



CHINO BASIN WATERMASTER

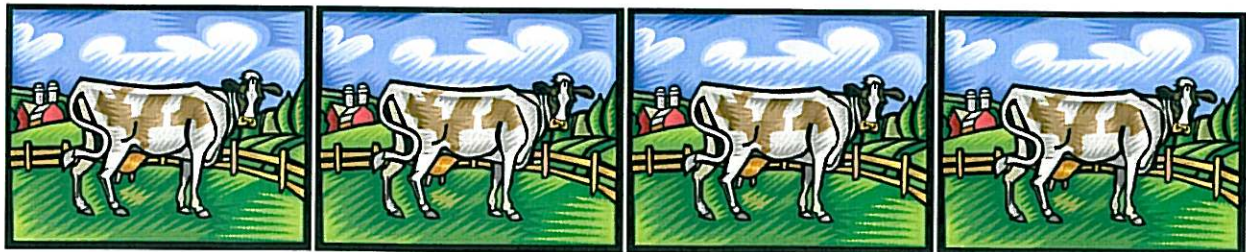


NOTICE OF MEETINGS

Thursday, April 8, 2010

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, April 8, 2010

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. – April 8, 2010

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

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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 March 11, 2010 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2010 *(Page 9)*
2. Watermaster Visa Check Detail for the month of February 2010 *(Page 12)*
3. Combining Schedule for the Period July 1, 2009 through February 28, 2010 *(Page 15)*
4. Treasurer's Report of Financial Affairs for the Period February 1, 2010 through February 28, 2010 *(Page 17)*
5. Budget vs. Actual July 2009 through February 2010 *(Page 19)*

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Jurupa Community Services District has agreed to purchase 1,200 acre-feet of water from Santa Ana River Water Company's annual production right, then any additional from storage. Date of Application: March 5, 2010 *(Page 21)*
2. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District has agreed to lease 2,500 acre-feet of water from the City of Pomona's net underproduction, if any, with the remainder from Pomona's local storage account. The water is to be placed in Cucamonga Valley Water District's Excess Carryover account. Date of Application: February 22, 2010 *(Page 31)*

3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 5,085.000 acre-feet of water from the City of Chino. The transfer will be made first from Chino's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO). Date of Application: March 18, 2010 *(Page 41)*
4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 5,000.000 acre-feet of water from the Cucamonga Valley Water District (CVWD). The transfer will be made from CVWD's storage account. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO). Date of Application: March 18, 2010 *(Page 51)*
5. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,000.000 acre-feet of water from the Santa Ana River Water Company (SARWC). The transfer will be made first from SARWC's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. Date of Application: March 3, 2010 *(Page 61)*
6. **Consider Approval for Notice of Sale or Transfer** – On March 31, 2010, Watermaster received Consolidated Water Transfer Forms 3, 4, and 5 with Praxair, Inc. as the Transferor and the City of Ontario (as an Overlying Non-Agricultural party) as Transferee in the amount of 426.446 acre-feet--a permanent transfer of all but one acre-foot of its share of safe yield. Also to be transferred are all of Praxair's post-June 30, 2007 stored, carry-over and unpumped groundwater. Date of Application: March 31, 2010 *(Page 71)*

II. BUSINESS ITEMS

A. **AGREEMENT TO FORM A TASK FORCE**

Discussion Regarding of Agreement to Form a Task Force to Conduct the Annual Emerging Constituents Characterization Program for the Santa Ana River Watershed (Emerging Constituents Program). No Action is Required for April. Staff Will Provide Further Report and Seek Guidance from the Watermaster Board *(Page 83)*

B. **AMENDMENT NO. 1 TO AGREEMENT TO FORM A TASK FORCE**

Discussion Regarding Approval of Amendment No. 1 to Form a Task Force to Conduct a Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed (Basin Monitoring Program), No Action is Required for April. Staff Will Provide Further Report and Seek Guidance from the Watermaster Board *(Page 101)*

III. REPORTS/UPDATES

A. **WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Paragraph 31 Motion Update
2. Database and Record Management

C. **CEO/STAFF REPORT**

1. Legislative Update
2. Recharge Update
3. Regional Board Complaint
4. San Sevaine 5 Berm Improvements

IV. INFORMATION

1. Newspaper Articles *(Page 109)*

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

VIII. FUTURE MEETINGS

Thursday, April 8, 2010	8:00 a.m.	Non-Agricultural Pool Mtg. @ CBWM/Conference Call
Thursday, April 8, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, April 8, 2010	1:00 p.m.	Appropriative Meeting @ CBWM
Thursday, April 15, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, April 15, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Wednesday, April 21, 2010	9:00 a.m.	* RMP Half Day Workshop @ Rancho Central Park
Thursday, April 22, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, May 6, 2010	1:00 p.m.	Appropriative Meeting @ CBWM
Thursday, May 6, 2010	2:30 p.m.	Non-Agricultural Pool Meeting @ CBWM
Thursday, May 13, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Wednesday May 19, 2010	9:00 a.m.	* RMP Half Day Workshop @ Rancho Central Park
Thursday, May 20, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, May 20, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, May 27, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM

*** Recharge Master Plan (RMP) Workshop from 9:00 a.m. to Noon at Rancho Central Park
11200 Base Line Road, Rancho Cucamonga**

Meeting Adjourn

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool Meeting held on March 11, 2010



Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

March 11, 2010

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on March 11, 2010 at 9:00 a.m.

Agricultural Pool Members Present

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

Watermaster Board Members Present

Paul Hofer	Crops
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Watermaster Staff Present

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

Watermaster Consultants Present

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

Others Present

Steven Lee	Reid & Hellyer
Gil Aldaco	City of Chino
Dave Crosley	City of Chino
Jerry Thibeault	Regional Water Quality Control Board
Marsha Westropp	Orange County Water District
Ryan Shaw	Inland Empire Utilities Agency
Tom Love	Inland Empire Utilities Agency
Chris Berch	Inland Empire Utilities Agency
Ken Jeske	City of Ontario
Scott Burton	City of Ontario

Chair Feenstra called the Agricultural Pool meeting to order at 9:15 a.m.

AGENDA - ADDITIONS/REORDER

Chair Feenstra welcomed Jerry Thibeault from the Regional Water Quality Control Board. There were no other additions or reorders made to the agenda.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Agricultural Pool Meeting held February 11, 2010

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2010
2. Watermaster Visa Check Detail for the month of January 2010
3. Combining Schedule for the Period July 1, 2009 through January 31, 2010
4. Treasurer's Report of Financial Affairs for the Period January 1, 2010 through January 31, 2010
5. Budget vs. Actual July 2009 through January 2010

C. INTERVENTION INTO THE AGRICULTURAL POOL

Intervention of Rafael Treto into the Agricultural Pool

Ms. Novak pulled item 1B for discussion. Ms. Novak offered comment on the discussions that took place over a year ago regarding the Agricultural Pool attorney's fee bills. Ms. Novak stated that as part of the resolution for those bills was that a member of the Agricultural Pool would review the attorney fee bills as part of an approval process of the budget. Those are the attorney's fees bills for Watermaster to pay and Ms. Novak noted it was her understanding this has not happened. Mr. Koopman stated he remembered the Agricultural Pool increased the amount of money in the budget for the attorney category and on the special projects category which ended up being paid by the Appropriators. Mr. Manning stated that, in reviewing the budget numbers recently, the Agricultural Pool is just under 50% of expenditures of the budget that was allocated to the Pool. Mr. Manning confirmed those items are paid by the Appropriative Pool. Mr. Pierson acknowledged this was correct from his recollection also. A discussion regarding this matter ensued.

Mr. Koopman stated he would like a discussion regarding the proposed intervention and inquired about the location of the property/well. Mr. Manning offered the physical address and discussed the process for the County of San Bernardino in their issuing of permits for wells. Mr. Manning stated it is clearly an Agricultural endeavor for this intervention. A discussion regarding the correct pool for this intervention ensued. Mr. Manning noted a meter is being put on the well for monitoring the water usage.

Mr. Huising inquired about a \$71,000.00 check in the cash disbursements detail made out to the Auto Club Speedway. Mr. Manning stated this check was for the disbursement for the sale of the water. When Watermaster purchased the water from the Overlying Non-Agricultural Pool, it was then disbursed amongst the members of the Non-Agricultural Pool, and the Auto Club Speedway is one of the members of the Non-Ag party. Ms. Novak inquired about the financial disbursements and if they would include the checks that haven't been cashed for that transaction. Mr. Manning stated it is not reflected here in the presented financial reports. Ms. Novak inquired if any of the Overlying Non-Agricultural Pool checks have been cashed. Ms. Manning stated only one has been cashed so far to his knowledge. Ms. Novak inquired if by approving the financial items today would that suggest the Agricultural Pool agrees it was appropriate for Watermaster to write the checks as part of the dispute between the Overlying Non-Agricultural Pool and the Appropriative Pool. Mr. Koopman offered comment on the lengthy Peace II process for this particular item and noted it was very well stipulated in the agreement at the time, and stated there seems to be some problems with that presently. Mr. Koopman stated the problems with this situation are not on the part of the Watermaster and Watermaster wrote the checks because of the agreement that was reached in Peace II. Ms. Novak stated she was hoping part of the Agricultural Pool package would contain some of the minutes from the meetings that discussed this matter because the summary that is given here is not the entire description of what each of the Pool's think their dispute is. Ms. Novak commented on a recent set of verbatim minutes done for a recent Pool meeting and how they better outline what the Overlying Non-Agricultural Pool says is their dispute in this matter.

Ms. Novak noted it seems the Non-Ag Pool's dispute is whether appropriate notice was given. Ms. Novak further commented on the checks distributed to the Non-Ag members. Mr. Koopman stated he thinks the process was done in a timely fashion, as far as the Watermaster is concerned, and Chair Feenstra noted this is only what is being reported to us. Mr. Koopman acknowledged that if the checks were not written, then that would have been a violation of the Peace II Agreement. Mr. Manning stated Peace II is a contract with specific provisions that Watermaster must comply with, and one of those provisions is the filing of that notice; Watermaster still contends and will contend that Watermaster has done this properly and has done it effectively. Mr. Manning stated the writing of the checks was one of the other actions that needed to take place as part of that contract. Mr. Manning stated Watermaster feels it has complied with all provisions of the contract. Mr. Manning stated the Overlying Non-Agricultural Pool has not defined what it is that they object to in the process; nothing has been filed with Watermaster or with the court with this regard. Mr. Manning stated if the checks were not written then Watermaster would have been clearly in violation of the contract. Ms. Novak stated maybe the motion today could contain a caveat to show the Agricultural Pool does not show favor to one side or the other by approving the financial items. A discussion regarding this matter, minutes, and a possible motion ensued. Mr. Manning noted past minutes are available on the Watermaster website and/or Watermaster staff can provide them when a party requests them. A discussion ensued regarding the caveat Mr. Manning presented and it was agreed to by the members of the Agricultural Pool.

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

Moved to approve Consent Calendar item A through C and attached a caveat on the financial statements that this present no prejudice in terms of the disagreement between the Non-Agricultural Pool, Appropriative Pool, and the Watermaster on the actual notice that was given, as presented

Added Comment:

Chair Feenstra commented on being the chair of the Agricultural Pool which automatically puts him on the Watermaster Personnel Committee, and noted that the committee is a closed committee and items discussed in those meetings are not to be discussed outside those meetings by the members of that committee. Chair Feenstra recognized, while not disclosing the Personnel Committee discussions, there has been a change of Watermaster staff and noted Sheri Rojo has resigned her position with Watermaster. Chair Feenstra inquired about how the financial aspects are being handled at Watermaster with that staff position being open. Mr. Manning stated for day-to-day operations, Watermaster staff is keeping things moving forward. Mr. Manning stated to assure that the day-to-day activities continue to be handled properly, and to oversee that process, Watermaster has contracted with Cucamonga Valley Water District. Todd Corbin, who is their CFO/Assistant Manager, will perform that task. The scope of work Mr. Corbin will be doing is limited to day-to-day activities and he will have nothing to do with the Assessment Package, dealing with water rights, or any of those sorts of accounting functions. Mr. Manning stated Watermaster is in the process of interviewing candidates for the CFO position and is confident that that position will be filled quickly. A discussion regarding bringing in the Cucamonga Valley Water District's CFO/Assistant General Manager ensued.

