



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, April 23, 2009

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

(Lunch will be served)

AT THE CHINO BASIN WATERMASTER OFFICES
9641 San Bernardino Road
Rancho Cucamonga, CA 91730
(909) 484-3888



CHINO BASIN WATERMASTER

Thursday, April 23, 2009

9:00 a.m. – Advisory Committee Meeting

11:00 a.m. – Watermaster Board Meeting

(Lunch will be served)

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

WITH

*Mr. Gene Koopman, Chair, Agricultural Pool
Mr. Robert DeLoach, Vice-Chair, Appropriative Pool*

9:00 a.m. – April 23, 2009

At The Offices Of

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

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

Note: All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by one motion in the form listed below. There will be no separate discussion on these items prior to voting unless any members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES

1. Minutes of the Advisory Committee Meeting held March 26, 2009 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2009 *(Page 13)*
2. Watermaster Visa Check Detail *(Page 17)*
3. Combining Schedule for the Period July 1, 2008 through February 28, 2009 *(Page 19)*
4. Treasurer's Report of Financial Affairs for the Period February 1, 2009 through February 28 2009 *(Page 21)*
5. Budget vs. Actual July 2008 through February 2009 *(Page 23)*

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Santa Ana River Water Company hereby transfers to Jurupa Community Services District in the quantity of 1,000 acre-feet of corresponding Operating Safe Yield. Date of Application: February 2, 2009 *(Page 25)*
2. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,800.000 acre-feet of water from the Santa Ana River Water Company. Watermaster will purchase the water at \$295.00 per acre-foot, which is the MWD's replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from SARWC's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage. Date of Application: March 2, 2009 *(Page 35)*
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 5,085.000 acre-feet of water from the City of Chino. Date of Application: March 2, 2009 *(Page 49)*

II. BUSINESS ITEM

A. BUDGET TRANSFER T-09-04-01

Consider Budget Transfer No. T-09-04-01 for the Funding of the Farming Portion of the Middle Santa Ana Watershed TMDL Study in the Amount of \$21,000 *(Page 63)*

B. BUDGET TRANSFER T-09-04-02

Consider Budget Transfer No. T-09-04-02 for Agricultural Pool Legal & Technical from OBMP Account 6906 to Account 8467 in the Amount of \$30,000 (*Page 67*)

C. STATUS REPORT 2008-2

Consider Approval of Status Report 2008-2 for Filing with the Court (*Page 71*)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. April 27, 2009 Hearing
2. Hanson Aggregates Update
3. Notice Application for Storage Account by Inland Empire Utilities Agency, Three Valleys Municipal Water District, and Western Municipal Water District on behalf of Metropolitan Water District of Southern California for an additional 74,000.000 acre-feet in addition to the 100,000.000 acre-feet existing DYY Storage Account
4. Development and Use of the City of Upland's Storm Drains Agreement

B. ENGINEERING REPORT

1. Recharge Master Plan Update and Schedule
2. Summary of Findings from Max Benefit/Hydraulic Control Monitoring Report
3. Results of InSAR Work

C. FINANCIAL REPORT

1. Budget Workshop and Related Items

D. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Update
3. Zone 1 Repair to San Sevaine Channel Agreement

E. INLAND EMPIRE UTILITIES AGENCY

1. MWD Water Supply Allocation Update - Oral
2. IEUA's Drought Plan Update - Oral
3. Recycled Water Status Report - Oral
4. Peace II CEQA Update - Oral
5. Monthly Water Conservation Programs (*Page 95*)
6. Imported Water Deliveries/DYY Performance Report (*Page 102*)
7. Recycled Water Newsletter (*Page 113*)
8. State and Federal Legislative Reports (*Page 119*)
9. Community Outreach/Public Relations Report (*Page 163*)
10. MWD Drought Plan and Press Release (*Page 165*)
11. IEUA Drought Plan and Press Release (*Page 169*)
12. MWD Water Rates and Charges Board Letter (*Page 187*)
13. Revised Peace II CEQA Schedule (*Page 191*)

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

1. Newspaper Articles (*Page 193*)

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to the Advisory Committee Rules & Regulations, a Confidential Session may be held during the Watermaster Advisory Committee meeting for the purpose of discussion and possible action.

1. Meeting with Agricultural Pool Regarding Special Projects
2. Personnel Committee Matters

VIII. FUTURE MEETINGS

April 14, 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
April 21, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
April 21, 2009	2:00 p.m.	Budget Workshop
April 23, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
April 23, 2009	9:00 a.m.	Advisory Committee Meeting
April 23, 2009	11:00 a.m.	Watermaster Board Meeting
April 23, 2009	1:00 p.m.	WE Workshop #2 Task 6.1
April 27, 2009	9:30 a.m.	Chino Basin Watermaster Hearing, San Bernardino Court
April 28, 2009	9:00 a.m.	GRCC Meeting
May 14 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
May 19, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
May 28, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
May 28, 2009	9:00 a.m.	Advisory Committee Meeting
May 28, 2009	11:00 a.m.	Watermaster Board Meeting
May 28, 2009	1:00 p.m.	WE Workshop #3 Tasks 8.2 through 8.5

Meeting Adjourn

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**CHINO BASIN WATERMASTER
BOARD MEETING**

WITH

Mr. Ken Willis, Chair

Mr. Bob Kuhn, Vice-Chair

11:00 a.m. – April 23, 2009

At The Offices Of

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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B. BUDGET TRANSFER T-09-04-02

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C. STATUS REPORT 2008-2

Consider Approval of Status Report 2008-2 for Filing with the Court (Page 71)

D. PERS AMENDMENT – RESOLUTION NO. 09-04

Consider Approval of Resolution No. 09-04 Declaring its Intent to Change the Public Employee Retirement (PERS) formula from 2.0% at 55 to 2.5% at 55 (Page 83)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

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1. Budget Workshop and Related Items

D. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Update
3. Zone 1 Repair to San Sevaine Channel Agreement

IV. INFORMATION

1. Newspaper Articles (Page 193)

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster committee meeting for the purpose of discussion and possible action.

VIII. FUTURE MEETINGS

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Meeting Adjourn

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting – March 26, 2009



Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
March 26, 2009

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on March 26, 2009 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Robert DeLoach, Vice-Chair	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Mohamad El Amamy	City of Ontario
Anthony La	City of Upland
Dave Crosley	City of Chino
Charles Moorrees	San Antonio Water Company
Raul Garibay	City of Pomona
Mike McGraw	Fontana Water Company
Robert Young	Fontana Union Water Company

Agricultural Pool

Jennifer Novak	State of California Dept. of Justice, CIM
Jeff Pierson	Ag Pool – Crops
Pete Hall	State of California, CIM

Non-Agricultural Pool

Kevin Sage	Vulcan Materials Company (Calmat Division)
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Watermaster Board Members Present

Michael Camacho	Inland Empire Utilities Agency
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Watermaster Staff Present

Ken Manning	CEO
Sheri Rojo	CFO/Asst. General Manager
Ben Pak	Senior Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present

Jack Safely	Western Municipal Water District
Tom Crowley	Western Municipal Water District
Sandra Rose	Monte Vista Water District
Steven Lee	Reid & Hellyer
Eunice Ulloa	Chino Basin Water Conservation District
Martha Davis	Inland Empire Utilities Agency
Rich Atwater	Inland Empire Utilities Agency
Terry Catlin	Inland Empire Utilities Agency
Marv Shaw	Inland Empire Utilities Agency
Gil Aldaco	City of Chino
Marty Zvirbulis	Cucamonga Valley Water District
Ben Adlin	Coro/Chino Basin Watermaster

Vice-Chair DeLoach called the Advisory Committee meeting to order at 9:03 a.m.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held February 26, 2009

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2009
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2008 through January 31, 2009
4. Treasurer's Report of Financial Affairs for the Period January 1, 2009 through January 31, 2009
5. Budget vs. Actual July 2008 through January 2009

Motion by Pierson, second by El Amamy, and by unanimous vote

Moved to approve Consent Calendar A through B, as presented

II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Court Hearing Update

Counsel Fife stated the new hearing date has now been rescheduled to Monday, April 27, 2009 at 9:30 a.m. Counsel Fife stated meetings regarding testimony and for this upcoming hearing will be scheduled in April.

2. The Auction Price Floor Agreement & Storage & Recovery Agreement

Counsel Fife stated a meeting took place recently with Watermaster staff and the Appropriative Pool members regarding the sale of the Non Agriculture water we currently do not have a floor bidder for the water that will be available for the upcoming auction. Different ways to restructure the auction are being considered and once a more definitive plan is done more information will be presented to this Pool. Chair Jeske offered comment on the recent meeting and noted a to-do list was given out at that meeting and another meeting was scheduled.

3. Peace II CEQA Notice of Preparation

Counsel Fife stated in the Peace II Agreement there was commitment to do a CEQA analysis and Mr. Dodson has been hired to perform that work. Inland Empire Utilities Agency (IEUA) is acting as the lead agency. The CEQA document is going to review the Peace II agreements and also will be an update to the original PEIR that was done in 2000. A notice of preparation did go out on February 25, 2009 which began the 30 day comment period which expired yesterday.

B. ENGINEERING REPORT

1. Recharge Master Plan Progress Report

No comment was made regarding this item.

2. Storage Loss Calculation Update

No comment was made regarding this item.

3. Budget Schedule Update

Mr. Wildermuth stated the quarterly report that is prepared for Watermaster on a quarterly basis and summarizes Wildermuth tasks and budget status is now available. The report reads by task order for all the work that is done within a week or two. Mr. Wildermuth stated the most recent ECAC spreadsheet is available on the back table and if there are any questions on the report call himself, Joe LeClaire, or Sheri Rojo.

C. FINANCIAL REPORT

1. Dry Year Yield Financial Update

Ms. Rojo stated the Dry Year Yield Program that was entered into between Chino Basin Watermaster, Metropolitan Water District, with Inland Empire Utilities Agency acting as the lead agency started last fiscal year 2007-2008. MWD agreed to reimburse Watermaster \$400,000 and some of that has already been received and the balance will be received this fiscal year. The project was completed in December, 2008, and staff is now anticipating receiving the final reimbursements between Watermaster and IEUA.

Added Comment:

Mr. Manning introduced Ben Adlin from the Coro Foundation and noted he would be performing an internship for approximately 5 weeks at Watermaster. During the time spent at Watermaster Mr. Adlin will be creating a new Chino Basin Watermaster power point presentation for the Watermaster website.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated there are a number of bills being introduced in Sacramento and the deadline for introduction was two weeks ago. There were about a third less bills introduced this year than in previous years. In Washington there are a lot of bills going through congress and the senate under a variety of different names; mostly stimulus kinds of activities. IEUA sends out a detailed list of current legislation status which is always very informative.

2. Recharge Update

Mr. Manning stated the most recent recharge update spreadsheet is on the back table. Mr. Manning noted there was over 3,000 acre-feet of storm water capture in the month of February which was a very good month based on the storms we had. Mr. Manning stated the Watermaster, Inland Empire Utilities Agency, San Bernardino County, and the Chino Basin Conservation District were very aggressive in their efforts to capture all the water possible from the storms in the month of February. There were 5,200 acre-feet of recycled water accumulated on top of the 3,000 acre-feet of storm water which again made for a very good month.

