



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, March 12, 2009

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

AT THE CHINO BASIN WATERMASTER OFFICES

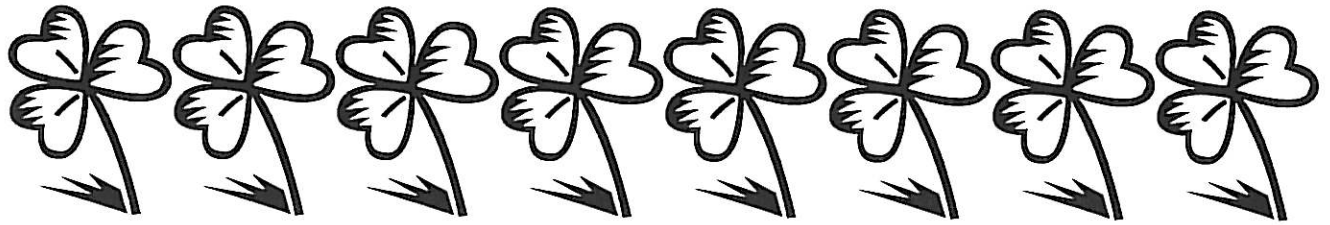
9641 San Bernardino Road
Rancho Cucamonga, CA 91730
(909) 484-3888

Tuesday, March 17, 2009

9:00 a.m. – Agricultural Pool Meeting

AT THE INLAND EMPIRE UTILITIES AGENCY OFFICES

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



CHINO BASIN WATERMASTER

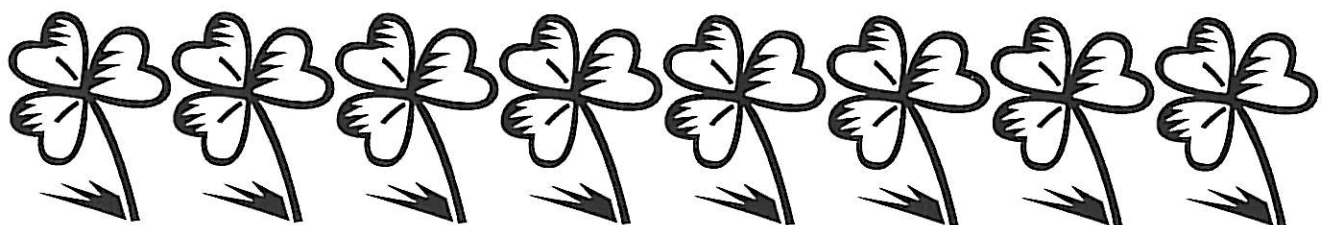
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10:00 a.m. – Appropriative & Non-Ag Pool Meeting

Tuesday, March 17, 2009

9:00 a.m. – Agricultural Pool Meeting

AGENDA PACKAGE



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

*Mr. Ken Jeske, Chair, Appropriative Pool
Mr. Mark Kinsey, Vice-Chair, Appropriative Pool
Mr. Bob Bowcock, Chair, Non-Agricultural Pool
Mr. Kevin Sage, Vice-Chair Non-Agricultural Pool*

10:00 a.m. – March 12, 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 Joint Appropriative and Non-Agricultural Pool Meeting held February 12, 2009 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2009 *(Page 11)*
2. Watermaster Visa Check Detail *(Page 15)*
3. Combining Schedule for the Period July 1, 2008 through January 31, 2009 *(Page 17)*
4. Treasurer's Report of Financial Affairs for the Period January 1, 2009 through January 31, 2009 *(Page 19)*
5. Budget vs. Actual July 2008 through January 2009 *(Page 21)*

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 23)*
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 33)*
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 47)*

II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

- 1. Court Hearing Update
- 2. Auction Price Floor Agreement & Storage & Recovery Agreement
- 3. Peace II CEQA Notice of Preparation

B. ENGINEERING REPORT

- 1. Recharge Master Plan Progress Report
- 2. Storage Loss Calculation Update
- 3. Budget Schedule Update

C. FINANCIAL REPORT

- 1. Dry Year Yield Financial Update

D. CEO/STAFF REPORT

- 1. Legislative Update
- 2. Recharge Update
- 3. Watermaster Consolidated Schedule of Reporting Due Dates
- 4. PERS Retirement Plan

III. INFORMATION

- 1. Newspaper Articles (*Page 61*)

IV. POOL MEMBER COMMENTS

V. OTHER BUSINESS

VI. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to the Appropriative and Non-Agricultural Pool Rules & Regulations, a Confidential Session may be held during the Watermaster Pool meeting for the purpose of discussion and possible action.

VII. FUTURE MEETINGS

March 10, 2009	9:00 a.m.	GRCC Meeting
March 12, 2009	8:00 a.m.	MZ1 Technical Committee Meeting
March 12, 2009	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
March 17, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
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

Meeting Adjourn

**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
WITH**

*Mr. Bob Feenstra, Chair
Mr. Jeff Pierson, Vice-Chair*

9:00 a.m. – March 17, 2009

At The Offices Of

**Inland Empire Utilities Agency
6075 Kimball Ave., Bldg. A, Board Room
Chino, CA 91710**

AGENDA

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- 1. Dry Year Yield Financial Update

D. CEO/STAFF REPORT

- 1. Legislative Update
- 2. Recharge Update
- 3. Watermaster Consolidated Schedule of Reporting Due Dates
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III. INFORMATION

- 1. Newspaper Articles (*Page 61*)

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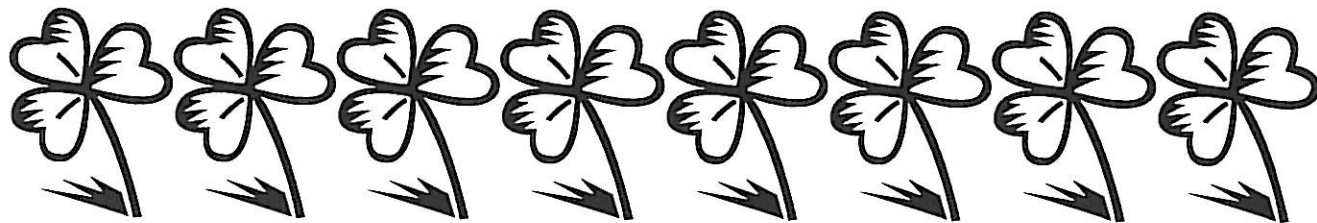
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Meeting Adjourn

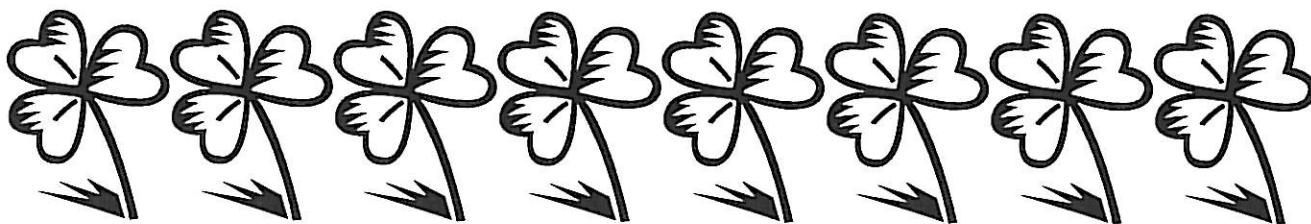


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Joint Appropriative and Non-Agricultural Pool Meeting – February 12, 2009



Draft Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
February 12, 2009

The Joint Appropriative and Non-Agricultural Pool Meeting were held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on February 12, 2009 at 10:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Ken Jeske, Chair	City of Ontario
Robert DeLoach	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Robert Tock	Jurupa Community Services District
Mike McGraw	Fontana Water Company
Robert Young	Fontana Union Water Company
Charles Moorrees	San Antonio Water Company
Raul Garibay	City of Pomona
Dave Crosley	City of Chino
J. Arnold Rodriguez	Santa Ana River Water Company
Anthony La	City of Upland

NON-AGRICULTURAL POOL MEMBERS PRESENT

Kevin Sage	Vulcan Materials Company (Calmat Division)
Mohamad El Amamy	City of Ontario

Watermaster Board Members Present

Geoffrey Vanden Heuvel	Agricultural Pool - Dairy
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Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
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

Jennifer Novak	State of California Dept. of Justice
Marv Shaw	Inland Empire Utilities Agency
Sandra Rose	Monte Vista Water District
Eunice Ulloa	Chino Basin Water Conservation District
Marty Zvirbulis	Cucamonga Valley Water District

Chair Jeske called the Joint Appropriative and Non-Agricultural Pool Meeting to order at 10:00 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Annual Non-Agricultural Pool Election Meeting held January 8, 2009
2. Minutes of the Annual Appropriative Pool Election Meeting held January 8, 2009
3. Minutes of the Joint Annual Appropriative and Non-Agricultural Pool Meeting held January 8, 2009

B. FINANCIAL REPORTS

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

C. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 09-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, authorizing the Watermaster's Investment Policy

Mr. DeLoach handed out a copy of the most recent Agricultural Pool attorney bills as reference material. There was no further discussion on this.

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

D. ALLOCATION OF NON-AGRICULTURAL POOL VOLUME VOTE

Non-Agricultural Pool Allocation of Volume Vote effective Calendar Year 2009

Mr. Manning commented on the revised allocation of Non-Agricultural Pool volume vote.