II. **BUSINESS ITEM**

A. **AGRICULTURAL POOL AUTHORIZATION TO RELEASE GROUNDWATER LEVEL AND GROUNDWATER QUALITY DATA FROM ABGL TO THE CITY OF ONTARIO AND TO THE CHINO BASIN WATERMASTER**

Mr. Manning stated there have been a series of discussions over the past several years regarding the two different plumes which are going to eventually impact the Chino Desalter Authority (CDA) wells in the southern portion of the basin. Mr. Manning noted one of the plumes is the Chino Airport plume, and the other is the Ontario International Airport (OIA) plume. Mr. Manning stated with regard to the OIA plume, and in speaking with an appointed group, the ABGL, which is their partnership name, amongst four of the Potential Responsible

Parties, they have been required by the Regional Board to do some work with the placement of four wells; Watermaster endorsed the work enthusiastically. Mr. Manning noted a fifth well has been mentioned; however, work on that well has not been started. Mr. Manning stated the data that was collected as part of the Regional Boards' investigation of this plume was done independently of Watermaster and was done at the approval of private agricultural well owners in the portion of the basin where Watermaster has very little data. Watermaster and the City of Ontario would like to have access to that information in order to evaluate the claims being made by ABGL about where that plume of contamination originates. Mr. Manning discussed Watermaster's very clear set of confidentiality procedures that are followed when releasing data for private wells. Mr. Manning stated in the letter that what Watermaster and the City of Ontario are asking the Agricultural Pool to sign and release to ABGL, is consistent with the same terms that Watermaster has used in the releasing of data. Mr. Manning stated Chair Feenstra has a copy of this letter with this regard, and noted this letter has not been released yet. Mr. Manning stated the letter outlines the conditions that this data would be released to both the City of Ontario and to Watermaster. Mr. Manning stated the ABGL would provide Watermaster and the City of Ontario with a map with a dot on it, with a sanitized number of a well; this number could not be matched up with any other number and data would then be associated with that well. Mr. Manning stated for Watermaster's purposes that is all that is needed to further our knowledge for the plume investigations. Mr. Manning acknowledged after speaking with Mr. Jeske, this is all the information the City of Ontario also needs. Mr. Manning stated staff recommendation is based upon the draft letter Chair Feenstra has, and others that outline that exact procedure. Mr. LeClaire offered comment on changing the word sanitized and reviewed a map which would be similar to the one Watermaster and the City of Ontario would be getting from ABGL, and ensured the Agricultural Pool confidentiality agreement would not be disrupted with receiving this information. A discussion regarding the word sanitized and confidentiality ensued. Mr. Lee stated the legal exposure was not related to the Agricultural Pool; however, what it relates to is the individual well owners may have disclosure obligations opposed by law if they sell or lease the property, and those are the type of obligations being discussed here today for private well owners. Chair Feenstra inquired if something somehow got out could a party sue the Agricultural Pool. Mr. Lee stated he did not believe so and noted those private wells owners have already allowed the ABGL to test their wells. A lengthy discussion regarding the need for sanitation and this matter ensued. Mr. Manning referenced the agreement made with the Agricultural Pool regarding the release of information which was done prior to him joining Watermaster. Counsel Fife offered the history regarding the release of data for the Agricultural Pool and private well owners in 2001/2002 after the start of the OBMP. Counsel Fife stated the outcome from those discussions was an expression from the Agricultural Pool that it was generally okay with the release of information; however, it did not want to deal with it in just a blanket way and that every request would come through the Ag Pool and be dealt with individually. Counsel Fife stated ever since that decision every information request has individually come through the Agricultural Pool. Counsel Fife noted this is a different kind of request because Watermaster is not releasing information, it is the one requesting it, and in wanting to stick with the same process as approved it would just be reversed. A discussion regarding the release of information ensued. Mr. deBoom acknowledged the past discussions and added a letter was created to send to each of the individual pumpers. If they object to the information being sent they can opt out of the testing. Mr. Lee noted this all sounds consistent with what has been done on three or more prior requests. Chair Feenstra commented on contaminated wells and the testing of those contaminated wells. Mr. Manning spoke on Chromium 6 regarding Watermaster's legal involvement, and on staff's recommendation to allow ABGL to release their data to Watermaster and the City of Ontario using the same criteria as in the past because of the data being given to the City of Ontario, who has different requirements for public records requests. A lengthy discussion regarding this matter, contamination testing and public records release, confidentiality, and the draft letter handed out during this discussion ensued. Mr. LeClaire stated the potential polluters have all the extensive data that Watermaster has collected plus the data they have collected; Watermaster and the City of Ontario, who are parties that are harmed, only have the data we have collected – we want all the data that we have and they have. Mr. LeClaire acknowledged the ABGL group

wants to provide the data they have collected to us. Mr. Pierson stated he does not have a problem with Watermaster receiving the data, reviewing it, and then, it being decided after discussion with the Agricultural Pool, the release of data to the City of Ontario – in that order. Mr. Thibeault offered comment on the data needed and what good science it takes to get the plumes cleaned up. A lengthy discussion regarding Mr. Thibeault's comments and private well data being released ensued. Mr. Hofer commented on a needed confidential session with only the members of the Agricultural Pool and its counsel.

No action was taken.

Chair Feenstra called for a special confidential session.

The Agricultural Pool special closed session was convened at 10:55 a.m.

Chair Feenstra reconvened the open Agricultural Pool meeting at 10:56 a.m. and noted Danni Maurizio would take Ken Manning's place if the meeting went past 11:15 a.m.

A brief discussion regarding the draft letter ensued.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Peace II SEIR

Counsel Fife stated under the Peace II Agreement that the parties committed to doing a CEQA review of Peace II and to update the original CEQA work for OBMP that was done in 2000. This work has been in process and a Notice of Preparation came out approximately a year ago and had very few comments with that regard. Since then, Tom Dodson has been working on the document and it is almost complete.

B. ENGINEERING REPORT

1. 2010 Basin Plan Amendment

Mr. Manning stated with regard to the 2010 Basin Plan Amendment, staff is currently working through a few issues and noted Mr. Wildermuth gave a report at the Appropriate Pool meeting this month and will give that same report at the Advisory Committee meeting next week.

2. Recharge Master Plan Update

Mr. Manning stated there are going to be two half day workshops scheduled off-site of Watermaster for a thorough review of the Recharge Master Plan; the first one has been scheduled for April 21, 2010, and the second will be in May; however, the date has not been scheduled. All aspects of the plan will be discussed at these meetings and then it will go through the Watermaster process prior to it being filled with the court on July 1, 2010.

C. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated there are many legislative things happening presently, including the budget issue and the water bond elections. Mr. Manning commented on Meg Whitman, a governor candidate, who has publically endorsed the water bond.

2. Recharge Update

Mr. Manning stated the most recent copy of the recharge update is on the back table. Mr. Manning reviewed the spreadsheet in detail.

3. ALCOA Monitoring Wells

Mr. Manning stated this topic was discussed about a year or so ago. The ALCOA offsite wells were installed in 1999/2000 and they are part of the offsite groundwater monitoring network. Those wells were monitoring the issue of migration of salt plumes from ALCOA.

The Regional Board has determined the pollution did not reach the groundwater and has given ALCOA a No Further Action letter. Mr. Manning stated instead of ALCOA destroying the wells, Watermaster has been in discussions with them to try and take over those wells and that appears to be what will take place. Agreements are being worked on presently to transfer those wells over to Watermaster and are being defined as equipment. A discussion regarding these monitoring wells ensued.

4. Turner Basins/Guasti Park Task Force

Mr. Manning stated Watermaster is participating on this task force at the request of the county. This group is made up of Chino Basin Water Conservation District (CBWCD), Inland Empire Utilities Agency, the County of San Bernardino, the City of Ontario, and the City of Rancho Cucamonga to talk about the piece of properties that are adjacent to and across the street from the Turner Basins, at the corner for Fourth and Archibald. There is a desire to expand recharge in that area by Watermaster and the CBWCD. Mr. Manning noted the county would like a design plan done by May which an extremely fast plan. A discussion regarding recharge basins with regard to snow melt ensued.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

Ms. Novak inquired about a discussion that took place at the Appropriative Pool meeting regarding a possible fine by the Regional Water Quality Control Board (RWQCB). Mr. Manning stated as part of the Basin Plan Amendment, Watermaster has applied for relief for part of the Hydraulic Control Monitoring Program that Watermaster administers. Mr. Manning noted approximately \$500,000 a year is spent on Hydraulic Control Monitoring, and in discussions with the RWQCB, Watermaster staff is trying to get that amount of monitoring reduced by approximately \$200,000, which would be a savings for Watermaster. Mr. Manning stated no progress has been made with this regard until other activities take place with the desalters; however, a great deal of work is going into working out these issues. Ms. Novak inquired about an actual dollar fine. Mr. Manning stated he has not been informed that, that activity is going to take place definitively.

Ms. Novak inquired about the disputes presently taking place in the Watermaster family and Watermaster's ability to go forward with the desalter program. Mr. Manning stated it is his opinion that up to this point, he does not think it has had an effect, and slow down in the Chino Desalter Authority is not related to the Non-Agricultural Pool parties. Mr. Manning stated, in the future, this contention between the two parties of Watermaster and with Watermaster has the potentiality of bringing it to a halt.

Ms. Novak stated the dispute going on may not affect the Agricultural Pool; however, to the extent that it may have an effect on bigger things, whether short term or long term, she does think an effort should be made to keep the Agricultural Pool informed as to what is going on. Mr. Manning stated Watermaster staff will do that. Ms. Novak noted there are members of this pool on the Advisory Committee and those parties need to have all the information to allow better decisions. Mr. Pierson acknowledged the Agricultural Pool sometimes does not get the same presentations or information as the Appropriative and Non-Agricultural Pool members do, and noted not all parties get to attend the Advisory Committee meetings. Mr. Pierson stated the same information does need to be presented at all meetings so it can be discussed and keep our representatives that do go to the other meeting aware of the full issues so they can make informative decisions. Mr. Manning stated he fully understands. A presentation can be scheduled for the next Agricultural Pool meeting on the Basin Plan Amendment. Mr. Durrington noted it would be helpful to have the other Pool's minutes available.

Mr. Koopman offered comment on the possibility of a fine regarding the desalters.

Chair Feenstra addressed Mr. Manning and stated this was a good point for him to leave for the airport, and inquired as to where Mr. Manning was going. Mr. Manning stated he was going to a water conference in Seattle. Ms. Maurizio took Mr. Manning's place at the dais.

Ms. Novak inquired about the Overlying Non-Agricultural Pool Paragraph 31 Motion filed with the court. Counsel Fife stated the Non-Agricultural Pool has not filed a Paragraph 31 Motion; however, it has been understood that they do plan to do so. Ms. Novak inquired about a deadline to file that motion. Counsel Fife stated there will be some discussion about the deadline because there is a conflict in the dates; the Overlying Non-Agricultural Pool feels the date is March 21, 2010, and Watermaster counsel is not convinced that is the deadline for their Paragraph 31 Motion. Paragraph 31 says that a motion must be filed 90 days after the relevant board action. The relevant board action that we believe is under dispute is the August 27, 2009, board action to approve the Notice of Intent to Purchase, which would mean the Paragraph 31 Motion is already untimely. Mr. Koopman commented on this action affecting the Peace II Agreement. Counsel Fife stated he does not know the full intent of the Appropriative Pool with regard to their letter, and noted the Peace II order which had conditions subsequent attached to it, which are tasks that Watermaster had to perform. The order was clear that failure to perform any one task would render the court's approval of the entire Peace II package null and void, and that was the court's language, using null and void. A discussion regarding this Peace II matter ensued.

Chair Feenstra stated any document that carries his name produced by Watermaster always be sent to Steve Lee first or in conjunction with him. Chair Feenstra asked for a signed copy of the draft letter that was given to him at the start of the meeting. Counsel Fife stated this letter is only a draft for consideration by the pool today and has not gone out to any person or party.

VI. OTHER BUSINESS

No comment was made regarding this item.

The regular open meeting was convened to hold its confidential session at 11:25 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 Agricultural Pool closed session was convened at 11:50 a.m.

There were no reported actions.

VIII. FUTURE MEETINGS

Thursday, March 11, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, March 18, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, March 18, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, March 18, 2010	2:00 p.m.	MZ1 Technical Committee Meeting @ CBWM
Thursday, March 25, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, March 25, 2010	1:00 p.m.	Recharge Master Plan Workshop @ CBWM
Thursday, April 8, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* Thursday, April 8, 2010	1:00 p.m.	Appropriative Meeting @ CBWM
* Thursday, April 8, 2010	2:30 p.m.	Non-Agricultural Pool Meeting @ CBWM
Thursday, April 15, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, April 15, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Wednesday April 21, 2010	9:00 a.m.	RMP Half Day Workshop @ Rancho Central Park
Thursday, April 22, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM

* Notes a different day than the regularly scheduled 1st Thursday of every month meeting and will return to the normal schedule on May 6, 2010

The Agricultural Pool meeting was dismissed by Chair Feenstra at 11:50 a.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

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4. Treasurer's Report of Financial Affairs for the Period February 1, 2010 through February 28, 2010
5. Budget vs. Actual July 2009 through February 2010





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: April 8, 2010
TO: Committee Members
SUBJECT: Cash Disbursement Report

SUMMARY

Issue – Record of cash disbursements for the month of February 2010.

Recommendation – Staff recommends the Cash Disbursements for February 2010 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2009-2010 Watermaster Budget.

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of February 2010 were \$446,915.62. The most significant expenditures during the month were Wildermuth Environmental, Inc. in the amount of \$193,511.15 and Brownstein Hyatt Farber Schreck in the amount of \$45,705.27.

Actions:

- 4-08-10 Appropriative Pool –
- 4-08-10 Non-Agricultural Pool –
- 4-08-10 Agricultural Pool –
- 4-15-10 Advisory Committee –
- 4-22-10 Watermaster Board –

