



# CHINO BASIN WATERMASTER



## NOTICE OF MEETINGS

**Thursday, May 13, 2010**

2:30 p.m. – Non-Agricultural Pool Conference Call Meeting  
and Meeting

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

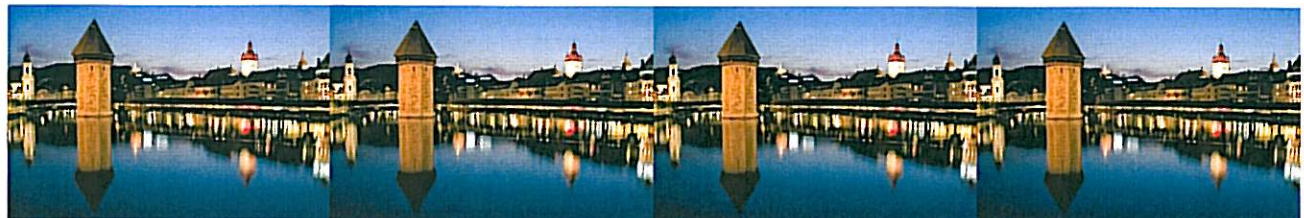


# CHINO BASIN WATERMASTER

Thursday, May 13, 2010

2:30 p.m. – Non-Agricultural Pool Conference Call  
Meeting and Confidential Conference Call  
Meeting

## AGENDA PACKAGE





**CHINO BASIN WATERMASTER  
NON-AGRICULTURAL POOL CONFERENCE CALL MEETING**

**1-800-930-9525 PASS CODE: 917924**

**2:30 p.m. – May 13, 2010**

*Mr. Bob Bowcock, Chair, Non-Agricultural Pool  
Mr. Kevin Sage, Vice-Chair Non-Agricultural Pool*

**Call Can Be Taken At the Offices Of**

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

**CONFIDENTIAL SESSION CONFERENCE CALL – 4:00 p.m.**

Call-in number and pass code will be provided to parties by calling or emailing:

**Bob Bowcock  
Kevin Sage**

[bbowcock@irmwater.com](mailto:bbowcock@irmwater.com)  
[ksage@irmwater.com](mailto:ksage@irmwater.com)

**(909) 621-1266**

**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. Verbatim Minutes of the Non-Agricultural Pool Conference Call Meeting held April 8, 2010  
(Page 1)

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of March 2010 (Page 16)
2. Watermaster Visa Check Detail for the month of March 2010 (Page 20)
3. Combining Schedule for the Period July 1, 2009 through March 31, 2010 (Page 22)
4. Treasurer's Report of Financial Affairs for the Period March 1, 2010 through March 31, 2010 (Page 24)
5. Budget vs. Actual July 2009 through March 2010 (Page 26)

**C. WATER TRANSACTION**

1. **Consider Approval for Notice of Sale or Transfer – Monte Vista Water District will purchase 2,000 acre-feet of water from the Monte Vista Irrigation Company. This purchase is made first from the Irrigation Company's net underproduction, if any, in Fiscal Year 2009-2010, with any remainder to be recaptured from storage. Date of Application: April 5, 2010**  
(Page 29)

**II. BUSINESS ITEMS**

**A. 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) - (Page 42)

**B. BUDGET TRANSFER**

Consider Budget Transfer Request T-10-05-01 relating to Watermaster Legal Fees, OBMP Engineering Services and MZ-1 Ground Level Monitoring (Page 51)

**C. CHINO CREEK WELL FIELD LOCATIONS**

Consider Approval of Well Field Locations for 2 Wells in the Chino Creek Area Consider Approval of Well Field Locations for 2 Wells in the Chino Creek Area (Note: all supporting documentation for this item will go out separate cover)

**D. VOLUME VOTING**

Consider Approval Volume Voting Rule Similar to that of Appropriative Pool (Note: all reference materials for this item will be provided by the Non-Agricultural Pool)

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

- 1. Paragraph 31 Motion
- 2. ACL Complaint
- 3. CDA Facilitation

**B. CEO/STAFF REPORT**

- 1. Legislative Update
- 2. Recharge Update
- 3. 2010-2011 Watermaster Budget
- 4. Agreement to Form a Task Force to Conduct the Annual Emerging Constituents Characterization Program for the Santa Ana River Watershed

**IV. INFORMATION**

- 1. Newspaper Articles (Page 61)

**V. POOL MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Pursuant to the Non-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**

|                                  |                  |   |
|----------------------------------|------------------|---|
| Wednesday, May 12, 2010          | 10:00 a.m.       | Watermaster Budget Workshop @ CBWM            |
| Thursday, May 13, 2010           | 9:00 a.m.        | Agricultural Pool Meeting @ IEUA              |
| <b>** Thursday, May 13, 2010</b> | <b>1:00 p.m.</b> | <b>Appropriative Meeting @ CBWM</b>           |
| <b>** Thursday, May 13, 2010</b> | <b>2:30 p.m.</b> | <b>Non-Agricultural Pool Meeting @ CBWM</b>   |
| Friday, May 14, 2010             | 10:30 a.m.       | CBWM Court Hearing @ Chino Court Room C1      |
| Wednesday May 19, 2010           | 12:30 p.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 at Rancho Central Park  
11200 Base Line Road, Rancho Cucamonga

**\*\* Please Note: Date change for Appropriative Pool and Non-Agricultural Pool meetings**

Meeting Adjourn



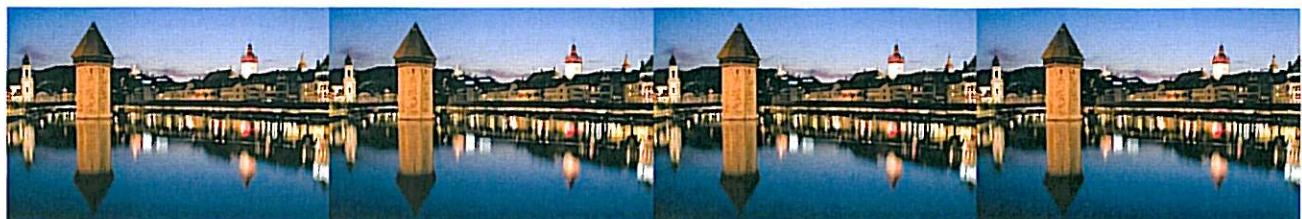


# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Verbatim Minutes of the Non-Agricultural Pool Conference Call Meeting held April 8, 2010



**Draft *Verbatim* Minutes**  
**CHINO BASIN WATERMASTER**  
**NON-AGRICULTURAL POOL CONFERENCE CALL MEETING**  
**AND SEPARATE CONFIDENTIAL SESSION CONFERENCE CALL MEETING**  
**April 8, 2010**

The Non-Agricultural Pool Meeting was held via conference call using the Chino Basin Watermaster conference call number on April 8, 2010 at 8:00 a.m. The Non-Agricultural Pool Confidential Session was held via conference call using a confidential number provided by Bob Bowcock and/or Kevin Sage on April 8, 2010 for the confidential session item VIII.

**NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL**

|                    |                                      |
|--------------------|--------------------------------------|
| Bob Bowcock, Chair | Vulcan Materials (Calmat Division)   |
| Kevin Sage         | Vulcan Materials (Calmat Division)   |
| Brian Geye         | California Speedway                  |
| Steve Arbelbide    | California Steel Industries          |
| Tom O'Neil         | City of Ontario                      |
| Lisa Hamilton      | General Electric Company (Geomatrix) |
| David Penrice      | Aqua Capital Management LP           |
| Curtis Stubbings   | Praxair, Inc.                        |
| Chris Helm         | Praxair, Inc.                        |
| Bob Lawhn          | RRI Energy                           |

**Watermaster Staff Present at Watermaster**

|                    |                         |
|--------------------|-------------------------|
| Kenneth R. Manning | Chief Executive Officer |
| Joe Joswiak        | Chief Financial Officer |
| Sherrilynne Molino | Recording Secretary     |
| Ben Pak            | Senior Project Engineer |
| Danni Maurizio     | Senior Engineer         |
| Janine Wilson      | Accountant              |

**Watermaster Consultants Present on Conference Call**

|              |                                     |
|--------------|-------------------------------------|
| Michael Fife | Brownstein, Hyatt, Farber & Schreck |
|--------------|-------------------------------------|

**Others Present on Conference Call**

|                      |                     |
|----------------------|---------------------|
| Allen Hubsch         | Hogan & Hartson LLP |
| Marguerite Battersby | Sheppard Mullin     |

**Others Present at Watermaster**

|               |   |
|---------------|---|
| Ken Jeske     | City of Ontario                               |
| Paul Deutsch  | Geomatrix                                     |
| James Jenkins | San Bernardino County, Department of Airports |

**Ken Manning:** Okay, whenever you're ready to go then, we will go ahead and take roll call, if you're ready, or if you want to wait a couple of minutes.

**Bob Bowcock:** its four minutes after, let's go ahead and convene the meeting and ask that Sherrilynne take the roll call.

