase II design

process. Watermaster received two bid packages. The first was for berm heightening and hardening to increase the capacity at four basins and also to strengthen the internal berms. The second package was for two new turnouts CB14 and CB20 and associated pipelines. The received bids are 20 to 25% below the engineers estimate which will free up money out of the overall bid package for other work.

Mr. Treweek stated the recharge update is on the back table including recharge numbers through the month of March.

**IV. INFORMATION**

- 1. Newspaper Articles

No comment was made regarding this item.

**V. POOL MEMBER COMMENTS**

No comment was made regarding this item.

**VI. OTHER BUSINESS**

No comment was made regarding this item.

**VII. FUTURE MEETINGS**

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April 24, 2007	9:00 a.m.	Advisory Committee Meeting
April 24, 2007	11:00 a.m.	Watermaster Board Meeting

The Agricultural Pool meeting was dismissed by Chair Pierson at 10:00 a.m.

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

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



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### B. FINANCIAL REPORTS

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







# CHINO BASIN WATERMASTER

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

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**KENNETH R. MANNING**  
Chief Executive Officer

## STAFF REPORT

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

**TO:** Committee Members  
Watermaster Board Members

**SUBJECT:** Cash Disbursement Report – April 2008

### SUMMARY

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

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

**Fiscal Impact** – Funds disbursed were included in the FY 2007-08 Watermaster Budget.

### BACKGROUND

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

### DISCUSSION

Total cash disbursements during the month of April 2008 were \$397,014.53. The most significant expenditures during the month were Inland Empire Utilities Agency, in the amount of \$190,000.00, Brownstein, Hyatt, Farber & Schreck in the amount of \$66,398.80, and Ellison, Schneider & Harris, LLP in the amount of \$5,822.05.

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

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

CHINO BASIN WATERMASTER  
Cash Disbursement Detail Report  
April 2008

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

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CHINO BASIN WATERMASTER  
Check Detail  
April 2008

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

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL APPROPRIATIVE POOL	AGRICULTURAL NON-AGRIC. POOL	GROUNDWATER REPLENISHMENT	GROUNDWATER OPERATIONS SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2007-2008
Administrative Revenues									
Administrative Assessments			7,480,691	122,298				7,602,989	\$7,540,370
Interest Revenue			118,983	3,305			53	139,360	181,500
Mutual Agency Project Revenue		41,667	17,019					41,667	145,500
Grant Income								-	0
Miscellaneous Income								-	0
<b>Total Revenues</b>		<b>41,667</b>	<b>7,599,674</b>	<b>125,603</b>	<b>-</b>	<b>-</b>	<b>53</b>	<b>7,784,016</b>	<b>7,867,370</b>
Administrative & Project Expenditures									
Watermaster Administration	334,183							334,183	627,797
Watermaster Board-Advisory Committee	44,421							44,421	60,645
Pool Administration			15,375	5,107				125,469	127,333
Optimum Basin Mgmt Administration		2,040,868						2,040,868	1,857,337
OBMP Project Costs		3,342,032						3,342,032	5,183,883
Education Funds Use							375	375	375
Mutual Agency Project Costs		10,000						10,000	10,000
<b>Total Administrative/OBMP Expenses</b>	<b>378,604</b>	<b>5,392,900</b>	<b>15,375</b>	<b>5,107</b>	<b>-</b>	<b>-</b>	<b>375</b>	<b>5,897,348</b>	<b>7,867,370</b>
Net Administrative/OBMP Income	(378,604)	(5,351,233)						-	-
Allocate Net Admin Income To Pools	378,604		288,828	7,438				-	-
Allocate Net OBMP Income To Pools		5,351,233	4,082,329	1,163,774				-	-
Agricultural Expense Transfer			1,340,040	(1,340,040)				-	-
<b>Total Expenses</b>	<b>5,726,572</b>	<b>11,059</b>	<b>117,675</b>	<b>7,928</b>	<b>-</b>	<b>-</b>	<b>375</b>	<b>5,897,348</b>	<b>7,867,370</b>
Net Administrative Income	1,873,102		5,960				(322)	1,886,668	-
Other Income/(Expense)									
Replenishment Water Assessments					3,402,393			3,402,393	0
MZ1 Supplemental Water Assessments								-	0
Water Purchases								-	0
MZ1 Imported Water Purchase								-	0
Groundwater Replenishment					(2,328,727)			(2,328,727)	0
Net Other Income					1,073,666			1,073,666	0
Net Transfers To/(From) Reserves			1,873,102	5,960	7,928		(322)	2,960,334	-
Working Capital, July 1, 2007			4,222,862	475,604	156,528	294,397	1,655	5,309,297	
Working Capital, End Of Period			6,095,964	481,564	164,456	1,368,063	1,333	8,269,631	
<b>06/07 Assessable Production</b>			130,826,204	37,295,410	3,369,080			171,490,694	
<b>06/07 Production Percentages</b>			76.288%	21.748%	1.965%			100.000%	

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

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

**CHANGE IN CASH POSITION DUE TO:**

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

	Zero Balance	Local Agency	Totals
	Account	Investment Funds	
	Payroll		
Zero Balance			
Account			
Payroll			
Gov't'l Checking Demand	904,411	-	-
Local Agency	-	4,404,987	-
Investment Funds	-	-	-
Totals	904,411	4,404,987	5,309,898
Permit	349,013	-	349,013
Transfer	(714,348)	650,000	-
Withdrawals/Checks	(339,034)	(64,348)	(403,382)
Balances as of 2/29/2008	500	200,042	5,054,987
Balances as of 3/31/2008	-	-	-
<b>PERIOD INCREASE OR (DECREASE)</b>	<b>(704,369)</b>	<b>650,000</b>	<b>(54,369)</b>

**SUMMARY OF FINANCIAL TRANSACTIONS:**

Balances as of 2/29/2008	500	200,042	5,054,987
Deposits	349,013	-	-
Transfers	(714,348)	650,000	-
Withdrawals/Checks	(339,034)	(64,348)	(403,382)
Balances as of 3/31/2008	-	-	-
<b>PERIOD INCREASE OR (DECREASE)</b>	<b>(704,369)</b>	<b>650,000</b>	<b>(54,369)</b>

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

**INVESTMENT TRANSACTIONS**

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

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

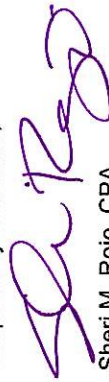
**INVESTMENT STATUS  
March 31, 2008**

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



	<u>Jul '07 - Mar 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	41,667	145,500	-103,833	28.64%
4100 · Administrative Assessments				
4110 · Admin Asmnts-Approp Pool	7,480,691	7,423,878	56,813	100.77%
4120 · Admin Asmnts-Non-Agri Pool	122,298	116,492	5,806	104.98%
4700 · Non Operating Revenues	139,360	181,500	-42,140	76.78%
<b>Total Income</b>	<u>7,784,016</u>	<u>7,867,370</u>	<u>-83,354</u>	<u>98.94%</u>
<b>Gross Profit</b>	7,784,016	7,867,370	-83,354	98.94%
<b>Expense</b>				
6010 · Salary Costs	358,956	477,247	-118,291	75.21%
6020 · Office Building Expense	71,253	101,580	-30,327	70.15%
6030 · Office Supplies & Equip.	18,619	46,500	-27,881	40.04%
6040 · Postage & Printing Costs	64,644	83,000	-18,356	77.88%
6050 · Information Services	96,590	132,000	-35,410	73.17%
6060 · Contract Services	62,453	117,500	-55,047	53.15%
6080 · Insurance	4,160	18,210	-14,050	22.85%
6110 · Dues and Subscriptions	14,855	16,750	-1,895	88.69%
6140 · WM Admin Expenses	1,740	4,650	-2,910	37.42%
6150 · Field Supplies	116	2,500	-2,384	4.63%
6170 · Travel & Transportation	11,743	25,000	-13,257	46.97%
6190 · Conferences & Seminars	18,153	22,500	-4,347	80.68%
6200 · Advisory Comm - WM Board	13,724	18,931	-5,207	72.49%
6300 · Watermaster Board Expenses	30,698	41,714	-11,016	73.59%
8300 · Appr PI-WM & Pool Admin	15,375	24,001	-8,626	64.06%
8400 · Agri Pool-WM & Pool Admin	18,396	24,004	-5,608	76.64%
8467 · Ag Legal & Technical Services	75,531	95,000	-19,469	79.51%
8470 · Ag Meeting Attend -Special	11,059	12,000	-941	92.16%
8500 · Non-Ag PI-WM & Pool Admin	5,107	7,328	-2,221	69.69%
6500 · Education Funds Use Expens	375	375		100.0%
9500 · Allocated G&A Expenditures	-389,097	-419,640	30,543	92.72%
<b>Subtotal Administrative Expenses</b>	<u>504,448</u>	<u>851,150</u>	<u>-346,702</u>	<u>59.27%</u>
6900 · Optimum Basin Mgmt Plan	1,898,474	2,711,138	-812,664	70.03%
6950 · Mutual Agency Projects	10,000	10,000		100.0%
9501 · G&A Expenses Allocated-OBMP	142,394	141,199	1,195	100.85%
<b>Subtotal OBMP Expenses</b>	<u>2,050,868</u>	<u>2,862,337</u>	<u>-811,469</u>	<u>71.65%</u>
7101 · Production Monitoring	73,193	101,709	-28,516	71.96%
7102 · In-line Meter Installation	14,352	17,791	-3,439	80.67%
7103 · Grdwtr Quality Monitoring	87,125	117,104	-29,979	74.4%
7104 · Gdwtr Level Monitoring	140,987	182,667	-41,680	77.18%

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



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### C. WATER TRANSACTION

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





***CHINO BASIN WATERMASTER***

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

April 25, 2008

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

## NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 24, 2008**

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

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

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

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

Appropriative Pool: May 15, 2008

Non-Agricultural Pool: May 15, 2008

Agricultural Pool: May 20, 2008

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

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

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

Watermaster address:

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

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

# **CHINO BASIN WATERMASTER**

## **NOTICE OF TRANSFER OF WATER**

Notification Dated: April 25, 2008

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

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## CHINO BASIN WATERMASTER

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

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**KENNETH R. MANNING**  
**CHIEF EXECUTIVE OFFICER**

**DATE:** April 25, 2008  
**TO:** Watermaster Interested Parties  
**SUBJECT:** Summary and Analysis of Application for Water Transaction

### Summary –

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

### Issue –

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

### Recommendation –

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

### Fiscal Impact –

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

### Background

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

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

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

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

Notice of the water transaction identified above was mailed on April 25, 2008 along with the materials submitted by the requestors.

**DISCUSSION**

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

# Monte Vista

Dedicated to Quality,

Service and Innovation

March 24, 2008



Mark N. Kinsey  
GENERAL MANAGER

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

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

Dear Mr. Manning: *Ken*

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

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

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

Sincerely,

**Monte Vista Water District**

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

Mark N. Kinsey  
General Manager

Attachments

# Water District

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

Sandra S. Rose  
PRESIDENT

Maynard B. Lenhart  
VICE PRESIDENT

Tony Lopez  
DIRECTOR

Philip L. Erwin  
DIRECTOR

G. Michael Milhiser  
DIRECTOR

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

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

Date Requested: **March 17, 2008**

Transferring Party: **San Antonio Water Company**

Date Approved:

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

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

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

Amount Approved (AF):

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



**Applicant: Charles Moorrees, General Manager**

---

**Attach Recapture Form 4**

Receiving Party: **Monte Vista Water District**

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

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

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

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

Water Quality and Water Levels:

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

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

Material Physical Injury:

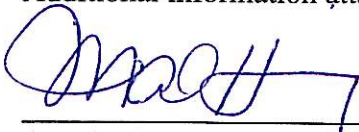
Is the applicant aware of any potential material physical injury to a part to the Judgment or the Basin that may be caused by the action covered by the application?  Yes  No

If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in material physical injury to a part to the Judgment or the Basin?

N/A

---

Additional information attached?  Yes  No



**Applicant: Mark N. Kinsey, General Manager**

To be completed by Watermaster:

Date of approval from Non-Agricultural Pool:

Date of approval from Agricultural Pool:

Date of approval from Appropriative Pool:

Hearing date, if any:

Date of Advisory Committee approval:

Date of Board approval:

Agreement Number:

APPLICATION OR AMENDMENT TO APPLICATION  
TO  
RECAPTURE WATER IN STORAGE

APPLICANT

Monte Vista Water District  
Name of Party

March 24, 2008  
Date Requested

\_\_\_\_\_  
Date Approved

10575 Central Avenue  
Street Address

2,000 Acre-feet  
Amount Requested

\_\_\_\_\_  
Acre-feet  
Amount Approved

Montclair CA 91763  
City State Zip Code

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

2-4 months  
Projected Duration of  
Recapture

Telephone: (909) 624-0035

Facsimile: (909) 624-0037

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

IDENTITY OF PERSON THAT STORED THE WATER: San Antonio Water Company

PURPOSE OF RECAPTURE

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

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

Recapture by pumping.  
\_\_\_\_\_

PLACE OF USE OF WATER TO BE RECAPTURED

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

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

Recapture to occur at regular production wells.  
\_\_\_\_\_

WATER QUALITY AND WATER LEVELS

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

Static water levels range from 504' to 533' below ground levels. Nitrate water quality data for District wells range from 19 to 70 ppm.  
\_\_\_\_\_

**MATERIAL PHYSICAL INJURY**

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

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

**No mitigation is required.**

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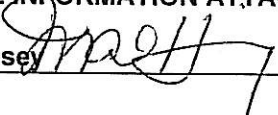
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**ADDITIONAL INFORMATION ATTACHED**

Yes [ X ] No [ ]

**Mark N. Kinsey**  
Applicant



**TO BE COMPLETED BY WATERMASTER**

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_

HEARING DATE, IF ANY: \_\_\_\_\_

DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_

DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_



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

Fiscal Year 2007-08

Commencing on July 1, 2007 and terminating on June 30, 2008, San Antonio Water Company ("Transferor") hereby transfers to Monte Vista Water District ("Transferee") the quantity of 2,000 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

**WATER QUALITY AND WATER LEVELS**

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

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

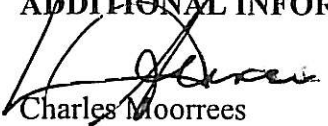
**MATERIAL PHYSICAL INJURY**

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

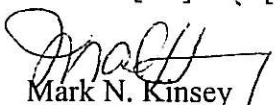
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

No mitigation is required.

