



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, June 12, 2008

10:00 a.m. – Joint Appropriative and Non-Agricultural Pool Meeting

AT THE CHINO BASIN WATERMASTER OFFICES

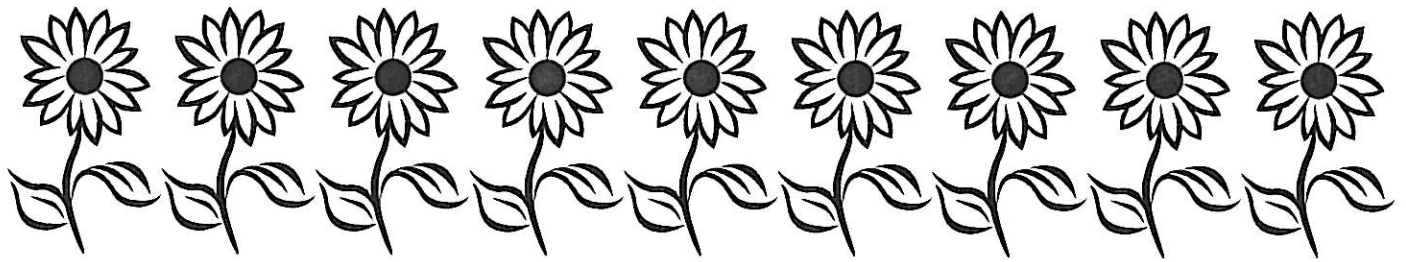
9641 San Bernardino Road
Rancho Cucamonga, CA 91730
(909) 484-3888

Tuesday, June 17, 2008

9:00 a.m. – Agricultural Pool Meeting

AT THE INLAND EMPIRE UTILITIES AGENCY OFFICES

6075 Kimball Ave. Bldg. A Board Room
Chino, CA 91710
(909) 993-1600



CHINO BASIN WATERMASTER

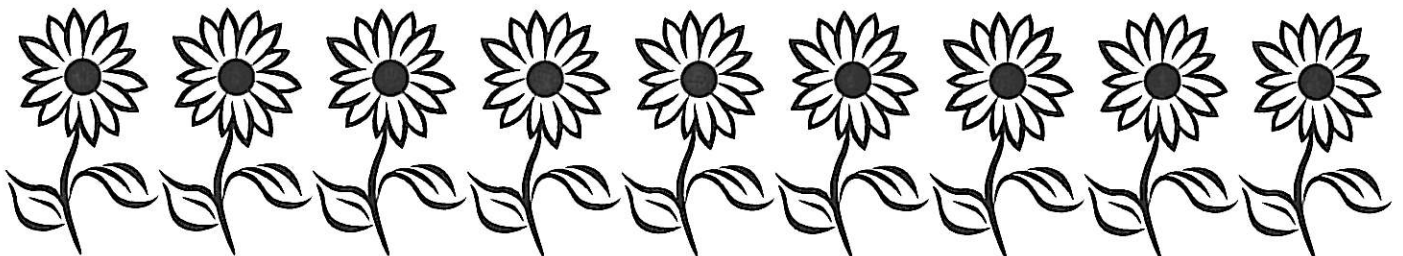
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AGENDA PACKAGE



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

10:00 a.m. – June 12, 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 May 15, 2008
(Page 1)

B. FINANCIAL REPORTS

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

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District has agreed to lease 4,500 acre-feet of water from the City of Pomona. This lease is to be taken first from the FY 2007/08 allocation from the City of Pomona's net underproduction, if any, with any remainder from Pomona's local storage account. Date of Application: May 9, 2008 (Page 23)
2. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District (CVWD) has agreed to the transfer of 8,530.000 acre-feet of water from San Antonio Water Company (SAWCO). This transfer is made from SAWCO's annual production right. Date of Application: May 30, 2008 (Page 37)
3. **Consider Approval for Notice of Sale or Transfer** – Attachment G of the Chino Basin Watermaster Peace II documents allows for a one-time special water transfer of 8,530.000 acre-feet from Vulcan Materials to San Antonio Water Company (SAWCO). SAWCO is purchasing the transferring 8,530.000 acre-feet of Vulcan Material's water in storage. Date of Application: May 30, 2008 (Page 47)

D. OPEN NEW CHECKING ACCOUNT

1. Open a New Checking for Chino Basin Watermaster with Vineyard National Bank

II. BUSINESS ITEMS

A. WATERMASTER 2008-2009 BUDGET

Consider Approval for the Chino Basin Watermaster 2008-2009 Budget *(Page 59)*

B. AGREEMENT FOR O & M OF FACILITIES TO IMPLEMENT THE RECHARGE MASTER PLAN

Consider Approval for the First Amendment to Attachment Number 2 to Agreement for Operation and Maintenance of Facilities to Implement the Chino Basin Recharge Master Plan *(Page 91)*

C. CONDITIONS SUBSEQUENT NO. 6

Discussion and Possible Action for Conditions Subsequent No. 6 *(Page 97)*

D. RECHARGE MASTER PLAN DRAFT OUTLINE SCHEDULE

Consider Approval of Outline of Recharge Master Plan Update and Schedule Regarding Completion of Update *(Page 103)*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

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

B. ENGINEERING UPDATES

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

C. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Update
3. Personnel Matter
4. Strategic Planning Conference

IV. INFORMATION

1. IEUA Supports Governor's Emergency Drought Declaration *(Page 113)*
2. Newspaper Articles *(Page 119)*

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

June 12, 2008	9:00 a.m.	Recharge Master Plan Follow Up Meeting
June 12, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
June 17, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 19, 2008	3:00 p.m.	Personnel Committee Meeting
June 26, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
June 26, 2007	9:00 a.m.	Advisory Committee Meeting
June 26, 2007	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

9:00 a.m. – June 17, 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 May 20, 2008 *(Page 5)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2008 *(Page 11)*
2. Watermaster Visa Check Detail *(Page 15)*
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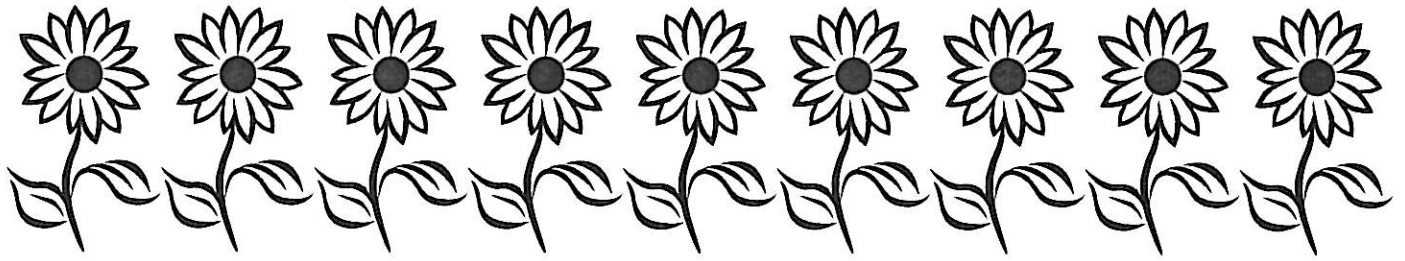
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VI. OTHER BUSINESS

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June 12, 2008	9:00 a.m.	Recharge Master Plan Follow Up Meeting
June 12, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
June 17, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 19, 2008	3:00 p.m.	Personnel Committee Meeting
June 26, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
June 26, 2007	9:00 a.m.	Advisory Committee Meeting
June 26, 2007	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

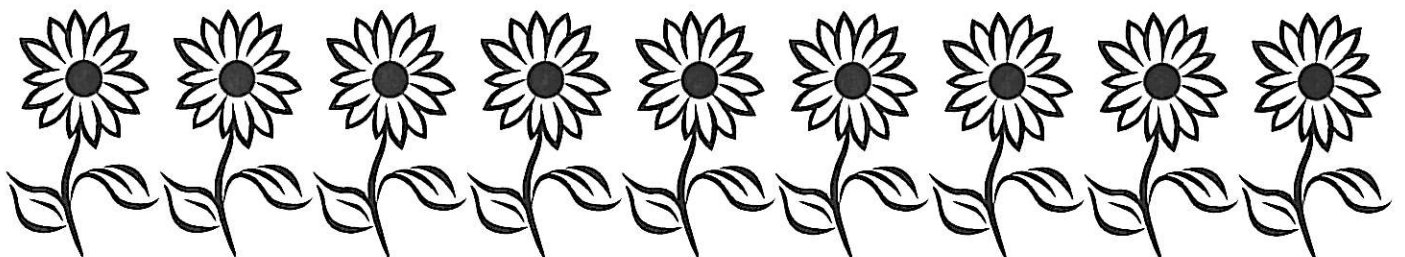


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Joint Appropriative and Non-Agricultural Pool Meeting – May 15, 2008



Draft Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
May 15, 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 May 15, 2008 at 10:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Ken Jeske, Chair	City of Ontario
Raul Garibay	City of Pomona
Robert DeLoach	Cucamonga Valley Water District
Robert Young	Fontana Union Water Company
Charles Moorrees	San Antonio Water Company
Gil Aldaco	City of Chino
J. Arnold Rodriguez	Santa Ana River 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
Danielle Maurizio	Senior Engineer
Janine Wilson	Recording Secretary

Watermaster Consultants Present

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

Others Present

Eunice Ulloa	Chino Basin Water Conservation District
Bob Wagner	Chino Basin Water Conservation District
David DeJesus	Three Valleys Municipal Water District
Bob Lemons	RBF Consulting
Mohamad El-Amamy	City of Ontario
Patrick Shields	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency

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

AGENDA - ADDITIONS/REORDER

It was noted there was one revision made to the Inland Empire Utilities Agency Agreement and the revised Agreement is on the back table. This will be discussed further when the committee comes to Business Item C on the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative & Non-Agricultural Pool Meeting held April 10, 2008

B. FINANCIAL REPORTS

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

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 2,000 acre-feet of water from San Antonio Water Company's storage account to Monte Vista Water District. This lease is made first from SAWC's net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be captured from storage. Date of Application: April 25, 2008
2. **Consider Approval for Notice of Sale or Transfer** – The one-year lease of 3,135 acre-feet of water from the City of Chino's annual production rights to the City of Ontario. Date of Application: May 2, 2008
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 2,862 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage. Date of Application: May 2, 2008
4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,000 acre-feet of water from the Santa Ana River Water Company. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from SARWC's net under-production in fiscal Year 2007-2007. Date of Application: May 9, 2008

*Motion by Garibay, second by DeLoach, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar Items A through C, as presented*

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

Mr. Manning stated the draft budget is being presented on the May agenda to allow comments and recommendations; the final budget will be brought back on the June agenda for approval. Ms. Rojo stated a budget workshop was held recently and recommendations from that workshop were incorporated into the presentation being given today on the 2008-2009 budget. A discussion on the budget presentation ensued. A discussion on an interim budget being prepared by Watermaster staff to reduce budget category no. 6907 ensued. It was decided to reduce category no. 6907 by 1/3 into the budget and then present the revised budget to the other Pools, Advisory Committee, and Watermaster board for their recommendation. The final budget would then be presented on the June agenda for approval. Before the assessments are finalized, the costs in category no. 6907 will be revisited and if necessary a revised budget will be presented for re-approval. Mr. Atwater offered comment on the Phase II debt service. A discussion ensued with regard to Mr. Atwater's comments.

*Motion by DeLoach, second by Rodriguez, and by unanimous vote – Non-Ag concurred
Moved to instruct Watermaster staff to create an interim budget, bring it to the Pools, Advisory Committee, and Watermaster Board for changing account no. 6907 to only reflect 2/3 of the currently budgeted amount, and to bring the final budget back on the June agenda for approval, as presented*

B. CHINO CREEK WELL FIELD COSTS

Mr. Manning stated letters from Western Municipal Water District, the City of Ontario, and Jurupa Community Services District regarding their plans to expand desalter production to 40,000 acre-feet while at the same time achieving Hydraulic Control in the southern portion of

the basin. Mr. Manning reviewed this matter in detail. Mr. Manning stated Watermaster is requesting direction from the Pools, Advisory Committee, and the Watermaster Board regarding Watermaster taking the lead position in any litigation and in assuming responsibility for costs associated to this task. Counsel Fife stated counsel will provide additional information regarding current discussions with the parties and the County at the meetings scheduled in May.

NOTE: No action was taken on this item

C. AGREEMENT WITH IEUA FOR REIMBURSEMENT FOR CEQA COSTS

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

*Motion by Moorrees, second by Young, and by unanimous vote – Non-Ag concurred
Moved to approve the agreement with Inland Empire Utilities Agency for
reimbursement for CEQA costs, as presented*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. July 24, 2008 Hearing

Counsel Fife stated there was a hearing scheduled for May, however, the court moved that hearing date to July 24, 2008, and it was noted it might be moved out again. Counsel Fife stated a few of the administrative items to be heard at the May hearing the recent interventions and the Watermaster Thirtieth Annual Report and a very brief hearing might be set prior to the July 24th hearing to move those few items through the court system in a more timely manner.

2. Santa Ana River Permits

Counsel Fife commented that the City of Riverside's Waste Water Change Petition that was a part of the Santa Ana River hearing and Watermaster's permit process last May has been developed and distributed in draft form. Watermaster did comment on that draft and those comments can be made available for the parties who want to see them. The City of Riverside's order is on the State Board's consent calendar for next Tuesday. It is understood by speaking to staff at the State Board that Orange County's and Watermaster's order will be next.

B. ENGINEERING UPDATES

1. Conditions Subsequent 5 and 6 Update

Mr. Wildermuth stated conditions subsequent no. 5 is the preparation of an outline to do the Recharge Master Plan update. The plan is to be filed with the court on July 1, 2008. Progress is being made on this plan. Mr. Wildermuth stated conditions subsequent no. 6 is required by the court to definitely define what Hydraulic Control means and how it is measured. There is a strawman moving between Watermaster staff and the Regional Board staff and more information on the strawman will be given at the Watermaster Board meeting.

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

Mr. Wildermuth reviewed the Recycled Water and Base Flow Discharge in the Santa Ana River in the Reach between MWD Crossing and Below Prado Dam chart in detail. Mr. Wildermuth reviewed the Base Flow of the Santa Ana River at Prado and Wastewater Discharge to the River chart in detail. A discussion regarding Mr. Wildermuth's presentation ensued.

C. FINANCIAL REPORT

1. Financial Update
No comment was made regarding this item.

D. GEO/STAFF REPORT

1. Legislative Update
Mr. Manning stated there are several things happening legislatively and a detailed report will be given at the Advisory Committee and Watermaster Board meeting.
2. Recharge Update
Mr. Manning stated the most recent recharge update is on the back table. Mr. Manning noted 260 acre-feet of mostly recycled water was recharged in April.
3. OIA Update
Mr. Manning stated at a recent meeting Mr. Treweek talked about GeoTrans on behalf of the agencies involved in the plume issues and that they were working on the drilling of four monitoring wells in the Chino Basin in order to provide more information as to their involvement within the Ontario Airport plume. Those wells have already started to be drilled and staff will keep the parties apprised as to the progress of those wells and the information the wells provide.

IV. INFORMATION

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

V. POOL MEMBER COMMENTS

Mr. Garibay asked staff and the parties present some questions and offered a few comments on the topics discussed today.

VI. OTHER BUSINESS

No comment was made regarding this item.

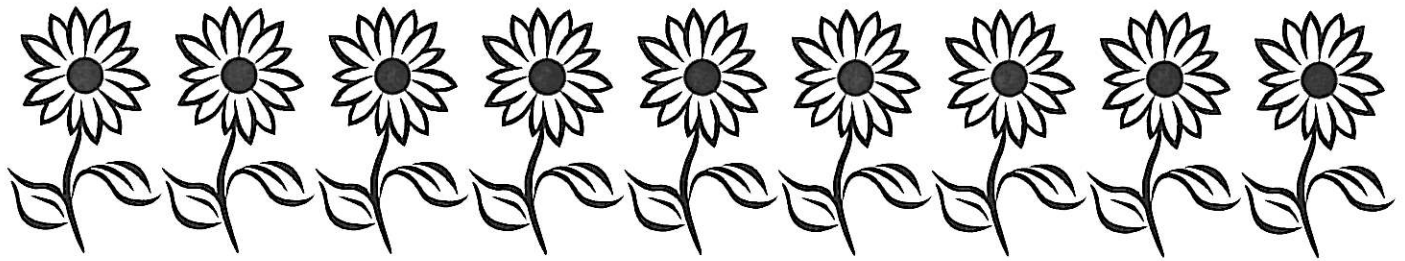
VII. FUTURE MEETINGS

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

The Joint Appropriative and Non-Agricultural Pool meeting was dismissed by Chair Jeske at 11:05 a.m.

Secretary: _____

Minutes Approved: _____

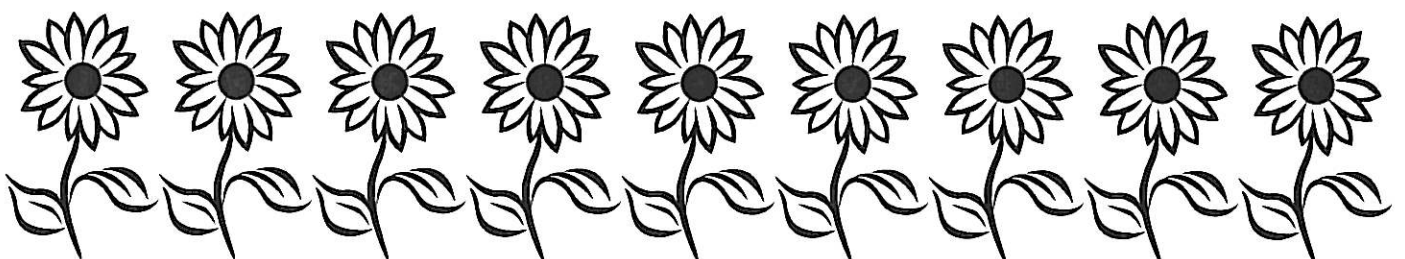


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool Meeting – May 20, 2008



Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
May 20, 2008

The Annual Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on May 20, 2008 at 9:00 a.m.

Agricultural Pool Members Present

Bob Feenstra, Chair	Dairy
Jeff Pierson	Crops
Nathan deBoom	Dairy
Glen Durrington	Crops
Pete Hettinga	Dairy
Gene Koopman	Milk Producers Council
John Huitsing	Dairy
Jennifer Novak	State of California Department of Justice for CIM
Pete Hall	State of California/CIM

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
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present

Steven Lee	Reid & Hellyer
Sandra Rose	Monte Vista Water District
Gerry Foote	Chino Basin Water Conservation District
Maya Kuttan	State of California Department of Justice for CIM
Rich Atwater	Inland Empire Utilities Agency

Chair Feenstra called the Agricultural Pool meeting to order at 9:00 a.m.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. **CONSENT CALENDAR**

A. **MINUTES**

1. Minutes of the Agricultural Pool Meeting held April 15, 2008

B. **FINANCIAL REPORTS**

1. Cash Disbursements for the month of April 2008
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through March 31, 2008
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Motion by Durrington, second by Koopman, and by unanimous vote

Moved to approve Consent Calendar Items A through C, as presented

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

Mr. Manning stated the draft budget is being presented today to allow comments and recommendations, the final budget will be brought back on the June agenda for approval. Ms. Rojo stated a budget workshop was held recently and recommendations from that workshop were incorporated into the presentation being given today on the 2008-2009 budget. A discussion on the budget presentation ensued. Mr. Manning stated at the recent Appropriative and Non-Agricultural Pool meeting a discussion on an interim budget was discussed which would entail Watermaster staff reducing budget category no. 6907 by 25%. The final budget would then be presented on the June agenda for approval. Before the assessments are finalized in November, 2008, the costs in category no. 6907 will be revisited and if necessary a revised budget will be presented for re-approval. A discussion regarding the motion made by the Appropriative and Non-Agricultural Pool ensued. Mr. Manning stated no motion needs to be made today on this item.

