

# CHINO BASIN WATERMASTER



## NOTICE OF MEETINGS

**Tuesday, September 15, 2009**

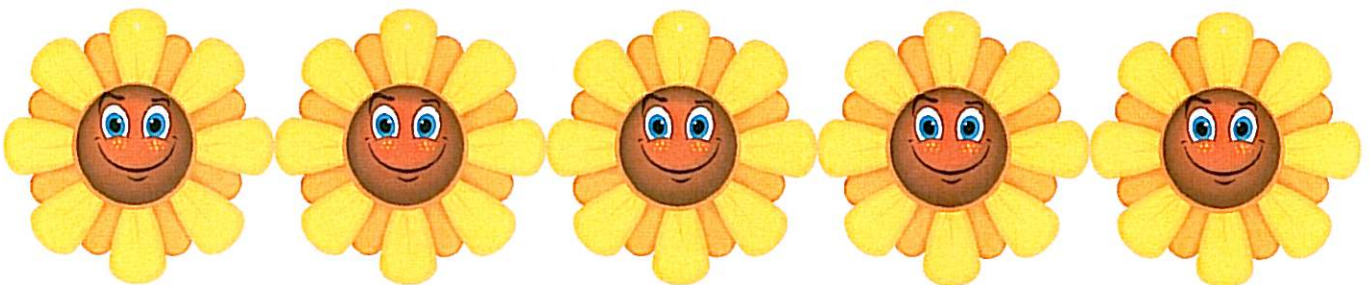
9:00 a.m. – Agricultural Pool Meeting

***AT THE INLAND EMPIRE UTILITIES AGENCY OFFICES***

*6075 Kimball Ave. Bldg. A Board Room*

*Chino, CA 91710*

*(909) 993-1600*



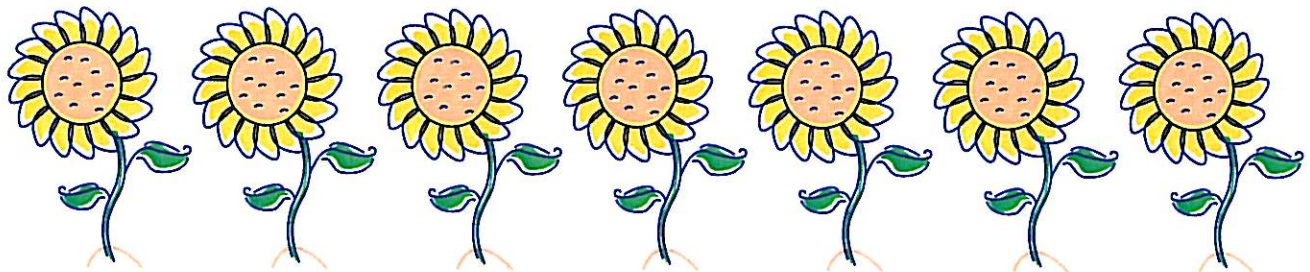


# **CHINO BASIN WATERMASTER**

**Tuesday, September 15, 2009**

9:00 a.m. –Agricultural Pool Meeting

## **AGENDA PACKAGE**



**CHINO BASIN WATERMASTER  
AGRICULTURAL POOL MEETING**

**WITH**

*Mr. Bob Feenstra, Chair*

*Mr. Jeff Pierson, Vice-Chair*

**9:00 a.m. – September 15, 2009**

**At The Offices Of**

**Inland Empire Utilities Agency**

6075 Kimball Ave., Bldg. A, Board Room

Chino, CA 91710

**AGENDA**

**CALL TO ORDER**

**AGENDA - ADDITIONS/REORDER**

**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.

**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 Agricultural Pool Meeting held August 18, 2009 *(Page 1)*

**B. FINANCIAL REPORTS**

1. Watermaster Visa Check Detail for the month of July 2009 *(Page 7)*
2. Combining Schedule for the Period July 1, 2009 through July 31, 2009 *(Page 9)*
3. Treasurer's Report of Financial Affairs for the Period July 1, 2009 through July 31, 2009 *(Page 11)*
4. Budget vs. Actual July 2009 *(Page 13)*

**II. BUSINESS ITEM**

**A. AD-HOC COMMITTEE**

Discussion of the Formation of an Ad-Hoc Committee to Review the Chino Basin Watermaster Policy Manual *(Page 15)*

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Auction Update
2. Court Transition Process

**B. FINANCIAL REPORT**

1. Financial Changes
2. Assessment Package Workshop



**C. ENGINEERING REPORT**

1. Recharge Master Plan Update
2. State of the Basin Report
3. Balance of Recharge and Discharge Update
4. Hexavalent Chromium Presentation

**D. CEO/STAFF REPORT**

1. Legislative Update
2. Recharge Update
3. Open Meeting Rules Update
4. Voluntary Agreements

**IV. INFORMATION**

1. Newspaper Articles *(Page 17)*

**V. POOL MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. FUTURE MEETINGS**

September 10, 2009	9:00 a.m.	MZ1 Technical Committee Meeting @ CBWM
September 15, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
September 17, 2009	8:30 a.m.	Tentative CBWM Hearing @ San Bernardino Court
September 24, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
September 24, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
September 24, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM
September 24, 2009	1:00 p.m.	Recharge Master Plan Workshop @ CBWM
September 28, 2009	11:00 a.m.	Golf Tournament @ Oak Quarry
September 28, 2009	5:00 p.m.	Strategic Planning Kick-Off Reception @ Oak Quarry
September 29, 2009	7:30 a.m.	Strategic Planning Conference @ Etiwanda Gardens

**NEW CHINO BASIN WATERMASTER MEETING SCHEDULE TAKES EFFECT IN OCTOBER:**

October 1, 2009	1:00 p.m.	Appropriative & Non-Agricultural Pool Meeting @ CBWM
October 8, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
October 15, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
October 15, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
October 22, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM
October 22, 2009	1:00 p.m.	Recharge Master Plan Workshop @ CBWM