ADDITIONAL INFORMATION ATTACHED Yes [ X ] No [ ]



Charles Moorrees  
San Antonio Water Company  
Transferor



Mark N. Kinsey  
Monte Vista Water District  
Transferee

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_

HEARING DATE, IF ANY: \_\_\_\_\_

DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_

DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_

# MONTE VISTA WATER DISTRICT

## Recapture Plan

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

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

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

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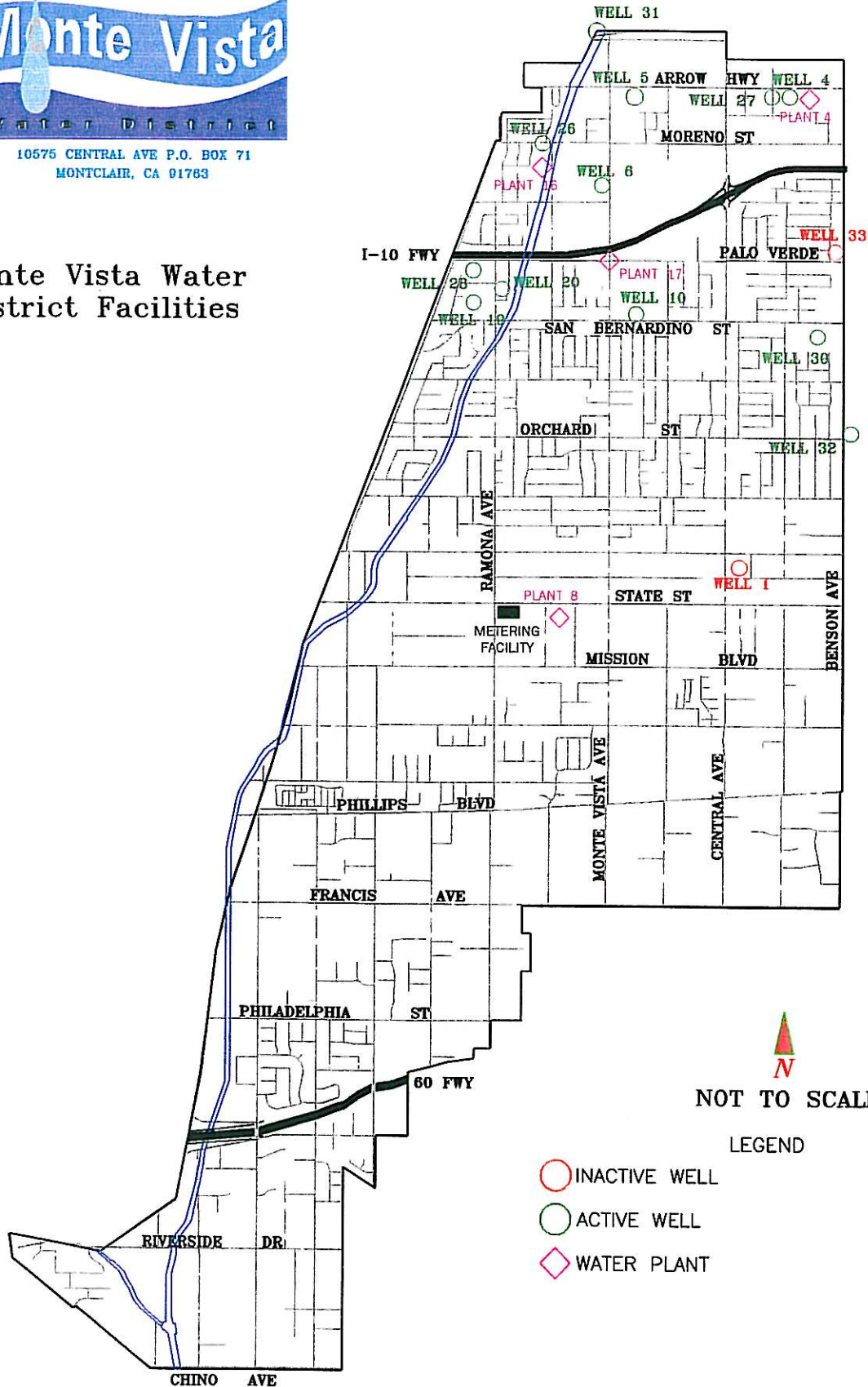
Daily Total                      94.0

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



10575 CENTRAL AVE P.O. BOX 71  
MONTCLAIR, CA 91763

## Monte Vista Water District Facilities



  
NOT TO SCALE

### LEGEND

-  INACTIVE WELL
-  ACTIVE WELL
-  WATER PLANT

***CHINO BASIN WATERMASTER***

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

May 2, 2008

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

**NOTICE OF APPLICATION(S) RECEIVED**

Date of Application: **April 28, 2008**

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

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

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

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

Appropriative Pool:	May 15, 2008
Non-Agricultural Pool:	May 15, 2008
Agricultural Pool:	May 20, 2008

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

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

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

Watermaster address:

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

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

# CHINO BASIN WATERMASTER

## NOTICE OF TRANSFER OF WATER

Notification Dated: May 2, 2008

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

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## CHINO BASIN WATERMASTER

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

**KENNETH R. MANNING**  
CHIEF EXECUTIVE OFFICER

**DATE:** May 2, 2008  
**TO:** Watermaster Interested Parties  
**SUBJECT:** Summary and Analysis of Application for Water Transaction

### Summary –

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

### Issue –

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

### Recommendation –

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

### Fiscal Impact –

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

### Background

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

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

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

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

Notice of the water transaction identified above was mailed on May 2, 2008 along with the materials submitted by the requestors.

**DISCUSSION**

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



PUBLIC WORKS AND  
COMMUNITY SERVICES AGENCY

ONTARIO MUNICIPAL SERVICES CENTER

PAUL S. LEON  
MAYOR

GREGORY C. DEVEREAUX  
CITY MANAGER

JASON ANDERSON  
MAYOR PRO TEM

MARY E. WIRTES, MMC  
CITY CLERK

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

April 28, 2008

JAMES R. MILHISER  
TREASURER

KENNETH L. JESKE  
PUBLIC WORKS / COMMUNITY  
SERVICES DIRECTOR

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

Subject: Annual Lease of Water Rights

Dear Mr. Manning:

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

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

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

Sincerely,

Mohamed El-Amamy  
Utilities & Solid Waste Director

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # \_\_\_\_\_

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

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

Chino CA 91710  
City State Zip Code

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

*San Jacinto Water Utilities Supervisor - Dave Crosley*  
Applicant (Dave Crosley, Environmental & Water Manager)

TRANSFER TO:

City of Ontario Attach Recapture Form 4  
Name of Party

1425 S. Bon View  
Street Address

Ontario CA 91761  
City State Zip Code

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

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

WATER QUALITY AND WATER LEVELS

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

MATERIAL PHYSICAL INJURY

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

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ADDITIONAL INFORMATION ATTACHED

Yes [ ] No [ ]

Applicant

**TO BE COMPLETED BY WATERMASTER:**

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_

HEARING DATE, IF ANY: \_\_\_\_\_

DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_

DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_

APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE

APPLICANT

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

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

IDENTITY OF PERSON THAT STORED THE WATER: CITY OF CHINO

PURPOSE OF RECAPTURE

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

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED

Management zones 1, 2 and 3

N/A

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

WATER QUALITY AND WATER LEVELS

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

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

**MATERIAL PHYSICAL INJURY**

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

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

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**ADDITIONAL INFORMATION ATTACHED** Yes [X] No [ ]

  
\_\_\_\_\_  
Mohamed El-Amamy, Utilities Director

**TO BE COMPLETED BY WATERMASTER**

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_

HEARING DATE, IF ANY: \_\_\_\_\_

DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_

DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_



APPLICATION  
TO  
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2007 - 2008

Commencing on July 1, 2007 and terminating on June 30, 2008, The City of Chino ("Transferor") hereby transfers to The City of Ontario ("Transferee") the quantity of 3,135 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

**WATER QUALITY AND WATER LEVELS**

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

None

**MATERIAL PHYSICAL INJURY**

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

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

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ADDITIONAL INFORMATION ATTACHED

Yes [ ] No [ X ]

Dave Crosley  
Transferor

Mohamed El-Amamy  
Transferee



TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_

HEARING DATE, IF ANY: \_\_\_\_\_

DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_

DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_

ADDITIONAL INFORMATION ATTACHED

Yes [ ] No [ X ]

Dave Crosley  
Transferor

*Attorney for  
David A. Crosley*

Mohamed El-Amamy  
Transferee



TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_

HEARING DATE, IF ANY: \_\_\_\_\_

DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_

DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_

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## CITY OF ONTARIO Recapture Plan

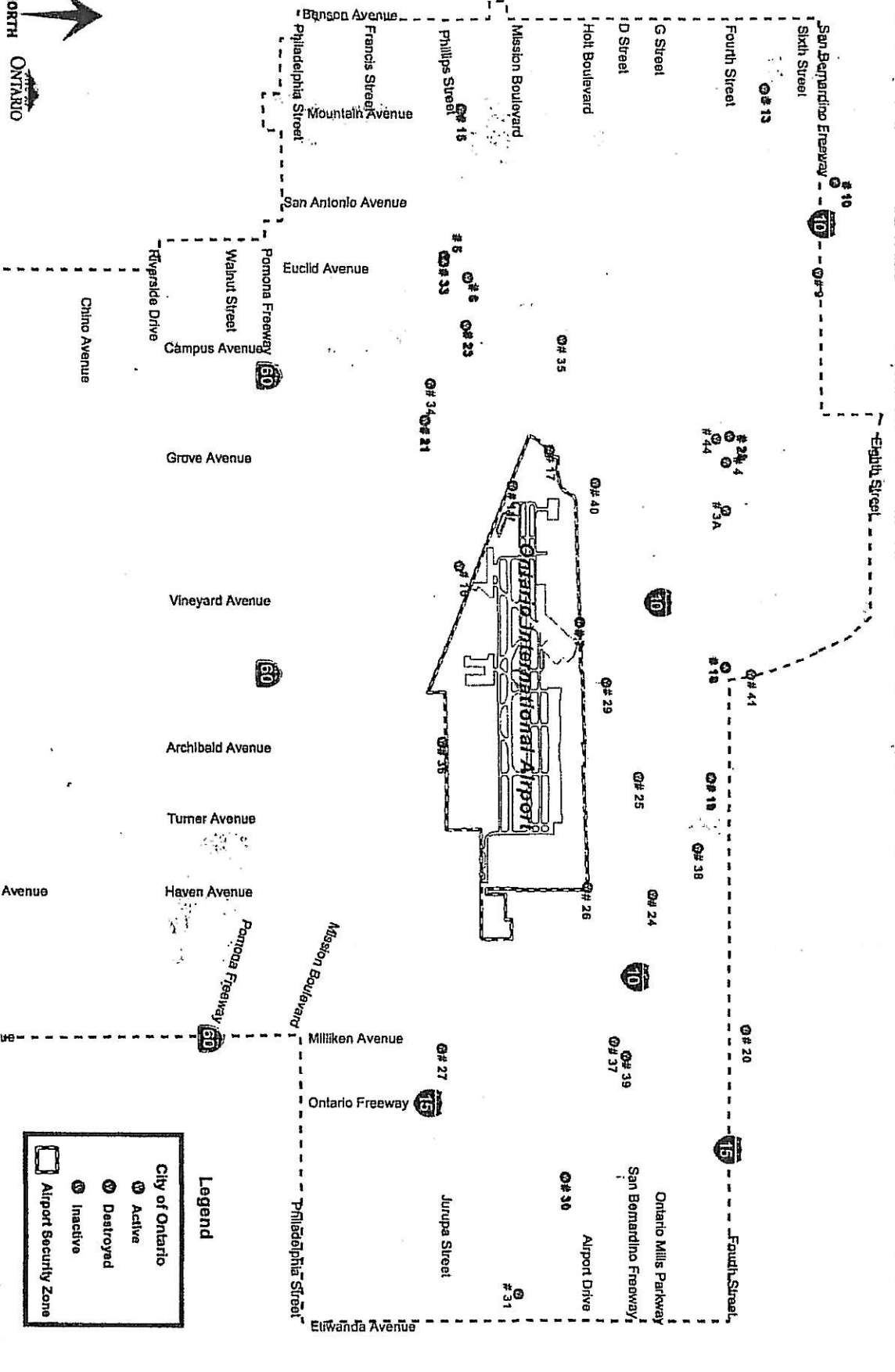
The subject water is a transfer of stored groundwater from the City of Chino located within Management Zones 2 to the City of Ontario in the amount of 3,135 acre-feet to satisfy a portion of the City's replenishment obligation for FY 2007-2008. Recapture of the stored water is accomplished by the production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

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

167.9

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

By Ivan Sanchez  
City of Ontario



**Legend**

City of Ontario

- ① Active
- ② Destroyed
- ③ Inactive

Ⓜ Airport Security Zone

***CHINO BASIN WATERMASTER***

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

May 2, 2008

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

**NOTICE OF APPLICATION(S) RECEIVED**

Date of Application: **April 18, 2008**

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

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

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

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

Appropriative Pool: May 15, 2008

Non-Agricultural Pool: May 15, 2008

Agricultural Pool: May 20, 2008

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

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

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

Watermaster address:

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

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



# **CHINO BASIN WATERMASTER**

## **NOTICE OF TRANSFER OF WATER**

Notification Dated: May 2, 2008

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

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## CHINO BASIN WATERMASTER

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

---

**KENNETH R. MANNING**  
**CHIEF EXECUTIVE OFFICER**

**DATE:** May 2, 2008  
**TO:** Watermaster Interested Parties  
**SUBJECT:** Summary and Analysis of Application for Water Transaction

### Summary –

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

### Issue –

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

### Recommendation –

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

### Fiscal Impact –

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

### Background

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

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

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

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

Notice of the water transaction identified above was mailed on May 2, 2008 along with the materials submitted by the requestors.