3. Watermaster Consolidated Schedule of Reporting Due Dates

No comment was made regarding this item.

4. PERS Retirement Plan

Mr. Manning stated the Personnel Committee met recently and the PERS retirement plan that Watermaster currently has was reviewed and a proposal for a revised plan was presented. Mr. Manning stated the revision regarded changing the percentage number from 2.0% at 55 years of age to 2.5% at 55 years of age. The Personnel Committee made the recommendation that Watermaster can modify their plan to 2.5% at 55, if Watermaster staff picked up the increase in cost between the 2.0% and the 2.5% which is approximately 3% of their payroll. This recommendation will be coming to the board in April for a July, 2009 start date.

E. INLAND EMPIRE UTILITIES AGENCY

- 1. MWD Water Supply Allocation Update
No comment was made regarding this item.
- 2. IEUA's Draft "Strawman" Drought Allocation Plan Update
No comment was made regarding this item.
- 3. Dry Year Yield Expansion Update
No comment was made regarding this item.
- 4. Peace II CEQA Update
No comment was made regarding this item.
- 5. MWD Ordinance Requirements for Extraordinary Conservation Programs
No comment was made regarding this item.
- 6. Monthly Water Conservation Programs and Imported Water Deliveries/DYY Report
No comment was made regarding this item.
- 7. Recycled Water Newsletter
No comment was made regarding this item.
- 8. State and Federal Legislative Reports
No comment was made regarding this item.
- 9. Community Outreach/Public Relations Report
No comment was made regarding this item.

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

No comment was made regarding this item.

III. INFORMATION

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

IV. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

V. OTHER BUSINESS

No comment was made regarding this item.

VI. CONFIDENTIAL SESSION - POSSIBLE ACTION

No comment was made regarding this item.

VII. FUTURE MEETINGS

March 26, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
March 26, 2009	9:00 a.m.	Advisory Committee Meeting
March 26, 2009	11:00 a.m.	Watermaster Board Meeting
March 26, 2009	1:00 p.m.	Wildermuth Environmental Workshop
April 14, 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
April 21, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
April 23, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
April 23, 2009	9:00 a.m.	Advisory Committee Meeting
April 23, 2009	11:00 a.m.	Watermaster Board Meeting
April 27, 2009	9:30 a.m.	Chino Basin Watermaster Hearing, San Bernardino Court

The Advisory Committee meeting was dismissed by Vice-Chair DeLoach at 9:20 a.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting – March 26, 2009



Draft Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

March 26, 2009

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on March 26, 2009 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Ken Willis, Chair	City of Upland
Bob Kuhn	Three Valleys Municipal Water District
Charles Field	Western Municipal Water District
Jim Curatalo	Cucamonga Valley Water District
Michael Whitehead	Fontana Water Company
Michael Camacho	Inland Empire Utilities Agency
Kevin Sage	Vulcan Materials Company
Jeff Pierson	Agricultural Pool
Geoffrey Vanden Heuvel	Agricultural Pool

Watermaster Staff Present

Ken Manning	CEO
Sheri Rojo	CFO/Asst. General Manager
Ben Pak	Senior Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present

Robert DeLoach	Cucamonga Valley Water District
Marty Zvirbulis	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Anthony La	City of Upland
Dave Crosley	City of Chino
Raul Garibay	City of Pomona
Robert Tock	Jurupa Community Services District
Bill Kruger	City of Chino Hills
Mohamad El-Amamy	City of Ontario
Gordon Thrupp	Geosyntec
Rick Hansen	Three Valleys Municipal Water District
David DeJesus	Three Valleys Municipal Water District
Robert Young	Fontana Union Water Company
Jennifer Novak	State of California Dept. of Justice, CIM
Jack Safely	Western Municipal Water District
Tom Crowley	Western Municipal Water District
Sandra Rose	Monte Vista Water District
Steven Lee	Reid & Hellyer
Eunice Ulloa	Chino Basin Water Conservation District
Martha Davis	Inland Empire Utilities Agency
Rich Atwater	Inland Empire Utilities Agency

Terry Catlin
Marv Shaw
Ben Adlin
Andrew Lazenby

Inland Empire Utilities Agency
Inland Empire Utilities Agency
Coro/Chino Basin Watermaster
Black & Veatch

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

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

Mr. Manning stated Business item A. Public Employee Retirement Plan is going to be removed from the agenda as an action item and will be brought back on the April agenda for action.

Mr. Manning introduced Ben Adlin from the Coro Foundation and noted he would be performing an internship for approximately 5 weeks at Watermaster. During the time spent at Watermaster Mr. Adlin will be creating a new Chino Basin Watermaster power point presentation for the Watermaster website.

PUBLIC HEARING

No comments were made regarding this item.

I. CONSENT CALENDAR

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Motion by Kuhn, second by Field, and by unanimous vote

Moved to approve Consent Calendar A through B, as presented

II. BUSINESS ITEM

A. PUBLIC EMPLOYEE RETIREMENT PLAN

This business item was removed from the Watermaster Board agenda.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Court Hearing Update

Counsel Slater stated the Chino Basin Watermaster hearing has now been rescheduled to Monday, April 27, 2009 at 9:30 a.m. Counsel Slater stated meetings regarding testimony and such necessary for this upcoming hearing will be scheduled early in April by Mr. Fife.

2. Auction Price Floor Agreement & Storage & Recovery Agreement

Counsel Slater stated the Auction Price Floor Agreement was discussed last month and have contacted Watermaster and some Board comments were received on this matter. It was noted at the last Board meeting that this issue is still being worked through the process. Counsel Slater stated meetings with several of the Appropriators have taken place to receive further direction. Counsel Slater refreshed the Board members on this Storage & Recovery matter and noted this item must go through the process and be approved by the Board and then ultimately approved by the court. Parties interested in securing a portion of the water held in storage there are about twelve interested parties. Watermaster staff and counsel expect to come back to the Appropriative Pool next month with a proposal in the

form of a potential Storage & Recovery Agreement and a proposal as to how to address material physical harm, and a proposal made as to how to use the revenues received in the event that the auction is pursued. The members of the Appropriative Pool are entitled to compensation from a Storage & Recovery Agreement; Watermaster will be bringing back a proposal that satisfies the broad benefit test. Mr. Vanden Heuvel distributed a document and offered comment on the handout that distributed at the March Agricultural Pool meeting during closed session. Mr. Vanden Heuvel read the document and then reviewed the document in detail. A lengthy discussion with regard to Mr. Vanden Heuvel's document ensued. Counsel Slater stated additional policy questions raised in Mr. Vanden Heuvel's document. Counsel Slater stated staff and counsel recognizes it is our responsibility to prepare a detailed staff report and supporting materials that will ultimately work their way through the process to respond to questions and comments. Mr. Whitehead inquired about a loan to purchase this water and a discussion regarding a possible loan ensued. A lengthy discussion ensued.

3. Peace II CEQA Notice of Preparation

Counsel Slater stated in the Peace II Agreement there was commitment to do a CEQA analysis and Mr. Dodson has been hired to perform that work. Inland Empire Utilities Agency (IEUA) is acting as the lead agency and this is in process. The CEQA document is going to review the Peace II agreements and also will be an update to the original PEIR that was done in 2000. A notice of preparation did go out on February 25, 2009 which began the 30 day comment period which expired yesterday.

A. ENGINEERING REPORT

1. Recharge Master Plan Progress Report

Mr. Wildermuth stated the work on the Recharge Master Plan is proceeding on schedule and Watermaster recently held a technical consultant meeting. The production optimization work is currently underway and is on schedule. Supplemental water recharge requirements and facilities availability have been completed. Safe yield methodology description is complete and staff is wrapping up the planning criteria. There are four task memorandums that are going to be made available next week on our web site. Those four documents will be the content for the March 26, 2009 Workshop.

2. Storage Loss Calculation Update

Mr. Wildermuth stated the calculations for the storage losses are complete and an initial set of loss rate computations will be produced shortly and we will present these findings at the next Advisory Committee meeting. Wildermuth is preparing a technical memorandum for staff to review in the near future.

3. Budget Schedule Update

Mr. Wildermuth stated the quarterly report that is prepared for Watermaster on a quarterly basis and summarizes Wildermuth tasks and budget status is now available. The report reads by task order for all the work that is done within a week or two. Mr. Wildermuth stated the most recent ECAC spreadsheet is available on the back table and if there are any questions on the report call himself, Joe LeClaire, or Sheri Rojo.

C. FINANCIAL REPORT

1. Dry Year Yield Financial Update

Ms. Rojo stated the Dry Year Yield Program that was entered into between Chino Basin Watermaster, Metropolitan Water District, with Inland Empire Utilities Agency acting as the lead agency started last fiscal year 2007-2008. MWD agreed to reimburse Watermaster \$400,000 and some of that has already been received and the balance will be received this fiscal year. The project was completed in December, 2008, and staff is now anticipating receiving the final reimbursements between Watermaster and IEUA.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated there are a number of bills being introduced in Sacramento and the deadline for introduction was two weeks ago. There were about a third less bills introduced this year than in previous years. In Washington there are a lot of bills going through congress and the senate under a variety of different names; mostly stimulus kinds of activities. IEUA sends out a detailed list of current legislation status which is always very informative.

2. Recharge Update

Mr. Manning stated the most recent recharge update spreadsheet is on the back table. Mr. Manning noted there was over 3,000 acre-feet of storm water capture in the month of February which was a very good month based on the storms we had. Mr. Manning stated the Watermaster, Inland Empire Utilities Agency, San Bernardino County, and the Chino Basin Conservation District were very aggressive in their efforts to capture all the water possible from the storms in the month of February. There were 5,200 acre-feet of recycled water accumulated on top of the 3,000 acre-feet of storm water which again made for a very good month.

3. Watermaster Consolidated Schedule of Reporting Due Dates

No comment was made regarding this item.

III. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

IV. BOARD MEMBER COMMENTS

No comment was made regarding this item.

V. OTHER BUSINESS

No comment was made regarding this item.

The regular open Watermaster Board meeting was convened to hold its confidential session at 11:45 a.m.

VI. CONFIDENTIAL SESSION - POSSIBLE ACTION

Counsel Slater stated the action taken by the Watermaster Board was to accept the settlement agreement with Hanson Aggregates.

The closed session was convened at 12:04 p.m.

VII. FUTURE MEETINGS

March 26, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
March 26, 2009	9:00 a.m.	Advisory Committee Meeting
March 26, 2009	11:00 a.m.	Watermaster Board Meeting
March 26, 2009	1:00 p.m.	Wildermuth Environmental Workshop
April 14, 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
April 21, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
April 23, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
April 23, 2009	9:00 a.m.	Advisory Committee Meeting
April 23, 2009	11:00 a.m.	Watermaster Board Meeting
April 27, 2009	9:30 a.m.	Chino Basin Watermaster Hearing, San Bernardino Court

The Watermaster Board meeting was dismissed by Chair Willis at 12:07 p.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2009
2. Watermaster Visa Check Detail
3. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2008 through February 28, 2009
4. Treasurer's Report of Financial Affairs for the Period February 1, 2009 through February 28, 2009
5. Profit & Loss Budget vs. Actual July 2008 through February 2009





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: April 14, 2009
April 21, 2009
April 23, 2009

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report

SUMMARY

Issue – Record of cash disbursements for the month of March 2009.