NOTE: No action was taken on this item

B. CHINO CREEK WELL FIELD COSTS

Mr. Manning stated letters from Western Municipal Water District, the City of Ontario, and Jurupa Community Services District regarding their plans to expand desalter production to 40,000 acre-feet while at the same time achieving Hydraulic Control in the southern portion of the basin. Mr. Manning reviewed this matter in detail. Mr. Manning stated Watermaster is requesting direction from the Pools, Advisory Committee, and the Watermaster Board regarding Watermaster taking the lead position in any litigation and in assuming responsibility for costs associated to this task. Counsel Fife stated counsel will provide additional information regarding current discussions with the parties and the County at the meetings scheduled in May. A discussion regarding the Regional Boards involvement in this situation ensued.

NOTE: No action was taken on this item

C. AGREEMENT WITH IEUA FOR REIMBURSEMENT FOR CEQA COSTS

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

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

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

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

Counsel Fife stated there was a hearing scheduled for May, however, the court moved that hearing date to July 24, 2008, and then as of this week moved the July hearing date to August 21, 2008. Counsel Fife stated a few of the administrative items to be heard at the May hearing regarding the recent interventions and the filing of Watermaster's Thirtieth Annual Report; a very brief hearing might be set prior to the August hearing date to move those few items through the court system in a more timely manner.

2. Santa Ana River Permits

Counsel Fife commented that the City of Riverside's Waste Water Change Petition that was a part of the Santa Ana River hearing and Watermaster's permit process last May has been developed and distributed in draft form. Watermaster did comment on that draft and those comments can be made available for the parties who want to see them. The City of Riverside's order is on the State Board's consent calendar for next Tuesday. It is understood by speaking to staff at the State Board that Orange County's and Watermaster's order will be next.

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

Mr. Malone stated conditions subsequent no. 6 is required by the court to define what Hydraulic Control means and how it is measured. There is a strawman document moving between Watermaster staff and the Regional Board staff and more information on that document will be given at the Watermaster Board meeting. A discussion regarding base flow and basin re-operation ensued.

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

No comment was made regarding this item.

C. FINANCIAL REPORT**1. Financial Update**

No comment was made regarding this item.

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

Mr. Manning stated the governor has been speaking about a bond measure to raise money for schools and if that is not done then our sales tax rate will probably go up. Mr. Manning noted he will have a more in depth legislative report at the Advisory Committee and Watermaster Board meeting.

2. Recharge Update

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

3. OIA Update

Mr. Manning stated at a recent meeting Mr. Treweek talked about GeoTrans on behalf of the agencies involved in the plume issues and that they were working on the drilling of four monitoring wells in the Chino Basin in order to provide more information as to their involvement within the Ontario Airport plume. Those wells have already started to be drilled and staff will keep the parties apprised as to the progress of those wells and the information the wells provide.

4. Minimal Producers Usage & Production

Ms. Maurizio stated the Agricultural Pool requested last month that an update on minimal producer's usage and production be given at the next meeting. Ms. Maurizio reviewed the qualification and calculation of minimal producers which was originally defined in the Rules and Regulations. Ms. Maurizio noted there are very few minimal producers metered and unmetered minimal producer well production amounts are calculated using the water duty factor method. Ms. Maurizio reviewed the minimal producer well usage charts. A discussion regarding this item ensued.

5. Sunkist History & Sunkist/Koll Transfer

Ms. Maurizio stated the Agricultural Pool requested last month that an update on Sunkist's history and the Sunkist/Koll transfer be given at the next meeting. Ms. Maurizio reviewed the history of the Sunkist properties, the usage of the Sunkist properties, and the Sunkist historical pumping activity. A map of the Sunkist properties was reviewed in detail. Ms. Maurizio reviewed the Sunkist/Koll water transfer in detail. A discussion regarding this item ensued.

IV. INFORMATION1. 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.

The Agricultural Pool meeting was dismissed to hold a brief closed session at 10:32 a.m.

VII. FUTURE MEETINGS

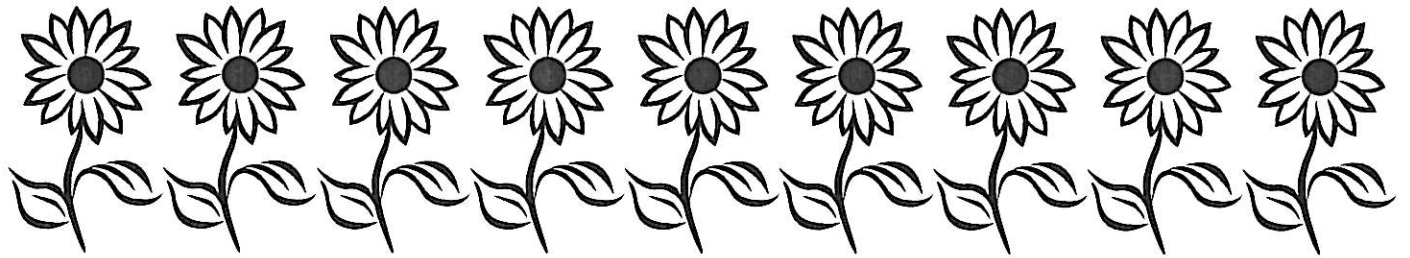
May 15, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
May 15, 2008	11:00 a.m.	Recharge Master Plan Follow Up Meeting
May 20, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
May 22, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
May 22, 2007	9:00 a.m.	Advisory Committee Meeting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

The Agricultural Pool meeting was dismissed by Chair Feenstra at 10:50 a.m.

Secretary: _____

Minutes Approved: _____

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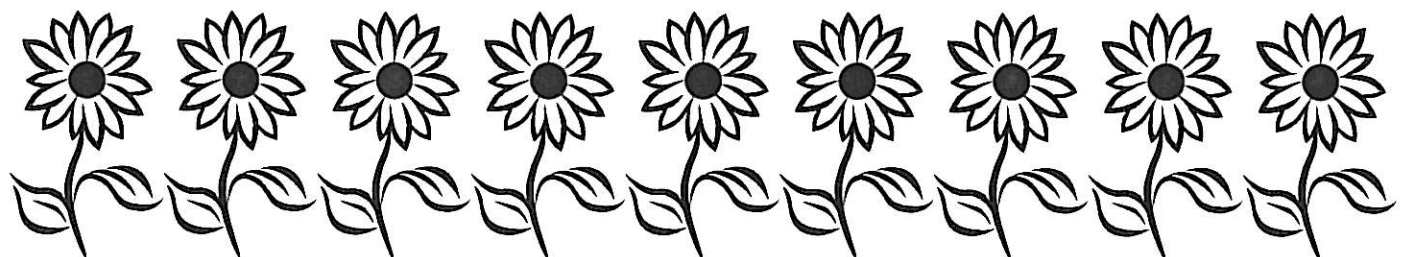


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

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





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: June 12, 2008
June 17, 2008
June 26, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – May 2008

SUMMARY

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

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

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

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of May 2008 were \$580,891.04. The most significant expenditures during the month were Wildermuth Environmental Inc. in the amount of \$268,763.00 and Brownstein, Hyatt, Farber & Schreck in the amount of \$142,240.83.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
May 2008

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

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
May 2008

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

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CHINO BASIN WATERMASTER
Check Detail
May 2008

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

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2007-2008
Administrative Revenues									7,602,989	\$7,540,370
Administrative Assessments			7,480,691		122,298				139,360	181,500
Interest Revenue		41,667	118,983	17,019	3,305		53		41,667	145,500
Mutual Agency Project Revenue									-	0
Grant Income			35,023		41				35,064	0
Miscellaneous Income			7,634,697	17,019	125,644		53		7,819,080	7,867,370
Total Revenues		41,667	7,634,697	17,019	125,644		53		7,819,080	7,867,370
Administrative & Project Expenditures										
Watermaster Administration	385,018								385,018	627,797
Watermaster Board-Advisory Committee	48,569								48,569	60,645
Pool Administration			17,126	112,654	5,636				135,416	162,333
Optimum Basin Mgmt Administration		2,239,847							2,239,847	2,852,337
OBMP Project Costs		3,719,655							3,719,655	4,153,883
Education Funds Use								375	375	375
Mutual Agency Project Costs		10,000							10,000	10,000
Total Administrative/OBMP Expenses	433,587	5,969,502	17,126	112,654	5,636			375	6,538,880	7,867,370
Net Administrative/OBMP Income	(433,587)	(5,927,835)								
Allocate Net Admin Income To Pools		330,773		94,296	8,518					
Allocate Net OBMP Income To Pools		4,522,205		1,289,172	116,457					
Agricultural Expense Transfer		1,485,063		(1,485,063)						
Total Expenses	6,355,167	11,059	130,612					375	6,538,880	7,867,370
Net Administrative Income	1,279,530	5,960			(4,968)			(322)	1,280,200	
Other Income/(Expense)										
Replenishment Water Assessments						3,402,393			3,402,393	0
MZ1 Supplemental Water Assessments										0
Water Purchases										0
MZ1 Imported Water Purchase										0
Groundwater Replenishment						(2,328,727)			(2,328,727)	0
Net Other Income						1,073,666			1,073,666	0
Net Transfers To/(From) Reserves			1,279,530	5,960	(4,968)	1,073,666		(322)	2,353,866	
Working Capital, July 1, 2007			4,222,862	475,604	156,528	294,397	158,251	1,655	5,309,297	
Working Capital, End Of Period			5,502,392	481,564	151,560	1,368,063	158,251	1,333	7,663,163	
06/07 Assessable Production			130,826,204	37,295,410	3,369,080				171,490,694	
06/07 Production Percentages			76.288%	21.748%	1.965%				100.000%	

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

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

CHANGE IN CASH POSITION DUE TO:

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

SUMMARY OF FINANCIAL TRANSACTIONS:

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

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

INVESTMENT TRANSACTIONS

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

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

**INVESTMENT STATUS
March 31, 2008**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 6,643,631			
TOTAL INVESTMENTS	\$ 6,643,631			

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

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

Respectfully submitted,



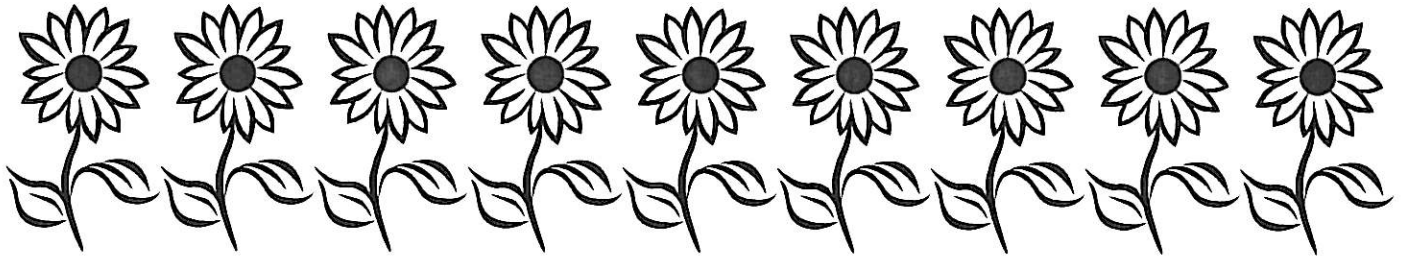
Sheri M. Rojo, CPA
Chief Financial Officer & Assistant General Manager
Chino Basin Watermaster

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

	<u>Jul '07 - Apr 08</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	41,667	145,500	-103,833	28.64%
4110 · Admin Asmnts-Approp Pool	7,480,691	7,423,878	56,813	100.77%
4120 · Admin Asmnts-Non-Agri Pool	122,298	116,492	5,806	104.98%
4700 · Non Operating Revenues	174,424	181,500	-7,076	96.1%
Total Income	<u>7,819,080</u>	<u>7,867,370</u>	<u>-48,290</u>	<u>99.39%</u>
Gross Profit	7,819,080	7,867,370	-48,290	99.39%
Expense				
6010 · Salary Costs	397,320	477,247	-79,927	83.25%
6020 · Office Building Expense	79,186	101,580	-22,394	77.95%
6030 · Office Supplies & Equip.	27,920	46,500	-18,580	60.04%
6040 · Postage & Printing Costs	77,052	83,000	-5,948	92.83%
6050 · Information Services	108,545	132,000	-23,455	82.23%
6060 · Contract Services	74,372	117,500	-43,128	63.3%
6080 · Insurance	4,160	18,210	-14,050	22.85%
6110 · Dues and Subscriptions	14,864	16,750	-1,886	88.74%
6140 · WM Admin Expenses	2,462	4,650	-2,188	52.95%
6150 · Field Supplies	144	2,500	-2,356	5.75%
6170 · Travel & Transportation	13,121	25,000	-11,879	52.48%
6190 · Conferences & Seminars	18,675	22,500	-3,825	83.0%
6200 · Advisory Comm - WM Board	14,802	18,931	-4,129	78.19%
6300 · Watermaster Board Expenses	33,767	41,714	-7,947	80.95%
8300 · Appr PI-WM & Pool Admin	17,126	24,001	-6,875	71.35%
8400 · Agri Pool-WM & Pool Admin	20,475	24,004	-3,529	85.3%
8467 · Ag Legal & Technical Services	81,119	95,000	-13,881	85.39%
8470 · Ag Meeting Attend -Special	11,059	12,000	-941	92.16%
8500 · Non-Ag PI-WM & Pool Admin	5,636	7,328	-1,693	76.9%
6500 · Education Funds Use Expens	375	375	-	100.0%
9500 · Allocated G&A Expenditures	-432,803	-419,640	-13,163	103.14%
Subtotal G&A Expenditures	<u>569,376</u>	<u>851,150</u>	<u>-281,774</u>	<u>66.9%</u>
6900 · Optimum Basin Mgmt Plan	2,084,669	2,711,138	-626,469	76.89%
6950 · Mutual Agency Projects	10,000	10,000	-	100.0%
9501 · G&A Expenses Allocated-OBMP	155,180	141,199	13,981	109.9%
Subtotal OBMP Expenditures	<u>2,249,849</u>	<u>2,862,337</u>	<u>-612,488</u>	<u>78.6%</u>
7101 · Production Monitoring	87,266	101,709	-14,443	85.8%
7102 · In-line Meter Installation	15,543	17,791	-2,248	87.36%
7103 · Grdwtr Quality Monitoring	93,439	117,104	-23,665	79.79%
7104 · Gdwtr Level Monitoring	171,823	182,667	-10,844	94.06%
7105 · Sur Wtr Qual Monitoring	7,625	15,553	-7,928	49.02%

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

	<u>Jul '07 - Apr 08</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7107 · Ground Level Monitoring	198,338	270,465	-72,127	73.33%
7108 · Hydraulic Control Monitoring	188,706	199,232	-10,526	94.72%
7109 · Recharge & Well Monitoring Prog	20,987	102,827	-81,840	20.41%
7200 · PE2- Comp Recharge Pgm	892,832	945,827	-52,995	94.4%
7300 · PE3&5-Water Supply/Desalte	95,729	159,509	-63,780	60.02%
7400 · PE4- Mgmt Plan	135,692	159,674	-23,982	84.98%
7500 · PE6&7-CoopEfforts/SaltMgmt	104,204	138,533	-34,329	75.22%
7600 · PE8&9-StorageMgmt/Conj Use	67,965	82,660	-14,695	82.22%
7690 · Recharge Improvement Debt Pymt	1,368,373	1,377,552	-9,179	99.33%
7700 · Inactive Well Protection Prgm	295	4,339	-4,044	6.8%
9502 · G&A Expenses Allocated-Projects	270,837	278,441	-7,604	97.27%
Subtotal Special Project Expenditures	<u>3,719,655</u>	<u>4,153,883</u>	<u>-434,228</u>	<u>89.55%</u>
Total Expense	<u>6,538,880</u>	<u>7,867,370</u>	<u>-1,328,490</u>	<u>83.11%</u>
Net Ordinary Income	1,280,200	0	1,280,200	100.0%
Other Income/Expense				
Other Income				
4210 · Approp Pool-Replenishment	3,393,137			
4220 · Non-Ag Pool-Replenishment	9,256			
Total Other Income	<u>3,402,393</u>			
Other Expense				
5010 · Groundwater Replenishment	2,328,727			
9999 · To/(From) Reserves	2,353,866			
Total Other Expense	<u>4,682,593</u>			
Net Other Income	<u>-1,280,200</u>			
Net Income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>

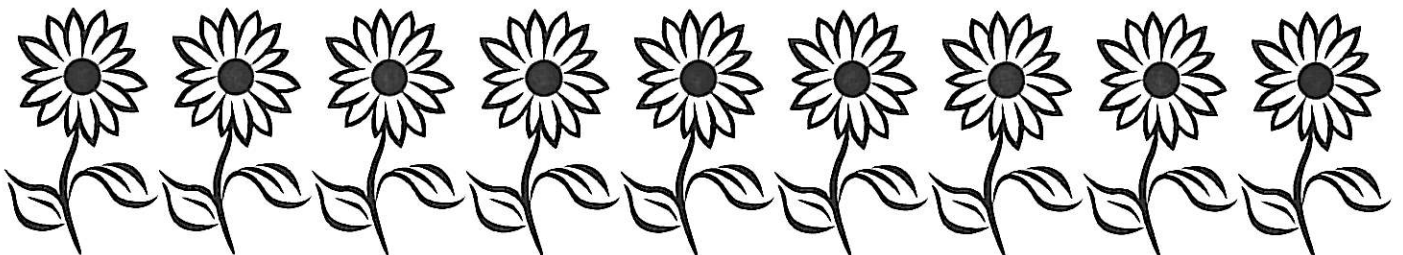


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTION

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



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

June 6, 2008

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **May 9, 2008**

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

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

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

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

Appropriative Pool: June 12, 2008

Non-Agricultural Pool: June 12, 2008

Agricultural Pool: June 17, 2008

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: June 6, 2008

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

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: June 6, 2008
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

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

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

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

Notice of the water transaction identified above was mailed on June 6, 2008 along with the materials submitted by the requestors.

DISCUSSION

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

THE CITY OF
POMONA

Utility Services Department

HENRY PEPPER
Utility Services Director

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



May 9, 2008

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

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

Dear Mr. DeLoach:


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

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

Sincerely,


Henry Pepper
Utility Services Director

Accepted.