*Motion by Sage
Moved to approve Consent Calendar item D, as presented*

II. BUSINESS ITEM**A. BUDGET TRANSFER**

Mr. Manning stated Watermaster reviews invoice monthly and meets with WEI on a quarterly basis to review task orders and progress on projects including funding. In reviewing these items, it was noted some changes needed to be made in the way of how funds will be distributed. There are four areas where we anticipate less activity and then were three areas where additional money will be needed; the budget transfer is to cover the areas that need additional funds. The budget transfer document which is included in the meeting packet explains all the details of this transfer.

*Motion by DeLoach, second by Moorrees, and by unanimous vote – Non-Ag concurred
Moved to approve the Budget Transfer T-09-02-01 relating to: OBMP, HCMP, Desalters, Storage Program to Groundwater Level Monitoring Program, Recharge Master Plan, and MZ-3, as presented*

B. AUCTION PRICE FLOOR AGREEMENT AND STORAGE & RECOVERY AGREEMENT

Mr. Manning stated staff and counsel are asking for two recommendations; 1) To review the approval of the auction price floor agreement which is included in the meeting package and, 2) Direct staff to prepare the storage and recovery agreement which is included in the meeting package in draft form. Mr. Manning described the changes in the agreement. Mr. Kinsey was particularly concerned about the equity of having the buyers pay enough to enjoy the benefits of the lower loss rates. Mr. Kinsey wants to know how Watermaster staff got the \$25 acre-feet financial equivalent to go from 6% to 2%. Mr. Kinsey wants to know what has Western

Municipal Water District (WMWD) contributed to waive the equivalency payment and thinks that Watermaster staff has a responsibility to justify this amount. Mr. Manning stated that Watermaster staff did produce this information and it's up to the Parties to accept or reject it. Mr. Kinsey's stated his main point is that the fee needs to be validated. Mr. Manning stated the amounts listed are what staff thinks is fair. Mr. Kinsey noted that it is not exportable water according to the Judgment and that it is bad precedent to export water when the yield is declining along with current drought conditions. A discussion regarding export ensued. Mr. Jeske requested Watermaster staff to prepare a detailed Gantt chart regarding the process of auction timing and the use of the revenue. Mr. Manning stated staff will put together that chart. Mr. Zvirbulis presented a financial analysis which was prepared by Cucamonga Valley Water District which states that there could be almost \$70 million in present value benefits after \$30 million are spent on new recharge projects. Mr. Vanden Heuvel inquired if Western Municipal Water District indicated that they will buy all the water. Mr. Manning stated initially yes but recently they are looking for some flexibility. Mr. Kinsey inquired if the finding of broad regional benefit would include how the money will be used. Counsel and staff agreed to prepare a draft finding of broad regional benefit. Mr. Garibay inquired about taxes and any are assessed, the buyer should pay tax. Counsel Fife stated he would look into that statement in the documents. A lengthy discussion regarding the auction floor price, procedures, and possible outcome ensued. Mr. Manning stated this will not be the last time this will be brought before this committee; staff is attempting to get this item moving through the long process.

Motion by DeLoach, second by Cróslley, and by unanimous vote – Non-Ag concurred

Moved to review the Auction Price Floor Agreement and to direct counsel and staff to: (a) prepare: a conforming Storage and Recovery Agreement; (b) a finding of broad regional benefit; (c) a finding of No Material Physical Injury; and (d) a recommendation to retain a competent consulting firm to provide services in support of the auction, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Court Hearing

Counsel Fife stated a court hearing took place last Monday and a notice of the hearing has not been sent out yet. After we receive the transcript a notice can then go out to the parties. Watermaster staff has been told by Judge Wade's clerk that the transcript should be ready tomorrow; once that is received counsel will put out a notice that will summarize the orders by the court that were made through the course of the hearing. Staff has contacted the court reporter and negotiated a deal so that Watermaster can distribute copies of the transcript. The court asked for another hearing which was scheduled for April 16, 2009. Counsel Fife noted April 16th conflicts with Mr. Wildermuth and staff schedule. Counsel is going to file a pleading today asking the court to provide us with a different date for the hearing. Once a new hearing date is scheduled a notice as to the new date will go out. Counsel Fife stated it appears Judge Wade will want a series of hearings to review sections of information at a time.

2. Dry Year Yield Agreement

Counsel Fife stated through the agreement with Inland Empire Utilities Agency (IEUA) and Metropolitan Water District (MWD) in order to get the LRP funding for the desalters, Watermaster needs to approve an expansion of the MWD storage account from 100,000 acre-feet to 150,000 acre-feet by September, 2009. Staff has asked IEUA to submit a Storage & Recovery Application which is the same process that was gone through for the first 100,000 acre-feet. Counsel Fife stated after the IEUA application is complete it will go through the Watermaster process, this item was placed under legal reports to let you know it is in the works to come back as a business item. A discussion regarding this process ensued.

B. ENGINEERING REPORT1. Engineering Update

Mr. Wildermuth stated staff is working with the Regional Board on the Hydraulic Control Monitoring Program in trying to get the monitoring requirements scaled back. This will take place late this year which means there will still be monitoring obligations early into next year's fiscal year. Mr. Wildermuth stated staff is ramping up for the Production Optimization work Mr. Wildermuth stated Tom McCarthy from the Wildermuth office is heading this project up. Tom is not contacting every single appropriator; he is contacting the appropriators that Wildermuth thinks need help with their production. Mr. Wildermuth asked that the appropriators that are contacted work fairly quickly with Tom on this project so that work can get finished in a timely manner because we are working on a tight time frame.

C. FINANCIAL REPORT1. Watermaster Budget

Ms. Rojo stated Watermaster is starting on the budget and staff is looking at getting input from the parties. Mr. Manning stated meetings are now taking place with consultants on their numbers in an attempt to start the process in order to get the numbers firmed up for the final budget that comes through the process for approval.

D. CEO/STAFF REPORT1. Legislative Update

Mr. Manning stated invitations have gone out recently for the Inland Empire Utilities Agency Legislative Reception on March 17, 2009 in Sacramento. This is the same day as the Agricultural Pool meeting and Mr. Manning will be leaving directly that meeting for this reception. Mr. Manning stated this is a very well attended reception. Mr. Manning noted he was in Sacramento over a week ago and met with several legislators to discuss groundwater issues.

2. Recharge Update

Mr. Manning stated the updated Recharge Spreadsheet is not available for the meeting. In January there was approximately 1,800+ acre-feet was captured in the recharge basins and a detailed report will be available at the Advisory Committee meeting later this month. Mr. Manning stated there was a breach in one of the berms at San Sevaine 5 basin and staff is working with IEUA and others to get the repairs done.

Fontana Barrier Study

Mr. Manning stated Watermaster staff has been contacted by a group that is interested in having Watermaster involved as the project manager, with no financial involvement whatsoever, to facilitate a USGS Isotope Study of perchlorate in the north eastern portion of the Chino Basin and the Rialto/Colton Basin. This will help resolve some of the issues in the long standing debate over whether water is moving between or across the fault. Watermaster is interested in participating at this level because it will help develop information that can be used in the modeling that helps us better describe what is doing on that portion of the basin. Watermaster will also be partnering up with other agencies on this study which will be a great partnership to be involved in. A question regarding costs was raised and Mr. Manning stated Watermaster has been assured it will be reimbursed for any and all expenses; an agreement has not been received to date.

Added Comment:

Mr. Manning noted Watermaster had put the word out that it was looking to purchase water from storage accounts to fulfill the replenishment obligation of approximately 20,000 acre-feet. There have been some interested parties and three have given staff a definite yes that they will sell Watermaster water which totals approximately 7,500 acre-feet. There is another party that is still working on this and we should have a decision from them within the

next couple days. Watermaster could be getting between 7,500 and 8,500 acre-feet of our 20,000 acre-feet obligation out of storage; the balance is still being worked on.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

The Non-Agricultural Pool meeting convened its meeting at 11:20 a.m.

The regular open Appropriative Pool meeting was convened to hold its confidential session at 11:20 a.m.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to the Appropriative and Non-Agricultural Pool Rules & Regulations, a Confidential Session may be held during the Watermaster Pool meeting for the purpose of discussion and possible action.

1. Budget Transfer For the Farming Portion of the TMDL Study

The closed session was convened at 12:04 p.m. with no comment or action reported for the confidential session.

VIII. FUTURE MEETINGS

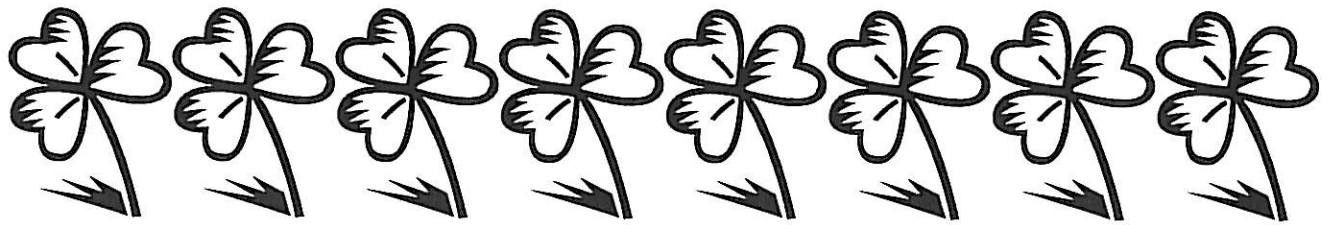
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February 26, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
February 26, 2009	9:00 a.m.	Advisory Committee Meeting
February 26, 2009	11:00 a.m.	Watermaster Board Meeting

The Appropriative Pool meeting was dismissed by Chair Jeske at 12:05 p.m.