**Meeting Adjourn**



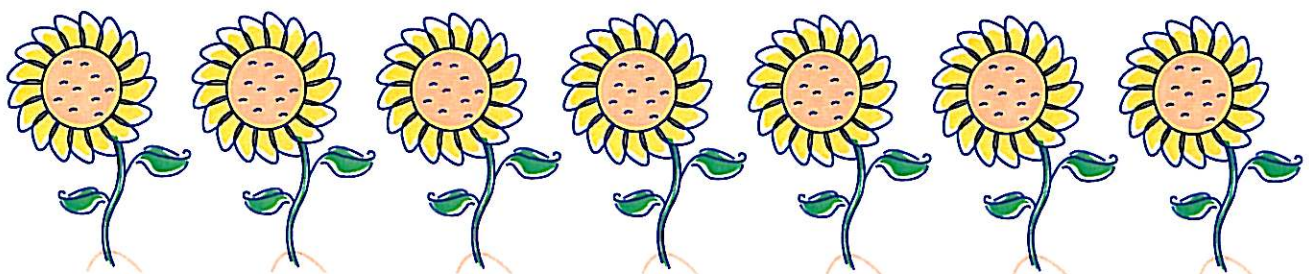


# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Agricultural Pool Meeting – August 18, 2009



**Draft Minutes**  
**CHINO BASIN WATERMASTER**  
**AGRICULTURAL POOL MEETING**  
August 18, 2009

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on August 18, 2009 at 9:00 a.m.

**Agricultural Pool Members Present**

Bob Feenstra, Chair	Dairy
Nathan deBoom	Dairy
John Huitsing	Dairy
Rob Vanden Heuvel	Milk Producers Counsel
Gene Koopman	Milk Producers Counsel
Jeff Pierson	Crops
Jennifer Novak	State of California, Dept. of Justice, CIM
Pete Hall	State of California, CIM

**Watermaster Staff Present**

Kenneth R. Manning	Chief Executive Officer
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
Mark Wildermuth	Wildermuth Environmental Inc.

**Others Present**

Steven Lee	Reid & Hellyer
Gil Aldaco	City of Chino
Pete Vicario III	City of Chino
Martha Davis	Inland Empire Utilities Agency

Chair Feenstra called the Agricultural Pool meeting to order at 9:09 a.m.

**AGENDA - ADDITIONS/REORDER**

Mr. deBoom offered comment on Glen Durrington's health condition.

**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.

No confidential session was held.

**I. CONSENT CALENDAR**

**A. MINUTES**

1. Minutes of the Agricultural Pool Meeting held July 21, 2009

**B. FINANCIAL REPORTS**

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

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

A discussion regarding expenses for the Agricultural Pool, allocation of costs, and requested notes on some of the pages in the Financial Statements ensued.

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

***Moved to approve Consent Calendar item A through B, as presented***

Added Item:

Chair Feenstra commented on the Special meetings that were held on July 30, 2009 regarding the water auction and asked Mr. Manning to give an update on what took place at those meetings. Mr. Manning noted the stipulation was approved by the Pools, Advisory Committee, and Watermaster Board to modify the language in the stipulation which will allow the auction to move forward. Mr. Manning commented on how the auction will take place while using FTI/Harold Lea as the professional auction service. Mr. Manning noted possible dates to hold the auction are October 27 or October 28, 2009. A discussion regarding the upcoming auction ensued.

## II. BUSINESS ITEM

### A. NOTICE OF INTENT TO PURCHASE

Mr. Manning stated the Notice of Intent to Purchase is one of the steps that needs to be taken care of in order for Watermaster to secure purchasing the water from the Overlying Non-Agricultural Pool. One of the procedural steps that were built into the Peace II Agreement was the delivery of this Notice of Intent to Purchase. Counsel Fife noted there was a change from what is in the meeting packet because action was taken at the Appropriative Pool meeting last week. Watermaster will purchase the water from the Non-Agricultural Pool on behalf of the Appropriative Pool. The key to this notice is the Appropriative Pool directing Watermaster to proceed. Within 30 days of issuing the Notice of Intent to Purchase, Watermaster will have to tender payment to the Non-Agricultural Pool for the water as specified in the Peace II Agreement. Counsel Fife stated hopefully the auction will be finished so that the proceeds can be used. Counsel Fife stated the change that occurred at the Appropriative Pool is that the Peace II Agreement requires identifies the purpose for which the water is going to be used. The actual amount that is available to purchase from the Non-Agricultural Pool is not 36,000 acre-feet; however, it is 38,652 acre-feet. The auction is being set at 36,000 acre-feet and the Appropriative Pool decided the 2,652 acre-feet would be dedicated to Desalter replenishment. The notice will be changed to reflect that change.

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

***Moved to approve the Notice of Intent to Purchase, as presented***

Added Item:

Mr. Manning stated an item regarding meeting dates needs to be added to the agenda. Mr. Manning offered background on why this item is being added to the agenda. A discussion regarding this item ensued and it was decided that the Agricultural Pool will change their meeting date from the third Tuesday of every month to the second Thursday at 9:00 a.m. of every month starting in October. The meeting will still meet at the Inland Empire Utilities Agency office.



Added Comment:

Mr. Manning commented that the Appropriative Pool feels the Watermaster should draft its own open meeting rules that would apply to Watermaster. Mr. Manning stated this item falls nicely into what Watermaster staff is currently working on for the new Policy Manual. A discussion regarding the Brown Act and Watermaster policies ensued. Mr. Manning stated he will keep the parties updated on the Policy Manual and the open meeting rules as they both develop.

### III. REPORTS/UPDATES

#### A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

##### 1. August 11, 2009 Hearing

Counsel Fife stated the August 11, 2009 hearing took place and went very well. The hearing concerned the ongoing status report of the OBMP, Program Elements 7, 8, and 9, and the approval of the Watermaster's motion to approve the template Storage & Recovery Agreement. A proposed order was submitted which was worked out in advance and the judge did sign the revised order as submitted and notice was provided to the parties. Counsel Fife stated a few items did come up at the hearing because of losing Judge Wade to retirement regarding transitioning into another judge. Counsel Fife commented on Judge Wade's recommendations for the new judge transition. There is another hearing scheduled for September 17, 2009 if it is needed and can be cancelled if it is not needed. Counsel Fife offered comment on a case management order that would be submitted to Judge Wade which would serve as a signal to the next judge. This case management order could let the court know where Watermaster is on various matters. This order will go through the Watermaster process.