Robert A. DeLoach, General Manager
Cucamonga Valley Water District

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

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

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

TRANSFER FROM LOCAL STORAGE AGREEMENT
18, 18.1, 18.2, 18.3, 18.4

Name of Party

CITY OF POMONA

Street Address

505 South Garey Avenue

City

CA

State

91766

Zip Code

Telephone: (909) 620-2283

May 7, 2008

Date Requested

_____ Date Approved


4,500 Acre-feet

Amount Requested

_____ Acre-feet

Amount Approved

Facsimile: (909) 620-2030


Applicant: Henry Pepper, Utility Services Director

TRANSFER TO:

Attach Recapture Form 4

Cucamonga Valley Water District
Name of Party

10440 Ashford Street
Street Address

Rancho Cucamonga
City

CA

State

91730-2799

Zip Code

Telephone: (909) 987-2591

Facsimile: (909) 476-8032

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

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

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

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

Not Applicable

Form 3 (cont.)

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Applicant

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION OR AMENDMENT TO APPLICATION
TO
RECAPTURE WATER IN STORAGE

APPLICANT

Cucamonga Valley Water District
Name of Party

May 7, 2008
Date Requested

Date Approved

10440 Ashford Street
Street Address

4,500 Acre-feet
Amount Requested

Acre-feet
Amount Approved

Rancho Cucamonga CA 91730
City State Zip Code

Varies
Projected Rate of
Recapture

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

Telephone: (909) 987-2591

Facsimile: (909) 476-8032

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

IDENTITY OF PERSON THAT STORED THE WATER: City of Pomona

PURPOSE OF RECAPTURE

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

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED

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

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

N/A

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

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

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]


Applicant

TO BE COMPLETED BY WATERMASTER

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2007 - 2008

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

Said Transfer shall be conditioned upon:

- (1) Transferee shall exercise said right on behalf of Transferor under the terms of the Judgment and the Peace Agreement... (2) Transferee shall put all waters utilized pursuant to said Transfer to reasonable beneficial use. (3) Transferee shall pay all Watermaster assessments on account of the water production hereby Transferred. (4) Any Transferee not already a party must intervene and become a party to the Judgment.

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

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

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

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes No

Howard M. for HP
Transferor

[Signature]
Transferee

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

June 6, 2008

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **May 30, 2008**

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

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

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

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

Appropriative Pool: June 12, 2008

Non-Agricultural Pool: June 12, 2008

Agricultural Pool: June 17, 2008

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: June 6, 2008

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

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: June 6, 2008
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

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

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

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

Notice of the water transaction identified above was mailed on June 6, 2008 along with the materials submitted by the requestors.

DISCUSSION

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

Robert A. DeLoach
General Manager
Chief Executive Officer

May 30, 2008

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

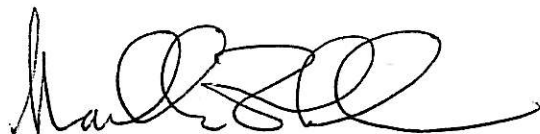
RE: Water Transfer from San Antonio Water Company to Cucamonga Valley Water District

Dear Mr. Manning:

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

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

Sincerely,



Martin E. Zvirbulis
Deputy General Manager

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

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APPLICATION
TO
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2007 - 2008

Commencing on July 1, 2007 and terminating on June 30, 2008, San Antonio Water Company ("Transferor") hereby transfers to Cucamonga Valley Water District ("Transferee") the quantity of 8,530,000 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

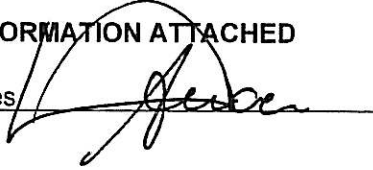
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

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

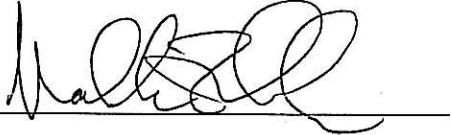
ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Charles A. Moorrees
Transferor



Marty Zvirbulis
Transferee



TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

June 6, 2008

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **May 30, 2008**

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

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

- A. Notice of Sale or Transfer – Attachment G of the Chino Basin Watermaster Peace II documents allows for a one-time special water transfer of 8,530.000 acre-feet from Vulcan Materials to San Antonio Water Company (SAWCO). SAWCO is purchasing the transferring 8,530.000 acre-feet of Vulcan Material’s water in storage.

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

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Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: June 6, 2008

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: June 6, 2008
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

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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

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



San Antonio Water Company

Incorporated October 25, 1882

Serving the original Ontario Colony Lands

(Communities of Ontario - San Antonio Heights - Upland)

May 30, 2008

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

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

Dear Mr. Manning:

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

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

Sincerely,

Charles Moorrees
General Manager

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

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Form 3

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

Vulcan Materials

Name of Party

405 North Indian Hill Boulevard

Street Address

Claremont CA 91711

City State Zip Code

Telephone: 909-621-1266

[Signature] Applicant

05/30/08

Date Requested Date Approved

7,530 Acre-feet Acre-feet

Amount Requested Amount Approved

Facsimile: 909-621-1196

TRANSFER TO:

San Antonio Water Company

Name of Party

139 North Euclid Avenue

Street Address

Upland CA 91786

City State Zip Code

Telephone: 909-982-4107

Attach Recapture Form 4

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

Facsimile: 909-920-3047

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

WATER QUALITY AND WATER LEVELS

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

This transfer will have no affect on water quality or water levels. SAWCO intends to immediately resell the water.

MATERIAL PHYSICAL INJURY

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

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

Four horizontal lines for mitigation measures, each with a dash at the end.

Form 3 (cont.)

ADDITIONAL INFORMATION ATTACHED Yes [] No [X]

Seri Layton (for Charles Moores)
Applicant

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION
TO
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2007 - 2008

Commencing on July 1, 2007 and terminating on June 30, 2008, Vulcan Materials ("Transferor") hereby transfers to San Antonio Water Company ("Transferee") the quantity of 8,530,000 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

WATER QUALITY AND WATER LEVELS

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

This transfer will have no affect on water quality or water levels. The water will be immediately re-transferred.

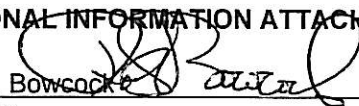
MATERIAL PHYSICAL INJURY

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

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

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]


Robert W. Bowcock
Transferor


Charles A. Moorrees
Transferee

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

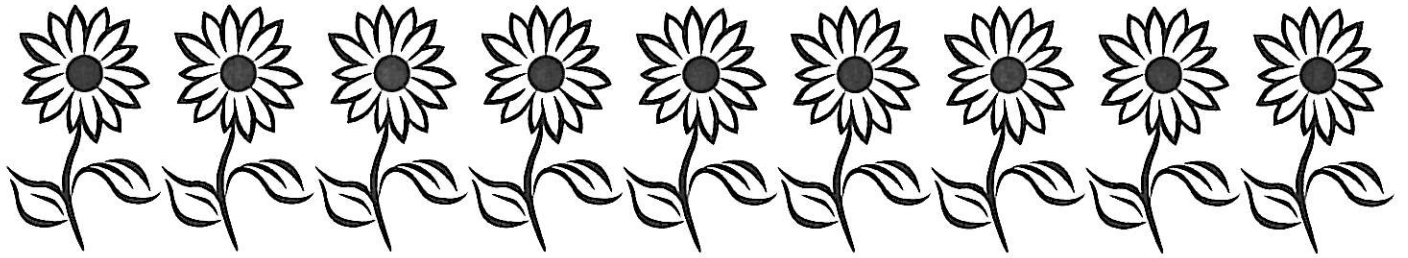
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

A. 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: June 12, 2008
June 17, 2008
June 26, 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 \$8,370,082. The FY 2008/09 Budget, as proposed, anticipates a slight decrease in Administrative costs, a decrease in OBMP expenditures and an increase in OBMP project costs over the prior year “amended” budget.

DISCUSSION

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

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

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

For the Administrative costs:

- The draft budget includes anticipated increases in staff salary costs based on March 2008 CPI of 3.6%.
- The draft budget includes staff salaries of \$937,369 for the approved 11 positions.
- The draft budget includes anticipated increases for Information Services which encompasses costs to maintain developed databases, develop additional databases and to maintain the Watermaster computer network & workstations. Also included in this category is the cost to transition our electronic file management system into a new software system.

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

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

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

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

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



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CHINO BASIN WATERMASTER

FY 2008/2009 FINAL BUDGET

JUNE 2008

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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
Ordinary Income					
4000 Mutual Agency Revenue	\$142,150	\$41,667	\$145,500	\$148,410	\$2,910
4110 Appropriative Pool Assessments	7,800,290	5,201,052	7,423,878	7,911,015	487,137
4120 Non-Agricultural Pool Assessments	123,212	0	116,492	136,289	19,797
4730 Prorated Interest Income	256,310	100,716	181,500	174,368	-7,132
Total Income	8,321,962	5,343,435	7,867,370	8,370,082	502,712
Administrative Expenses					
6010 Salary Costs	584,437	244,692	477,247	484,302	7,055
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	39,200	14,200
6190 Conferences & Seminars	26,447	9,271	22,500	26,500	4,000
6200 Advisory Committee Expenses	15,451	9,107	18,931	19,181	250
6300 Watermaster Board Expenses	36,104	22,502	41,714	42,020	306
6500 Education Fund Expenditures	375	375	375	375	0
8300 Appropriative Pool Administration	21,947	8,909	24,001	24,008	7
8400 Agricultural Pool Administration	90,413	79,763	131,004	134,820	3,816
8500 Non-Agricultural Pool Administration	6,054	3,298	7,328	7,695	367
9400 Depreciation Expense	29,118	0	0	0	0
9500 Allocated G&A Expenditures	-423,257	-263,111	-419,640	-448,902	-29,262
Total Administrative Expenses	946,167	366,560	851,150	848,059	-3,091
General OBMP Expenditures					
6900 Optimum Basin Mgmt Program	2,212,978	1,605,294	2,711,138	1,981,775	-729,363
6950 Cooperative Efforts	10,000	0	10,000	10,000	0
9501 Allocated G&A Expenditures	160,405	105,449	141,199	137,959	-3,240
Total General OBMP Expenditures	2,383,383	1,710,743	2,862,337	2,129,734	-732,603

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

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
7000 OBMP Implementation Projects					
7101 Production Monitoring	88,082	47,963	101,709	107,515	5,806
7102 In-Line Meter Installation/Maintenance	30,561	6,628	17,791	87,931	70,140
7103 Groundwater Quality Monitoring	173,673	42,950	117,104	210,458	93,354
7104 Groundwater Level Monitoring	218,911	84,076	182,667	342,538	159,871
7105 Recharge Basin Water Quality Monitoring	44,515	5,524	15,553	46,717	31,164
7107 Ground Level Monitoring	136,769	101,282	270,466	651,468	381,002
7108 Hydraulic Control Monitoring Program	350,397	88,725	199,232	743,476	544,244
7109 Recharge & Well Monitoring Program	169,645	16,363	102,827	0	-102,827
7200 OBMP Pgm Element 2 - Comp Recharge	1,486,754	421,883	945,826	1,115,883	170,057
7300 OBMP Pgm Element 3 & 5 - Water Supply Plan - Desalter	11,513	72,832	159,509	148,477	-11,032
7400 OBMP Pgm Element 4 - Mgmt Zone Strategies	583,651	94,356	159,674	217,371	57,697
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt	298,846	68,180	138,533	216,307	77,774
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use	19,936	30,418	82,660	76,909	-5,751
7700 Inactive Well Protection Program	0	0	4,339	6,296	1,957
7690 Recharge Improvement Debt Payment	1,358,414	618,373	1,377,552	1,110,000	-267,552
9502 Allocated G&A Expenditures	262,852	150,877	278,441	310,943	32,502
Total OBMP Implementation Projects	5,234,519	1,850,430	4,153,883	5,392,289	1,238,406
Total Expenses	8,564,069	3,927,733	7,867,370	8,370,082	502,712
Net Ordinary Income	-242,107	1,415,702	0	0	0
Other Income					
4210 Approp Pool-Replenishment	2,683,975	0	0	0	0
4220 Non-Ag Pool-Replenishment	7,009	0	0	0	0
4230 Groundwater Recharge Activity	0	0	0	0	0
Total Other Income	2,690,984	0	0	0	0
Other Expense					
5010 Groundwater Recharge	3,536,201	2,328,727	0	0	0
Total Other Expense	3,536,201	2,328,727	0	0	0
Net Other Income	-845,217	-2,328,727	0	0	0
9800 From / (To) Reserves	1,087,324	913,025	0	0	0
Net Income	\$0	\$0	\$0	\$0	\$0

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
Ordinary Income					
Income					
4000 Cooperative Effort Contributions					
4010 Local Agency Subsidies - Other	\$142,150	\$41,667	\$145,500	\$148,410	\$2,910
Total 4000 Mutual Agency Revenue	142,150	41,667	145,500	148,410	2,910
4110 Appropriative Pool Assessments					
4111 Administrative Assessment	774,519	5,201,052	629,243	646,964	17,721
4111.2 OBMP Assessment	4,287,629	0	4,121,218	4,645,342	524,124
4112 Ag Pool Reallocation - Administrative	211,094	0	171,591	184,434	12,843
4113 Ag Pool Reallocation - OBMP	1,169,048	0	1,124,274	1,324,275	200,001
4115 Recharge Improvement Revenue	1,358,000	0	1,377,552	1,110,000	-267,552
Total 4110 Appropriative Pool Assessments	7,800,290	5,201,052	7,423,878	7,911,015	487,137
4120 Non-Agricultural Pool Assessments					
4123 Administrative Assessment	18,851	0	15,316	16,661	1,345
4124 OBMP Assessment	104,361	0	101,176	119,628	18,452
Total 4120 Non-Agricultural Pool Assessments	123,212	0	116,492	136,289	19,797
4730 Prorated Interest Income					
4731 Interest - Agricultural Pool	17,160	12,090	18,500	17,500	-1,000
4732 Interest - Appropriative Pool	230,994	86,117	158,000	152,000	-6,000
4733 Interest - Non-Agricultural Pool	8,068	2,469	5,000	4,800	-200
4739 Interest - Education Fund	88	40	0	68	68
Total 4730 Prorated Interest Income	256,310	100,716	181,500	174,368	-7,132
Total Income	8,321,962	5,343,435	7,867,370	8,370,082	502,712

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
Administrative Expenses					
6010 Salary Costs					
6011 WM Staff Salaries & Payroll Burden	569,851	242,195	474,644	484,304	9,660
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	484,304	7,060
6018 Fringe Benefits	564	-24,081	497,044	480,203	-16,841
60199 Payroll Burden Allocated	0	0	-497,041	-480,205	16,836
Total 6010 Salary Costs	584,437	244,692	477,247	484,302	7,055
6020 Office Building Expense					
6021 Office Lease	63,552	32,660	64,080	66,000	1,920
6022 Telephone	12,500	6,189	10,000	12,000	2,000
6024 Building Repairs & Janitorial	23,509	9,225	27,500	24,000	-3,500
6027 Other Expense	2,630	0	0	0	0
Total 6020 Office Building Expense	102,191	48,074	101,580	102,000	420
6030 Office Supplies & Equip.					
6031 Office Supplies	30,302	14,636	46,500	46,500	0
6038 Other Office Equipment	3,193	0	0	0	0
6039 Office Expenses	5,245	0	0	0	0
6141 Meeting Expenses	2,945	1,177	4,650	4,000	-650
Total 6030 Office Supplies & Equip.	41,685	15,813	51,150	50,500	-650
6040 Postage & Printing Costs					
6042 Postage	16,980	8,463	15,000	15,000	0
6043 Copy Machine Lease & Maintenance	70,666	38,767	60,000	63,000	3,000
6044 Postage Meter Lease	1,914	1,440	2,000	2,880	880
6045 Outside Printing	7,338	0	6,000	6,500	500
Total 6040 Postage & Printing Costs	96,898	48,670	83,000	87,380	4,380

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
6050 Information Services					
6052 Consultants	84,890	42,060	72,500	89,000	16,500
6053 Internet Services	12,780	6,672	21,000	13,000	-8,000
6054 Computer Software	4,271	11,644	11,000	13,000	2,000
6055 Computer Hardware	27,615	15,072	27,500	29,000	1,500
Total 6050 Information Services	129,556	75,448	132,000	144,000	12,000
6060 WM Special Contract Services					
6061 Contract Services	65,073	17,289	51,500	40,000	-11,500
6062 Audit Services	6,850	7,204	6,000	8,000	2,000
6063 Public Relations Consultant	35,876	15,115	40,000	40,000	0
6067 General Counsel	18,722	0	20,000	10,000	-10,000
Total 6060 WM Special Contract Services	126,521	39,608	117,500	98,000	-19,500
6080 Insurance Expense					
6085 Business Insurance Package	15,108	4,000	18,000	17,500	-500
6086 Position Bond Insurance	230	160	210	230	20
Total 6080 Insurance Expense	15,338	4,160	18,210	17,730	-480
6110 Dues and Subscriptions					
6111 Membership Dues	19,082	12,271	16,000	16,000	0
6112 Subscriptions	2,280	463	750	750	0
Total 6110 Dues and Subscriptions	21,362	12,734	16,750	16,750	0
6150 Field Supplies & Equipment					
6151 Small Tools & Equipment	415	0	1,500	1,500	0
6154 Uniforms	799	116	1,000	1,000	0
Total 6150 Field Supplies & Equipment	1,214	116	2,500	2,500	0
6170 Vehicle Maintenance Costs					
6170 Travel & Transportation	5,320	0	4,000	4,000	0
6171 Vehicle Allowance	7,800	3,900	8,400	23,400	15,000
6173 Mileage Reimbursements	1,628	854	1,400	1,600	200
6174 Public Transportation	23	0	0	0	0
6175 Vehicle Fuel	2,129	727	3,200	3,200	0
6177 Vehicle Repairs & Maintenance	7,413	1,650	8,000	7,000	-1,000
Total 6170 Travel & Transportation	24,313	7,131	25,000	39,200	14,200

**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
6190 Conferences & Seminars					
6191 Conferences & Seminars	24,001	9,271	20,000	20,000	0
6192 Training & Continuing Education	2,446	0	2,500	6,500	4,000
Total 6190 Conferences & Seminars	26,447	9,271	22,500	26,500	4,000
6200 Advisory Committee Expenses					
6201 WM Staff Salaries	14,374	8,079	16,431	16,681	250
6212 Meeting Expense	1,077	1,028	2,500	2,500	0
Total 6200 Advisory Committee Expenses	15,451	9,107	18,931	19,181	250
6300 Watermaster Board Expenses					
6301 WM Staff Salaries	17,002	10,119	19,914	20,220	306
6311 Board Member Compensation	14,875	11,272	18,500	18,500	0
6312 Meeting Expense	4,227	1,111	3,000	3,000	0
6313 Board Members' Expenses	0	0	300	300	0
Total 6300 WM Board Expenses	36,104	22,502	41,714	42,020	306
6500 Education Fund Expenditures	375	375	375	375	0
8300 Appropriate Pool Administration					
8301 WM Staff Salaries	21,519	8,831	23,251	23,508	257
8312 Meeting Expenses	428	78	750	500	-250
Total 8300 Appropriate Pool Administration	21,947	8,909	24,001	24,008	7
8400 Agricultural Pool Administration					
8401 WM Staff	17,458	8,510	20,604	21,020	416
8411 Compensation	2,150	800	1,600	2,000	400
8412 Meeting Expenses	0	0	300	300	0
8456 IEUA RTS Meter Charge	1,562	764	1,500	1,500	0
8467 Ag-Pool Legal Service	57,416	61,730	80,000	80,000	0
8467.1 Frank B & Associates	977	0	15,000	18,000	3,000
8470 Ag Pool Meeting Special Compensation	10,850	7,959	12,000	12,000	0
Total 8400 Agricultural Pool Admin	90,413	79,763	131,004	134,820	3,816