Secretary: _____

Minutes Approved: _____

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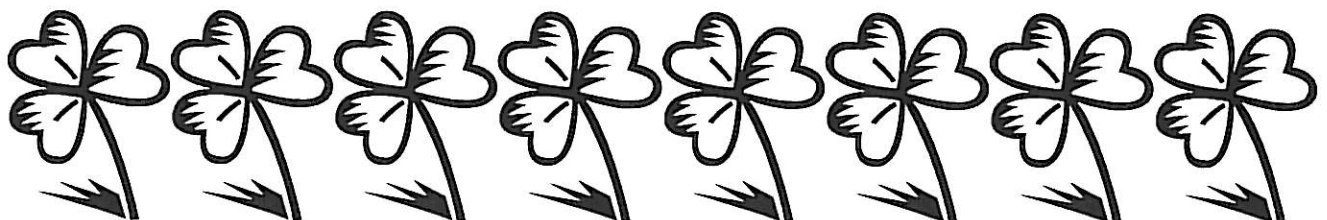


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool Meeting – February 17, 2009



Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
February 17, 2009

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on February 17, 2009 at 9:00 a.m.

Agricultural Pool Members Present

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

Watermaster Board Members Present

Paul Hofer	Crops
Michael Camacho	Inland Empire Utilities Agency

Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Ben Pak	Senior Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Mark Wildermuth	Wildermuth Environmental Inc.
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Others Present

Steven Lee	Reid & Hellyer
Eunice Ulloa	Chino Basin Water Conservation District
Sandra Rose	Monte Vista Water District
Rick Rees	Geomatrix

Chair Feenstra called the Agricultural Pool meeting to order at 9:05 a.m.

AGENDA - ADDITIONS/REORDER

Mr. Manning noted Business Item B. is being pulled from the agenda.

Chair Feenstra and Mr. Koopman offered comment on the Brown Act and the fact that they have received a legal opinion that Watermaster parties are not required to follow the Brown Act Mr. Manning and Counsel Fife concurred with this opinion but commented that Watermaster makes attempts to follow the Brown Act whenever feasible.

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1. Minutes of the Annual Agricultural Pool Meeting held January 20, 2009

B. FINANCIAL REPORTS

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C. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 09-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, authorizing the Watermaster's Investment Policy

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

Moved to approve Consent Calendar A through C, as presented

II. BUSINESS ITEM**A. BUDGET TRANSFER**

Mr. Manning stated Watermaster reviews invoices monthly and meets with WEI on a quarterly basis to review task orders and progress on projects including funding. In reviewing these items, it was noted some changes needed to be made in the way of how funds will be distributed. There are four areas where we anticipate less activity and then were three areas where additional money will be needed; the budget transfer is to cover the areas that need additional funds. Ms. Rojo stated the staff report summarizes the four accounts that could be reduced to cover three other categories that need to be increased. A discussion on budget transfers ensued.

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

Moved to approve the Budget Transfer T-09-02-01 relating to: OBMP, HCMP, Desalters, Storage Program to Groundwater Level Monitoring Program, Recharge Master Plan, and MZ-3, as presented

Item B. was pulled from the agenda

B. AUCTION PRICE FLOOR AGREEMENT AND STORAGE & RECOVERY AGREEMENT

No comment was made regarding this item which was pulled from the agenda.

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**1. Court Hearing

Counsel Fife stated a court hearing took place last Monday and a notice of the hearing has not been sent out yet. After we receive the transcript a notice can then go out to the parties. Watermaster staff has been told by Judge Wade's clerk that the transcript should be ready tomorrow; once that is received counsel will put out a notice that will summarize the orders by the court that were made through the course of the hearing. Staff has contacted the court reporter and negotiated a deal so that Watermaster can distribute copies of the transcript. The court asked for another hearing which was scheduled for April 16, 2009. Counsel Fife noted April 16th conflicts with Mr. Wildermuth and staff schedule. Counsel is going to file a pleading today asking the court to provide us with a different date for the hearing. Once a new hearing date is scheduled a notice as to the new date will go out. Counsel Fife stated it appears Judge Wade will want a series of hearings to review sections of information at a time.

2. Dry Year Yield Agreement

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acre-feet to 150,000 acre-feet by September, 2009. Staff has asked IEUA to submit a Storage & Recovery Application which is the same process that was gone through for the first 100,000 acre-feet. Counsel Fife stated after the IEUA application is complete it will go through the Watermaster process, this item was placed under legal reports to let you know it is in the works to come back as a business item.

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1. Engineering Update

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C. FINANCIAL REPORT

1. Watermaster Budget

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D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated invitations have gone out recently for the Inland Empire Utilities Agency Legislative Reception on March 17, 2009 in Sacramento. This is the same day as the Agricultural Pool meeting and Mr. Manning will be leaving directly from that meeting for this reception. Mr. Manning stated this is a very well attended reception. Mr. Manning noted he was in Sacramento over a week ago and met with several legislators to discuss groundwater issues.

2. Recharge Update

Mr. Manning stated the updated Recharge Spreadsheet is not available for this meeting. In January there was approximately 1,800+ acre-feet was captured in the recharge basins and a detailed report will be available at the Advisory Committee meeting later this month. Mr. Manning stated there was a breach in one of the berms at San Sevaine 5 basin and staff is working with IEUA and others to get the repairs done.

3. Fontana Barrier Study

Mr. Manning stated Watermaster staff has been contacted by a group that is interested in having Watermaster involved as the project manager, with no financial involvement whatsoever, to facilitate a USGS Isotope Study of perchlorate in the north eastern portion of the Chino Basin and the Rialto/Colton Basin. This will help resolve some of the issues in the long standing debate over whether water is moving between or across the fault. Watermaster is interested in participating at this level because it will help develop information that can be used in the modeling that helps us better describe what is doing on that portion of the basin. Watermaster will also be partnering up with other agencies on this study which will be a great partnership to be involved in. A discussion regarding rain flow ensued.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

The regular open Agricultural meeting was convened to hold its confidential session at 9:45 a.m.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

1. Legal Issues

The closed session was convened at 10:50 p.m. with no comment or action reported for the confidential session.

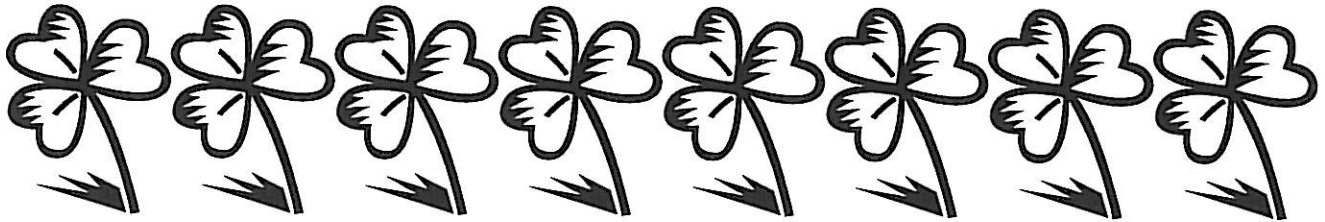
VIII. FUTURE MEETINGS

February 12, 2009	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
February 17, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
February 26, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
February 26, 2009	9:00 a.m.	Advisory Committee Meeting
February 26, 2009	11:00 a.m.	Watermaster Board Meeting

The Agricultural Pool meeting was dismissed by Chair Feenstra at 10:53 p.m.

Secretary: _____

Minutes Approved: _____

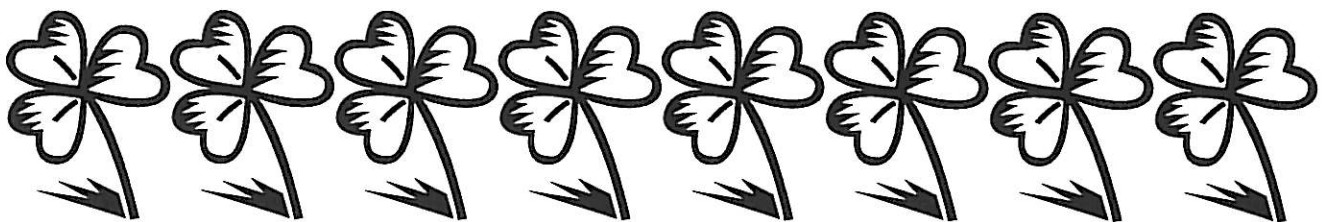


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2009
2. Watermaster Visa Check Detail
3. Combining Schedule of Revenue, Expenses and Changes in Working Capital 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. Profit & Loss Budget vs. Actual July 2008 through January 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: March 12, 2009
March 17, 2009
March 26, 2009