Recommendation – Staff recommends the Cash Disbursements for March 2009 be received and filed as presented.

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

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of March 2009 were \$834,447.31. The most significant expenditures during the month were Wildermuth Environmental Inc. in the amount of \$404,455.31, Inland Empire Utilities Agency in the amount of \$163,789.07, and Brownstein Hyatt Farber Schreck in the amount of \$64,221.69.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
March 2009

Type	Date	Num	Name	Amount
Mar 09				
Bill Pmt -Check	3/3/2009	13078	APPLIED COMPUTER TECHNOLOGIES	-3,105.00
Bill Pmt -Check	3/3/2009	13079	ARROWHEAD MOUNTAIN SPRING WATER	-97.37
Bill Pmt -Check	3/3/2009	13080	BLACK & VEATCH CORPORATION	-10,925.00
Bill Pmt -Check	3/3/2009	13081	BOWCOCK, ROBERT	-250.00
Bill Pmt -Check	3/3/2009	13082	CALIFORNIA WATER AWARENESS CAM...	-375.00
Bill Pmt -Check	3/3/2009	13083	CALPERS	-4,008.12
Bill Pmt -Check	3/3/2009	13084	CAMACHO, MICHAEL	-500.00
Bill Pmt -Check	3/3/2009	13085	CARPET CARE CONNECTION	-177.95
Bill Pmt -Check	3/3/2009	13087	CPR AND SPORTS MEDICINE SERVICES...	-248.16
Bill Pmt -Check	3/3/2009	13088	CUCAMONGA VALLEY IAAP	-25.00
Bill Pmt -Check	3/3/2009	13089	DIRECTV	-76.98
Bill Pmt -Check	3/3/2009	13090	INLAND EMPIRE UTILITIES AGENCY	-149,915.07
Bill Pmt -Check	3/3/2009	13091	JAMES JOHNSTON	-855.00
Bill Pmt -Check	3/3/2009	13092	KONICA MINOLTA BUSINESS SOLUTIONS	-347.69
Bill Pmt -Check	3/3/2009	13093	KUHN, BOB	-250.00
Bill Pmt -Check	3/3/2009	13094	MAYER HOFFMAN MC CANN P.C.	-8,850.00
Bill Pmt -Check	3/3/2009	13095	OFFICE DEPOT	-211.57
Bill Pmt -Check	3/3/2009	13097	PAYCHEX	-202.70
Bill Pmt -Check	3/3/2009	13098	PUMP CHECK	-4,735.00
Bill Pmt -Check	3/3/2009	13099	SAFETY CLEAN JANITORIAL SERVICES	-651.31
Bill Pmt -Check	3/3/2009	13100	STANDARD INSURANCE CO.	-580.01
Bill Pmt -Check	3/3/2009	13101	STATE COMPENSATION INSURANCE FU...	-752.52
Bill Pmt -Check	3/3/2009	13102	TLC STAFFING	-960.00
Bill Pmt -Check	3/3/2009	13103	VANDEN HEUVEL, GEOFFREY	-375.00
Bill Pmt -Check	3/3/2009	13104	VERIZON	-410.50
Bill Pmt -Check	3/3/2009	13105	VISION SERVICE PLAN	-62.19
Bill Pmt -Check	3/3/2009	13106	W.C. DISCOUNT MOBILE AUTO DETAILI...	-75.00
Bill Pmt -Check	3/3/2009	13107	WEST VALLEY ELECTRIC	-191.83
Bill Pmt -Check	3/3/2009	13108	WHITEHEAD, MICHAEL	-250.00
Bill Pmt -Check	3/3/2009	13109	WILLIS, KENNETH	-375.00
Bill Pmt -Check	3/3/2009	13110	YUKON DISPOSAL SERVICE	-142.88
Bill Pmt -Check	3/5/2009	13111	ASSOCIATION OF GOVERNMENT ACCO...	-74.00
Bill Pmt -Check	3/5/2009	13112	CUCAMONGA VALLEY WATER DISTRICT	-5,495.00
Bill Pmt -Check	3/5/2009	13113	PARK PLACE COMPUTER SOLUTIONS, I...	-4,725.00
General Journal	3/7/2009	09/03/03	PAYROLL	-7,702.58
General Journal	3/7/2009	09/03/03	PAYROLL	-27,239.14
Bill Pmt -Check	3/13/2009	13114	ACWA SERVICES CORPORATION	-209.95
Bill Pmt -Check	3/13/2009	13115	CITISTREET	-2,595.66
Bill Pmt -Check	3/13/2009	13116	EMPIRE CLEANING SUPPLY	-19.06
Bill Pmt -Check	3/13/2009	13117	EXCEL LANDSCAPE	-5,408.00
Bill Pmt -Check	3/13/2009	13118	HSBC BUSINESS SOLUTIONS	-406.32
Bill Pmt -Check	3/13/2009	13119	PETTY CASH	-400.17
Bill Pmt -Check	3/13/2009	13120	PREMIERE GLOBAL SERVICES	-209.78
Bill Pmt -Check	3/13/2009	13121	SAFEGUARD DENTAL & VISION	-57.68
Bill Pmt -Check	3/13/2009	13122	SOURCE 1 PRINTING, PACKAGING & ME...	-4,281.25
Bill Pmt -Check	3/13/2009	13123	THE STANDARD INSURANCE COMPANY	-156.60
Bill Pmt -Check	3/13/2009	13124	TLC STAFFING	-432.00
Bill Pmt -Check	3/13/2009	13125	UNION 76	-125.19
Bill Pmt -Check	3/13/2009	13126	UNITED PARCEL SERVICE	-106.98
Bill Pmt -Check	3/13/2009	13127	WESTERN DENTAL SERVICES, INC.	-28.06
Bill Pmt -Check	3/13/2009	13128	CITISTREET	-2,595.66
Bill Pmt -Check	3/20/2009	13129	BANC OF AMERICA LEASING	-3,186.17
Bill Pmt -Check	3/20/2009	13130	BANK OF AMERICA	-2,739.67
Bill Pmt -Check	3/20/2009	13131	CALPERS	-4,008.12
Bill Pmt -Check	3/20/2009	13132	COMPUTER NETWORK	-118.53
Bill Pmt -Check	3/20/2009	13133	CUCAMONGA VALLEY WATER DISTRICT	-5,495.00
Bill Pmt -Check	3/20/2009	13134	CUCAMONGA VALLEY IAAP	-50.00
Bill Pmt -Check	3/20/2009	13135	DELUXE BUSINESS FORMS & SUPPLIES	-125.39
Bill Pmt -Check	3/20/2009	13136	FIRST AMERICAN REAL ESTATE SOLUTI...	-125.00
Bill Pmt -Check	3/20/2009	13137	INLAND EMPIRE UTILITIES AGENCY	-13,784.00
Bill Pmt -Check	3/20/2009	13138	MCI	-1,218.99
Bill Pmt -Check	3/20/2009	13139	MIJAC ALARM	-30.00
Bill Pmt -Check	3/20/2009	13140	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	3/20/2009	13141	QUILL	-766.05
Bill Pmt -Check	3/20/2009	13142	R&D PEST SERVICES	-85.00
Bill Pmt -Check	3/20/2009	13143	RAUCH COMMUNICATION CONSULTAN...	-5,851.18
Bill Pmt -Check	3/20/2009	13144	REID & HELLYER	-16,676.75
Bill Pmt -Check	3/20/2009	13145	RICOH BUSINESS SYSTEMS-Lease	-1,777.88

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
March 2009

Type	Date	Num	Name	Amount
Bill Pmt -Check	3/20/2009	13146	SANTA ANA WATERSHED PROJECT AU...	-9,100.00
Bill Pmt -Check	3/20/2009	13147	STAULA, MARY L	-136.61
Bill Pmt -Check	3/20/2009	13148	TLC STAFFING	-480.00
Bill Pmt -Check	3/20/2009	13149	VERIZON WIRELESS	-612.25
General Journal	3/21/2009	09/03/05	PAYROLL	-7,771.00
General Journal	3/21/2009	09/03/05	PAYROLL	-27,170.72
Bill Pmt -Check	3/23/2009	13150	JASON KARNER	-40.00
Bill Pmt -Check	3/23/2009	13151	BROWNSTEIN HYATT FARBER SCHRECK	-64,221.69
Bill Pmt -Check	3/24/2009	13152	MWH LABORATORIES	-9,683.00
Bill Pmt -Check	3/24/2009	13153	WILDERMUTH ENVIRONMENTAL INC	-404,455.31
Bill Pmt -Check	3/26/2009	13154	SAN BERNARDINO COUNTY FLOOD CO...	-1,990.00
Check	3/31/2009			-395.47
Mar 09				-834,447.31

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CHINO BASIN WATERMASTER
Check Detail
March 2009

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Ch...	13130	3/20/2009	BANK OF AMERICA	1012 · Bank of America Gen'l Ckg	
Bill	4024...	2/28/2009		6191 · Conferences	-2,089.39
				6212 · Meeting Expense	-155.97
				6312 · Meeting Expenses	-255.73
				6141.3 · Admin Meetings	-90.56
				6111 · Membership Dues	-110.20
				6031.7 · Other Office Supplies	-37.82
TOTAL					-2,739.67

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2008 THROUGH FEBRUARY 28, 2009

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL APPROPRIATIVE	POOL AGRICULTURAL NON-AGRIC.	POOL SPECIAL PROJECTS	GROUNDWATER REPLENISHMENT	GROUNDWATER OPERATIONS SB222	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2008-2009
Administrative Revenues										
Administrative Assessments		7,993,307	172,817						8,166,124	\$7,841,054
Interest Revenue		54,254	6,258					18	61,858	174,368
Mutual Agency Project Revenue		358,784	107,587						478,344	148,410
Grant Income										0
Miscellaneous Income										0
Total Revenues	-	8,406,345	113,845	186,118				18	8,706,326	8,163,832
Administrative & Project Expenditures										
Watermaster Administration	429,113								429,113	619,960
Watermaster Board-Advisory Committee	38,500								38,500	61,201
Pool Administration		15,011	113,792	3,206					132,009	166,523
Optimum Basin Mgmt Administration		969,143							969,143	1,913,484
OBMP Project Costs		3,858,378							3,858,378	5,392,289
Education Funds Use								375	375	375
Mutual Agency Project Costs										10,000
Total Administrative/OBMP Expenses	467,613	4,827,521	113,792	3,206				375	5,427,518	8,163,832
Net Administrative/OBMP Income	(467,613)	(4,827,521)								
Allocate Net Admin Income To Pools	467,613			11,704						
Allocate Net OBMP Income To Pools		3,620,899	1,085,789	120,833						
Agricultural Expense Transfer		1,283,548	(1,283,548)							
Total Expenses	5,270,193	21,206	135,744	50,374				375	5,427,518	8,163,832
Net Administrative Income	3,136,151	92,639						(357)	3,278,808	
Other Income/(Expense)										
Replenishment Water Assessments						6,437,643			6,437,643	0
MZ1 Supplemental Water Assessments										0
Water Purchases										0
Balance Adjustment										0
Groundwater Replenishment										0
Net Other Income						6,437,643			6,437,643	0
Net Transfers To/(From) Reserves								(357)	9,716,451	
Working Capital, July 1, 2008										
Working Capital, End Of Period										
		5,413,216	481,995	143,157		294,397		1,343	6,492,359	
		8,549,367	574,634	193,531		6,732,040		986	16,208,810	
07/08 Assessable Production		103,077,958	30,909,693	3,439,822					137,427,473	
07/08 Production Percentages		75.005%	22.492%	2.503%					100.000%	