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	7,495	367
8512 Meeting Expense	184	78	200	200	0
Total 8500 Non-Agricultural Pool Admin	6,054	3,298	7,328	7,695	367
9400 Depreciation Expense	29,118	0	0	0	0
9500 Allocated G&A Expenditures	-423,257	-263,111	-419,640	-448,902	-29,262
	0				
Total Administrative Expenses	946,167	366,560	851,150	848,059	-3,091

General OBMP Expenses

6900 Optimum Basin Mgmt Program

6901 OBMP - Staff	186,058	130,505	234,138	217,402	-16,736
6906 OBMP - Engineering	734,389	432,879	395,000	609,389	214,389
6906.4 OBMP - CEQA	0	0	452,000	200,000	-252,000
6906.7 OBMP - DataX	36,943	4,207	10,000	0	-10,000
6906.8 OBMP - Reports	43,499	177,600	140,000	109,984	-30,016
6907 OBMP - Legal					
6907.1 Ellison & Schneider	155,357	213,837	60,000	200,000	140,000
6907.2 Ludorff & Scalmanini	150,308	78,965	20,000	50,000	30,000
6907.3 WM Legal Counsel	611,564	558,489	350,000	575,000	225,000
6907.34 SAR Accord	283,692	0	0	0	0
6909 OBMP - Other Expense	11,168	8,812	1,050,000	20,000	-1,030,000
Total 6900 OBMP	2,212,978	1,605,294	2,711,138	1,981,775	-729,363

Total 6950 Cooperative Efforts

	10,000	0	10,000	10,000	0
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9501 Allocated G&A Expenditures

	160,405	105,449	141,199	137,959	-3,240
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Total General OBMP Expenses

	2,383,383	1,710,743	2,862,337	2,129,734	-732,603
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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
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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	74,737	25,258
7101.3 Production Monitoring - Engineering Services	44,973	12,418	51,480	32,028	-19,452
7101.4 Production Monitoring - Computer Services	750	375	750	750	0
Total 7101 Production Monitoring	88,082	47,963	101,709	107,515	5,806

7102 In-Line Meter Installation/Maintenance

7102.1 In-Line Meter - WM Staff	2,856	1,064	2,541	27,231	24,690
7102.5 In-Line Meter - Maintenance & Repair	3,430	1,553	4,000	9,000	5,000
7102.7 In-Line Meter - In-Line Meters	3,075	1,266	5,000	8,000	3,000
7102.8 In-Line Meter - Calibration & Testing	21,200	2,745	6,250	43,700	37,450
Total 7102 In-Line Meter Installation/Maintenance	30,561	6,628	17,791	87,931	70,140

7103 Groundwater Quality Monitoring

7103.1 Grdwtr Quality - WM Staff	48,995	19,502	54,600	70,084	15,484
7103.3 Grdwtr Quality - Engineering Services	86,555	23,007	45,577	109,684	64,107
7103.5 Grdwtr Quality - Laboratory Services	37,370	0	14,177	28,440	14,263
7103.6 Grdwtr Quality - Supplies	3	66	2,000	1,500	-500
7103.7 Grdwtr Quality - Computer Services	750	375	750	750	0
Total 7103 Groundwater Quality Monitoring	173,673	42,950	117,104	210,458	93,354

7104 Groundwater Level Monitoring

7104.1 Grdwtr Level - WM Staff	73,308	39,778	87,137	98,326	11,189
7104.3 Grdwtr Level - Engineering Services	141,784	36,431	73,730	202,212	128,482
7104.4 Grdwtr Level - Contract Services	1,567	0	11,500	11,500	0
7104.6 Grdwtr Level - Supplies	1,930	2,572	2,500	2,500	0
7104.7 Grdwtr Level - Capital Equipment	322	5,295	7,800	28,000	20,200
Total 7104 Groundwater Level Monitoring	218,911	84,076	182,667	342,538	159,871

CHINO BASIN WATERMASTER

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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
7105 Recharge Basin Water Quality Monitoring					
7105.1 Recharge Basin Water Quality - WM Staff	4,515	5,524	11,053	42,717	31,664
7105.4 Recharge Basin Water Quality - Laboratory Services	40,000	0	3,500	3,500	0
7105.6 Recharge Basin Water Quality - Supplies	0	0	1,000	500	-500
Total 7105 Recharge Basin Water Quality Monitoring	44,515	5,524	15,553	46,717	31,164
7107 Ground Level Monitoring					
7107.1 Ground Level - WM Staff	2,270	0	3,173	2,758	-415
7107.2 Ground Level - Engineering Services	47,999	42,833	152,093	298,600	146,507
7107.3 Ground Level - Synthetic Aperture Radar	12,500	25,000	27,000	95,000	68,000
7107.5 Ground Level - Laboratory Services	0	0	1,100	10,000	8,900
7107.6 Ground Level - Contract Services	74,000	31,920	87,100	245,110	158,010
7107.7 Ground Level - Piezometer at Ayala Park	0	1,529	0	0	0
Total 7107 Ground Level Monitoring	136,769	101,282	270,466	651,468	381,002
7108 Hydraulic Control Monitoring					
7108.1 Hydraulic Control Monitoring - WM Staff	1,355	5,834	13,545	12,836	-709
7108.3 Hydraulic Control Monitoring - Engineering Services	253,219	45,379	115,787	427,426	311,639
7108.4 Hydraulic Control Monitoring - Laboratory Services	77,823	0	27,020	263,214	236,194
7108.9 Hydraulic Control Monitoring - Contract Services	18,000	37,512	42,880	40,000	-2,880
Total 7108 Hydraulic Control Monitoring	350,397	88,725	199,232	743,476	544,244
7109 Recharge & Well Monitoring					
7109.3 Recharge & Well Monitoring - Engineering Services	86,707	16,363	26,177	0	-26,177
7109.4 Recharge & Well Monitoring - Laboratory Services	82,938	0	76,650	0	-76,650
Total 7109 Recharge & Well Monitoring	169,645	16,363	102,827	0	-102,827

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DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
7200 OBMP Pgm Element 2 - Comp Recharge					
7201 Comp Recharge - WM Staff	92,550	31,665	128,326	111,819	-16,507
7202 Comp Recharge - Engineering Services	48,196	4,063	14,340	8,100	-6,240
7202.1 Comp Recharge - Recharge Master Plan	0	0	7,660	265,464	257,804
7203 Comp Recharge - Contract Services	10,404	5,304	28,000	22,500	-5,500
7204 Comp Recharge - Supplies	2,464	0	5,000	18,000	13,000
7205 Comp Recharge - Other Expenses	83,453	0	0	0	0
7206 Comp Recharge - Basin Program O&M	1,233,010	380,000	760,000	690,000	-70,000
7207 Comp Recharge - Other	0	0	2,500	0	-2,500
7208 Hansen Aggregate Damages	16,677	851	0	0	0
Total 7200 Comprehensive Recharge	1,486,754	421,883	945,826	1,115,883	170,057
7300 OBMP Pgm Element 3 & 5 - Water Supply Plan - Desalter					
7301 OBMP - WM Staff	11,513	7,181	23,909	22,965	-944
7303 OBMP - Engineering Services	0	65,651	135,600	125,512	-10,088
Total 7300 OBMP Elements 3 & 5 Water Supply Plan	11,513	72,832	159,509	148,477	-11,032
7400 OBMP Pgm Element 4 - Mgmt Zone Strategies					
7401 OBMP - WM Staff	8,670	10,380	11,667	11,379	-288
7402 OBMP - Engineering Services	240,829	83,710	147,457	158,892	11,435
7403 OBMP - Contract Services	27,335	0	0	47,000	47,000
7404 OBMP - Supplies	58	15	100	100	0
7405 OBMP - Other Expenses	306,759	251	450	0	-450
Total 7400 OBMP Element 4 - Mgmt Zone Strategies	583,651	94,356	159,674	217,371	57,697
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt					
7501 OBMP - WM Staff	974	13,834	3,783	1,411	-2,372
7502 OBMP - Engineering Services	201,628	54,346	99,750	194,896	95,146
7503 OBMP - Contract Services	76,868	0	0	20,000	20,000
7505 OBMP - Other Expenses	5,000	0	0	0	0
7506 OBMP - CO-OP Legal	14,376	0	35,000	0	-35,000
Total 7500 OBMP Element 6 & 7 - Coop Efforts/Salt Mgmt	298,846	68,180	138,533	216,307	77,774

CHINO BASIN WATERMASTER

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DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use					
7601 OBMP - WM Staff	15,610	12,291	9,660	9,441	-219
7602 OBMP - Engineering Services	4,326	18,127	62,500	67,468	4,968
7603 OBMP - Contract Services	0	0	10,000	0	-10,000
7605 OBMP - Other Expenses	0	0	500	0	-500
Total 7600 OBMP Element 8 & 9 Storage Mgmt/Conj Use	19,936	30,418	82,660	76,909	-5,751
7700 Inactive Well Protection Program					
7701 Inactive Well Protection Program - WM Staff	0	0	2,839	4,296	1,457
7703 Inactive Well Protection Program - Contract Services	0	0	1,500	2,000	500
Total 7700 Inactive Well Protection Program	0	0	4,339	6,296	1,957
7690 Recharge Improvement Debt Payment	1,358,414	618,373	1,377,552	1,110,000	-267,552
9502 Allocated G&A Expenditures	262,852	150,877	278,441	310,943	32,502
Total OBMP Implementation Projects	5,234,519	1,850,430	4,153,883	5,392,289	1,238,406
Total General OBMP & Implementation Projects	7,617,902	3,561,173	7,016,220	7,522,023	505,803
Total Expenses	8,564,069	3,927,733	7,867,370	8,370,082	502,712
Net Ordinary Income	-242,107	1,415,702	0	0	0

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

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

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

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

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

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

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

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

This line item covers funds required to pay the budgeted debt service payment and the operating & maintenance expenses.

Consists of adjustments related to prior years, if any.

Non-Agricultural Pool Assessments equal the Pool's share of all General Administrative Expenses levied to the Non-Agricultural Pool based on the prior year's

Non-Agricultural Pool Assessments equal the Pool's share of all Optimum Basin Management costs levied to the Pool members based on the prior year's production.

Consists of adjustments related to prior years, if any.

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

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

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

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

Fringe benefits allocated to salary costs.

Lease for Watermaster office.

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

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

Expenses to this line include office building improvements.

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

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

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

Expenses charged to this line include administrative meeting expenses.

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

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

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments
6190 CONFERENCES & SEMINARS	
6191	Conferences & Seminars
6192	Training & Continuing Education
6200 ADVISORY COMMITTEE	
6201	WM Staff Salaries
6212	Meeting Expenses
6300 WATERMASTER BOARD EXPENSES	
6301	WM Staff Salaries
6311	Member Compensation
6312	Meeting Expenses
6313	Board Member's Expenses
6500 EDUCATION FUND EXPENDITURES	
9300 APPROPRIATIVE POOL ADMINISTRATION AND SPECIAL PROJECTS	
8301	WM Staff Salaries
8312	Meeting Expenses
8400 AGRICULTURAL POOL ADMINISTRATION AND SPECIAL STUDIES	
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
9500 NON-AGRICULTURAL POOL ADMINISTRATION AND SPECIAL PROJECTS	
9501	WM Staff Salaries
9512	Meeting Expense
9900 ALLOCATED G&A EXPENDITURES	
6900 OPTIMUM BASIN MANAGEMENT PROGRAM	
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.

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

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

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.

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.

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

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

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments
7107	<p>GROUND LEVEL MONITORING</p> <p>Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the development and implementation of a ground-level monitoring and testing program. Watermaster is interested in determining how much, if any, subsidence has occurred in the Basin and in monitoring the effectiveness of the OBMP in minimizing it. Data will be collected from a network of ground elevation stations (surveys), from a multi-piezometer and from a dual borehole extensometer in the subsidence-prone area (mainly Management Zone 1). Satellite imagery (InSAR) also will be collected and analyzed for subsidence. A pilot ASR test at a well owned by the City of Chino Hills will be initiated. Watermaster is implementing these efforts as part of the MZ1 Subsidence Management Plan. A web page for real-time water level reading at the PA-7 Piezometer (Ayala Park) will be implemented, which is a requirement of the MZ-1 Long-Term Management Plan.</p> <p>A new Central MZ1 piezometer is also planned, as well as an extensive ground-level survey to determine reference points for several wells near the piezometer.</p>
7108	<p>HYDRAULIC CONTROL MONITORING PROGRAM</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>RECHARGE AND WELL MONITORING PROGRAM</p> <p>Deleted from program and budget</p>
7200	<p>OBMP PROGRAM ELEMENT 2 -- COMPREHENSIVE RECHARGE PROGRAM</p> <p>This line item includes the recharge master plan update required by Judge Gunn's December 21, 2008 order approving Peace II, GRCC participation, and recharge basin O&M.</p>
7300	<p>OBMP PROGRAM ELEMENTS 3 & 5 - WATER SUPPLY PLAN - DESALTER</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>OBMP PROGRAM ELEMENT 4 - MANAGEMENT ZONE MANAGEMENT STRATEGIES</p> <p>Pursuant to the OBMP & Peace Agreement, Watermaster has developed a long-term management plan for MZ1. Watermaster and the Court approved the MZ1 Subsidence Management Plan in 2007. Watermaster will be implementing the MZ1 Subsidence Management Plan in FY 2008-09 and in years thereafter, and adapting the plan as new data and understanding dictates. Data collected and analyzed will be presented and discussed at the MZ1 Technical Group meetings. New monitoring wells were installed in MZ-3 and monitored during FY 2005/06 and 2006/07. A technical memorandum will be completed this fiscal year and a revised monitoring program will be developed.</p>
7500	<p>OBMP PROGRAM ELEMENTS 6 & 7 - COOPERATIVE EFFORTS AND SALT MANAGEMENT</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 "sentry" wells to provide on-going monitoring of plume management.</p> <p>Pursuant to the OBMP & Peace Agreement, Watermaster will complete specific activities to improve water quality monitoring and analyze the effectiveness of the OBMP to accomplish its goals. The work in this line item includes coordinating the Water Quality committee activities, coordinating with RWQCB and DTSC on several groundwater plumes - including VOC plumes potentially emanating from the Ontario International Airport and the Chino Airport, and the Stingfellow perchlorate plume, which has now reached the Santa Ana River, the Basin Monitoring Task Force pursuant to Watermaster's Maximum Benefit obligation, and participating in the TMDL process for Santa Ana River, Chino and Mill Creeks.</p>
7600	<p>OBMP PROGRAM ELEMENTS 8 & 9 - STORAGE MANAGEMENT AND CONJUNCTIVE USE PROGRAMS</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>INACTIVE WELL PROTECTION PROGRAM</p> <p>Pursuant to the OBMP & Peace Agreement, Watermaster has compiled a list of inactive wells that have not been properly abandoned. Watermaster equips inactive wells with devices that meet the requirement of well abandonment to protect the integrity of the groundwater. These devices also allow for access to the well for monitoring purposes, if necessary. This fiscal year, approximately five more inactive wells will be equipped with such devices.</p>
7650	<p>RECHARGE IMPROVEMENT DEBT PAYMENT</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>ALLOCATED G&A EXPENDITURES</p> <p>Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.</p>

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments
SUPPLEMENTAL & REPLENISHMENT WATER INCOME AND EXPENSES	
	Water rights were assigned in the Judgment entered in 1978. It established the terms and conditions regarding replenishment water and how the assessments would be levied to cover the water for each pool. No amounts are budgeted in this category as Watermaster is unable to determine what the overproduction will be at year, if any. Replenishment water is a "pass-thru" expense meaning all amounts overproduced by an agency are billed to them at the rate Watermaster pays for the cost of the water.
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
ASSESSMENT CALCULATION
FISCAL YEAR 2007-2008
FISCAL YEAR 2007-2008
ESTIMATED, BASED ON PREVIOUS YEARS ASSESSMENT PACKAGE

MEMO ONLY FISCAL YEAR 2007-2008 BUDGET TOTALS	MEMO ONLY		MEMO ONLY		MEMO ONLY		
	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	
PRODUCTION BASIS	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	MEMO ONLY	
2005-06 Production & Exchanges in Acre-Feet	161,240,932	124,315,140	77.099%	33,899,960	21.024%	3,025,832	1.877%
2006-07 Production & Exchanges in Acre-Feet	171,490,694	130,826,204	76.288%	37,295,410	21.748%	3,369,080	1.965%
BUDGET							
Administration, Advisory Committee & Watermaster Board (1)	\$848,059	\$646,964		\$184,434		\$16,661	
OBMP & Implementation Projects(1)	6,412,023	\$4,891,581			\$1,394,472		\$125,970
General Admin & OBMP Assessments	7,260,082	646,964	4,891,581	184,434	1,394,472	16,661	125,970
TOTAL BUDGET	7,260,082	646,964	4,891,581	184,434	1,394,472	16,661	125,970
Less Budgeted Interest Income	(174,368)		(133,021)		(37,921)		(3,426)
Contributions from Outside Agencies	(148,410)		(113,218)		(32,276)		(2,916)
CASH DEMAND	6,937,304	646,964	4,645,342	184,434	1,324,275	16,661	119,628
OPERATING RESERVE							
Administrative	0	\$0	\$0	\$0	\$0	\$0	\$0
OBMP	0	0	0	0	0	0	0
Less: Funds On Hand Utilized for Assessments	0	0	0	0	0	0	0
FUNDS REQUIRED TO BE ASSESSED	\$6,937,304	\$646,964	\$4,645,342	\$184,434	\$1,324,275	\$16,661	\$119,628
Proposed Assessments							
General Administration Assessments		\$4.95	\$35.51	\$4.95	\$35.51	\$4.95	\$35.51
Minimum Assessments		\$5.00		\$5.00		\$5.00	
Prior Year Assessments (For Information Only)		\$4.50	\$31.80	\$4.50	\$31.80	\$4.50	\$31.80

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

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

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6906 – Optimum Basin Management Program: General Engineering

Tasks

- Pool, Advisory, Watermaster Meetings
- Other General Meetings as Requested
- Evaluation of Transfers, Assessment of Supplemental Water Recharge
- Miscellaneous Data Requests
- Miscellaneous CEO Requests
- OBMP Strategic Planning Process
- State of the Basin Report. This includes a scoping meeting with the special referee, preparing the following drafts: administrative, draft, and final.
- Annual Engineering Updates
 - Quantification of New Yield, Condition Subsequent Number 7. This includes the following subtasks:
 - Develop Definitions, Assumptions and Criteria
 - Storm Water Quantification
 - Calculate New Yield from Santa Ana River Due to Past Desalter Replenishment Practices and Reoperation through June 30, 2008
 - Revise Reoperation Schedule
 - Prepare Reports
- Prepare the Balance of Recharge and Discharge Report. This includes the following subtasks:
 - Run 20-Year Groundwater Flow Simulation Based on Calibration Above and DYYP Expansion Data
 - Review Transfers Among the Parties (work done by Watermaster Staff with review by WEI, Watermaster staff time not included)
 - Prepare Reports (work done by Watermaster Staff with review by WEI, Watermaster staff time not included).