**Ken Manning:** Okay.

**Sherri Lynne Molino:** Called each company name.

Vulcan Materials, Company – *Here*  
Ameron Steel – *no response*  
Angelica Textile Services – *no response*  
California Speedway – *no response*  
(CSI) California Steel Industries – *I'm here, Steve Arbelbide*  
CCG Ontario, LLC –

**Tom O'Neil:** Is that City of Ontario?

**Sherri Lynne Molino:** No

**Tom O'Neil:** I'm sorry...

**Sherri Lynne Molino:** That's all right.

**Ken Jeske:** CCG has no rights.....

City of Ontario – *Tom O'Neil*

General Electric Company (Geomatrix) – *no response*

Aqua Capital Management LP – *Present, Dave Penrice.*

KCO, LLC/The Koll Company – *no response*

San Antonio Winery – *no response*

Swan Lake Mobil Home Park – *no response*

Praxair, Inc. – *Present, Curtis Stubbings*

Reliant Energy – *no response*

San Bernardino County – *no response*

San Bernardino County, Dept of Airports – *no response*

Southern California Edison – *no response*

Space Center Mira Loma – *no response*

Sunkist Growers Incorporated – *no response*

West Venture Development – *no response*

**Ken Manning:** Any other Non-Ag parties that have joined the call since we started the roll call?

**Lisa Hamilton:** Lisa Hamilton, General Electric.

**Brian Geye:** Brian Geye, Auto Club Speedway.

**Ken Manning:** Any others?

**Sherri Lynne Molino:** Any others?

**Kevin Sage:** Kevin Sage is on the phone.

**Ken Manning:** Okay, hi Kevin. Um, Okay, um.....

**Sherri Lynne Molino:** Any attorneys?

**Allen Hubsch:** Allen Hubsch is on the phone.

**Peg Battersby:** Peg Battersby representing CSI.

**Sherri Lynne Molino:** Okay.

**Allen Hubsch:** Well, I guess I'd ask, uh, are there any other uh, uh, people on the phone?

**Michael Fife:** Michael Fife.

**Ken Jeske:** Ken Jeske is at Watermaster office.



**Ken Manning:** And then Watermaster staff is here.

**Chris Helm:** I'm Chris Helm with Praxair.

**Ken Manning:** Chris, are you voting for Praxair?

**Chris Helm:** No, no Curtis Stubbings is here.

**Ken Jeske:** Hello Chris.

**Allen Hubsch:** Is there anybody else who's participating on the call who has not announced their presence yet?

**Ken Manning:** Okay.

**Sherri Lynne Molino:** Okay.

**Ken Manning:** All right Bob, it's all yours. Um, go ahead.

**Bob Bowcock:** Okay, the meeting has been called to order. Um, we've taken a roll call and its 8:08. The ah, first item on the agenda is the Consent Calendar, Items 1A through C, um, the first item being the minutes, the second item B being the financial reports, and C being water transactions. Does anyone have any concerns or questions concerning the Consent Calendar?

**Allen Hubsch:** Well, Bob, uh, the last few meetings, this is Allen Hubsch, the last few meetings we have declined to approve the minutes and financial reports mostly because we have concerns about how they are prepared and ah information ah that's within the financial reports that we don't necessarily understand. So, I don't know how you want to deal with that but I just wanted to.....ah if we want to be consistent, ah, we're not ah, if we want to be consistent we would not approve them. Not necessarily vote, ah, that they're not right but just not approve them.

**Bob Bowcock:** Okay. That, ah I was waiting to see if another member of the committee or the pool wanted to do it, um, but what I will do is um, with that, with that ah concern raised I will remove items 1A and 1B from the Consent Calendar at this time for the reasons stated by, by attorney Allen Hubsch. I would also ask that, um 1C, um, be removed from the Consent Calendar for the ah, opportunity to discuss it um with that we're not going to take the Consent Calendar as the Consent Calendar it sounds like what we'll do is we'll go ahead and just roll it into um, you know, still agendize the Consent Calendar but I'm going to treat it as a Business Item. Um, the, the ah first item on the Consent Calendar that was removed was Item 1A the minutes um unless I hear a motion for approval we're going to ah let them stand as unapproved so I don't want A Minutes of the, the ah, A1 re, ah, resubmitted verbatim minutes of the Joint Appropriative and Non Agricultural Pool meeting held February 4, 2010, and A2 Minutes of the Non-Agricultural Pool Conference Call Meeting held March 4, 2010.

**Sherri Lynne Molino:** Okay.

**Bob Bowcock:** A, hearing none the item is not, therefore not approved. B, Financial Reports, B1 Cash Disbursements for the month of February 2010, B2 Watermaster Check Detail for the month of February 2010, B3 Combining Schedule for the period of July 1, 2009 through February 28, 2010, B4 Treasurer's Report of Financial Affairs for the period of February 1, 2010 to February 28, 2010, B5 Budget versus Actual July 2009 through February 2010. Hearing none, the item is not approved. Item 1, Consent Calendar C Water Transactions. Which one?

**Sherri Lynne Molino:** Bob, you're um, Mr. Chairman, you're going to take each water transaction with a separate motion, is that my understanding?

**Bob Bowcock:** Yeah.

**Sherri Lynne Molino:** Okay.

**Bob Bowcock:** Um, and what I'll do is, is while we're here, Ken, so you can kind of see where we're going with this, um, I absolutely support all of the water transactions 1, C1 through 6, um just as an individual member of the, of the pool but, ah, in leading the meeting as chairman, um there are two things that I would like to discuss, and we can discuss them kind of openly at the beginning, we'd be able to ah, get through these in a much quicker fashion. Ah, the first um concern that has been voiced to me um by members of the pool, um and, and this one perhaps is addressed to ah the voting member, um in attendance from the City of Ontario as well as ah Mr. Jeske, um consultant for the City of Ontario present at Watermaster. And that, the first question is um on the issue of um volume vote, and the majority of ownership of both the Appropriative Pool and now the Non-Agricultural Pool you had that even before the pending transactions Item number 6 with Praxair. Um, it's, it's, it's becoming more of a concern as to Ontario's role in that I don't want um that position to, to cause any delay in this proposed transaction, but would like to ask the City of Ontario, um, who's been very good and very forthright about, you know, their participation in the Non-Agricultural Pool as, as, you know, an increasing roll in ownership but as more of a passive participant in that they're such an active leader in the Appropriative Pool and I don't expect to, have you know, you answer that in, in great detail. Know that the question's been raised, and we would be seeking some sort of input from the City of Ontario. And this was contemplated under Peace II wherein it was it was discussed that the Appropriative Pool members could acquire Non-Ag Overlying rights um and it was, it was articulated quite well that eventually the issue of dual pool membership and majority ownership in dual pool um, would eventually have to be addressed. And I think that there are a couple of opportunities where it can be addressed um, to the satisfaction of everyone without causing a lot of, of, ah, grief or consternation. But would like to throw that at the City of Ontario as the acquiring party that ah, as you, you need to acquire, it's something that's going to be, need to be addressed.

**Ken Jeske:** Bob.

**Bob Bowcock:** Yes sir.

**Ken Jeske:** This is Ken Jeske. Since I was the person involved in this deal. First of all um, this proposed transaction does not make Ontario a majority of that pool and Ontario is not the majority of the Appropriative Pool either, so to make one correction to your statement um. Secondly um, the proposed transaction has timelines in it before the transaction closes, and those timelines very similar to the transaction um that Ontario did when it um acquired Sunkist and intervened in the pool. Those transactions do not close until after the Watermaster Board acts, um, and the, ah, appeal period for a Section 31 appeal is over. So, you're looking at the closing date of the transaction out in the future so you shouldn't really have a change in the voting for some time yet, and certainly not before the court hearing. So there really should be no impact to the proceedings that are going on, it's not Ontario's um, intent to impact those proceedings. This water transaction was in discussion, in negotiation long before there was any thought of the current controversy, and I know both Mr. Stubbings and, and um, Chris Helm can verify that we were in discussions long before then. It is in the parties' interest, um, in the interest of the Non-Ag party Praxair and the Non-Ag party Ontario to complete this transaction as quickly as possible, and, and we would ask that the representatives to approve that Item C6 on the agenda, it's also on the agenda for the other pools. And finally, I am not aware that any appropriator can purchase Non-Ag rights, Bob, as you said. I'm only aware that members of the pool can. So parties would have to appropriately intervene into the pool and would have to meet the conditions to intervene into the pool in order to purchase those rights. So I don't think it's a situation today, um under the agreements and the orders of the court and the Judgment where any party can buy Non-Agricultural rights. So I, I don't think that's correct. So, Ontario's intention is only to work within the framework of the Judgment and the subsequent orders and agreements.

**Bob Bowcock:** Perfect. And, and just so that I can restate, and, and I appreciate some of the corrections that you made, um, but I want to restate it is not my intention to withhold approval of this



transaction at all. Um, it is to merely start the dialogue, which you've done a very good job of doing, um, in representing the City of Ontario's position on a go forward basis. It's of concern to members of the pool, minority members of the pool, just wanting to better understand and it's probably something that we can take up within the pool. We have special pool Rules and Regulations, um, that have allowed us to, for instance, have a quorum of one, things like that. I think that the minority members of the pool, who many have called over the last 10 days voicing concern about this, um, and basically just saying they would like to hear from Ontario, and I think you've done a very good job of articulating your position and your willingness to go forward with dialogue as to how that can take place. Um, and with that I have no intention, like I said, of withholding approval of this transaction at all. I think most of the pool members that called and voiced concerns are absolutely supportive of the, uh, liquidity of the transaction capability within the pool and support that. They just want to make sure that they understand how, um, with the concept of volume voting as it's currently outlined, um, while I use the term majority, um, position what I meant was, um, that the largest member of the pool, not necessarily holding the majority, which would be 51%, but being the largest member, um, with a foot in both pools. That was the, you know, Ontario is, you know, for all intents and purposes, the leader city within the Chino Basin. And it's just one of those things, well, we all love Mr. Jeske, um, and, and all the representatives of the City of Ontario, politically regimes can change and influences can shift and we just want to make sure that the minority interests are protected. Now, that being said.....

**Ken Jeske:** Mr. Chair.....Yeah, and I would suggest that any pool member that has a thought or a comment please give me a call. I know Ontario wants to be in a position to be ah a partner in the good basin management.