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
FEBRUARY 1 THROUGH FEBRUARY 28, 2009**

DEPOSITORIES:			
Cash on Hand - Petty Cash		\$	500
Bank of America			
Governmental Checking-Demand Deposits		\$	215,404
Zero Balance Account - Payroll			215,404
Local Agency Investment Fund - Sacramento			15,540,455
TOTAL CASH IN BANKS AND ON HAND	2/28/2009	\$	15,756,359
TOTAL CASH IN BANKS AND ON HAND	1/31/2009		15,595,490
PERIOD INCREASE (DECREASE)		\$	160,869

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:	Accounts Receivable	-
	Assessments Receivable	141,520
	Prepaid Expenses, Deposits & Other Current Assets	9,855
(Decrease)/Increase in Liabilities	Accounts Payable	201,942
	Accrued Payroll, Payroll Taxes & Other Current Liabilities	13,114
	Transfer to/(from) Reserves	(205,562)
PERIOD INCREASE (DECREASE)		\$ 160,869

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 1/31/2009	\$ 500	\$ 54,535	\$ -	\$ 15,540,455	\$ 15,595,490
Deposits	-	1,150,900	-	-	1,150,900
Transfers	-	(69,597)	69,597	-	-
Withdrawals/Checks	-	(920,434)	(69,597)	-	(990,031)
Balances as of 2/28/2009	\$ 500	\$ 215,404	\$ -	\$ 15,540,455	\$ 15,756,359
PERIOD INCREASE OR (DECREASE)	\$ -	\$ 160,869	\$ -	\$ -	\$ 160,869

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
FEBRUARY 1 THROUGH FEBRUARY 28, 2009**

INVESTMENT TRANSACTIONS

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

* The earnings rate for L.A.I.F. is a daily variable rate; 2.54% was the effective yield rate at the Quarter ended December 31, 2008.

**INVESTMENT STATUS
February 28, 2009**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 15,540,455			
TOTAL INVESTMENTS	\$ 15,540,455			

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

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

Respectfully submitted,



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

CHINO BASIN WATERMASTER
Profit & Loss Budget vs. Actual
July 2008 through February 2009

	<u>Jul '08 - Feb 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	478,344	148,410	329,934	322.31%
4110 · Admin Asmnts-Approp Pool	7,993,307	7,860,411	132,896	101.69%
4120 · Admin Asmnts-Non-Agri Pool	172,817	132,237	40,580	130.69%
4700 · Non Operating Revenues	61,857	174,368	-112,511	35.48%
Total Income	<u>8,706,326</u>	<u>8,315,426</u>	<u>390,900</u>	<u>104.7%</u>
Gross Profit	8,706,326	8,315,426	390,900	104.7%
Expense				
6010 · Salary Costs	372,553	484,302	-111,749	76.93%
6020 · Office Building Expense	53,385	102,000	-48,615	52.34%
6030 · Office Supplies & Equip.	14,633	46,500	-31,867	31.47%
6040 · Postage & Printing Costs	43,162	87,380	-44,218	49.4%
6050 · Information Services	85,600	144,000	-58,400	59.45%
6060 · Contract Services	72,085	98,000	-25,915	73.56%
6080 · Insurance	15,706	17,730	-2,024	88.58%
6110 · Dues and Subscriptions	11,449	16,750	-5,302	68.35%
6140 · WM Admin Expenses	1,048	4,000	-2,952	26.21%
6150 · Field Supplies	864	2,500	-1,636	34.54%
6170 · Travel & Transportation	18,273	39,200	-20,927	46.62%
6190 · Conferences & Seminars	20,418	26,500	-6,082	77.05%
6200 · Advisory Comm - WM Board	10,194	19,181	-8,987	53.15%
6300 · Watermaster Board Expenses	28,306	42,020	-13,714	67.36%
8300 · Appr PI-WM & Pool Admin	15,011	24,008	-8,997	62.53%
8400 · Agri Pool-WM & Pool Admin	14,027	24,820	-10,793	56.52%
8467 · Ag Legal & Technical Services	76,339	98,000	-21,661	77.9%
8470 · Ag Meeting Attend -Special	4,700	12,000	-7,300	39.17%
8471 · Ag Pool Expense	18,725	0	18,725	100.0%
8500 · Non-Ag PI-WM & Pool Admin	3,206	7,695	-4,489	41.67%
6500 · Education Funds Use Expens	375	375	0	100.0%
9500 · Allocated G&A Expenditures	-280,063	-448,902	168,839	62.39%
	<u>599,997</u>	<u>848,059</u>	<u>-248,062</u>	<u>70.75%</u>
6900 · Optimum Basin Mgmt Plan	883,780	1,785,421	-901,641	49.5%
6950 · Mutual Agency Projects	0	10,000	-10,000	0.0%
9501 · G&A Expenses Allocated-OBMP	85,363	137,959	-52,596	61.88%
	<u>969,143</u>	<u>1,933,380</u>	<u>-964,237</u>	<u>50.13%</u>
7101 · Production Monitoring	85,546	107,515	-21,969	79.57%
7102 · In-line Meter Installation	32,006	87,931	-55,925	36.4%
7103 · Grdwtr Quality Monitoring	120,729	210,458	-89,729	57.37%
7104 · Gdwtr Level Monitoring	271,392	372,538	-101,146	72.85%

	<u>Jul '08 - Feb 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7105 · Sur Wtr Qual Monitoring	3,842	46,717	-42,875	8.22%
7107 · Ground Level Monitoring	248,167	651,468	-403,301	38.09%
7108 · Hydraulic Control Monitoring	375,295	713,949	-338,654	52.57%
7200 · PE2- Comp Recharge Pgm	715,111	1,245,266	-530,155	57.43%
7300 · PE3&5-Water Supply/Desalte	58,433	108,477	-50,044	53.87%
7400 · PE4- Mgmt Plan	202,674	272,515	-69,841	74.37%
7500 · PE6&7-CoopEfforts/SaltMgmt	35,473	76,411	-40,938	46.42%
7600 · PE8&9-StorageMgmt/Conj Use	251,536	61,909	189,627	406.3%
7690 · Recharge Improvement Debt Pymt	1,261,894	1,261,594	300	100.02%
7700 · Inactive Well Protection Prgm	0	6,296	-6,296	0.0%
9502 · G&A Expenses Allocated-Projects	196,279	310,943	-114,664	63.12%
	<u>3,858,378</u>	<u>5,533,987</u>	<u>-1,675,609</u>	<u>69.72%</u>
Total Expense	<u>5,427,518</u>	<u>8,315,426</u>	<u>-2,887,908</u>	<u>65.27%</u>
Net Ordinary Income	3,278,807		3,278,807	100.0%
Other Income/Expense				
Other Income				
4210 · Approp Pool-Replenishment	6,427,596			
4220 · Non-Ag Pool-Replenishment	10,047			
Total Other Income	<u>6,437,643</u>			
Other Expense				
9999 · To/(From) Reserves	9,716,450			
Total Other Expense	<u>9,716,450</u>			
Net Other Income	<u>-3,278,807</u>			
Net Income	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTION

1. Consider Approval for Notice of Sale or Transfer –

Santa Ana River Water Company hereby transfers to Jurupa Community Services District in the quantity of 1,000 acre-feet of corresponding Operating Safe Yield. Date of Application: February 2, 2009

2. Consider Approval for Notice of Sale or Transfer –

Chino Basin Watermaster will purchase 1,800,000 acre-feet of water from the Santa Ana River Water Company.

Watermaster will purchase the water at \$295.00 per acre-foot, which is the MWD's replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from SARWC's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage. Date of Application: March 2, 2009

3. Consider Approval for Notice of Sale or Transfer –

Chino Basin Watermaster will purchase 5,085,000 acre-feet of water from the City of Chino. Date of Application: March 2, 2009



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

March 5, 2009

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: **February 2, 2009**

Date of this notice: **March 5, 2009**

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

- A. Notice of Sale or Transfer – Santa Ana River Water Company hereby transfers to Jurupa Community Services District the quantity of 1,000 acre-feet of corresponding Operating Safe Yield.

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

Appropriative Pool: March 12, 2009

Non-Agricultural Pool: March 12, 2009

Agricultural Pool: March 17, 2009

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: March 5, 2009

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: March 5, 2009
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** – Santa Ana River Water Company hereby transfers to Jurupa Community Services District the quantity of 1,000 acre-feet of corresponding Operating Safe Yield.

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.

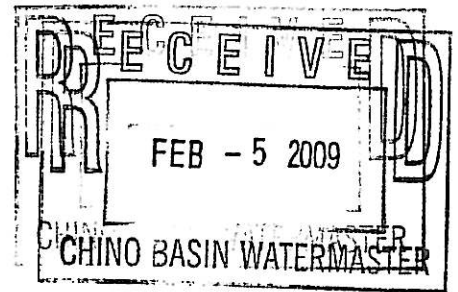
- Santa Ana River Water Company hereby transfers to Jurupa Community Services District the quantity of 1,000 acre-feet of corresponding Operating Safe Yield.

Notice of the water transaction identified above was mailed on March 5, 2009 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.

Kathryn Bogart, President
Betty A. Anderson, Vice President
Jane F. Anderson, Director
R. M. "Cook" Barela, Director
Kenneth J. McLaughlin, Director



February 2, 2009

Mr. Ken Manning
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730-2738

Dear Mr. Manning:

Enclosed is a fully executed original of the agreement between Jurupa Community Services District and the Santa Ana River Water Company for its fiscal year 2008-2009 Agreement For Sale And Purchase Of Water.

If you should have any questions regarding the content of the agreement, please contact Ken Waring at kwaring@jcsd.us or call (951) 685-7434.

Sincerely,

A handwritten signature in cursive script that reads "Jan Zirwas".

Jan Zirwas
Administrative Assistant

7005 Admin
7020 Admin/KW/jz

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

Fiscal Year 2008 - 2009

Commencing on July 1, 2008 and terminating on June 30, 2009, Santa Ana River Water Company ("Transferor") hereby transfers to Jurupa Community Services District ("Transferee") the quantity of 1,000 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?

