



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, July 9, 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, July 21, 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

Thursday, July 9, 2009

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

Tuesday, July 20, 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. – July 9, 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 June 11, 2009
(Page 1)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2009 (Page 13)
2. Watermaster Visa Check Detail (Page 17)
3. Combining Schedule for the Period July 1, 2008 through May 31, 2009 (Page 19)
4. Treasurer's Report of Financial Affairs for the Period May 1, 2009 through May 31, 2009
(Page 21)
5. Budget vs. Actual July 2008 through May 2009 (Page 23)

C. INTERVENTION INTO THE AGRICULTURAL POOL

1. Intervention into the Agricultural Pool from Guillermo Hurtado through the Well Used by Alfredo Jara's Mountain Green Nursery (Page 25)

D. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 765 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage. Date of application: June 30, 2009 (Page 29)

II. BUSINESS ITEM

A. WATERMASTER AUCTION

1. Consider Approval to Retain a Consultant to Administer the Water Auction (Page 45)

B. BUDGET TRANSFER

Consider Approval for Budget Transfer No. T-09-07-01 for OBMP-Condition Subsequent No. 7, Hydraulic Control Monitoring Program, Water Quality Committee, and Storage Program to OBMP-Data and CEO Requests, OBMP-SOB Report, Groundwater Quality Monitoring Program, Recharge Master Plan (Page 47)

C. REVISED FORMS

Consider Approval for the Revised Rules & Regulations Forms for Water Transfers and Land Use Conversions (Page 51)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. June 29, 2009 Hearing

B. ENGINEERING REPORT

1. Recharge Master Plan Update
2. CEQA Modeling Assessment of Peace II

C. FINANCIAL REPORT

1. Year End Reporting

D. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Update
3. Watermaster Policies

IV. INFORMATION

1. Newspaper Articles (Page 61)

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

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.

VIII. FUTURE MEETINGS

July 9, 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting @ CBWM
July 16, 2009	10:00 a.m.	Stored Water Auction Workshop @ CBWM
July 21, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
July 23, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
July 23, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
July 23, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM
July 23, 2009	1:00 p.m.	Recharge Master Plan Workshop #3 @ CBWM
July 28, 2009	9:00 a.m.	GRCC Meeting @ CBWM
August 13, 2009	8:00 a.m.	MZ1 Technical Committee Meeting @ CBWM
August 13, 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting @ CBWM
August 18, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA

Meeting Adjourn

**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
WITH**

Mr. Bob Feenstra, Chair

Mr. Jeff Pierson, Vice-Chair

9:00 a.m. – July 21, 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. Minutes of the Agricultural Pool Meeting held June 16, 2009 (*Page 7*)

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August 18, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA

Meeting Adjourn



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Joint Appropriative and Non-Agricultural Pool Meeting – June 11, 2009



Draft Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
June 11, 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 June 11, 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
Mike McGraw	Fontana Water Company
J. Arnold Rodriguez	Santa Ana River Water Company
Anthony La	City of Upland
Raul Garibay	City of Pomona
Dave Crosley	City of Chino

NON-AGRICULTURAL POOL MEMBERS PRESENT

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

Watermaster Staff Present

Sheri Rojo	CFO/Asst. General Manager
Ben Pak	Senior Project Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Brownstein, Hyatt, Farber & Schreck
Scott Slater	Brownstein, Hyatt, Farber & Schreck

Others Present

Marv Shaw	Inland Empire Utilities Agency
Tom Love	Inland Empire Utilities Agency
Sandra Rose	Monte Vista Water District
Eunice Ulloa	Chino Basin Water Conservation District
Kati Parker	Chino Basin Water Conservation District
Dave Penrice	Aqua Capital Management
Maria Camacho	Guest

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 Joint Appropriative and Non-Agricultural Pool Meeting held May 14, 2009

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2009
2. Watermaster Visa Check Detail

3. Combining Schedule for the Period July 1, 2008 through April 30, 2009
4. Treasurer's Report of Financial Affairs for the Period February 1, 2009 through April 30, 2009
5. Budget vs. Actual July 2008 through April 2009

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Monte Vista Water District will purchase 3,500 acre-feet of water from the City of Pomona. This purchase is made first from Pomona's net underproduction, if any, in Fiscal Year 2008-09, with any remainder to be recaptured from storage. Date of application: May 11, 2009
2. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company has agreed to purchase from The Nicholson Trust annual production right in the amount of 5.619 acre-feet to satisfy a portion of the company's anticipated Chino Basin replenishment obligation for Fiscal Year 2008-09. Date of application: May 21, 2009
3. **Consider Approval for Notice of Sale or Transfer** – On June 3, 2009, Watermaster received Form 5, "Application to Transfer Annual Production Right or Safe Yield," with CalMat Company/Vulcan Materials Company as transferor and Aqua Capital Management LP as transferee in the amount of 317.844 acre-feet annual right, all water in its annual account will be transferred as well (the transfer does not include CalMat's water in storage as of June 30, 2008 of 315.637 acre-feet). Date of application: June 1, 2009
4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 3,400 acre-feet of water from the Marygold Mutual Water Company. Water 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 from Marygold Mutual Water Company's water in storage. This transfer will solely offset Fontana Water Company's current (Assessment Year 2008-2009)

*Motion by DeLoach, second by La, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar A through C1 and C2, as presented*

There were some brief clarifications and discussion on item C3 prior to the motion.

*Motion by Kinsey, second by DeLoach, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar item C3, as presented*

A discussion on item C4 regarding the possibility of needing an accounting procedures on this particular kind of water transaction ensued. A discussion regarding the wording on this type of water transaction and replenishment obligations ensued. Counsel Fife concurred a procedure will need to be created.

*Motion by Jeske, second by Kinsey, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar item C4, as presented*

II. BUSINESS ITEM

A. OVERLYING NON-AGRICULTURAL POOL AUCTION ISSUES

1. Storage & Recovery Agreement
2. Broad Benefit
3. Determination on Material Physical Injury

Counsel Fife noted this particular item consists of three different parts as listed on the agenda and staff is seeking one motion on this business item. Counsel Fife stated when a bidder comes into the auction; they will be bidding on the right to hold this agreement with Chino Basin Watermaster as a Storage & Recovery Agreement. In order to move forward with this auction the Watermaster Board will need to make findings that under the Peace Agreement this Storage & Recovery Program will provide broad mutual benefit and to make a finding concerning material physical injury; these issues are described in the staff report. Counsel Slater stated under separate cover the Storage & Recovery Agreement was distributed and this agreement was

based on the previous agreements that have been distributed previously. The only new portion is the conditionality at the end of the agreement with regard to material physical injury that came out of the Wildermuth analysis. Counsel Slater stated there are a couple items not present in the meeting packet because they will be distributed and discussed during the closed session. Counsel Slater stated there is a comprehensive staff report regarding the auction process in the meeting packet. Chair Jeske asked if there were any comments or questions regarding this item. Mr. Crosley inquired about the conclusion paragraph on page 94 of the meeting packet regarding MZ1. Counsel Slater stated the Storage & Recovery Agreement is intended to identify those things that may be permitted without further Watermaster approvals and will not cause material harm. There are other things that are not prohibited and will require additional discretionary approval by Watermaster. A lengthy discussion regarding Mr. Crosley's questions, Counsel Slater's comments, and the current MZ1 Management Plan ensued. It was noted a sub-committee needs to be formed to work with staff to further elaborate or refine the wording to avoid prejudice to any specific producer or zone with regard to the auction. A discussion on the needed sub-committee ensued and it was decided the City of Ontario, the City of Chino, Monte Vista Water District, and Cucamonga Valley Water District would appoint a person to sit in on the sub-committee to work on this issue prior to the next Watermaster Board meeting. Chair Jeske stated the suggestion noted from this committee is to move this item contingent on a sub-committee agreeing to the language on the extraction plans.

*Motion by DeLoach, second by La, by a majority vote, Non-Ag concurred, and Kinsey voted no
**Moved to approve Overlying Non-Agricultural Pool Auction which include the
 Storage & Recovery Agreement, Broad Benefit, and Material Physical Injury, with the
 condition of rewording regarding the MZ1 portion by a sub-committee consisting of
 the City of Ontario, the City of Chino, Monte Vista Water District, and Cucamonga
 Valley Water District appointees recommendation on the extraction plan language,
 as presented***

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. June 29, 2009 Hearing

Counsel Fife stated a copy of the notice of the ruling from the April 27, 2009 hearing is available on the back table. Chino Basin Watermaster was excused by Judge Wade on the final report on Condition Subsequent No. 5 which was a report on the progress in the development of the Recharge Master Plan Update and that is reflected in the notice. A third hearing is now scheduled for June 29, 2009 at 9:30 a.m. which will cover Program Elements No. 4, 5, and 6. Counsel Fife described the Program Elements in detail and noted Andy Malone from Wildermuth Environmental will be giving the presentation on Program Element 4.