**Ken Manning:** Bob, as I had mentioned to you when we rescheduled this meeting for 8:00, ah, some of our staff, we have to head down to the Ag Pool and so we're going to drop off, ah, I personally and Joe Joswiak, the new CFO, we're leaving the meeting, and Danni and Ben and Janine are staying here to continue with the meeting. Um, and so I just wanted to let you know, but I did also in my last email to you Bob on Friday, mention that um, we do have, if you wanted to change the meeting in May because of the ACWA Conference, and you can let me know that later, you don't have to do it now. But I did want to put that on notice that we, that Thursday meeting in May, May 6th, is the same as ACWA, so.....

**Bob Bowcock:** Okay.

**Ken Manning:** And with that I'm going to take off and leave the meeting with Danni Maurizio, so.....

**Bob Bowcock:** Okay, real quick, the next question if you could give us two minutes. The next question, um, basically involves some of the other transactions. And, if you could give perhaps a 30 to one minute explanation. Why are we transferring from Appropriators to Watermaster to other Appropriators? Why aren't the transactions going direct?

**Ken Manning:** Yeah, actually, um, a good question, and it was, it's, this is a, we did this, um, earlier on another transaction last year with Fontana as well and the transaction, this is a little different than what we've done in the past, it's a little different vanilla, um, a little different than the vanilla transfer, um, and it's because we have collected the money from Fontana and Fontana made a deal to purchase water. You see two of them in the agenda where Fontana actually made the deal, came to us and said we want to make this transaction. Well, in this particular case we are holding the money for Fontana so the only option would be for us to then send the money back to Fontana which we, we don't think we have authority, nor we think it would be prudent to do. So, they are buying the water through Watermaster, um, in the transaction that they, um, negotiated. And so, that's why it's being done that way.

**Bob Bowcock:** With funds you are already holding?

**Ken Manning:** With funds that we are already holding....and then we made it clear to Fontana that if the transaction was in excess of what we collected that they are responsible for the difference, and they are aware of that, and so the transaction is going along as if they had made the deal they are just using



Watermaster to, to carry the funding part of it for them, and then, and that's the only difference. That's why the transaction amount is not in there, because in the past if a deal is made between two agencies we don't list the transaction amount until the assessment package that comes out later in the year. Then all transactions become, um, published. So, you'll see that it's not published on these two because it mirrors those same kinds of transactions. The other, um, transactions, or other water transfers that are on the agenda, are pretty much similar to what we always do here at Watermaster, deals between agencies or in the case of the Santa Ana transfer it's a Watermaster ah purchase and we're using all of that, those acre-feet of water to be used against our total cumulative unmet replenishment obligation as opposed to just going to Fontana, and so that one is listed the way it is.

**Bob Bowcock:** Understood....um, and then with that.....go ahead....

**Allen Hubsch:** This is Allen Hubsch, uh, I just want to make clear that none of the water that's being purchased, this so-called storage water or other water that's being purchased in these transactions purports to be any of the Non-Ag Pool's storage water for which the, ah, which is in dispute, is that accurate?

**Ken Manning:** Yeah, that's accurate.

**Allen Hubsch:** Okay.

**Ken Jeske:** That's also accurate for the Ontario/Praxair transaction.

**Ken Manning:** Yes.

**Allen Hubsch:** Correct.

**Peg Battersby:** Bob, if I might? This is Peg Battersby, um, I, on the Ontario transaction, I just have two questions of clarification. The first one is: with this transfer what will be Ontario's percentage of, um, volume, if it's known?

**Ken Manning:** Be approximately, approximately 45 percent.

**Peg Battersby:** That, are you answering that Bob?

**Many people talking at the same time.**

**Ken Jeske:** I don't think it's that high. I don't think it's that high...

**Ken Manning:** That much....

**Ken Jeske:** No, it's....

**Ken Manning:** We'll get it for you...

**Ken Jeske:** It's roughly 1800 plus 426 which is 20.....its 22, 2300 acre feet out of 7300 acre feet, so you can kind of do the math in your head.

**Ken Manning:** 31 percent then, it's what Danni says.

**Peg Battersby:** Okay, the second question is, I think Mr. Jeske indicated that the transaction was scheduled not to be complete until after the Section 31 appeal period was up, and I would just ask if that, if that is the actual term of the transaction or if another date is stated.

**Ken Manning:** Well, the way Watermaster, the way Watermaster does its transactions there's a month delay before it goes to the Board so it won't go to the Board or the Advisory Committee until, um, it won't go to the Board until May, and that's the end of May, so it can't, if Mr. Jeske is, is, if their deal is contingent upon Board approval then it cannot be concluded until the end of May at the earliest.

**Ken Jeske:** Ken, as I, as I indicated the conditions of the deal are that it will close ninety days after the approval by the Watermaster Board. And that's after, well actually ninety-one days...that's after the appeal period.

**Peg Battersby:** Ninety-one days after the appeal period or ninety-one days after the.....

**Ken Jeske:** No, after the Board there's a ninety-day appeal period. The transaction closes the next day.

**Peg Battersby:** Okay, and the ninety-days, that's.....

**Ken Jeske:** That's' very standard....

**Peg Battersby:** Uh, the Section 31....

**Ken Jeske:** Yes, that's, that's very standard for those parties. Not all water transactions have that time period in them, um, but Praxair and Ontario, uh, felt it important to make sure all those timelines had passed, just like they did with Sunkist.

**Peg Battersby:** I know, I, I, appreciate that I, I just wasn't clear whether you were saying there were two different appeal periods.

**Ken Jeske:** No, it's all the one appeal period.

**Peg Battersby:** Okay, that's fine...

**Michael Fife:** If I may, just to, just to clarify I think, um, what Miss Battersby is asking about.....um, um, Peg, the, um, ninety-day appeal period that Mr. Jeske is talking about, um, he's talking about whether a Paragraph 31 motion was filed to review the Board approval of his transaction. He's not talking about the Paragraph 31 motion that the Non-Agricultural Pool has already filed.

**Ken Manning:** Bob, I'm leaving, so ahh, ahh.....

**Bob Bowcock:** Yeah, very good....

**Ken Manning:** Great, thanks, Okay.

**Peg Battersby:** Thank you.

**Bob Bowcock:** Okay, any other questions?

**Dave Penrice:** This is Dave Penrice with Aqua, and I just wanted to, um, weigh in on the Ontario transaction. First um, um, Aqua definitely supports the transaction, we're, we're definitely in favor of free transferability of the Non-Ag Pool and definitely recognize um, Praxair and Ontario's right to transfer this water. We are one-hundred percent supportive of it, um, the issue I think around, um, concentration of ownership in two pools, I think it goes back to Peace I where there were some pleadings and I think one of the concerns raised, um, many years ago was that, um, with appropriators being allowed to intervene in the Non-Ag Pool that um potentially in the future an issue of governance may be needed to be addressed, um, I think from what it looks, from my view, it looks like Ontario has about a forty percent volume vote, um, give or take, which ah, you know, I don't think is a, is a, is a huge issue today but I think it's something we just, you know, need to keep in mind from a governance perspective, is this something we



need to be thinking about, is this something that needs to be addressed, not, not sure it needs to be addressed now, but it's something that needs to be addressed in the future and something we need to kind of be, be mindful of, um, because I don't think that's the intent of the, of the Judgment is to have, um, a dominant party from the Appropriative Pool, um, control the Non-Ag Pool. And I don't, I'm not saying Ontario met that condition today, but let's say the next deal, maybe they buy from us, a thousand acre-feet, that could put them in control and, and if we were the one transferring we'd sure support it, and that would put Ontario in control and there would be nothing to stop them, the way it's laid out today. So, just something to think about.

**Bob Bowcock:** Very good.

**Peg Battersby:** I, I agree with that, Dave, and I appreciate that, um, comment. Is there some way, Bob, that we could move ahead with the review or a period during which the pool could agendize this and just discuss it?

**Bob Bowcock:** Absolutely.

**Peg Battersby:** Um, go to the pool with respect to the governance issue can be addressed?

**Bob Bowcock:** Absolutely, I think it's a, I think it's something that we need to discuss, uh, sooner rather than later and, uh, would ask that staff, you know, allow for, uh, you know, perhaps a thirty minute workshop prior to our next meeting. So we can kind of go through it, and give Ontario an opportunity to kind of come up with some ideas, maybe staff, um, Watermaster counsel, um, you know, you know a liberal discussion among counsel within the pool, you know, between yourself, Peg, and, and Ontario's representative counsel, um, things like that I would absolutely encourage, and then we can sit down and have a workshop and make this, make this right.

**Peg Battersby:** I would appreciate that, thank you.

**Ken Jeske:** Ontario would certainly be willing to participate in any such workshop. Obviously as a large party in the pool today Ontario's not interested in seeing, you know, erosion of Non-Agricultural rights. So it's certainly not, it's certainly not in Ontario's interest to, to be in these transactions for anything other than the beneficial use of the basin water.

**Bob Bowcock:** Excellent. Well, with that being said, uh, free and liberal discussion until, uh, we can convene an agenda which will be within the next thirty days. Uh, Ken talked a little bit about, you know, a, a schedule shift in May, um, as soon as I get that information out I'll, I'll share it with all the members of the pool. Then we can properly agendize, and I think that that would be something we would probably want to base on Watermaster. That we probably wouldn't, we'll offer a call-in, but what we'll do is, we'll do the workshop first and then roll to a call-in because I know many members that travel. Um, Okay, with that I will entertain a motion to approve Items C1 through 6, um, from the original consent calendar.

**Steve Arbelbide:** CSI makes that motion?

**Tom O'Neil:** Ontario will second.

**Bob Bowcock:** Very good, all in favor?

**Many voices:** Aye...

**Bob Bowcock:** Take a roll call vote? I think everybody, is there a dissenter? And um um, now that they've all passed too, also, um, just, I know Danni stayed on the call, there's a couple of them that actually have form errors where the 85/15 is checked wrong in some boxes and right in some boxes, and the dialogue is not necessarily correct for that producer, as long as this goes through the process and we



have staff correct the forms so that they're, they're officially right, it'll make things cleaner at the end of the day.