Milestones

- Pool, Advisory, Watermaster Meetings
- Other General Meetings as Requested
- Evaluation of Transfers, Assessment of Supplemental Water Recharge
- Miscellaneous Data Requests
- Miscellaneous CEO Requests
- OBMP Strategic Planning Process
- State of the Basin Report
- Annual Engineering Updates
- Prepare the Balance of Recharge and Discharge Report

7101 – PEI: Groundwater Production Monitoring Program

Tasks

Purpose: [Basin Operation] Obtain groundwater production data for private wells. This task is performed jointly by Watermaster and WEI staff.

- Quarterly Meter Reads. This task comprises obtaining quarterly meter reads from about 325 private wells.

Milestones

- Quarterly Meter Reads

7103 – PEI: Groundwater Quality Monitoring Program

Tasks

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

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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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- Characterize Groundwater Level Conditions and Trends. Subtasks include:
 - create time-history plots of groundwater elevations
 - create maps showing groundwater elevation contours

Milestones

- Obtain Groundwater Level Data Routinely from All Appropriators and Cooperators in and Adjacent to Chino Basin
- Collect and Analyze Groundwater Level Measurements from About 600 Wells
- Characterize Groundwater Level Conditions and Trends

7107 – PEI: Ground Level Monitoring Program

Tasks

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.

2) To develop a pumping and recharge plan to minimize the risk of future land subsidence and ground fissuring across all of MZ-I.

- Setup and Maintenance of Monitoring Network. Subtasks include:
 - Well recon and installation of 10 transducers in central and southeastern MZ-I
 - Equipment maintenance at the Ayala Park Extensometer and across entire monitoring network
 - Perform test of low-cost extensometer at Ayala Park that could be applied in the future to other areas of MZI or other management zones
- Aquifer System Monitoring and Testing. Subtasks include:
 - Collection and organization of groundwater-level and groundwater-production data from wells in MZI monitoring network
 - Conduct one controlled pumping test in the Managed Area
 - Assess feasibility and develop scope for pumping test east of Riley Barrier
 - Evaluate feasibility of ASR at Well CH-1B
- Ground Level Surveys. Subtasks include:
 - Conduct Fall 2008 ground-level survey and EDMs (horizontal monitoring) across existing network
 - Conduct Spring 2009 survey (EDMs only)
 - Replace destroyed benchmarks
- Ground Level Surveys - Outside Pro
- InSAR – multiple interferograms across entire Chino Basin for 2008-09
- InSAR - Outside Pro
- Conduct ASR Pilot Test at CH-1B (contingent task)
- Expand ground-level survey network across central MZI (contingent task)
- Water Supply Planning (contingent task)

Milestones

- Update of MZI database with aquifer system data and ground-level data. Data will be used to (1) assess the protective nature of the current MZI Plan and (2) support the development of future pumping and recharge plan(s) in MZI to minimize the risk of future land subsidence and ground fissuring across all of MZ-I
- Evaluation of the possibility of using aquifer injection as a tool to manage water levels and subsidence within the Managed Area
- Evaluation of proposed pumping plans of the parties that pump from the Managed Area

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7108 – PEI: Hydraulic Control Monitoring Program

Tasks

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

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

Milestones

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

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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

**7202 – PE2: Recharge Master Plan (Conducted over a Two-Year Period)
 (FY 08/09 and FY 09/10)**

Tasks

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 Special Referee's Final Report and Recommendations.

- Finalize Work Plan
- Kickoff Meeting with Recharge Partners
- Finalize Replenishment and Recharge Goals, and Describe Impediments to Goals
- Estimate Baseline (2008) and Future Stormwater Recharge
- Develop Design Criteria for Spreading Basins and ASR Wells
- Develop Unit Cost and Financial Information
- Identify Potential Spreading, ASR and Other Related Facility Sites
- Develop Environmental and other Site Constraints
- Describe Recharge Operations at Each Site
- Develop Reconnaissance-Level Designs and Operating Plans
- Develop Cost Opinions
- Develop Alternative Recharge Project Mixes
- Integrate Operational Plans and Describe Performance and Level of Robustness
- Describe Implementation Barriers, Process and Schedule
- Prepare Final Cost Opinions
- Prepare Draft Recharge Master Plan Report
- Present Draft Report in Watermaster Process, Boards of CBWCD, IEUA, TVMWD and WMWD, & County
- Conduct CEQA
- Finalize Recharge Master Plan Report
- Adopt Recharge Master Plan

Milestones

- Finalize Work Plan
- Prepare Task 1 Design Criteria Memorandum
- Prepare Task 2 Spreading Basin Memorandum
- Prepare Task 3 ASR Well Memorandum
- Prepare Cost Opinions
- Conduct Two Workshops to Present Concepts and to Respond to Questions

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

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

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

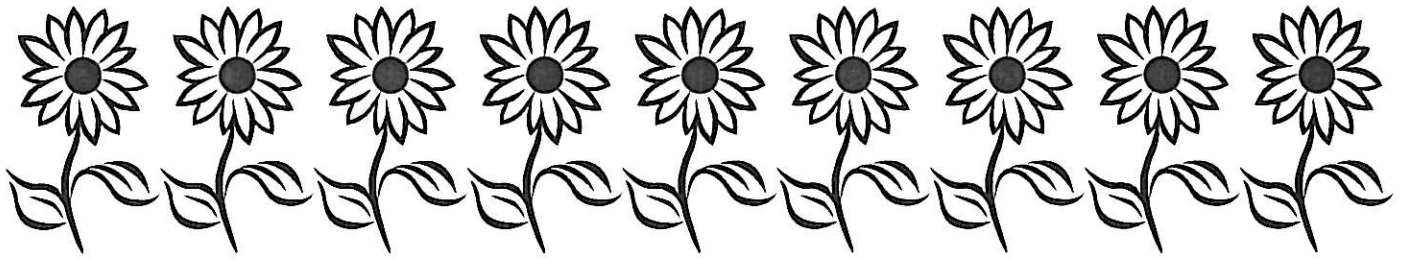
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<ul style="list-style-type: none"> • administering the grant • coordinating with IEUA • PE4/MZ-3: Task 7. Technical Memorandum. The report will include four quarters of monitoring data (collected in FY 2007/08) and is due December 31, 2008.
Milestones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

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

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

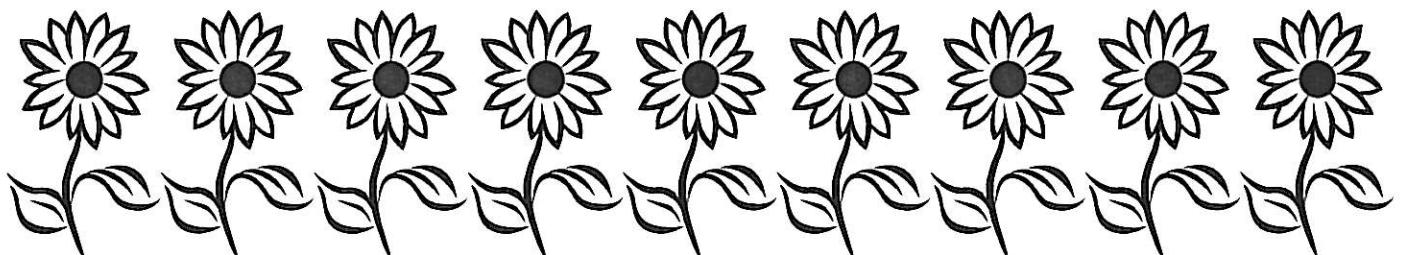
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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B. AGREEMENT FOR O & M OF FACILITIES TO IMPLEMENT THE RECHARGE MASTER PLAN





CHINO BASIN WATERMASTER

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KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: June 12, 2008
June 17, 2008
June 26, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: O&M Agreement

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

Recommendation - Approve the Amendment

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

BACKGROUND

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

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

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

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

I.

RECITALS

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

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

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

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

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

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

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

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

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

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

APPROVED AS TO FORM AND CONTENT:

DATED: May ____, 2008

INLAND EMPIRE UTILITIES AGENCY

By: _____

Title: _____

DATED: May ____, 2008

CHINO BASIN WATER CONSERVATION DISTRICT

By: _____

Title: _____

DATED: May ____, 2008

SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT

By: _____

Title: _____

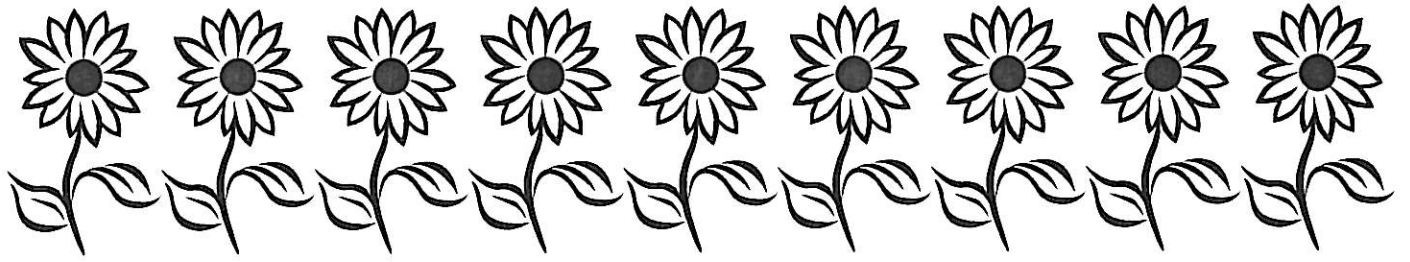
DATED: May ____, 2008

CHINO BASIN WATERMASTER

By: _____

Title: _____

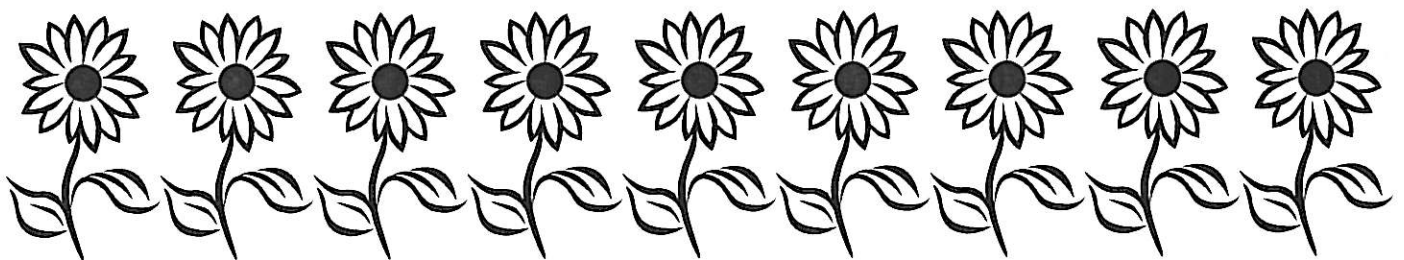
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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

C. CONDITIONS SUBSEQUENT NO. 6





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: June 12, 2008
June 17, 2008
June 26, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Conditions Subsequent No. 6

Summary – Presentation of Letter from Regional Water Quality Control Board regarding standards and criteria by which the Regional Board will determine that Hydraulic Control is achieved and maintained.

Recommendation - None

Fiscal Impact – None

BACKGROUND

Condition Subsequent Number 6 of the Court's December 21, 2007 Order Concerning Motion for Approval of Peace II Documents requires Watermaster to report to the Court by July 1, 2008, on the development of standards and criteria by which the RWQCB will determine that Hydraulic Control is achieved and maintained.

In order to comply with this Condition, Watermaster requested the RWQCB to more precisely define the standards that it will use to determine whether Hydraulic Control is achieved and maintained. The letter responds to this request.

Watermaster will report on this letter to the Court as part of its required July 1, 2008 filing.

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**California Regional Water Quality Control Board
Santa Ana Region**



Linda S. Adams
Secretary for
Environmental Protection

3737 Main Street, Suite 500, Riverside, California 92501-3348
Phone (951) 782-4130 • FAX (951) 781-6288 • TDD (951) 782-3221
www.waterboards.ca.gov/santaana



May 23, 2008

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

REQUEST PURSUANT TO CONDITIONS SUBSEQUENT NO. 6

Dear Mr. Manning:

Per your request, the Regional Board has reviewed Condition Subsequent No. 6 in the Honorable Judge Gunn's Court Order, dated December 21, 2007. Condition Subsequent No. 6 reads:

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

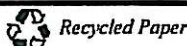
Your consultant, Mark Wildermuth of Wildermuth Environmental, Inc. (WEI), has informed us that the Watermaster has requested the Regional Board to more precisely define the "standards and criteria by which the RWQCB will determine that hydraulic control is achieved and maintained." This is intended to respond to the Watermaster's request.

In 1995, the Regional Board initiated a collaborative study with 22 water supply and wastewater agencies, including the Watermaster and the IEUA, to devise a new TDS and nitrogen (total inorganic nitrogen or TIN) control strategy for the Santa Ana Watershed. This study culminated in the Regional Board's adoption of the 2004 Basin Plan Amendment in January 2004 (Santa Ana Regional Water Quality Control Board, 2004). The 2004 Basin Plan Amendment includes two sets of TDS objectives that range between: anti-degradation objectives of 280, 250, and 260 mg/L for Management Zones 1, 2, and 3, respectively, and a maximum benefit based TDS objective of 420 mg/L for the Chino North Management Zone, which includes almost all of Management Zones 1, 2, and 3. Under the maximum benefit based objective, the new TDS concentration limit for recycled water that is to be used for recharge and other direct uses is 550 mg/L as a 12-month average. This discharge requirement was incorporated into the IEUA's National Pollutant Discharge Elimination System (NPDES) permits for its wastewater treatment facilities and into a subsequent recharge permit issued to the Watermaster and IEUA.

In order for the Watermaster and the IEUA to gain access to the assimilative capacity afforded by the maximum benefit based objectives, they must demonstrate compliance with a number of commitments previously made by Watermaster and IEUA in support of their maximum benefit proposal. These commitments include:

1. The implementation of a surface water monitoring program
2. The implementation of groundwater monitoring programs
3. The expansion of Desalter I to 10 mgd and the construction of a 10-mgd Desalter II

California Environmental Protection Agency



4. The commitment to future desalters pursuant to the OBMP and Peace Agreement
5. The completion of the recharge facilities included in the Chino Basin Facilities Improvement Program (CBFIP)
6. The management of recycled water quality
7. The management of the volume-weighted TDS and nitrogen in artificial recharge to less than or equal to the maximum benefit objectives
8. The achievement and maintenance of hydraulic control of the subsurface outflows from the Chino Basin to protect Santa Ana River water quality
9. The determination of ambient TDS and nitrogen concentrations in the Chino Basin every three years

The Watermaster and the IEUA have previously demonstrated substantial compliance with all of these requirements, with the exception of hydraulic control. Hydraulic control is defined as the reduction of groundwater discharge from the Chino North Management Zone to the Santa Ana River to de minimus quantities. A robust level of hydraulic control ensures that water management activities in the Chino North Management Zone will not impair the beneficial uses of the Santa Ana River downstream of Prado Dam. Two WEI reports, prepared in 2006 at the direction of Watermaster, demonstrated that hydraulic control had not yet been achieved in the area between the Chino Hills and Chino Desalter I Well Number 5 (WEI, 2006a & b). In addition, WEI prepared reports in April 2007 and April 2008 that demonstrated, through analyses of groundwater and surface water monitoring programs, that hydraulic control had not yet been achieved in the same area (WEI, 2007 & 2008).

Without hydraulic control, the IEUA and Watermaster will be required to mitigate the effects of using recycled water back to the adoption of the 2004 Basin Plan Amendment (December 2004), and either cease the use of recycled water in the Chino Basin, or desalt recycled water prior to use for irrigation and recharge. Because of the consistent effort of the Watermaster and the IEUA in meeting the other maximum benefit commitments and their earlier efforts to achieve hydraulic control, the Regional Board has exercised its discretion to allow access to the assimilative capacity, provided that Watermaster and the IEUA implement an aggressive program to achieve hydraulic control.

Watermaster has conducted detailed modeling investigations to develop a new desalter well field (hereafter the Chino Creek Well Field) and a groundwater management program that, when implemented, will eliminate groundwater discharge from the Chino North Management Zone to the Santa Ana River. These investigations are documented in *Final Report, 2007 CBWM Groundwater Model Documentation and Evaluation of the Peace II Project Description* (WEI, 2007) and in *Response to Condition Subsequent No. 3 from the Order Confirming Motion for Approval of the Peace II Documents* (WEI, 2008). Based on the technical information provided in these reports, Watermaster and the Chino Basin Parties are planning to construct the Chino Creek Well Field, which will, as stated above, when operating in conjunction with the groundwater level management program, reduce groundwater discharge to diminimus levels from the Chino North Management Zone to the Santa Ana River and therefore establish hydraulic control. The groundwater simulations of Watermaster's Alternative 1C demonstrate a state of hydraulic control that provides the Regional Board with confidence that robust hydraulic control will be achieved. We therefore expect that the Watermaster, IEUA, and Chino Basin Parties will operate the Chino Basin such that the piezometric levels in the desalter well fields



will closely follow the piezometric levels predicted by the Watermaster 2007 model, as shown in Figures 4-13a and 4-13b of the Condition Subsequent No. 3 report.

The 2004 Basin Plan Amendment contains a requirement that, should a hydraulic control failure be observed after the initial achievement of hydraulic control, the Watermaster, IEUA, and Chino Basin Parties will obtain hydraulic control within six months of the observed failure. The Regional Board expects the Watermaster, IEUA, and Chino Basin Parties to provide operational flexibility in their desalter well field design and operations such that hydraulic control can be reacquired within six months, and that groundwater from the Chino North Management Zone that passes through the area where hydraulic control is lost will be subsequently recovered in the desalter well field.

In May 2004, the Watermaster and the IEUA established a groundwater monitoring network of wells in the Hydraulic Control Monitoring Program (HCMP) Work Plan. The piezometric data collected from these wells are used to draw interpretive groundwater-elevation contour maps around the Chino Desalter well fields. To demonstrate hydraulic control, the Regional Board requires that the interpretative contouring of groundwater elevations:

- Be supported by the piezometric data unequivocally
- Show that groundwater flowing southward in the Chino-North Management Zone is intercepted by the Chino Desalter well fields
- Show that groundwater immediately south of the Chino Desalter well fields is flowing northward and is intercepted by the well fields

The Watermaster and the IEUA will need a network of monitoring wells that is capable of unequivocally demonstrating hydraulic control. The Watermaster should submit a plan for a proposed network of monitoring wells, a profile-view drawing of what a typical monitoring well will look like, and a schedule for the installation of the new monitoring wells to the Executive Officer within six months of completing the Chino Creek Well Field design, and no later than June 30, 2009.