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
February 2010

Type	Date	Num	Name	Amount
Feb 10				
Bill Pmt -Check	2/3/2010	13903	AMERICAN GROUND WATER TRUST	-1,175.00
Bill Pmt -Check	2/3/2010	13904	APPLIED COMPUTER TECHNOLOGIES	-2,883.50
Bill Pmt -Check	2/3/2010	13905	ARROWHEAD MOUNTAIN SPRING WATER	-11.95
Bill Pmt -Check	2/3/2010	13906	BLACK & VEATCH CORPORATION	-3,367.50
Bill Pmt -Check	2/3/2010	13907	BROWNSTEIN HYATT FARBER SCHRECK	-45,705.27
Bill Pmt -Check	2/3/2010	13908	DEPARTMENT OF HEALTH SERVICES	-170.00
Bill Pmt -Check	2/3/2010	13909	DIRECTV	-83.99
Bill Pmt -Check	2/3/2010	13910	HSBC BUSINESS SOLUTIONS	-344.57
Bill Pmt -Check	2/3/2010	13911	JAMES JOHNSTON	-900.00
Bill Pmt -Check	2/3/2010	13912	KONICA MINOLTA BUSINESS SOLUTIONS	-269.20
Bill Pmt -Check	2/3/2010	13913	MET LIFE SMALL BUSINESS CENTER	-50.00
Bill Pmt -Check	2/3/2010	13914	MWH LABORATORIES	-1,450.00
Bill Pmt -Check	2/3/2010	13915	OFFICE DEPOT	-162.96
Bill Pmt -Check	2/3/2010	13916	PURCHASE POWER	-461.09
Bill Pmt -Check	2/3/2010	13917	R&D PEST SERVICES	-85.00
Bill Pmt -Check	2/3/2010	13918	REID & HELLYER	-7,127.79
Bill Pmt -Check	2/3/2010	13919	RUTH CAZDEN	-800.00
Bill Pmt -Check	2/3/2010	13920	VERIZON	-751.70
Bill Pmt -Check	2/3/2010	13921	VISION SERVICE PLAN	-64.98
Bill Pmt -Check	2/3/2010	13922	W.C. DISCOUNT MOBILE AUTO DETAILI...	-100.00
Bill Pmt -Check	2/3/2010	13923	MWH LABORATORIES	-11,612.00
Bill Pmt -Check	2/3/2010	13924	WILDERMUTH ENVIRONMENTAL INC	-193,511.15
Bill Pmt -Check	2/3/2010	13925	YUKON DISPOSAL SERVICE	-142.88
Bill Pmt -Check	2/3/2010	13926	CITISTREET	-1,838.34
Bill Pmt -Check	2/3/2010	13927	PUBLIC EMPLOYEES' RETIREMENT SYS...	-3,740.95
Bill Pmt -Check	2/3/2010	13928	CITISTREET	-1,838.34
Bill Pmt -Check	2/3/2010	13929	PUBLIC EMPLOYEES' RETIREMENT SYS...	-7,117.08
Bill Pmt -Check	2/3/2010	13930	CITISTREET	-2,038.34
Bill Pmt -Check	2/3/2010	13931	PUBLIC EMPLOYEES' RETIREMENT SYS...	-7,114.66
Bill Pmt -Check	2/3/2010	13932	PUBLIC EMPLOYEES' RETIREMENT SYS...	-7,143.70
Bill Pmt -Check	2/3/2010	13933	PUBLIC EMPLOYEES' RETIREMENT SYS...	-7,136.48
Bill Pmt -Check	2/5/2010	13934	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	2/5/2010	13935	CAMACHO, MICHAEL	-500.00
Bill Pmt -Check	2/5/2010	13936	CHARLES MEISNER INC.	0.00
Bill Pmt -Check	2/5/2010	13937	GUARANTEED JANITORIAL SERVICE, INC.	-865.00
Bill Pmt -Check	2/5/2010	13938	HAUGHEY, TOM	-125.00
Bill Pmt -Check	2/5/2010	13939	KUHN, BOB	-250.00
Bill Pmt -Check	2/5/2010	13940	PACIFIC PARTS AND CONTROLS, INC	-95.91
Bill Pmt -Check	2/5/2010	13941	PAYCHEX	-341.22
Bill Pmt -Check	2/5/2010	13942	PETTY CASH	-387.21
Bill Pmt -Check	2/5/2010	13943	POWERS ELECTRIC PRODUCTS CO.	-500.25
Bill Pmt -Check	2/5/2010	13944	SOLINST CANADA LTD.	-117.50
Bill Pmt -Check	2/5/2010	13945	STATE COMPENSATION INSURANCE FU...	-847.85
Bill Pmt -Check	2/5/2010	13946	UNION 76	-248.72
Bill Pmt -Check	2/5/2010	13947	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	2/5/2010	13948	WHITEHEAD, MICHAEL	-125.00
Bill Pmt -Check	2/5/2010	13949	WILLIS, KENNETH	-375.00
General Journal	2/6/2010	10/01/08		-6,558.11
General Journal	2/6/2010	10/01/08		-24,960.80
Bill Pmt -Check	2/9/2010	13950	PARK PLACE COMPUTER SOLUTIONS, I...	-2,400.00
Bill Pmt -Check	2/10/2010	13951	CHARLES MEISNER INC.	-151.90
Bill Pmt -Check	2/16/2010	13952	BANC OF AMERICA LEASING	-3,215.74
Bill Pmt -Check	2/16/2010	13953	CINDY NAVAROLI	-750.00
Bill Pmt -Check	2/16/2010	13954	COMPUTER NETWORK	-449.91
Bill Pmt -Check	2/16/2010	13955	CUCAMONGA VALLEY WATER DISTRICT	-5,792.00
Bill Pmt -Check	2/16/2010	13956	FIRST AMERICAN REAL ESTATE SOLUTI...	-125.00
Bill Pmt -Check	2/16/2010	13957	g.Neil	-57.99
Bill Pmt -Check	2/16/2010	13958	INLAND EMPIRE UTILITIES AGENCY	-10,000.00
Bill Pmt -Check	2/16/2010	13959	MCI	-1,237.85
Bill Pmt -Check	2/16/2010	13960	MWH LABORATORIES	-351.00
Bill Pmt -Check	2/16/2010	13961	SAFEGUARD DENTAL & VISION	-7.68
Bill Pmt -Check	2/16/2010	13962	SOFTCHOICE	-1,844.57
Bill Pmt -Check	2/16/2010	13963	STAULA, MARY L	-136.61
Bill Pmt -Check	2/16/2010	13964	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	2/16/2010	13965	VERIZON WIRELESS	-525.31
Bill Pmt -Check	2/16/2010	13966	W.C. DISCOUNT MOBILE AUTO DETAILI...	-100.00
Bill Pmt -Check	2/16/2010	13967	WESTERN DENTAL SERVICES, INC.	-28.06
Bill Pmt -Check	2/17/2010	13968	COMPUTER NETWORK	-402.38

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
February 2010

Type	Date	Num	Name	Amount
General Journal	2/20/2010	10/01/10		-7,052.99
General Journal	2/20/2010	10/01/10		-26,372.78
Bill Pmt -Check	2/24/2010	13969	ACWA SERVICES CORPORATION	-230.79
Bill Pmt -Check	2/24/2010	13970	BANK OF AMERICA	-2,528.68
Bill Pmt -Check	2/24/2010	13971	CITISTREET	-1,020.00
Bill Pmt -Check	2/24/2010	13972	COMPUTER NETWORK	-271.88
Bill Pmt -Check	2/24/2010	13973	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	2/24/2010	13974	PREMIERE GLOBAL SERVICES	-832.99
Bill Pmt -Check	2/24/2010	13975	PUBLIC EMPLOYEES' RETIREMENT SYS...	-7,141.30
Bill Pmt -Check	2/24/2010	13976	RAUCH COMMUNICATION CONSULTAN...	-8,600.00
Bill Pmt -Check	2/24/2010	13977	UNITED PARCEL SERVICE	-12.81
Bill Pmt -Check	2/24/2010	13978	ROJO, SHERI M	-1,489.80
Bill Pmt -Check	2/24/2010	13979	ROJO, SHERI M	-13,531.02
Bill Pmt -Check	2/24/2010	13980	ROJO, SHERI M	-4,248.43
Feb 10				<u>-446,915.62</u>

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CHINO BASIN WATERMASTER
Check Detail
February 2010

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Ch...	13970	2/24/2010	BANK OF AMER...	1012 · Bank of America Gen'l Ckg	
Bill	4024...	1/31/2010		6909.1 · OBMP Meetings	-455.17
				6191 · Conferences	-1,127.20
				6312 · Meeting Expenses	-570.35
				6141.3 · Admin Meetings	-185.96
				6043.1 · Ricoh Lease Fee	-190.00
TOTAL					-2,528.68

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CHINO BASIN WATERMASTER
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
FOR THE
PERIOD JULY 1, 2009 THROUGH FEBRUARY 28, 2010

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS		GROUNDWATER REPLENISHMENT	GROUNDWATER OPERATIONS SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2009-2010
			POOL APPROPRIATIVE POOL	AG POOL					
Administrative Revenues:									
Interest Revenue			7,115,654	-	325,016		3	7,440,670	\$7,340,839
Mutual Agency Project Revenue			18,677	1,425	842			20,947	191,540
Grant Income			-	-	-			-	148,410
Miscellaneous Income			188	-	-			-	0
Total Revenues	111,000		7,134,520	1,425	325,858		3	7,572,806	7,680,789
Administrative & Project Expenditures:									
Watermaster Administration	444,190							444,190	580,238
Watermaster Board-Advisory Committee	39,903							39,903	61,901
Pool Administration		16,198	92,469	6,906				115,572	229,860
Optimum Basin Mgmt Administration		920,211						920,211	1,557,820
OBMP Project Costs		2,578,274						2,578,274	4,109,362
Debt Service		567,042						567,042	1,131,233
Education Funds Use								-	375
Mutual Agency Project Costs								-	10,000
Total Administrative/OBMP Expenses	484,093	4,065,526	92,469	6,906				4,665,191	7,680,789
Net Administrative/OBMP Expenses	(373,093)	(4,065,526)						-	-
Allocate Net Admin Expenses To Pools		260,670	98,902	13,520				-	-
Allocate Net OBMP Expenses To Pools		2,444,300	927,406	126,779				-	-
Allocate Debt Service to App Pool		567,042						-	-
Agricultural Expense Transfer*		1,118,777	(1,118,777)					-	-
Total Expenses	4,406,987		147,204	178,654			3	4,665,191	7,680,789
Net Administrative Income	2,727,533		1,425					2,907,614	-
Other Income/(Expense)									
Replenishment Water Assessments					7,073,805			7,073,805	0
Interest Revenue					13,504			13,504	0
Water Purchases								-	0
Balance Adjustment								-	0
Other Water Purchases					(2,166,022)			(2,166,022)	0
Groundwater Replenishment					(1,021,346)			(1,021,346)	0
Net Other Income					3,899,940			3,899,940	0
Net Transfers To/(From) Reserves	6,807,554		2,727,533	1,425	178,654		3	6,807,554	-
Working Capital, July 1, 2009			5,942,967	470,719	256,577		995	10,995,966	
Working Capital, End Of Period			8,670,500	472,144	435,231		998	17,803,520	17,803,520
08/09 Assessable Production			84,716,450	32,142,764	4,393,990			121,253,204	
08/09 Production Percentages			69.867%	26.509%	3.624%			100.000%	

*Fund balance transfer as agreed to in the Peace Agreement.

© Financial Statements 8/9/10 10:02 (Combining February) n3Sheet1

Prepared by Todd M. Carbin, Interim Chief Financial Officer

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
FEBRUARY 1 THROUGH FEBRUARY 28, 2010**

DEPOSITORIES:		
Cash on Hand - Petty Cash	\$	500
Bank of America		
Governmental Checking-Demand Deposits	\$	936,343
Zero Balance Account - Payroll		-
Local Agency Investment Fund - Sacramento		17,394,199
		<u>18,331,042</u>
TOTAL CASH IN BANKS AND ON HAND		2/28/2010
TOTAL CASH IN BANKS AND ON HAND		1/31/2010
		<u>18,728,817</u>
PERIOD INCREASE (DECREASE)		\$ (397,775)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:		
Accounts Receivable	\$	39,700
Assessments Receivable		(90,584)
Prepaid Expenses, Deposits & Other Current Assets		-
(Decrease)/Increase in Liabilities		(18,549)
Accounts Payable		-
Accrued Payroll, Payroll Taxes & Other Current Liabilities		(328,342)
Transfer to/(from) Reserves		<u>39,700</u>
PERIOD INCREASE (DECREASE)		\$ (397,775)

	Petty Cash	Gov't Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
\$	500	1,334,118	-	17,394,199	\$ 18,728,817
Deposits	-	49,141	-	-	49,141
Transfers	-	(64,945)	64,945	-	0
Withdrawals/Checks	-	(381,971)	(64,945)	-	(446,916)
Balances as of 2/28/2010	\$ 500	\$ 936,343	\$ -	\$ 17,394,199	\$ 18,331,042
PERIOD INCREASE OR (DECREASE)	\$ -	\$ (397,775)	\$ -	\$ -	\$ (397,775)

SUMMARY OF FINANCIAL TRANSACTIONS:

Balances as of 1/31/2010	\$ 18,728,817
Deposits	49,141
Transfers	(64,945)
Withdrawals/Checks	(446,916)
Balances as of 2/28/2010	\$ 18,331,042
PERIOD INCREASE OR (DECREASE)	\$ (397,775)

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
FEBRUARY 1 THROUGH FEBRUARY 28, 2010**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
No transactions to report							

TOTAL INVESTMENT TRANSACTIONS \$ - -

* The earnings rate for L.A.I.F. is a daily variable rate; 0.6% was the effective yield rate at the Quarter ended December 31, 2009.

**INVESTMENT STATUS
February 28, 2010**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 17,394,199			
TOTAL INVESTMENTS	\$ 17,394,199			

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,



Todd M. Corbin
Interim Chief Financial Officer
Chino Basin Watermaster

CHINO BASIN WATERMASTER
Profit Loss Budget vs. Actual
July 2009 through February 2010

	YTD Actuals 7/09 - 2/10	FY 2009-10 Budget	\$Amt Over (Under) Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	111,000	148,410	-37,410	75%
4110 · Admin Asmnts-Approp Pool	7,115,654	7,185,411	-69,757	99%
4120 · Admin Asmnts-Non-Agri Pool	325,016	155,427	169,589	209%
4700 · Non Operating Revenues	20,947	191,540	-170,593	11%
4900 · Miscellaneous income	188			
Total Income	7,572,806	7,680,788	-107,982	99%
Gross Profit	7,572,806	7,680,788	-107,982	99%
Expense				
6010 · Salary Costs	337,305	487,838	-150,533	69%
6020 · Office Building Expense	64,425	102,500	-38,075	63%
6030 · Office Supplies & Equip.	21,090	43,500	-22,410	48%
6040 · Postage & Printing Costs	46,539	84,300	-37,761	55%
6050 · Information Services	84,923	148,500	-63,577	57%
6060 · Contract Services	103,949	98,000	5,949	106%
6080 · Insurance	15,934	16,730	-796	95%
6110 · Dues and Subscriptions	17,670	17,000	670	104%
6140 · WM Admin Expenses	2,230	3,000	-770	74%
6150 · Field Supplies	271	2,800	-2,529	10%
6170 · Travel & Transportation	18,206	37,800	-19,594	48%
6190 · Conferences & Seminars	15,611	26,500	-10,889	59%
6200 · Advisory Comm - WM Board	12,842	18,078	-5,236	71%
6300 · Watermaster Board Expenses	27,061	43,823	-16,762	62%
8300 · Appr PI-WM & Pool Admin	16,198	23,069	-6,871	70%
8400 · Agri Pool-WM & Pool Admin	19,162	25,114	-5,952	76%
8467 · Ag Legal & Technical Services	66,557	98,000	-31,443	68%
8470 · Ag Meeting Attend -Special	6,750	12,000	-5,250	56%
8471 · Ag Pool Expense	0	65,000	-65,000	0%
8500 · Non-Ag PI-WM & Pool Admin	6,906	6,677	229	103%
6500 · Education Funds Use Expens	0	375	-375	0%
9500 · Allocated G&A Expenditures	-283,963	-488,230	204,267	58%
	599,665	872,374	-272,709	69%
6900 · Optimum Basin Mgmt Plan	830,815	1,399,371	-568,556	59%
6950 · Mutual Agency Projects	0	10,000	-10,000	0%
9501 · G&A Expenses Allocated-OBMP	89,395	148,448	-59,053	60%
	920,211	1,557,819	-637,608	59%

CHINO BASIN WATERMASTER
Profit Loss Budget vs. Actual
July 2009 through February 2010