##### 2. Auction Update

Counsel Fife noted this item was discussed as an added item earlier on the agenda.

#### B. ENGINEERING REPORT

##### 1. Recharge Master Plan Update

Mr. Wildermuth stated Wildermuth Environmental staff is working diligently on the Recharge Master Plan. A meeting with Black & Veatch took place last month to go over a plethora of supplemental water recharge projects and those will be brought back through the Watermaster process in September. Mr. Wildermuth stated with regard to the modeling work that has been being worked on to optimize recharge and pumping is almost complete. A new Material Physical Injury report has been created for Peace II so that it could be used in CEQA.

##### 2. Balance of Recharge & Discharge Discussion

Mr. Wildermuth stated Watermaster is obligated to do the balance of recharge and discharge report every other year and Wildermuth staff will be working with Watermaster staff on trying to get a memo distributed for discussion next month. Mr. Wildermuth noted after discussions have taken place and any changes that need to be made are done, it will then be finalized. Mr. Wildermuth stated Watermaster has complete control and discretion on supplemental recharge in the Chino Basin pursuant to the Peace Agreement and there are certain issues in the Peace Agreement that Watermaster has to contend with. One of those issues is the 6,500 acre-foot MZ1 recharge commitment every year. That amount accrues annually if it is not satisfied in MZ1 area; then the balance of recharge and discharge has to be done after that.

Added Comment:

Chair Feenstra inquired about the survey of well samples with regard to hexavalent chromium. Mr. Manning stated this project is 80-90% finished and the information gathered will be presented by Joe LeClaire at next month's meeting.

**C. FINANCIAL REPORT**1. Year End Project/Budget Update

Ms. Rojo advised the pools that all water activity reports had been sent out plus some have already been received back. We are looking to receive back all of the water Activity Reports by the end of the week and staff is looking forward to the holiday the assessment package workshop in early September.

3. Year End Audit Update

Ms. Rojo Stated that Watermaster's fiscal year ended June 30, 2009 and our annual audit is currently under way. If anyone has any questions or issues regarding Watermaster's financial activities, please see Ken Manning.

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

Mr. Manning stated now that the state budget has been approved, it appears there is certain consensus that the water issues are taking front and center stage in Sacramento. There are five separate bills that have been developed as part of a master water plan to resolve Delta issues and water problems in the State of California. Those five bills are being reviewed starting next week with a joint committee meeting between the assembly and senate. This first meeting will be the start of a series of meetings and will take approximately four weeks to resolve. There are still discussions on what the joint committee will look like in terms of who will sit on the committee. Mr. Manning noted those five bills were sent to all the parties last week.

Mr. Manning stated he had an opportunity to meet face-to-face with former Senator Mike Machado and Tom Zukerman who represent interests in the Delta. Mr. Manning commented on the topics discussed at this meeting.

2. Recharge Update

No comment was made regarding this item.

3. Agricultural Pool Voluntary Agreements

Mr. Manning noted the Agricultural Pool Voluntary Agreements are done; however, Danni Maurizio is on vacation so she will give this report next month.

**IV. INFORMATION**1. Newspaper Articles

Chair Feenstra offered comment on a recent Los Angeles Times article regarding the Inland Empire Utilities Agency.

Added Item:

Chair Feenstra asked Gil Aldaco from the City of Chino to give an update on the recycled water connections that are being worked on. Mr. Aldaco stated this is moving at a slow and steady pace. Work is being done on the channel that is within the CIM property to reconstruct it along with working on the permitting issues. Mr. Aldaco stated the City of Chino is also working on new service connections within the Jurupa Community Services District. Some grant funding agreements are being worked on for some of the pipelines. Mr. Aldaco noted that CIM has indicated an interest to utilize recycled water for landscaping around the perimeter of the buildings and structures as well as for some of the restroom facilities.

**V. POOL MEMBER COMMENTS**

No comment was made regarding this item.

**VI. OTHER BUSINESS**

No comment was made regarding this item.

**VII. FUTURE MEETINGS**

August 11, 2009	9:30 a.m.	Watermaster Hearing @ San Bernardino Court
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
August 27, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
August 27, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
August 27, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM

The Agricultural Pool meeting was dismissed by Chair Feenstra at 10:26 a.m.

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

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



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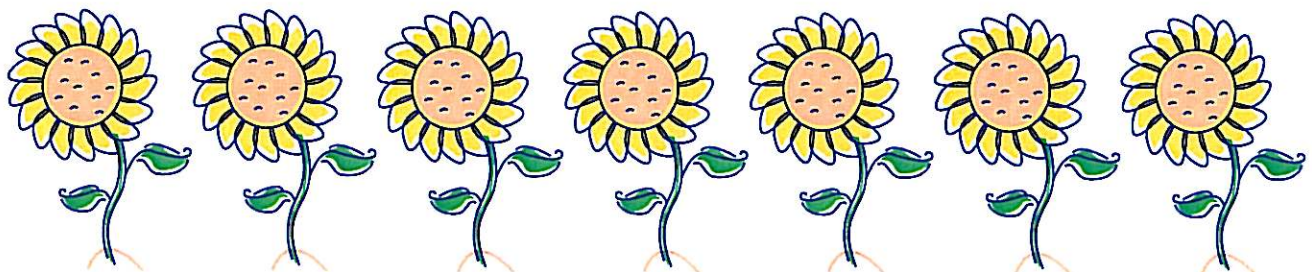


# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### B. FINANCIAL REPORTS

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



10:10 AM  
08/28/09

CHINO BASIN WATERMASTER  
Check Detail  
July 2009

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	13436	7/21/2009	BANK OF AMER...	1012 · Bank of America Gen'l Ckg	
Bill	4024...	6/30/2009		6909.1 · OBMP Meetings	-1,112.55
				6175 · Vehicle Fuel	-37.57
				6312 · Meeting Expenses	-46.47
TOTAL					-1,196.59