B. ENGINEERING REPORT

1. Recharge Master Plan Progress Report

Ms. Rojo stated that she will be giving the engineering report due to lack of availability of Wildermuth staff to attend today's meeting. Ms. Rojo stated with regard to the Recharge Master Plan (RMP) update Wagner and Bonsignore are working to finalize their storm water memorandum and local project (small local recharge facilities) details. Wildermuth has halted the majority of their work waiting for these local projects to be identified. The modeling for the production optimization modeling has been completed; documentation is now in process as part of the Peace II CEQA analysis. The Peace II CEQA work is currently being conducted. Mr. Wildermuth will be at the next Advisory Committee and Watermaster Board meeting to give a more detailed report on the Recharge Master Plan update.

2. Upcoming Workshop Schedule

Ms. Rojo stated there is a scheduled workshop on June 18, 2009 at 10:00 - 12:00 (Non RMP Workshop) scheduled which will include losses resulting from increased storage and assumptions used in the Peace 2 CEQA analysis. Ms. Rojo stated there is no June 25, 2009 Workshop; however, there will be one on July 28, 2009 which is a RMP Workshop #3 and will

cover Task 4.3 Determine How Land use and Storm Water Recharge Decisions Affect Safe Yield and Task 6.2 Identify Potential Storm Water Recharge Projects. Ms. Rojo stated there is also a scheduled workshop on August 27, 2009 which is RMP Workshop #4 and will cover Task 6.3 Develop New Storm Water Recharge Alternatives. Ms. Rojo also noted the September 24, 2009 workshop which is RMP Workshop #5 and will cover Task 7.3 Identify New Supplemental Water Recharge Projects. Mr. Wildermuth will be at the next Advisory Committee and Watermaster Board meeting to give a more detailed report on the upcoming workshops.

C. FINANCIAL REPORT

1. Fiscal Year End Update

Ms. Rojo stated Watermaster's fiscal year ends up June 30, 2009. Staff has already begun work in the Ag Conversions and the current land use conversion progress; those agencies are currently being contacted. Production Reports will be going out shortly along with the Water Activity Reports.

D. CEO/STAFF REPORT

1. Legislative Update

Ms. Rojo stated Mr. Manning is going to be giving a detailed legislative update at the Advisory Committee meeting.

Ms. Rojo stated she attended the Three Valleys Municipal Water Leadership Breakfast today along with several people who are present at today's meeting. Brian Thomas who is the CFO/Assistant General Manager of Metropolitan Water District was the key speaker at the breakfast. Ms. Rojo noted Mr. Thomas spoke on the outlook of the water supply availability for the Southern California area. Ms. Rojo offered comment on the presentation/discussions that took place at the breakfast.

2. Recharge Update

Ms. Rojo noted Mr. Manning will give a detailed report on the recharge update at the Advisory Committee meeting and stated the most recent recharge update is available on the back table for review.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

Mr. Shaw commented on the EIR optimization schedule.

VI. OTHER BUSINESS

No comment was made regarding this item.

The Non-Agricultural Pool meeting convened its meeting at 10:50 a.m.

The closed session was convened at 11:30 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. Administration for the Auction of the Non-Agricultural Pool Water in Storage
2. Metropolitan Water District Dry Year Yield Meeting on June 2, 2009

No reportable action was provided from the confidential session.

VIII. FUTURE MEETINGS

June 11, 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
June 16, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 18, 2009	10:00 a.m.	Workshop (Losses & Assumptions in Peace II CEQA)
June 25, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
June 25, 2009	9:00 a.m.	Advisory Committee Meeting
June 25, 2009	11:00 a.m.	Watermaster Board Meeting
June 25, 2009	1:00 p.m.	WE Workshop #3 Task 4.3 and Task 6.2
June 29, 2009	9:30 a.m.	CBWM Court Hearing – San Bernardino Court

The Appropriative Pool meeting was dismissed by Chair Jeske at 11:31 a.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool Meeting – June 16, 2009



Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

June 16, 2009

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on June 16, 2009 at 9:00 a.m.

Agricultural Pool Members Present

Bob Feenstra, Chair	Dairy
John Huitsing	Dairy
Pete Hettinga	Dairy
Gene Koopman	Milk Producers Counsel
Jeff Pierson	Crops
Glen Durrington	Crops
Nathan Mackamul	State of California/CIW
Pete Hall	State of California/CIM

Watermaster Board Members Present

Paul Hofer	Crops
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Watermaster Staff Present

Ken Manning	CEO
Sheri Rojo	CFO/Assistant 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

Steven Lee	Reid & Hellyer
Eunice Ulloa	Chino Basin Water Conservation District
Marv Shaw	Inland Empire Utilities Agency
Dave Crosley	City of Chino
Gil Aldaco	City of Chino
Pete Vicario II	City of Chino
Kevin Sage	Vulcan Materials Company (Calmat Division)
Sandra Rose	Monte Vista Water District

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

AGENDA - ADDITIONS/REORDER

Chair Feenstra noted an item/discussion regarding PCE will be added under updates.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held May 19, 2009

B. FINANCIAL REPORTS

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A brief discussion regarding Water Transactions ensued prior to the call for a motion.

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

Moved to approve Consent Calendar A through D, as presented

II. BUSINESS ITEM**A. OVERLYING NON-AGRICULTURAL POOL AUCTION ISSUES**

1. Storage & Recovery Agreement
2. Broad Benefit
3. Determination on Material Physical Injury

Mr. Manning stated this item was put on the agenda to keep all parties up-to-date on the auction activities and gave an update on the progress. Mr. Manning stated this item is presented in three portions; however, staff is seeking one motion for this item. Counsel Fife this item does need approval for all three components being presented today and noted there is a detailed staff report provided in the meeting package. Counsel Fife stated the action take at the recent joint Appropriative and Non-Agricultural Pool was that they considered all three items in one motion; however, there were some concerns raised by one party that the material physical injury analysis inappropriately singled out northern MZ1 without any attention being paid to other management zones. There has to be other conditionality on any take of the water out of storage before pumping could occur. Counsel Fife noted the Appropriative Pool did pass the item and Monte Vista Water District voted no. There was also discussion over the past couple of weeks, where some assigned parties would get together as a sub-committee and try to work out additional language for the material physical injury analysis. Counsel Fife stated with that said, the determination of material physical injury will most likely change slightly between now, and the time when the

Advisory Committee meets; the other two components should not change at all. Counsel Fife stated that even though Monte Vista Water District voted no at the pool level they are anticipating voting yes at the Advisory Committee meeting after the sub-committee meets and works out language issues. A discussion regarding the issues raised at the Appropriative Pool meeting ensued. Counsel Fife stated staff is recommending approval for these three items. Mr. Koopman inquired about Watermaster purchasing water from the overlying non-agricultural pool and if that water has been purchased yet. Mr. Manning stated when the purchase agreement was approved by the court that technically meant Watermaster has purchased that water, although it has not yet been paid for. A lengthy discussion regarding the non-agricultural pool water price and the current replenishment water status of the basin ensued. A question regarding broad benefit was presented. Mr. Manning referenced page 92 of the meeting packet that defines broad mutual benefit and that definition is fairly specific on what the money can and can't be used for. Mr. Manning stated this is staff's recommendation of the definition written in the staff report. An inquiry regarding keeping the funds gained from the auction was presented. Ms. Rojo stated these funds will be specifically segregated and safeguards and procedures will be put into place to manage these funds. An inquiry regarding CEQA was presented. Mr. Wildermuth stated Wildermuth Environmental has had to create other alternatives for this that were not anticipated and that engineering work is done and is being written up; draft documents will be transmitted shortly to the Dodson Group, Inland Empire Utilities Agency and Watermaster staff. A lengthy discussion regarding the auction process and its components ensued and it was noted the remainder of the discussions will be discussed in closed session.

Note: This motion was given to the meeting recorder at the conclusion of the closed session

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. June 29, 2009 Hearing

Counsel Fife stated a copy of the notice of the ruling from the April 27, 2009 hearing is available on the back table. Chino Basin Watermaster was excused by Judge Wade on the final report on Condition Subsequent No. 5 which was a report on the progress in the development of the Recharge Master Plan Update and that is reflected in the notice. A third hearing is now scheduled for June 29, 2009 at 9:30 a.m. which will cover Program Elements No. 4, 5, and 6. Counsel Fife described the Program Elements in detail and noted Andy Malone from Wildermuth Environmental will be giving the presentation on Program Element No. 4 and Watermaster staff will be covering No. 4 and No. 5. A brief discussion regarding the upcoming hearing ensued.

Added Item:

Chair Feenstra stated he has met with engineers from Watermaster and Wildermuth Environmental to do some testing of wells in a section northeast of the Agricultural Preserve to check for VOC's and especially PCE's; it has come to his attention that there are some real concerns in this area. Chair Feenstra ordered as the chairman of this pool to have Wildermuth and Watermaster staff to investigate approximately eight wells; some are at use and some are not. Chair Feenstra stated he will keep the pool members informed accordingly as information becomes available.

Added Item:

Chair Feenstra inquired to the City of Chino as to the progress being made on the item that was presented by Gil Aldaco last month. Mr. Aldaco stated he is working with the party on the pipeline issue and handed out a large map entitled Exhibit A and noted things are progressing nicely. A more detailed report will be given in the near future when things are more complete. Chair Feenstra thanked the City of Chino and Mr. Aldaco for their hard work in this matter.