These wells do not exceed the MCL for nitrates and are used to blend with other wells within the Districts service area that do exceed the MCL for nitrates . All wells are perforated to a depth of between 300 – 400 feet

MATERIAL PHYSICAL INJURY

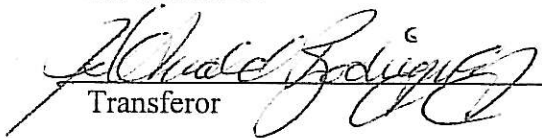
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application?

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


Transferor


Transferee

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

March 5, 2009

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 2, 2009**

Date of this notice: **March 5, 2009**

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

- A. Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,800.000 acre-feet of water from the Santa Ana River Water Company (SARWC). Watermaster will purchase the water at \$295.00 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 2008-09, with any remainder to be recaptured from storage.

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

Appropriative Pool:	March 12, 2009
Non-Agricultural Pool:	March 12, 2009
Agricultural Pool:	March 17, 2009

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: March 5, 2009

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

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Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: March 5, 2009
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,800,000 acre-feet of water from the Santa Ana River Water Company (SARWC). Watermaster will purchase the water at \$295.00 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 2008-09, with any remainder to be recaptured from storage.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,800.000 acre-feet of water from the Santa Ana River Water Company (SARWC). Watermaster will purchase the water at \$295.00 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 2008-09, with any remainder to be recaptured from storage.

Notice of the water transaction identified above was mailed on March 5, 2009 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.

Chino Basin Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 20,833.80 AF for Assessment Year 2008-09. Due to the fact that MWD does not expect to have replenishment water available this fiscal year and perhaps not next fiscal year either, Watermaster wishes to use the option to purchase water from appropriators to fulfill the replenishment obligation. Watermaster is taking advantage of Santa Ana River Water Company's offer to sell 1,800.000 AF of water to Watermaster. The transfer will be made first from SARWC's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage. The 85/15 Rule does not apply to this transfer because 85/15 payments and credits were already established in the Assessment Package. This transfer is functioning in a similar manner as replenishment Watermaster purchases from MWD/IEUA.



CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

March 2, 2009

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

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

Dear Mr. Rodriguez:

Chino Basin Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 20,833.80 AF for Assessment Year 2008-09. Due to the fact that MWD does not expect to have replenishment water available this fiscal year and perhaps not next fiscal year either, Watermaster wishes to use the option to purchase water from appropriators to fulfill the replenishment obligation.

Watermaster would like to take advantage of the Santa Ana River Water Company's (SARWC's) offer to sell 1,800,000 AF of water to Watermaster. Watermaster will purchase the water at \$295.00 per acre-foot, which is the 2009 MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from SARWC's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage.

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

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

Sincerely,

Kenneth R. Manning,
Chief Executive Officer

Attachments:

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



CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

March 2, 2009

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

Chino Basin Watermaster will purchase 1,800,000 AF of water from the Santa Ana River Water Company (SARWC). Watermaster will purchase the water at \$295.00 per acre-foot, which is the 2009 MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from SARWC's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage.

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

Signature:

Printed Name:

J. ARNOLD RODRIGUEZ

Title:

GENERAL MANAGER

Date Signed:

March 3, 2009

Form 3

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

Santa Ana River Water Company
Name of Party

03/02/09
Date Requested

Date Approved

Street Address

1,800.000 Acre-feet
Amount Requested

Amount Approved

10530 54th Street
Street Address

Mira Loma CA 91752-2331
City State Zip Code

Telephone: 951-685-6503

Facsimile: 951-685-1978

Alfonso Rodriguez
Applicant

TRANSFER TO:

Chino Basin Watermaster
Name of Party

Attach Recapture Form 4 .

9641 San Bernardino Road
Street Address

Street Address

Rancho Cucamonga CA 91730
City State Zip Code

Telephone: 909-484-3888

Facsimile: 909-484-3890

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

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

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

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

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 # _____

Form 4

**APPLICATION OR AMENDMENT TO APPLICATION
TO
RECAPTURE WATER IN STORAGE**

APPLICANT

<u>Chino Basin Watermaster</u>			<u>03/02/09</u>	<u></u>
Name of Party			Date Requested	Date Approved
<u>9641 San Bernardino Road</u>			<u>1,800.000</u> Acre-feet	<u></u> Acre-feet
Street Address			Amount Requested	Amount Approved
<u>Rancho Cucamonga</u>	<u>CA</u>	<u>91730</u>	<u>N/A</u>	<u>N/A</u>
City	State	Zip Code	Projected Rate of Recapture	Projected Duration of Recapture
Telephone: <u>909-484-3888</u>			Facsimile: <u>909-484-3890</u>	

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

IDENTITY OF PERSON THAT STORED THE WATER: Santa Ana River Water Company

PURPOSE OF RECAPTURE

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

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

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

PLACE OF USE OF WATER TO BE RECAPTURED

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

LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES).**WATER QUALITY AND WATER LEVELS**

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

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

Form 4 (cont.)

MATERIAL PHYSICAL INJURY

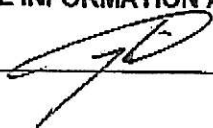
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

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

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Applicant



TO BE COMPLETED BY WATERMASTER

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2008-2009

Commencing on July 1, 2008 and terminating on June 30, 2009, Santa Ana River Water Co. ("Transferor") hereby transfers to Chino Basin Watermaster ("Transferee") the quantity of 1,800,000 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

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

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

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

Form 5 (cont.)

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Abraheem Rodriguez
Transferor

Transferee

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

March 5, 2009

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 2, 2009**

Date of this notice: **March 5, 2009**

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

- A. Notice of Sale or Transfer – Chino Basin Watermaster will purchase 5,085.000 acre-feet of water from the City of Chino.

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

Appropriative Pool: March 12, 2009

Non-Agricultural Pool: March 12, 2009

Agricultural Pool: March 17, 2009

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: March 5, 2009

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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Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: March 5, 2009
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 5,085.000 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$295.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City of Chino's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 5,085.000 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$295.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City of Chino's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage.

Notice of the water transaction identified above was mailed on March 5, 2009 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.

Chino Basin Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 20,833.80 AF for Assessment Year 2008-09. Due to the fact that MWD does not expect to have replenishment water available this fiscal year and perhaps not next fiscal year either, Watermaster wishes to use the option to purchase water from appropriators to fulfill the replenishment obligation. Watermaster is taking advantage of the City of Chino's offer to sell 5,085.000 AF of water to Watermaster. The transfer will be made first from the City of Chino's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage. The 85/15 Rule does not apply to this transfer because 85/15 payments and credits were already established in the Assessment Package. This transfer is functioning in a similar manner as replenishment Watermaster purchases from MWD/IEUA.



CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

March 2, 2009

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

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

Dear Mr. Crosley:

Chino Basin Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 20,833.80 AF for Assessment Year 2008-09. Due to the fact that MWD does not expect to have replenishment water available this fiscal year and perhaps not next fiscal year either, Watermaster wishes to use the option to purchase water from appropriators to fulfill the replenishment obligation.

Watermaster would like to take advantage of the City of Chino's offer to sell 5,085,000 AF of water to Watermaster. Watermaster will purchase the water at \$295.00 per acre-foot, which is the 2009 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 2008-09, with any remainder to be recaptured from storage.

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

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

Sincerely,

Kenneth R. Manning,
Chief Executive Officer

Attachments:

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



CHINO BASIN WATERMASTER

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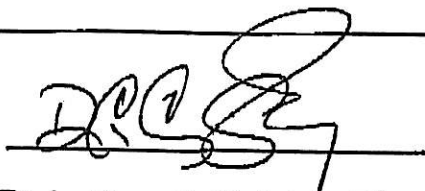
KENNETH R. MANNING
Chief Executive Officer

March 2, 2009

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

Chino Basin Watermaster will purchase 5,085,000 AF of water from the City of Chino. Watermaster will purchase the water at \$295.00 per acre-foot, which is the 2009 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 2008-09, with any remainder to be recaptured from storage.

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

Signature: 

Printed Name: DAVID CROSCOY

Title: WATER & ENVIRONMENTAL MANAGER

Date Signed: 3/5/09

Form 3

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

City of Chino
Name of Party
13220 Central Avenue
Street Address
Chino CA 91710
City State Zip Code
Telephone: 809-927-7577
Applicant *[Signature]*

03/02/09
Date Requested Date Approved
5,085.000 Acre-feet Acre-feet
Amount Requested Amount Approved
Facsimile: 909-591-6829

TRANSFER TO:

Chino Basin Watermaster
Name of Party
9641 San Bernardino Road
Street Address
Rancho Cucamonga CA 91730
City State Zip Code
Telephone: 909-484-3888

Attach Recapture Form 4

Facsimile: 909-484-3890

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

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

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

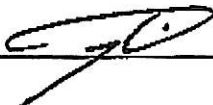
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

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 # _____

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Form 4

APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE

APPLICANT

Chino Basin Watermaster
Name of Party
Date Requested 03/02/09
Date Approved
9641 San Bernardino Road
Street Address
Amount Requested 5,085,000 Acre-feet
Amount Approved
Rancho Cucamonga CA 91730
City State Zip Code
Projected Rate of Recapture N/A
Projected Duration of Recapture N/A
Telephone: 909-484-3888
Facsimile: 909-484-3890

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

IDENTITY OF PERSON THAT STORED THE WATER: City of Chino

PURPOSE OF RECAPTURE

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

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

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

PLACE OF USE OF WATER TO BE RECAPTURED

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

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

WATER QUALITY AND WATER LEVELS

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

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


Form 4 (cont.)

MATERIAL PHYSICAL INJURY

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

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

ADDITIONAL INFORMATION ATTACHED Yes [] No [X]

Applicant 

TO BE COMPLETED BY WATERMASTER

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

Form 5

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

Fiscal Year 2008-2009

Commencing on July 1, 2008 and terminating on June 30, 2009, City of Chino ("Transferor") hereby transfers to Chino Basin Watermaster ("Transferee") the quantity of 5,085,000 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

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

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

Form 5 (cont.)

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Transferor



Transferee



TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



CHINO BASIN WATERMASTER

II. BUSINESS ITEM

- A. BUDGET TRANSFER # T009-04-01
FUNDING OF THE FARMING
PORTION OF THE MIDDLE SANTA
ANA WATERSHED TMDL STUDY**





CHINO BASIN WATERMASTER

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Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: April 23, 2009

TO: Committee Members
Board Members

SUBJECT: Funding of the farming portion of the Middle Santa Ana Watershed TMDL Study

COST: \$21,000 – Budget Transfer Request #T-09-04-01

SUMMARY

The Santa Ana Regional Board is conducting a study of Total Maximum Daily Loads (TMDL's) within the middle reach of the Santa Ana River as mandated by federal law. Both Farming and Dairy are identified as potential contributors and need to be represented in the proceedings. Each operator is responsible for participation, individually or as a group. Dairy, through the involvement of the Milk Producers Council with funding from the Dairy Producer Environmental Foundation, is represented as a group. At the October 2008 Agricultural Pool meeting, the Pool voted to fund the involvement of the farmers in the process as a Special Project of the Agricultural Pool. The amount of this funding will be \$21,000.

Watermaster has not budgeted this amount for Agricultural Pool expenses and thus must make a budget transfer in order to fulfill the request.