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

	WATERMASTER ADMINISTRATION	MANAGEMENT	POOL	APPROPRIATIVE	AGRICULTURAL	NON-AGRIC.	POOL	REPLENISHMENT	GROUNDWATER	OPERATIONS	EDUCATION	GRAND
												TOTALS
Administrative Revenues	111,000											111,000
Administrative Assessments	111,000											111,000
Interest Revenue												
Mutual Agency Project Revenue												
Grant Income												
Miscellaneous Income												
Total Revenues	111,000											111,000
Administrative & Project Expenditures	25,267											25,267
Watermaster Administration	6,292											6,292
Watermaster Board-Advisory Committee												
Pool Administration		3,233		9,608		692						13,533
Optimum Basin Mgmt Administration		147,807										147,807
OBMP Project Costs		209,436										209,436
Debt Service												
Education Funds Use												
Mutual Agency Project Costs												
Total Administrative/OBMP Expenses	31,559	357,243		9,608		692						402,335
Net Administrative/OBMP Expenses	79,441	(357,243)										
Allocate Net Admin Expenses To Pools				(17,868)		(1,988)						
Allocate Net OBMP Expenses To Pools				366,150		(89,257)						
Allocate Debt Service to App Pool												
Agricultural Expense Transfer*				72,090		(72,090)						
Total Expenses	381,889					(90,554)						402,335
Net Administrative Income	(381,889)					90,554						(291,335)
Other Income/(Expense)												
Replenishment Water Assessments												
Interest Revenue												
Water Purchases												
Balance Adjustment									(1,003,000)			(1,003,000)
Groundwater Replenishment												
Net Other Income									(1,003,000)			(1,003,000)
Net Transfers To/(From) Reserves												
									(1,003,000)			(1,294,335)

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

<b>DEPOSITORIES:</b>		
Cash on Hand - Petty Cash	\$	500
Bank of America		
Governmental Checking-Demand Deposits	\$	944,795
Zero Balance Account - Payroll		
Local Agency Investment Fund - Sacramento		<u>10,394,199</u>
<b>TOTAL CASH IN BANKS AND ON HAND</b>		<b>7/31/2009</b>
<b>TOTAL CASH IN BANKS AND ON HAND</b>		<b>6/30/2009</b>
		<b>\$ 11,339,494</b>
		<b>11,365,542</b>
<b>PERIOD INCREASE (DECREASE)</b>		<b>\$ (26,048)</b>

**CHANGE IN CASH POSITION DUE TO:**

Decrease/(Increase) in Assets: Accounts Receivable	\$	143,051
Assessments Receivable		-
Prepaid Expenses, Deposits & Other Current Assets		(5,495)
(Decrease)/Increase in Liabilities		1,161,047
Accounts Payable		(30,316)
Accrued Payroll, Payroll Taxes & Other Current Liabilities		(1,294,335)
Transfer to/(from) Reserves		-
<b>PERIOD INCREASE (DECREASE)</b>		<b>\$ (26,048)</b>

**SUMMARY OF FINANCIAL TRANSACTIONS:**

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 6/30/2009	\$ 500	\$ 470,843	\$ -	\$ 10,894,199	\$ 11,365,542
Deposits	-	254,361	-	-	254,361
Transfers	-	394,650	105,350	(500,000)	-
Withdrawals/Checks	-	(175,059)	(105,350)	-	(280,409)
Balances as of 7/31/2009	\$ 500	\$ 944,795	\$ -	\$ 10,394,199	\$ 11,339,494
<b>PERIOD INCREASE OR (DECREASE)</b>	\$ -	\$ 473,952	\$ -	\$ (500,000)	\$ (26,048)

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

**INVESTMENT TRANSACTIONS**

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
7/24/2009	Withdrawal	L.A.I.F.	\$ (500,000)				
<b>TOTAL INVESTMENT TRANSACTIONS</b>			<b>\$ (500,000)</b>				

\* The earnings rate for L.A.I.F. is a daily variable rate; 1.51% was the effective yield rate at the Quarter ended June 30, 2009.

**INVESTMENT STATUS  
July 31, 2009**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 10,394,199			
<b>TOTAL INVESTMENTS</b>	<b>\$ 10,394,199</b>			

Funds on hand are sufficient to meet all foreseen and planned Administrative and project expenditures during the next six months.  
All investment transactions have been executed in accordance with the criteria stated in Chino Basin Watermaster's Investment Policy.