#### **DISCUSSION**

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

Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 13,238,880 AF for Assessment Year 2007-08. Of that total obligation, 9,376,880 AF was pre-purchased from MWD during Fiscal Year 2006-07 due to the expected rate increase. The outstanding obligation is 3,862,000 AF. Due to the fact that MWD does not expect to have replenishment water available this fiscal year and perhaps not next fiscal year either, Watermaster wishes to use the option to purchase water from appropriators to fulfill the replenishment obligation. Watermaster is taking advantage of the City of Chino's offer to sell 2,862,000 AF of water to Watermaster. Watermaster is purchasing the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage. The 85/15 Rule does not apply to this transfer because 85/15 payments and credits were already established in the Assessment Package. This transfer is functioning in a similar manner as Watermaster purchases from MWD/IEUA.



# CHINO BASIN WATERMASTER

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

---

KENNETH R. MANNING  
Chief Executive Officer

March 13, 2008

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

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

Dear Mr. Crosley:

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

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

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

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

Sincerely,

Kenneth R. Manning,  
Chief Executive Officer

Attachments:

- City of Chino's Acceptance of Watermaster's Water Transfer Terms
- Form 3: Application for Sale or Transfer of Right to Produce Water from Storage
- Form 4: Application or Amendment to Application to Recapture Water in Storage
- Form 5: Application to Transfer Annual Production Right or Safe Yield

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# CHINO BASIN WATERMASTER

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Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

---

KENNETH R. MANNING  
Chief Executive Officer

March 13, 2008

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

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

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

---

Signature:

Printed Name:

DAVID CROSLBY

Title:

WATER & ENVIRONMENTAL MANAGER

Date Signed:

4/10/08

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # \_\_\_\_\_

City of Chino \_\_\_\_\_

03/13/08 \_\_\_\_\_

Name of Party \_\_\_\_\_

Date Requested Date Approved

13220 Central Avenue \_\_\_\_\_

2,862.000 Acre-feet \_\_\_\_\_ Acre-feet

Street Address \_\_\_\_\_

Amount Requested Amount Approved

Chino CA 91710

City State Zip Code

Telephone: 909-927-7577 \_\_\_\_\_

Facsimile: 909-591-6829 \_\_\_\_\_

Applicant

TRANSFER TO:

Chino Basin Watermaster

Attach Recapture Form 4

Name of Party \_\_\_\_\_

9641 San Bernardino Road \_\_\_\_\_

Street Address \_\_\_\_\_

Rancho Cucamonga CA 91730  
City State Zip Code

Telephone: 909-484-3888 \_\_\_\_\_

Facsimile: 909-484-3890 \_\_\_\_\_

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

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

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

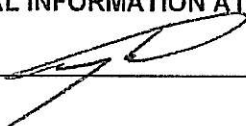
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ADDITIONAL INFORMATION ATTACHED

Yes [ ] No [ X ]

Applicant

  
\_\_\_\_\_

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_

HEARING DATE, IF ANY: \_\_\_\_\_

DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_

DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_

APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE

APPLICANT

Chino Basin Watermaster
03/13/08
Name of Party Date Requested Date Approved
9641 San Bernardino Road
2,862,000 Acre-feet
Street Address Amount Requested Amount Approved
Rancho Cucamonga CA 91730
N/A N/A
City State Zip Code Projected Rate of Recapture Projected Duration of Recapture
Telephone: 909-484-3888 Facsimile: 909-484-3890

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

IDENTITY OF PERSON THAT STORED THE WATER: City of Chino

PURPOSE OF RECAPTURE

- [ ] Pump when other sources of supply are curtailed
[ ] Pump to meet current or future demand over and above production right
[ ] Pump as necessary to stabilize future assessment amounts
[X] Other, explain Watermaster is purchasing from City of Chino to meet its replenishment obligation.

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

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

PLACE OF USE OF WATER TO BE RECAPTURED

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

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

WATER QUALITY AND WATER LEVELS

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

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

**MATERIAL PHYSICAL INJURY**

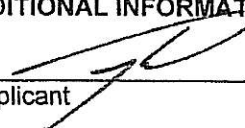
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [ ] No [ X]

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ADDITIONAL INFORMATION ATTACHED**

Yes [ ] No [ X]

  
\_\_\_\_\_  
Applicant

**TO BE COMPLETED BY WATERMASTER**

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_

HEARING DATE, IF ANY: \_\_\_\_\_

DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_

DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_

APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2007 - 2008

Commencing on July 1, 2007 and terminating on June 30, 2008, City of Chino ("Transferor") hereby transfers to Chino Basin Watermaster ("Transferee") the quantity of 2,862,000 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

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

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

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

ADDITIONAL INFORMATION ATTACHED

Yes [ ] No [X]

Transferor

Transferee

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_

HEARING DATE, IF ANY: \_\_\_\_\_

DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_

DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_

***CHINO BASIN WATERMASTER***

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

May 9, 2008

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

**NOTICE OF APPLICATION(S) RECEIVED**

Date of Application: **May 8, 2008**

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

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,000.000 acre-feet of water from the Santa Ana River Water Company (SARWC). Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made from SARWC’s net under-production in Fiscal Year 2007-08.

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

Appropriative Pool: May 15, 2008

Non-Agricultural Pool: May 15, 2008

Agricultural Pool: May 20, 2008

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

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

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

Watermaster address:

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

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



# CHINO BASIN WATERMASTER

## NOTICE OF TRANSFER OF WATER

Notification Dated: May 9, 2008

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

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# CHINO BASIN WATERMASTER

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

---

**KENNETH R. MANNING**  
**CHIEF EXECUTIVE OFFICER**

**DATE:** May 9, 2008  
**TO:** Watermaster Interested Parties  
**SUBJECT:** Summary and Analysis of Application for Water Transaction

### Summary –

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

### Issue –

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

### Recommendation –

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

### Fiscal Impact –

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

### Background

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

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

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,000.000 acre-feet of water from Santa Ana River Water Company (SARWC). Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made from SARWC's net under-production in Fiscal Year 2007-08.

Notice of the water transaction identified above was mailed on May 9, 2008 along with the materials submitted by the requestors.

#### **DISCUSSION**

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

Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 13,238.880 AF for Assessment Year 2007-08. Of that total obligation, 9,376.880 AF was pre-purchased from MWD during Fiscal Year 2006-07 due to the expected rate increase. The outstanding replenishment obligation is 3,862.000 AF. Due to the fact that MWD does not expect to have replenishment water available this fiscal year and perhaps not next fiscal year either, Watermaster wishes to use the option to purchase water from appropriators to fulfill its replenishment obligation. Watermaster is taking advantage of Santa Ana River Water Company's offer to sell 1,000.000 AF of water to Watermaster. The transfer will be made from Santa Ana River Water Company's net under-production in Fiscal Year 2007-08. The 85/15 Rule does not apply to this transfer because 85/15 payments and credits were already established in the Assessment Package. This transfer is functioning in a similar manner as Watermaster purchases from MWD/IEUA.



## CHINO BASIN WATERMASTER

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Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

---

KENNETH R. MANNING  
Chief Executive Officer

March 14, 2008

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

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

Dear Mr. Rodriguez:

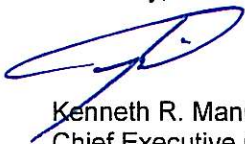
Chino Basin Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 13,238.880 AF for Assessment Year 2007-08. Of that total obligation, 9,376.880 AF was pre-purchased from MWD during Fiscal Year 2006-07 due to the expected rate increase. The outstanding obligation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

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

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

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

Sincerely,



Kenneth R. Manning,  
Chief Executive Officer

Attachments:

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

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# 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

March 14, 2008

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

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

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

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Signature:

Printed Name:

J. ARNOLD RODRIGUEZ

Title:

GENERAL MANAGER

Date Signed:

MAY 8, 2008

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APPLICATION  
TO  
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2007 - 2008

Commencing on July 1, 2007 and terminating on June 30, 2008, Santa Ana River Water Co. ("Transferor") hereby transfers to Chino Basin Watermaster ("Transferee") the quantity of 1,000.000 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

**WATER QUALITY AND WATER LEVELS**

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

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

**MATERIAL PHYSICAL INJURY**

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

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

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\_\_\_\_\_ -

\_\_\_\_\_ -

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**ADDITIONAL INFORMATION ATTACHED**

Yes [ ] No [X]

\_\_\_\_\_  
Transferor

\_\_\_\_\_  
Transferee



**TO BE COMPLETED BY WATERMASTER:**

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_

HEARING DATE, IF ANY: \_\_\_\_\_

DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_

DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_



# CHINO BASIN WATERMASTER

## II. BUSINESS ITEMS

### A. CHINO BASIN WATERMASTER 2008-2009 BUDGET







# CHINO BASIN WATERMASTER

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

KENNETH R. MANNING  
Chief Executive Officer

## STAFF REPORT

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

**TO:** Committee Members  
Watermaster Board Members

**SUBJECT:** Proposed Fiscal Year 2008/2009 Budget

### SUMMARY

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

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

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

### DISCUSSION

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

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

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

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For the Administrative costs:

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

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

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

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

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





# CHINO BASIN WATERMASTER

## DRAFT BUDGET

FY 2008/2009

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

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

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

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

CHINO BASIN WATERMASTER

FY 2008/2009

**DRAFT**

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
<b>Ordinary Income</b>					
<b>Income</b>					
<b>4000 Cooperative Effort Contributions</b>					
4010 Local Agency Subsidies - Other	\$142,150	\$41,667	\$145,500	\$148,410	\$2,910
<b>Total 4000 Mutual Agency Revenue</b>	142,150	41,667	145,500	148,410	2,910
<b>4110 Appropriate Pool Assessments</b>					
4111 Administrative Assessment	774,519	5,201,052	629,243	642,492	13,249
4111.2 OBMP Assessment	4,287,629	0	4,121,218	4,480,963	359,745
4112 Ag Pool Reallocation - Administrative	211,094	0	171,591	183,159	11,568
4113 Ag Pool Reallocation - OBMP	1,169,048	0	1,124,274	1,277,415	153,141
4115 Recharge Improvement Revenue	1,358,000	0	1,377,552	1,350,000	-27,552
<b>Total 4110 Appropriate Pool Assessments</b>	7,800,290	5,201,052	7,423,878	7,934,028	510,150
<b>4120 Non-Agricultural Pool Assessments</b>					
4123 Administrative Assessment	18,851	0	15,316	16,546	1,230
4124 OBMP Assessment	104,361	0	101,176	115,394	14,218
<b>Total 4120 Non-Agricultural Pool Assessments</b>	123,212	0	116,492	131,940	15,448
<b>4730 Prorated Interest Income</b>					
4731 Interest - Agricultural Pool	17,160	12,090	18,500	17,500	-1,000
4732 Interest - Appropriate Pool	230,994	86,117	158,000	152,000	-6,000
4733 Interest - Non-Agricultural Pool	8,068	2,469	5,000	4,800	-200
4739 Interest - Education Fund	88	40	0	68	68
<b>Total 4730 Prorated Interest Income</b>	256,310	100,716	181,500	174,368	-7,132
<b>Total Income</b>	<b>8,321,962</b>	<b>5,343,435</b>	<b>7,867,370</b>	<b>8,388,747</b>	<b>521,377</b>

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

**DRAFT**

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

**6010 Salary Costs**

6011 WM Staff Salaries & Payroll Burden	569,851	242,195	474,644	489,316	14,672
6012 Payroll Services	2,836	1,143	2,600	0	-2,600
6013 Human Resources Services	11,186	14,558	0	0	0
6017 Temporary Services	0	10,877	0	0	0
Subtotal Wages	583,873	268,773	477,244	489,316	12,072

6018 Fringe Benefits

60199 Payroll Burden Allocated	564	-24,081	497,044	490,475	-6,569
	0	0	-497,041	-490,482	6,559

**Total 6010 Salary Costs**

	584,437	244,692	477,247	489,309	12,062
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**6020 Office Building Expense**

6021 Office Lease	63,552	32,660	64,080	66,000	1,920
6022 Telephone	12,500	6,189	10,000	12,000	2,000
6024 Building Repairs & Janitorial	23,509	9,225	27,500	24,000	-3,500
6027 Other Expense	2,630	0	0	0	0

**Total 6020 Office Building Expense**

	102,191	48,074	101,580	102,000	420
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**6030 Office Supplies & Equip.**

6031 Office Supplies	30,302	14,636	46,500	46,500	0
6038 Other Office Equipment	3,193	0	0	0	0
6039 Office Expenses	5,245	0	0	0	0
6141 Meeting Expenses	2,945	1,177	4,650	4,000	-650