**Danni Maurizio:** Do you, do you want to comment on what those corrections are?

**Bob Bowcock:** Yeah, I'll, I'll give you a call offline. But they were just....I had a chance to read the package in gory detail, which I don't always have that opportunity, and just identified errors through some of those forms.

**Danni Maurizio:** Okay.

**Bob Bowcock:** So, um, next item on the agenda is Business Item 2A, is there a staff report on agreement to form a task force?

**Ben Pak:** Yes, this is only, only a discussion item.....

**Danni Maurizio:** This is Ben talking now...

**Ben Pak:** This is Ben talking, yeah, this is only discussion only...ah, we'll do an additional report and we're not really asking for any approval.

**Bob Bowcock:** Okay, so you're basically putting it out there. Once again I've had an opportunity to, um, review and, um, I'll let the rest of the pool chime in, I don't want to spend a whole lot of time on Item 2A, and then ultimately 2B, which is just an amendment to that task force. In, um, in review um, the, the funds that would be required, I realize they're rather, um, um, small, um, contributions. But I also recognize that most of the weights being carried by municipal water districts, and what I'll be expecting from staff is some sort of an explanation as to why the Watermaster, as an entity, often finds themselves in a, in a position of participating in these....

**(Unintelligible, background hold music begins)**

**Background talk**

**Bob Bowcock:** Hold on, we're trying to get the racetrack to disconnect. Everyone please try to hold on, the racetrack put us on hold....

**(Unintelligible, background hold music continues and then stops)**

Bob Bowcock: Hello?

Danni Maurizio: Is everybody there?

**Unintelligible voices.....**

**Danni Maurizio:** Thank you, Bob.

**Bob Bowcock:** Thank God we could tell that it was the racetrack because of the, the hold music.

**Danni Maurizio:** Yeah...

**Brian Geye:** Guess what? It wasn't me.

**Bob Bowcock:** Oh, really?

**Brian Geye:** No.

**Bob Bowcock:** I'm Sorry...well....

**Brian Geye:** I couldn't figure out what was going on the same...

**Bob Bowcock:** Whoever it is has the hold from a racing format.

**Brian Geye:** Yeah, and I'm like, that sounds like me and everybody's going to think it's me but it's not my on-hold message. Not to mention, I was on my cell phone, which doesn't have an on-hold message.

**Bob Bowcock:** Oh, wow....okay, well then somebody that's, that's listening to back talk....

**Brian Geye:** There you go.....unbelievable....

**Bob Bowcock:** Sorry....

**Brian Geye:** That's all right.

**Bob Bowcock:** Okay, we're all back on. This is where I'm at with Item 2A and B so that we can get on our, our, ah, closed session call. Um, since it's just information items only, um, what I'm going to be expecting from staff is an explanation as to why Watermaster feels compelled to get involved in virtually everything that has anything to do with water. Um, if there's a good explanation, I, I can, you know, work with the pool and we can support it. But from, uh, insomuch as there's no, no information and no, ah, no reason to support it now, it's only for discussion purposes to come up at a later meeting. Be prepared for my question, I'm giving you the head's up now, and that is Watermaster does not need to even for two-hundred and fifty dollars, twenty-five hundred dollars or two-hundred and fifty thousand dollars, be involved in everything, um, and so I'll be looking for a better explanation than the one given in Items 2A and 2B. That rolls us into staff report, um, 3A, is there any update from Watermaster's general counsel on ah, the Paragraph 1 motion or the database and records management?

**Michael Fife:** Um, sure, I don't know, uh, I think you're going to have a closed session on this so, um, you probably don't want too much detail from me. I'm available to answer questions. We had a hearing on Friday um to go over procedural matters and Watermaster will be filing its response, um, to the Paragraph 31 motion, um, um, this coming Monday on the 12th. Um, as for the other items, the database management, um, this is something that has been an outgrowth of the process that's been going on for several months, um, to create a policy manual for Chino Basin, um, and I think that process has been going on for something on the order of six months or so. Um, as an outgrowth of that, um, while we've been dealing with issues such as notice, etc., um, we've been noticing that that our, um, database could also use a, um, updating and a review, and so, um, we are just letting everybody know that we are going to begin going through that process, um, um, in order to make sure that all of our records are perfect and the way they should be under the Judgment. Um, so that's a very brief overview but I'm happy to answer questions, um, about either of those subjects.

**Bob Bowcock:** Anybody have any questions for counsel? Okay, hearing none now that moves us to the CEO Report. He's left; did he leave any instructions for either Danni or Ben?

**Danni Maurizio:** Yeah, this is Danni here. I have a couple of things I can update you on. Um, the Legislative Update, he did say he will update everybody at the Advisory Committee meeting. In terms of the Recharge Update, for the month of March we recharged for stormwater five-hundred and seventy-one acre-feet, and for recycled water six-hundred and twelve, so that's, um, almost twelve hundred acre-feet for the month bringing the totals to date for the, um, fiscal year up to, ah, twelve..., twelve-thousand six hundred for storm, and recycled forty-four hundred. So, a little over seventeen thousand total to date for the fiscal year. And then, um the next issue, the regional board complaint, we received a copy from the regional board of the complaint. It's for, um, it's a fine to IEUA and Watermaster for two-hundred and twenty-seven thousand dollars, and it's due to the, um, slowness of the CDA installing the wells for



hydraulic control. Uh, Ken said that he'll provide further information on it at the Advisory Committee meeting, but.....

**Bob Bowcock:** Can you post that a, that order on the ftp site?

**Danni Maurizio:** Uh, I will ask Ken.

**Bob Bowcock:** Okay.

**Danni Maurizio:** I will make a note of that. And we do have a meeting scheduled with Jerry, um, Thibeault on April 19<sup>th</sup> to discuss it further.

**Bob Bowcock:** Excellent.

**Danni Maurizio:** I will, yeah, I will ask Ken about posting it, see if we can. And then, um, regarding the last one, San Sevaine 5 berm improvements, Ben has a PowerPoint that he's prepared to give at all the meetings. Um, that's not going to work for this conference call but he can give an overview of it right now...a verbal.

**Ben Pak:** Yeah, back in 2008 the one side of the berm of San Sevaine number 5 has been breached, collapsed, and in February 2009 Watermaster staff had put some sand bags to be able to capture the stormwater and then finally in March of this, well, last month has been the whole berm improvement project has been completed so we are now capturing water at San Sevaine Basin Number 5.

**Bob Bowcock:** Very good. Any, ah, any, ah, other items for the good of the cause? Any comments from pool members? Any other business? Okay, we will convene the confidential closed session at 8:45.

**Danni Maurizio:** Okay.

**Janine Wilson:** Bob.....

**Bob Bowcock:** Does anyone need the number? Pardon?

**Danni Maurizio:** I'm, I'm sorry, Bob, before everybody goes; I heard a bunch of people jumping in on the call in the last half hour. Can we see who's joined since we took the roll call? Can anybody state their name, who's joined?

**Bob Lawhn:** This is Bob Lawhn with RRI Energy, representing the Etiwanda Plant.

**Danni Maurizio:** Anybody else?

**Bob Lawhn:** And, is there a different number for the next call?

**Danni Maurizio:** There is, and Bob will have to provide that for you.

**Bob Bowcock:** Who needs it, I'm sorry?

**Danni Maurizio:** State your name.

**Bob Bowcock:** We're going to have to send it by email. Who, who needs it?

**Bob Lawhn:** Uh, Bob Lawhn, RRI Energy, I'm here in Las Vegas.

**Bob Bowcock:** Uh, Okay. Um, are you, do you have access to your email? We'll send it to you immediately.



**Bob Lawhn:** Bob, I'm on email right now.

**Bob Bowcock:** Okay, it'll be right there.

**Bob Lawhn:** Thank you

**Danni Maurizio:** Is there anybody else who's.....

**Bob Bowcock:** Five minutes, guys....

**Danni Maurizio:** Anybody else who's joined the call?

**Bob Lawhn:** We just disconnect from this call and just dial back in the new number?

**Bob Bowcock:** Yeah.

**Bob Lawhn:** Okay.

**Bob Bowcock:** Kevin, can you forward that real quick? Oh, I'm sorry....Okay, anybody else?

**Danni Maurizio:** All right, and, and Bob, um, after you're....Bob, are you still there?

**Bob Bowcock:** Yes, ma'am....

**Danni Maurizio:** Just please make sure that you email Sherri Lynne after you've adjourned your closed session with, with the time of adjournment

**Bob Bowcock:** I will.

**Danni Maurizio:** And, um, if there's any action.

**Bob Bowcock:** Any action taken.

**Danni Maurizio:** Yes.

**Bob Bowcock:** Very good.

**Danni Maurizio:** Thank you very much.

*The regular open conference call meeting adjourned at 8:38 a.m.*

#### AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda noted during the conference call.

#### I. CONSENT CALENDAR

##### A. MINUTES

As noted in the verbatim minutes.

##### B. FINANCIAL REPORTS

As noted in the verbatim minutes.

##### C. WATER TRANSACTIONS

As noted in the verbatim minutes.

*Motion by Arbelbide, second by O'Neil, and by unanimous vote  
Moved to approve Items C1 through C6, as presented.*

**II. BUSINESS ITEMS**

As noted in the verbatim minutes.

**III. REPORTS/UPDATES**

As noted in the verbatim minutes.

**IV. INFORMATION**

1. Newspaper Articles

No comment was made regarding this item during the conference call.

**V. POOL MEMBER COMMENTS**

As noted in the verbatim minutes.

**VI. OTHER BUSINESS**

As noted in the verbatim minutes.

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

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

The closed session was adjourned at 9:05 a.m.

There were no reported actions given to the recording secretary by Chair Bowcock.