The Regional Board supports the Watermaster as it continues to implement the Optimum Basin Management Program. However, the Regional Board is concerned about the timely achievement of hydraulic control. To that end, we encourage Judge Gunn to require the appropriate parties to report on their compliance with the previously established schedule regarding achieving and maintaining hydraulic control and if such compliance is not maintained to consider ordering the parties to implement a more aggressive program. Frankly, it appears that the enthusiasm by the Chino Basin Parties for meeting the maximum benefit commitments has not maintained the high level we observed during the earlier maximum benefit development phases. We hope that this is a misunderstanding on our part.

Given the economic benefits of the maximum benefit objectives, we trust that a concomitant level of effort will be made to ensure that those objectives are maintained. An aggressive schedule, potentially required by the Court, in support of the water quality commitments of the Chino Basin Parties would be welcome by the Regional Board.



In order to better monitor compliance with the maximum benefit commitments, this is to request more frequent reporting on the schedule and progress of the Chino Creek Well Field. To that end, the Watermaster and the IEUA are hereby requested to provide updated schedules and progress reports to the Executive Officer quarterly on the 15th day of July, October, January, and April until hydraulic control is achieved. Should budgetary or other considerations require that this request be formalized by an order pursuant to CWC Section 13267, we would accommodate such a notice or request.

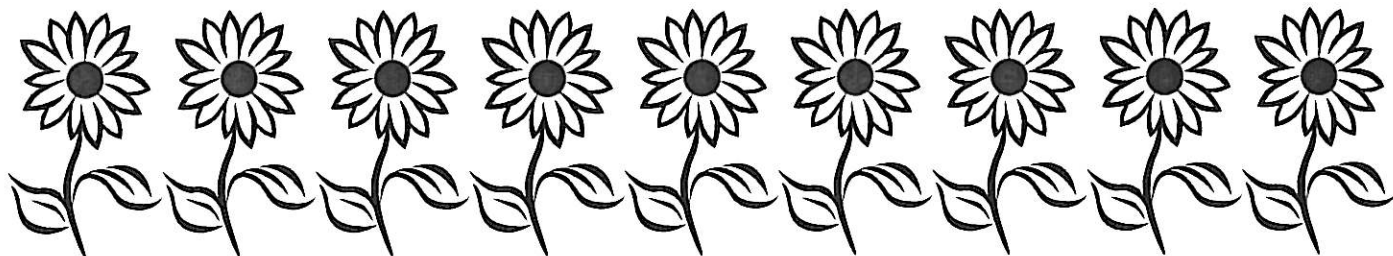
Should you have any comments or questions concerning the position stated above, please contact me at (951) 782-3284.

Sincerely,



Gerard J. Thibeault, Executive Officer
Santa Ana Regional Water Quality Control Board

- cc. Regional Board Members
Rich Atwater, IEUA
Hope Smythe, CRWQCB
Joanne Schneider, CRWQCB
Mark Wildermuth, Wildermuth Environmental, Inc.



CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

D. RECHARGE MASTER PLAN DRAFT OUTLINE SCHEDULE





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: June 12, 2008
June 17, 2008
June 26, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Recharge Master Plan Update

Summary – Approval of Outline of Recharge Master Plan Update and Schedule Regarding Completion of Update

Recommendation - Approve Outline and Schedule for Filing with the Court

Fiscal Impact – None

BACKGROUND

Condition Subsequent Number 5 of the Court's December 21, 2007 Order Concerning Motion for Approval of Peace II Documents requires Watermaster to prepare and submit to the Court by July 1, 2008, a detailed outline of the scope and content of its first Recharge Master Plan update.

Watermaster convened a stakeholder process which has held several meetings in order to develop and discuss the Outline. Iterations of the Outline have been distributed to the parties and Watermaster has received and incorporated comments from the parties. The attached Outline is the result of that process.

The Outline is comprehensive and quantitatively based and responds to all of the requirements of the Peace II Measures as well as the recommendations contained in the Referee's Final Report concerning the Peace II Measures.

Over the course of the next two years this outline will be developed through a stakeholder process into a completed update of the Recharge Master Plan.

Watermaster staff requests approval of the Outline so that it may be submitted to the Court in compliance with the July 1, 2008 deadline.

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2010 Recharge Master Plan Update Straw Man Report Outline

DRAFT

May 28, 2008 Version

1. Introduction
 - a. Recharge Master Plan Objectives
 - b. Historical Background
 - i. History of the Chino Basin Watermaster's Recharge Master Plan
 - ii. Projected Decline in Safe Yield
 - iii. Comparison of Current Planning Estimates of Replenishment Requirements and Current Recharge Capacity
 - iv. Reliability of Current Supplemental Water Sources
 - v. Planning Challenge
 - c. Peace II and Judgment Commitments
 - d. December 21, 2007 Court Order and Special Referee's Recommendations
 - e. Map of Court's Requirements and the Contents of the Recharge Master Plan Report

2. Define Planning Criteria
 - a. Peace 2 Planning Criteria
 - i. Peace 2 Agreement, Section 8
 - ii. Judgment
 - iii. Special Referee's December 2007 Report, Sections VI (Assurances Regarding Recharge), VII (Declining Safe Yield), and VIII (New Equilibrium)
 - iv. Peace Agreement _____
 - b. Facility Planning Criteria
 - i. Design Criteria for Wells, Spreading Basins, Conveyance and Treatment Facilities
 - ii. Design Criteria for Storm Water Management
 - iii. Siting Criteria: Institutional, Facility and Hydrogeology, etc
 - iv. Basin Plan and DPH Criteria for the Recharge of Storm, Recycled and Imported Waters
 - v. "Quantity Take-off" Format for Cost Estimating
 - vi. Unit Cost Information for Capital and Operations and Maintenance costs
 - vii. Financial Criteria
 - viii. Robustness Requirements for Replenishment
 - ix. Other Criteria identified by Stakeholders
 - c. Ranking Criteria

-
3. Safe Yield (*SR Report Section VI, Recommendation Numbers 2 and 3*)
 - a. Methodology to Estimate Safe Yield
 - i. Computational Procedure
 - ii. Base Period
 - iii. Areas of Interest (Basin, Management Zones, others)
 - b. Data Requirements
 - c. Safe Yield Estimate
 - d. Components of Safe Yield and Why They Change in the Future
 - e. Mitigation of the Loss of Safe Yield
 - i. Identification of Mitigation Alternatives for Declining Yield
 1. Promulgation of Low Impact Development
 - a. On-site Retention/Recharge of Runoff
 - b. Porous pavement
 - c. Others
 2. More Aggressive Storm Water Recharge Operations at Storm Water Management Facilities
 - a. Policy Change and Operational Improvements
 - b. Retrofit/Improvement of Storm Water Quality Management Basins
 - c. Others
 3. Others
 4. Integrated Review of Water Supply Plans – Part 1 (*SR Report Section VI, Recommendation Numbers 1[Baseline Conditions], 5 and 6*)
 - a. Initial Water Supply Plans for All Entities that Use the Chino Basin (from concurrent 2010 UWMP efforts)
 - b. Chino Basin Groundwater Production and Replenishment for the Initial Water Supply Plans
 - i. Most Probable Replenishment Projection
 - ii. Worst Case Replenishment Projection
 - c. Existing Supplemental Water Recharge Capacity
 - d. Existing Supplemental Water Sources (Magnitude, Accessibility, Reliability, and Cost)
 - i. Metropolitan Water
 - ii. SBVMWD Water
 - iii. Other Imported Water
 - iv. IEUA Recycled Water
 - v. Other Recycled Water
 - vi. Santa Ana River
 - vii. Other Water
 - e. Required Supplemental Water Recharge Capacity

-
5. Storm Water Recharge and Enhancement Opportunities (*SR Report Section VI, Recommendation Numbers 2 and 3*)
- a. Existing Storm Water Management Facilities
 - i. Regional and Local Policies Related to Storm Water Management and Recharge
 - ii. Inventory of Existing Regional Storm Water Recharge Improvements
 - iii. Inventory of Existing Local Storm Water Management/Recharge Improvements
 - iv. Expected Storm Water Recharge with Existing Facilities
 - b. Potential Storm Water Management Facilities
 - i. Inventory of Potential Regional Storm Water Recharge Improvements
 - ii. Inventory of Potential Local Storm Water Management/Recharge Improvements
 - c. Future Potential Storm Water Recharge Alternatives
 - i. New Storm Water Recharge Alternatives
 - ii. Operating Plan for Each Alternative
 - iii. Expected Storm Water Recharge for Each Alternative
 - iv. Consistency With the Peace 2 Agreement and the Judgment
 - v. Cost Opinions for Each Alternative
 - vi. Implementation Barriers for Each Alternative
 - vii. Policy Considerations to Increase Storm Water Recharge
6. Supplemental Water Recharge Enhancement Opportunities (*SR Report Section VI, Recommendation Numbers 3 and 4; Sections VII and VIII*)
- a. Inventory of Existing Supplemental Water Recharge Facilities
 - b. Expected Supplemental Water Recharge Capacity with Existing Facilities
 - c. Inventory of Potential Supplemental Water Recharge Facilities
 - i. Inventory of Potential Spreading Facilities
 - ii. Inventory of Potential Injection Facilities
 - d. Future Supplemental Water Recharge Alternatives
 - i. New Supplemental Water Recharge Alternatives
 - 1. Water Source Identification (source, reliability, level of treatment)
 - a. Metropolitan from IEUA, TVMWD and WMWD
 - b. SBVMWD Water
 - c. Other imported
 - d. IEUA Recycled Water
 - e. Other recycled water
 - f. Santa Ana River Water
 - g. Other Water
 - 2. Facility Plans (conveyance, storage, treatment, wells, spreading basins, new/existing)

-
- ii. Operating Plan for Each Alternative
 - iii. Consistency With the Peace 2 Agreement and the Judgment
 - iv. Cost Opinions for Each Alternative
 - v. Implementation Barriers for Each Alternative
 - vi. Policy Considerations to Increase Supplemental Water Recharge
7. Integrated Storm Water Recharge and Supplemental Water Facilities (*SR Report Section VI, Recommendation Numbers 3 and 4; Sections VII and VIII*)
- a. Spreading Basins that Can Be Used for Storm and Supplemental Water Recharge
 - i. Integrated Alternatives
 - ii. Operating Plan for Each Alternative
 - iii. Storm Water and Supplemental Recharge Capacity for Each Alternative
 - iv. New Storm Water Recharge (Safe Yield Enhancement)
 - v. Groundwater Level and Storage Changes for Each Alternative
 - vi. Consistency With the Peace 2 Agreement and the Judgment
 - b. Cost Opinions for Each Alternative
 - c. Impact to Watermaster Assessments
 - d. Implementation Barriers for Each Alternative
 - e. Policy Considerations to Increase Storm and Supplemental Water Recharge Capacity
8. Ranking of Storm and Supplemental Water Recharge Projects
9. Integrated Review of Water Supply Plans – Part 2 (*SR Report Section VI, Recommendation Numbers 1, 5 and 6*)
- a. Revised Safe Yield Projection
 - b. Revised Water Supply Plans for All Entities that Use the Chino Basin (update 2010 UWMP efforts)
 - c. Revised Chino Basin Groundwater Production and Replenishment for the Revised Water Supply Plans
 - i. Most Probable Replenishment Projection
 - ii. Worst Case Replenishment Projection
 - d. Required Replenishment Capacity
10. Storm and Supplemental Water Recharge Projects to Meet Future Water Supply Plans (*SR Report Section VI, Recommendation Numbers 1 [Baseline Conditions], 5 and 6*)
- a. Replenishment Requirements
 - b. Recommended Projects to Meet Requirements
 - i. Priority of Construction
 - ii. Capacities
 - iii. Owner

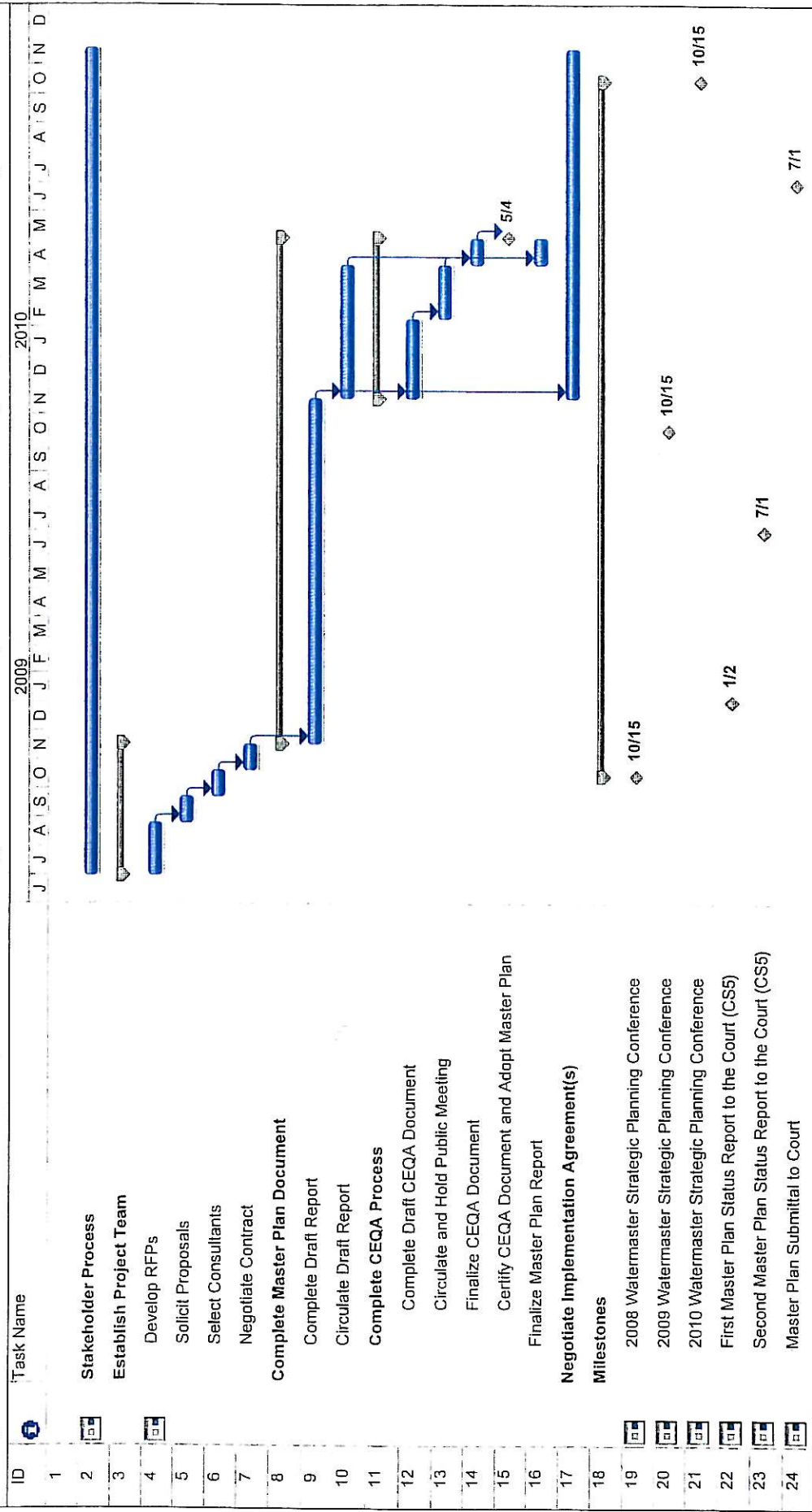
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- iv. Institutional Arrangements and Permits
 - v. Cost
 - c. Scheduling
 - d. Financing Alternatives
 - e. Implications for Watermaster Assessments
 - f. New Monitoring Requirements

Appendices

- a. Stakeholder Process (Agendas, minutes, etc.)
- b. Planning Criteria
- c. Initial and Final Water Supply Plan Detail
- d. Detailed Inventory of Existing and Future Water Recharge Facilities
- e. Model Description for Evaluation of Storm and Supplemental Water Recharge
- f. Model Description for Evaluation of Groundwater Levels and Storage
- g. Detailed Project Cost Opinions

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Figure 1 Macro Schedule to Complete the Recharge Master Plan Update and to Develop Implementation Agreements



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Date: Wed 5/14/08

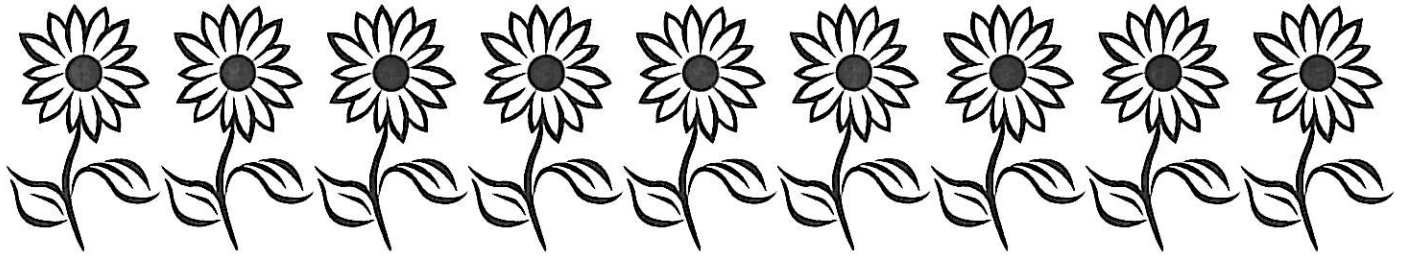
Legend:

- Task
- Split
- Progress
- Milestone
- Summary
- Project Summary
- External Tasks
- External Milestone
- Deadline

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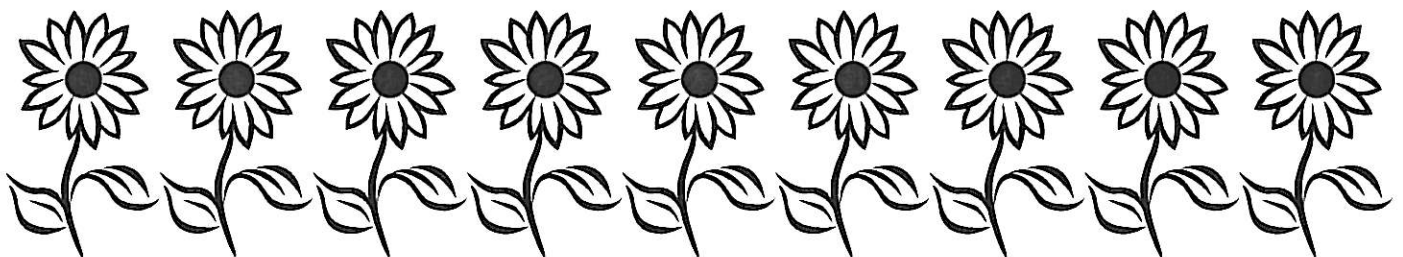
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CHINO BASIN WATERMASTER

IV. INFORMATION

1. IEUA Supports Governor's
Emergency Drought
Declaration





California Regional Water Quality Control Board Santa Ana Region



Linda S. Adams
Secretary for
Environmental Protection

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Phone (951) 782-4130 • FAX (951) 781-6288 • TDD (951) 782-3221
www.waterboards.ca.gov/santaana



May 23, 2008

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

REQUEST PURSUANT TO CONDITIONS SUBSEQUENT NO. 6

Dear Mr. Manning:

Per your request, the Regional Board has reviewed Condition Subsequent No. 6 in the Honorable Judge Gunn's Court Order, dated December 21, 2007. Condition Subsequent No. 6 reads:

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

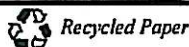
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California Environmental Protection Agency



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Watermaster has conducted detailed modeling investigations to develop a new desalter well field (hereafter the Chino Creek Well Field) and a groundwater management program that, when implemented, will eliminate groundwater discharge from the Chino North Management Zone to the Santa Ana River. These investigations are documented in *Final Report, 2007 CBWM Groundwater Model Documentation and Evaluation of the Peace II Project Description* (WEI, 2007) and in *Response to Condition Subsequent No. 3 from the Order Confirming Motion for Approval of the Peace II Documents* (WEI, 2008). Based on the technical information provided in these reports, Watermaster and the Chino Basin Parties are planning to construct the Chino Creek Well Field, which will, as stated above, when operating in conjunction with the groundwater level management program, reduce groundwater discharge to diminimus levels from the Chino North Management Zone to the Santa Ana River and therefore establish hydraulic control. The groundwater simulations of Watermaster's Alternative 1C demonstrate a state of hydraulic control that provides the Regional Board with confidence that robust hydraulic control will be achieved. We therefore expect that the Watermaster, IEUA, and Chino Basin Parties will operate the Chino Basin such that the piezometric levels in the desalter well fields

will closely follow the piezometric levels predicted by the Watermaster 2007 model, as shown in Figures 4-13a and 4-13b of the Condition Subsequent No. 3 report.