**Total 6030 Office Supplies & Equip.**

	41,685	15,813	51,150	50,500	-650
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**6040 Postage & Printing Costs**

6042 Postage	16,980	8,463	15,000	15,000	0
6043 Copy Machine Lease & Maintenance	70,666	38,767	60,000	63,000	3,000
6044 Postage Meter Lease	1,914	1,440	2,000	2,880	880
6045 Outside Printing	7,338	0	6,000	6,500	500

**Total 6040 Postage & Printing Costs**

	96,898	48,670	83,000	87,380	4,380
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CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

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

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## CHINO BASIN WATERMASTER

FY 2008/2009

## DETAIL BUDGET

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

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

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

General OBMP Expenses

6900 Optimum Basin Mgmt Program

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

Total 6950 Cooperative Efforts

Total 6950 Cooperative Efforts	10,000	0	10,000	10,000	0
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9501 Allocated G&A Expenditures

9501 Allocated G&A Expenditures	160,405	105,449	141,199	135,454	-5,745
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Total General OBMP Expenses

<b>Total General OBMP Expenses</b>	<b>2,383,383</b>	<b>1,710,743</b>	<b>2,862,337</b>	<b>2,132,495</b>	<b>-729,842</b>
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CHINO BASIN WATERMASTER

FY 2008/2009

**DRAFT**

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
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**7000 OBMP Implementation Projects**  
7100 OBMP Pgm Element 1 - Comp Monitoring Program

**7101 Production Monitoring**

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

**7102 In-Line Meter Installation/Maintenance**

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

**7103 Groundwater Quality Monitoring**

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

**7104 Groundwater Level Monitoring**

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



CHINO BASIN WATERMASTER

FY 2008/2009

**DRAFT**

DETAIL BUDGET

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

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

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

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

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

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

**DRAFT**

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

CHINO BASIN WATERMASTER  
2008-2009 BUDGET  
LINE ITEM JUSTIFICATION

**DRAFT**

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

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

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

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

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

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

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

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

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

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

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

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

Fringe benefits allocated to salary costs.

Lease for Watermaster office.

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

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

Expenses to this line include office building improvements.

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

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

This line covers the costs of items not covered under any of the above #6030 lines including file management consulting fees. Expenses charged to this line include administrative meeting expenses.

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

CHINO BASIN WATERMASTER  
2008-2009 BUDGET  
LINE ITEM JUSTIFICATION

DRAFT

Budget Line Number	Comments
<b>6190 CONFERENCES &amp; SEMINARS</b>	
6191	Conferences & Seminars
6192	Training & Continuing Education
<b>6200 ADVISORY COMMITTEE</b>	
6201	WM Staff Salaries
6212	Meeting Expenses
<b>6300 WATERMASTER BOARD EXPENSES</b>	
6301	WM Staff Salaries
6311	Member Compensation
6312	Meeting Expenses
6313	Board Member's Expenses
<b>6500 EDUCATION FUND EXPENDITURES</b>	
<b>8300 APPROPRIATIVE POOL ADMINISTRATION AND SPECIAL PROJECTS</b>	
8301	WM Staff Salaries
8312	Meeting Expenses
<b>8400 AGRICULTURAL POOL ADMINISTRATION AND SPECIAL STUDIES</b>	
8401	WM Staff Salaries
8411	Compensation - AG Pool Members
8412	Meeting Expenses
8456	IEUA RTS Meter Charge
8467	Agri-Pool Legal Services
8467.1	Frank B & Associates
8470	Ag Pool Meeting Special Compensation
<b>8500 NON-AGRICULTURAL POOL ADMINISTRATION AND SPECIAL PROJECTS</b>	
8501	WM Staff Salaries
8512	Meeting Expense
9500	ALLOCATED G&A EXPENDITURES
<b>9900 OPTIMUM BASIN MANAGEMENT PROGRAM</b>	
6900	OPTIMUM BASIN MANAGEMENT PROGRAM - GENERAL ENGINEERING

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

Attendance at training & continuing education for staff.

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

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

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

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

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

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

This account disburses funds from the educational account as directed.

**8300 APPROPRIATIVE POOL ADMINISTRATION AND SPECIAL PROJECTS**

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

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

**8400 AGRICULTURAL POOL ADMINISTRATION AND SPECIAL STUDIES**

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

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

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

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

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

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

See account #8411 for details of this line item.

**8500 NON-AGRICULTURAL POOL ADMINISTRATION AND SPECIAL PROJECTS**

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

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

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

**9900 OPTIMUM BASIN MANAGEMENT PROGRAM**

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

CHINO BASIN WATERMASTER  
2008-2009 BUDGET  
LINE ITEM JUSTIFICATION

DRAFT

Budget Line Number	Comments
<b>5950 COOPERATIVE EFFORTS</b>	On an ad hoc basis, Watermaster and other agencies agree to share the costs of various projects that will benefit both parties.
<b>9501 ALLOCATED G&amp;A EXPENDITURES</b>	Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.
<b>7000 OPTIMUM BASIN MANAGEMENT PROGRAM IMPLEMENTATION PROJECTS</b>	
<b>7101 PRODUCTION MONITORING</b>	Watermaster staff collects and processes production information for the approximately 640 wells within the Basin, including approximately 200 Appropriator wells and approximately 440 private wells. Consultant staff reads the meters for the private wells, while the Appropriators report their meter readings to Watermaster. The data are inputted into a production database that is updated quarterly, and that is used at the end of the fiscal year to provide essential data for the Assessment Package. Computer services are for the subscription for parcel lot information (split 50/50 with 7103-Groundwater Quality Monitoring).
<b>7102 IN-LINE METER INSTALLATION</b>	Approximately 340 in-line flow meters are now installed on the previously unmetred private wells. Approximately 230 meters must be calibrated each year and other maintenance and repairs are required. Each calibration is expected to cost \$190. Ten meters are expected to be replaced this fiscal year, as these wells are expected to remain for at least another 12 months.
<b>7103 GROUNDWATER QUALITY MONITORING</b>	Pursuant to the OBMP & Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater quality monitoring program. Previously, Watermaster annually collected water quality data from approximately 200 private wells and obtained other water quality data from other cooperators so that approximately one-third of the active wells were sampled every third year. Other cooperators include members of the appropriate and overlying non-agricultural pools, the Regional Water Quality Control Board, the Department of Toxic Substances Control, the United States Geological Survey, the Orange County Water District and others. The key well monitoring program has now been implemented. Approximately 110 wells are included within the water quality key well program, with approximately 55 wells being sampled and analyzed each year. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use. The ad hoc Water Quality Committee oversees the surface water and groundwater quality programs to ensure that necessary data are collected to effectively manage the Basin. Required supplies for this line item include sampling equipment such as piping and valving.
<b>7104 GROUNDWATER LEVEL MONITORING PROJECT</b>	Computer services are for the subscription for parcel lot information (split 50/50 with 7101-Production Monitoring). Pursuant to the OBMP & Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater-level monitoring program. Groundwater-level measurements are collected and compiled from about 600 wells. Of the 600 wells, about 80 wells are measured monthly, about 275 wells are measured semi-annually, about 50 wells are measured by transducers, about 200 wells are measured by municipal well owners, which are collected by Watermaster staff, and about 100 wells are measured by cooperators, which are collected by Watermaster staff. Cooperators include members of the appropriate and overlying non-ag pools, RWQCB, DTSC, USGS, OCWD, and others. All data are checked for reasonableness with regard to historical data at the well, converted from depth-to-water to groundwater-level elevation, and compiled into a centralized database. The majority of this effort is concentrated in the southern half of the basin to support Desalter/HCMP monitoring programs. These data are analyzed in time series charts and maps annually to support the annual HCMP report and the semi-annual State of the Basin Report.
<b>7105 BASIN WATER QUALITY MONITORING</b>	Contract services for this item include the construction of aluminum covers for transducers not otherwise enclosed in structures and ground-level surveys of well reference points. Required supplies for this line item include sounder replacement lines, rubber gloves, distilled water, and fittings for installing transducers. Capital equipment for this line item include transducers and transducer download cables. Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the surface water quality monitoring program. Work in this line item includes measuring water quality at recharge and flood retention basins within the Chino Basin. This was typically done during the rainy season only; approximately 3-4 samplings per basin per year. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use. Required supplies for this line item include rubber gloves, sample bags, tools, and field lab equipment.



CHINO BASIN WATERMASTER  
2008-2009 BUDGET  
LINE ITEM JUSTIFICATION

DRAFT

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

CHINO BASIN WATERMASTER  
2008-2009 BUDGET  
LINE ITEM JUSTIFICATION

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Budget Line Number	Comments
<b>SUPPLEMENTAL &amp; REPLENISHMENT WATER INCOME AND EXPENSES</b>	
	Water rights were assigned in the Judgment entered in 1978. It established the terms and conditions regarding replenishment water and how the assessments would be levied to cover the water for each pool. No amounts are budgeted in this category as Watermaster is unable to determine what the overproduction will be at year, if any. Replenishment water is a "pass-thru" expense meaning all amounts overproduced by an agency are billed to them at the rate Watermaster pays for the cost of the water.
4210	App Pool Replenishment Assessments Certain Appropriators under the Judgment have 15% of the cost of replenishment water required by their group and 85% of the cost is paid by the appropriator overproducing water in the prior year. Other Appropriators have the obligation to pay 100% of the costs of replacing any overproduced water.
4211	15% Gross Assessments Costs levied against the 15%/85% group for replacing water.
4212	85% Gross Assessments Costs levied against the 15%/85% group for replacing water.
4213	100% Net Assessments Costs levied against those subject to 100% assessments for replacing water.
4220	Non-Ag Pool Replenishment Non-Ag members (primarily industrial producers) are required to replace any water produced which exceeds their assigned water rights.
4230	Net Replenishment Assessments Costs levied against those subject to 100% assessments for replacing.
5010	GROUNDWATER RECHARGE Costs of Replenishment or Supplemental Water.
5011	Replenishment Water This line covers the costs of purchasing replenishment water from MWD at \$233/AF.
5012.4	MZ1 Interim Imported Water Purchase This line covers the costs of purchasing water @ \$233/AF.
5014	Vector Control Vector control at Recharge Basins.
5015	OC-59 Use Fees Connection Fees.
5017	IEUA Surcharges Inland Empire Utilities Agencies charges a fee for water delivered.



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

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

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

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

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

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

**Milestones**

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

**7104 – PEI: Groundwater Level Monitoring Program**

**Tasks**

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

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

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

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

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<b>7108 – PEI: Hydraulic Control Monitoring Program</b>
<b>Tasks</b>
<p><i>Purpose: [Basin Plan and Max Benefit] Obtain surface water discharge and water quality data from the Santa Ana River and its tributaries and groundwater quality and level information in and adjacent to Chino Basin. These data are required by the Basin Plan (the surface water stations and frequencies are specified in Table 5-8a) and for the Hydraulic Control Monitoring Program – a maximum benefit requirement in the Basin Plan. The data are also used for the Biannual State of the Basin report and for the Chino Basin Groundwater Model.</i></p> <ul style="list-style-type: none"> <li>• Measure Discharge at Specified Surface Water Stations in the Santa Ana River and Tributaries. Discharge measurements are made at 14 stations every other week (364 discharge measurements). Subtasks include:                         <ul style="list-style-type: none"> <li>• scheduling the field work</li> <li>• performing the field work</li> <li>• QA/QC'ing the discharge calculations</li> <li>• uploading the discharge data to Watermaster's database.</li> <li>• The field work follows the SOPs and the QAPP defined in the 2004 HCMP Work Plan.</li> </ul> </li> <li>• Collect Grab Surface Water Quality Samples at Specified Surface Water Stations in the Santa Ana River and Tributaries. Samples are collected at 14 stations every other week. Samples are also collected from three POTWs. Data from IEUA's POTW discharges are obtained from IEUA. Subtasks include:                         <ul style="list-style-type: none"> <li>• scheduling the field work and coordinating with the analytical laboratory</li> <li>• performing the field work</li> <li>• uploading field and laboratory data to Watermaster's database.</li> </ul> </li> <li>• Monitor HCMP, NAWQA, and SARWC Wells. The 2 NAWQA and 2 SARWC wells are sampled monthly. The 21 HCMP wells are sampled quarterly (132 total samples) Subtasks include:                         <ul style="list-style-type: none"> <li>• scheduling the field work and coordinating with the analytical laboratory</li> <li>• performing the field work</li> <li>• uploading field and laboratory data to Watermaster's database.</li> </ul> </li> <li>• Interpretation of HCMP Data and Data Analyses/Comparison with Metrics. All data generated in the HCMP, as well as the GWQMP and the GWLMP will be analyzed and used to demonstrate the degree of hydraulic control obtained by basin re-operation and desalter production.</li> <li>• 2008 Aerial Photograph. Watermaster will purchase a compressed, digital 2008 Aerial Photograph of the Chino Basin Area in support of the HCMP.</li> <li>• HCMP Monitoring Well Master Plan and Grant Applications. Watermaster and IEUA will develop a master plan of new monitoring wells that will be required to demonstrate hydraulic control in Chino Basin as part of the Maximum Benefit requirement. Approximately two nests of wells are proposed per year. The agencies will endeavor to seek grant funding whenever possible.</li> <li>• Reports—Compose four quarterly data reports and one annual HCMP report (draft and final).</li> <li>• Meetings</li> </ul>
<b>Milestones</b>
<ul style="list-style-type: none"> <li>• Measure Discharge at Specified Stations in the Santa Ana River and Tributaries as Mandated by the Basin Plan</li> <li>• Collect Grab Surface Water Quality Samples at Specified Stations in the Santa Ana River and</li> </ul>

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

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



**DRAFT**

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

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

<b>7402 – PE4: Management Zone Strategies</b>
<b>Tasks</b>
<p><i>Purposes: 1) To verify the protective nature of the current MZ-1 Plan with regard to permanent land subsidence and ground fissuring in the Managed Area.</i></p> <p><i>2) To develop a pumping and recharge plan to minimize the risk of future land subsidence and ground fissuring across all of MZ-1.</i></p> <p><i>3) To assess groundwater quality conditions in Management Zone 3. MZ-3 monitoring program has been on-going for three years. The monitoring program will be completed this fiscal year with the completion of the final report.</i></p> <ul style="list-style-type: none"> <li>• PE4/MZ-1: Task 6. Data Analyses and Reports. Subtasks include:                             <ul style="list-style-type: none"> <li>• Analysis of production, piezometric, extensometer, ground-level survey, horizontal strain, InSAR, and seismic data</li> <li>• Preparation of MZ1 Annual Report</li> <li>• Update of MZ1 Plan</li> <li>• Ground-surface monitoring characterization and scoping study</li> </ul> </li> <li>• PE4/MZ-1: Task 7. Meetings</li> <li>• PE4/MZ-3: Task 1. Project Administration and Public Outreach. Subtasks include:                             <ul style="list-style-type: none"> <li>• preparation of Quarterly Reports to DWR</li> </ul> </li> </ul>

**DRAFT**

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

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

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



# CHINO BASIN WATERMASTER

## II. BUSINESS ITEMS

### B. CHINO CREEK WELL FIELD COSTS







# CHINO BASIN WATERMASTER

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

**KENNETH R. MANNING**  
Chief Executive Officer

## STAFF REPORT

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

**TO:** Committee Members  
Watermaster Board

**SUBJECT:** Request to take active role in the litigation and remediation of VOC plume emanating from the Chino Airport

Fiscal Impact - Unknown at this time.