B. ENGINEERING REPORT1. Recharge Master Plan Progress Report

Mr. Wildermuth stated with regard to the Recharge Master Plan (RMP) update, Wagner and Bonsignore are working to finalize their storm water memorandum and local project (small local recharge facilities) details. Mr. Wildermuth stated his firm has halted the majority of their work due to them waiting for these local projects to be identified. The modeling for the production optimization modeling has been completed; documentation is now in process as part of the Peace II CEQA analysis.

Chair Feenstra offered comment on triple El Nino's that he has heard during several conversations that could seriously affect the Chino Basin. Chair Feenstra inquired about such storms hitting the Chino Basin and is the infrastructure in place for such large inflow of water to be captured. Mr. Wildermuth responded by commenting on the recent improvements in the recharge basins.

2. Upcoming Workshop Schedule

Mr. Wildermuth stated there is a Workshop scheduled from 10:00 - 12:00 on June 18, 2009 (Non RMP Workshop) scheduled which will include losses resulting from increased storage and assumptions used in the Peace 2 CEQA analysis. Mr. Wildermuth stated there is no June 25, 2009 Workshop; however, there will be one on July 28, 2009 which is RMP Workshop #3 and will cover Task 4.3 Determine How Land use and Storm Water Recharge Decisions Affect Safe Yield and Task 6.2 Identify Potential Storm Water Recharge Projects. Mr. Wildermuth stated there is also a scheduled workshop on August 27, 2009 which is RMP Workshop #4 and will cover Task 6.3 Develop New Storm Water Recharge Alternatives. Mr. Wildermuth also noted the September 24, 2009 workshop which is RMP Workshop #5 and will cover Task 7.3 Identify New Supplemental Water Recharge Projects.

C. FINANCIAL REPORT1. Fiscal Year End Update

Ms. Rojo stated Watermaster's fiscal year ends June 30, 2009. Staff has already begun work in the Ag Conversions and the current land use conversion progress; those agencies are currently being contacted. Production Reports will be going out shortly along with the Water Activity Reports.

D. CEO/STAFF REPORT1. Legislative Update

Mr. Manning stated he will not give a report on the legislative issues today; however, he will give a detailed report at the next June Advisory Committee meeting.

2. Recharge Update

Mr. Manning stated the most recent recharge update is on the back of the table for review.

IV. INFORMATION1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

The regular open Agricultural Pool meeting was convened to hold its confidential session at 10:10 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.

The closed session was convened at 10:36 a.m.

Chair Feenstra called for the question for the business item – Overlying Non-Agricultural Pool Auction.

*Motion by Pierson, second by Durrington, and by a unanimous vote,
Moved to abstain from making a motion on the Overlying Non-Agricultural Pool Auction*

VIII. FUTURE MEETINGS

June 11, 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
June 16, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 18, 2009	10:00 a.m.	Workshop (Losses & Assumptions in Peace II CEQA)
June 25, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
June 25, 2009	9:00 a.m.	Advisory Committee Meeting
June 25, 2009	11:00 a.m.	Watermaster Board Meeting
June 29, 2009	9:30 a.m.	CBWM Court Hearing – San Bernardino Court

The Agricultural Pool meeting was dismissed by Chair Feenstra at 10:39 a.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2009
2. Watermaster Visa Check Detail
3. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2008 through May 31, 2009
4. Treasurer's Report of Financial Affairs for the Period May 1, 2009 through May 31, 2009
5. Profit & Loss Budget vs. Actual July 2008 through May 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: July 9, 2009
July 21, 2009
July 23, 2009

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report

SUMMARY

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

Recommendation – Staff recommends the Cash Disbursements for June 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 June 2009 were \$471,495.51. The most significant expenditures during the month were Wildermuth Environmental Inc. in the amount of \$251,452.32, Brownstein Hyatt Farber Schreck in the amount of \$57,615.79, and MWH Laboratories in the amount of 10,668.00.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
June 2009

Type	Date	Num	Name	Amount
Jun 09				
Bill Pmt -Check	6/1/2009	13324	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	6/1/2009	13325	CAMACHO, MICHAEL	-250.00
Bill Pmt -Check	6/1/2009	13326	CINDY NAVAROLI	-262.50
Bill Pmt -Check	6/1/2009	13327	CITY OF RANCHO CUCAMONGA	0.00
Bill Pmt -Check	6/1/2009	13328	DIRECTV	-79.99
Bill Pmt -Check	6/1/2009	13329	FEENSTRA, BOB	-125.00
Bill Pmt -Check	6/1/2009	13330	HSBC BUSINESS SOLUTIONS	-429.27
Bill Pmt -Check	6/1/2009	13331	KUHN, BOB	-125.00
Bill Pmt -Check	6/1/2009	13332	LOS ANGELES TIMES	-46.40
Bill Pmt -Check	6/1/2009	13333	MIJAC ALARM	-378.00
Bill Pmt -Check	6/1/2009	13334	PARK PLACE COMPUTER SOLUTIONS, I...	-4,275.00
Bill Pmt -Check	6/1/2009	13335	PAYCHEX	-217.02
Bill Pmt -Check	6/1/2009	13336	R&D PEST SERVICES	-85.00
Bill Pmt -Check	6/1/2009	13337	RICOH BUSINESS SYSTEMS-Lease	-897.19
Bill Pmt -Check	6/1/2009	13338	STAPLES BUSINESS ADVANTAGE	-191.67
Bill Pmt -Check	6/1/2009	13339	VERIZON	-502.51
Bill Pmt -Check	6/1/2009	13340	VISION SERVICE PLAN	-62.19
Bill Pmt -Check	6/1/2009	13341	W.C. DISCOUNT MOBILE AUTO DETAILI...	-100.00
Bill Pmt -Check	6/1/2009	13342	WHITEHEAD, MICHAEL	-250.00
Bill Pmt -Check	6/1/2009	13343	WILLIS, KENNETH	-250.00
Bill Pmt -Check	6/1/2009	13344	YUKON DISPOSAL SERVICE	-142.88
Bill Pmt -Check	6/4/2009	13345	JAMES JOHNSTON	-795.00
Bill Pmt -Check	6/9/2009	13347	CITISTREET	-2,871.85
Bill Pmt -Check	6/9/2009	13348	COMPUTER NETWORK	-8,886.74
Bill Pmt -Check	6/9/2009	13349	PUMP CHECK	-6,105.15
Bill Pmt -Check	6/9/2009	13350	CITISTREET	-2,621.85
Bill Pmt -Check	6/9/2009	13351	CITISTREET	-2,621.85
Bill Pmt -Check	6/9/2009	13346	PETTY CASH	-644.47
Bill Pmt -Check	6/9/2009	13352	THREE VALLEYS MUNICIPAL WATER DI...	-15.00
General Journal	6/13/2009	09/06/05	PAYROLL	-7,631.89
General Journal	6/13/2009	09/06/05	PAYROLL	-28,383.81
Bill Pmt -Check	6/16/2009	13353	ACWA SERVICES CORPORATION	-209.95
Bill Pmt -Check	6/16/2009	13354	BANC OF AMERICA LEASING	-3,215.74
Bill Pmt -Check	6/16/2009	13355	BANK OF AMERICA	-3,192.16
Bill Pmt -Check	6/16/2009	13356	CITY OF RANCHO CUCAMONGA	-21.00
Bill Pmt -Check	6/16/2009	13357	DEPARTMENT OF CONSUMER AFFAIRS	-125.00
Bill Pmt -Check	6/16/2009	13358	ESRI	-2,189.86
Bill Pmt -Check	6/16/2009	13359	FIRST AMERICAN REAL ESTATE SOLUTI...	-125.00
Bill Pmt -Check	6/16/2009	13360	GEOTECHNICAL SERVICES	-8,115.50
Bill Pmt -Check	6/16/2009	13361	MCI	-1,226.37
Bill Pmt -Check	6/16/2009	13362	MWH LABORATORIES	-10,668.00
Bill Pmt -Check	6/16/2009	13363	PRINTING RESOURCES	-40.02
Bill Pmt -Check	6/16/2009	13364	RICOH BUSINESS SYSTEMS-Lease	-942.05
Bill Pmt -Check	6/16/2009	13365	SAFEGUARD DENTAL & VISION	-57.68
Bill Pmt -Check	6/16/2009	13366	SAFETY CLEAN JANITORIAL SERVICES	-590.00
Bill Pmt -Check	6/16/2009	13367	SCHRYERS TILE & GROUT RESTORATION	-1,900.00
Bill Pmt -Check	6/16/2009	13368	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	6/16/2009	13369	UNION 76	-129.19
Bill Pmt -Check	6/16/2009	13370	UNITED PARCEL SERVICE	-217.40
Bill Pmt -Check	6/16/2009	13371	VERIZON WIRELESS	-1,639.14
Bill Pmt -Check	6/16/2009	13372	W.C. DISCOUNT MOBILE AUTO DETAILI...	-25.00
Bill Pmt -Check	6/16/2009	13373	WAGE WORKS	-7.20
Bill Pmt -Check	6/16/2009	13374	WESTERN DENTAL SERVICES, INC.	-28.06
Bill Pmt -Check	6/22/2009	13375	REID & HELLER	-12,323.30
Bill Pmt -Check	6/24/2009	13376	BLACK & VEATCH CORPORATION	-10,312.50
Bill Pmt -Check	6/24/2009	13377	BROWNSTEIN HYATT FARBER SCHRECK	-57,615.79
Bill Pmt -Check	6/24/2009	13378	COMPUTER NETWORK	-217.50
Bill Pmt -Check	6/24/2009	13379	CUCAMONGA VALLEY WATER DISTRICT	-5,495.00
Bill Pmt -Check	6/24/2009	13380	GEOTECHNICAL SERVICES	-3,895.92
Bill Pmt -Check	6/24/2009	13381	KONICA MINOLTA BUSINESS SOLUTIONS	-590.67
Bill Pmt -Check	6/24/2009	13382	NORDBAK'S PROMOTIONAL PRODUCTS	-227.61
Bill Pmt -Check	6/24/2009	13383	WAGE WORKS	-6,800.00
Bill Pmt -Check	6/24/2009	13384	WILDERMUTH ENVIRONMENTAL INC	-251,452.32
Bill Pmt -Check	6/24/2009	13385	HOME DEPOT	-119.00
Bill Pmt -Check	6/25/2009	13386	EL TORITO	-329.28
Bill Pmt -Check	6/30/2009	13387	PETTY CASH	-588.91
Bill Pmt -Check	6/30/2009	13388	PUBLIC EMPLOYEES' RETIREMENT SYS...	-5,391.28
Bill Pmt -Check	6/30/2009	13389	PUBLIC EMPLOYEES' RETIREMENT SYS...	-11,943.32