The 2004 Basin Plan Amendment contains a requirement that, should a hydraulic control failure be observed after the initial achievement of hydraulic control, the Watermaster, IEUA, and Chino Basin Parties will obtain hydraulic control within six months of the observed failure. The Regional Board expects the Watermaster, IEUA, and Chino Basin Parties to provide operational flexibility in their desalter well field design and operations such that hydraulic control can be reacquired within six months, and that groundwater from the Chino North Management Zone that passes through the area where hydraulic control is lost will be subsequently recovered in the desalter well field.

In May 2004, the Watermaster and the IEUA established a groundwater monitoring network of wells in the Hydraulic Control Monitoring Program (HCMP) Work Plan. The piezometric data collected from these wells are used to draw interpretive groundwater-elevation contour maps around the Chino Desalter well fields. To demonstrate hydraulic control, the Regional Board requires that the interpretative contouring of groundwater elevations:

- Be supported by the piezometric data unequivocally
- Show that groundwater flowing southward in the Chino-North Management Zone is intercepted by the Chino Desalter well fields
- Show that groundwater immediately south of the Chino Desalter well fields is flowing northward and is intercepted by the well fields

The Watermaster and the IEUA will need a network of monitoring wells that is capable of unequivocally demonstrating hydraulic control. The Watermaster should submit a plan for a proposed network of monitoring wells, a profile-view drawing of what a typical monitoring well will look like, and a schedule for the installation of the new monitoring wells to the Executive Officer within six months of completing the Chino Creek Well Field design, and no later than June 30, 2009.

The Regional Board supports the Watermaster as it continues to implement the Optimum Basin Management Program. However, the Regional Board is concerned about the timely achievement of hydraulic control. To that end, we encourage Judge Gunn to require the appropriate parties to report on their compliance with the previously established schedule regarding achieving and maintaining hydraulic control and if such compliance is not maintained to consider ordering the parties to implement a more aggressive program. Frankly, it appears that the enthusiasm by the Chino Basin Parties for meeting the maximum benefit commitments has not maintained the high level we observed during the earlier maximum benefit development phases. We hope that this is a misunderstanding on our part.

Given the economic benefits of the maximum benefit objectives, we trust that a concomitant level of effort will be made to ensure that those objectives are maintained. An aggressive schedule, potentially required by the Court, in support of the water quality commitments of the Chino Basin Parties would be welcome by the Regional Board.

In order to better monitor compliance with the maximum benefit commitments, this is to request more frequent reporting on the schedule and progress of the Chino Creek Well Field. To that end, the Watermaster and the IEUA are hereby requested to provide updated schedules and progress reports to the Executive Officer quarterly on the 15th day of July, October, January, and April until hydraulic control is achieved. Should budgetary or other considerations require that this request be formalized by an order pursuant to CWC Section 13267, we would accommodate such a notice or request.

Should you have any comments or questions concerning the position stated above, please contact me at (951) 782-3284.

Sincerely,



Gerard J. Thibeault, Executive Officer
Santa Ana Regional Water Quality Control Board

cc. Regional Board Members
Rich Atwater, IEUA
Hope Smythe, CRWQCB
Joanne Schneider, CRWQCB
Mark Wildermuth, Wildermuth Environmental, Inc.



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

IEUA Supports Governor's Emergency Drought Declaration

"The water we save today is the water we'll need tomorrow"

For Immediate Release:

June 5, 2008

Contact:

Sondra Elrod 909 993-1747

Inland Empire, CA – The Board of Directors of the Inland Empire Utilities Agency (IEUA) called upon residents of the Chino Basin to reduce water use now, as we enter the hot dry months of summer, to help California address one of the most serious water situations that has faced the state in over a decade.

"The Governor did the right thing in proclaiming a drought and calling upon all of us to help conserve water," said IEUA Board President Wyatt Troxel. "We have been tracking the water situation closely and recognized last year that unless we received significant amounts of rainfall, the entire state would be in serious trouble this year. What the Governor's statement yesterday means is that we are in serious trouble."

The restriction of water supplies is, in part, the result of a record dry spring that has dramatically decreased the runoff from the Sierra Nevada snowpack. Environmental problems in the San Francisco Bay Delta are also part of the problem because the courts have forced Metropolitan Water District of Southern California (MWD) to reduce the amount of water that can be pumped from this endangered ecosystem. "We need to let our consumers know just how serious our water supply condition is," stated IEUA Board member Gene Koopman, who also serves as IEUA's representative on the MWD board. "MWD will use about one-quarter of its critical reserves this year. If current water supply conditions persist, we could exhaust our stored reserves in just a few years, meaning mandatory water rationing for our region. To avoid strict rationing, we must immediately step up our efforts to use water more efficiently."

Last year, IEUA and its member agencies started to 'step-up' development of new local water supplies to help drought- proof the Chino Basin. The Regional Recycled Expansion Program will develop an additional 50,000 acre-feet of recycled water within the next 3 years. The Agency's goal is to have all public spaces such as parks, median strips and schools irrigated with recycled water. "As a result of this program there is 15,000 acre-feet of drinking water supplies freed up for other uses in our service area – this is a big win," commented Troxel. "By 2010, we expect to be able to deliver an additional 50,000 acre-feet."

The mission of the Inland Empire Utilities Agency is to supply imported drinking water and recycled water, collect, treat and reuse of wastewater and provide renewable electrical energy and compost to the communities it serves.

Media Alert:
June 5, 2008

Press Conference

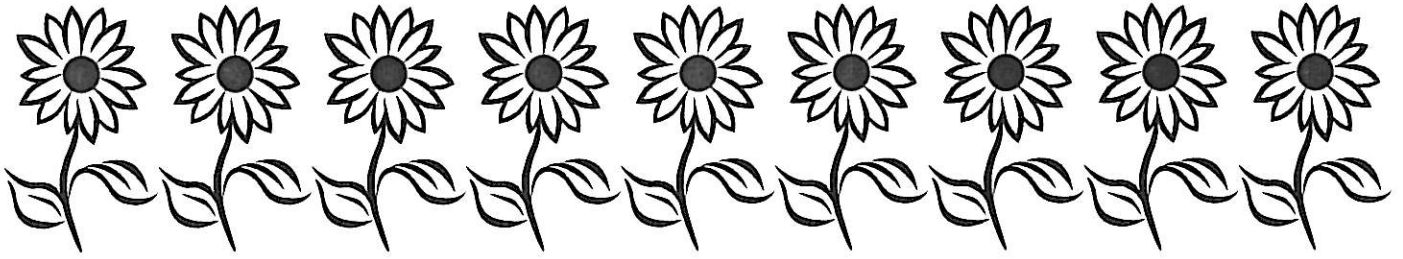
Water Supply Alert
June 12, 2008

In response to Governor Schwarzenegger's proclamation of statewide drought on June 4th, and Metropolitan Water District of Southern California's board of directors considering adopting a resolution on June 10, declaring a "Water Supply Alert," the Inland Empire Utilities Agency and its local retail water agencies - the cities of Chino, Chino Hills, Ontario, Upland, Cucamonga Valley Water District, Fontana Water Company, Monte Vista Water District, and San Antonio Water Company - are joining together to hold a press conference on June 12, 2008.

What: An opportunity for the press to hear from our local elected officials on how serious the water situation is and what is being done locally to use water more efficiently.

Where: Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, California 91708

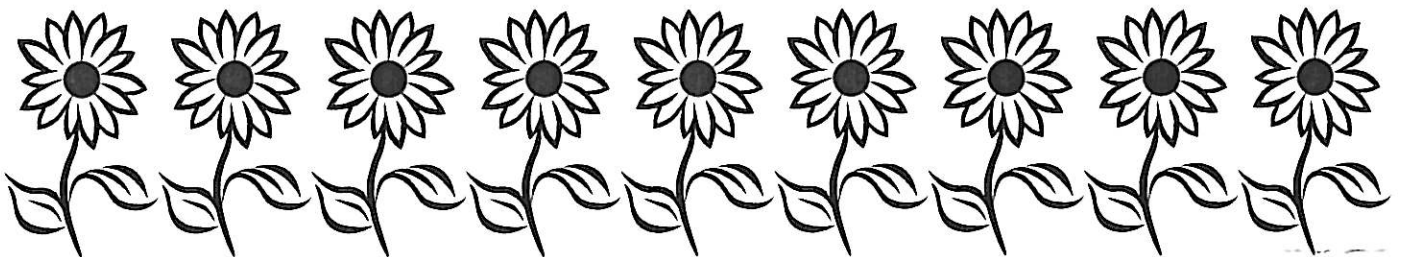
When: 2:00 p.m.



CHINO BASIN WATERMASTER

IV. INFORMATION

2. Newspaper Articles



dailybulletin.com

Specialist urges focus on water-use

Robert Rogers, Staff Writer

Article Created: 05/28/2008 10:08:54 PM PDT

SAN BERNARDINO - It's time Southern California civic planners, city officials and residents rethink how they use water.

In fact, water needs to a bigger part of every decision, said Brad Buller, a Rancho Cucamonga-based consultant specializing in municipal land and water uses.

"About 70 percent of the water we use is put into our landscaping," Buller said. "The state is going to tighten this up."

Gov. Arnold Schwarzenegger signed a bill into law in 2006 mandating that cities implement new landscape conservation ordinances to comply with strict water-saving standards by 2010.

With that deadline fast-approaching, Cal State San Bernardino's Water Resources Institute scheduled four educational sessions aimed at providing local city planners and staff with ideas and plans to meet new requirements.

Called the Upper Santa Ana Landscape Alliance, the partnership is among the Cal State San Bernardino Water Resources Institute, the San Bernardino Valley Municipal Water Department and a handful of local retail water agencies.

The informational sessions, the first of which was held at San Bernardino's City Hall Wednesday morning, are specifically for cities in the Upper Santa Ana River watershed, which cannot only learn best practices but provide an opportunity for water-saving partnerships.

With cities scrambling for tactics to meet the coming toughened state requirements, water conservation experts hope laws help to usher in a new era of water conservation in a way that prices have not. While costs for energy, especially gasoline, have soared and made major dents in personal behavior and energy consumption, relatively cheap water bills provide little incentive to rein in use.

"We know we don't have water to waste," WRI Director Susan Lien Longville said to about 20 people, mostly planners and other government staff from surrounding cities. "It's all about changing (public) behavior."

County Supervisor Josie Gonzales was also on hand. She told attendees that real-estate developers must be made partners in building water-saving projects. She pointed to Muscoy, a county pocket in her district, as an example of government working with developers. She said new construction would occur there in 18 to 24 months, and assured that plans for indigenous desert plants and other modifications were water-friendly.

Buller stressed a number of measures cities could adopt to make long-term dents in water consumption, including landscaping ordinances

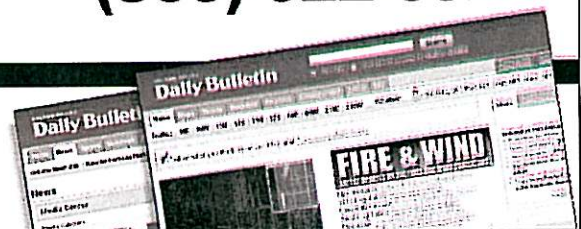
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that require indigenous desert plants and rebates on "smart controller" devices that conserve water by adapting sprinkler systems to weather conditions.

Buller likened water conservation today to recycling decades ago.

"Right now, recycling is just normal (behavior)," Buller said. "Water is not at that same level, but it needs to be."

Future meetings are scheduled at city halls in Rialto, Yucaipa and Highland. **WATER PROVISIONS**

AB 1881, a water conservation measure, will hold cities to tighter standards by 2010.

Among the provisions:

Requires the California Department of Water Resources to develop - and local agencies to adopt - an updated landscape water conservation ordinance. Local agencies can adopt their own standards if they exceed state rules.

Requires the California Energy Commission to adopt performance standards for irrigation equipment.

Prohibits common interest developments (such as condominiums) from restricting the use of low water-using plants.

Source: Water Resources Institute

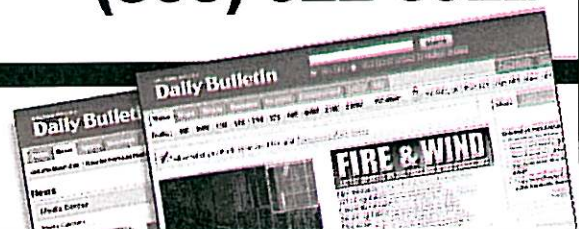
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Lying water district director pressured to resign

Will Bigham, Staff Writer

Article Created: 05/20/2008 07:34:35 PM PDT

Alvaraz plea

Audio MP3: Alvaraz making medal claim

A director at the Three Valleys Municipal Water District said he will publicly call for the resignation this morning of Director Xavier Alvarez.

Brian Bowcock said Alvarez's false claim that he won the Medal of Honor has embarrassed the district and bogged down staff members who continuously field calls and receive e-mails from people outraged over Alvarez's lies.

Bowcock said he will urge Alvarez to resign after reading a three-page list of what he says are Alvarez's lies at this morning's board meeting.

If Alvarez refuses to resign, Bowcock said he will urge his fellow board members to approve a symbolic, nonbinding resolution calling for Alvarez's resignation.

Alvarez could not be reached for comment.

Bowcock, who represents La Verne and Claremont, said he has received "continued questions about why the board has not followed

through and asked for his resignation publicly. And that is why I'm doing it."

Bob Kuhn, board president, said, "I think there's a strong feeling on the board that we're spending way, way, way too much time on this guy's misgivings."

In addition to calling for Alvarez's resignation, Bowcock said he intends to formally lodge a complaint with the California Fair Political Practices Commission over Alvarez's false claim on the November 2006 ballot that he is an engineer.

He also said he will follow up with the Los Angeles County District Attorney's Office to inquire about its progress in investigating Alvarez's registration of his ex-wife for district health benefits.

Bowcock said he will also call publicly on south Pomona residents to recall Alvarez.

"It's time to get together as a community and recall Mr. Alvarez as your representative on the Three Valleys board," Bowcock said. "That is what I'm after, and I made it pretty plain in my statement."

Bowcock said that he and other board members are constantly asked at official functions and in other public settings about Alvarez's status on the board.

After Alvarez was quoted last month calling his fellow board members "Neanderthals" in

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reference to their age, Bowcock said he received five phone calls - both at home and on his cell phone - from people who made monkey and ape sounds before hanging up.

"I wanted to wait until his federal court issue is over, and he has pleaded guilty," Bowcock said. "... I want the next step to be this, which is ask for his resignation at a public meeting."

will.bigham@inlandnewspapers.com

(909) 483-8553

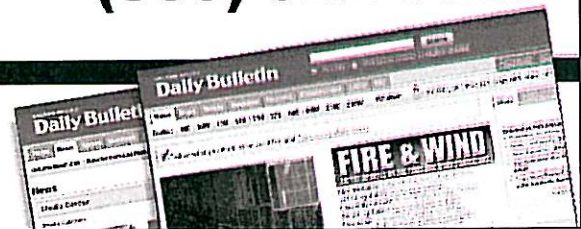
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Committee examines water conservation

JCSD meeting focuses on project funding, legislation

Liset Marquez, Staff Writer

Article Created: 05/28/2008 09:21:13 PM PDT

MIRA LOMA - Conservation was the theme for the Jurupa Community Services District's Legislative Committee earlier this week.

The committee discussed local JCSD projects Tuesday, as well as bills on the state and federal level that tackle water conservation.

In mid-February, committee members Ken McLaughlin and Cook Barela went to Washington, D.C., to meet with Rep. Ken Calvert to discuss acquiring federal funding for some water-related projects.

The district provides water, sewer and streetlight service in a 48-square-mile area in the unincorporated areas of west Riverside County.

Andrea De Leon, a governmental affairs consultant for the district, said the Riverside Republican congressman's office has provided updates on the status of the projects, which she said are still going through the funding process.

At the top of the district's list is funding for its

100-year flood protection project to provide riverbank reinforcement at one of the district's plants in Mira Loma.

Funding also is sought to secure emergency service generators for the district's water well pumps, as well as for its ion exchange plant expansion project, which will improve groundwater treatment.

The committee reviewed three proposed Assembly bills that would reduce water consumption by 2020.

AB 2153 would require residential and commercial developers to implement feasible and cost-effective water efficiency measures.

Barela asked the committee to consider adopting an ordinance similar to the legislation.

"It's something that this district should go ahead and support because then we have more control," Barela said.

De Leon said one of the drawbacks about the bill is that it would create more work. She said the district would have to police the developers to make sure they have taken the right measures.

Eldon Horst, general manager for JCSD, said the district should get feedback from the Building Industry Association as to whether it is feasible.