**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

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

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



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# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### B. FINANCIAL REPORTS

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







# CHINO BASIN WATERMASTER

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

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KENNETH R. MANNING  
Chief Executive Officer

## STAFF REPORT

**DATE:** May 13, 2010  
**TO:** Committee Members  
**SUBJECT:** Cash Disbursement Report

### SUMMARY

**Issue** – Record of cash disbursements for the month of March 2010.

**Recommendation** – Staff recommends the Cash Disbursements for March 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 March 2010 were \$709,981.92. The most significant expenditures during the month were Wildermuth Environmental, Inc. in the amount of \$384,852.38, Brownstein Hyatt Farber Schreck in the amount of \$85,553.24 and Hogan & Hartson LLP in the amount of \$47,978.08.

### Actions:

- 5-13-10 Appropriative Pool –
- 5-13-10 Non-Agricultural Pool –
- 5-13-10 Agricultural Pool –
- 5-20-10 Advisory Committee –
- 5-27-10 Watermaster Board –

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CHINO BASIN WATERMASTER  
Cash Disbursement Detail Report  
March 2010

Mar 10

| Type            | Date       | Num      | Name                                 | Amount      |
|-----------------|------------|----------|--------------------------------------|-------------|
| Bill Pmt -Check | 03/01/2010 | 13981    | APPLIED COMPUTER TECHNOLOGIES        | -1,955.00   |
| Bill Pmt -Check | 03/01/2010 | 13982    | ARROWHEAD MOUNTAIN SPRING WATER      | -35.38      |
| Bill Pmt -Check | 03/01/2010 | 13983    | CALPERS                              | -4,094.99   |
| Bill Pmt -Check | 03/01/2010 | 13984    | DELUXE BUSINESS FORMS & SUPPLIES     | -189.77     |
| Bill Pmt -Check | 03/01/2010 | 13985    | DIRECTV                              | -83.99      |
| Bill Pmt -Check | 03/01/2010 | 13986    | IDEAL GRAPHICS                       | -17.40      |
| Bill Pmt -Check | 03/01/2010 | 13987    | INLAND EMPIRE UTILITIES AGENCY       | -1,920.54   |
| Bill Pmt -Check | 03/01/2010 | 13988    | JAMES JOHNSTON                       | -900.00     |
| Bill Pmt -Check | 03/01/2010 | 13989    | KONICA MINOLTA BUSINESS SOLUTIONS    | -522.07     |
| Bill Pmt -Check | 03/01/2010 | 13990    | MAYER HOFFMAN MC CANN P.C.           | -4,750.00   |
| Bill Pmt -Check | 03/01/2010 | 13991    | MET LIFE SMALL BUSINESS CENTER       | -50.00      |
| Bill Pmt -Check | 03/01/2010 | 13992    | PARK PLACE COMPUTER SOLUTIONS, INC.  | -3,300.00   |
| Bill Pmt -Check | 03/01/2010 | 13993    | PITNEY BOWES CREDIT CORPORATION      | -518.74     |
| Bill Pmt -Check | 03/01/2010 | 13994    | STANDARD INSURANCE CO.               | -557.24     |
| Bill Pmt -Check | 03/01/2010 | 13995    | STAPLES BUSINESS ADVANTAGE           | -212.21     |
| Bill Pmt -Check | 03/01/2010 | 13996    | STATE COMPENSATION INSURANCE FUND    | -829.85     |
| Bill Pmt -Check | 03/01/2010 | 13997    | VISION SERVICE PLAN                  | -64.98      |
| Bill Pmt -Check | 03/01/2010 | 13998    | W.C. DISCOUNT MOBILE AUTO DETAILING  | -100.00     |
| Bill Pmt -Check | 03/02/2010 | 13999    | CITY OF RANCHO CUCAMONGA             | -250.00     |
| Bill Pmt -Check | 03/02/2010 | 14000    | CARPET CARE CONNECTION               | -659.70     |
| Bill Pmt -Check | 03/03/2010 | 14001    | WILDERMUTH ENVIRONMENTAL INC         | -217,082.93 |
| Bill Pmt -Check | 03/04/2010 | 14002    | BROWNSTEIN HYATT FARBER SCHRECK      | -85,553.24  |
| Bill Pmt -Check | 03/04/2010 | 14003    | HOGAN & HARTSON LLP                  | -8,662.50   |
| Bill Pmt -Check | 03/04/2010 | 14004    | LOS ANGELES TIMES                    | -48.00      |
| Bill Pmt -Check | 03/04/2010 | 14005    | MIJAC ALARM                          | -378.00     |
| Bill Pmt -Check | 03/04/2010 | 14006    | PURCHASE POWER                       | -126.70     |
| Bill Pmt -Check | 03/04/2010 | 14007    | RAUCH COMMUNICATION CONSULTANTS, LLC | -6,273.75   |
| Bill Pmt -Check | 03/04/2010 | 14008    | STAPLES BUSINESS ADVANTAGE           | -42.86      |
| Bill Pmt -Check | 03/04/2010 | 14009    | UNION 76                             | -92.75      |
| Bill Pmt -Check | 03/04/2010 | 14010    | VERIZON                              | -42.90      |
| Bill Pmt -Check | 03/04/2010 | 14011    | YUKON DISPOSAL SERVICE               | -142.88     |
| General Journal | 03/06/2010 | 03/06/10 | PAYROLL 02/21/10-03/06/10            | -8,510.78   |
| General Journal | 03/06/2010 | 03/06/10 | PAYROLL 02/21/10-03/06/10            | -22,831.36  |
| Bill Pmt -Check | 03/15/2010 | 14012    | BOWCOCK, ROBERT                      | -375.00     |
| Bill Pmt -Check | 03/15/2010 | 14013    | CAMACHO, MICHAEL                     | -625.00     |
| Bill Pmt -Check | 03/15/2010 | 14014    | COMPUTER NETWORK                     | -660.57     |
| Bill Pmt -Check | 03/15/2010 | 14015    | FIRST AMERICAN REAL ESTATE SOLUTIONS | -125.00     |
| Bill Pmt -Check | 03/15/2010 | 14016    | HAUGHEY, TOM                         | -375.00     |
| Bill Pmt -Check | 03/15/2010 | 14017    | HSBC BUSINESS SOLUTIONS              | -914.45     |
| Bill Pmt -Check | 03/15/2010 | 14018    | IAAP                                 | -128.00     |
| Bill Pmt -Check | 03/15/2010 | 14019    | INLAND EMPIRE UTILITIES AGENCY       | -20.00      |
| Bill Pmt -Check | 03/15/2010 | 14020    | KUHN, BOB                            | -375.00     |
| Bill Pmt -Check | 03/15/2010 | 14021    | MATHIS & ASSOCIATES                  | -15,975.00  |
| Bill Pmt -Check | 03/15/2010 | 14022    | PAYCHEX                              | -215.72     |

CHINO BASIN WATERMASTER  
Cash Disbursement Detail Report  
March 2010

| Type            | Date       | Num      | Name                                | Amount                    |
|-----------------|------------|----------|-------------------------------------|---------------------------|
| Bill Pmt -Check | 03/15/2010 | 14023    | PETTY CASH                          | -449.76                   |
| Bill Pmt -Check | 03/15/2010 | 14024    | REID & HELLYER                      | -10,780.00                |
| Bill Pmt -Check | 03/15/2010 | 14025    | SAFEGUARD DENTAL & VISION           | -7.68                     |
| Bill Pmt -Check | 03/15/2010 | 14026    | STAPLES BUSINESS ADVANTAGE          | -105.77                   |
| Bill Pmt -Check | 03/15/2010 | 14027    | VANDEN HEUVEL, GEOFFREY             | -375.00                   |
| Bill Pmt -Check | 03/15/2010 | 14028    | VERIZON                             | -451.54                   |
| Bill Pmt -Check | 03/15/2010 | 14029    | W.C. DISCOUNT MOBILE AUTO DETAILING | -75.00                    |
| Bill Pmt -Check | 03/15/2010 | 14030    | WESTERN DENTAL SERVICES, INC.       | -28.06                    |
| Bill Pmt -Check | 03/15/2010 | 14031    | WHITEHEAD, MICHAEL                  | -375.00                   |
| Bill Pmt -Check | 03/15/2010 | 14032    | WILLIS, KENNETH                     | -500.00                   |
| Bill Pmt -Check | 03/15/2010 | 14033    | BANC OF AMERICA LEASING             | -3,215.74                 |
| Bill Pmt -Check | 03/15/2010 | 14034    | MCI                                 | -1,237.85                 |
| Bill Pmt -Check | 03/15/2010 | 14035    | VERIZON WIRELESS                    | -525.33                   |
| Bill Pmt -Check | 03/17/2010 | 14036    | ACWA SERVICES CORPORATION           | -230.79                   |
| Bill Pmt -Check | 03/17/2010 | 14037    | CITISTREET                          | -2,038.34                 |
| Bill Pmt -Check | 03/17/2010 | 14038    | CITISTREET                          | -2,038.34                 |
| Bill Pmt -Check | 03/18/2010 | 14039    | CITY OF RANCHO CUCAMONGA            | -64.00                    |
| General Journal | 03/20/2010 | 03/20/10 | PAYROLL 03/07/10-03/20/10           | -6,811.31                 |
| General Journal | 03/20/2010 | 03/20/10 | PAYROLL 03/07/10-03/20/10           | -22,435.04                |
| Bill Pmt -Check | 03/23/2010 | 14040    | BLACK & VEATCH CORPORATION          | -25,270.00                |
| Bill Pmt -Check | 03/23/2010 | 14041    | CUCAMONGA VALLEY WATER DISTRICT     | -5,792.00                 |
| Bill Pmt -Check | 03/23/2010 | 14042    | MWH LABORATORIES                    | -7,187.00                 |
| Bill Pmt -Check | 03/23/2010 | 14043    | PREMIERE GLOBAL SERVICES            | -481.70                   |
| Bill Pmt -Check | 03/23/2010 | 14044    | STAULA, MARY L                      | -136.61                   |
| Bill Pmt -Check | 03/23/2010 | 14045    | UNITED PARCEL SERVICE               | -38.99                    |
| Bill Pmt -Check | 03/23/2010 | 14046    | BANK OF AMERICA                     | -2,445.32                 |
| Bill Pmt -Check | 03/23/2010 | 14047    | COMPUTER NETWORK                    | -647.06                   |
| Bill Pmt -Check | 03/23/2010 | 14048    | GUARANTEED JANITORIAL SERVICE, INC. | -865.00                   |
| Bill Pmt -Check | 03/23/2010 | 14049    | HOGAN & HARTSON LLP                 | -47,978.08                |
| Bill Pmt -Check | 03/23/2010 | 14050    | KONICA MINOLTA BUSINESS SOLUTIONS   | -594.17                   |
| Bill Pmt -Check | 03/23/2010 | 14051    | OFFICE DEPOT                        | -209.85                   |
| Bill Pmt -Check | 03/23/2010 | 14052    | PRE-PAID LEGAL SERVICES, INC.       | -77.70                    |
| Bill Pmt -Check | 03/23/2010 | 14053    | QUILL                               | -78.17                    |
| Bill Pmt -Check | 03/23/2010 | 14054    | R&D PEST SERVICES                   | -85.00                    |
| Bill Pmt -Check | 03/23/2010 | 14055    | THE WINDOW WASHER.COM               | -375.00                   |
| Bill Pmt -Check | 03/23/2010 | 14056    | WILDERMUTH ENVIRONMENTAL INC        | -167,769.45               |
| Bill Pmt -Check | 03/23/2010 | 14057    | PUBLIC EMPLOYEES' RETIREMENT SYSTEM | -7,150.91                 |
| Bill Pmt -Check | 03/25/2010 | 14058    | EL TORITO                           | -372.75                   |
| Bill Pmt -Check | 03/29/2010 | 14059    | CLARK PLUMBING SPECIALTIES, INC.    | -93.36                    |
|                 |            |          |                                     | <u><u>-709,981.92</u></u> |