### Summary

Watermaster has been working with Western MWD, the City of Ontario and the Jurupa Community Services District on plans to expand desalter production to 40,000 AF/year and at the same time achieve Hydraulic Control in the southern portion of the basin. Over that same period Watermaster and the CDA have been working with the County of San Bernardino on monitoring of the chino airport plume as well as developing potential remediation plans.

As a result of those efforts, two potential alignments of wells needed to achieve Hydraulic Control were proposed. The southerly alignment would capture a majority of the Chino Airport plume and achieve Hydraulic Control, but the impact on costs would be significant. The northerly alignment would capture 40% to 50% of the plume and the costs associated with the project are much less and the water quality impacts would be reduced.

Because the County is not in a position to consensually ensure the reimbursement of costs associated with the southerly alignment at this time, the desalter expansion group parties have decided to move ahead with the northerly alignment and seek reimbursement through litigation from the County for costs associated with the additional treatment necessary to deal with the VOC removal.

The letter sent to Watermaster by the three parties is requesting that Watermaster take a lead position in any litigation and assume responsibility for costs associated with VOC removal until settlement is reached with the County. Staff and legal counsel will provide additional information regarding current discussions with the parties and the County at the meetings scheduled in May.

**Recommendation**

Watermaster is requesting direction from the Pools, Advisory Committee, and the Board.



April 29, 2008

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

Subject: CHINO AIRPORT VOC PLUME REMEDIATION

Dear Ken,

As you know, Western Municipal Water District, the City of Ontario and Jurupa Community Services District (Desalter Expansion Group) are quickly moving forward concerning the expansion of the Chino Desalter facilities consistent with Watermaster's Basin management objectives. Expansion of the desalter facilities is pivotal with respect to implementing these objectives, which are embodied in the suite of Peace II documents, and sanctioned by the Court and Regional Water Quality Control Board.


The Desalter Expansion Group and Chino Basin Desalter Authority (CDA) have participated in discussions with the County of San Bernardino and other related parties with respect to the County and/or Potentially Responsible Parties' (PRPs) financial participation in the expansion of the Chino Desalter facilities in connection with remediating the Chino Airport VOC legacy groundwater plume. Although there may be interest in a collaborative effort, it does not appear the County is in a position to make a timely decision relative to financial considerations and the placement of the Chino Desalter expansion wells and related facilities. In the absence of a commitment from the County to provide funding for expansion wells that could be beneficially located to help remediate the VOC plume, the Desalter Expansion Group is proceeding to locate new wells in a location to achieve hydraulic control of the basin, but not to specifically assist in the capture of the VOC plume. The failure of the County to act now forecloses options which undoubtedly will substantially increase remediation costs for the County/PRPs, including additional legal liability exposure depending on the future course of the plume and impact on the Chino Desalter facilities. This has been documented in previous correspondence from Ken Jeske, representing CDA.

In view of the foregoing, it is requested that Watermaster assume the lead role concerning the VOC plume remediation and concurrently or subsequently seek redress from the County and/or PRPs for the associated costs. Ultimately, this will enable comprehensive planning and location of the expansion facilities to reduce costs for the County/PRPs and CDA and, most importantly, addressing the VOC plume which has local, and potentially regional, environmental and water quality and supply impacts.

Thank you for your consideration of this request. Please contact the undersigned if you have any questions or desire additional information.

Sincerely,

Western Municipal Water District



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John Rossi, General Manager

City of Ontario



---

Ken Jeske, Agency Director  
Public Works/Community Services Agency

Jurupa Community Services District



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Eldon Horst, General Manager

cc: Scott Burton, CDA Coordinator





# CHINO BASIN WATERMASTER

## II. BUSINESS ITEMS

### C. AGREEMENT WITH IEUA FOR REIMBURSEMENT FOR CEQA COSTS







# 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:** May 15, 2008  
May 20, 2008  
May 22, 2008

**TO:** Committee Members  
Watermaster Board Members

**SUBJECT:** Reimbursement Agreement regarding CEQA analysis of Peace II Project Description

### SUMMARY

**Recommendation** - The proposed Agreement provides that IEUA will act as lead agency for the CEQA review associated with the Peace Agreement II project description and Watermaster agrees to reimburse IEUA for the cost of this review. Staff recommends approval of the Agreement.

**Fiscal Impact** – The proposed scope of work that is the subject of the Agreement estimates the cost of the analysis at \$63,000. This amount is within the \$200,000 allocated in Watermaster's current proposed budget for this purpose.

### Background

Article II of the Peace II Agreement identifies the Inland Empire Utilities Agency ("IEUA") as the appropriate agency to act as Lead Agency for the CEQA analysis regarding the Peace II Project Description attached to Watermaster Resolution 07-05 as Attachment "A" and attached to the Peace II Agreement itself as Exhibit "1."

IEUA has requested a proposed scope of work for such analysis from Tom Dodson & Associates. Mr. Dodson has provided a proposed scope of work and it is attached to the Agreement as Exhibit "A."

### Reimbursement Agreement

The proposed Reimbursement Agreement identifies IEUA as the Lead Agency for CEQA review of the Project Description and commits Watermaster to reimburse IEUA for the costs of that analysis. The

Agreement specifies that Watermaster will only be responsible to reimburse IEUA for the actual amount of the invoices from Tom Dodson & Associates.

The proposed scope of work from Mr. Dodson estimates that the cost of the analysis will be approximately \$63,000. The Agreement specifies that if the cost goes over 20% of this amount, then Watermaster may revisit the terms of the Agreement.

Watermaster has currently proposed budgeting \$200,000 for this work. Given the possibility of comments on the CEQA documents, Watermaster believes this budgeted amount remains reasonable.

**AGREEMENT BETWEEN CHINO BASIN WATERMASTER  
AND INLAND EMPIRE UTILITIES AGENCY  
REGARDING REIMBURSEMENT OF CEQA ANALYSIS COST**

**WHEREAS** Chino Basin Watermaster (“Watermaster”) and Inland Empire Utilities Agency (“IEUA”) are co-permittees with regard to the recycled water permits for the Chino Basin and share the obligations with regard to the maximum benefit standards under the Regional Water Quality Control Board’s (“RWQCB”) Basin Plans Amendments. (RWQCB Orders 2003-0003 and 2005-0003 and Resolution 2004-0001.)

**WHEREAS** the Basin Plan Amendments require that Hydraulic Control be achieved in the Chino Basin.

**WHEREAS** the Peace II Agreement generally describes a process through which Hydraulic Control will be attained by implementing the program known as Basin Re-Operation.

**WHEREAS** as a component of the desalter expansion plans, the Chino Creek well field will be constructed which will aid in the achievement of Hydraulic Control.

**WHEREAS** the proposed project description regarding the design, permitting, construction and operation of the desalter expansion, securing Hydraulic Control through Basin Re-Operation is set forth in Attachment “A” to Watermaster Resolution 07-05 and attached as Exhibit “1” to the Peace II Agreement.

**WHEREAS** the Peace II Agreement section 2.2 acknowledges that IEUA has been properly designated as the Lead Agency for the purposes of completing the environmental assessment and review of the proposed project.

**NOW THEREFORE IT IS AGREED THAT:**

1 IEUA shall retain Tom Dodson & Associates to perform the environmental assessment and review under the California Environmental Quality Act (“CEQA”) as specified in the Peace II Agreement and as described in Tom Dodson & Associates’ proposed scope of work for such analysis dated May 4, 2008, which is attached to this Agreement as Exhibit “A.”

2. IEUA shall insure that Tom Dodson & Associates invoices IEUA separately for all work performed pursuant to the scope of work or for the above referenced analysis.

3. Upon submittal of such invoices to Watermaster, Watermaster shall reimburse IEUA for the actual cost of the CEQA analysis performed by Tom Dodson & Associates. Under this Agreement, Watermaster shall only be responsible to reimburse IEUA for the actual amounts of the Tom Dodson & Associates invoices.

4. If the costs of the CEQA analysis exceed the estimate in the scope of work attached hereto as Exhibit "A" by 20%, Watermaster shall have the option of renegotiating or terminating this Agreement with 30 days notice to IEUA.

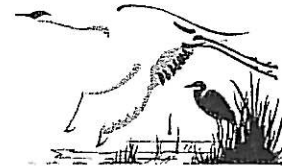
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For CHINO BASIN WATERMASTER

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For INLAND EMPIRE UTILITIES AGENCY

**TOM DODSON & ASSOCIATES**  
2150 N. ARROWHEAD AVENUE  
SAN BERNARDINO, CA 92405  
TEL (909) 882-3612 • FAX (909) 882-7015  
E-MAIL tda@tstonramp.com



May 4, 2008

Mr. Richard Atwater  
Inland Empire Utilities Agency  
6075 Kimball Avenue  
Chino, CA 91710

Dear Rich:

I have been holding off sending a proposal to provide the environmental document for compliance with the Basin Reoperation/Peace II Program until the process clarified itself. After last week I believe we have a fairly firm understanding of the future process for complying with the California Environmental Quality Act (CEQA). The proposal that follows describes the approach I believe is needed to comply with CEQA for the next phase of the OBMP. Based on our discussions with the Watermaster and other stakeholders, I believe that this project should not be carried out under TDA's existing Inland Empire Utilities Agency (IEUA) general contract because the cost will utilize too much of the remaining dollars required to meet other IEUA environmental requirements. I suggest that we establish a separate contract for Board approval to be funded by the Watermaster, assuming that is acceptable to all parties.

My proposal follows.

Scope of Work

- Task 1: Utilizing the initial project description compiled for the 2007 Amendment to the Chino Basin OBMP, I will finalize a project description for approval by stakeholders.
- Task2: As we discussed at our last meeting, my approach to complying with CEQA for this action is to prepare a subsequent environmental impact report (SEIR) to the 2000 OBMP PEIR. After completing Task 1, it is my intent to initiate the process by preparing an Initial Study that will narrow the focus on the potentially significant adverse impacts. This will be done by comparing each of the environmental issues in the OBMP PEIR with current conditions. Where conditions have changed, for example new hydrology data or new air quality data, the issue would be examined in the SEIR. Where issues have not changed since the certification of the OBMP PEIR, for example cultural resources, these issues would not be carried forward to the PEIR for analysis, but disposed of in the Initial Study.

**Task 3:** Once the Initial Study is completed and accepted by the stakeholders, a Notice of Preparation (NOP) will be distributed for public review. During the NOP review period, the draft SEIR will be under preparation. Whatever the focus of the SEIR, the issues requiring analysis will be evaluated and characterized in the document. Any technical studies would be completed during this period and an internal review draft SEIR would be produced for review by the stakeholders.

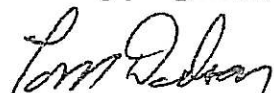
**Task 4:** Once the Draft SEIR is finalized, we would then process the SEIR until a final document is ready to be certified by the IEUA Board. This would complete the CEQA review process.

I anticipate 6-8 months to complete the process, although it could be completed more rapidly if absolutely necessary. Six to eight months is a reasonable schedule.

For budget, I have estimated the costs for each task as follows, including all publishing of documents, but excluding any hydrology technical studies. The estimated fees are:

<b>Task 1:</b>	<b>\$5,500</b>
<b>Task 2:</b>	<b>\$14,500</b>
<b>Task 3:</b>	<b>\$23,500, excludes any extraordinary technical studies</b>
<b>Task 4:</b>	<b>\$19,500</b>
<b>Total:</b>	<b>\$63,000</b>

I can provide more detail if needed, but I believe the above cost estimate is appropriate for the type of environmental document, the number of meetings, the required number of copies of the document, and the completion and distribution of the Final EIR. Should you have any questions, please contact me. Otherwise, if you need me to attend a Board meeting to consider this proposal, please let me know. As always, thank you for allowing my firm to assist the Agency in implementing so many exciting programs.