Respectfully submitted,  


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

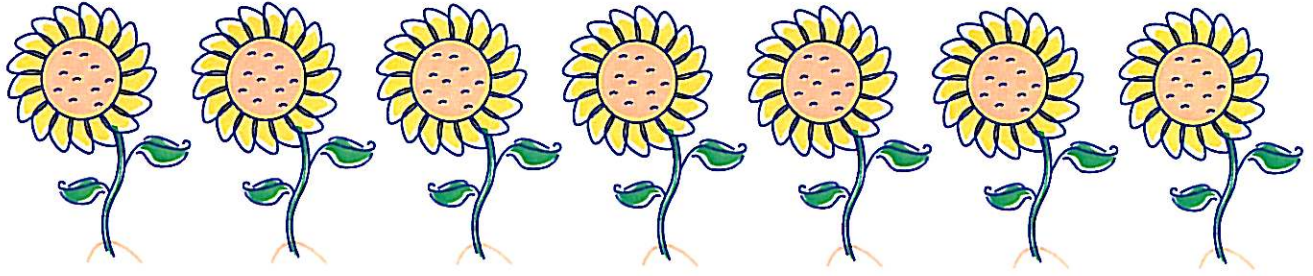


CHINO BASIN WATERMASTER  
Profit & Loss Budget vs. Actual  
July 2009

	<u>Jul 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4010 · Local Agency Subsidies		148,410	-148,410	
4110 · Admin Asmnts-Approp Pool		7,185,411	-7,185,411	
4120 · Admin Asmnts-Non-Agri Pool		155,427	-155,427	
4700 · Non Operating Revenues		191,540	-191,540	
4900 · Miscellaneous income	111,000			
<b>Total Income</b>	<u>111,000</u>	<u>7,680,788</u>	<u>-7,569,788</u>	<u>1%</u>
<b>Gross Profit</b>	111,000	7,680,788	-7,569,788	1%
<b>Expense</b>				
6010 · Salary Costs	35,300	487,838	-452,538	7%
6020 · Office Building Expense	1,781	102,500	-100,719	2%
6030 · Office Supplies & Equip.	1,122	43,500	-42,378	3%
6040 · Postage & Printing Costs	4,950	84,300	-79,350	6%
6050 · Information Services	13,571	148,500	-134,929	9%
6060 · Contract Services		98,000	-98,000	0%
6080 · Insurance	15,934	16,730	-796	95%
6110 · Dues and Subscriptions	46	17,000	-16,954	0%
6140 · WM Admin Expenses		3,000	-3,000	0%
6150 · Field Supplies		2,800	-2,800	0%
6170 · Travel & Transportation	2,547	37,800	-35,253	7%
6190 · Conferences & Seminars	540	26,500	-25,960	2%
6200 · Advisory Comm - WM Board	1,743	18,078	-16,335	10%
6300 · Watermaster Board Expenses	4,549	43,823	-39,274	10%
8300 · Appr PI-WM & Pool Admin	3,233	23,069	-19,836	14%
8400 · Agri Pool-WM & Pool Admin	2,434	25,114	-22,680	10%
8467 · Ag Legal & Technical Services	7,174	98,000	-90,826	7%
8470 · Ag Meeting Attend -Special		12,000	-12,000	0%
8471 · Ag Pool Expense		65,000	-65,000	0%
8500 · Non-Ag PI-WM & Pool Admin	692	6,677	-5,985	10%
6500 · Education Funds Use Expens		375	-375	0%
9500 · Allocated G&A Expenditures	<u>-50,524</u>	<u>-488,230</u>	<u>437,706</u>	<u>10%</u>
<b>Subtotal G&amp;A Expenditures</b>	45,092	872,374	-827,282	5%
6900 · Optimum Basin Mgmt Plan	135,556	1,399,371	-1,263,815	10%
6950 · Mutual Agency Projects		10,000	-10,000	0%
9501 · G&A Expenses Allocated-OBMP	<u>12,251</u>	<u>148,448</u>	<u>-136,197</u>	<u>8%</u>
<b>Subtotal OBMP Expenditures</b>	147,807	1,557,819	-1,410,012	9%
7101 · Production Monitoring	18,174	107,047	-88,873	17%
7102 · In-line Meter Installation	3,974	56,179	-52,205	7%
7103 · Grdwtr Quality Monitoring	21,268	214,362	-193,094	10%

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

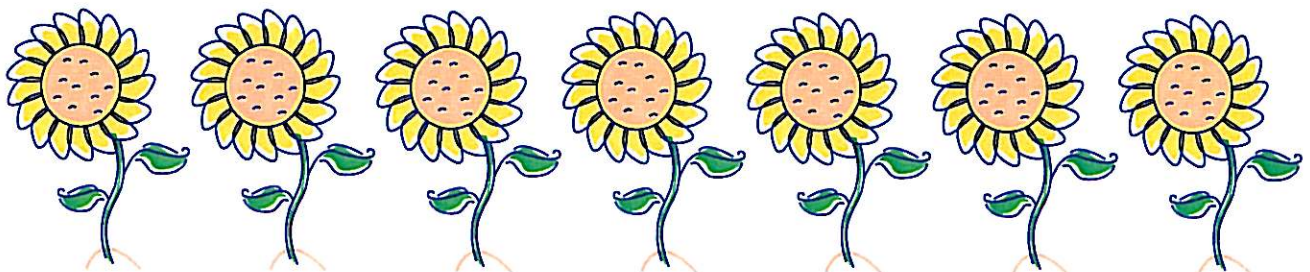
	<u>Jul 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7104 · Gdwtr Level Monitoring	44,020	366,956	-322,936	12%
7105 · Sur Wtr Qual Monitoring	434	43,912	-43,478	1%
7107 · Ground Level Monitoring	1,544	550,059	-548,515	0%
7108 · Hydraulic Control Monitoring	28,990	567,022	-538,032	5%
7109 · Recharge & Well Monitoring Prog		9,152	-9,152	0%
7200 · PE2- Comp Recharge Pgm	119,289	1,478,560	-1,359,271	8%
7300 · PE3&5-Water Supply/Desalte	4,783	96,003	-91,220	5%
7400 · PE4- Mgmt Plan	2,878	91,985	-89,107	3%
7500 · PE6&7-CoopEfforts/SaltMgmt	13,448	163,727	-150,279	8%
7600 · PE8&9-StorageMgmt/Conj Use	8,424	29,550	-21,126	29%
7690 · Recharge Improvement Debt Pymt	-96,063	1,131,233	-1,227,296	-8%
7700 · Inactive Well Protection Prgm		5,066	-5,066	0%
9502 · G&A Expenses Allocated-Projects	38,273	339,782	-301,509	11%
Subtotal Special Project Expenditures	209,436	5,250,595	-5,041,159	4%
<b>Total Expense</b>	<u>402,335</u>	<u>7,680,788</u>	<u>-7,278,453</u>	<u>5%</u>
<b>Net Ordinary Income</b>	-291,335	0	-291,335	100%
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
5100 · Other Water Purchases	1,003,000			
9999 · To/(From) Reserves	-1,294,335			
<b>Total Other Expense</b>	<u>-291,335</u>			
<b>Net Other Income</b>	<u>291,335</u>			
<b>Net Income</b>	<u>0</u>		<u>0</u>	<u>0%</u>



# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### A. AD-HOC COMMITTEE





# 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:** September 15, 2009

**TO:** Agricultural Pool

**SUBJECT:** Establishment of an Ad-Hoc Committee to Review the Chino Basin Watermaster Policy Manual

### Summary

Chino Basin Watermaster operates using a variety of decisions, rulings and procedures that are documented in many different venues. Those venues include the Judgment, the Rules and Regulations, the Peace Agreement, the Peace II Agreement, pooling plans as well as policies and established rules common to public agencies. Over the past six months Watermaster staff has constructed a single document that combines all of the existing policies, rules and procedures into one booklet that will assist current and future Watermaster employees and parties understand how Watermaster operates without having to search for the source of guidance within the multitude of documents.