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
June 2009

Type	Date	Num	Name	Amount
Jun 09				<u>-471,495.51</u>

11:49 AM
07/02/09

CHINO BASIN WATERMASTER
Check Detail
June 2009

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	13355	6/16/2009	BANK OF AMER...	1012 · Bank of America Gen'l Ckg	
Bill	4024...	5/31/2009		6909.1 · OBMP Meetings	-43.68
				6141 · Meeting Expenses	-2,692.02
				6312 · Meeting Expenses	-244.23
				6212 · Meeting Expense	-212.23
TOTAL					-3,192.16

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL APPROPRIATIVE	POOL AGRICULTURAL	POOL NON-AGRIC.	GROUNDWATER REPLENISHMENT	GROUNDWATER OPERATIONS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2008-2009
Administrative Revenues										
Administrative Assessments			7,993,307		172,817				8,166,124	\$7,841,054
Interest Revenue			85,175	8,433	2,014			24	95,646	174,368
Mutual Agency Project Revenue			466,371	-	11,973				478,344	148,410
Grant Income									-	0
Miscellaneous Income									-	0
Total Revenues	-	-	8,544,853	8,433	186,804	-	-	24	8,740,114	8,163,832
Administrative & Project Expenditures										
Watermaster Administration	483,130								483,130	619,960
Watermaster Board-Advisory Committee	53,394								53,394	61,201
Pool Administration			18,978	152,121	4,789				175,888	166,523
Optimum Basin Mgmt Administration		1,644,261							1,644,261	1,913,484
OBMP Project Costs		4,693,942							4,693,942	5,392,289
Education Funds Use								375	375	375
Mutual Agency Project Costs		10,000							10,000	10,000
Total Administrative/OBMP Expenses	536,524	6,348,203	18,978	152,121	4,789			375	7,050,990	8,163,832
Net Administrative/OBMP Income	(536,524)	(6,348,203)							-	-
Allocate Net Admin Income To Pools	536,524		402,422	120,673	13,429				-	-
Allocate Net OBMP Income To Pools		6,348,203	4,761,492	1,427,815	158,896				-	-
Agricultural Expense Transfer			1,679,135	(1,679,135)					-	-
Total Expenses	6,862,027		21,474	177,114	9,690			375	7,060,990	8,163,832
Net Administrative Income	1,682,826		(13,041)					(351)	1,679,124	-
Other Income/(Expense)										
Replenishment Water Assessments						6,437,643			6,437,643	0
Interest Revenue						34,126			34,126	0
Water Purchases						(2,326,075)			(2,326,075)	0
Balance Adjustment									-	0
Groundwater Replenishment						4,145,694			4,145,694	0
Net Other Income									-	0
Net Transfers To/(From) Reserves			1,682,826	(13,041)	9,690	4,145,694		(351)	5,824,818	-
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			7,096,042	468,954	152,847	4,440,091	158,251	992	12,317,177	
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
MAY 1 THROUGH MAY 31, 2009**

DEPOSITORIES:		
Cash on Hand - Petty Cash	\$	500
Bank of America		
Governmental Checking-Demand Deposits	\$	(132,273)
Zero Balance Account - Payroll		
Local Agency Investment Fund - Sacramento		<u>11,840,455</u>
TOTAL CASH IN BANKS AND ON HAND		\$ 11,708,682
TOTAL CASH IN BANKS AND ON HAND		14,673,367
		\$ (2,964,685)

5/31/2009
4/30/2009

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable	\$	15,659
Assessments Receivable		-
Prepaid Expenses, Deposits & Other Current Assets		(425)
Accounts Payable		(2,462,895)
Accrued Payroll, Payroll Taxes & Other Current Liabilities		-
Transfer to/(from) Reserves		<u>(517,024)</u>
PERIOD INCREASE (DECREASE)		\$ (2,964,685)

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 4/30/2009	\$ 500	\$ 332,412	\$ -	\$ 14,340,455	\$ 14,673,367
Deposits	-	16,500	-	-	16,500
Transfers	-	2,392,203	107,797	(2,500,000)	-
Withdrawals/Checks	-	(2,873,388)	(107,797)	-	(2,981,185)
Balances as of 5/31/2009	\$ 500	\$ (132,273)	\$ -	\$ 11,840,455	\$ 11,708,682
PERIOD INCREASE OR (DECREASE)	\$ -	\$ (464,685)	\$ -	\$ (2,500,000)	\$ (2,964,685)

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
5/18/2009	Withdrawal	L.A.I.F.	\$ 2,500,000				
TOTAL INVESTMENT TRANSACTIONS			\$ 2,500,000	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 1.91% was the effective yield rate at the Quarter ended March 31, 2009.

**INVESTMENT STATUS
May 31, 2009**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 11,840,455			
TOTAL INVESTMENTS	\$ 11,840,455			

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

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

Respectfully submitted,



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

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

	<u>Jul '08 - May 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	478,344	148,410	329,934	322.31%
4110 · Admin Asmnts-Approp Pool	7,993,307	7,860,411	132,896	101.69%
4120 · Admin Asmnts-Non-Agri Pool	172,817	132,237	40,580	130.69%
4700 · Non Operating Revenues	95,646	174,368	-78,722	54.85%
Total Income	8,740,114	8,315,426	424,688	105.11%
Gross Profit	8,740,114	8,315,426	424,688	105.11%
Expense				
6010 · Salary Costs	452,454	484,302	-31,848	93.42%
6020 · Office Building Expense	78,854	102,000	-23,146	77.31%
6030 · Office Supplies & Equip.	33,566	46,500	-12,934	72.19%
6040 · Postage & Printing Costs	62,765	87,380	-24,615	71.83%
6050 · Information Services	126,570	144,000	-17,430	87.9%
6060 · Contract Services	58,280	98,000	-39,720	59.47%
6080 · Insurance	15,706	17,730	-2,024	88.58%
6110 · Dues and Subscriptions	14,803	16,750	-1,947	88.38%
6140 · WM Admin Expenses	2,133	4,000	-1,867	53.33%
6150 · Field Supplies	864	2,500	-1,636	34.54%
6170 · Travel & Transportation	33,488	39,200	-5,712	85.43%
6190 · Conferences & Seminars	25,667	26,500	-833	96.86%
6200 · Advisory Comm - WM Board	15,247	19,181	-3,934	79.49%
6300 · Watermaster Board Expenses	38,147	42,020	-3,873	90.78%
8300 · Appr PI-WM & Pool Admin	18,978	24,008	-5,030	79.05%
8400 · Agri Pool-WM & Pool Admin	21,430	24,820	-3,390	86.34%
8467 · Ag Legal & Technical Services	122,690	128,000	-5,310	95.85%
8470 · Ag Meeting Attend -Special	8,000	12,000	-4,000	66.67%
8500 · Non-Ag PI-WM & Pool Admin	4,789	7,695	-2,906	62.24%
6500 · Education Funds Use Expens	375	375		100.0%
9500 · Allocated G&A Expenditures	-422,221	-448,902	26,681	94.06%
	712,587	878,059	-165,472	81.16%
6900 · Optimum Basin Mgmt Plan	1,495,425	1,755,421	-259,996	85.19%
6950 · Mutual Agency Projects	10,000	10,000		100.0%
9501 · G&A Expenses Allocated-OBMP	148,836	137,959	10,877	107.88%
	1,654,261	1,903,380	-249,119	86.91%
7101 · Production Monitoring	97,499	107,515	-10,016	90.68%
7102 · In-line Meter Installation	53,312	87,931	-34,619	60.63%
7103 · Grdwtr Quality Monitoring	160,776	210,458	-49,682	76.39%
7104 · Gdwtr Level Monitoring	360,291	372,538	-12,248	96.71%
7105 · Sur Wtr Qual Monitoring	4,160	46,717	-42,557	8.91%