Mar 10



11:49 AM  
05/05/10

CHINO BASIN WATERMASTER  
Check Detail  
March 2010

| <u>Type</u>     | <u>Num</u>       | <u>Date</u> | <u>Name</u>     | <u>Account</u>                    | <u>Paid Amount</u> |
|-----------------|------------------|-------------|-----------------|-----------------------------------|--------------------|
| Bill Pmt -Check | 14046            | 03/23/2010  | BANK OF AMERICA | 1012 · Bank of America Gen'l Ckg  |                    |
| Bill            | 4024420001939341 | 02/28/2010  |                 | 6909.1 · OBMP Meetings            | -244.49            |
|                 |                  |             |                 | 6141.3 · Admin Meetings           | -205.73            |
|                 |                  |             |                 | 6191 · Conferences                | -1,444.62          |
|                 |                  |             |                 | 6112 · Subscriptions/Publications | -167.04            |
|                 |                  |             |                 | 6174 · Transportation             | -30.00             |
|                 |                  |             |                 | 6312 · Meeting Expenses           | -353.44            |
| TOTAL           |                  |             |                 |                                   | <u>-2,445.32</u>   |

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**CHINO BASIN WATERMASTER  
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL  
FOR THE**

PERIOD JULY 1, 2009 THROUGH MARCH 31, 2010

|                               | WATERMASTER<br>ADMINISTRATION | OPTIMUM<br>BASIN<br>MANAGEMENT | POOL ADMINISTRATION & SPECIAL PROJECTS |                | GROUNDWATER OPERATIONS |                              | EDUCATION<br>FUNDS | GRAND<br>TOTALS  | BUDGET<br>2009-2010 |
|-------------------------------|-------------------------------|--------------------------------|--|----------------|------------------------|------------------------------|--------------------|------------------|---------------------|
|                               |                               |                                | APPROPRIATIVE<br>POOL                  | AG<br>POOL     | NON-AG<br>POOL         | GROUNDWATER<br>REPLENISHMENT |                    |                  |                     |
| Administrative Revenues:      |                               |                                |  |                |                        |                              |                    |                  |                     |
| Administrative Assessments    | 7,215,654                     |                                |  |                | 325,016                |                              |                    | 7,540,670        | \$7,340,839         |
| Interest Revenue              | 28,975                        |                                | 2,434                                  |                | 1,249                  |                              | 5                  | 32,663           | 191,540             |
| Mutual Agency Project Revenue |                               |                                |  |                |                        |                              |                    |                  | 148,410             |
| Grant Income                  |                               |                                |  |                |                        |                              |                    |                  | 0                   |
| Miscellaneous Income          | 188                           |                                |  |                |                        |                              |                    | 111,188          | 0                   |
| Total Revenues                | <u>7,244,818</u>              | <u>-</u>                       | <u>2,434</u>                           | <u>326,265</u> | <u>-</u>               | <u>-</u>                     | <u>5</u>           | <u>7,684,522</u> | <u>7,680,789</u>    |

|  |                  |                    |                |                |          |          |          |                  |                  |
|--|------------------|--------------------|----------------|----------------|----------|----------|----------|------------------|------------------|
| Administrative & Project Expenditures: |                  |                    |                |                |          |          |          |                  |                  |
| Watermaster Administration             | 571,394          |                    |                |                |          |          |          | 571,394          | 580,238          |
| Watermaster Board-Advisory Committee   | 48,427           |                    |                |                |          |          |          | 48,427           | 61,901           |
| Pool Administration                    |                  |                    |                |                | 9,778    |          |          | 138,546          | 229,860          |
| Optimum Basin Mgmt Administration      | 1,281,484        |                    | 110,381        |                |          |          |          | 1,281,484        | 1,557,820        |
| OBMP Project Costs                     | 2,878,599        |                    |                |                |          |          |          | 2,878,599        | 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     | <u>619,821</u>   | <u>4,727,126</u>   | <u>110,381</u> | <u>9,778</u>   | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,485,494</u> | <u>7,680,789</u> |
| Net Administrative/OBMP Expenses       | <u>(508,821)</u> | <u>(4,727,126)</u> |                |                |          |          |          |                  |                  |
| Allocate Net Admin Expenses To Pools   |                  | 4,160,084          |                | 18,439         |          |          |          |                  |                  |
| Allocate Net OBMP Expenses To Pools    |                  | 2,906,542          |                | 1,102,788      |          |          |          |                  |                  |
| Allocate Debt Service to App Pool      |                  | 567,042            |                | 150,754        |          |          |          |                  |                  |
| Agricultural Expense Transfer*         | 1,348,051        |                    | (1,348,051)    |                |          |          |          |                  |                  |
| Total Expenses                         | <u>5,195,523</u> | <u>-</u>           | <u>178,971</u> | <u>147,294</u> | <u>-</u> | <u>-</u> | <u>5</u> | <u>5,485,494</u> | <u>7,680,789</u> |
| Net Administrative Income              | <u>2,049,295</u> | <u>-</u>           | <u>2,434</u>   | <u>147,294</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,199,028</u> | <u>-</u>         |

|                                 |  |  |  |  |                  |  |  |                  |          |
|---------------------------------|--|--|--|--|------------------|--|--|------------------|----------|
| Other Income/(Expense)          |  |  |  |  |                  |  |  |                  |          |
| Replenishment Water Assessments |  |  |  |  | 7,073,805        |  |  | 7,073,805        | 0        |
| Interest Revenue                |  |  |  |  | 25,077           |  |  | 25,077           | 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                |  |  |  |  | <u>3,911,513</u> |  |  | <u>3,911,513</u> | <u>0</u> |

|                                  |                  |                |                |                  |                |              |                   |                   |   |
|----------------------------------|------------------|----------------|----------------|------------------|----------------|--------------|-------------------|-------------------|---|
| Net Transfers To/(From) Reserves | 2,049,295        |                | 2,434          | 147,294          |                |              | 5                 | 6,110,541         | - |
| Working Capital, July 1, 2009    | 5,942,967        |                | 470,719        | 256,577          |                | 158,251      | 995               | 10,995,966        |   |
| Working Capital, End Of Period   | <u>7,992,262</u> | <u>473,153</u> | <u>403,871</u> | <u>8,077,970</u> | <u>158,251</u> | <u>1,000</u> | <u>17,106,507</u> | <u>17,106,507</u> |   |

|                              |            |            |           |  |  |  |  |             |  |
|------------------------------|------------|------------|-----------|--|--|--|--|-------------|--|
| 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.