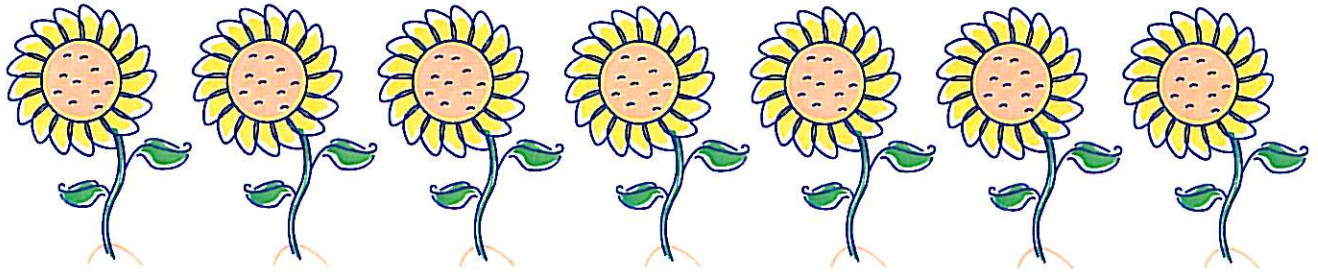
Watermaster staff would like to have an Ad-Hoc Committee established that can work to review and make recommendations on content and format prior to submitting the policy manual through the Watermaster process for formal acceptance.

### Recommendation

Establish an Ad-hoc Committee to assist Watermaster staff in the formation and review of the Chino Basin Watermaster Policy Manual.

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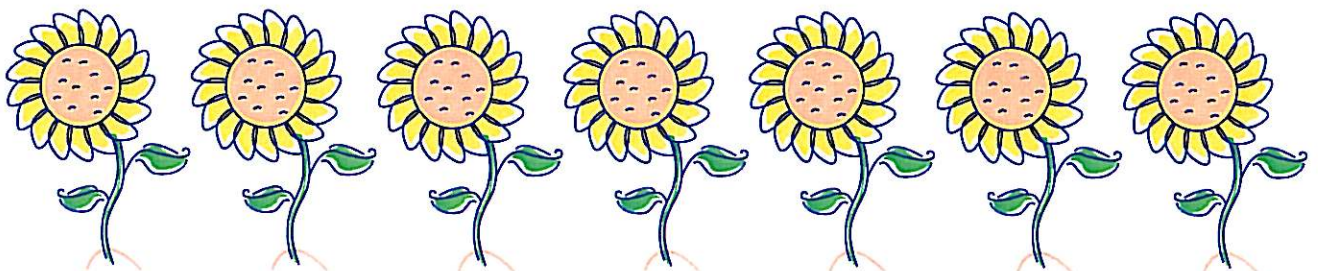




# CHINO BASIN WATERMASTER

## IV. INFORMATION

1. Newspaper Articles



dailybulletin.com

## Cucamonga Valley customers to get hike in their water bills

Wendy Leung, Staff Writer

Created: 08/12/2009 04:52:33 PM PDT  
 RANCHO CUCAMONGA - Cucamonga Valley Water District customers will see their water bill increase by an average of \$4.16 starting Sept. 1.

Board members approved the rate hike on Tuesday after receiving five letters of protest and one letter of support.

Under Proposition 218, also known as the Right to Vote on Taxes Act, a majority of district customers, more than 28,000 property owners, need to submit a protest letter in order to strike down the rate hike.

Board members voted unanimously for the increase, calling the move a direct result of a major increase by the Metropolitan Water District, which sells imported water to Cucamonga Valley.

"I realize the time couldn't be worse with the housing market and so many people

losing their jobs," said board member Hank Stoy. "We have no choice."

An average household that pays \$97.66 every two months will now pay \$4.16 more.

This year, the local water agency reduced its operating budget by \$2.5 million and laid off 13 employees. But the cuts weren't enough to absorb the higher rates by Metropolitan, officials say.

Since 2004, MWD rates have remained either stagnate or increased by less than 6 percent. But in January, Metropolitan raised rates by about 17 percent and is raising it by another 17 percent next month.

"I'm disappointed that Metropolitan went a number of years without raising," said board member Kathy Tiegs. "They're raising it at one time rather than over a period of time which would've been more palatable."

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dailybulletin.com

## Upland working toward water conservation education

Upland working toward water conservation education

Sandra Emerson, Staff Writer

Created: 08/12/2009 03:56:49 PM PDT  
UPLAND - Alison Loukeh knows the water business.

Loukeh, a water conservation and education specialist, was hired by the city in May to lead the way for some of the city's water conservation efforts.

"What I've started on is not only watching legislation, what's coming up with the drought, what's going on with the state, but also how to make Upland more aware that we actually are in a drought and everybody needs to do their part," Loukeh said.

To enforce a water conservation ordinance implemented in the 1990s, Loukeh intends educate through public outreach.

Starting tonight, a booth will be set up during the Upland Farmer's Market at least twice a month. Loukeh will be there

sharing conservation tips and regulations the city is enforcing.

"Our focus is to reduce water use, not penalize people," Loukeh said.

The city's youth certainly won't be left out of any conservation education within the city. Loukeh will be working with the high schools in order to educate teens on water usage.

Homeowners associations, which are big water users, will be part of the education programs as well, Loukeh said.

State legislation is also a concern of the city's Public Works Department. Loukeh will be keeping an eye out for any new legislation that would affect the city's water.

The governor has called for water usage in the state to be reduced by 20 percent by 2020.

"We have looked at legislation, making sure we're in compliance with any law that comes up and we're ready," she said. "There's always legislation at the state level, so I watch that pretty closely to see how that effects us in the future."

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The city has its own water rights, but gets a portion of its water from the San Antonio Water Company and West End Consolidated Water Co.