	YTD Actuals 7/09 - 2/10	FY 2009-10 Budget	\$Amt Over (Under) Budget	% of Budget
7101 · Production Monitoring	62,960	107,047	-44,087	59%
7102 · In-line Meter Installation	25,413	56,179	-30,766	45%
7103 · Grdwtr Quality Monitoring	137,910	214,362	-76,452	64%
7104 · Gdwtr Level Monitoring	225,094	366,956	-141,862	61%
7105 · Sur Wtr Qual Monitoring	3,679	43,912	-40,233	8%
7107 · Ground Level Monitoring	138,979	550,059	-411,080	25%
7108 · Hydraulic Control Monitoring	307,195	567,022	-259,827	54%
7109 · Recharge & Well Monitoring Prog	3,668	9,152	-5,485	40%
7200 · PE2- Comp Recharge Pgm	1,220,997	1,478,560	-257,563	83%
7300 · PE3&5-Water Supply/Desalte	41,816	96,003	-54,187	44%
7400 · PE4- Mgmt Plan	68,292	91,985	-23,693	74%
7500 · PE6&7-CoopEfforts/SaltMgmt	117,672	163,727	-46,055	72%
7600 · PE8&9-StorageMgmt/Conj Use	30,032	29,550	482	102%
7690 · Recharge Improvement Debt Pymt	567,042	1,131,233	-564,191	50%
7700 · Inactive Well Protection Prgm	0	5,066	-5,066	0%
9502 · G&A Expenses Allocated-Projects	194,568	339,782	-145,214	57%
	3,145,316	5,250,595	-2,105,279	60%
Total Expense	4,665,191	7,680,788	-3,015,597	61%
Net Ordinary Income	2,907,614		2,907,614	100%
Other Income/Expense				
Other Income				
4225 · Interest Income	13,504			
4210 · Approp Pool-Replenishment	4,887,364			
4220 · Non-Ag Pool-Replenishment	9,478			
4600 · Groundwater Sales	2,176,962			
Total Other Income	7,087,308			
Other Expense				
5010 · Groundwater Replenishment	1,021,346			
5100 · Other Water Purchases	2,166,022			
9999 · To/(From) Reserves	6,807,554			
Total Other Expense	9,994,923			
Net Other Income	-2,907,614			
Net Income	0		0	0%



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Jurupa Community Services District has agreed to purchase 1,200 acre-feet of water from Santa Ana River Water Company's annual production right, then any additional from storage.
2. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District has agreed to lease 2,500 acre-feet of water from the City of Pomona's net underproduction, if any, with the remainder from Pomona's local storage account. The water is to be placed in Cucamonga Valley Water District's Excess Carryover account.
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 5,085.000 acre-feet of water from the City of Chino. The transfer will be made first from Chino's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO).
4. **Consider Approval for Notice of Sale or Transfer** – Notice of Sale or Transfer – Chino Basin Watermaster will purchase 5,000.000 acre-feet of water from the Cucamonga Valley Water District (CVWD). The transfer will be made from CVWD's storage account. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO).
5. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,000.000 acre-feet of water from the Santa Ana River Water Company (SARWC). The transfer will be made first from SARWC's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage.
6. **Consider Approval for Notice of Sale or Transfer** – On March 31, 2010, Watermaster received Consolidated Water Transfer Forms 3, 4, and 5 with Praxair, Inc. as the Transferor and the City of Ontario (as an Overlying Non-Agricultural party) as Transferee in the amount of 426.446 acre-feet--a permanent transfer of all but one acre-foot of its share of safe yield. Also to be transferred are all of Praxair's post-June 30, 2007 stored, carry-over and unpumped groundwater.



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 1, 2010

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 25, 2010**

Date of this notice: **April 1, 2010**

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

- Notice of Sale or Transfer – Jurupa Community Services District has agreed to purchase 1,200 acre-feet of water from Santa Ana River Water Company's annual production right, then any additional from storage.

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

Appropriative Pool: April 8, 2010

Non-Agricultural Pool: April 8, 2010

Agricultural Pool: April 8, 2010

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: April 1, 2010

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: April 1, 2010
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 –** Jurupa Community Services District has agreed to purchase 1,200 acre-feet of water from Santa Ana River Water Company's annual production right, then any additional 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 water transaction is attached with the notice of application.

- Jurupa Community Services District has agreed to purchase 1,200 acre-feet of water from Santa Ana River Water Company's annual production right, then any additional from storage.

Notice of the water transaction identified above was mailed on April 1, 2010 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.

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 2009-2010

DATE REQUESTED: 03/25/2010

AMOUNT REQUESTED: 1,200 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR): Santa Ana River Water Company			TRANSFER TO (BUYER / TRANSFEREE): Jurupa Community Services District		
Name of Party 10530 54th St.			Name of Party 11201 Harrel St		
Street Address Mira Loma Ca 91752			Street Address Mira Loma Ca 91752		
City	State	Zip Code	City	State	Zip Code
951-685-6503			951-685-7434		
Telephone 951-685-1978			Telephone 951-685-1153		
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.

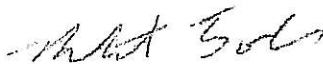
ADDITIONAL INFORMATION ATTACHED

Yes No



 Seller / Transferor Representative Signature
 J Arnold Rodriguez

 Seller / Transferor Representative Name (Printed)



 Buyer / Transferee Representative Signature
 Robert Tock

 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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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 1, 2010

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **February 22, 2010** Date of this notice: **April 1, 2010**

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

- Notice of Sale or Transfer – Cucamonga Valley Water District has agreed to lease 2,500 acre-feet of water from the City of Pomona’s net underproduction, if any, with the remainder from Pomona’s local storage account. The water is to be placed in Cucamonga Valley Water District’s Excess Carryover account.

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

Appropriative Pool:	April 8, 2010
Non-Agricultural Pool:	April 8, 2010
Agricultural Pool:	April 8, 2010

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: April 1, 2010

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: April 1, 2010
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- **Notice of Sale or Transfer** – Cucamonga Valley Water District has agreed to lease 2,500 acre-feet of water from the City of Pomona's net underproduction, if any, with the remainder from Pomona's local storage account. The water is to be placed in Cucamonga Valley Water District's Excess Carryover account.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Cucamonga Valley Water District has agreed to lease 2,500 acre-feet of water from the City of Pomona's net underproduction, if any, with the remainder from Pomona's local storage account. The water is to be placed in Cucamonga Valley Water District's Excess Carryover account.

Notice of the water transaction identified above was mailed on April 1, 2010 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.

**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 2009 - 2010

DATE REQUESTED: February 22, 2010

AMOUNT REQUESTED: 2,500 Acre-Feet

City of Pomona TRANSFER FROM (SELLER / TRANSFEROR): <u>Daryl R. Grigsby, Public Works Director</u> Name of Party <u>505 South Garey Avenue</u> Street Address <u>Pomona CA 91766</u> City State Zip Code <u>(909) 620-2283</u> Telephone <u>(909) 620-2030</u> Facsimile	Cucamonga Valley Water District TRANSFER TO (BUYER / TRANSFEREE): <u>Robert DeLoach, General Manager</u> Name of Party <u>10440 Ashford Street</u> Street Address <u>Rancho Cucamonga CA 91730</u> City State Zip Code <u>(909) 987-2591</u> Telephone <u>(909) 476-8032</u> 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 City of Pomona's net under production, if any, with the remainder from Pomona's local storage account.

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common)
- Storage (rare)
- Other, explain CVWD Excess Carry-Over Account

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:

1,500 - 2,500 gpm In the current and future years as needed.
 Projected Rate of Recapture Projected Duration of Recapture

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

PLACE OF USE OF WATER TO BE RECAPTURED:
Service area within Management Zone 2.

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

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:

Nitrate concentrations range from 19 to 70 ppm.

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

Static water levels from 504' to 533'.

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?

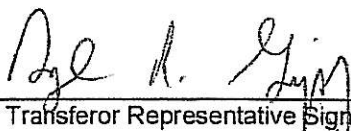
N/A

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

Daryl R. Grigsby, Public Works Director
Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Robert DeLoach, General Manager
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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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 1, 2010

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 18, 2010**

Date of this notice: **April 1, 2010**

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 5,085 acre-feet of water from the City of Chino. The transfer will be made first from Chino's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO).

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

Appropriative Pool: April 8, 2010

Non-Agricultural Pool: April 8, 2010

Agricultural Pool: April 8, 2010

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: April 1, 2010

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

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: April 1, 2010
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 5,085,000 acre-feet of water from the City of Chino. The transfer will be made first from Chino's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO).

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 5,085.000 acre-feet of water from the City of Chino. The transfer will be made first from Chino's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO).

Notice of the water transaction identified above was mailed on April 1, 2010 along with the materials submitted by the requestors.

DISCUSSION

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

Chino Basin Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 11,426.202 AF for Assessment Year 2009-10, in addition to the Cumulative Unmet Replenishment Obligation (CURO) of 9,527.581. Due to the fact that MWD does not have replenishment water available, Watermaster wishes to use the option to purchase water from Parties to partially fulfill the replenishment obligation. Watermaster is taking advantage of Chino's offer to sell 5,085.000 AF of water to Watermaster. The transfer will be made first from Chino's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO).

**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 2010-2011

DATE REQUESTED: March 18, 2010

AMOUNT REQUESTED: 5,085.000 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
<u>City of Chino</u> Name of Party	<u>Chino Basin Watermaster (on behalf of</u> Name of Party <u>Fontana Water Company)</u>
<u>5050 Schaefer Ave</u> Street Address	<u>9641 San Bernardino Rd</u> Street Address
<u>Chino</u> <u>CA</u> <u>91710-5549</u> City State Zip Code	<u>Rancho Cucamonga</u> <u>CA</u> <u>91730</u> City State Zip Code
<u>(909) 591-9823</u> Telephone	<u>(909) 484-3888</u> Telephone
<u>(909) 590-5535</u> Facsimile	<u>(909) 484-3890</u> 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 To partially fulfill FWC's Cumulative Unmet Replenishment Obligation (CURO)

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 FWC's Cumulative Unmet Replenishment Obligation (CURO)

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:

N/A (paper transfer) _____ N/A (paper transfer) _____
 Projected Rate of Recapture Projected Duration of Recapture

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

N/A _____

PLACE OF USE OF WATER TO BE RECAPTURED:

N/A _____

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

N/A _____

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:

N/A _____

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

N/A _____

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?

N/A _____

N/A _____

N/A _____

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
Dave Crosley

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature
Kenneth R Manning

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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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 1, 2010

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 18, 2010**

Date of this notice: **April 1, 2010**

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 5,000 acre-feet of water from the Cucamonga Valley Water District (CVWD). The transfer will be made from CVWD's storage account. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO).

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

Appropriative Pool:	April 8, 2010
Non-Agricultural Pool:	April 8, 2010
Agricultural Pool:	April 8, 2010

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: April 1, 2010

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: April 1, 2010
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 5,000,000 acre-feet of water from the Cucamonga Valley Water District (CVWD). The transfer will be made from CVWD's storage account. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO).

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 5,000.000 acre-feet of water from the Cucamonga Valley Water District (CVWD). The transfer will be made from CVWD's storage account. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO).

Notice of the water transaction identified above was mailed on April 1, 2010 along with the materials submitted by the requestors.

DISCUSSION

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

Chino Basin Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 11,426.202 AF for Assessment Year 2009-10, in addition to the Cumulative Unmet Replenishment Obligation (CURO) of 9,527.581. Due to the fact that MWD does not have replenishment water available, Watermaster wishes to use the option to purchase water from Parties to partially fulfill the replenishment obligation. Watermaster is taking advantage of CVWD's offer to sell 5,005.000 AF of water to Watermaster. The transfer will be made first from CVWD's storage account. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO).

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 10- 20 11

DATE REQUESTED: March 18, 2010

AMOUNT REQUESTED: 5,000.000 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
<u>Cucamonga Valley Water District</u>	<u>Chino Basin Watermaster (on behalf of</u>
Name of Party	Name of Party <u>Fontana Water Company)</u>
<u>P.O. Box 638</u>	<u>9641 San Bernardino Rd</u>
Street Address	Street Address
<u>Rancho Cucamonga</u> <u>CA</u> <u>91729-0638</u>	<u>Rancho Cucamonga</u> <u>CA</u> <u>91730</u>
City State Zip Code	City State Zip Code
<u>(909) 987-2591</u>	<u>(909) 484-3888</u>
Telephone	Telephone
<u>(909) 476-8032</u>	<u>(909) 484-3890</u>
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 To partially fulfill FWC's Cumulative Unmet Replenishment Obligation (CURO)

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 FWC's Cumulative Unmet Replenishment Obligation (CURO)

85/15 will apply on the additional \$20.00/AF

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:

<u>N/A (paper transfer)</u>	<u>N/A (paper transfer)</u>
Projected Rate of Recapture	Projected Duration of Recapture

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED:

N/A

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

N/A

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:

N/A

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

N/A

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?

N/A

N/A

N/A

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.

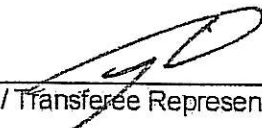
ADDITIONAL INFORMATION ATTACHED

Yes No



 Seller / Transferor Representative Signature
 Robert DeLoach

 Seller / Transferor Representative Name (Printed)



 Buyer / Transferee Representative Signature
 Kenneth R Manning

 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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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 1, 2010

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 3, 2010**

Date of this notice: **April 1, 2010**

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,000 acre-feet of water from the Santa Ana River Water Company (SARWC). The transfer will be made first from SARWC's net under-production in Fiscal Year 2009-10, 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: April 8, 2010

Non-Agricultural Pool: April 8, 2010

Agricultural Pool: April 8, 2010

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: April 1, 2010

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: April 1, 2010
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,000,000 acre-feet of water from the Santa Ana River Water Company (SARWC). The transfer will be made first from SARWC's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 5,085.000 acre-feet of water from the City of Chino. The transfer will be made first from Chino's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO).

Notice of the water transaction identified above was mailed on April 1, 2010 along with the materials submitted by the requestors.

DISCUSSION

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

Chino Basin Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 11,426.202 AF for Assessment Year 2009-10, in addition to the Cumulative Unmet Replenishment Obligation (CURO) of 9,527.581. Due to the fact that MWD does not have replenishment water available, Watermaster wishes to use the option to purchase water from Parties to partially fulfill the replenishment obligation. Watermaster is taking advantage of Chino's offer to sell 5,085.000 AF of water to Watermaster. The transfer will be made first from Chino's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO).