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report

SUMMARY

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

Recommendation – Staff recommends the Cash Disbursements for February 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 February 2009 were \$990,014.67. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$518,986.00, Wildermuth Environmental Inc. in the amount of \$215,630.72, and Brownstein Hyatt Farber Schreck in the amount of \$89,721.96.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
February 2009

Type	Date	Num	Name	Amount
Feb 09				
Bill Pmt -Check	2/3/2009	13002	AMERICAN GROUND WATER TRUST	-250.00
Bill Pmt -Check	2/3/2009	13003	BLACK & VEATCH CORPORATION	-11,925.00
Bill Pmt -Check	2/3/2009	13004	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	2/3/2009	13005	CITY OF RIALTO	-40.00
Bill Pmt -Check	2/3/2009	13006	CLARK PLUMBING SPECIALTIES, INC.	-1,117.65
Bill Pmt -Check	2/3/2009	13007	COMPUTER NETWORK	-932.04
Bill Pmt -Check	2/3/2009	13008	DIRECTV	-76.98
Bill Pmt -Check	2/3/2009	13009	EMPIRE CLEANING SUPPLY	-45.88
Bill Pmt -Check	2/3/2009	13010	KONICA MINOLTA BUSINESS SOLUTIONS	-330.92
Bill Pmt -Check	2/3/2009	13011	KUHN, BOB	-250.00
Bill Pmt -Check	2/3/2009	13012	MWH LABORATORIES	-640.00
Bill Pmt -Check	2/3/2009	13013	OFFICE DEPOT	-237.08
Bill Pmt -Check	2/3/2009	13014	QUILL	-138.19
Bill Pmt -Check	2/3/2009	13015	R&D PEST SERVICES	-85.00
Bill Pmt -Check	2/3/2009	13016	STATE COMPENSATION INSURANCE FU...	-1,094.96
Bill Pmt -Check	2/3/2009	13017	TLC STAFFING	-488.00
Bill Pmt -Check	2/3/2009	13018	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	2/3/2009	13019	VISION SERVICE PLAN	-62.19
Bill Pmt -Check	2/3/2009	13020	WHITEHEAD, MICHAEL	-125.00
Bill Pmt -Check	2/3/2009	13021	WILLIS, KENNETH	-250.00
Bill Pmt -Check	2/3/2009	13022	YUKON DISPOSAL SERVICE	-142.88
Bill Pmt -Check	2/4/2009	13023	AMERICAN WATER WORKS ASSOCIATI...	-198.00
Bill Pmt -Check	2/4/2009	13024	CALIFORNIA PUBLIC EMPL RETIREMEN...	-200.00
Bill Pmt -Check	2/4/2009	13025	CITISTREET	-1,300.00
Bill Pmt -Check	2/4/2009	13026	COMPUTER NETWORK	-1,276.84
Bill Pmt -Check	2/4/2009	13027	HSBC BUSINESS SOLUTIONS	-739.48
Bill Pmt -Check	2/4/2009	13028	JAMES JOHNSTON	-975.00
Bill Pmt -Check	2/4/2009	13029	LOS ANGELES TIMES	-46.40
Bill Pmt -Check	2/4/2009	13030	MYRON L COMPANY	-312.21
Bill Pmt -Check	2/4/2009	13031	PARK PLACE COMPUTER SOLUTIONS, I...	-4,875.00
Bill Pmt -Check	2/4/2009	13032	PAYCHEX	-321.95
Bill Pmt -Check	2/4/2009	13033	PREMIERE GLOBAL SERVICES	-810.86
Bill Pmt -Check	2/4/2009	13034	QUILL	-175.63
Bill Pmt -Check	2/4/2009	13035	RAUCH COMMUNICATION CONSULTAN...	-6,824.16
Bill Pmt -Check	2/4/2009	13036	SAFETY CLEAN JANITORIAL SERVICES	-590.00
Bill Pmt -Check	2/4/2009	13037	TLC STAFFING	-480.00
Bill Pmt -Check	2/4/2009	13038	VANDEN HEUVEL, GEOFFREY	-250.00
Bill Pmt -Check	2/4/2009	13039	VERIZON	-402.95
Bill Pmt -Check	2/4/2009	13040	W.C. DISCOUNT MOBILE AUTO DETAILI...	-75.00
Bill Pmt -Check	2/5/2009	13041	INLAND EMPIRE UTILITIES AGENCY	-518,986.00
General Journal	2/7/2009	09/02/03	PAYROLL	-7,624.24
General Journal	2/7/2009	09/02/03	PAYROLL	-27,056.44
Bill Pmt -Check	2/11/2009	13042	ASSOCIATION OF GOVERNMENT ACCO...	-74.00
Bill Pmt -Check	2/11/2009	13043	BANC OF AMERICA LEASING	-3,186.17
Bill Pmt -Check	2/11/2009	13044	CINDY NAVAROLI CONSULTING SERVIC...	-900.00
Bill Pmt -Check	2/11/2009	13045	COMPUTER NETWORK	-19.40
Bill Pmt -Check	2/11/2009	13046	g.Neil	-54.99
Bill Pmt -Check	2/11/2009	13047	INLAND EMPIRE UTILITIES AGENCY	-40.00
Bill Pmt -Check	2/11/2009	13048	QUILL	-72.55
Bill Pmt -Check	2/11/2009	13049	REID & HELLYER	-9,860.82
Bill Pmt -Check	2/11/2009	13050	SAFEGUARD DENTAL & VISION	-57.68
Bill Pmt -Check	2/11/2009	13051	SANTA ANA WATERSHED PROJECT AU...	-3,327.00
Bill Pmt -Check	2/11/2009	13052	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	2/11/2009	13053	UNION 76	-67.24
Bill Pmt -Check	2/11/2009	13054	UNITED PARCEL SERVICE	-99.91
Bill Pmt -Check	2/11/2009	13055	WESTERN DENTAL SERVICES, INC.	-26.50
Bill Pmt -Check	2/11/2009	13056	WILDERMUTH ENVIRONMENTAL INC	-215,630.72
Bill Pmt -Check	2/11/2009	13057	BETTY J. KELLEY, C.S.R.	-1,650.00
Bill Pmt -Check	2/11/2009	13058	MWH LABORATORIES	-10,634.00
Bill Pmt -Check	2/11/2009	13059	TELECOM SERVICES	-1,139.92
Check	2/12/2009	13060	SOCAL SANDBAGS	-9,922.50
Bill Pmt -Check	2/13/2009	13061	SANTA ANA WATERSHED PROJECT AU...	-9,625.00
Bill Pmt -Check	2/19/2009	13062	PETTY CASH	-564.00
General Journal	2/21/2009	09/02/05	PAYROLL	-7,689.29
General Journal	2/21/2009	09/02/05	PAYROLL	-27,226.61
Bill Pmt -Check	2/26/2009	13063	A & R TIRE	-146.41
Bill Pmt -Check	2/26/2009	13064	ACWA SERVICES CORPORATION	-209.95
Bill Pmt -Check	2/26/2009	13065	BANK OF AMERICA	-2,085.63

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
February 2009

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
Bill Pmt -Check	2/26/2009	13066	BROWNSTEIN HYATT FARBER SCHRECK	-89,721.96
Bill Pmt -Check	2/26/2009	13067	COMPUTER NETWORK	-190.59
Bill Pmt -Check	2/26/2009	13068	FIRST AMERICAN REAL ESTATE SOLUTI...	-125.00
Bill Pmt -Check	2/26/2009	13069	INLAND EMPIRE UTILITIES AGENCY	-250.50
Bill Pmt -Check	2/26/2009	13070	MCI	-1,169.95
Bill Pmt -Check	2/26/2009	13071	OFFICE DEPOT	-85.02
Bill Pmt -Check	2/26/2009	13072	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	2/26/2009	13073	QUILL	-31.66
Bill Pmt -Check	2/26/2009	13074	STAULA, MARY L	-136.61
Bill Pmt -Check	2/26/2009	13075	TLC STAFFING	-1,008.00
Bill Pmt -Check	2/26/2009	13076	VERIZON WIRELESS	-683.00
Bill Pmt -Check	2/26/2009	13077	W.C. DISCOUNT MOBILE AUTO DETAILI...	-40.00
Feb 09				-990,014.67

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CHINO BASIN WATERMASTER
Check Detail
February 2009

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	13065	2/26/2009	BANK OF AMER...	1012 · Bank of America Gen'l Ckg	
Bill	4024...	1/31/2009		6191 · Conferences	-618.40
				6212 · Meeting Expense	-243.51
				6312 · Meeting Expenses	-347.46
				6141.3 · Admin Meetings	-29.37
				6112 · Subscriptions/Publications	-209.00
				6111 · Membership Dues	-110.00
				8412 · Meeting Expenses	-193.90
				6031.7 · Other Office Supplies	-165.84
				6192 · Training & Seminars	-50.00
				6909.1 · OBMP Meetings	-118.15
TOTAL					-2,085.63

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2008 THROUGH JANUARY 31, 2009