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

	<u>Jul '08 - May 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7107 · Ground Level Monitoring	357,668	651,468	-293,800	54.9%
7108 · Hydraulic Control Monitoring	520,833	713,949	-193,116	72.95%
7200 · PE2- Comp Recharge Pgm	1,213,924	1,245,266	-31,342	97.48%
7300 · PE3&5-Water Supply/Desalte	73,016	108,477	-35,461	67.31%
7400 · PE4- Mgmt Plan	237,449	272,515	-35,066	87.13%
7500 · PE6&7-CoopEfforts/SaltMgmt	59,141	76,411	-17,270	77.4%
7600 · PE8&9-StorageMgmt/Conj Use	19,013	61,909	-42,896	30.71%
7690 · Recharge Improvement Debt Pymt	1,261,894	1,261,594	300	100.02%
7700 · Inactive Well Protection Prgm	0	6,296	-6,296	0.0%
9502 · G&A Expenses Allocated-Projects	274,964	310,943	-35,979	88.43%
	<u>4,693,942</u>	<u>5,533,987</u>	<u>-840,045</u>	<u>84.82%</u>
Total Expense	<u>7,060,790</u>	<u>8,315,426</u>	<u>-1,254,636</u>	<u>84.91%</u>
Net Ordinary Income	1,679,325		1,679,325	100.0%
Other Income/Expense				
Other Income				
4225 · Interest Income	34,126			
4210 · Approp Pool-Replenishment	6,427,596			
4220 · Non-Ag Pool-Replenishment	10,047			
Total Other Income	<u>6,471,769</u>			
Other Expense				
5010 · Groundwater Replenishment	2,326,075			
9999 · To/(From) Reserves	5,824,819			
Total Other Expense	<u>8,150,894</u>			
Net Other Income	<u>-1,679,125</u>			
Net Income				



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. INTERVENTION INTO AGRICULTURAL POOL

1. Intervention into the Agricultural Pool from Guillermo Hurtado through the Well Used by Alfredo Jara's Mountain Green Nursery





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: July 9, 2009
July 21, 2009
July 23, 2009

TO: Committee Members
Watermaster Board Members

SUBJECT: Intervention into Agricultural Pool

SUMMARY

Recommendation – Staff recommends approval of the Intervention of Guillermo Hurtado into the Agricultural Pool.

BACKGROUND

According to Paragraph 60 of the Judgment:

"[Any] person newly proposing to produce water from the Chino Basin may become a party to this Judgment upon filing a petition in intervention. Said intervention must be confirmed by order of this Court. Such intervener shall thereafter be a party bound by this judgment and entitled to the rights and privileges accorded under the Physical Solution herein, through the pool to which the Court shall assign such intervener."

According to Watermaster's Rules and Regulations section 2.27:

"Watermaster will receive and make recommendations regarding petitions for intervention and accumulate them for filing with the Court from time to time (Judgment paragraph. 60 and Order re Intervention Procedures, July 14, 1978.)"

Watermaster received a petition to Intervene into the Judgment from Guillermo Hurtado on June 25, 2009. Hurtado recently drilled a well on his property, though the well will be used by Alfredo Jara's Mountain Green Nursery. Jara is renting property from Hurtado and owns the nursery stock. Jara also owns a parcel adjoining Hurtado's parcel on the east side. (Hurtado does not plan to use any of the well water.) The estimated annual water production is less than five acre-feet.

Staff recommends approval of the intervention into the Agricultural Pool.

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Date: 6/25/09

Chino Basin Watermaster
9641 San Bernardino Rd.
Rancho Cucamonga, CA 91730
Attn: Kenneth R. Manning, CEO

Subject: Intervention into Chino Basin Watermaster

Dear Mr. Manning:

I, or the company I represent (see below), request intervention into the Chino Basin Watermaster Judgment. I/we request that the Watermaster attorneys process the Intervention paperwork through the Court.

Number of wells: 1

Location(s) of wells (including addresses, parcel numbers, and landmarks): _____

11461 Monte Vista Ave, Chino CA

Property Owner (Well Owner) Information:

Name: Guillermo Hurtado

Address: P.O. Box 1536, Duarte, CA 91009

Phone: (626) 378-3605 Email: _____

Property Occupant (Well User) Information (if different from Owner):

Name: Alfredo Jara "Mountain Green Nursery"

Address: 13156 Pipeline Ave Chino CA 91710

Phone: 909 284-0364 Email: _____

Representative Handling Intervention:

Name: _____ Title: _____

Address: _____

Phone: _____ Email: _____

Sincerely,



Signed: [Signature]

Printed: Guillermo Hurtado

Guillermo Hurtado
Alfredo Jara

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

D. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 765 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage. Date of application: June 30, 2009



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

June 30, 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: **June 23, 2009**

Date of this notice: **June 30, 2009**

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

- A. Notice of Sale or Transfer – The lease and/or purchase of 765 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio’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: July 9, 2009

Non-Agricultural Pool: July 9, 2009

Agricultural Pool: July 21, 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: June 30, 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: June 30, 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 – The lease and/or purchase of 765 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio'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 – The lease and/or purchase of 765 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio'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 June 30, 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.

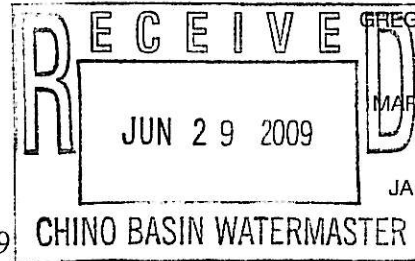


MUNICIPAL UTILITIES AGENCY

PAUL S. LEON
MAYOR

JIM W. BOWMAN
MAYOR PRO TEM

ALAN D. WAPNER
SHEILA MAUTZ
DEBRA DORST-PORADA
COUNCIL MEMBERS



GREGORY C. DEVEREAUX
CITY MANAGER

MARY E. WIRTES, MMC
CITY CLERK

JAMES R. MILHISER
TREASURER

KENNETH L. JESKE
UTILITIES GENERAL MANAGER

June 23, 2009

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

Attn: Ken Manning

Subject: Annual Lease of Water Rights

This is to notify Watermaster of the lease and/or purchase of 765 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage.

Executed original Watermaster forms and all supporting documentation is attached for your review. Please agendaize the proposed purchase for the first available meeting.

Should you have any questions or require any additional information, please contact Tom O'Neill at (909) 395-2676.

Sincerely,


Scott Burton
Engineering & Operations Director

Enclosures

cc. Tom O'Neill, Water Production Manger

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Form 3 (cont.)

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Scott Burton
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 # _____

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 [X] No []

Scott Burton

Scott Burton,
Engineering & Operations Director

TO BE COMPLETED BY WATERMASTER

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

CITY OF ONTARIO

Recapture Plan

The subject water is a transfer of stored groundwater from the San Antonio Water Company located within Management Zones 2 to the City of Ontario in the amount of 765 acre-feet to satisfy a portion of the City's replenishment obligation for FY 2008-2009. Recapture of the stored water is accomplished by the production of any or all of the 22 wells owned and operated by the City with Management Zones 2 or 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows.

Well No.	Capacity acre-feet/day
17	7.2
18	5.3
19	2.5
20	3.4
24	8.4
25	6.2
26	5.7
27	4.9
29	11.2
30	14.1
31	13.1
35	8.6
36	8.3
37	13.4
38	11.4
39	8.6
40	13.4
41	11.0
44	11.4
49	11.4
50	9.7
52	11.4
200.8	

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

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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, San Antonio Water Company ("Transferor") hereby transfers to City of Ontario ("Transferee") the quantity of 765 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

WATER QUALITY AND WATER LEVELS

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

Static water levels vary between 270 feet to 530 feet with nitrate levels that vary between 5 and 40

Mg/L.

MATERIAL PHYSICAL INJURY

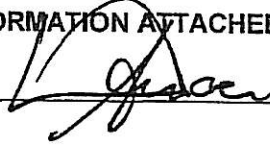
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

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


ADDITIONAL INFORMATION ATTACHED

Yes [] No []

Charles Moorrees
Transferor



Scott Burton
Transferee



TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



CHINO BASIN WATERMASTER

II. BUSINESS ITEM

A. WATERMASTER AUCTION





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: July 9, 2009
July 20, 2009
July 23, 2009

TO: Committee Members
Watermaster Board Members

SUBJECT: Watermaster Auction

SUMMARY

Summary: Action items required in order to prepare a final contract in accordance with the proposed terms as within the previous direction provided by the Appropriative Pool.