  
**Tom Dodson**





# CHINO BASIN WATERMASTER

## IV. INFORMATION

1. Newspaper Articles







## Rialto officials want faster action on water

### State hearing held at City Hall

Jason Pesick, Staff Writer

Article Launched: 04/26/2008 09:19:09 PM PDT

RIALTO - Local elected officials and activists want the U.S. Environmental Protection Agency and state agencies to pick up the pace in addressing local water contamination.

At a Thursday hearing of the state Assembly Committee on Environmental Safety and Toxic Materials at Rialto City Hall, they said perchlorate and other chemicals contaminating the drinking water supply has caused a "crisis."

"This is rocket fuel. It has no beneficial use in our drinking water," said Penny Newman, executive director of the Center for Community Action and Environmental Justice, at the hearing organized by Assemblywoman Wilmer Amina Carter, D-Rialto.

The informational hearing differed in tone from other meetings in Rialto to discuss the contamination. Often officials want to reassure residents that their water is safe to drink, but on Thursday night, local officials were looking for help.

"We are clearly in a crisis in this city," said Rialto City Councilman Ed Scott.

Newman and Scott were witnesses who spoke to the committee, chaired by Assemblyman Jared Huffman, D-San Rafael.

Kurt Berchtold, assistant executive officer of the Riverside-based Santa Ana Regional Water Quality Control Board, said this is the most complex and challenging case he's worked on in his 20+ years with the board.

The perchlorate is flowing from industrial sites in northern Rialto. Perchlorate interferes with the functioning of the thyroid gland. The chemical is removed from drinking water before it is served to consumers.

Locally, some wells have been shut down because they are not outfitted to treat perchlorate in the water.

It is not known if local residents drank much perchlorate before it was discovered in 1997.

Scott and Newman called on the EPA, which could list the site as a Superfund site by the fall, to order the suspected polluters to provide clean water until the state and EPA come up with a permanent cleanup plan. Scott said the cost of treating contaminated water is a drain on the city.

Rialto has spent about \$25million trying to hold suspected polluters responsible for the contamination, he said.

Newman criticized what she called "foot

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dragging by all the agencies involved" and said the regional board moved more swiftly to combat perchlorate contamination in Redlands and the EPA more swiftly to address similar contamination in Santa Monica because they are wealthier, whiter communities.

Barry Groveman, a lawyer for the West Valley Water District, which provides water to about half the city, said when he represented Santa Monica he had to put pressure on the EPA to get the agency to order the suspected polluters to provide replacement water.

"I will tell you that we beat people in Washington to a pulp," he said.

Berchtold said the water board has moved more quickly in Rialto than in Redlands, a case involving Lockheed Martin Corp. Rialto has identified more than 40 parties its legal team says are responsible for the contamination.

Kathleen Salyer, a Superfund program manager based in San Francisco, said EPA rarely issues replacement water orders, and that it's best to use EPA resources to develop a cleanup strategy.

jason.pesick@

inlandnewspapers.com

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## Judge Rules Cadiz v. Metropolitan Water District Case to Be Heard by Jury; Trial Set for May 5, 2008 to Hold Metropolitan Accountable for "Breach of Fiduciary Duty" Claim

*Trial to Explore Public Policy Issues Directly Related to Current Water Crisis*

LOS ANGELES--([BUSINESS WIRE](#))--Cadiz Inc. (NASDAQ:CDZI) announced today that Los Angeles Superior Court Judge Jane Johnson issued favorable final rulings late Friday of last week on a number of pre-trial motions in the Company's case against the Metropolitan Water District of Southern California ("Metropolitan"). In the case, Cadiz is seeking to hold Metropolitan accountable for breaching its fiduciary obligations resulting from a long-term partnership between the two parties to develop a secure water supply for southern California. From 1998-2002, Cadiz and Metropolitan worked together as partners to develop the Cadiz Groundwater Storage and Dry-Year Supply Program ("Cadiz Program") through an extensive environmental and technical review that culminated in approval of the Cadiz Program by the Federal Government.

Upon making her ruling, Judge Johnson also set the trial date for May 5, 2008, pending the outcome of a mandatory settlement conference that is to be held on April 30, 2008. In her ruling on the most recent motions, Judge Johnson:

- Denied Metropolitan's motion to strike the request for a jury trial, so that a jury of Southern California citizens will now have the opportunity to review the facts in the case and evaluate Metropolitan's testimony in court;
- Denied Metropolitan's motions to exclude the testimony of an expert witness, who has valued Cadiz's damages at between \$397 - \$673 million.
- Denied Metropolitan's motion to exclude evidence of damages resulting from its failure to accept a right-of-way grant offered for the Cadiz Program and its failure to certify the Final Environmental Impact Report for the Cadiz Program.

Stephen Mick, Cadiz's attorney and partner at Akin Gump Strauss Hauer & Feld LLP, stated, "We are pleased that this matter is going to trial before a jury. We look forward to the opportunity to hold Metropolitan accountable for breaching its fiduciary obligations to Cadiz and for denying southern Californians a secure water supply at a time when consumers are being forced to pay more for less water."

Richard Stoddard, CEO of Cadiz Real Estate LLC, commented, "We are committed to helping California with its long-term water supply needs. California's economy cannot grow without stable water supplies, which is why state law now requires future development to have proven and secure supplies. As the state debates construction of controversial aboveground reservoir projects, the Cadiz Program could provide an immediate efficient, cost-effective, and environmentally sound alternative. Had the Cadiz Program been built in 2002 under the partnership with Metropolitan, it would be delivering much needed dry-year supplies now, during our current drought, and could also be utilized to help manage the current crisis on the Bay Delta."

Originally proposed in 1997, the Cadiz Program would have built and operated facilities in eastern San Bernardino County for aquifer storage of imported Colorado River water available during wet years, and for delivery of previously stored Colorado River water and indigenous groundwater for use within Metropolitan's Southern California service area during droughts, emergencies, and other periods of need.

In September 2001, following four years of environmental review, a Final Environmental Impact Statement ("FEIS") and Final Environmental Impact Report ("FEIR") were issued by the U.S. Bureau of Land Management and Metropolitan, in collaboration with the U.S. Geological Survey and the National Park Service.

The FEIS/FEIR included one of the most comprehensive groundwater monitoring and management plans ever proposed in California to ensure protection of critical resources in and surrounding the Cadiz Program area. On August 29, 2002, the U.S. Department of the Interior ("DOI") issued a Record of Decision ("ROD"), the final step in the federal environmental review process. The ROD included approval of the FEIS for the Cadiz Program and offered a right-of-way grant for the Project's conveyance pipeline and electrical transmission line.

However, in October 2002, Metropolitan's Board of Directors decided not to proceed with the Program, declined to accept the right-of-way grant authorized by the DOI, and declined to consider the FEIR, which was the final step in the California Environmental Quality Act ("CEQA") process. As a result, no other public agency or private party could move forward with implementation of the program.

In April 2003 Cadiz filed a claim against Metropolitan seeking compensatory damages for Metropolitan's failure to make these entitlements available to Cadiz. When settlement negotiations failed to produce a resolution, Cadiz filed the lawsuit against Metropolitan on November 17, 2005.

Founded in 1983, Cadiz Inc. is a publicly held land and water resource development firm. The Company owns more than 45,000 acres of land with substantial water resources in eastern San Bernardino County, California. Further information on the Company can be obtained by visiting our corporate web site at [www.cadizinc.com](http://www.cadizinc.com).

This release contains forward-looking statements that are subject to significant risks and uncertainties, including statements related to the future operating and financial performance of the Company and the financing activities of the Company. Although the Company believes that the

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expectations reflected in our forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Factors that could cause actual results or events to differ materially from those reflected in the Company's forward-looking statements include the Company's ability to maximize value for Cadiz land and water resources, the Company's ability to obtain new financing as needed, and other factors and considerations detailed in the Company's Securities and Exchange Commission filings.

#### Contacts

##### **Cadiz Inc.**

Courtney Degener, Investor  
Relations Manager  
213-271-1600

or

##### **Mercury Public Affairs**

Laura Braden / Adam Mendelson  
213-880-4636



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4. Crime and Public Safety 4-28-08
5. Filippi winery in bitter dispute
6. Man shot in critical condition
7. Clady riding high with the Broncos
8. Claremont, developer fighting
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## Region facing water 'crisis'

Jennifer McLain, Staff Writer  
Article Created: 04/26/2008 08:36:11 PM PDT

With the simple twist of a knob, clean water spills from the tap.

At the end of the month, the bill comes, and if it's higher, it's not by much.

So what's to be worried about?

According to local water officials: more than most people know.

"It's kind of like gasoline," said Albert Robles, director on the Water Replenishment District of Southern California. "The public didn't notice when gas was \$2 a gallon, but at \$4 they are starting to see that there is a problem."

Even as cities and water agencies warn of impending crisis, asking for increased conservation and promising hikes in rates, the public remains apathetic, water officials say.

At the polls, few voters turn out. Water board meetings rarely attract an audience. And even when elected water officials are caught in scandals, such as Three Valleys Municipal Water Director Xavier Alvarez, who is on trial for lying about receiving the Medal of Honor and has been censured by the board, the public shows little interest in their water districts.

"Are we in a water crisis? You bet your life we are," said Edward Little, director at the West Basin Municipal Water District. "The public needs to understand that there are water problems and they need good people to represent them. But it's a very complicated business, and it is hard for people to understand it."

Droughts, contaminated groundwater, a reduced supply of imported water, environmental pressures

and a lack of money for infrastructure are a few of the obstacles facing water agency and governmental officials.

In February, Gov. Arnold Schwarzenegger called on the public to reduce water usage by 20 percent in 12 years by doing things like cutting back on watering their lawns, taking shorter showers and getting low-flush toilets.

But water officials contend these requests may soon become demands and that the public soon will see the crisis reflected in their bills.

"We're not talking about, 'Gosh, maybe we need to prevent a future crisis.' We are facing the crisis today," said Tim Quinn, executive director of the Association of California Water Agencies. "There is a disconnect with the public."

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That is largely because regional water agencies have spent billions in developing water storage, and those reserves are being drawn on today.

In five years, those supplies will be gone, he said.

"All of our sources are suffering challenges," said John Morris, a director on the Metropolitan Water District of Southern California who represents San Marino.


Rate hikes and mandatory conservation methods have already begun in some areas.

A 14 percent fee increase approved last month by the Metropolitan Water District of Southern California will impact almost many water agencies in the region.

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The increase, which will add about \$1.50 per month to the average bill, affects 18 million Southern Californian residents and will take effect in 2009.

Central Basin Municipal Water District predicts the average household water bill will increase as much as \$25 a year in the next three years.

In some cities, mandatory conservation efforts have already been implemented, and officials believe they will become more widespread.

This could include fines for too much outside water use or tiered rate systems that charge high-use consumers more.

Long Beach declared a water emergency last fall, and Azusa Light and Water imposed mandatory conservation methods on its consumers last November.

MWD is expected to discuss more serious conservation efforts at its board meeting next month.

"A number of directors have urged MWD to declare a higher state of emergency as we dip into our reserve water supply during this drought," said Anthony Fellow, a director at the Upper San Gabriel Valley Municipal who sits the MWD board of directors.

Heightened awareness by the governor and those who depend on imported water is largely due to a court ruling this past September that reduces pumping by 30 percent of the San Joaquin-Sacramento Delta to protect Delta smelt, an endangered species.

The supply could be further reduced if a judge finds that pumping the Delta also has an effect on salmon.

"What is happening today is that water supplies are being reduced by a fairly substantial amount at the stroke of a pen in the courtroom," Quinn said.

#### Fees and conservation

#### Patchwork of agencies

Local water agencies rely on a combination of imported water and local aquifers.

These agencies - which range from mutual companies that serve 300 customers to city-owned departments that supply water to 90,000 people - employ nearly 1,250 people. They were haphazardly formed at the turn of the century, when agricultural lands needed irrigation. The crops were eventually replaced by homes and businesses, all needing more and cleaner water.

"Like a lot of things in government, it is probably a situation where if they had to do it all over again, they would probably end up with a very different system," said William Rukeyser, spokesman for the state Water Resources Control Board. "But this is the reality that we have today, and we have to deal with it."

What resulted was an overlapping system of pipes, inconsistent rates, a disparity in service, disorganized oversight and unbalanced conservation efforts, said Assemblyman Mike Eng, D-El Monte.

"One agency in Baldwin Park could be encouraging conservation, but then you go across the street to the next city and you see someone wasting water," Eng said. "We need to have uniformity among water agencies."

The agencies serving customers in the San Gabriel Valley can be broken down into several categories: mutual, private, municipals and special districts.

Some cities, such as Downey, rely entirely on the city-run department of water to provide all of its residents with water. Other cities, such as Rosemead, have no water rights and depend on a variety of water companies to service their water.

But most cities, such as El Monte, rely on a combination of these water agencies for their supply.

"A lot of people just get their water and don't know or care where it comes from," said John Lopez, general manager of the Altadena-based Las Flores Water Company.

Some water officials realize that Southern Californians have heard this "water crisis" talk before.

The discovery of contaminated groundwater in the San Gabriel Valley, a lack of water storage facilities, conservation pushes and droughts are nothing new to the region.

But what makes this different compared to past threats, they say, are other mounting financial concerns - including health care, budget deficits and education - that the state is facing.

"This is worse than your kid not having an education," Eng said. "Try your kid not having drinking water."