AB 2175 aims to reduce water usage in the state by 20percent by 2020. One of the issues with this bill is that there is no benchmark year from

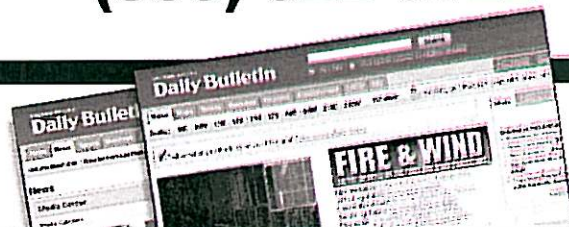
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which the reduction would be calculated, De Leon said.

Horst said this bill poses a problem for developing areas such as the Jurupa Valley. He said it will be too hard to reduce water usage when there are high demands.

McLaughlin said one way for the district to tackle the issue is by offering some sort of incentive program to those who have reduced their water.

AB 2219 is a bill sponsored by the Building Industry Association that asks city or county agencies to come up with voluntarily water demand management measures.

De Leon said it might be worth the committee's time to meet with local representatives from the association to adopt a similar measure.

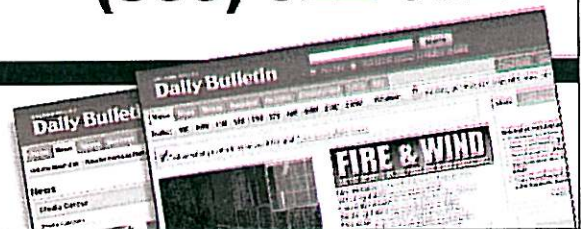
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Homebuilder to pay \$300,000 for wastewater discharge into San Jacinto River



 [Download story podcast](#)

10:00 PM PDT on Tuesday, May 13, 2008

By **JENNIFER BOWLES**
The Press-Enterprise

Shea Homes agreed to pay \$300,000 to settle charges the builder allowed 108,000 gallons of manure-laden wastewater to flood a major street, enter a storm drain and make its way to the San Jacinto River, officials said Tuesday.

Representatives for Shea Homes, based in Walnut, did not return calls seeking comment.

The charges stem from an April 25, 2005, discharge of wastewater from ponds at a dairy farm in San Jacinto that was being converted to a site for new homes. As crews tried to manage flooding from the wastewater, they dug a trench and sparked an explosion by striking a pressurized natural gas line, said Kurt Berchtold, assistant executive officer with the Santa Ana Regional Water Quality Control Board.

The wastewater flooded Ramona Boulevard and entered a storm drain leading to the river. The case was investigated by the water board and the Riverside County district attorney's office.

Investigators concluded that Shea's lack of planning and negligence caused the discharge, Berchtold said. State law requires homebuilders to have a plan to address potential pollution sources and measures to control them.

According to the settlement, Shea agreed to pay \$100,000 as a civil penalty to the district attorney's office and \$200,000 to a cleanup fund managed by the state Water Resources Control Board.

Reach Jennifer Bowles at 951-368-9548 or jbowles@PE.com.

Or check out her blog at www.PE.com/blogs/environment

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sbsun.com

Upland looks to become a local alternative energy leader

Lori Consalvo, Staff Writer

Article Launched: 05/02/2008 11:18:48 PM PDT

UPLAND - The city is looking to become a local leader in alternative energy options.

Councilman Ken Willis, at this week's council meeting, requested the idea of initiating rooftop solar development, among other energy efficient options, be researched and eventually recommended by the Public Works Committee.

Upland has been moving forward with efficient water plans for the city. In two years, it plans to use reclaimed water to irrigate establishments like the local golf courses, city parks, schools and the Euclid Avenue median.

But now city officials are trying to figure out how to use photovoltaic solar cell systems - electricity made from sunshine - to power buildings like fire stations, the library, and City Hall.

"In Los Angeles, both the city and the school district are working to develop solar cells for rooftops of the city buildings," Willis said. "That's something we could do here."

But, he said, "Trying to make things happen is always complicated and takes a while."

Willis, who chairs the Public Works Committee, said the panel will begin evaluations on the subject of solar energy in hopes of making it a reality.

Once the committee has some concrete ideas, the next step will be public hearings to gather feedback.

However, Willis said they need the public's opinion even in the earliest stages.

"We are very interested in (talking to) citizens-engineers, technicians, business people - who have experience with alternative energy," he said.

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<http://www.latimes.com/news/opinion/la-ed-water18-2008may18.0.4724326.story>
From the Los Angeles Times

THE GREAT THIRST

Tapping into the future

The mayor's water conservation plan is a worthy first step.

May 18, 2008

It's long past time for Los Angeles' leadership to get serious about saving water -- and Mayor Antonio Villaraigosa's new water-supply action plan is a responsible effort to move beyond our hysterical past to a reasonable future.

Designed to make sure the city can meet all of its new demands for water through conservation and recycling, the plan calls for enforcing a 1991 ordinance restricting water use, including prohibitions against hosing down driveways and watering lawns in the middle of the day. It lays out a strategy to recover some of the millions of gallons of rainwater that flow to the ocean each year and promises to push the federal government to clean up the San Fernando Groundwater Basin, a key source that also happens to be a Superfund site. The city will spend \$2.3 million on an awareness campaign. It will offer rebates for efficient appliances. It will install "smart irrigation controllers" in parks and will require new development to comply with green standards.

It was tiresome, if somewhat predictable, that the media focused on just one aspect of the plan: water recycling for indirect potable use, sometimes referred to, vividly, as "toilet to tap." Gerald A. Silver, president of the Homeowners of Encino and an opponent of an earlier recycling program, told The Times it was "grossly unfair" for the mayor to decide that residents should reuse water.

Enough, already. Perhaps -- *perhaps* -- there was reason to fret in 2000, when politicians across the city, including Villaraigosa, forced the Department of Water and Power to shutter a spanking-new, \$55-million plant that processed sewage to make it safe to return to underground aquifers. Back then, recycling technology was still too expensive, and water still seemed too plentiful, for this worthy project to overcome its howling opponents. It didn't help that the city kept the public out of the planning process.

Today, Los Angeles gets almost 90% of its water from outside sources -- all of which are under pressure. Imports from the State Water Project, for example, could drop 30% this year and are expected to remain low indefinitely, no matter how much it rains or snows in winters to come. If Los Angeles hopes to thrive, it must turn to local water supplies to make up for shortfalls. Recycling technology has improved. Orange County has already started recycling water for indirect potable reuse. The mayor said he plans to reach out to residents, as Orange County did, to make the case for recycled water. He must follow through.

Los Angeles residents must follow through as well. DWP officials say the utility will expand its incentive programs to encourage homeowners to cut back on outdoor water use, which accounts for 40% of residential consumption in the city. Homeowners must take advantage of offers like these and must install landscaping that is more water-friendly. In return, the city should do what it can to remove the red tape that can make it difficult for well-intentioned folks to experiment with water-saving projects, such as using gray water in the garden and installing permeable driveways and hardscapes that recover storm water.

We in Los Angeles live in a dry land with precious little local water. We need to recognize that we can no longer go out and grab water wherever we can find it, whenever we need it. This means not standing in the way of projects, including recycling, that will make Los Angeles more self-sufficient.

The mayor's plan won't get us all the way there -- it doesn't address incentive pricing, a key component to reducing use, nor does it set aside all the money to pay for the new initiatives (though federal and state funds are available). But it lays a good foundation for the aggressive action the city will have to take to save water for decades to come. Antiquated attitudes about reuse can't be allowed to thwart these essential first steps.

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May 16, 2008

Los Angeles Eyes Sewage as a Source of Water

By [RANDAL C. ARCHIBOLD](#)

LOS ANGELES — Faced with a persistent drought and the threat of tighter water supplies, Los Angeles plans to begin using heavily cleansed sewage to increase drinking water supplies, joining a growing number of cities considering similar measures.

Mayor [Antonio R. Villaraigosa](#), who opposed such a plan a decade ago over safety concerns, announced the proposal on Thursday as part of a package of initiatives to put the city, the nation's second largest, on a stricter water budget. The other plans include increasing fines for watering lawns during restricted times, tapping into and cleaning more groundwater, and encouraging businesses and residents to use more efficient sprinklers and plumbing fixtures.

The move comes as California braces for the possibility of the most severe water shortages in decades.

Snowfall in the Sierra Nevada, which supplies about a third of Los Angeles's water, is short of expectations. At the same time, the Western drought has lowered supplies in reservoirs, while legal rulings to protect endangered species will curtail water deliveries from Northern California.

Worsening the problem, Los Angeles is expected to add 500,000 people by 2030, forcing the city to examine new ways to meet demand. One option off the table, Mr. Villaraigosa said, is a repeat of the city's troubled history, fictionalized in the movie "Chinatown," of diverting a distant river southward to slake the city's thirst.

The city, pushed by legal claims, is already paying millions to restore dried-up portions of the river, the Owens.

"There simply are no more holes or straws to pitch," Mr. Villaraigosa said at a news conference at a water plant.

Many cities and towns across the country, including Los Angeles, already recycle wastewater for industrial uses and landscaping.

But the idea of using recycled wastewater, after intense filtering and chemical treatment, to replenish aquifers and reservoirs has gotten more notice lately because of technological advances that, industry leaders say, can make the water purer than tap water. San Diego and South Florida are also considering or planning to test the idea, and Orange County, Calif., opened a \$481 million plant in January, without much community resistance, that is believed to be the world's largest such facility.

None of the proposals or recycling projects already under way send the treated water directly into taps; most often the water is injected into the ground and gradually filters down into aquifers.

That is what Los Angeles would do, too. But the city abandoned that idea seven years ago in the face of political opposition, and is likely to face some debate about it now.

Fran Reichenbach, a founder of the Beachwood Canyon Neighborhood Association, one of the groups that opposed the plan, said she remained unconvinced the water would be safe.

"I appreciate them trying to save us in a time of water shortage, but the fact remains the kind of toxins and chemicals that are created on daily basis cannot be tested for," Ms. Reichenbach said, disputing industry claims to the contrary. She said the group would push for independent testing and analysis of the treated water.

But Mr. Villaraigosa and H. David Nahai, the general manager of the Department of Water and Power, said they would push forward.

It will cost about \$1 billion to retool the water works to treat the sewage, capture more rainfall and make other improvements. The money, city officials said, will come in part from state grants and fees on polluters, though they have not ruled out increases in water bills as well. The City Council must approve some of the changes.

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dailybulletin.com

Drought declared for state

Driest-ever conditions in north prompt Schwarzenegger's action

Matthew Wrye, Staff Writer

Article Created: 06/04/2008 09:40:33 PM PDT

Two years of extremely low rain and snowmelt on Northern California mountains prompted Gov. Arnold Schwarzenegger on Wednesday to declare a statewide drought.

Local water wholesale and retail representatives weren't surprised by Schwarzenegger's decision.

Coupled with the largest court-ordered restrictions on water transfers in state history, the governor and top water officials said residents and water managers must cut water use now or face rationing next year if another dry winter follows.

"This region has been in a drought for the last eight years," said Stacey Aldstadt, general manager of San Bernardino Municipal Water Department, which serves San Bernardino. "But for the first time, we have multiple dry years in both Northern and Southern California."

The department declared a Stage 1 emergency on Tuesday, which means it will ramp up its water conservation messages to government agencies and the public. A Stage 3 emergency

would mean mandatory rationing.

The San Bernardino area hasn't been this dry since sometime in the 1960s, Aldstadt said.

Jack Nelson, assistant general manager of Yucaipa Valley Water District, said he doesn't think the Yucaipa area is in a drought, but "it is a concern."

"Hopefully we won't get to that point," Nelson said. "We've been working to drought-proof ourselves as much as possible."

Both Aldstadt and Nelson weren't sure how the governor's actions would affect their operations, if at all.

In response to the governor's declaration, the Metropolitan Water District of Southern California said it will consider issuing a water supply alert next week. Metropolitan said that it is already drawing on its significant reserves and "there is no guarantee Southern California can replenish reserve supplies whenever this drought cycle ends. It is vital to stretch our reserve supplies for as long as possible."

The Metropolitan Water District is a consortium of 26 cities and water districts that provides drinking water to nearly 18 million people in Southern California.

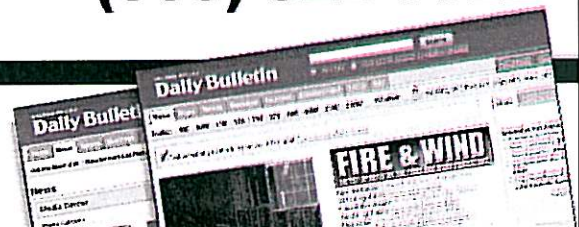
Schwarzenegger said the last three months have been the driest in recorded history for areas of Northern California that supply most of the state's water.

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Dan Walters: Parties far apart on fixing California's budget deficit

By Dan Walters - dwalters@sacbee.com

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What could be an epic battle over how to close a \$15 billion-plus deficit in the 2008-09 state budget began in earnest Thursday when the Assembly's Democratic majority unveiled its version, which includes more than \$6 billion in new revenues.

Karen Bass, the new speaker of the Assembly, and her colleagues contend the revenues can be raised from closing unspecified tax loopholes "without impacting ordinary Californians or harming the economy." Republicans – whose votes would be needed to pass a budget – have already rejected that approach as being new taxes by another name.

Gov. Arnold Schwarzenegger is somewhere in the middle, saying he opposes new taxes but is open to loophole-closing. Democrats, however, flatly reject his call for budget process changes that, among other things, would give him more power to make unilateral spending cuts.

Bass unveiled the alternative budget during a presentation to the Sacramento Press Club in which she criticized the "risky assumptions" of Schwarzenegger's latest budget and hailed the Democrats' version for rejecting the governor's proposed cuts in projected education and health and welfare spending. The state Senate, also controlled by Democrats, is expected to propose a similar approach that also includes new revenues.

The Assembly's version adopts Schwarzenegger's plan to "securitize" the state lottery, borrowing against projected future profit increases, and would use about \$5 billion of that loan to close the gap in 2008-09, albeit somewhat differently than the governor proposes. The Assembly would devote the remainder of the lottery loan to paying off state debts rather than creating the "rainy-day fund" that Schwarzenegger wants, apparently because the Democrats envision that permanently increased revenues would negate the need for more reserves.

All in all, it's entirely likely that some form of the lottery scheme will make its way into the final budget, whenever that occurs, but that would still leave at least a \$10 billion gap to be filled either with spending reductions or new revenues. And that will be the pivotal point of the forthcoming budget battle.

The state constitution says the budget is to be enacted by June 15, a date that's only rarely met. The next deadline is July 1, when the new fiscal year is to begin, but that's likely to pass without a budget as well.

After that, the target date would be somewhere around Sept. 1 for two reasons – the state could face a cash crunch in August, unable to pay its bills without borrowing more money from Wall Street bankers, and the first part of September probably is the drop-dead date for placing something before voters on the November ballot. It's generally agreed that any fundamental change in the state lottery to make it attractive to would-be lenders would have to be approved by voters.

There is a third reason as well: The Legislature is supposed to end its 2008 session on Aug. 31.

Whether a budget can be hammered out by then is very problematic, given the rigid ideological positions of both parties on the interrelated issues of spending and taxes as well as the declining public standing of Schwarzenegger, who has almost no power to pressure even fellow Republicans into voting his way on any issue.

Chances are pretty strong, therefore, that the state will be pleading with bankers in August to issue short-term loans called "revenue anticipation warrants" that would provide liquidity to a depleted state treasury and allow California to continue to pay its employees and send aid to school districts and local governments that are dependent on injections of cash from Sacramento.

Issuing "RAWs," as they are called, would buy some time but also would reduce pressure on Schwarzenegger and lawmakers to make a deal.



Drought prompts call for building moratorium

Liset Marquez, Staff Writer

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The impending water shortage facing California this summer has prompted one elected official to suggest a moratorium on development.

R.M. "Cook" Barela, president of the Jurupa Community Services District board in Mira Loma, has suggested a halt on development in the Jurupa Valley while the water shortage exists.

"We ought to put all development on halt until we have a plan," he said.

The board will discuss the issue on Tuesday at its water committee meeting, said Eldon Horst, general manger of the district, which provides water, sewer and street-light service in 48 square miles of unincorporated west Riverside County.

Barela's proposal comes on the heels of Gov. Arnold Schwarzenegger's announcement Wednesday declaring that the state is in a drought and asking water districts and agencies to promote water conservation.

The state's situation is the result of a number of factors, including a low-rainfall spring and below-average rainfall for two years.

Adding those factors to a decision in federal court drastically cutting the amount of Northern California water to be sent south bodes real problems for the coming months.

Barela said he favors putting a hold on issuing letters of water availability - certificates saying a development will receive sufficient water supplies - for two years.

Barela said the moratorium would probably not have an immediate impact because development is mostly at a standstill due to the economy.

Not everyone is willing to halt development right now.

"I really don't think we need to be at the moratorium point of decision. If people are responsive to the governor's call, if people conserve, we won't need to be at that point," said Celeste Cantu, general manager of the Santa Ana Watershed Project Authority, which oversees the Santa Ana River watershed.

Other avenues can be taken other than stopping development altogether, said Richard Atwater, general manager of the Inland Empire Utilities Agency.

"We need new development, new jobs," Atwater said. "Let's make sure it mitigates the water supplies."

His agency provides imported drinking water and recycled water as well as collects, treats and reuses wastewater for communities in San

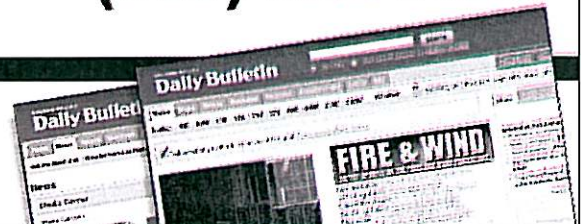
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Bernardino County's West End.

At the state level, there are several efforts going on that would conserve water. Among those proposed is AB 2175, which aims to reduce water use in the state by 20percent by 2020.

One of the issues with this bill is that there is no benchmark year from which the reduction would be calculated, Atwater said.

"We're reaching our limit of surplus water," Atwater said. "We're facing water shortage and every community needs to do their best to conserve water. We can't afford to waste water."

The use of recycled water is not new for the Inland Empire Utilities Agency - new projects must incorporate recycled water.

"We need to look at smart irrigation, and we need to get all the new developments water-efficient," Atwater said.

The Preserve in Chino and new developments in Ontario use recycled water for outdoor irrigation. Homes in The Preserve use one-third less water than a home built in Chino 20 years ago, Atwater said.

Cantu said one of the problems is that many people over-water their lawns. If people cut that in half, it would result in a savings of 30 percent of all the water used in the state, she said.

Horst said the decision on a moratorium would ultimately have to come from the board. Horst

said that board members are given data which projects water supply for the next five years.

"The agencies that I have known to do a moratorium don't know where their water is coming from in the foreseeable future," Horst said. "That's not the case in Jurupa."

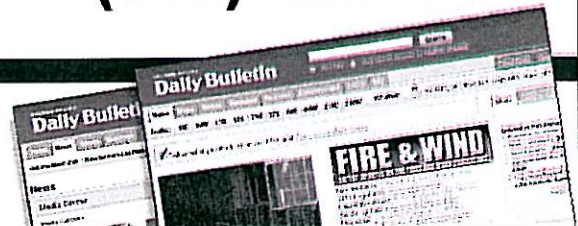
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