	WATERMASTER ADMINISTRATION	MANAGEMENT	POOL	APPROPRIATIVE	AGRICULTURAL	NON-AGRIC.	POOL	REPLENISHMENT	GROUNDWATER	OPERATIONS	EDUCATION	GRAND	BUDGET
											FUNDS	TOTALS	2008-2009
Administrative Revenues				7,993,307			172,817					8,166,124	\$7,841,054
Administrative Assessments				54,254	6,258		1,328				18	61,858	174,368
Interest Revenue													148,410
Mutual Agency Project Revenue													0
Grant Income													0
Miscellaneous Income													0
Total Revenues	-	-	-	8,047,561	6,258		174,145				18	8,227,982	8,163,832
Administrative & Project Expenditures													
Watermaster Administration	398,374											398,374	619,960
Watermaster Board-Advisory Committee	34,444											34,444	61,201
Pool Administration				13,052	76,508		2,891					92,451	166,523
Optimum Basin Mgmt Administration		832,496										832,496	1,913,484
OBMP Project Costs		3,385,847										3,385,847	5,392,289
Education Funds Use													375
Mutual Agency Project Costs													10,000
Total Administrative/OBMP Expenses	432,818	4,218,343		13,052	76,508		2,891					4,743,612	8,163,832
Net Administrative/OBMP Income	(432,818)	(4,218,343)											
Allocate Net Admin Income To Pools	432,818			324,637	97,348		10,833						
Allocate Net OBMP Income To Pools				3,163,983	948,775		105,586						
Agricultural Expense Transfer				1,101,424	(1,101,424)								
Total Expenses	4,603,096			21,206			119,310					4,743,612	8,163,832
Net Administrative Income	3,444,465			(14,948)			54,835				18	3,484,370	-
Other Income/(Expense)													
Replenishment Water Assessments								6,437,643				6,437,643	0
IMZ1 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											18	9,922,013	-
Working Capital, July 1, 2008				5,413,216	481,995		143,157	294,397	158,251	1,343		6,492,359	
Working Capital, End Of Period				8,857,681	467,047		197,992	6,732,040	158,251	1,361		16,414,372	
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
JANUARY 1 THROUGH JANUARY 31, 2009**

DEPOSITORIES:			
Cash on Hand - Petty Cash	\$	500	
Bank of America			
Governmental Checking-Demand Deposits	\$	54,535	
Zero Balance Account - Payroll			
Local Agency Investment Fund - Sacramento			<u>15,540,455</u>
TOTAL CASH IN BANKS AND ON HAND			\$ 15,595,490
TOTAL CASH IN BANKS AND ON HAND			9,259,896
PERIOD INCREASE (DECREASE)			\$ 6,335,594

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable	\$	(154,459)
Assessments Receivable		7,750,903
Prepaid Expenses, Deposits & Other Current Assets		(9,855)
Accounts Payable		(160,949)
Accrued Payroll, Payroll Taxes & Other Current Liabilities		(163)
Transfer to/(from) Reserves		<u>(1,089,883)</u>
PERIOD INCREASE (DECREASE)		\$ 6,335,594

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
\$	500	\$ 1,018,941	\$ -	\$ 8,240,455	\$ 9,259,896
Balances as of 12/31/2008		7,741,049			7,741,049
Deposits		-			
Transfers		(7,368,455)	68,455	7,300,000	
Withdrawals/Checks		(1,337,000)	(68,455)		(1,405,455)
Balances as of 1/31/2009	\$ 500	\$ 54,535	\$ -	\$ 15,540,455	\$ 15,595,490
PERIOD INCREASE OR (DECREASE)	\$ -	\$ (964,406)	\$ -	\$ 7,300,000	\$ 6,335,594

SUMMARY OF FINANCIAL TRANSACTIONS:

Balances as of 12/31/2008	\$	9,259,896
Deposits		7,741,049
Transfers		(7,368,455)
Withdrawals/Checks		<u>(1,405,455)</u>
Balances as of 1/31/2009		15,595,490
PERIOD INCREASE OR (DECREASE)		\$ 6,335,594

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JANUARY 1 THROUGH JANUARY 31, 2009**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
1/13/2009	Deposit	L.A.I.F.	\$ 7,300,000				
TOTAL INVESTMENT TRANSACTIONS			\$ 7,300,000				

* 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.

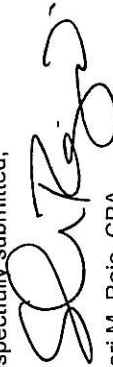
**INVESTMENT STATUS
January 31, 2009**

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.

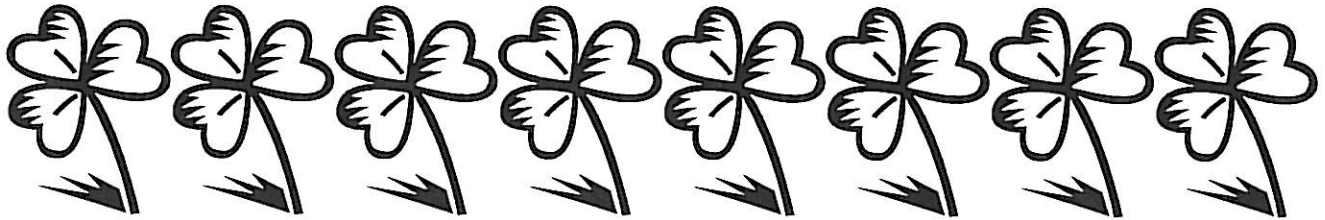
Respectfully submitted,



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

	<u>Jul '08 - Jan 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	0	148,410	-148,410	0.0%
4110 · Admin Asmnts-Approp Pool	7,993,307	7,708,817	284,490	103.69%
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>8,227,982</u>	<u>8,163,832</u>	<u>64,150</u>	<u>100.79%</u>
Gross Profit	8,227,982	8,163,832	64,150	100.79%
Expense				
6010 · Salary Costs	334,086	484,302	-150,216	68.98%
6020 · Office Building Expense	50,373	102,000	-51,627	49.39%
6030 · Office Supplies & Equip.	13,330	46,500	-33,170	28.67%
6040 · Postage & Printing Costs	39,528	87,380	-47,852	45.24%
6050 · Information Services	78,115	144,000	-65,885	54.25%
6060 · Contract Services	56,484	98,000	-41,516	57.64%
6080 · Insurance	15,706	17,730	-2,024	88.58%
6110 · Dues and Subscriptions	11,336	16,750	-5,415	67.68%
6140 · WM Admin Expenses	895	4,000	-3,105	22.39%
6150 · Field Supplies	864	2,500	-1,636	34.54%
6170 · Travel & Transportation	15,772	39,200	-23,428	40.24%
6190 · Conferences & Seminars	18,113	26,500	-8,387	68.35%
6200 · Advisory Comm - WM Board	9,174	19,181	-10,007	47.83%
6300 · Watermaster Board Expenses	25,270	42,020	-16,750	60.14%
8300 · Appr PI-WM & Pool Admin	13,052	24,008	-10,956	54.37%
8400 · Agri Pool-WM & Pool Admin	12,146	24,820	-12,674	48.93%
8467 · Ag Legal & Technical Services	59,663	98,000	-38,337	60.88%
8470 · Ag Meeting Attend -Special	4,700	12,000	-7,300	39.17%
8500 · Non-Ag PI-WM & Pool Admin	2,891	7,695	-4,804	37.57%
6500 · Education Funds Use Expens	0	375	-375	0.0%
9500 · Allocated G&A Expenditures	-236,228	-448,902	212,674	52.62%
	<u>525,269</u>	<u>848,059</u>	<u>-322,790</u>	<u>61.94%</u>
6900 · Optimum Basin Mgmt Plan	762,182	1,845,421	-1,083,239	41.3%
6950 · Mutual Agency Projects	0	10,000	-10,000	0.0%
9501 · G&A Expenses Allocated-OBMP	70,314	137,959	-67,645	50.97%
	<u>832,496</u>	<u>1,993,380</u>	<u>-1,160,884</u>	<u>41.76%</u>
7101 · Production Monitoring	79,041	107,515	-28,474	73.52%
7102 · In-line Meter Installation	31,054	87,931	-56,877	35.32%
7103 · Grdwtr Quality Monitoring	111,437	210,458	-99,021	52.95%
7104 · Gdwtr Level Monitoring	245,179	342,538	-97,359	71.58%
7105 · Sur Wtr Qual Monitoring	2,433	46,717	-44,284	5.21%

	<u>Jul '08 - Jan 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7107 · Ground Level Monitoring	143,220	651,468	-508,248	21.98%
7108 · Hydraulic Control Monitoring	301,667	743,476	-441,809	40.58%
7200 · PE2- Comp Recharge Pgm	1,317,651	1,185,883	131,768	111.11%
7300 · PE3&5-Water Supply/Desalte	57,498	148,477	-90,979	38.73%
7400 · PE4- Mgmt Plan	143,303	217,371	-74,068	65.93%
7500 · PE6&7-CoopEfforts/SaltMgmt	28,843	76,411	-47,568	37.75%
7600 · PE8&9-StorageMgmt/Conj Use	246,713	76,909	169,804	320.79%
7690 · Recharge Improvement Debt Pymt	511,894	1,110,000	-598,106	46.12%
7700 · Inactive Well Protection Prgm	0	6,296	-6,296	0.0%
9502 · G&A Expenses Allocated-Projects	165,914	310,943	-145,029	53.36%
	<u>3,385,847</u>	<u>5,322,393</u>	<u>-1,936,546</u>	<u>63.62%</u>
Total Expense	<u>6,101,377</u>	<u>11,005,271</u>	<u>-4,903,894</u>	<u>55.44%</u>
Net Ordinary Income	2,126,604		2,126,604	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	9,922,012			
Total Other Expense	<u>9,922,012</u>			
Net Other Income	<u>-3,484,369</u>			
Net Income	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>



CHINO BASIN WATERMASTER

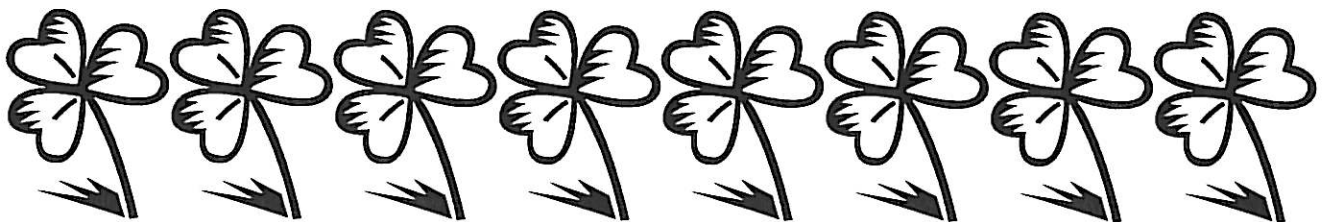
I. CONSENT CALENDAR

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.