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Los Angeles Times



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 From the Los Angeles Times

## Learning from our arid past

More droughts, less water -- our future depends on adapting to scarcity.  
 By Brian Fagan

April 29, 2008

One of the downsides to global warming is drought. About 11 million people in northeast Africa alone were in serious danger of starvation in 2006 as a result of drought. The International Institute of Tropical Agriculture in Nigeria estimates that about 300 million people in sub-Saharan Africa -- nearly a third of the population -- will suffer from malnutrition because of intensifying drought by 2010. With continued warming and more droughts on the horizon, we need to learn how to better live with our natural world and its cycles.

Here in the Western United States, it's tree rings that tell us that cycles of wet and dry, warm and cool are the historical reality.

In California, the source is tree stumps in Sierra lake beds. Owens Lake once covered more than 115 square miles at the mouth of the Owens River. The mountain runoff that fed the lake varied dramatically in cycles of wet and dry years. In drier periods, trees grew in the still-moist soil of the receding lake. When the rains came, the trees drowned, leaving stumps as a chronicle of aridity: An epochal drought began before AD 910 and ended about 1100; a wetter century then ensued, when rainfall was higher than in modern times. A second drought started before 1210 and ended 140 years later.

As for the wider West, a grid of more than 600 tree-ring sequences from throughout the region, compiled by a team at the Lamont-Doherty Tree Ring Laboratory at Columbia University, puts today's droughts in perspective. The centuries between AD 900 and 1253 witnessed long dry spells. After 1300, an abrupt change to wetter conditions lasted for 600 years, then gave way to today's aridity. Some people refer to a "mega-drought epoch" 1,000 years ago, when cool, dry La Niña conditions persisted for decades over the eastern Pacific and the winter jet stream stayed well north of what is now California.

None of today's droughts approach the intensity and duration of the medieval ones. The six-year California drought that began in 1987 resulted in Sierra Nevada runoff that was only 65% of normal. During the great medieval droughts, inflow to Owens Lake is estimated to have been 45% to 50% lower than usual.

Why did the medieval droughts persist so long? Gradually accumulating climatic evidence from around the world is showing that the mega-drought epoch experienced significant warming on a global level, similar to recent conditions. During the 20th century, increased Northern Hemisphere temperatures and unusual warming of the western Pacific and Indian oceans contributed to drought formation over middle latitudes.

How did people survive? A thousand years ago, California's human population was tiny, a scattering of hunters, gatherers and fishermen who adapted effortlessly to long-term drought. They tapped rare permanent water supplies, changed their diet and moved to higher ground. Acorns were a staple; so were sea fish in places such as the Santa Barbara Channel. Survival in some of the toughest landscapes on Earth depended on cooperation, intelligence about water supplies, mobility and flexibility, knowledge of their environment and on taking advantage of all kinds of food resources when they became available. Nevertheless, prolonged aridity must have killed thousands of people in medieval times, from the American West to the Saharan Sahel.

Although today's droughts are minuscule compared with the dry spells of 1,000 years ago, the future is truly frightening. Sophisticated computer models by Britain's Hadley Center for Climate Prediction and Research predict a 3% to 18% increase in the amount of the Earth's surface that will be exposed to extreme drought by 2100; 40% of the world will suffer from severe drought, up from the current 18%; 50% will suffer from moderate drought. California and other Western states, at the very least, will suffer from severe drought. By 2025, an estimated 2.8 billion of us will live in arid areas like California.

Today, we harvest water on an industrial scale -- from rainfall, from rivers and lakes and from rapidly shrinking water tables. Many of us in California live off what are, effectively, looted water supplies, brought by canal from Owens Lake or the Colorado River or drained from aquifers.

But at best we have accommodated ourselves to nature's fickle realities. Our greatest asset is not necessarily our technology but our opportunism and endless capacity to adapt to circumstances. We must learn from the history of the great droughts and begin to think of ourselves as partners with, rather than potential masters of, the changing natural world.



Brian Fagan is emeritus professor of anthropology at UC Santa Barbara and the author of "The Great Warming: Climate Change and the Rise and Fall of Civilizations."

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## Delta canal measure put on hold

By **E.J. Schultz** - [eschultz@fresnobee.com](mailto:eschultz@fresnobee.com)

**Published 12:00 am PDT Wednesday, April 30, 2008**

An Assembly committee on Tuesday shelved legislation to build a canal around the suffering Sacramento-San Joaquin River Delta, telling the bill's author to try again next year.

Two years in the making, Senate Bill 27 tackled a subject so politically charged that author Sen. Joe Simitian, D-Palo Alto, carefully avoided using the "P" word – Peripheral Canal – as he presented the bill as a way to shore up state water supplies without harming the environment.

But with environmentalists, farmers and Delta-area interests all opposed for different reasons, the legislation went the way of so many other water bills – to the shelf to wait for more studies.

"We don't know what will fix this yet ... so to leap to the conclusion that it is a conveyance facility and to focus attention on that I think truly is premature," said Assemblywoman Lois Wolk, D-Davis, chairwoman of the Assembly Water, Parks and Wildlife Committee.

"Conveyance" is the other word for canal. SB 27 would have created a new seven-member authority to contract for the design and construction of a new facility to move water from the Delta to pumps that send water to cities and farms.

The bill would have also asked voters to approve a \$4 billion bond to pay for environmental restoration of the Delta.

Voters rejected a so-called Peripheral Canal in 1982, but the idea has drawn renewed interest recently as groups take a closer look at the Delta's woes.

There are many troubling signs.

Declining fish populations have led to court-ordered pumping cutbacks. Elevated ocean levels, predicted as the climate warms, could cause floods. And the ever-present threat of a Delta earthquake has water users on edge.

"The Delta's going to hell in a handbasket," Simitian said. "There's a two out of three chance that the whole system will collapse sometime in the next 50 years."

Committee members agreed with the urgency but said it would be wise to wait for a much-anticipated Delta report. The Delta Vision Blue Ribbon Task Force, appointed by Gov. Arnold Schwarzenegger, is scheduled to release a "strategic plan" for the estuary in October.

Separately, the administration announced in February it would start environmental reviews on several options for improving Delta water flows.

Possibilities include pumping water around the Delta, both through and around it, or bolstering the existing system, which moves water only through the estuary.

Urging Simitian to wait for more findings, the Assembly committee did not vote on his bill.

He plans to scale it back to include only short-term fixes, and said he would tackle the canal again in a new bill next year.

But finding consensus will prove tough, no matter how much new information is available.

Farmers want assurances that they will still get access to enough Delta water and not be charged too much for it.

Environmentalists worry that a new canal could hurt water quality, harming fish. Delta-area residents, meanwhile, have long feared that a new canal is nothing more than a south-state water grab.

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# MWD drought plan spurs district's lawsuit

By Mike Sprague, Staff Writer

Article Launched: 04/17/2008 10:53:39 PM PDT

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COMMERCE - One of Metropolitan Water District's own member agencies sued it Wednesday, challenging the constitutionality and other aspects of a drought plan approved in February.

Commerce-based Central Basin Municipal Water District, which has two appointees on the MWD board, alleges the plan raises taxes without a vote of the people and violates environmental laws.

The MWD document sets up a complex formula to allocate water and also imposes steep penalties on agencies that use more than their allotment of water.

Art Aguilar, general manager for Central Basin, said the drought plan is unfair to his district

which serves Whittier and other communities in the Southeast area of Los Angeles County.

"Although Metropolitan would like us to think of this as a 'conservation plan,' it is actually an economic plan that virtually robs from the poor to pay for the cost of new development in more affluent areas," Aguilar said.

Central Basin is one of 26 member agencies of MWD that buy water from the district and then re-sell it to private and public water utilities.

MWD General Manager Jeff Kightlinger called the drought plan legal and fair.

"(The plan) treats everyone equally whether they live in Beverly Hills, Riverside or San Diego. The plan is designed to ensure that it was as fair as possible at the retail level," he said.

Kightlinger said he understands that not everyone was pleased with the plan, but only two agencies - Central Basin and Long Beach - voted against it.

The 51-page lawsuit cites several legal problems with the MWD drought plan, created in the face of water shortages caused by lack of rain, a court ruling protecting the San Joaquin Delta smelt and less apportionments from the Colorado River.

Aguilar said the plan violates California Propositions 13 and 218 by increasing property taxes without an election in communities perceived to overuse water.

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Kightlinger said the plan hasn't gone into effect and MWD hasn't yet collected a dollar. In addition, many water districts have water rates at different levels for increasing consumption, he added.

"The reality is we wouldn't have the water to deliver."

Central Basin also contends that MWD violated state law because it never evaluated the plan's environmental effect.

MWD didn't need to do the study because plans like this are exempted under state law, Kightlinger said.

He said he is disappointed that Central Basin is suing his district.

"It was critical that we file this now, and not wait until the plan is enacted," Aguilar countered. "It is our goal to ensure there is enough time to go back to the drawing board and collectively produce a plan that is fair and effective."

[mike.sprague@sgvn.com](mailto:mike.sprague@sgvn.com)

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# Metropolitan Water District board votes to help finance reservoir

10:00 PM PDT on Tuesday, April 8, 2008

By JENNIFER BOWLES  
The Press-Enterprise

Board members of Southern California's largest urban water supplier on Tuesday approved spending \$28.7 million to help finance a federal reservoir near the Mexican border that will collect water from the Colorado River, which flows into Mexico above that country's entitlement.

In exchange for helping to pay for the \$172 million reservoir, Metropolitan Water District will get a larger share of water from the Colorado River through 2036. The water district serves 18 million customers in Southern California, including western Riverside County and southwestern San Bernardino County.

The Southern Nevada Water Authority is the chief financier of the reservoir being built by the U.S. Bureau of Reclamation. But an agency in Arizona is also helping to fund the project in exchange for more water.

Altogether, the reservoir will save up to 228 billion gallons of water per year. The partnership will help prevent or delay water shortages for the three states that rely heavily on the Colorado River, which is in the grips of an eight-year drought, said Jeff Kightlinger, the water district's general manager.

Known as Drop 2, the reservoir will be built in Imperial County near the All-American Canal. It will contain two cells, each holding 4,000 acre-feet of water, when it is completed in 2010. One acre-foot equals 326,000 gallons, enough to serve two families for one year.

*Reach Jennifer Bowles at 951-368-9548 or [jbowles@PE.com](mailto:jbowles@PE.com). Or check out her blog at [www.pe.com/blogs/environment](http://www.pe.com/blogs/environment).*

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## Pressure mounting

### Officials push cleanup action in Rialto

Jason Pesick, Staff Writer

Article Created: 03/25/2008 11:32:34 PM PDT

**RIALTO - Pressure is mounting on the U.S. Environmental Protection Agency to get tough with companies accused of contaminating the city's drinking water.**

U.S. Sen. Dianne Feinstein, D-San Francisco, is calling on the EPA to take action against the parties it believes are responsible for the contamination, primarily the chemical perchlorate.

"We immediately need water orders to be issued," Rialto City Councilman Ed Scott said at a news conference at Rialto City Hall on Tuesday.

The city of Rialto, the West Valley Water District and members of the Riverside-based Center for Community Action and Environmental Justice held the news conference to criticize the EPA for taking too long to issue orders against the polluters.

Although Rialto has identified more than 40 suspected polluters, the three getting the most attention are Goodrich, Black & Decker's defunct Emhart entity and the Rialto-based fireworks company Pyro Spectaculars.

In a March 4 letter to EPA Administrator Stephen

Johnson, Feinstein wrote that the EPA should order polluters to provide the community with water until the underlying dispute is resolved. She also said she wants to meet with Johnson.

"It is critical that the EPA take a more aggressive role in addressing the problem now in order to ensure adequate clean water supplies and prevent further hardship to these communities," she wrote.

Perchlorate, which interferes with the thyroid gland, is flowing through the water supply along with chemicals used for industrial cleaning. Contaminated water is not being served to residents.

If the suspected polluters, many of which are defense contractors and fireworks companies, are forced to provide clean water to the communities, they will be more likely to move quickly toward an overall solution, said Barry Groveman, West Valley's attorney.

That's because they won't want to keep paying to provide clean water forever, he said.

Groveman represented the city of Santa Monica in 1999 after it discovered the gasoline ingredient methyl tertiary butyl ether in the water supply.

Within six months, the EPA issued orders compelling some of the parties responsible for the pollution to provide clean water, he said.

Perchlorate was discovered in Rialto in 1997.

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"They (the EPA) act quickly in upper-class white communities," said Penny Newman, executive director of the Center for Community Action, of cleanups elsewhere.

"In the city of Rialto, we're hard-working people and we're apparently not as important to them," Scott said.

In addition to the Santa Monica comparison, Newman mentioned a state cleanup of contamination in Redlands that was faster than Rialto's cleanup.

The contamination in Redlands was discovered in 1980, and the cleanup did not begin until 1998, said Kurt Berchtold, assistant executive officer of the Santa Ana Regional Water Quality Control Board.

"Our work in Rialto has moved more quickly than our work in Redlands did," he said, noting that the Rialto case is much more complicated and involves many more suspected polluters.

Compounding the city's case is that after years of holding the EPA at bay because of concerns its work would take too long and put a stigma on the city, the Rialto City Council only invited the agency to town in December.

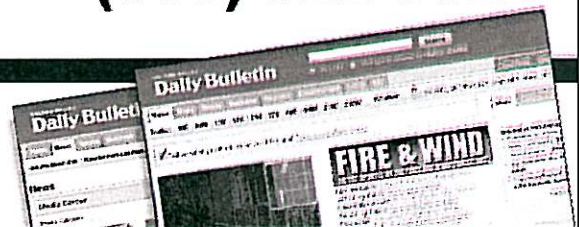
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## Editorial: Governor's water plan a boost for conservation

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**Published 12:00 am PDT Thursday, April 3, 2008**

Gov. Arnold Schwarzenegger surprised many in 2006 by signing a bill to cap greenhouse gas emissions.