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**CHINO BASIN WATERMASTER  
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD  
MARCH 1 THROUGH MARCH 31, 2010**

|   |    |                            |
|---|----|----------------------------|
| <b>DEPOSITORIES:</b>                      |    |                            |
| Cash on Hand - Petty Cash                 | \$ | 500                        |
| Bank of America                           |    |                            |
| Governmental Checking-Demand Deposits     | \$ | 305,345                    |
| Zero Balance Account - Payroll            |    | -                          |
| Local Agency Investment Fund - Sacramento |    | 17,478,640                 |
|   |    | <u>17,478,640</u>          |
| <b>TOTAL CASH IN BANKS AND ON HAND</b>    |    | <b>\$ 17,784,485</b>       |
| <b>TOTAL CASH IN BANKS AND ON HAND</b>    |    | <b>18,331,042</b>          |
|   |    | <u><u>\$ (546,557)</u></u> |

3/31/2010  
2/28/2010

**CHANGE IN CASH POSITION DUE TO:**

|  |    |                            |
|--|----|----------------------------|
| Decrease/(Increase) in Assets:                             |    |                            |
| Accounts Receivable  | \$ | 61,152                     |
| Assessments Receivable                                     |    | (1,747)                    |
| Prepaid Expenses, Deposits & Other Current Assets          |    | -                          |
| (Decrease)/Increase in Liabilities                         |    | (49,407)                   |
| Accounts Payable   |    | 44,284                     |
| Accrued Payroll, Payroll Taxes & Other Current Liabilities |    | (600,839)                  |
| Transfer to/(from) Reserves                                |    | -                          |
|  |    | <u><u>\$ (546,557)</u></u> |

**SUMMARY OF FINANCIAL TRANSACTIONS:**

|                                      | Petty<br>Cash | Gov't'l Checking<br>Demand | Zero Balance<br>Account<br>Payroll | Local Agency<br>Investment Funds | Totals               |
|--------------------------------------|---------------|----------------------------|------------------------------------|----------------------------------|----------------------|
| Balances as of 2/28/2010             | \$ 500        | \$ 936,343                 | \$ -                               | \$ 17,394,199                    | \$ 18,331,042        |
| Deposits                             | -             | 98,253                     | -                                  | 84,441                           | 182,694              |
| Transfers                            | -             | (60,588)                   | 60,588                             | -                                | -                    |
| Withdrawals/Checks                   | -             | (668,663)                  | (60,588)                           | -                                | (729,251)            |
|                                      | <u>\$ 500</u> | <u>\$ 305,345</u>          | <u>\$ -</u>                        | <u>\$ 17,478,640</u>             | <u>\$ 17,784,485</u> |
| Balances as of 3/31/2010             |               |                            |                                    |                                  |                      |
| <b>PERIOD INCREASE OR (DECREASE)</b> | <b>\$ -</b>   | <b>\$ (630,998)</b>        | <b>\$ -</b>                        | <b>\$ 84,441</b>                 | <b>\$ (546,557)</b>  |



**CHINO BASIN WATERMASTER  
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD  
MARCH 1 THROUGH MARCH 31, 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; 0.56% was the effective yield rate at the Quarter ended March 31, 2010.

**INVESTMENT STATUS  
March 31, 2010**

| Financial Institution        | Principal Amount     | Number of Days | Interest Rate | Maturity Date |
|------------------------------|----------------------|----------------|---------------|---------------|
| Local Agency Investment Fund | \$ 17,478,640        |                |               |               |
| <b>TOTAL INVESTMENTS</b>     | <b>\$ 17,478,640</b> |                |               |               |

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

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

Respectfully submitted,

Joseph S. Joswiak  
Chief Financial Officer  
Chino Basin Watermaster

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

|                                      | YTD<br>Actuals<br>07/09 - 03/10 | FY<br>2009-2010<br>Budget | \$Amt<br>Over (Under)<br>Budget | %<br>of<br>Budget |
|--------------------------------------|---------------------------------|---------------------------|---------------------------------|-------------------|
| <b>Ordinary Income/Expense</b>       |                                 |                           |                                 |                   |
| <b>Income</b>                        |                                 |                           |                                 |                   |
| 4010 · Local Agency Subsidies        | 111,000                         | 148,410                   | -37,410                         | 75%               |
| 4110 · Admin Asmnts-Approp Pool      | 7,215,654                       | 7,185,411                 | 30,243                          | 100%              |
| 4120 · Admin Asmnts-Non-Agri Pool    | 325,016                         | 155,427                   | 169,589                         | 209%              |
| 4700 · Non Operating Revenues        | 32,663                          | 191,540                   | -158,877                        | 17%               |
| 4900 · Miscellaneous income          | 188                             |                           |                                 |                   |
| <b>Total Income</b>                  | <b>7,684,522</b>                | <b>7,680,788</b>          | <b>3,734</b>                    | <b>100%</b>       |
| <b>Gross Profit</b>                  | <b>7,684,522</b>                | <b>7,680,788</b>          | <b>3,734</b>                    | <b>100%</b>       |
| <b>Expense</b>                       |                                 |                           |                                 |                   |
| 6010 · Salary Costs                  | 410,247                         | 487,838                   | -77,591                         | 84%               |
| 6020 · Office Building Expense       | 73,364                          | 102,500                   | -29,136                         | 72%               |
| 6030 · Office Supplies & Equip.      | 21,583                          | 43,500                    | -21,917                         | 50%               |
| 6040 · Postage & Printing Costs      | 50,627                          | 84,300                    | -33,673                         | 60%               |
| 6050 · Information Services          | 96,105                          | 148,500                   | -52,395                         | 65%               |
| 6060 · Contract Services             | 166,675                         | 98,000                    | 68,675                          | 170%              |
| 6080 · Insurance                     | 15,934                          | 16,730                    | -796                            | 95%               |
| 6110 · Dues and Subscriptions        | 17,798                          | 17,000                    | 798                             | 105%              |
| 6140 · WM Admin Expenses             | 2,343                           | 3,000                     | -657                            | 78%               |
| 6150 · Field Supplies                | 271                             | 2,800                     | -2,529                          | 10%               |
| 6170 · Travel & Transportation       | 20,683                          | 37,800                    | -17,117                         | 55%               |
| 6190 · Conferences & Seminars        | 20,447                          | 26,500                    | -6,053                          | 77%               |
| 6200 · Advisory Comm - WM Board      | 15,019                          | 18,078                    | -3,059                          | 83%               |
| 6300 · Watermaster Board Expenses    | 33,408                          | 43,823                    | -10,415                         | 76%               |
| 8300 · Appr PI-WM & Pool Admin       | 18,388                          | 23,069                    | -4,681                          | 80%               |
| 8400 · Agri Pool-WM & Pool Admin     | 22,185                          | 25,114                    | -2,929                          | 88%               |
| 8467 · Ag Legal & Technical Services | 78,145                          | 98,000                    | -19,855                         | 80%               |
| 8470 · Ag Meeting Attend -Special    | 10,050                          | 12,000                    | -1,950                          | 84%               |
| 8471 · Ag Pool Expense               | 0                               | 65,000                    | -65,000                         | 0%                |
| 8500 · Non-Ag PI-WM & Pool Admin     | 9,778                           | 6,677                     | 3,101                           | 146%              |
| 6500 · Education Funds Use Expens    | 0                               | 375                       | -375                            | 0%                |
| 9500 · Allocated G&A Expenditures    | -324,682                        | -488,230                  | 163,548                         | 67%               |
|                                      | 758,368                         | 872,374                   | -114,006                        | 87%               |
| 6900 · Optimum Basin Mgmt Plan       | 1,177,231                       | 1,399,371                 | -222,140                        | 84%               |
| 6950 · Mutual Agency Projects        | 0                               | 10,000                    | -10,000                         | 0%                |
| 9501 · G&A Expenses Allocated-OBMP   | 104,253                         | 148,448                   | -44,195                         | 70%               |
|                                      | 1,281,484                       | 1,557,819                 | -276,335                        | 82%               |

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

|  | YTD<br>Actuals<br>07/09 - 03/10 | FY<br>2009-2010<br>Budget | \$Amt<br>Over (Under)<br>Budget | %<br>of<br>Budget |
|--|---------------------------------|---------------------------|---------------------------------|-------------------|
| 7101 · Production Monitoring           | 70,284                          | 107,047                   | -36,763                         | 66%               |
| 7102 · In-line Meter Installation      | 26,306                          | 56,179                    | -29,873                         | 47%               |
| 7103 · Grdwtr Quality Monitoring       | 142,337                         | 214,362                   | -72,025                         | 66%               |
| 7104 · Gdwtr Level Monitoring          | 251,759                         | 366,956                   | -115,197                        | 69%               |
| 7105 · Sur Wtr Qual Monitoring         | 3,679                           | 43,912                    | -40,233                         | 8%                |
| 7107 · Ground Level Monitoring         | 259,978                         | 550,059                   | -290,081                        | 47%               |
| 7108 · Hydraulic Control Monitoring    | 371,744                         | 567,022                   | -195,278                        | 66%               |
| 7109 · Recharge & Well Monitoring Prog | 5,763                           | 9,152                     | -3,390                          | 63%               |
| 7200 · PE2- Comp Recharge Pgm          | 1,229,172                       | 1,478,560                 | -249,388                        | 83%               |
| 7300 · PE3&5-Water Supply/Desalte      | 50,538                          | 96,003                    | -45,465                         | 53%               |
| 7400 · PE4- Mgmt Plan                  | 76,721                          | 91,985                    | -15,264                         | 83%               |
| 7500 · PE6&7-CoopEfforts/SaltMgmt      | 136,557                         | 163,727                   | -27,170                         | 83%               |
| 7600 · PE8&9-StorageMgmt/Conj Use      | 33,332                          | 29,550                    | 3,782                           | 113%              |
| 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 | 220,429                         | 339,782                   | -119,353                        | 65%               |
|  | <u>3,445,641</u>                | <u>5,250,595</u>          | <u>-1,804,954</u>               | <u>66%</u>        |
| <b>Total Expense</b>                   | <u>5,485,494</u>                | <u>7,680,788</u>          | <u>-2,195,294</u>               | <u>71%</u>        |
| <b>Net Ordinary Income</b>             | 2,199,028                       |                           | 2,199,028                       | 100%              |
| <b>Other Income/Expense</b>            |                                 |                           |                                 |                   |
| <b>Other Income</b>                    |                                 |                           |                                 |                   |
| 4225 · Interest Income                 | 25,077                          |                           |                                 |                   |
| 4210 · Approp Pool-Replenishment       | 4,887,364                       |                           |                                 |                   |
| 4220 · Non-Ag Pool-Replenishment       | 9,478                           |                           |                                 |                   |
| 4600 · Groundwater Sales               | 2,176,962                       |                           |                                 |                   |
| <b>Total Other Income</b>              | <u>7,098,882</u>                |                           |                                 |                   |
| <b>Other Expense</b>                   |                                 |                           |                                 |                   |
| 5010 · Groundwater Replenishment       | 1,021,346                       |                           |                                 |                   |
| 5100 · Other Water Purchases           | 2,166,022                       |                           |                                 |                   |
| 9999 · To/(From) Reserves              | 6,110,542                       |                           |                                 |                   |
| <b>Total Other Expense</b>             | <u>9,297,910</u>                |                           |                                 |                   |
| <b>Net Other Income</b>                | <u>-2,199,028</u>               |                           |                                 |                   |
| <b>Net Income</b>                      | <u>0</u>                        |                           | <u>0</u>                        | <u>0%</u>         |





# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Monte Vista Water District will purchase 2,000 acre-feet of water from the Monte Vista Irrigation Company. This purchase is made first from the Irrigation Company's net underproduction, if any, in Fiscal Year 2009-2010, with any remainder to be recaptured from storage.