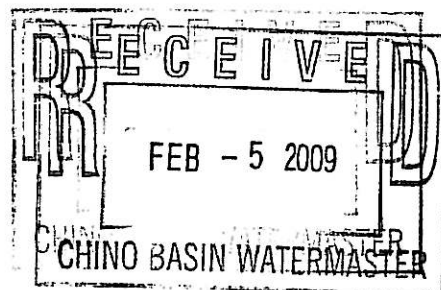
- Santa Ana River Water Company hereby transfers to Jurupa Community Services District the quantity of 1,000 acre-feet of corresponding Operating Safe Yield.

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) (2) Transferee shall put all waters utilized pursuant to said Transfer to reasonable beneficial use.
- (3) (3) Transferee shall pay all Watermaster assessments on account of the water production hereby Transferred.
- (4) (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 MVD 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
10530 54th Street
Street Address
Mira Loma CA 91752-2331
City State Zip Code

03/02/09
Date Requested Date Approved
1,800.000 Acre-feet
Amount Requested Amount Approved

Telephone: 951-685-6503

Facsimile: 951-685-1978

Applicant (Signature)

TRANSFER TO:

Chino Basin Watermaster
Name of Party
9641 San Bernardino Road
Street Address
Rancho Cucamonga CA 91730
City State Zip Code

Attach Recapture Form 4

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?

(Four horizontal lines for mitigation measures)

Form 3 (cont.)

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Applicant

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE

Form 4

APPLICANT

Chino Basin Watermaster
Name of Party
Date Requested 03/02/09
Date Approved
9641 San Bernardino Road
Street Address
Amount Requested 1,800,000 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: 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

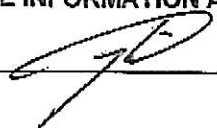
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

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.

Form 5 (cont.)

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Abrahan 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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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

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

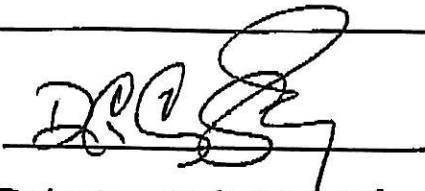
KENNETH R. MANNING
Chief Executive Officer

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

03/02/09

Name of Party

Date Requested

Date Approved

13220 Central Avenue

5,085.000 Acre-feet

 Acre-feet

Street Address

Amount Requested

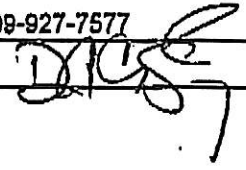
Amount Approved

Chino CA 91710

City State Zip Code

Telephone: 909-927-7577

Facsimile: 909-591-6829

Applicant 

TRANSFER TO:

Chino Basin Watermaster

Attach Recapture Form 4

Name of Party

9641 San Bernardino Road

Street Address

Rancho Cucamonga CA 91730

City State Zip Code

Telephone: 909-484-3888

Facsimile: 909-484-3890

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

WATER QUALITY AND WATER LEVELS

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

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

MATERIAL PHYSICAL INJURY

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

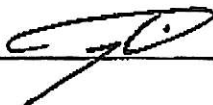
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

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>	
Name of Party			Date Requested	Date Approved
<u>9641 San Bernardino Road</u>			<u>5,085.000</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: 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
- 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]

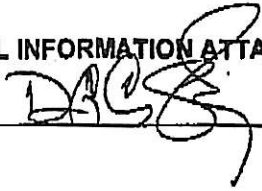
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

Form 5 (cont.)

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Transferor



Transferee



TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

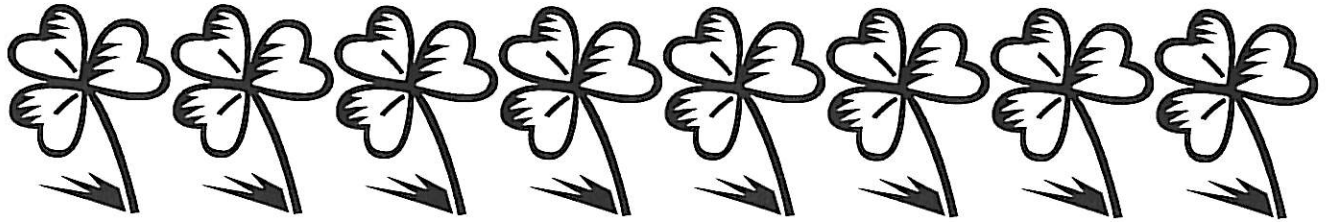
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

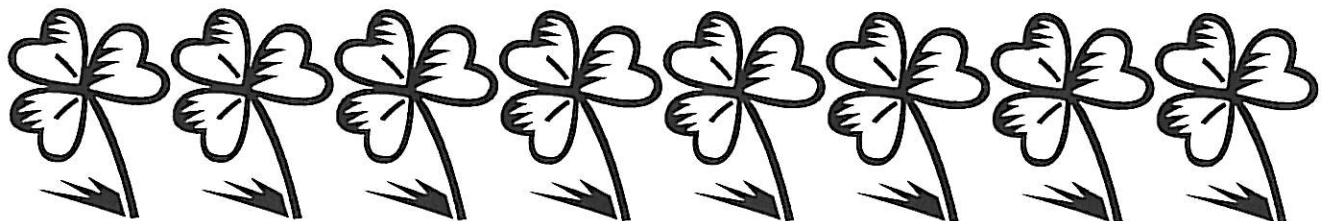
DATE OF BOARD APPROVAL: _____ Agreement # _____



CHINO BASIN WATERMASTER

III. INFORMATION

1. Newspaper Articles



Sherri Lynne Molino

To: Committee Email Distribution List 2; Committee Email Distribution List 1; Committee Email Distribution List 3
Subject: Gov. Schwarzenegger Takes Action to Address California's Water Shortage
Importance: High

From: Governor's Office of External Affairs

Sent: Fri Feb 27 13:19:04 2009

Subject: Gov. Schwarzenegger Takes Action to Address California's Water Shortage
GAAS:079:09

For Immediate Release:
Friday, February 27, 2009

Contact: Aaron McLearn
Lisa Page
916-445-4571

Gov. Schwarzenegger Takes Action to Address California's Water Shortage

Proclaims State of Emergency, Directs Government to Utilize Resources, Help People

To combat California's third consecutive year of drought, Governor Arnold Schwarzenegger today proclaimed a state of emergency and ordered immediate action to manage the crisis. In the proclamation, the Governor uses his authority to direct all state government agencies to utilize their resources, implement a state emergency plan and provide assistance for people, communities and businesses impacted by the drought.

"Even with the recent rainfall, California faces its third consecutive year of drought and we must prepare for the worst – a fourth, fifth or even sixth year of drought," Governor Schwarzenegger said. "Last year we experienced the driest spring and summer on record and storage in the state's reservoir system is near historic lows. This drought is having a devastating impact on our people, our communities, our economy and our environment – making today's action absolutely necessary. This is a crisis, just as severe as an earthquake or raging wildfire, and we must treat it with the same urgency by upgrading California's water infrastructure to ensure a clean and reliable water supply for our growing state."

The Governor's order directs various state departments to engage in activity to provide assistance to people and communities impacted by the drought. The proclamation:

- Requests that all urban water users immediately increase their water conservation activities in an effort to reduce their individual water use by 20 percent
- Directs the Department of Water Resources (DWR) to expedite water transfers and related efforts by water users and suppliers
- Directs DWR to offer technical assistance to agricultural water suppliers and agricultural water users, including information on managing water supplies to minimize economic impacts and implementing efficient water management practices
- Directs DWR to implement short-term efforts to protect water quality or water supply, such as the installation of temporary barriers in the Delta or temporary water supply connections
- Directs the Labor and Workforce Development Agency to assist the labor market, including job training and financial assistance
- Directs DWR to join with other appropriate agencies to launch a statewide water conservation campaign calling for all Californians to immediately decrease their water use
- Directs state agencies to immediately implement a water use reduction plan and take immediate water conservation actions and requests that federal and local agencies also implement water use reduction plans for facilities within their control

In particular, the order directs that by March 30, 2009, DWR shall provide an updated report on the state's drought conditions and water availability. According to the proclamation, if the emergency conditions have not been sufficiently mitigated, the Governor will consider additional steps. These could include the institution of mandatory water rationing and mandatory reductions in water use; reoperation of major reservoirs in the state to minimize impacts of the drought; additional regulatory relief or permit streamlining as allowed under the Emergency Services Act; and other actions necessary to prevent, remedy or mitigate the effects of the extreme drought conditions.