Now he seems interested in pursuing a similar cap on practices that waste water.

Schwarzenegger told legislators last month that, as part of a comprehensive water package, he wants a 20 percent reduction in per-person water use in urban areas by 2020. His Department of Water Resources is now formulating strategies to meet that target, and lawmakers could soon be debating bills to further the state's conservation efforts.

This renewed focus on conservation is encouraging on at least two fronts. By finding common ground on ways to improve water efficiency, state leaders could lay the groundwork for progress in other areas, such as improving water quality and conveyance in the Sacramento-San Joaquin Delta.

Conservation also makes financial sense. For many areas of California, it is the cheapest, most immediately available source of new water.

Consider these numbers: Each year, cities and suburbs use about 8.7 million acre-feet of water, or about 2.8 trillion gallons. Compared with agriculture, cities and counties consume just a fraction of the state's overall supply. But because urban areas are growing quickly and generally don't have seniority in water rights, many of them pay a steep price for their water. Thus they have a built-in incentive to make the most of every drop.

Over the last two decades, certain urban areas – particularly those outside of the Central Valley – have invested heavily in water efficiency. Those investments are a key reason why the state's population has grown with only modest investments in water storage.

Yet more could be done. According to Chapter 22 of the current California Water Plan Update, an extra 3 million acre-feet of water – one-third of the current urban usage – could be saved yearly with existing technologies. These include installing more efficient sprinklers and landscaping at city parks and highway medians; expanding metering of water and replacing an estimated 10 million antiquated toilets that were installed in homes and offices prior to 1992.

In this session, lawmakers have introduced varied legislation – including Assembly Bills 2175, 2882, 2153 and 2219 – to tighten conservation. All are works in progress and vary in

approach. AB 2175, for instance, would require water agencies to achieve a firm per-person target in reducing water consumption, but would give credit to those that have already invested in conservation. AB 2153 would require new developments to reduce their water consumption "footprint" by helping disadvantaged communities and farmers pay for improved efficiency.

While conservation isn't a panacea for all of the state's water challenges, it still retains untapped potential, as well as unseen environmental benefits. The less water that is pumped out of rivers and over mountains, the less energy the state must purchase from power plants, including those that burn dirty coal.

Water conservation goes hand in hand with California's overall effort to prepare for, and reduce the threat of, climate change. If state leaders can recognize that nexus, 2008 could be a year of real accomplishment on water.

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## CAPITOL JOURNAL

**There's still no end in sight to California's water wars**

George Skelton  
Capitol Journal

April 3, 2008

SACRAMENTO — Fortunately, winter snowfall in the Sierra was average. So homes haven't flooded in the Central Valley. Neither is there a drought, at least caused by nature.

There is a court-caused drought, of sorts, because a federal judge is trying to protect a vanishing little fish, the smelt, from being sucked into and chomped up by giant water pumps in the Sacramento-San Joaquin Delta. Consequently, there's a 30% cut in deliveries of southbound water from Northern California.

But this is noticed primarily by San Joaquin Valley farmers.

So although it's fortunate that no swollen rivers have burst their banks or carwashes have been padlocked, it's also unfortunate in a way. Because public pressure is off politicians and water warriors to finally fix California's old, vulnerable plumbing system.

We're getting close to the 50th anniversary of the last time Sacramento achieved anything really significant regarding water development. In 1959, newly elected Gov. Pat Brown cajoled and coerced the Legislature -- and later the voters -- into enacting the then-controversial California Water Project.

That came only after killer floods had inundated Northern California four years earlier. It was the worst flooding in nearly a century. The main culprit was the Feather River, a major tributary of the Sacramento River. The Feather flooded Yuba City and Marysville, killing more than 20 people and floating houses toward San Francisco Bay, 130 miles southwest.

"We must build now and ask questions later," declared state water director Harvey Banks, an exhortation he used in his many speeches selling the water project. The fish-chomping Delta pumping plant later was named after Banks.

Brown formed a coalition of flood-frightened northerners, parched valley farmers and thirsty southerners to build the huge Oroville Dam on the Feather River. He also built the California Aqueduct to deliver water south.

But Brown ran out of money for a third vital piece of the plan: a peripheral canal to funnel Sacramento River water around the fragile, brackish Delta and directly into the southbound aqueduct. Since then, the Delta fishery has tanked -- not just the tiny smelt, but popular salmon and striped bass.

After Brown, Gov. Ronald Reagan also fell short of money and delayed building the canal. Gov. Jerry Brown persuaded the Legislature to reauthorize the big ditch, but an unlikely coalition of rich farmers and skittish environmentalists talked voters into repealing the legislation. Paradoxically, the farmers thought Brown had provided too many protections for the environment while the environmentalists believed he hadn't provided enough.

And that's pretty much where we are today -- except that when these facilities were built, California had 16 million people. Today there are 38 million.

We didn't know back then about global warming reducing the Sierra snowpack and melting it faster, threatening even worse droughts and floods and making water storage even more crucial. And the earthen levees of the Delta mixing bowl weren't crumbling as they are today.

But there still are the same water wars: north versus south. Environmentalists versus developers. Everybody versus farmers. Delta farmers versus valley farmers.

"This issue is more important to the long-term economic viability of California than any other issue, including budget reform," says Steve Merksamer, a political lawyer, former chief of staff to Gov. George Deukmejian and a key player in a recently aborted attempt to sponsor a water bond initiative for the November ballot. "Without water, people die. Forget growth. People will die.

"And the fact is, water is going to get extraordinarily expensive. People are complaining about gas. Wait until they start seeing their water bills. Everybody's talking about raising rates. . . . I'm not even talking about if, God forbid, there's a massive earthquake that craters the Delta."

Allan Zaremborg, president of the California Chamber of Commerce, who led the recent initiative effort, puts it simply: "The Delta is the heart of California's water-supply system. And if the Delta has a heart attack, we're not going to be able to deliver the water to the rest of the supply system."

The unsuccessful initiative attempt is the latest example of California's perpetual water gridlock. Frustrated with the Legislature's failure to strike a compromise, a coalition of business, agriculture, labor and water leaders drafted a \$11.7-billion bond measure. It would have paid for dams, underground storage, environmental and levee fixes, and established criteria for some version of a peripheral canal.

U.S. Sen. Dianne Feinstein (D-Calif.) flew to Sacramento at Gov. Arnold Schwarzenegger's invitation to help broker the deal, but the coalition began falling apart. The Westlands Water District, representing valley farmers, balked because the proposal didn't guarantee a Delta fix. The environmental lobby objected to the dams and a possible canal. Both told Feinstein the measure wouldn't pass. She backed off. And the coalition, lacking broad, bipartisan support, gave up trying to qualify a measure for November.

Feinstein fired off a letter to state Senate President Pro Tem Don Perata (D-Oakland) and Assembly Speaker Fabian Nuñez (D-Los Angeles) declaring that she was "dismayed to learn that Democratic leadership in the state Legislature has refused to come to the table with the governor and Republican leadership to find a legislative solution to the water crisis."

Since then, there have been negotiations between Democratic Sen. Mike Machado, a water-savvy Stockton-area farmer, and the incoming Senate Republican leader, Dave Cogdill of Modesto. Both say they're making progress. But even so, the Assembly is showing little interest in water. And the Legislature seems mired in an awkward leadership transition. So it's looking like yet another year without progress.

"They could get it done," Feinstein told me, "if people would do what they're elected to do, which is to lead and solve problems, even if it's painful, and cut across special interests and do the right thing."

If history's any guide, they'll wait for the next deadly flood or drought.

[george.skelton@latimes.com](mailto:george.skelton@latimes.com)

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federal judge found that operations of the massive state and federal pumps that move water from the delta were a primary cause of the problem. The court ordered the pumping be cut back -- the first indication that there is a limit to the amount of water that can be exported from Northern to Southern California.

At the same time, studies of the Colorado River indicate that there is a significant possibility that the river in the near future may not be provide as much water to the Western states as it has for the last several decades. Research shows that despite the fact that we have built massive dams on the Colorado River, nature may not fill the lakes these dams create. Compounding all of this is the recognition that climate change is already affecting our Sierra snowpack and water supply.

The governor should be commended for his call for increased conservation. In addition, several other realities will have to be accepted for effective solutions to move forward.

The first is that California's rivers and streams are already over-allocated. Building new dams to allow more diversions from already water-short streams would perpetuate the problems we are seeing with endangered species and water quality, not lead to solutions.

Second, the condition of our economy requires that we look for new solutions that do not rely so heavily on public subsidies. Any bond presented to voters should serve multiple public benefits and address the needs of California today. We ought to steer clear of bonds that provide new subsidies for a select few based on assumptions and strategies from the past. While we move as quickly as possible to sort out the long-term solutions, the governor should approve the list of immediate actions that everyone agrees are ready to go.

Lastly, California needs to develop water solutions that support a healthy economy while restoring a healthy environment. We cannot rely on strategies from the past to solve the problems they created and address the water issues of the future. I'll write more on that tomorrow.

*Mindy McIntyre is the Planning and Conservation League's water program manager.*

[Main Page](#)  
[Day 1](#)

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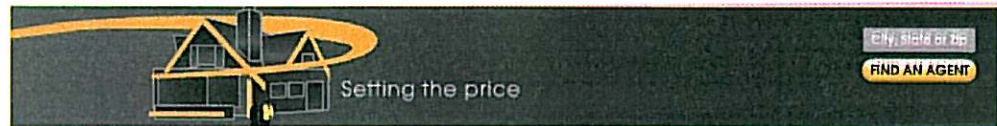
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 From the Los Angeles Times

**DUST-UP****California's big gulp**

Last fall, solving the state's water crisis was a hot political issue. Now we've had a rainy winter, and some of that interest seems to have flagged. What does that say about the political climate regarding water reform? All week, California Department of Water Resources Director Lester Snow and Mindy McIntyre of the Planning and Conservation League debate state water policy.

April 7, 2008

*Today, Snow and McIntyre begin their Dust-Up with a debate on the political urgency of ending the state's water crisis. Later in the week, they'll discuss population growth, water desalination and more.*

**Don't be fooled by the rain — we're in a water emergency**

By Lester Snow

It is true that the political focus on water policy has waned temporarily due to the urgency of the budget crisis and the illusion of ample water supplies this year. Fortunately, Gov. Arnold Schwarzenegger has not wavered in his efforts to advance water infrastructure investment. Additionally, and despite the near-normal snow pack of this winter, many areas of the state will face shortages and ecosystem problems will continue. The underlying inadequacies of our water management system remain unaddressed.

As the governor and Sen. Dianne Feinstein (D-Calif.) have advocated, we must reinvest in water infrastructure to provide for reliable water supplies and a healthy ecosystem.

Much of the state's water supply is delivered through the Sacramento-San Joaquin River Delta. Last December, U.S. District Judge Oliver Wanger imposed pumping restrictions to protect the endangered delta smelt, a native fish. This means that even if water is available, it may not be delivered. As of March, the State Water Project was delivering only 35% of requested water to communities, farmers and businesses.

In addition to these cutbacks, and even though our mountain snow pack has been measured at near-normal levels this year, we're still making up for dry conditions in 2007. The state's most important water-supply reservoirs are well below normal levels. For example, Lake Oroville -- the principal storage reservoir for our State Water Project -- is at about 60% of what it should be for this time of year.

Regarding the snow pack, we need to be looking at the impact of climate change. Experts expect continuing climate change to reduce snow levels and cause more precipitation to fall as rain. And while our natural "reservoir" that is the winter snow pack is being reduced, changing patterns of precipitation will also increase the danger of flooding and the need to capture more rainwater in reservoirs.

In one way or another, all of this centers on the Delta, where we tap our rivers to meet the needs of most Californians. And the delta will not be able to provide reliable water supplies unless we start acting immediately to fix our problems.

Fortunately, Schwarzenegger has shown strong leadership in proposing solutions to our water problems. His Bay Delta Conservation Plan, for example, calls for a collaborative effort by water agencies, other federal and state agencies and environmental organizations to improve water storage, quality, conveyance and conservation to both protect our environment and reliably meet the demands of agriculture, cities, homes, businesses and industry.

The delta's ecosystem and water-delivery capability cannot be sustained without major changes. At this point, no amount of precipitation will dispel the urgency of fixing the state's water crisis. There are no silver bullets. We need to invest in water conservation, improved water quality, additional storage and alternate delta conveyance to save the delta and ensure a reliable water supply well into the future. Reforming water policy and reinvesting in California water infrastructure may not be easy, but it is essential to the state's future.

*Lester Snow is director of the California Department of Water Resources.*

**Old solutions won't solve today's crisis**

By Mindy McIntyre

There is widespread agreement that California's approach to managing water for human and environmental needs is broken. Cities and farms are finding that their water supplies are not as reliable as they thought. At the same time, several fish species are facing extinction. Many biologists conclude that one California fish species may be gone by next year.

If everyone agrees that California is on an unsustainable path, then why don't we link arms to support a solution? The answer is that California is just now coming to grips with the causes of these problems.

Until last year, most of the water establishment believed that they could keep pumping more water from the state's rivers and the Sacramento-San Joaquin River Delta (the largest estuary on the west coast of North and South America) to meet agricultural and urban demands. In obscure processes such as the Napa Agreement (a closed-door negotiation) and another bureaucracy known as the CalFed, they deluded themselves into thinking that there were no physical or environmental limits -- even as the signs of disaster were plain to see if one just took the time to look.

This view crashed with several related events. First was the near-total collapse of the delta ecosystem. This led to the second shoe falling when a