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Some water is imported in through the Metropolitan Water District, which is at a low due to restrictions in the Sacramento Delta area due to threatened to the Delta smelt fish population there.

The city is working on implementing a recycled water program, which will be used for golf courses, public right of way, schools and other public landscaping.

"It will be like adding tons of water to what is available to our community and it will be vital for the long term and that means decades into the future," said Councilman Ken Willis. "The sooner it can be accomplished the better, and I am certain that if we can get this up and running on schedule, it will be a huge benefit to our citizens."

The program is expected to be designed and ready to implement in a couple years.

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Conservation key

# City, agency officials find consensus on drought

Liset Márquez, Staff Writer

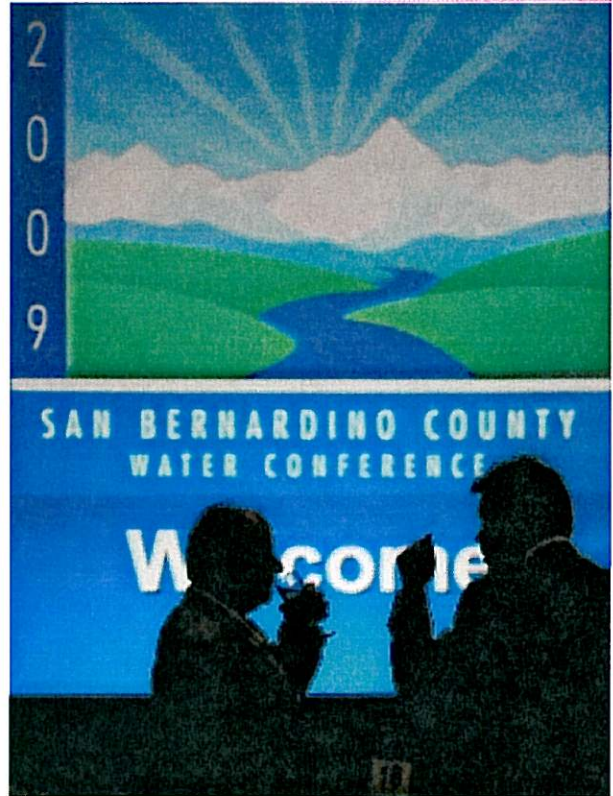
Created: 08/20/2009 08:57:12 PM PDT  
ONTARIO - Examining the real value of delivering water and identifying local conservation solutions will be key components in dealing with a drought in the midst of a recession, according to area water and city officials.

From offering cash incentives to installing recycled water lines, agencies are doing their share to conserve, said Scott Coler, president of the Building Industry Association's Baldy View Chapter.

The next step will be getting homeowners to do their part, said Tim Piasky, chief operating officer with Victory Homes.

The officials made the suggestions Thursday at the San Bernardino County Water Conference in Ontario.

"The only way to circumvent what is happening today is we need to get smarter and implement land use and



Fred Agudelo, with the Baldy View Chapter of the Building Industry Association, drinks a glass of water as he speaks with Jonathan Weldy of the Meridian Land Development Co. during a break at the San Bernardino County Water Conference on Thursday at the Ontario Convention Center. (Will Lester / Staff Photographer)

environmental conservation designs," said Josie Gonzales, San Bernardino County's

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5th District supervisor.

The building industry has responded to the call, implementing greener standards in new developments for the past five years, Piasky said.

When it comes to conservation, new home developments - which Piasky likened to a Toyota Prius - already meet green standards.

"The problem we have is the existing homes - it's like they are the Hummer. How do we improve it?" Piasky said.

Improving older homes would mean retrofitting pipelines and installing low-flow toilets as well as shower heads.

"Older homes (are) difficult because you have to tear up streets to put in purple pipelines," said Ken Willis, an Upland councilman who served as a moderator of a panel discussion.

Even if cities can't afford to install new piping for recycled water, most homeowners can still do their part to conserve water by cutting in half how much they water their lawns, said Celeste Cantu, general manager of the Santa Ana Watershed Project Authority.

"We still have not a drop to waste," Cantu said. "If we move our households on that scale, then we'll be just fine."

In Upland and Ontario, homeowners and businesses have made small strides and cut water consumption by about 15 percent, said Rich Atwater, general manager of the Inland Empire Utilities Agency.

State water agencies are not only facing limitations in how much water can be imported because of environmental regulations, but they are also in the middle of a state of emergency for California's water supply.

Gov. Arnold Schwarzenegger declared the emergency last year, urging everyone to cut use by 20 percent.

In 2003, the Inland Empire Utilities Agency began a program where it stored excess water, which reduced the amount of water imported by half, Atwater said.

The move has helped the agency during the drought.

A "cash for grass" program put on by the Mojave Water Agency has resulted in three quarters of a million square feet of

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turf being removed in the Apple Valley area, said Scott Weldy, general manager of the Apple Valley Ranchos Water Co.

The Mojave agency gives 50 cents per square foot to replace lawn for low water-use landscaping.

"All the tools are available to promote conservation. We have to educate our constituents on what exactly the problem is," Weldy said.

Atwater said the IEUA has also implemented the program.

Officials in Apple Valley decided to implement tiered water rates to promote conservation, Weldy said.

That was three years ago. Since then, there has been a drop in water consumption, he said.



Lorri Gray, lower Colorado regional director for the Bureau of Reclamation, speaks at the 2009 San Bernardino County Water Conference on Thursday at the Ontario Convention Center. (Will Lester / Staff Photographer)

Cantu said she agrees in implementing a tiered system because it helps homeowners "live within our water budget - it's not wastewater," she said.

The price of water increases with each tier.

The system gets people to pay attention if they have to pay the full value of delivering water, Cantu said.

"It is the most economical way to get significant water savings," she said. "Water is underrated - everyone takes it for granted."

The conference was created three years ago by the county and the Building

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Industry Association in order to start a dialogue about water supply, Coler said.

promote conservation.