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**CHINO BASIN WATERMASTER
BUDGET TRANSFERS**

Fiscal Year 2008-2009
T-09-04-01

To: **All Parties**

From: Sheri Rojo Date: 4/8/2009

Describe reason for the transfer between budget categories here: To transfer funds to cover anticipated cost overages in accounts referenced below.

Budgetary account reduction

<i>Line Item Description</i>	<i>Account Number</i>	<i>Current Budget</i>	<i>Amount</i>
OBMP	6906	\$ 919,373	\$ (21,000)

Budgetary account addition

TMDL Study - SAR Watershed	6906.6	\$ -	\$ 21,000
			\$ -

Should be zero

Transfer Procedure

- Staff brings the transfer request to the Appropriate Pool for information purposes if the transfer is under \$25,000. Transfers over \$25,000 within the same budget category require Pools, Advisory Committee and Board approval. Transfers between budget categories, regardless of amount must be approved by the Pools, Advisory Committee and Board .
- Once the form has been completed by the CFO, and approved by the board if required, the Chief Financial Officer will prepare and process the budget transfer in the accounting system.
- A log will be maintained by the CFO detailing the transfer.
- A fiscal year file will also be kept to hold all budget amendment forms for auditor review.

Finance Use Only

Date Board Approved _____
Date Posted _____
Posted By _____
Approved by _____
Date approved _____

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

- B. BUDGET TRANSFER # T009-04-02
AG POOL LEGAL & TECHNICAL**





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: April 14, 2009
April 21, 2009
April 23, 2009

TO: Committee Members
Board Members

SUBJECT: Agricultural Pool Legal & Technical Budget Transfer

COST: \$30,000 – Budget Transfer Request #T-09-04-02

SUMMARY

As a result of recent legal activity by the Agricultural Pool, the budgeted funds will not be sufficient to last throughout the fiscal year. Staff is requesting a transfer in the amount of \$30,000.00 to transfer to this account. The money will be taken from the budgeted CEQA funds, where the actual costs came in below budget.

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**CHINO BASIN WATERMASTER
BUDGET TRANSFERS**

Fiscal Year 2008-2009
T-09-04-02

To: **All Parties**

From: Sheri Rojo Date: 4/8/2009

Describe reason for the transfer between budget categories here: To transfer funds to cover anticipated cost overages in accounts referenced below.

Budgetary account reduction

<i>Line Item Description</i>	<i>Account Number</i>	<i>Current Budget</i>	<i>Amount</i>
OBMP	6906	\$ 919,373	\$ (30,000)

Budgetary account addition

Ag Pool Legal & Technical	8467	\$ 80,000	\$ 30,000
			\$ -

Should be zero

Transfer Procedure	Finance Use Only
1. Staff brings the transfer request to the Appropriate Pool for information purposes if the transfer is under \$25,000. Transfers over \$25,000 within the same budget category require Pools, Advisory Committee and Board approval. Transfers between budget categories, regardless of amount must be approved by the Pools, Advisory Committee and Board .	Date Board Approved _____
2. Once the form has been completed by the CFO, and approved by the board if required, the Chief Financial Officer will prepare and process the budget transfer in the accounting system.	Date Posted _____
3. A log will be maintained by the CFO detailing the transfer.	Posted By _____
4. A fiscal year file will also be kept to hold all budget amendment forms for auditor review.	Approved by _____
	Date approved _____

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

C. STATUS REPORT 2008-2





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: April 14, 2009
April 21, 2009
April 23, 2009

TO: Committee Members
Watermaster Board Members

SUBJECT: Status Report 2008-2

SUMMARY

Recommendation – Approve Status Report 2008-2 for filing with the Court

BACKGROUND

Status Report 2008-2 covers the period of July 1, 2008 through December 31, 2008. While the bulk to the report describes work conducted for each element of the Optimum Basin Management Program (OBMP) during the six-month period, it also references the reports and court filings made to address the issues of the Peace II implementation.

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

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Optimum Basin Management Program

Status Report 2008-2: July to December 2008



CHINO BASIN WATERMASTER

Optimum Basin Management Program

Highlighted Activities

Ongoing work to prepare the Recharge Master Plan. Watermaster held a Strategic Planning Conference in September 2008 followed by a workshop held on November 12, 2008. A working group was formed in the workshop to coordinate the multi-agency effort and is meeting every two weeks to continue the effort. In addition, a website has been developed to post the progress and to share the data (<http://rmp.wildermuthenvironmental.com>).

- In compliance with the Superior Court's "Order Concerning Motion for Approval of Peace II Documents," dated December 21, 2007, Conditions Subsequent Numbers 1-6 were filed and the Court approved the compliance at the hearing held on November 13, 2008. Condition Subsequent Number 7, which requires Watermaster to prepare and submit to the Court a revised schedule for reconciliation of new yield and storm water estimates for the fiscal year 2000/01 through 2006/07 and a discussion of how Watermaster will account for un-replenished overproduction for that period, was transmitted to the Court on December 23, 2008.
- Chino Basin Facilities Improvement Project (CBFIP) Phase II, a joint effort of Watermaster, the Chino Basin Water Conservation District (CBWCD), Inland Empire Utilities Agency (IEUA), and the San Bernardino County Flood Control District (SBCFCD) to increase the annual recharge of storm, imported, and recycled water and to reduce long-term maintenance costs, has shown a considerable progress in its construction and is expected to be completed by June 2009.



2008 Fall Strategic Conference

Important Court hearings and orders

- DEC 23 – COMPLIANCE WITH CONDITION SUBSEQUENT #7
- NOV 5 – CVWD'S SUPPLEMENTAL REPLY IN SUPPORT OF MOTION TO DISCONTINUE THE SPECIAL REFEREE
- SEPT 16 – NOTICE OF REASSIGNMENT OF CASE TO JUDGE WADE
- JULY 15 – MOTION TO RECEIVE AND TRANSMIT 30TH ANNUAL REPORT & STATUS REPORT 2007-1

Program Element 1: Develop and Implement a Comprehensive Monitoring Program

Groundwater Level Monitoring

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

Optimum Basin Management Program

Program Element 1: Develop and Implement a Comprehensive Monitoring Program (Continued)



Sampling the Kaiser Plume

"A 10-YEAR-LONG PERIOD OF BELOW AVERAGE RAINFALL, COMBINED WITH A STATEWIDE DROUGHT, CAUSED SERIOUS WATER SUPPLY IMPACTS FOR THE CHINO BASIN WATER COMMUNITY, RESIDENTS AND BUSINESSES."



Deer Creek Channel Sampling

Groundwater Quality Monitoring

Watermaster initiated a comprehensive monitoring program as part of the implementation of the OBMP. The groundwater quality monitoring program consists of the following four components: 1) An Annual Key Well Water Quality Monitoring Program designed to target privately owned agricultural wells in the southern portion of Chino Basin that are otherwise not included in an established sampling program, 2) Quarterly sampling at nine HCMP multi-port monitoring wells strategically placed between the Chino Basin Desalter well fields and the Santa Ana River. Results of the quarterly sampling are used to analyze the effect of the desalter pumping over time by comparing water quality of the native groundwater and the Santa Ana River, 3) Monthly sampling at four near-river wells to characterize the Santa Ana River's influence to nearby groundwater. These shallow monitoring wells along the Santa Ana River consist of two former United States Geologic Survey (USGS) National Water Quality Assessment Program (NAWQA) wells (Archibald 1 and Archibald 2), and two wells (well 9 and well 11) owned by the Santa Ana River Water Company (SARWC), and 4) a cooperative basin wide data collection effort known as the Chino Basin Data Collection (CBDC) program which relies on municipal producers and other government agencies to supply groundwater quality data on a cooperative basis. Watermaster supplements these data with data obtained through its own sampling and analysis programs. These sources include the appropriators, Department of Toxic Substance Control (DTSC), Regional Water Quality Control Board (RWQCB), US Geological Survey (USGS), the Counties, and other cooperators. All water quality data are routinely collected, QA/QC'd, and loaded into Watermaster's relational database.

Groundwater-Production Monitoring

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

Surface Water Monitoring

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

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

Optimum Basin Management Program

Program Element 1: Develop and Implement a Comprehensive Monitoring Program (Continued)

HCMP Annual Report

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

Pursuant to the Basin Plan Amendment and the Watermaster/IEUA permit to recharge recycled water, Watermaster and IEUA have conducted groundwater and surface water monitoring programs. During this reporting period Watermaster measured 713 manual water levels at private wells throughout the Chino Basin, conducted two quarterly downloads at the 134 wells containing pressure transducers, and collected 103 groundwater quality samples, and 218 surface water quality samples. Quarterly Surface Water Monitoring Program reports that summarize data collection efforts were submitted to the RWQCB in July and October of 2008.

Chino Basin Groundwater Recharge Program

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

Recharge Activities. On-going recycled water recharge occurred in the Brooks, 8th Street, and Ely Basin this reporting period.

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

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

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

- 2Q08 Quarterly Report, submitted to the RWQCB – August 2008
- 3Q08 Quarterly Report, submitted to the RWQCB – November 2008



New inlet gate in San Sevaine Channel to Jurupa Basin

THE DRY YEARS, TOPPED BY RECORD-LOW RAINFALL TWO YEARS AGO, BROUGHT NEW CHALLENGES: A DECLINE IN BASIN WATER LEVELS AND LIMITS ON IMPORTED REPLENISHMENT WAETR. FUNDING LIMITATIONS CAUSED BY A SEVERE ECONOMIC DOWNTURN MAGNIFIED THE SUPPLY PROBLEM.



San Sevaine Basin #5 during December storm

Optimum Basin Management Program

Program Element 1: Develop and Implement a Comprehensive Monitoring Program (Continued)

Land Surface Monitoring

The MZ-1 Subsidence Management Plan (MZ-1 Plan) was approved by Watermaster in October 2007, and was approved by the Court in November 2007 which ordered its implementation (see Program Element 4: Develop and Implement a Comprehensive Groundwater Management Plan for Management Zone 1). The MZ-1 Plan calls for a number of activities with the goal of minimizing or completely abating the future occurrence of land subsidence and ground fissuring in Chino Basin. Some of these activities include:



Stormwater captured in Victoria Basin

- Continuing the scope and frequency of monitoring within the so-called Managed Area (southwest MZ-1) that was conducted during the period when the MZ-1 Plan was being developed.
- Expanding the monitoring of the aquifer system and land subsidence into other areas of MZ-1 and Chino Basin where the data indicate concern for future subsidence and ground fissuring.
- Detailed monitoring of horizontal strain across the historical fissure zone.
- Further evaluating the potential contribution of pumping in the central and northern portions of MZ-1 on groundwater conditions in the central and southern portions of MZ-1.
- Conducting additional testing and monitoring to refine the Guidance Criteria.
- Developing alternative pumping plans for the MZ-1 producers that are impacted by the MZ-1 Plan.
- Constructing and testing a lower-cost extensometer facility at Ayala Park.
- Evaluating and comparing ground-level surveying and InSAR, and recommending future monitoring protocols for both techniques.
- Conducting an ASR (aquifer injection and recovery) feasibility study at a production well owned by the City of Chino Hills within the Managed Area.