**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 2010-2011

DATE REQUESTED: March 3, 2010

AMOUNT REQUESTED: 1,000,000 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
<u>Santa Ana River Water Company</u>	<u>Chino Basin Watermaster</u>
Name of Party	Name of Party
<u>10530 54th Street</u>	<u>9641 San Bernardino Road</u>
Street Address	Street Address
<u>Mira Loma</u> <u>CA</u> <u>91752-2331</u>	<u>Rancho Cucamonga</u> <u>CA</u> <u>91730</u>
City State Zip Code	City State Zip Code
<u>951-685-6503</u>	<u>909-484-3888</u>
Telephone	Telephone
<u>951-685-1978</u>	<u>909-484-3890</u>
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 To partially fulfill Watermaster's replenishment obligation for Assessment Year 2009-10

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 Replenishment obligation for Assessment Year 2009-10

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

J. Arnold Rodriguez

 Seller / Transferor Representative Name (Printed)



 Buyer / Transferee Representative Signature

Kenneth R. Manning

 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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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 1, 2010

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 31, 2010**

Date of this notice: **April 1, 2010**

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

- Notice of Sale or Transfer – On March 31, 2010, Watermaster received Consolidated Water Transfer Forms 3, 4, and 5 with Praxair, Inc. as the Transferor and the City of Ontario (as an Overlying Non-Agricultural party) as Transferee in the amount of 426.446 acre-feet--a permanent transfer of all but one acre-foot of its share of safe yield. Also to be transferred are all of Praxair's post-June 30, 2007 stored, carry-over and unpumped groundwater.

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

Appropriative Pool: April 8, 2010

Non-Agricultural Pool: April 8, 2010

Agricultural Pool: April 8, 2010

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: April 1, 2010

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: April 1, 2010
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 – On March 31, 2010, Watermaster received Consolidated Water Transfer Forms 3, 4, and 5 with Praxair, Inc. as the Transferor and the City of Ontario (as an Overlying Non-Agricultural party) as Transferee in the amount of 426.446 acre-feet--a permanent transfer of all but one acre-foot of its share of safe yield. Also to be transferred are all of Praxair's post-June 30, 2007 stored, carry-over and unpumped groundwater. This Staff Report provides a summary and analysis of the proposed transfer.

Recommendation –

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

Fiscal Impact –

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

BACKGROUND

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

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

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

- Notice of Sale or Transfer – On March 31, 2010, Watermaster received Consolidated Water Transfer Forms 3, 4, and 5 with Praxair, Inc. as the Transferor and the City of Ontario (as an Overlying Non-Agricultural party) as Transferee in the amount of 426.446 acre-feet--a permanent transfer of all but one acre-foot of its share of safe yield. Also to be transferred are all of Praxair's post-June 30, 2007 stored, carry-over and unpumped groundwater. This Staff Report provides a summary and analysis of the proposed transfer.

Notice of the water transaction identified above was mailed on April 1, 2010 along with the materials submitted by the requestors.

DISCUSSION

Under Exhibit G, paragraph 6, of the Judgment: "Rights herein decreed are appurtenant to that land and are only assignable with the land for overlying use thereon; provided however, . . . (b) the members of the Pool shall have the right to Transfer or lease their quantified production rights within the Pool or to Watermaster in conformance with the procedures described in the Peace Agreement between the Parties therein, dated June 29, 2000 for the term of the Peace Agreement." The Peace Agreement and Peace II Agreement thus modified the strict appurtenancy requirement to allow Transfers of the water rights under certain conditions.

In the 1978 Judgment, Union Carbide Corporation was adjudicated rights of 427.446 acre-feet within the Overlying (Non-Agricultural) Pool. Union Carbide Corporation later changed its name to Praxair, Inc. The City of Ontario Intervened into the Judgment as an Overlying Non-Agricultural party in Fiscal Year 2008-09.

Praxair and the City of Ontario (as Non-Ag) have submitted Consolidated Water Transfer Forms 3, 4, and 5. The Application indicates that the amount of water rights to be permanently transferred is 426.446 acre-feet, leaving Praxair with one (1.000) acre-feet of safe yield. Also included are all of Praxair's post-June 30, 2007 stored, carry-over and unpumped groundwater. The City of Ontario will utilize the groundwater extracted solely for uses authorized in the Judgment including providing water service to properties in Ontario.

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.



Praxair, Inc.
2430 Camino Ramon, Suite 310
PO Box 5117
San Ramon, CA 94583
925-866-6842

March 31, 2010

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

RE: Proposed Permanent Transfer of Safe Yield and Water in Storage

Dear Mr. Manning:

This is to notify the Watermaster that Praxair, Inc. ("Transferor") of the Non-Agricultural Pool is hereby requesting approval of the permanent transfer to the City of Ontario ("Transferee") of the Non-Agricultural Pool, approximately 427.446 AF of carry-over water and approximately 233.911 AF of stored water. This is estimated to be all of its post June 30, 2007 stored, carry-over and unpumped groundwater that the Watermaster records currently show are Praxair's balances. In addition, Praxair requests approval of the permanent transfer to the City of Ontario (Non-Ag) 426.446 AFY of its operating safe yield annual non-agricultural overlying groundwater production rights 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). Please note that Praxair is retaining 1 AFY of operating safe yield non-agricultural overlying groundwater production right.

Please note that this transfer is contingent on Praxair and the City of Ontario (Non-Ag) executing a sale agreement. We would like to have the Watermaster review completed while we finalize this agreement. We will notify you when this is completed or if there are significant changes in status.

Executed original Watermaster forms and all supporting documentation are also being provided. Please put the proposed transfer on the agendas for the next Watermaster meetings.

Sincerely,

Curtis Stubbings
Praxair, Inc.

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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 2009-2010

DATE REQUESTED: February 26, 2010

PERMANENT transfer of 426.446 AF of OSY
 AMOUNT REQUESTED: _____ Acre-Feet
 & approx. 427.446 AF of carryover water and
 233.911 AF of stored water. Permanent transfer
 includes 09-10 rights.

<p>TRANSFER FROM (SELLER / TRANSFEROR):</p> <p><u>Praxair Inc.</u> Name of Party</p> <p><u>5705 East Airport Drive</u> Street Address</p> <p><u>Ontario</u> <u>CA</u> <u>91761</u> City State Zip Code</p> <p><u>925-866-6842</u> Telephone</p> <p><u>925-866-6899</u> Facsimile</p>	<p>TRANSFER TO (BUYER / TRANSFEREE):</p> <p><u>Ontario City Non-Ag</u> Name of Party</p> <p><u>1425 South Bon View</u> Street Address</p> <p><u>Ontario</u> <u>CA</u> <u>91761</u> City State Zip Code</p> <p><u>909-395-2681</u> Telephone</p> <p><u>909-395-2601</u> Facsimile</p>
--	--

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) 426.446 AFY
- Storage (approx. 427.446 AF of carryover water and approx. 233.911 AF of stored water.)
- Annual Production Right / Operating Safe Yield first, then any additional from Storage
- Other, explain PERMANENT transfer of 426.446 AF of OSY & approx. 427.446 AF of carryover water and approx. 233.911 AF of stored water.)

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common) - 426.446 AFY
- Storage (rare) - estimated 233.911 AF plus 08-09 carry over 427.446 AF
- Other, explain PERMANENT transfer of 426.446 AF of OSY & approx. 427.446 AF of carryover water and approx. 233.911 AF of stored water.

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:

<u>Varies</u>	<u>Indefinite (permanent transfer)</u>
Projected Rate of Recapture	Projected Duration of Recapture

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

Pumping

PLACE OF USE OF WATER TO BE RECAPTURED:

Management Zones 2 and 3

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

N/A

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:

N/A

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

Static level varies from 272 feet to 524 feet.

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?

N/A

N/A


N/A

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.
- (5) Execution of sale agreement between Praxair and City of Ontario (Non-Ag).

ADDITIONAL INFORMATION ATTACHED

Yes No



 Seller / Transferor Representative Signature



 Buyer / Transferee Representative Signature

Curtis Stubbins

 Seller / Transferor Representative Name (Printed)

Ken Jeske

 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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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

A. AGREEMENT TO FORM A TASK FORCE

Consider Approval of Agreement to Form a Task Force to Conduct the Annual Emerging Constituents Characterization Program for the Santa Ana River Watershed (Emerging Constituents Program)





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: April 8, 2010
TO: Committee Members
SUBJECT: Agreement to Form a Task Force to Conduct the Annual Emerging Constituents Characterization Program for the Santa Ana River Watershed (Emerging Constituents Program)

SUMMARY

Recommendation – No Action is Required for April. Staff Will Provide Further Report and Seek Guidance from the Watermaster Board

Financial Impact - Annual budget is prepared by the Task Force and its pro-rata share of such costs and fees are shared among the TASK FORCE AGENCIES. The budget proposed for the fiscal year 2010/11 is \$87,500 and the Watermaster's share is \$2,500.

BACKGROUND

A workgroup of water resource agencies in the Santa Ana Watershed was formed in April 2008 to work cooperatively with the Santa Ana Regional Board in investigating emerging constituents "unregulated chemicals" and determine which emerging constituents may be important to assure water quality protection in the Santa Ana River Watershed. The formation of this workgroup was prompted by a cooperative agreement signed in January 2008 among imported water recharging agencies and the Regional Board, to assure water quality protection resulting from imported water recharge in the Santa Ana Watershed. An evaluation of emerging constituents was proposed under a two-phase work approach. Under the first phase, the workgroup met regularly to define the purpose of an emerging constituents investigation program, to review the lessons learned from past and present emerging constituents monitoring programs, to survey the technical capability of well-qualified commercial laboratories to analyze for emerging constituents, and to identify the potential regulatory issues that may arise as a result of collecting and publishing emerging constituent data. A Phase I report was completed and forwarded to the Regional Board in December 2008. Thereafter, under Phase II, the workgroup met monthly to develop a long-term characterization program for emerging constituents and to define requirements for the submittal of an annual report based on sampling conducted for specific emerging

constituents in the Santa Ana region. The Phase II report was completed and submitted to the Regional Board for approval in December 2009.

As defined in the Phase II report, the workgroup designated the Santa Ana Watershed Project Authority (SAWPA) as the lead agency to prepare an annual emerging constituents report for submittal to the Regional Board based on sampling and laboratory analysis data submitted by the TASK FORCE AGENCIES and other cooperating agencies to SAWPA.

The purpose of this Task Force Agreement is to form a task force to oversee and conduct the necessary annual report for the Emerging Constituents Characterization program as defined in the SAWPA Phase II Emerging Constituents Work plan approved by the Regional Board on December 10, 2009. The Task Force is proposed to consist of the TASK FORCE AGENCIES to direct the study and fund it on an equitable basis to be determined by the Task Force.

Actions:

- April 8, 2010 Appropriative Pool –
- April 8, 2010 Non-Agricultural Pool –
- April 8, 2010 Agricultural Pool –
- April 15, 2010 Advisory Committee –
- April 22, 2010 Watermaster Board –

**AGREEMENT TO FORM A TASK FORCE
TO CONDUCT THE ANNUAL EMERGING CONSTITUENTS CHARACTERIZATION
PROGRAM FOR THE SANTA ANA RIVER WATERSHED
(EMERGING CONSTITUENTS PROGRAM)**

THIS AGREEMENT is made and entered into this ___th day of _____, 2010 by and among the following entities, which hereinafter are sometimes referred to collectively as "TASK FORCE AGENCIES" or individually as TASK FORCE AGENCY" ("AGREEMENT"). This AGREEMENT is also by and between the Santa Ana Watershed Project Authority ("SAWPA") and the TASK FORCE AGENCIES as to SAWPA's role as Task Force Administrator. The following public agencies are the "TASK FORCE AGENCIES":

- Eastern Municipal Water District
- Inland Empire Utilities Agency
- Orange County Water District
- San Bernardino Valley Muni Water District
- Western Municipal Water District
- Elsinore Valley Municipal Water District
- Irvine Ranch Water District
- Jurupa Community Services District
- Lee Lake Water District
- Metropolitan Water District of Southern California
- San Geronio Pass Water Agency
- Yucaipa Valley Water District
- City of Beaumont
- City of Corona
- City of Redlands
- City of Rialto
- City of Riverside
- Chino Basin Watermaster
- Colton/San Bernardino Regional Tertiary Treatment and Wastewater Reclamation Authority
- Western Riverside County Regional Wastewater Authority

I. RECITALS

A. Background. In April 2008, a workgroup of water resource agencies in the Santa Ana Watershed was convened by the Santa Ana Watershed Project Authority to work cooperatively with the Santa Ana Regional Board in investigating emerging constituents "unregulated chemicals" and determine which emerging constituents may be important to assure water quality protection in the Santa Ana River Watershed. The formation of this workgroup was prompted by a cooperative agreement signed in January 2008 among imported water recharging agencies and the Regional Board, to assure water quality protection resulting from imported water recharge in the Santa Ana Watershed. An evaluation of emerging constituents was proposed under a two-phase work approach. Under the first phase, the workgroup met regularly to define the purpose of an emerging constituents investigation program, to review the lessons learned from past and present emerging constituents monitoring programs, to survey the technical capability of well-qualified commercial laboratories to analyze for emerging constituents, and to identify the potential regulatory issues that may arise as a result of collecting and publishing emerging constituent data. A Phase I report was completed and forwarded to the Regional Board in December 2008. Thereafter, under Phase II, the workgroup met monthly to develop a long-term characterization program for emerging constituents and to define requirements for the submittal of an annual report based on sampling conducted for specific emerging constituents in the Santa Ana region. The Phase II report was completed and submitted to the Regional Board for approval in December 2009.

As defined in the Phase II report, the workgroup designated the Santa Ana Watershed Project Authority (SAWPA) as the lead agency to prepare an annual emerging constituents report for submittal to the Regional Board based on sampling and laboratory analysis data submitted by the TASK FORCE AGENCIES and other cooperating agencies to SAWPA.

B. The Purpose of the Task Force Agreement. The purpose of this Task Force Agreement is to form a task force to oversee and conduct the necessary annual report for the Emerging Constituents Characterization program as defined in the SAWPA Phase II Emerging Constituents Workplan approved by the Regional Board on Dec. 10, 2009. The Task Force is proposed to consist of the TASK FORCE AGENCIES to direct the study and fund it on an equitable basis to be determined by the Task Force.