DWR and California's Department of Food and Agriculture will also recommend, within 30 days, measures to reduce the economic impacts of the drought, including but not limited to water transfers, through-Delta

emergency transfers, water conservation measures, efficient irrigation practices, and improvements to the California Irrigation Management Information System.

Last week, DWR announced that California's severe drought had prevented it from increasing its State Water Project (SWP) delivery allocations for the first time since 2001. This year's allocation as of February is at just 15 percent of SWP contractor's requests. This is only the second time in SWP history that the February allocation has been this low.

The drought conditions and water restrictions are causing additional devastating economic and business losses. Agricultural revenue losses exceed \$300 million to date and could exceed \$2 billion in the coming season, with a total economic loss of nearly \$3 billion in 2009.

Full text of proclamation:

A PROCLAMATION

BY THE GOVERNOR OF THE STATE OF CALIFORNIA

WHEREAS the State of California is now in its third consecutive year of drought; and

WHEREAS in each year of the current drought, annual rainfall and the water content in the Sierra snowpack have been significantly below the amounts needed to fill California's reservoir system; and

WHEREAS the rainfall and snowpack deficits in each year of the current drought have put California further and further behind in meeting its essential water needs; and

WHEREAS statewide, 2008 was the driest spring and summer on record, with rainfall 76 percent below average; and

WHEREAS the Sacramento and San Joaquin River systems, which provide much of the state's reservoir inflow, were classified as Critically Dry for the 2008 water year; and

WHEREAS in the second year of this continuous drought, on June 4, 2008, I issued an Executive Order proclaiming a statewide drought, and I ordered my administration to begin taking action to address the water shortage; and

WHEREAS because emergency conditions existed in the Central Valley in the second year of the drought, I issued an Emergency Proclamation on June 12, 2008, finding that conditions of extreme peril to the safety of persons and property existed in the counties of Sacramento, San Joaquin, Stanislaus, Merced, Madera, Fresno, Kings, Tulare, and Kern caused by severe drought conditions, and I ordered my administration to take emergency action to assist the Central Valley; and

WHEREAS the drought conditions and water delivery limitations identified in my prior Executive Order and Emergency Proclamation still exist, and have become worse in this third year of drought, creating emergency conditions not just in the Central Valley, but throughout the State of California, as the adverse environmental, economic, and social impacts of the drought cause widespread harm to people, businesses, property, communities, wildlife and recreation; and

WHEREAS despite the recent rain and snow, the three year cumulative water deficit is so large there is only a 15 percent chance that California will replenish its water supply this year; and

WHEREAS in the time since the state's last major drought in 1991, California added 9 million new residents, experienced a significant increase in the planting of permanent, high-value crops not subject to fallowing, and was subjected to new biological opinions that reduced the flexibility of water operations throughout the year; and

WHEREAS because there is no way to know when the drought will end, further urgent action is needed to address the water shortage and protect the people and property in California; and

WHEREAS rainfall levels statewide for the 2008-2009 water year are 24 percent below average as of the February 1, 2009 measurement; and

WHEREAS the second snow pack survey of the 2009 winter season indicated that snow pack water content is 39 percent below normal; and

WHEREAS as of February 23, 2009, storage in the state's reservoir system is at a historic low, with Lake Oroville 70 percent below capacity, Shasta Lake 66 percent below capacity, Folsom Lake 72 percent below capacity, and San Luis Reservoir 64 percent below capacity; and

WHEREAS low water levels in the state's reservoir system have significantly reduced the ability to generate hydropower, including a 62 percent reduction in hydropower generation at Lake Oroville from October 1, 2008 to January 31, 2009; and

WHEREAS a biological opinion issued by the United States Fish and Wildlife Service on December 15, 2008, imposed a 30 percent restriction on water deliveries from the State Water Project and the Central Valley Project to protect Delta Smelt; and

WHEREAS State Water Project water allocations have now been reduced to 15 percent of requested deliveries, matching 1991 as the lowest water allocation year in State Water Project history, and Central Valley Project water allocations for agricultural users have now been reduced to zero; and

WHEREAS the lack of water has forced California farmers to abandon or leave unplanted more than 100,000 acres of agricultural land; and

WHEREAS California farmers provide nearly half of the fresh fruits, nuts and vegetables consumed by Americans, and the crop losses caused by the drought will increase food prices, which will further adversely impact families and economies throughout California and beyond our borders; and

WHEREAS agricultural revenue losses exceed \$300 million to date and could exceed \$2 billion in the coming season, with a total economic loss of nearly \$3 billion in 2009; and

WHEREAS it is expected that State Water Project and Central Valley Project water delivery reductions will cause more than 80,000 lost jobs; and

WHEREAS the income and job losses will adversely impact entire communities and diverse sectors of the economy supported by those jobs and income, including the housing market and commercial business; and

WHEREAS these conditions are causing a loss of livelihood for many thousands of people, an inability to provide for families, and increased harm to the communities that depend on them; and

WHEREAS this loss of income and jobs will increase the number of defaults, foreclosures and bankruptcies, and will cause a loss of businesses and property at a time when Californians are already struggling with a nationwide and worldwide economic downturn; and

WHEREAS the Central Valley town of Mendota, as one example, already reports an unemployment rate of more than 40 percent and lines of a thousand or more for food distribution; and

WHEREAS when jobs, property and businesses are lost, some families will move away from their communities, causing further harm to local economies, lower enrollments in local schools and reduced funding for schools; and

WHEREAS at least 18 local water agencies throughout the state have already implemented mandatory water conservation measures, and 57 agencies have implemented other water conservation programs or restrictions on water deliveries, with many agencies considering additional rationing and water supply reductions in 2009; and

WHEREAS the lack of water has forced local communities to draw water from their emergency water reserves, putting communities at risk of further catastrophe if emergency reserves are depleted or cut off; and

WHEREAS the state recently endured one of its worst wildfire seasons in history and the continuing drought conditions increase the risk of devastating fires and reduced water supplies for fire suppression; and

WHEREAS on February 26, 2009, the United States Department of Agriculture and the United States Department of Interior created a Federal Drought Action Team to assist California to minimize the social, economic, and environmental impacts of the current drought; and

WHEREAS the circumstances of the severe drought conditions, by reason of their magnitude, are beyond the control of the services, personnel, equipment and facilities of any single county, city and county, or city and require the combined forces of a mutual aid region or regions to combat; and

WHEREAS under the provisions of section 8558(b) of the California Government Code, I find that conditions of extreme peril to the safety of persons and property exist in California caused by the current and continuing severe drought conditions and water delivery restrictions.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, in accordance with the authority vested in me by the California Constitution and the California Emergency Services Act, and in particular California Government Code sections 8625 and 8571, **HEREBY PROCLAIM A STATE OF EMERGENCY** to exist in California.

IT IS HEREBY ORDERED that all agencies of the state government utilize and employ state personnel, equipment and facilities for the performance of any and all activities consistent with the direction of the California Emergency Management Agency (CalEMA) and the State Emergency Plan.

I FURTHER DIRECT THAT:

1. The California Department of Water Resources (DWR) shall, in partnership with other appropriate agencies, launch a statewide water conservation campaign calling for all Californians to immediately decrease their water use.
2. DWR shall implement the relevant mitigation measures identified in the Environmental Water Account Environmental Impact Report, Environmental Impact Statement, Supplement, and Addendums for the water transfers made through the 2009 Drought Water Bank. In addition, the California Air Resources Board shall, in cooperation with DWR and other agencies, expedite permitting and development of mitigation measures related to air quality impacts which may result from groundwater substitution transfers.
3. DWR and the State Water Resources Control Board (SWRCB) shall expedite the processing of water transfers and related efforts by water users and suppliers that cannot participate in the 2009 Drought

Water Bank, provided the water users and suppliers can demonstrate that the transfer will not injure other legal users of water or cause unreasonable effects on fish and wildlife.