Recommendation: Staff recommends the retention of FTI and Mr. Harold Lea to provide the desired auction services.

Background:

Watermaster Staff has previously reported on the need to retain a qualified consultant to assist Watermaster in marketing and conducting a successful auction of up to 36,000 acre-feet of water and 40,000 acre-feet of basin storage capacity. Staff has contacted public and private professionals to obtain their opinion as to qualified parties to conduct these services and it has obtained conceptual and specific proposals for conducting the services, including their fees.

Watermaster has received four proposals. Staff previously shared the proposed provider's statement of qualifications and proposed terms with the Appropriative Pool. Staff has sought the retention of a "neutral" competent provider with professional experience conducting auctions.

The Pool provided direction to Staff to negotiate further terms consistent with its direction. In the event the proposed terms were acceptable to Staff, the final proposed terms were to be presented to the Appropriative Pool for approval and reduced to a written contract that could be approved and executed by Watermaster.

Analysis:

The terms among the providers were economically competitive. The upfront irrevocable financial commitment is less with FTI. Their success fees are capped for up to 5 buyers identified by Watermaster. The promised scope of services is broader.

Although FTI has not conducted an auction of water or water rights per se, FTI has successfully completed numerous auctions of other unique and sophisticated assets. It has a demonstrated software capability that will increase the likelihood of a successful auction. They have the personnel and resources to devote to this opportunity.

A minimum non-refundable expense of \$66,000 will be incurred in conducting the auction. The balance of the financial burden of the consultant is a success fee that will be exclusively drawn from the auction proceeds, which would otherwise be made available to the members of the Appropriative Pool. Consequently, a failed auction, one that fails to net a return in excess of \$600 would cost Watermaster \$66,000. The minimum expense of \$66,000 is not currently budgeted by Watermaster. Should the auction not conclude in a timely manner, Watermaster will do a budget amendment to generate the funds to cover this expense, as well as the funds required to make the first payment to the Non-Ag Pool to purchase the water.

The success fee escalates depending upon the level of success for each significant price increment. For example, a success fee for a sale at \$620 (slightly above the \$600 reserve price) would generate a 1% commission on the \$20 above the threshold. ($1\% \times \$20 \times 36,000 = \$7,200$.) This (in addition to the upfront expense) equates to approximately a 0.04% commission on the entire auctioned amount (\$21,600,000.) No commission is due from the auction of the storage capacity. Conversely, at the highest end of the range, a sale in excess of \$950 per acre foot would generate a 30% commission but only for that portion in excess the threshold. At \$950 per acre foot, the total commission equates to approximately 5% on the entire auctioned amount (\$34,200,000).

Although the incentive structure is not unique to the FTI proposal, staff does believe that it properly aligns the interest of the consultant with Watermaster by offering strong incentives for the maximum return.



CHINO BASIN WATERMASTER

II. BUSINESS ITEM

B. BUDGET TRANSFER





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: July 9, 2009
July 20, 2009
July 23, 2009

TO: Committee Members
Watermaster Board Members

SUBJECT: Budget Transfer T-09-07-01

SUMMARY: Budget transfer OBMP-Condition Subsequent No. 7, Hydraulic Control Monitoring Program, Water Quality Committee, and Storage Program to OBMP-Data and CEO Requests, OBMP-SOB Report, Groundwater Quality Monitoring Program, Recharge Master Plan.

BACKGROUND

Watermaster, working with Wildermuth Environmental, Inc. (WEI), prepared a planning level cost estimate in March 2008 for engineering work that was to be performed in Fiscal Year 2008/09. This cost estimate was incorporated into the Watermaster budget after a series of reviews and revisions by Watermaster and WEI staff. The budget workshop was held on April 29, 2008 and was ultimately approved by the Watermaster Board on May 22, 2008. The budget for FY 2008/09 spawned 16 task orders (TOs) of engineering services provided by WEI to Watermaster. Watermaster staff reviewed and approved the task orders.

DISCUSSION

At the end of each quarter, Watermaster staff convenes a meeting with its consultant, WEI, to review the status of the technical work accomplished to date, milestones achieved, and performance as to schedule and budget. Watermaster also reviews the task orders to determine if there was previously unanticipated work that Watermaster requested WEI to do or may ask WEI to do in upcoming quarters. Likewise, Watermaster and WEI determine if there are tasks within each task order that may not be performed or may not require the anticipated level of effort.

The following Task Orders had and/or are projected to have less activity than was initially estimated:

- **TO5 – Condition Subsequent No. 7.** The level of effort for fulfilling Condition Subsequent No. 7 was not as great as anticipated last spring when the budget was finalized. The Task Order was completed in January 2009.
- **TO11 – Hydraulic Control Monitoring Program.** The level of effort for performing the HCMP was not as great as anticipated last spring when the budget was finalized. The reductions in cost are primarily reduced laboratory costs from what was estimated, and improved efficiencies in the field program and the report preparation.
- **TO13 – Engineering Support for Desalters.** The level of effort for providing engineering support for the desalters was not as great as projected last spring when the budget was finalized. It was anticipated that we would be participating in meetings with the CDA and other parties every other week throughout the year. The project was delayed because of delays in state funding.
- **TO16 – Water Quality Committee.** Watermaster anticipated more interaction with the potentially responsible parties (PRPs) for the Ontario International Airport volatile organic chemical (VOC) plume and the PRP for the Chino Airport plume. Watermaster also budgeted for four Water Quality Committee meetings – these meetings have not occurred,
- **TO17 – Storage Program.** A portion of this task order was to provide engineering support and modeling projects for proposed storage agreements with the San Diego County Water Authority. These agreements and the associated engineering work will not occur in FY 2008/09.

Four other Task Orders have engineering tasks that are out-of-scope, changed conditions, or were not budgeted correctly in the spring of 2008.

- **TO3 – Miscellaneous Data and CEO Requests.** WEI assisted Watermaster and other parties in two Court Hearings – February 2, 2009 and April 27, 2009. The preparation for and testimony at these hearings was not anticipated when the budget was developed. Peace II CEQA-related tasks associated with pumping optimization that were not anticipated when the budget was finalized in Spring 2008.
- **TO4 – State of the Basin Report.** WEI is requesting an increase of \$40,000 to complete the report. The hydrology section of the report will now include pumping in the Temescal Basin, in attempting to determine how groundwater pumping in that basin may affect baseflow in the Santa Ana River.
- **TO8 – Groundwater Quality Monitoring Program.** WEI is requesting an increase of \$15,000 to complete the field program. Unanticipated issues with CBDC: resolved gaps in the historical record by pulling data from the State of California database. Also researched, QA/QC'd and entered water quality data associated with the chromic acid discharge and hexavalent chromium issue in groundwater in the dairy area.
- **TO12 – Recharge Master Plan.** A necessary component of the Recharge Master Plan is a production optimization study. This production optimization effort was not included in the original scope of the recharge master plan. This study is required to demonstrate that the increased production by appropriators projected to occur by 2020 – and thereafter – is sustainable and to determine how best to replenish overproduction given the new projected production.

RECOMMENDATIONS

Approve attached budget transfer request T-09-07-01.



**CHINO BASIN WATERMASTER
BUDGET TRANSFERS**

Fiscal Year 2008-2009
T-09-07-01

To: **All Parties**

From: Sheri Rojo Date: 7/2/2009

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

Budgetary account reduction

<i>Line Item Description</i>	<i>Account Number</i>	<i>Current Budget</i>	<i>Amount</i>
OBMP - Condition Subsequent No. 7	6906	\$ 74,810	\$ (25,000)
Hydraulic Control Monitoring Program	7108	\$ 667,630	\$ (190,000)
Engineering Support for Desalters	7303	\$ 85,512	\$ (30,000)
Water Quality Committee	7502	\$ 75,000	\$ (5,000)
Storage Program	7602	\$ 52,468	\$ (50,000)

Budgetary account addition

OBMP - Miscellaneous Data and CEO Reports	6906	\$ 200,705	\$ 115,000
OBMP - SOB Report	6906	\$ 100,092	\$ 40,000
Groundwater Quality Monitoring Program	7103.3	\$ 138,124	\$ 15,000
Recharge Master Plan	7202	\$ 443,447	\$ 130,000
			\$ -

Should be zero

Transfer Procedure

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

Finance Use Only

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

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

C. REVISED FORMS





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: July 9, 2009
July 21, 2009
July 23, 2009

TO: Committee Members
Watermaster Board Members

SUBJECT: Revised Rules & Regulations Forms for Water Transfers and Land Use Conversions

RECOMMENDATION

Staff recommends:

1. Approval of revised CONSOLIDATED WATER TRANSFER FORMS 3, 4, AND 5: Application for Sale or Transfer of Right to Produce Water from Storage; Application or Amendment to Application to Recapture Water in Storage; and Application to Transfer Annual Production Right or Safe Yield.
2. Approval of revised FORM 11: Notice of Annual Land Use Conversion.
3. Implementation of these forms following approval by the Committees and Board.