During this reporting period, Watermaster began implementation of some of these activities called for in the MZ-1 Plan, which included:

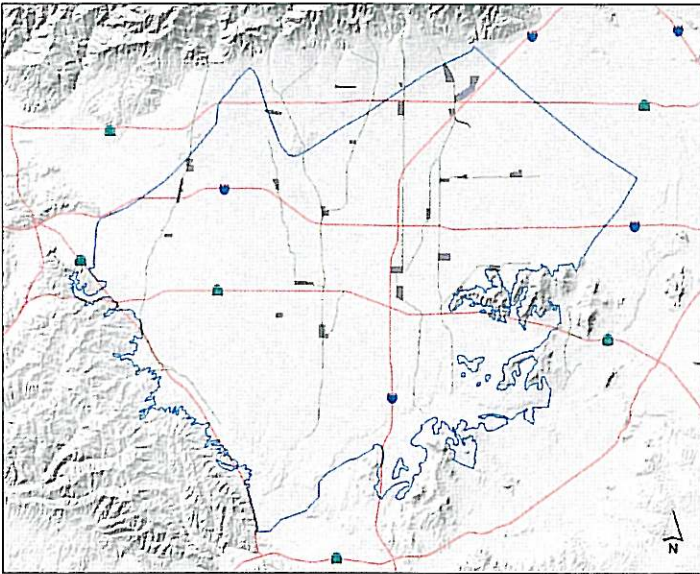
- The continuation of detailed water-level monitoring at wells within the Managed Area and at wells in central MZ-1.
- Replacement of five (5) water-level-recording transducers at wells where these transducers have failed after about seven years of reliable service. Installation of two (2) transducers at newly-discovered wells within the Managed Area.
- The continuation of monitoring and maintenance at the Ayala Park Extensometer Facility.
- Planning and coordination between the City of Chino Hills and Watermaster on the ASR pilot test at a well owned by the City. A DWR grant to support this project was increased from \$214,000 to \$250,000.



New cable extensometer at Ayala Park in Chino

Optimum Basin Management Program

Program Element 1: Develop and Implement a Comprehensive Monitoring Program (Continued)



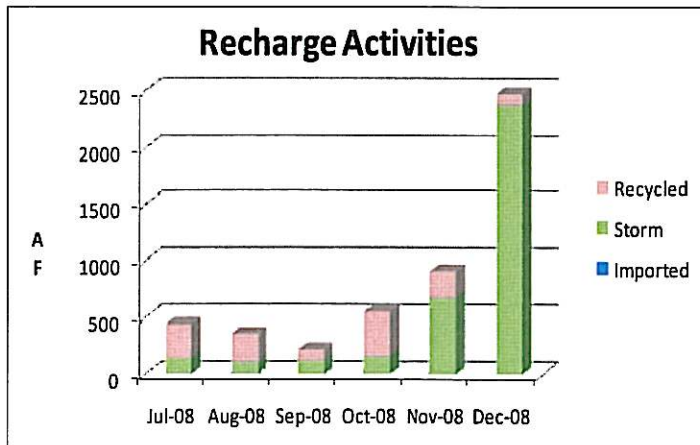
Recharge Basins

- Installation of a lower-cost pair of cable extensometers within two piezometers at Ayala Park to test this technology for possible application in other parts of the basin. Data collection began at this experimental facility during the reporting period.
- Collection of InSAR data from radar satellites during all six months of the reporting period, which will be analyzed for land surface displacement during the next reporting period.
- Collection of ground-level-survey data across MZ-1 during November 2008, which will be analyzed for land surface displacement during the next reporting period.

Program Element 2: Develop and Implement a Comprehensive Recharge Program

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

In FY 2007/08, the CBFIP Phase I facilities were able to recharge approximately 13,000 AF of storm and recycled water. With the completion of the Phase II facilities by June 2009, the total recharge capacity will be about 96,000 AF. By the start of FY 2009/10, most of the basins will be able to operate on a 12 months-per-year basis with combinations of storm, imported, and recycled water, with occasional downtime for silt and organic growth removal. Operations and basin planning are coordinated through the Groundwater Recharge Coordinating Committee (GRCC), which met quarterly during this reporting period.



Because of the drought and Delta water quality, water supply, and environmental issues, MWDSC has been unable to provide replenishment water to southern California since May 1, 2007. This greatly restricts Watermaster's ability to recharge recycled water, since the California Department of Public Health requires that four parts of diluent water (imported or storm water) be blended with each part of recycled water. Watermaster and IEUA are working closely with DPH and the Regional Water Quality Control Board to reduce the blend ratio. For this reporting period, just under 5,000 AF of storm and recycled water have been recharged.

Preparation of the Recharge Master Plan update is in underway, in satisfaction of Condition Subsequent No. 5. On March 28, 2008, the initial meeting of the Recharge Master

Plan group occurred. A detailed outline of the scope and content of the Recharge Master Plan update was filed with the Court for approval on June 30, 2008. Progress reports on the completion of the updated plan are to be submitted on January 1, 2009 and on July 1, 2009, with the final updated Recharge Master Plan due to the Court by July 1, 2010. The Recharge Master Plan update was the primary focus of the Strategic Planning Conference held in late September 2008.

Optimum Basin Management Program

Program Element 3: Develop and Implement Water Supply Plan for the Impaired Areas of the Basin; and Program Element 5: Develop and Implement Regional Supplemental Water Program

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

During the reporting period, negotiations continued between the Chino Desalter Authority (CDA) and Western Municipal Water District (WMWD) to allow WMWD to join the CDA and to expand the Chino II Desalter by 10.5 MGD (11,800 AFY). The CDA approved WMWD membership in November 2008. Planning and engineering investigations related to the expansion are ongoing. The expansion will be completed in 2013. Raw water will be drawn from existing CDA II wells, and possible additional new wells if needed. In addition, a new Chino Creek Desalter Well Field, required for hydraulic control, will provide additional raw water to the Chino I Desalter, enabling existing Well Nos. 13, 14, and 15 to shift production to the expanded Chino II Desalter facility if needed.



Rubber Dam in action

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

MZ-1 Management Plan

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

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

From 2001-2005, Watermaster developed, coordinated, and conducted an Interim Monitoring Program (IMP) under the guidance of the MZ-1 Technical Committee, which is composed of representatives from all major MZ-1 producers and their technical consultants. The IMP was an aquifer-system and land subsidence investigation focused in the southwestern region of MZ-1 that would support the development of a long-term management plan to minimize and abate subsidence and fissuring (MZ-1 Plan). The IMP involved the construction of highly-sophisticated monitoring facilities, such as deep borehole extensometers and piezometers, the monitoring of land surface



Chino Desalter I Feed Pumps and RO Membranes

Optimum Basin Management Program

Program Element 4: Develop and Implement a Comprehensive Groundwater Management Plan for Management Zone 1 and Management Zone 3 (Continued)

displacements through traditional ground-level surveys and remote-sensing techniques, the detailed monitoring of the aquifer system with water-level-recording transducers installed at an array of production and monitoring wells, and the purposeful stressing of the aquifer system through multiple controlled pumping tests.

The investigation methods, results, and conclusions are described in detail in the MZ-1 Summary Report, dated February 2006. The investigation provided enough information for Watermaster to develop Guidance Criteria for the MZ-1 producers in the investigation area that, if followed, would minimize the potential for subsidence and fissuring during the completion of the MZ-1 Plan. The Guidance Criteria included a listing of Managed Wells and their owners subject to the criteria, a map of the so-called Managed Area, and an initial threshold water level (Guidance Level) of 245 feet below the top of the PA-7 well casing. The MZ-1 Summary Report and the Guidance Criteria were adopted by the Watermaster Board in May 2006. The Guidance Criteria formed the basis for the MZ-1 Plan, which was approved by Watermaster in October 2007. The Court approved the MZ-1 Plan in November 2007 and ordered its implementation. Watermaster continued implementation of the MZ-1 Plan at the start of this reporting period (see *Land Surface Monitoring under Program Element 1: Develop and Implement a Comprehensive Monitoring Program*).

MZ-3 Monitoring Program

Watermaster performed a groundwater investigation to characterize groundwater levels and quality in Management Zone 3 (MZ-3) of the Chino Basin. The OBMP Implementation Plan states that MZ-3 is hydrologically out of balance and that new storm water and supplemental water recharge will be required to keep MZ-3 in balance. The blend of storm water, imported water, and recycled water used in the future to hydrologically balance MZ-3 must be of a quality to protect beneficial uses and comply with the proposed Title 22 regulations for planned recharge projects that use recycled water. Watermaster drilled, installed, developed, and sampled two nested, multiple-depth piezometers in the projected path of the Kaiser Steel plume, which is an immediate threat to potable supply wells – potable supply wells owned by the City of Ontario and Jurupa Community Services District. The monitoring program also incorporated four quarters of sample collection and analyses from 22 wells in MZ-3 to assess other groundwater quality issues, including total dissolved solids (TDS), nitrate, and perchlorate. The perchlorate may have originated from the Mid-Valley Landfill (in Rialto Basin, across the Rialto-Colton fault) or it may be a non-point source that resulted from the historical application of Chilean fertilizer. Watermaster completed and submitted the final report to the California Department of Water Resources (DWR) in December 2008, in partial fulfillment of the AB303 Grant requirements.

Program Element 6: Develop and Implement Cooperative Programs with the Regional Water Quality Control Board, Santa Ana Region (RWQCB) and Other Agencies to Improve Basin Management; and Program Element 7: Develop and Implement a Salt Management

Ontario International Airport

Watermaster coordinated with EcoGeo and GeoTrans, Inc. regarding the drilling schedule for the Ontario International Airport (OIA) monitoring wells and Watermaster technical input on

Optimum Basin Management Program

Program Element 6: Develop and Implement Cooperative Programs with the Regional Water Quality Control Board, Santa Ana Region (Regional Board) and Other Agencies to Improve Basin Management; and Program Element 7: Develop and Implement a Salt Management Program (Continued)

well design. Watermaster reviewed the proposed MW-1 well design from GeoTrans and prepared for and participated in a conference call on July 9, 2008 to discuss the proposed MW-1 well design. Watermaster reviewed and approved the proposed zone test plan for MW-2, including the RWQCB's requested modifications to the initial MW-2 well design and prepared for and attended an onsite meeting at MW-2 on August 28, 2008. Watermaster worked with the RWQCB and EcoGeo concerning the proposed location of MW-4 to help delineate the source of the OIA trichloroethylene (TCE) plume.

Perchlorate Source Assessment in MZ-3

Watermaster completed perchlorate and other water quality and water level data from the Fontana Water Company, West Valley Water District, and the Mid-Valley Landfill (GeoTracker). QA/QC'd the data and uploaded these data into Watermaster's database.

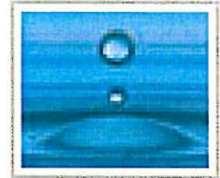
Acquisition of Monitoring Wells in MZ-3

Watermaster opened a dialog with Alcoa concerning the acquisition of their offsite wells (AOS No. 1, 2, and 3). These wells would assist Watermaster and the Jurupa Community Service District (JCSD) in monitoring groundwater elevations and groundwater quality in that portion of the Chino Basin.