II. COVENANTS

NOW, THEREFORE; in consideration of the foregoing recitals and mutual covenants contained herein, the TASK FORCE AGENCIES agree as follows:

1. Creation of a Task Force.

There is hereby created a "Task Force to Conduct an Emerging Constituents Characterization Program for the Santa Ana River Watershed" initially consisting of the TASK FORCE AGENCIES and other entities as more specifically provided for in paragraph 3 below.

2. Purpose of the Task Force.

The purpose of the Task Force is to provide oversight and supervision of the work that is described herein.

3. Membership and Organization.

a. Regular Members. Concurrent with the execution of this AGREEMENT, each of the TASK FORCE AGENCIES shall appoint one regular representative to the Task Force and one alternate representative to act in the absence of the regular representative. The representatives must be vested with the authority to act on behalf of the appointing TASK FORCE AGENCY, but only as provided for in this AGREEMENT. No actions by the TASK FORCE AGENCIES shall bind the TASK FORCE AGENCIES, except as explicitly provided for in this AGREEMENT. The identity of the appointed representatives shall be promptly communicated in writing to SAWPA. The representatives shall serve at the pleasure of the appointing TASK FORCE AGENCY and may be removed at any time, with or without cause; provided, however, that the TASK FORCE AGENCIES acknowledge and agree that the continuity of representation on the Task Force is important to the overall effectiveness of the Task Force, and the TASK FORCE AGENCIES further agree to ensure such continuity whenever possible.

b. Additional Agencies. The TASK FORCE AGENCIES acknowledge and agree that the effectiveness of the Task Force may be improved by the inclusion of other public agencies as additional TASK FORCE AGENCIES to the Task Force. Such public agencies may join the Task Force on such written terms and conditions as are acceptable to all TASK FORCE AGENCIES, including, but not limited to, agreed-upon cash contributions for past, present, and/or future work, of the Task Force. The inclusion of such public agencies as additional TASK FORCE AGENCIES to the Task Force shall be effected by a written amendment to this AGREEMENT signed by all TASK FORCE AGENCIES. Such additional TASK FORCE AGENCIES shall appoint their Task Force representatives and alternates as provided in Section 3.a. above or in said written amendment.

c. Advisory Members. The Task Force may, from time to time, seek the advice and counsel of regulatory or special interest agencies, which agencies may serve as Advisory Members to the Task Force. Such Advisory Members shall have no obligation to provide funding and have no voting privileges. The California Regional Water Quality Control Board, Santa Ana Region, is hereby appointed as an Advisory Member of the Task Force. Additional Advisory Members may be appointed by a majority vote of the Task Force representatives.

d. Committees. The Task Force may establish committees, consisting of members who shall be selected by, and serve at the pleasure of the Task Force.

e. Task Force Administrator. SAWPA, acting through its Planning Department staff, is hereby appointed as the Task Force Administrator for purposes of this Task Force Agreement. SAWPA shall have the following administrative responsibilities and shall be reimbursed for time expended on behalf of the Task Force at SAWPA's current rate for salary, overhead, burden (2009-10 rates shown in Exhibit "A"), and cost of materials, and including costs for:

- (1) Organizing and facilitating Task Force meetings;
- (2) Secretarial, clerical, and administrative services;
- (3) Management of Task Force funds and provide annual reports of Task Force assets and expenditures;
- (4) Hire Task Force-authorized consultants as permitted by the Task Force budget.

SAWPA, as the Task Force Administrator, will act as the contracting party for the benefit of the Task Force, for contracts with all Task Force consultants or contractors. SAWPA will not contract, direct, instruct, or guide such consultants or contractors on behalf of the Task Force, or use funds provided by the Task Force without approval of, or guidance from, a majority of the Task Force representatives in accordance with Sections 3.f(2), 5 and 6 of this AGREEMENT. SAWPA will provide project management for work performed by such consultants or contractors.

f. Meetings of the Task Force.

(1) Frequency and Location. The Task Force meetings shall be held at the office of SAWPA and will be scheduled based on the consensus of the majority of the Task Force at mutually agreeable times and dates. Special meetings may be called at the request of the Task Force Administrator or by a majority of the Task Force representatives. All meetings of the Task Force or its committees shall be noticed and conducted in compliance with the Ralph M. Brown Act at Government Code, Section 54950 et seq.

(2) Quorum. A majority of the representatives of the Task Force shall constitute a quorum. Actions of the Task Force shall be passed and adopted upon the affirmative vote of a majority of the Task Force. Each TASK FORCE AGENCY shall have one vote. The Task Force may adopt such additional rules and regulations as may be required for the conduct of its affairs so long as such rules and regulations do not conflict with this AGREEMENT and applicable law.

(3) Meeting Notes. SAWPA shall keep, or cause to be kept, meeting notes of the Task Force meetings including handout materials used. Copies of the meetings and handouts shall be delivered to the Task Force representatives, each TASK FORCE AGENCY, and the Advisory Members.

4. Duties of the Task Force.

a. Emerging Constituents Sampling. An emerging constituent sampling effort will be conducted by the TASK FORCE and cooperating agencies at locations and frequency under the approved sampling and analysis plan and submit copies of all sampling documents (field notes and chain of custody forms) and laboratory reports to SAWPA.

b. Data Management and Reporting. SAWPA will input the data to the Santa Ana Watershed Database Management System (SAWDMS) database and prepare an annual report summarizing results of the emerging constituents characterization program. A draft copy of the emerging constituents report will be distributed for review and comment. SAWPA will convene a TASK FORCE meeting shortly thereafter to discuss suggested revisions to the draft document. The final report will be submitted to the Regional Board, on behalf of the stakeholders, by December 31st of each year. The annual report will include a detailed description of the chemical analytes, sampling locations, sampling dates and protocols, analytical methods, QA/QC procedures and relevant results. Where appropriate, the report also shall include any recommended changes to future emerging constituent sampling efforts (including revised analytes or sampling locations). The report also will describe the toxicological relevance of the measured emerging constituent concentrations.

c. Communications. To facilitate public understanding of the new information, an Emerging Constituents Communication plan will be developed describing challenges and concerns, strategies and tactics, immediate and future tasks, messaging and talking points.

d. Termination of Projects or Studies. The TASK FORCE AGENCIES hereby agree that the Task Force shall have the discretion to terminate its projects or studies in the event a consensus of the TASK FORCE AGENCIES cannot be maintained during the course of the Task Force projects or studies. In the event a project or study is terminated, any funds previously budgeted for the project or study shall be returned to the TASK FORCE AGENCIES who furnished such funds, except as otherwise provided in Section 7 herein.

5. Budgets.

On or before February 1st of each year, SAWPA will prepare and submit a draft Task Force budget for the next fiscal year to the Task Force and TASK FORCE AGENCIES. The proposed budget shall include all anticipated costs and fees for the scope(s) of work developed by the Task Force for the next fiscal year. Costs shall include costs and fees for any consultants or contractors to be hired by SAWPA to complete the anticipated scopes of work, any equipment or materials to be purchased, and any other direct costs. SAWPA shall include as a separate item in such proposed budgets costs of SAWPA administrative services. The proposed budget shall include a detailed description of all work to be accomplished with the budget. The budgets shall also set forth the funds to be deposited with SAWPA consistent with the budgeted costs and fees for that fiscal year. Each TASK FORCE AGENCY shall approve in advance on or before March 1st of each year, its pro-rata share of the Task Force proposed budget for the next fiscal year. The TASK FORCE AGENCY shall be asked to pay its pro-rata share at the commencement of the next fiscal year. The pro-rata share of such costs and fees for each TASK FORCE AGENCY will be as described in EXHIBIT "B", attached hereto and made a part of this AGREEMENT. Said EXHIBIT "B" shall be renewed each fiscal year to reflect the final budget and the participating TASK FORCE AGENCIES of that fiscal year, and any other factor that may affect the pro-rata share of such costs and fees for each TASK FORCE AGENCY for that fiscal year. EXHIBIT "B" includes by its attachment the funding sources for Fiscal Year (July 1st to June 30th) 2010-2011, and a budget for that fiscal year shall be adopted by the Task Force and TASK FORCE AGENCIES after this AGREEMENT has been fully executed. In the event that any TASK FORCE AGENCY withdraws from the Task Force, the budget then in effect shall be adjusted in order to provide for any funding shortfall caused by such withdrawal.

6. Contracting.

Upon Task Force approval, SAWPA shall hire consultants and contractors, as necessary, to complete the scope of work that has been funded by TASK FORCE AGENCIES each fiscal year. SAWPA shall not obligate funds that have not been delivered to SAWPA by the TASK FORCE AGENCIES.

7. Duration of Agreement.

This AGREEMENT shall not terminate except by mutual agreement of a majority of the TASK FORCE AGENCIES provided that all debts and liabilities of the Task Force are satisfied. Notwithstanding the foregoing, each TASK FORCE AGENCY reserves the right to terminate its participation at any time, upon sixty (60) days' written notice to the Task Force. Task Force projects and studies already undertaken on behalf of TASK FORCE AGENCIES at the time of withdrawal by a TASK FORCE AGENCY shall be fully funded by the TASK FORCE AGENCIES, including the withdrawing TASK FORCE AGENCY, at the time projects or studies are approved by the Task Force for implementation. A withdrawing TASK FORCE AGENCY shall not be entitled to any refund for programs or studies already underway. Any refund of surplus funds due to the withdrawing TASK FORCE AGENCY shall be paid sixty (60) days after the completion of tasks, projects and studies undertaken or in progress.

8. Ownership of Documents.

All work or deliverables produced, including originals prepared by anyone in connection with, or pertaining to, the work of the Task Force, shall become the property of the TASK FORCE AGENCIES, individually and collectively. Provided, however, that any withdrawn TASK FORCE AGENCY shall only be entitled to such work or deliverables if the withdrawn TASK FORCE AGENCY has fully contributed funds for such work or deliverables.

9. Assignment.

No right, duty or obligation of whatever kind or nature created herein shall be assigned without the prior written consent of all TASK FORCE AGENCIES.

10. Effective Date.

This Task Force Agreement shall become effective when it has been executed by a majority of the TASK FORCE AGENCIES pursuant to necessary authorization by each TASK FORCE AGENCY.

11. Counterparts.

This AGREEMENT may be executed in original counterparts, which together shall constitute a single agreement.

12. Independent Contractor Status.

This AGREEMENT is not intended and shall not be construed so as to create the relationship of agent, servant, employee, partnership, joint venture or association, as between the TASK FORCE AGENCIES.

13. Waiver of Rights.

The failure by the TASK FORCE AGENCIES or SAWPA to insist upon strict performance of any of the terms, covenants or conditions of this AGREEMENT shall not be deemed a waiver of any right or remedy that TASK FORCE AGENCIES and SAWPA may have, and shall not be deemed a waiver of the right to require strict performance of all the terms, covenants and conditions of this AGREEMENT thereafter, nor a waiver of any remedy for the subsequent breach or default of any term, covenant or condition of this AGREEMENT.

14. Severability.

If any part of this AGREEMENT is held, determined or adjudicated to be illegal, void, or unenforceable by a court of competent jurisdiction, the remainder of this AGREEMENT shall be given effect to the fullest extent reasonably possible.

15. Amendment.

It is mutually understood and agreed that no addition to, alteration of, or variation of the terms of this AGREEMENT, nor any oral understanding or agreement not incorporated herein, shall be valid unless made in writing and signed and approved by all TASK FORCE AGENCIES and SAWPA.

16. Entire Agreement.

This document sets forth the entire Agreement between and among the TASK FORCE AGENCIES and SAWPA.

17. Availability of Funds.

The obligation of each TASK FORCE AGENCY is subject to the availability of funds appropriated by each TASK FORCE AGENCY for the purposes herein. Any obligation for the future payment of money beyond the current fiscal year is conditioned upon the governing body of each TASK FORCE AGENCY providing adequate appropriations in the adopted budgets for those subsequent fiscal years. This condition applies to, but is not be limited to, the obligations of the TASK FORCE AGENCIES under Section 3.e (Task Force Administrator), and Section 5 (Budgets) of this AGREEMENT. Based on the financial constraints imposed by this Section 17, the TASK FORCE AGENCIES understand that SAWPA is under no duty to perform any services under this AGREEMENT until and unless the each TASK FORCE AGENCY has approved the fiscal year budget under Section 5, and has appropriated and deposited with SAWPA the necessary monies to fund the approved budget. In the event that one or more of the TASK FORCE AGENCIES fails to deposit its full share of the approved budget with SAWPA, the remaining TASK FORCE AGENCIES may, but shall not be required to, contribute additional funds in order to pay for the services contemplated by the budget. The TASK FORCE AGENCIES acknowledge that any failure by one or more of the TASK FORCE AGENCIES to appropriate and deposit monies with SAWPA to fund the budget will necessarily delay the

performance of the services by SAWPA contemplated by this AGREEMENT, and SAWPA shall not be held responsible or liable for any such delay or costs incurred from such a delay.

18. Indemnity and Insurance.

a. SAWPA shall require all consultants or contractors performing work or services for the Task Force to defend, indemnify and hold harmless SAWPA and each of the TASK FORCE AGENCIES from any and all claims, damages, lawsuits, fines, penalties, including attorneys' fees and costs, arising from or related to the works or services provided by such consultants or contractors. Such contractors or consultants also shall maintain the following insurances and keep certificates of such insurances on file with SAWPA, on behalf of the Task Force:

(1) **Workers Compensation Insurance.** A program of Workers Compensation insurance or a state approved self-insurance program shall be in an amount and form to meet all applicable requirements of the Labor Code of California, covering all persons and entities providing services on behalf of the consultant or contractor and all risks of such persons or entities under this AGREEMENT.

(2) **Comprehensive General and Automobile Liability Insurance.** Comprehensive personal injury and property damage liability coverage shall include contractual coverage and automobile liability, if applicable, and including coverage for owned, hired and non-owned vehicles. The policy shall have a combined single limit for bodily injury and property damage of at least \$1,000,000.00. SAWPA and each TASK FORCE AGENCY shall be named as additional insureds on the policy providing such coverage, and any right of subrogation shall be waived.