BACKGROUND

Forms 1-11 were approved in July 2001. The water transfer forms (Forms 3, 4, and 5) and the land use conversion form (Form 11) are the most commonly used forms. Based on comments made by members of the Appropriative Pool during the last year, these forms are being revised to make them more user-friendly. Draft versions of the forms were presented at the June Advisory Committee meeting, in order to give Appropriative Pool members an opportunity to review the new forms and make suggestions. No suggestions were received; therefore the forms remain the same as presented at the Advisory Committee meeting.

Depending on the type of water transfer, one, two, or three of the original forms needed to be submitted, as well as a cover letter. All three of the forms requested much of the same/repeat information, while not requesting some necessary information. There are generally many re-submittals of the water transfer forms until they are properly completed. The three forms have now been consolidated into one user-

friendly form. All of the required information is now included within the form, therefore a cover letter is no longer necessary. Requirements for application of the 85/15 Rule are now described on the form. Also, water sales price and 85/15 information are now requested at transfer request time, but will not be disclosed until the end of the fiscal year. This eliminates the need for a special request to be sent out at the conclusion of the fiscal year for this information.

The original land use conversion form requested past information, even for those Appropriators with no new conversions or reversions. In fact, the original form did not address reversions at all. The newly revised land use conversion form is more user-friendly by only requesting current fiscal year activity—old conversion/reversion amounts are not requested. And it now specifically requests reversion information, if any reversions occurred.

FISCAL IMPACT

None.

**WATER TRANSFER INFORMATION NEEDED
FOR THE WATER ACTIVITY REPORTS AND
THE ASSESSMENT PACKAGE**

FISCAL YEAR 20__ - 20__

DATE REQUESTED: _____

AMOUNT REQUESTED: _____ Acre-Feet

SALES PRICE: \$_____ / Acre-Foot

(Needed for Assessment Package)

IF 85/15 RULE APPLIES, 15% GOES TO:

Seller Buyer N/A

TRANSFER FROM (SELLER / TRANSFEROR):

TRANSFER TO (BUYER / TRANSFEREE):

Name of Party

Name of Party

I declare under penalty of perjury that the date, quantity, \$/AF, and party to receive the 15% credit in the Assessment Package entered above is accurate, and if asked to do so, my city/agency/company would provide copies of documentation to validate the transaction.

Seller / Transferor Representative Signature

Buyer / Transferee Representative Signature

Seller / Transferor Representative Name (Printed)

Buyer / Transferee Representative Name (Printed)

**THIS PAGE IS TO BE KEPT CONFIDENTIAL UNTIL
THE FISCAL YEAR IS OVER AND THE
WATER ACTIVITY REPORTS ARE CREATED.**

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**CONSOLIDATED WATER TRANSFER FORMS:
 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**

FISCAL YEAR 20__ - 20__

DATE REQUESTED: _____

AMOUNT REQUESTED: _____ Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
_____ Name of Party	_____ Name of Party
_____ Street Address	_____ Street Address
_____ City State Zip Code	_____ City State Zip Code
_____ Telephone	_____ Telephone
_____ Facsimile	_____ Facsimile

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

PURPOSE OF TRANSFER:

- 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 _____

WATER IS TO BE TRANSFERRED FROM:

- Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool)
- Storage
- Annual Production Right / Operating Safe Yield first, then any additional from Storage
- Other, explain _____

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common)
- Storage (rare)
- Other, explain _____

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes No

Is the Buyer an 85/15 Party? Yes No

Is the purpose of the transfer to meet a current demand over and above production right? Yes No

Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

Projected Rate of Recapture _____ Projected Duration of Recapture _____

METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):

PLACE OF USE OF WATER TO BE RECAPTURED:

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

WATER QUALITY AND WATER LEVELS

Are the Parties aware of any water quality issues that exist in the area? Yes No

If yes, please explain:

What are the existing water levels in the areas that are likely to be affected?

MATERIAL PHYSICAL INJURY

Are any of the recapture wells located within Management Zone 1? Yes No

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

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?

SAID TRANSFER SHALL BE CONDITIONED UPON:

- (1) Transferee shall exercise said right on behalf of Transferor under the terms of the Judgment, the Peace Agreement, the Peace II Agreement, and the Management Zone 1 Subsidence Management Plan 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.

ADDITIONAL INFORMATION ATTACHED

Yes No

Seller / Transferor Representative Signature

Buyer / Transferee Representative Signature

Seller / Transferor Representative Name (Printed)

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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**NOTICE
OF
ANNUAL LAND USE CONVERSION**

FISCAL YEAR 20__ - 20__

Name of Party			
Street Address			Telephone
City	State	Zip Code	Facsimile

Are there new conversions this fiscal year? Yes No

If yes, how many clusters of parcels? (Attach Land Use Conversion Addendum for each.) _____

Are there new reversions this fiscal year? Yes No

If yes, provide and attach the following information for each new reversion:

- | | | |
|--------------------|------------------|------------------------------------|
| • Number of Acres | • Street Address | • Fiscal Year Originally Converted |
| • Parcel Number(s) | • City | • Reason for Reversion |

Check the appropriate box below to certify that:

There are no new conversions or reversions. The land use conversion values used in the previous year's Assessment Package are correct and are to be used again this fiscal year.

There are new conversions and/or reversions, and they are summarized below (if none, enter zero):

NEW Conversions: _____ Acres inside Conversion Area 1
 _____ Acres outside Conversion Area 1
 (as allowed in the 1995 Land Use Conversion Judgment Amendment)

NEW Reversions: _____ Acres inside Conversion Area 1
 _____ Acres outside Conversion Area 1
 (as allowed in the 1995 Land Use Conversion Judgment Amendment)

ADDITIONAL INFORMATION ATTACHED: Yes No

Signature Date

Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE FINALIZED: _____

FINALIZED BY STAFF PERSON: _____

NEW CONVERSIONS APPROVED: _____ Acres inside Conversion Area 1
_____ Acres outside Conversion Area 1
(as allowed in 1995 Land Use Conversion Judgment Amendment)

NEW REVERSIONS APPROVED: _____ Acres inside Conversion Area 1
_____ Acres outside Conversion Area 1
(as allowed in 1995 Land Use Conversion Judgment Amendment)



CHINO BASIN WATERMASTER

IV. INFORMATION

1. Newspaper Articles





Rancho Cucamonga water agency encourages residents to make a 5 percent water reduction

Wendy Leung, Staff Writer

Created: 06/03/2009 05:00:44 PM PDT
RANCHO CUCAMONGA - Residents should not think they are immune to mandatory water restrictions just because they don't live in Los Angeles.

The ongoing drought is a regional and statewide problem, and officials contend stringent measures here are on the horizon.

Restrictions on sprinklers and other outdoor usage began this week in an effort to cut Los Angeles' water rate by 15 percent.

The Cucamonga Valley Water District is encouraging responsible practices such as using shutoff nozzles on hoses and repairing leaks.

The district is also requiring restaurants to serve water only on request and requiring hotels to offer guests the option to not wash linens on a daily basis.

These new measures are part of ordinance 47, passed in May to stop wasteful practices such as hosing down driveways.

Repeated violation of the ordinance could result in a fine of \$50 or more.

But Robert DeLoach, general manager of the water district, said officials have no intention of fining residents.

"It's early," DeLoach said. "Even those people violating, we'll knock on their doors and say, 'Hey, you may not be aware of (the ordinance,) we'll be able to help you.'"

The district's latest measures also include a voluntary conservation goal of 5 percent.

DeLoach said most households will be able to meet the 5 percent goal.

"People are already conserving, they're starting to get the message," DeLoach said. "I think 5 percent is a no-brainer."

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Give us a year and we can cut 10 percent without breaking a sweat."

Officials said they believe if we get another dry year this winter, tougher measures - such as mandatory conservation and limiting outdoor watering for two or more days - will go into effect.

On Tuesday, the water board and City Council held a joint workshop to discuss future phases of water restriction.

Ordinance 48, an emergency plan to cut usage by 50 percent in stages, will be considered by the water board June 23.

The first phase of the emergency plan would start with mandatory conservation by 10 percent and escalates to a severe water emergency stage, in which no outdoor watering would be allowed for four or more days out of the week.

To learn more about ordinances 47 and 48, visit www.ccwdwater.com.

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"I lost 35 lbs of stomach fat in 1 month by obeying this rule"



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ENVIRONMENT

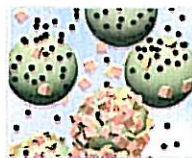
Culligan lobbies hard as water softeners become a drought issue

The company is fighting a state Assembly bill that would let regulators ban devices that discharge salt into municipal sewer lines, rendering water difficult to recycle.

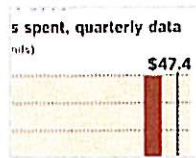
By Marc Lifsher June 26, 2009

Reporting from Sacramento -- Government bureaucrats want your water softener.

The Culligan Man is fighting back.



Using salt to soften water



Culligan lobbying

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www.WaterSoftenersCompared.com

The company behind the renowned "Hey Culligan Man!" advertising campaign of the 1950s has launched a political and public relations offensive to kill a bill targeting its signature product.