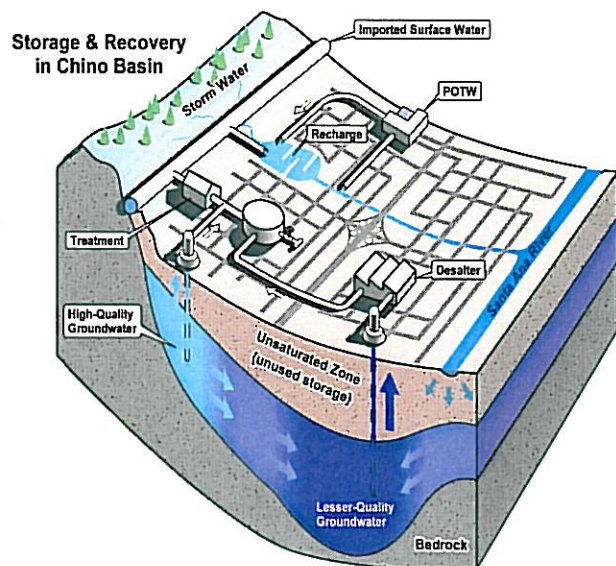
Program Element 8: Develop and Implement a Groundwater Storage Management Program; and Program Element 9: Develop and Implement a Storage and Recovery Program

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

- City of Ontario – Wellhead treatment ion exchange (IX) facility: construction continued and is anticipated to be completed by February 2009. DYY Wells: Equipping Well Nos. 44 and 52 began in March 2008 and is now completed.
- Cucamonga Valley Water District – Five new wells (Nos. 39-43): construction and equipping is now completed.
- City of Upland – New IX treatment facility complete and online.
- City of Pomona – Expansion of existing IX treatment facility is complete and online.
- City of Chino Hills – Refurbishing the Pellisier well did



THE DROUGHT GRIPPING CALIFORNIA IS DIFFERENT THAN ANY WE HAVE EXPERIENCED BEFORE, CAUSED BY A CONFLUENCE OF ISSUES THAT CANNOT BE SOLVED BY RAINFALL ALONE. IF THE CALLS FOR WATER CONSERVATION SEEM LIKE BUSINESS AS USUAL, THINK AGAIN. THIS IS NOT A CASE OF THE COMMON DROUGHT.



Optimum Basin Management Program

Program Element 8: Develop and Implement a Groundwater Storage Management Program; and Program Element 9: Develop and Implement a Storage and Recovery Program (Continued)

not yield the results the City was hoping to achieve. As a result, in January 2008, the DYY grant money and shift obligation was transferred to MVWD's Well No. 32.

- Monte Vista Water District – Well No. 31: well construction completed July 2006 and well equipping was completed in September 2008. Well No. 32 is completed. Well No. 33 and treatment facility (joint MVWD/Chino project): Well construction was completed in early 2008; the treatment facility construction was completed in November 2008.
- JCSD – Expansion of the Teagarden IX facility is completed and the system is online.

Due to the current drought conditions throughout the state of California, Metropolitan has not provided water for the DYY account since April 2007. As of June 30, 2008, about 86,000 AF had been stored in the Basin in Metropolitan's DYY account. On May 1, 2008, Metropolitan called for the parties to begin withdrawing water from the DYY account in the amount of 33,000 AF per 12-month period. At the end of the calendar year, the account balance was 56,092 AF.

In February 2008, the DYY Expansion Project was initiated by IEUA and Watermaster to evaluate increasing the DYY storage account. The purpose of the DYY Expansion Project was to determine the facilities needed to store up to 150,000 AF and to recover up to 50,000 AFY. The recovered water would be served during dry years in-lieu of imported water from Metropolitan. The expansion project evaluated the technical, financial, and institutional framework for individual projects to move forward, groundwater modeling results evaluating material physical injury, and California Environmental Quality Act (CEQA) requirements. The CEQA process was completed in December 2008 with the submission of the Notice of Determination to the State Clearinghouse. Negotiations related to actual projects and the amount of expansions are ongoing.

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

- D. PERS AMENDMENT –
RESOLUTION NO. 09-04





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

DATE: April 23, 2009
TO: Board Members
FROM: Kenneth Manning/CEO
SUBJECT: PERS Amendment

Issue:

Staff recommends that the Watermaster Board of Directors adopt Resolution No. 09-04 declaring its intent to change the Public Employee Retirement (PERS) formula to from 2.0% at 55 to 2.5% at 55.

Discussion and Background:

Currently the Watermaster offers a PERS retirement benefit of 2% at 55. Nearly all of the other agencies in the Watermaster service area offer a PERS benefit of at least 2.5% at 55 as depicted at the end of this memo. In order to recognize the contribution that staff make to the organization, and to remain competitive in the Watermaster service area, staff recommends adopting the change in retirement benefits to 2.5% at 55 as of July 1, 2009. This recommendation was approved by the Personnel Committee at the March 2, 2009 meeting. This change will cover all current and future employees, but will not cover employees that have retired as of the adoption date.

A recent PERS contract amendment analysis has determined that a change from 2.0% to 2.5% would increase the Watermaster employer contribution rate by 1.931% and the employee contribution rate by 1%, for a total increase of 2.931% of payroll. At the Personnel Committee meeting on March 2, 2009, it was the recommendation of the committee to process the plan amendment provided that Watermaster staff pays the combined employer and employee increase of 2.931% from their respective payroll. PERS requires that Watermaster staff hold a secret ballot election to determine if staff approves of the change. If the majority of the employees approve the change, the next step in this process is to hold a public hearing where the Board will vote on the final resolution to adopt the PERS amendment. A board adopted final resolution is required by PERS to process the plan amendment.

MEMBER AGENCIES**RETIREMENT PLAN**

City of Chino	2.7% at 55
City of Chino Hills	2.0% at 55
Cucamonga Valley Water District	2.7% at 55
Inland Empire Utilities Agency	2.5% at 55
Jurupa Community Services District	2.7% at 55
Monte Vista Water District	2.5% at 55
City of Norco	2.7% at 55
City of Ontario	2.5% at 55
City of Pomona	2.0% at 55
City of Upland	2.5% at 55

Recommendation:

Staff recommends that the Watermaster Board of Directors adopt Resolution No. 09-04 declaring a resolution of intent to amend the PERS formula from 2.0% at 55 to 2.5% at 55.

Fiscal Impact:

The fiscal impact of this change is a 1.931% increase in the employee PERS rate and a 1% increase in the employer PERS rate. As recommended, and if voted for by the majority of staff, the staff will assume the entire 2.931% of the cost related to this amendment to the plan. The estimated annual cost is less than \$30,000 based on current salary levels.

RESOLUTION 09-04

RESOLUTION OF INTENTION TO APPROVE AN AMENDMENT TO CONTRACT BETWEEN THE BOARD OF ADMINISTRATION, CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND CHINO BASIN WATERMASTER BOARD OF CHINO BASIN WATERMASTER

WHEREAS, The Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law; and

WHEREAS, one of the steps in the procedures to amend this contract is the adoption by the governing body of the public agency of a resolution of intent to approve an amendment to said contract, which resolutions shall contain a summary of the change proposed in said contract; and

WHEREAS, the following is a statement of the proposed change:

To provide Section 21354.4 (2.5% at 55 Full formula) for local miscellaneous members.

NOW, THEREFORE, BE IT RESOLVED, that the Chino Basin Watermaster governing body does hereby approve a resolution of intent to approve an amendment to the contract between said public agency and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as an "Exhibit" and by the this reference made a part hereof.

APPROVED by the Advisory Committee this 23rd day of April 2009.
ADOPTED by the Watermaster Board on this 23rd day of April 2009.

By: _____
Chairman, Watermaster Board

APPROVED:

Chairman, Advisory Committee

ATTEST:

Board Secretary
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Ken Manning, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 09-04, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CHINO BASIN WATERMASTER _____
Secretary

APPROVED:

Chairman, Watermaster Board
Chino Basin Watermaster

ATTEST:

Board Secretary
Chino Basin Watermaster




EXHIBIT

California
Public Employees' Retirement System



AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
Chino Basin Watermaster Board
Chino Basin Watermaster



The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective May 30, 1999, and witnessed May 27, 1999, and as amended effective September 30, 2001 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 10 are hereby stricken from said contract as executed effective September 30, 2001, and hereby replaced by the following paragraphs numbered 1 through 12 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for local miscellaneous members.

PLEASE DO NOT SIGN THIS DOCUMENT

2. Public Agency shall participate in the Public Employees' Retirement System from and after May 30, 1999 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorneys fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
 - (d) Public Agency's election to file for bankruptcy under Chapter 9 (commencing with section 901) of Title 11 of the United States Bankruptcy Code and/or Public Agency's election to reject this Contract with the CalPERS Board of Administration pursuant to section 365, of Title 11, of the United States Bankruptcy Code or any similar provision of law.
 - (e) Public Agency's election to assign this Contract without the prior written consent of the CalPERS' Board of Administration.

- (f) The termination of this Contract either voluntarily by request of Public Agency or involuntarily pursuant to the Public Employees' Retirement Law.
 - (g) Changes sponsored by Public Agency in existing retirement benefits, provisions or formulas made as a result of amendments, additions or deletions to California statute or to the California Constitution.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
- a. Employees other than local safety members (herein referred to as local miscellaneous members).
5. Any exclusion(s) shall remain in effect until such time as the Public Employees' Retirement System determines that continuing said exclusion(s) would risk a finding of non-compliance with any federal tax laws or regulations. If such a determination is contemplated, the Public Employees' Retirement System will meet with the Public Agency to discuss the matter and coordinate any required changes or amendments to the contract.

In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

- a. **SAFETY EMPLOYEES; AND**
 - b. **MEMBERS OF THE GOVERNING BODY FIRST ELECTED OR APPOINTED PRIOR TO JULY 1, 1994. (Elected or appointed officials who are first elected or appointed on or after July 1, 1994 or to a term of office not consecutive with a term held on June 30, 1994 are excluded pursuant to Government Code Section 20322).**
6. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member in employment before and not on or after the effective date of this amendment to contract shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).

PLEASE DO NOT WRITE IN THESE SPACES

7. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member in employment on or after the effective date of this amendment to contract shall be determined in accordance with Section 21354.4 of said Retirement Law (2.5% at age 55 Full).
8. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 20042 (One-Year Final Compensation).
 - b. Section 20938 (Limit Prior Service to Members Employed on Contract Date).
 - c. Section 21024 (Military Service Credit as Public Service).
 - d. Section 21574 (Fourth Level of 1959 Survivor Benefits).
 - e. Section 20965 (Credit for Unused Sick Leave).
9. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members of said Retirement System.
10. Public Agency shall also contribute to said Retirement System as follows:
 - a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members.
 - b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

11. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
12. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CHINO BASIN WATERMASTER BOARD
CHINO BASIN WATERMASTER

BY _____
LORI MCGARTLAND, CHIEF
EMPLOYER SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

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