4. The SWRCB shall expedite the processing and consideration of the request by DWR for approval of the consolidation of the places of use and points of diversion for the State Water Project and federal Central Valley Project to allow flexibility among the projects and to facilitate water transfers and exchanges.
5. DWR shall implement short-term efforts to protect water quality or water supply, such as the installation of temporary barriers in the Delta or temporary water supply connections.
6. The SWRCB shall expedite the processing and consideration of requests by DWR to address water quality standards in the Delta to help preserve cold water pools in upstream reservoirs for salmon preservation and water supply.
7. To the extent allowed by applicable law, state agencies within my administration shall prioritize and streamline permitting and regulatory compliance actions for desalination, water conservation and recycling projects that provide drought relief.
8. The Department of General Services shall, in cooperation with other state agencies, immediately implement a water use reduction plan for all state agencies and facilities. The plan shall include immediate water conservation actions and retrofit programs for state facilities. A moratorium shall be placed on all new landscaping projects at state facilities and on state highways and roads except for those that use water efficient irrigation, drought tolerant plants or non-irrigated erosion control.
9. As a condition to receiving state drought financial assistance or water transfers provided in response to this emergency, urban water suppliers in the state shall be required to implement a water shortage contingency analysis, as required by California Water Code section 10632. DWR shall offer workshops and technical assistance to any agency that has not yet prepared or implemented the water shortage contingency analysis required by California law.
10. DWR shall offer technical assistance to agricultural water suppliers and agricultural water users, including information on managing water supplies to minimize economic impacts, implementing efficient water management practices, and using technology such as the California Irrigation Management Information System (CIMIS) to get the greatest benefit from available water supplies.
11. The Department of Public Health shall evaluate the adequacy of emergency interconnections among the state's public water systems, and provide technical assistance and continued financial assistance from existing resources to improve or add interconnections.
12. DWR shall continue to monitor the state's groundwater conditions, and shall collect groundwater-level data and other relevant information from water agencies, counties, and cities. It is requested that water agencies, counties and cities cooperate with DWR by providing the information needed to comply with this Proclamation.
13. DWR and the Department of Food and Agriculture shall recommend, within 30 days from the date of this Proclamation, measures to reduce the economic impacts of the drought, including but not limited to, water transfers, through-Delta emergency transfers, water conservation measures, efficient irrigation practices, and improvements to CIMIS.

14. The Department of Boating and Waterways shall recommend, within 30 days from the date of this Proclamation, and in cooperation with the Department of Parks and Recreation, measures to reduce the impacts of the drought conditions to water-based recreation, including but not limited to, the relocation or extension of boat ramps and assistance to marina owners.

15. The Labor and Workforce Development Agency shall recommend, within 30 days from the date of this Proclamation, measures to address the impact of the drought conditions on California's labor market, including but not limited to, identifying impacted areas, providing one-stop service, assisting employers and workers facing layoffs, and providing job training and financial assistance.

16. DWR and the Department of Food and Agriculture shall be the lead agencies in working with the Federal Drought Action Team to coordinate federal and state drought response activities.

17. The emergency exemptions in Public Resources Code sections 21080(b)(3), 21080(b)(4) and 21172, and in California Code of Regulations, title 14, section 15269(c), shall apply to all actions or efforts consistent with this Proclamation that are taken to mitigate or respond to this emergency. In addition, Water Code section 13247 is suspended to allow expedited responses to this emergency that are consistent with this Proclamation. The Secretary for the California Environmental Protection Agency and the Secretary for the California Natural Resources Agency shall determine which efforts fall within these exemptions and suspension, ensuring that these exemptions and suspension serve the purposes of this Proclamation while protecting the public and the environment. The Secretaries shall maintain on their web sites a list of the actions taken in reliance on these exemptions and suspension.

18. By March 30, 2009, DWR shall provide me with an updated report on the state's drought conditions and water availability. If the emergency conditions have not been sufficiently mitigated, I will consider issuing additional orders, which may include orders pertaining to the following:

- (a) institution of mandatory water rationing and mandatory reductions in water use;
- (b) reoperation of major reservoirs in the state to minimize impacts of the drought;
- (c) additional regulatory relief or permit streamlining as allowed under the Emergency Services Act; and
- (d) other actions necessary to prevent, remedy or mitigate the effects of the extreme drought conditions.

I FURTHER REQUEST THAT:

19. All urban water users immediately increase their water conservation activities in an effort to reduce their individual water use by 20 percent.

20. All agricultural water suppliers and agricultural water users continue to implement, and seek additional opportunities to immediately implement, appropriate efficient water management practices in order to minimize economic impacts to agriculture and make the best use of available water supplies.

21. Federal and local agencies also implement water use reduction plans for facilities within their control, including immediate water conservation efforts.

I FURTHER DIRECT that as soon as hereafter possible, this proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this proclamation.

IN WITNESS WHEREOF I have hereunto
set my hand and caused the Great Seal of
the State of California to be affixed this 27th
day of February, 2009.

ARNOLD SCHWARZENEGGER
Governor of California

ATTEST:

DEBRA BOWEN
Secretary of State

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Water watchers cast a wary eye

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Water experts are having a hard time finding the right words to describe what lies ahead, after recording a dismally dry January in California.

"Scary," "grim," and possible "conservation mandates" are offered up.

Yet it's easy for the experts to sound out a clear warning: This may become, simply, the worst drought California has ever seen.

"Our worst fears appear to be materializing," said Wendy Martin, drought coordinator at the state Department of Water Resources. "It's going to be a huge challenge."

The bottom line, water officials said, is that right now, everyone must start using less water. The public can expect higher water bills and fines if they don't, because the alternative is a real water shortage – one that is threatening tens of thousands of Valley jobs.

"It's pretty scary," said Tim Quinn, executive director of the Association of California Water Agencies, who has more than three decades in the water-supply business. "The public needs to tighten their belts. You have to rearrange all the molecules in your brain to think about using water differently."

What worries the water gurus is not just a likelihood that 2009 may be a third dry year in a row, but what appears to be the state's dramatically reduced flexibility to respond.

Among the reasons:

- Sacramento-San Joaquin Delta is in an ecological crisis. It's the funnel for most of California's precipitation, but its ability to move water from north to south is compromised by the need to keep Delta fish from going extinct.
- California has added 10 million people since the last big drought in 1991, substantially boosting demand on the available supply.
- Farmers have shifted hundreds of thousands of acres to permanent crops such as fruit, nuts and grapes, which cannot be fallowed in droughts like the row crops they replaced.

Thousands of acres of row crops already have been fallowed, and more will follow.

"The situation is very grim for all farmers," said Sarah Woolf, spokeswoman for the San Joaquin Valley's giant Westlands Water District, which warned customers they may not get any water this year. "There simply will be drastic fallowing and, in all likelihood, significant impacts that result in some businesses not making it through."

Richard Howitt, professor of resource economics at UC Davis, last week offered sobering numbers to the state Board of Food and Agriculture.

Using computer economic models and DWR water data, Howitt estimates 40,000 jobs will be lost, along with \$1.15 billion in income.

But this is just the first splash of trouble, because Howitt's estimate applies only to areas of the Central Valley south of the Delta, and only in the farm sector.

It also relies upon DWR's most recent official estimate that its water contractors will get only 15 percent of normal deliveries. But a DWR official told The Bee last week that the next forecast, expected by mid-February, will almost certainly promise even less water.

All these factors mean the statewide economic impacts will increase substantially from current estimates, Howitt said. He expects this drought will be worse than those in 1977 and 1991, the most severe in modern times.

"What's eye-popping to me is these job losses," Howitt said. "If you say you're losing 40,000 jobs in small Valley towns where the people who are losing their jobs are least able to do anything about it, you're talking about real costs to people's living."

January is one of the months water officials had hoped would yield enough water to pull the state out of a two-year dry spell. But it did the opposite: January, often the wettest month of the year in California, was in 2009 one of the driest on record.

The statewide snowpack, in surveys conducted Thursday, proved to be just 61 percent of average. It was worse, at 49 percent, in the Northern Sierra, home to some of the state's most important reservoirs.

Rainfall totals mirror the bad news. Sacramento in January saw just 1.5 inches of rain, against the historical average of 4.2 inches, according to the National Weather Service.

Redding fared even worse, recording only 0.93 of an inch compared with the January average of 6.5 inches.

Water agencies throughout the state are scrambling to adopt conservation mandates – largely because many customers have so far failed to cut back enough on their use.

The East Bay Municipal Utility District, for instance, ordered 15 percent mandatory conservation in May. Customers achieved 10 percent.

The city of Folsom last year adopted the Sacramento region's strictest measures: a Stage 2 drought alert with a voluntary 20 percent conservation target.

Utilities Director Ken Payne said customers achieved that goal, but consumption this winter soared above normal.

Within weeks it is likely to move to a Stage 3 warning, which will make the 20 percent target mandatory and limit outdoor watering to just two days per week.

The city gets its water from Folsom Lake, which today stands at 25 percent of capacity. If the water level drops another 40 feet, Payne said, the city could have trouble drawing water from its lake intake.

The city of Sacramento does not expect supply problems because it has ample water rights in both the Sacramento and American rivers. But it has come under growing criticism in recent years for its gluttony.

Sacramento's per capita water use, at 278 gallons per day, is double the state average.

The city was forced by a 2004 state law to install water meters at all customer accounts. But it doesn't plan to do so any sooner than a 2025 deadline.

Critics note an ingrained attitude among many Sacramentans, who believe they can use all the water they want because it simply flows back into local rivers.

That perception is false, according to state data.

In the Sacramento Valley, an average of 44 percent of water used for urban purposes is lost to evaporation and plant growth, according to DWR research. This means that in an average year, 312,000 acre-feet of water used in the region doesn't return to rivers. That's enough to serve 600,000 households for a year.

Sacramento has never ordered water rationing in its 160-year history. But Utilities Department spokeswoman Jessica Hess said that on Feb. 24, the City Council will consider such a mandate, along with stronger enforcement against water waste.

"It is not just about us," Hess said in an e-mail. "In times like these, it is important to consider the greater good of the state and region."

Call The Bee's Matt Weiser, (916) 321-1264.

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