That proposal would allow regulators to ban conventional water softeners that discharge salt into municipal sewer lines. The mineral makes it tough for sanitation districts to clean and reuse their sewage, which is an increasingly crucial source of irrigation water in drought-plagued California.

The bill pits giant Culligan International Co. and smaller water-softener manufacturers and their dealers against a broad coalition of interests that includes California cities, water districts, big farming groups, chicken ranchers and even the golfing industry.

"It's a water-quality issue," said Mike McCullough, the director of environment and water resources for the Northern California Golf Assn. "If you have better-quality recycled water, obviously the turf can respond accordingly."

But Culligan, based in Rosemont, Ill., contends that it's not to blame for California's water woes. It's portraying the legislation as

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a Big Government grab of private property.

It's "an unprecedented step to take something from your home that you legally purchased to better the quality of your life," said Culligan General Counsel Susan Bennett. The privately held firm, which does not divulge sales figures, is by far the largest player in the California market.

The industry is running ads, including a recent full page in the Sacramento Bee, showing a man in a business suit wielding a plumber's wrench and a briefcase, ostensibly to rip the water softener from the utility closet of a hapless homeowner.

"The Sacramento Politicians are at it again. They're back to try and take your water softener away," the ad warns ominously, directing readers to visit www.savemysoftener.com.

Industry officials said they hoped the campaign would help customers avoid what happened to Vern Crawford, a retired Santa Clarita carpenter, who had to yank out his water softener after a local ordinance made it illegal.

"I do think it's a little unfair to target just the soft-water people," he said.

Dollars at stake

Water softening is a \$500-million annual business in California. Units can cost about \$2,300 plus periodic servicing. One in 10 Golden State homes, or an estimated 1 million households, have them.

The industry has made \$117,000 in political campaign contributions since 2000. It gave \$1,000 to one of Gov. Arnold Schwarzenegger's committees in April 2008. The governor last year vetoed legislation seeking to regulate water softeners.

Proponents of the current bill aren't amused by the industry's cheeky campaign. They say decommissioning of existing units would be a last resort and that homeowners would be compensated. Consumers, they note, still have access to alternative water-softening systems that do not pollute rivers with salt.

"It's hyperbole. Clearly, it's a very reckless and irresponsible attempt to engender fear at the expense of . . . a very important issue," said Assemblyman Mike Feuer (D-Los Angeles), the author of the legislation, AB 1366.

The matter has been bubbling for years as California finds it ever harder to satisfy the demands of thirsty cities, farmers and endangered fish species. Drought and climate change are reducing water supplies throughout the Southwest.

Water districts across California are under pressure to "recycle" sewage and runoff that they used to dispose of. The sanitized wastewater can be used for irrigation, groundwater recharge and even drinking water if the sewage is thoroughly cleaned.

But water treatment is expensive. Water softeners are adding to the burden.

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The drug war at our doorstep
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Claremont meets over water company purchase while utility says it isn't interested in selling

Wes Woods II, Staff Writer

Created: 06/24/2009 05:29:41 PM PDT

CLAREMONT - While the City Council met in closed session Tuesday night about possibly buying the Golden State Water Co., a water official said Wednesday his company is not in favor of any purchase.

"Golden State Water Co. provides exceptional water service to the residents and businesses in Claremont at competitive rates," said Alice Shiozawa, district manager for the foothill district. "We do not believe the city's ongoing consideration of purchasing the water system is in the best interests of the community."

No action was taken Tuesday night despite the council meeting in closed session both before and after the regular council session.

Nonetheless, Claremont officials will continue talking about the issue for the next couple of months "at least," said Councilman Sam Pedroza.

"The important point is we're seriously talking about it," Pedroza said.

Golden State, whose Claremont office is at 915

W. Foothill Blvd., Suite E, is a public utility and a wholly owned subsidiary of San Dimas-based American States Water Co.

City Manager Jeff Parker said the council had previously met with Golden State officials in 2004 and 2005 discussed a purchase price, when the water company was known as Southern California Water.

Parker said he had seen letters that put a city consultant's estimate of the company's value at \$40 million while the company's estimate was \$100 million.

An American States Water Co. report said "GSWC disagrees with the consultant's valuation assessment. As of Dec. 31, 2008, management believes that the fair market value of the Claremont water system exceeds the \$40.9 million recorded net book value and also exceeds the consultant's estimates of its value."

Councilwoman Linda Elderkin said her biggest concern was "so many residents think they want us to acquire the water company to bring the rates down, and I think it's been made clear from so many sources that it wouldn't happen for a long time. Eventually, the long-term rates would go down. In the short term, we can not do better than Golden State."

Pedroza said regardless of the outcome for purchasing the water company, the city will continue to fight water rate increases through the California Public Utilities Commission process.

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"We're going through the whole process of fighting," Pedroza said.

Elderkin said the city will "consult with their attorney, examine the situation from many points of view and make a decision on if it's appropriate to do more than we've done or take it off the table."

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Chino water, sewer rate increase approved by City Council

Chino water, sewer rate

Neil Nisperos, Staff Writer

Created: 06/05/2009 05:44:17 PM PDT
CHINO - The City Council has approved a increase in its water and sewer rates, raising the average home's costs by about \$4.38 a month starting July 1.

It will increase \$5.18 more per month in the 2009-10 fiscal year, according to a city finance report.

This year's rate increases include \$1.08 for every 748 gallons of water and \$1.17 the next year. The current rate is \$0.9863 for every 748 gallons.

The rates being proposed are largely the result of increases from third-party suppliers, such as Metropolitan Water District and Inland Empire Utilities Agency, said Rob Burns, city deputy director of finance.

About 63 public protest letters regarding the fee hikes were submitted to the city and a few residents spoke out

during public comment.

Waste Management does not plan to increase household trash-collection fees. Services are expected to remain at \$22.12 this year, although an increased charge is proposed next year.

Chino resident Erica Darplee disputed the city's utility rates, saying she pays \$65 a month for utilities at her townhome, while her friends, who live in a large home in Chino, pay "only \$18 more than mine," while many of the charges for water availability, sewer and storm drain fees are the same.

"How does the city or the (Inland Empire Utilities Agency) justify charging the same fees to residents in condos, as they do to residents who live on large lots with yards, pools, horses and other amenities that I cannot physically have," she said.

Darplee's water use amounts to \$2.96 a month, or 4.5 percent of her total bill, while "\$43.33 of my bill (66 percent) results from these other flat charges."

"I feel like the City has forced me to dine out once a month with the community ... (and) they want me to split the check evenly," she said.

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The proposed water rate increases come as the continuing statewide drought has led to higher imported-water costs from agencies, including the MWD. Officials are anticipating more rate increases from water suppliers in the near future.

The Inland Empire Utilities Agency sewage treatment service is at \$9.62 for a single-family household and \$6.73 for a multifamily household.

The proposed sewer rates for single-family units are \$10.75 for 2009 and \$11.29 for the next year. The multifamily charges per household are proposed at \$7.52 and \$7.90.

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Legislature

Fix the budget, then fix water

Created: 06/06/2009 04:53:58 PM PDT

Among the many competing messages out of Sacramento as state government tries to close a \$24 billion budget deficit, one is very hard to argue with.

That's local Assemblyman Bill Emmerson's call for the Legislature to suspend all other business until the budget mess is sorted out.

Emmerson, R-Rancho Cucamonga, proposed in a point of view on this page last week that both houses of the Legislature suspend work immediately on all legislative work that does not pertain to balancing the budget or to economic stimulus. He suggested, rightly, that legislators should "bring the full force of the Legislature to bear upon what is surely our greatest challenge in decades."

It seems an obvious move in such desperate times, when proposals include snatching the safety net out from under California's poor, and wrecking the

college dreams of many graduating high-schoolers and dimming the state's future by eliminating Cal Grants and slashing funding for public universities and community colleges. Clearly, weighing such steps requires the complete concentration of every elected state official and all their staff members. Let other proposed rules and regulations wait until this fiscal mess is settled.

We would go one step further by advising that the Legislature - after it closes the budget gap and staves off the impending state cash shortage - bring something close to its full force to bear on a huge issue that's not getting enough attention because of the fiscal fiasco: Water.

On Thursday, a federal agency issued directives that water officials estimate will reduce deliveries to farmers and urban water users by 5 percent to 7 percent a year, in order to restore salmon runs through the San Joaquin-Sacramento River Delta. That's on top of previous federal court rulings that restrict water pumping from the delta by up to 40 percent to preserve the delta smelt.

Earlier in the week, the Delta Vision Foundation issued a report card for the

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governor and Legislature: they got an incomplete grade for their failure to make headway on the foundation's recommendations to sustain the Delta ecosystem and secure the state's water delivery system.

The foundation, then called the governor's Delta Vision Blue Ribbon Task Force, released its Delta Vision Strategic Plan in October. It's a well-researched and well-balanced plan, as we've written before. The state's leaders would be well-advised to act quickly to implement the task force proposals, but so far there is just wheel-spinning.


Right now, there's nothing more important than fixing the budget. But beyond that immediate and very short-term need, there's nothing more important to California's long-term future than fixing the state's water delivery system.


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