(3) **Professional Liability Insurance.** Professional liability insurance shall include limits of at least \$1,000,000.00 per claim or occurrence, unless such coverage is waived by the Task Force representatives.

b. Nothing in this AGREEMENT is intended to create, nor shall anything herein be construed as creating, any rights in, benefits for or obligations to, any person or entity other than SAWPA and the TASK FORCE AGENCIES.

c. Each Party to this AGREEMENT shall, pursuant to Government Code sections 895 *et seq.* and other applicable law, indemnify and hold harmless the other parties to this AGREEMENT, and their respective directors, officers, employees and agents from and against all damages, liabilities, claims, actions, demands, costs and expenses (including, but not limited to, costs of investigations, lawsuits and any other proceedings whether in law or in equity, settlement costs, attorneys' fees and costs), and penalties or violations of any kind, which arise out of, result from, or are related to the activities undertaken pursuant to this AGREEMENT. Such rights shall include but are not limited to the right of contribution pursuant to Government Code sections 895.4 and 895.6.

d. The provisions of paragraph 18 shall survive the termination of this AGREEMENT.

19. Nondiscrimination.

SAWPA shall ensure that during the term of this AGREEMENT it and any consultant retained by it shall not discriminate on the grounds of race, religion, creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any other condition related thereto, marital status, sex, or sexual orientation, in the selection and retention of employees and subcontractors and the procurement of materials and equipment, except as provided in Section 12940 of the California Government Code, in the performance of this AGREEMENT and also shall comply with the applicable provisions of the Americans with Disabilities Act.

20. Warranty of Authority.

Each of the individuals executing this AGREEMENT represent and warrant that she or he has the legal power, right, and actual authority to bind their respective TASK FORCE AGENCIES to the terms and conditions of this AGREEMENT. Each individual executing this AGEEMENT further represents and warrants that the AGREEMENT has been approved by his or her respective TASK FORCE AGENCY'S governing board or appropriate authorizing entity.

21. Dispute Resolution.

Any dispute which may arise by and between the parties to this AGREEMENT shall first be submitted to non-binding mediation, conducted by a neutral, impartial mediation service that the parties mutually agree upon in writing.

IN WITNESS WHEREOF, SAWPA and the TASK FORCE AGENCIES have executed this AGREEMENT on the date set forth below.

EASTERN MUNICIPAL WATER DISTRICT

DATE _____ BY _____
President

DATE _____ BY _____
Secretary

INLAND EMPIRE UTILITIES AGENCY

DATE _____ BY _____
President

DATE _____ BY _____
Secretary

ORANGE COUNTY WATER DISTRICT

DATE _____ BY _____
President

DATE _____ BY _____
Secretary

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

WESTERN MUNICIPAL WATER DISTRICT

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

IRVINE RANCH WATER DISTRICT

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

JURUPA COMMUNITY SERVICES DISTRICT

DATE _____

BY _____
President, Board of Directors

LEE LAKE WATER DISTRICT

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

SAN GORGONIO PASS WATER AGENCY

DATE _____

BY _____
Chair

DATE _____

BY _____
Secretary-Treasurer

YUCAIPA VALLEY WATER DISTRICT

DATE _____

BY _____
President, Board of Directors

CITY OF BEAUMONT

DATE _____

BY _____
Mayor

DATE _____

BY _____
City Clerk

CITY OF CORONA

DATE _____

BY _____
Mayor

DATE _____

BY _____
City Clerk

CITY OF REDLANDS

DATE _____

BY _____
Mayor

DATE _____

BY _____
City Clerk

CITY OF RIALTO

DATE _____

BY _____
Mayor

DATE _____

BY _____
City Clerk

CITY OF RIVERSIDE

DATE _____

BY _____
Mayor

DATE _____

BY _____
City Clerk

CHINO BASIN WATERMASTER

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

**COLTON/SAN BERNARDINO REGIONAL TERTIARY TREATMENT
AND WASTEWATER RECLAMATION AUTHORITY**

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

**WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER
AUTHORITY**

DATE _____

BY _____
Chair

DATE _____

BY _____
Secretary-Treasurer

SANTA ANA WATERSHED PROJECT AUTHORITY

DATE _____

BY _____
Chair

DATE _____

BY _____
Secretary-Treasurer

EXHIBIT A

Overhead and burden are included in all rates. Labor for SAWPA staff shall be billed at the rates in Table 1 below for FY 09-10. Rates will be adjusted annually based on SAWPA's annual budget. Materials purchased to provide administrative services that are not shown in Table 1 below shall be billed at direct cost with no additional fees or mark-ups.

Table 1 SAWPA Rate Sheet	
Item	Rate
Water Resources & Planning Manager	\$ 194.86/hour
Watershed Planner	\$ 147.06/hour
Sr. Administrative Assistant	\$ 92.08/hour
Administrative Assistant II	\$ 82.96/hour
Administrative Assistant I	\$ 60.49/hour
Senior Accounting Technician	\$ 82.96/hour
Automobile Travel	Federal mileage rate for automobile travel to meeting locations.
Out of Town travel (when air travel or overnight stay is required)	Direct cost of air travel plus direct cost of lodging and meals.

**EXHIBIT B
TASK FORCE BUDGET**

A. CONTRIBUTIONS

1. Study Contributions. In order to participate in the activities of the Task Force, each TASK FORCE AGENCY shall appropriate and deliver to SAWPA its agreed upon share of the funding. The TASK FORCE AGENCIES specifically recognize that each TASK FORCE AGENCY's agreed-upon share is determined by that TASK FORCE AGENCY, who is the signatory to this AGREEMENT. Funding shall be provided by the TASK FORCE AGENCIES in accordance with the attachment to this Exhibit.
2. Funds appropriated by each TASK FORCE AGENCY to the activities of the Task Force shall be expended only for the purposes expressed in this AGREEMENT. Funds shall be deposited in a restricted, interest-bearing account for the benefit of the Task Force, administered by SAWPA. Funds shall be strictly accounted to each TASK FORCE AGENCY. Upon termination of the Agreement and the activities of the Task Force, any funds not used shall be returned to the TASK FORCE AGENCIES in proportion to their contribution as provided in the Agreement.
3. The compensation to be paid to consultant(s) hired by Task Force is subject to SAWPA's receipt of funds from the TASK FORCE AGENCIES. The consultant will be directed to limit its activities to ensure that the Consultant does not expend funds or provide services for which SAWPA has not yet collected funds from the TASK FORCE AGENCIES. SAWPA shall endeavor to obtain the funds needed to fully fund the scope of work.

FY 10-11 Emerging Constituents Workgroup Budget Allocation

Projected Expenses	SAWPA TF Admin & Contract Adm	\$30,000
	SAWPA EC Annual Sampling Report	\$27,500
	Risk Sciences - Sampling Report Update	<u>\$30,000</u>
		\$87,500

Projected Revenue

	POTW & Agmt Parties Share	Totals
<i>1-18-08 Cooperative Agreement Parties</i>		
OCWD		In Kind
SGPWA	\$2,500	\$2,500
SBVMWD		\$25,000

1-18-08 Cooperative Agmt Parties & Permittees

WMWD		\$25,000
RIX JPA	\$2,500	\$2,500
EMWD	\$2,500	\$2,500
EVMWD	\$2,500	\$2,500
City of Corona	\$2,500	\$2,500
City of Riverside	\$2,500	\$2,500

Other Permittees

WRCRWA		
IEUA	\$2,500	\$2,500
REDLANDS	\$2,500	\$2,500
RIALTO	\$2,500	\$2,500
YVWD	\$2,500	\$2,500
JCSD	\$2,500	\$2,500
LEE LAKE WD	\$2,500	\$2,500
BEAUMONT	\$2,500	\$2,500
CBWM	\$2,500	\$2,500
IRWD	<u>\$2,500</u>	<u>\$2,500</u>
	\$37,500	\$87,500

Other Agency

MWDSC		In Kind
-------	--	---------

Footnotes:

Proposed Allocation: \$25,000 SBVMWD + \$25,000 WMWD + POTW & other Cooperative Agmt Parties except WRCRWA & OCWD
 SBVMWD and WMWD's offered funding portions based on 1/12/09 ltr to SAWPA.
 MWDSC's in-kind contribution as set forth in the Phase II EC Report attached hereto as Exhibit C and incorporated by reference or as subsequently agreed upon between MWDSC and other Task Force agencies.

EXHIBIT C

Attach Final Phase II Report of the Emerging Constituents Workgroup

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

B. AMENDMENT NO. 1 TO AGREEMENT TO FORM A TASK FORCE

Consider Approval of Amendment No. 1 to Form a Task Force to Conduct a Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed (Basin Monitoring Program)





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: April 8, 2010
TO: Committee Members
SUBJECT: Amendment No. 1 to Form a Task Force to Conduct a Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed (Basin Monitoring Program)

SUMMARY

Recommendation – No Action is Required for April. Staff Will Provide Further Report and Seek Guidance from the Watermaster Board

Financial Impact - Annual budget is prepared by the Task Force and its pro-rata share of such costs and fees are shared among the TASK FORCE AGENCIES. The budget proposed for the fiscal year 2010/11 is \$433,449 and the Watermaster's share is \$25,778.

BACKGROUND

In December 1995, the Nitrogen TDS Task Force, consisting of 22 water resource agencies in the Santa Ana Watershed including Watermaster, was formed to oversee a study to evaluate the impacts of Total Inorganic Nitrogen (TIN) and Total Dissolved Solids (TDS) on water resources in the Santa Ana River Watershed. The study was completed in mid 2003. On January 22, 2004, the Santa Ana Regional Water Quality Control Board (RWQCB) incorporated the results of the Nitrogen TDS Task Force study into a Basin Plan Amendment for Nitrogen and TDS and adopted the Basin Plan Amendment. The Task Force Agencies were named in that Basin Plan Amendment as responsible for conduct in various monitoring programs and analyses to support the results defined in the Basin Plan Amendment.

Watermaster Board signed the AGREEMENT to Form a Task Force to Conduct a Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed (Basin Monitoring Program) in August 2004. Because of the need to perform additional work, the Amendment to the original AGREEMENT is required. The modifications of the language include:

1. The purpose of the Task Force to include performing other related cooperative studies as agreed to by the Task Force AGENCIES; and
2. Conduct Santa Ana River (SAR) Wasteload Allocations and other related studies by the TASK FORCE AGENCIES.

Actions:

- April 8, 2010 Appropriative Pool –
- April 8, 2010 Non-Agricultural Pool –
- April 8, 2010 Agricultural Pool –
- April 15, 2010 Advisory Committee –
- April 22, 2010 Watermaster Board –

**AMENDMENT NO. 1
TO
AGREEMENT TO FORM A TASK FORCE
TO CONDUCT A
BASIN MONITORING PROGRAM FOR
NITROGEN AND TOTAL DISSOLVED SOLIDS
IN THE SANTA ANA RIVER WATERSHED
(BASIN MONITORING PROGRAM)**

Pursuant to Paragraph II.15 of that certain AGREEMENT entitled, "Agreement to Form a Task Force to Conduct a Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed", dated August 10, 2004, the TASK FORCE AGENCIES hereby agree to make the following changes:

1. Under I. Recitals B. The Purpose of the Task Force Agreement shall be revised to read as follows:

The purpose of this AGREEMENT is to form a task force to oversee and conduct the studies for the Basin Monitoring Program as described in the RWQCB's Basin Plan Amendment **and perform other related cooperative studies as agreed to by the TASK FORCE AGENCIES.** The Task Force is proposed to consist of the TASK FORCE AGENCIES to direct the study and fund it on an equitable basis to be determined by the TASK FORCE AGENCIES.

2. The TASK FORCE AGENCIES hereby amend Paragraph II. 4 (Duties of the Task Force) of the Task Force Agreement to include the following tasks to be funded by the TASK FORCE AGENCIES and authorize the Task Force Administrator to conduct such tasks.

d. Conduct Santa Ana River (SAR) Wasteload Allocations and other related studies

Hire a consultant to perform updates to the SAR Wasteload Allocation Report, work with the RWQCB staff and TASK FORCE AGENCIES on appropriate model runs to be used for new RWQCB Basin Plan Amendments for the SAR Wasteload Allocation and provide appropriate input for new Basin Plan Amendment language as needed. Additional studies may also be conducted to support the purposes of the TASK FORCE AGENCIES as directed by a consensus of the TASK FORCE AGENCIES.

Except as otherwise expressly amended herein, all of the terms, conditions, and provisions of the AGREEMENT shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the dates set forth below.

CITY OF BEAUMONT

DATE _____

BY _____
Mayor

DATE _____

BY _____
City Clerk

CHINO BASIN WATERMASTER

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

**COLTON/SAN BERNARDINO REGIONAL
TERTIARY TREATMENT AND WASTEWATER
RECLAMATION AUTHORITY**

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

CITY OF CORONA

DATE _____

BY _____
DWP General Manager

DATE _____

BY _____
City Clerk

EASTERN MUNICIPAL WATER DISTRICT

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

INLAND EMPIRE UTILITIES AGENCY

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

IRVINE RANCH WATER DISTRICT

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

JURUPA COMMUNITY SERVICES DISTRICT

DATE _____

BY _____
President, Board of Directors

ORANGE COUNTY WATER DISTRICT

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

CITY OF RIALTO

DATE _____

BY _____
Mayor

DATE _____

BY _____
City Clerk

CITY OF RIVERSIDE

DATE _____

BY _____
Mayor

DATE _____

BY _____
City Clerk

CITY OF REDLANDS

DATE _____

BY _____
Mayor

DATE _____

BY _____
City Clerk

**SAN TIMOTEO WATERSHED MANAGEMENT
AUTHORITY**

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

SANTA ANA WATERSHED PROJECT AUTHORITY

DATE _____

BY _____
Chair

DATE _____

BY _____
Secretary-Treasurer

**WESTERN RIVERSIDE COUNTY REGIONAL
WASTEWATER AUTHORITY**

DATE _____

BY _____
Chair

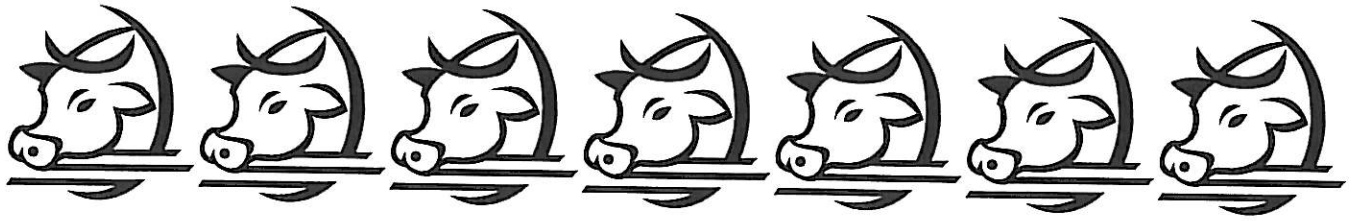
DATE _____

BY _____
Secretary-Treasurer

YUCAIPA VALLEY WATER DISTRICT

DATE _____

BY _____
President, Board of Directors



CHINO BASIN WATERMASTER

IV. INFORMATION

1. Newspaper Articles



Ontario to negotiate \$5 million water rights purchase

By Liset Márquez, Staff Writer

Created: 03/28/2010 07:37:09 PM PDT

ONTARIO - City Council members have given the city manager the green light to negotiate a contract with Praxair to purchase \$4.9 million in water rights.