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**MAKING STRIDES**

Gov. Arnold Schwarzenegger wants use cut by 20 percent. How some local communities are working toward that goal:

- Upland and Ontario homeowners and businesses have cut water consumption by about 15 percent.
- The Inland Empire Utilities Agency has reduced the amount of water it imports by half through a program in which they store excess water for use during drought.
- Mojave Water Agency and IEUA have a "Cash for grass" program, giving 50cents per square foot to replace lawn for low water-use landscaping. So far 750,000 square feet of turf has been removed in the Apple Valley.
- City officials in Apple Valley implemented tiered water rates to

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# Wise water use urged

## Conservation seen as way to cut costs

Matt Wrye, Staff Writer

Created: 08/20/2009 06:41:04 PM PDT

Cash-strapped businesses and consumers looking to save on overhead might want to consider a tip: Use less water.

The price of water is going up, and there's no stopping it for the foreseeable future - unless conservative measures are taken to battle drought conditions.

That's what business leaders and water experts said Thursday at the San Bernardino County Water Conference at the Ontario Convention Center.

While the recession is forcing consumers and businesses to drastically cut their spending, rising water rates could squeeze them that much more.

Some policy-shapers argue that a "tiered" water-rate pricing system - where water gets exceptionally expensive the more you use - is the best way to make water users realize its value in fueling the economy.

"If we were to price it more appropriately, people would pay more attention," said Celeste Cantu, general manager of the Riverside-based Santa Ana Watershed Project Authority, which

focuses on protecting the quality of Santa Ana River water.

Conservation efforts have proven successful, but pricier water rates could give customers the extra nudge needed to take conservation to the next level.

"Our water is undervalued - everyone takes it for granted," Cantu said. "(Tiered pricing) is the most economical way to save water."

Water rates are rising for several reasons, but the two main culprits are a supply decrease at the wholesale level, coupled with higher infrastructure transport costs for wholesalers.

"They have to raise rates to offset the loss of revenues," said Rob Sears, territory manager for Measurement Control Systems, a Santa Ana-based high-tech water meter distributor.

He said wholesale rates have recently jumped 20percent to 30percent for businesses across Southern California.

"The trend everywhere is up," Sears said. "I don't know anyone who's able to hold their rates down."

The economic connection goes further than just higher water rates.

The long-term availability of water is raising eyebrows at land use and planning commission meetings in San Bernardino County, according to Kirby Brill, general manager of the Apple Valley-

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based Mojave Water Agency.

He said retail and residential builders play huge roles in creating local jobs and attracting peripheral development, but some city officials are starting to question whether enough water is available to support projects - a move that could limit economic growth.

Tim Piasky agrees but thinks water agencies should shape their strategies differently.

The chief operating officer for Arcadia-based Victory Homes said California's drought issue demands a federal response. Billions in stimulus dollars have been set aside for green energy projects, but water conservation seems to be mostly left out of the equation.

"On the existing-home side of things, we're still inefficient (water wise) compared to new homes," Piasky said. "It'd be a boost to the economy if we had those water dollars."

Even with water issues at hand, the Inland Empire is still a target for economic growth, he said.

"Where else are you going to go?" Piasky said. "The area has been set up for it."

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## WATER CONFERENCE

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By Matt Wrye Staff Writer

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Will Lester Staff Photographer

David Schroeder, a water conservation specialist with the Chino Basin Water Conservation District, speaks with Upland Councilman Ray Musser during a break at the the San Bernardino County Water Conference on Thursday at the Ontario Convention Center.

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## For water's sake, regulate softeners

Rich Atwater

Created: 08/26/2009 07:37:00 PM PDT

An extraordinary coalition of business, agriculture, environmental and local governments have come together to support Assembly Bill 1366 (Feuer/Caballero/A. Strickland), which will provide our community with the authority to protect our water quality from the salinity impacts caused by a specific type of residential water softener - the self-regenerating devices that require the use of bags and bags of salt to make the equipment work.

As California struggles through the third year of drought and moves forward with discussions about how to solve problems in the San Francisco Bay Delta, we need to tackle all aspects of our water crisis. For years, however, state law has unduly constrained local water agencies from determining how best to address one significant water supply and quality issue - excess salinity in some surface and groundwater supplies caused, in part, by residential self-regenerating water softeners. AB 1366 takes a measured approach to solve this problem.

Current law gives local and regional agencies wide latitude to regulate salinity inputs from every other source - agricultural, commercial and industrial, except home water softeners. Never mind that one typical self-regenerating home

water softener can dump up to 30 pounds of salt into the sewer system each month, contributing salinity that can make water recycling cost-prohibitive.

It is time to change the law that continues to place the interests of one industry over the interests of all other businesses, agriculture and, significantly, ratepayers.

The experience of the Santa Clarita Valley in northern Los Angeles County underscores why.

The Sanitation District instituted a voluntary rebate program followed by ban on residential use of self-regenerating water softeners, with reimbursement for any units that were removed.

The result: The vast majority of Santa Clarita's water softeners are now gone. As a result, the salt added has dropped by almost half.

Had the Sanitation District been forced to remove the equivalent amount of salt through advanced wastewater treatment upgrades with reverse osmosis desalination - as has occurred elsewhere in California - ratepayers would have paid more than 30 times as much as the rebate and reimbursement program cost.

The lesson of Santa Clarita is clear - expanding the options of publicly accountable local agencies in dealing with salinity issues, as AB 1366 aims to do, can save ratepayers millions of dollars.

Here in the Inland Empire our residents and

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businesses have invested hundreds of millions in the development of our local recycled water and groundwater supplies to drought proof our economy. With the state now predicting dramatic reductions in California's future water supplies due to problems in the Delta and climate change, we must take action to protect the water supplies we have. This means we need to support the passage of AB 1366 and start using non-salt-based water softening devices.

*Rich Atwater is general manger of Inland Empire Utilities Agency, which is a co-sponsor of AB 1366. Other co-sponsors are: Metropolitan Water District of Southern California, Irvine Ranch Water District, the Water Replenishment District of Southern California, and the WateReuse Association. The agency offers a residential self-regenerating water softener rebate of up to \$2,000 with free disconnection and removal. For more information, please visit [www.ieua.org](http://www.ieua.org) .*

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