The agreement will provide Ontario with 426 acre-feet of water per year, plus another 233 acre-feet of stored water and 427 acre-feet of carry over water. Praxair has a plant in Ontario.

"It's both the underlying need of water supply and to plan for the future," said Marvin Shaw, utilities general manager for Ontario.

"In the last few years, you can see how the water supply has fluctuated."

Ontario has been proactive in replenishing its supply. In 2008, the city purchased water rights from Sunkist for \$24 million.

"It's part of the long-term planning for the city of Ontario with the adoption of the Ontario Plan earlier, which lays out the future growth in the city," Shaw said.

In the next 20 years, housing in the city will

grow from more than 45,000 to 104,000 units, according to projections. The population will jump from 173,000 to 360,000 and jobs from 103,394 to 326,000.

Providing and ensuring the water supply for the city, Shaw said, was a reason for the purchase.

Purchasing water rights also means the city would be less reliant on the State Water Project for its resources, he said. The project is a publicly built and operated water and power development and conveyance system.

While this year's rainfall has been good, Shaw said, that isn't always the case. The state has been struggling with a drought the past couple of years.

"Water is the gold of California, it's the future commodity and that's a scarce resource," Councilman Jim Bowman said. "California is a desert and without water it wouldn't be what it is today."

Securing water rights now helps the city's economic viability, Bowman said.

The city's growth will depend on being able to serve the needs of the development community, he said, and water is an important part of those needs.

That cannot take place unless the city secures the necessary water resources, Bowman said.

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But Ontario has always been an anomaly, according to Bowman, who said the city has been proactive in planning ahead.

liset.marquez@inlandnewspapers.com

In 2008, the council approved a \$24 million agreement with Sunkist Growers Inc. to acquire 11.5 acres of land.

The 2008 agreement with Sunkist included 11.5 acres of land. At that time, council members said purchasing the property and the water rights ensured the "future of quality of life."

Earlier this month, the council approved the first step of the process for the Praxair deal, Shaw said.

To complete the rights transfer, City Manager Chris Hughes must finish negotiations with Praxair and complete an approval process with Chino Basin Watermaster, which oversees the Chino Groundwater Basin.

The city manager still has to negotiate the deal as well as go through a process with Chino Basin Watermaster, which facilitates the use of the Chino Groundwater Basin, for the rights transfer.

Shaw said he doesn't expect that process to be completed until the summer.

"As long as its affordable, we will continue to look," Bowman said. "It's smart planning, we don't want to wait until the emergency is upon us, we always plan for an emergency."

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dailybulletin.com

Chino Valley dairies face industry crisis

Oversupply hurting prices

Neil Nisperos, Staff Writer

Created: 03/03/2010 05:51:35 PM PST

Chino dairyman Syp Vander Dussen calls the two-year lull in milk prices absolutely devastating to his operations.

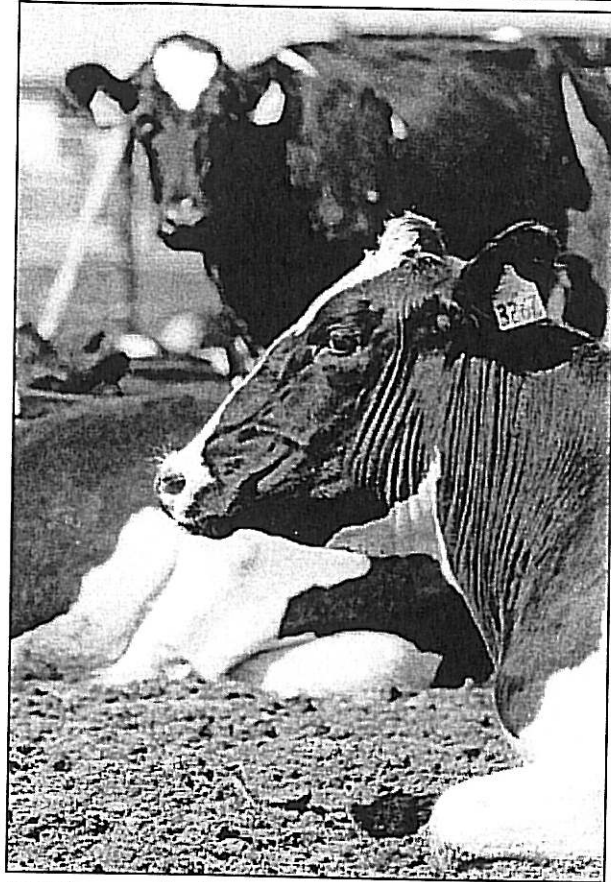
He's not alone.

Dairy farmers in the Inland Valley and throughout California have felt the sting from the price dip, which stems from overproduction, reduced global demand and the higher cost of grain feed.

The dairy farmers are facing another year of 1970s prices for their milk and payments up to 50 percent less than several years ago, according to the National Family Farm Coalition.

As a result, thousands of dairy farmers have gone out of business and thousands more are on the brink of closure.

"On average, all the profits and gains made in the (previous) five years has been lost in the past five years," Vander Dussen said.



Dairy farmers, like the one in Ontario that owns these cows, are facing another year of milk prices below production costs, according to the National Family Farm Coalition. (Will Lester/Staff Photographer)

Projections for 2010 show more low prices, as the cost to produce the milk is outpacing milk sale revenues.

"Starting in the fall of 2008, milk production

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began to collapse," said Rob VandenHeuval, general manager of the Milk Producers Council, a dairy industry policy organization based in Chino.

"The price of milk dropped below the cost to produce the milk, and it's been that case month in and month out for the past 18 months. As long as any dairyman has been alive, it's never been this bad."

VandenHeuval said there are about 60 dairies operating in the Chino Valley.

In 2007, a weak dollar and a dairy shortage from Australia and New Zealand helped increase production because of increased global demand for U.S. milk.

Overproduction, decreased demand with the return of the Australian and New Zealand dairy industry, higher grain prices and a stronger U.S. dollar have fostered the situation that imperils the industry, VandenHeuval said.

"What happened was all of a sudden we had a global oversupply," he said. "We've had 18 months of scaling-back milk production. It's been a very slow process, and it's not easy for individuals to close up shop. In the past a lot of smaller dairies in the Midwest would close up shop, and we got the (supply) correction we needed. Now, people want to survive, not close, and they want to pass the dairy on to the kids, so it's much tougher for a supply correction."

Last year, Sen. Arlen Specter, D-Penn., introduced Senate Bill 1645, which would allow the cost of production for a farmer to be factored into the prices they receive. If approved, milk would be the only commodity of its kind to have a government-set price determined in part by the cost of production.

Milk Producers Council has introduced a herd retirement program in which farmers would be bought out in order to retire their herds. In the past 18 months, about 10 local dairies were closed through the program.

Vander Dussen said there would still be an oversupply of milk even with passage of the bill and since the herd buyout program is voluntary.

Vander Dussen suggested legislation be approved that would discourage dairymen from increasing production.

"Individually, shutting down makes no sense," Vander Dussen said. "With 1,500 producers in California, if you and I were to shut down, it won't affect the state price," he said. "It has to be across the board and it has to be industry-wide."

The Associated Press contributed to this report.

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Australia provides lessons on water

Rebecca Kimitch, Staff Writer

Created: 03/09/2010 08:50:11 PM PST

To help California create beneficial water policies for the future, state water managers are turning for help to Australia and, ironically, to an area with close ties to the history of the Inland Empire.

Tim Brick, chairman of the Metropolitan Water District board of directors, and a delegation of California water leaders recently visited Australia to learn about water management in the face of drought and climate change.

And they went to an area in which an Inland Empire pioneer - George Chaffey - helped develop in the years after he founded the community of Ontario.

The Murray-Darling region was sparsely settled grazing land until the development of large-scale irrigation when Chaffey and his brother W. B. came there from California in 1887 and transformed the land into a rich agricultural region.

Australia has had to make dramatic changes in how it manages its scarce resource, from innovative use of technology to rationing to fundamental changes in how government manages water, said Jennifer McKay, professor

of business and water law at the University of South Australia.

Like California, Australia has met increasing demands for environmental protection, she said.

McKay spoke before a hearing of the Assembly's Select Committee on Regional Approaches to Addressing the State's Water Crisis this month in Sacramento.

"There was a crisis, and there was no choice but change. Fundamental change is possible, and now our system is quite set up to handle climate change," McKay said.

Committee chairman Jose Solorio, D-Anaheim, said it's important for California's water managers to see the strategies they struggle to implement "are very doable."

"We sometimes think we know it all in California. And there are times we don't. It is important to look to other states for their best practices, and every now and then it's good to look to other countries as well," he said.

Solorio pointed to Australia's success at reducing per-capita water use to 30 to 50 gallons a day, compared with about 180 gallons in California. Much of this savings has come from reducing and banning outdoor watering, capturing rainwater, installing dual plumbing in homes - one line for potable water and one line for recycled water, and mass use of water-efficient appliances and dual-flush toilets.

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Last year, California lawmakers passed legislation setting a goal of reducing urban water use by 20 percent by 2020.

"We are shameful in the volume of water we use in this state. It's embarrassing when we talk to people in other places around the world ... people fall out of their chairs when they hear how much water we use," said Wendy Martin, statewide drought coordinator for the Department of Water Resources.

Martin was also part of the recent delegation to Australia.

Although this year's rains might bring California's three-year drought to an end, the state's reservoirs are still dangerously low; its water sources are near ecological collapse; and climate change will fundamentally change water availability, Brick said.

Water managers are increasingly bracing for the impacts of climate change.

"The way climate change is going to hit most people is through water," Brick said.

Particularly concerning for California is the effect of climate change on snowpack levels and snowmelt times. Snowpack is the biggest storage device for the state - holding water for use during hotter summer months.

The National Academy of Science has forecasted

snowpack in the Sierra will drop by 29 percent by the end of the century. And those snows will continue melting earlier.

"What we view as drought in the Southwest is going to be normal in 30 years," Brick said.

California is going through a fundamental change in how it thinks about water, similar to what happened in Australia, Brick said.

For years, water agencies in Southern California have developed sophisticated and well-engineered systems to bring water from as far as Wyoming. The goal was to make residents unaware that the region "had a very serious problem with water," including periodic droughts, Brick said.

"We have worked so hard to almost deny the dry reality of California," he said. "In many ways, in Southern California, we are victims of our own success."

Brick estimates California is 10 years behind Australia in making significant changes.

In addition to slashing household use, Australian officials made across-the-board cuts for agricultural and industrial water use, using technology to improve efficiency in those areas as well.

"These guys really know how to do conservation, recycling, and stormwater management. They are world leaders in these areas. And there is

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much for us to learn," Martin said. "And they have mastered desalination."

Every major city in Australia has built, or is building, a desalination plant.

Brick estimates this and other infrastructure investments have resulted in water costing twice what it does in California, with the cost there continuing to rise.

Although desalination projects are certainly in California's future - one is being built off the coast of Carlsbad - Brick said the state can still make up much ground in conservation before relying heavily on that costly technology.

Barry Nelson, a water policy analyst for the Natural Resources Defense Council, agreed.

"The abundance of waste we have in California compared to Australia means" it is more economical to conserve, he said.

Australia is the driest inhabited continent on Earth and has one of the lowest rainfall amounts in the world. Still, it has historically had fertile areas, particularly in the Murray-Darling river basin, that have made the country a major agricultural exporter.

The Chaffeys began at a sheep station at Mildura where a settlement was established in 1887. Despite rabbit plagues and other difficulties, the new town of Mildura grew and is today a major regional center of more than

50,000 people and is Upland's sister city.

The Chaffeys adapted the plan of Ontario to the present site of Mildura. They developed a series of steam-driven pumps to draw water from the Murray River to irrigate up to 33,000 acres.

Staff writer Joe Blackstock contributed to this report.

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Cucamonga Valley sees water rate hike on horizon

Wendy Leung, Staff Writer

Created: 03/24/2010 05:24:21 PM PDT
RANCHO CUCAMONGA - Eight months after the Cucamonga Valley Water District raised water rates due to increased costs of imported water, it is poised to hike rates about another 7 percent starting May 1.

Upgrades of two water treatment plants that officials say are necessary in order to meet new U.S. Environmental Protection Agency standards are part of the reason for the increase.

Officials from the district - which serves portions or all of Rancho Cucamonga, Upland, Ontario, Fontana and nearby unincorporated areas - estimate the upgrades to the Lloyd Michael and Royer-Nesbit treatment plants in Rancho Cucamonga could cost \$30 million over the next three years.

"Our rates have to ramp up to cover those costs," said Todd Corbin, assistant general manager at the district.

In addition to raising the water rate, the proposal also raises the sewer service fee and recycled water rate. A typical household that has paid an average water bill of \$106.20 every two months, would have to pay \$7.65, or 7.2 percent more, if the rate hike is passed. The proposal also calls for increases through 2014.

On April 27, the district will hold a public hearing about the changes. If passed by the agency's board, some increases will go in effect on May 1 and others July 1.

The proposal also introduces a tiered rate structure for commercial properties similar to that introduced in 2008 for residents. In a tiered structure, the water rate is highest for those who use the most water.

In addition to paying for the infrastructure projects, the planned rate hike will also help the district buy surplus water for groundwater storage. Corbin said it's in the district's interest to buy surplus water when the opportunities arise in order to secure the district's supply.

"It's cheaper for us to buy it now versus buying it later," Corbin said.

The board of directors is expected to vote


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on the rate increase on April 27. Customers can submit a written protest against the fee increase. If the majority of the district's customers, or about 26,400, submit a written protest, the rate can not be adopted. What: Public hearing on water rate increase

When: 6 p.m. April 27

Where: 10440 Ashford St., Rancho Cucamonga

Information: 909-944-6000, www.cvwdwater.com

Written protests of the water rate hike can be mailed to Secretary of the Board, 10440 Ashford St., Rancho Cucamonga 91730

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