***CHINO BASIN WATERMASTER***

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

May 5, 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: **April 5, 2010**

Date of this notice: **May 5, 2010**

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

- Notice of Sale or Transfer – Monte Vista Water District will purchase 2,000 acre-feet of water from the Monte Vista Irrigation Company. This purchase is made first from the Irrigation Company’s net underproduction, if any, 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:    | May 13, 2010 |
| Non-Agricultural Pool: | May 13, 2010 |
| Agricultural Pool:     | May 13, 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: May 5, 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:** May 5, 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** – Monte Vista Water District will purchase 2,000 acre-feet of water from the Monte Vista Irrigation Company. This purchase is made first from the Irrigation Company's net underproduction, if any, 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 water transaction is attached with the notice of application.

- Monte Vista Water District will purchase 2,000 acre-feet of water from the Monte Vista Irrigation Company. This purchase is made first from the Irrigation Company's net underproduction, if any, in Fiscal Year 2009-10, with any remainder to be recaptured from storage.

Notice of the water transaction identified above was mailed on May 5, 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 20<sup>09</sup> - 20<sup>10</sup>

DATE REQUESTED: April 5, 2010

AMOUNT REQUESTED: 2,000 Acre-Feet

|   |  |
|---|--|
| <p><b>TRANSFER FROM (SELLER / TRANSFEROR):</b><br/> <u>Monte Vista Irrigation Company</u><br/>                 Name of Party<br/> <u>10575 Central Avenue</u><br/>                 Street Address<br/> <u>Montclair</u>                      <u>CA</u>    <u>91763</u><br/>                 City                                      State    Zip Code<br/>                 (909) 624-0035<br/>                 Telephone<br/>                 (909) 624-0037<br/>                 Facsimile</p> | <p><b>TRANSFER TO (BUYER / TRANSFEREE):</b><br/> <u>Monte Vista Water District</u><br/>                 Name of Party<br/> <u>10575 Central Avenue</u><br/>                 Street Address<br/> <u>Montclair</u>                      <u>CA</u>    <u>91763</u><br/>                 City                                      State    Zip Code<br/>                 (909) 624-0035<br/>                 Telephone<br/>                 (909) 624-0037<br/>                 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)
- 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:**

2-10,000 gpm Current Fiscal Year  
 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:**

Regular production wells

**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:

Nitrate concentrations range between 19-70 ppm

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

504-533

**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?

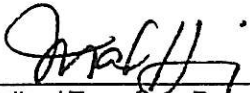
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**SAID TRANSFER SHALL BE CONDITIONED UPON:**

- (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

Mark N. Kinsey

\_\_\_\_\_  
Seller / Transferor Representative Name (Printed)



\_\_\_\_\_  
Buyer / Transferee Representative Signature

Mark N. Kinsey

\_\_\_\_\_  
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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# MONTE VISTA WATER DISTRICT

## Recapture Plan

Location of where the recaptured water will be extracted by the District is within Management Zone 1 of the Chino Basin and will be accomplished by any or all of the 13 wells owned and operated by the District. The approximate daily production capacity of these wells is noted below.

The 2,000 AF transfer will be utilized for delivery to the District's retail customers, for delivery to the City of Chino Hills, or to offset the District's Fiscal Year 2009-10 replenishment obligation.

| <u>Well</u> | <u>Production<br/>Acre-Feet/Day</u> |
|-------------|-------------------------------------|
| 4           | 4.2                                 |
| 5           | 6.1                                 |
| 6           | 5.2                                 |
| 10          | 5.2                                 |
| 19          | 9.0                                 |
| 20          | 5.8                                 |
| 26          | 9.0                                 |
| 27          | 9.0                                 |
| 28          | 9.0                                 |
| 30          | 9.0                                 |
| 31          | 9.0                                 |
| 32          | 9.0                                 |
| 33          | 4.5                                 |

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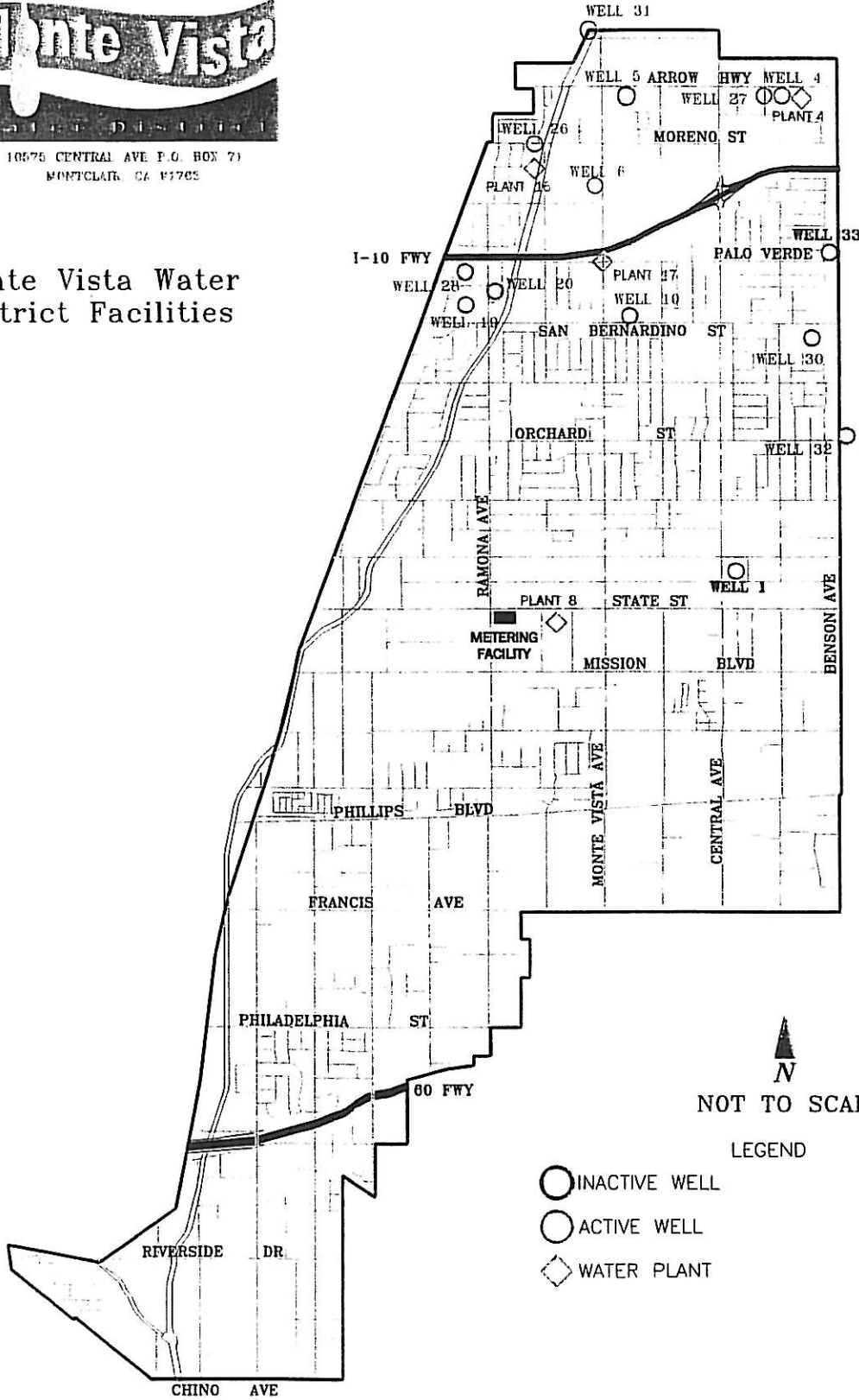
|             |      |
|-------------|------|
| Daily Total | 94.0 |
|-------------|------|

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



10575 CENTRAL AVE P.O. BOX 71  
MONTCLAIR, CA 91763

# Monte Vista Water District Facilities



NOT TO SCALE

### LEGEND

- INACTIVE WELL
- ACTIVE WELL
- ◇ WATER PLANT



# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### A. **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:** May 13, 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** – Approve the agreement to form a Task Force to Conduct a Monitoring program for Nitrogen and TDS in the Santa Ana River Watershed.

**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:**

- May 13, 2010 Appropriative Pool –
- May 13, 2010 Non-Agricultural Pool –
- May 13, 2010 Agricultural Pool –
- May 20, 2010 Advisory Committee –
- May 27, 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

## II. BUSINESS ITEM

### B. BUDGET TRANSFER

Budget Transfer Request T-10-05-10 relating to Watermaster Legal Fees, OBMP Engineering Services and MZ-1 Ground Level Monitoring





# 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:** May 13, 2010  
**TO:** Committee Members  
**SUBJECT:** Budget Transfer T-10-05-01

### SUMMARY

**Issue – Budget transfer request for accounts relating to Watermaster Legal Fees, OBMP Engineering Services and MZ-1 Ground Level Monitoring.**

**Recommendation – Approve the Budget Transfer Form T-10-05-01 as requested.**

**Financial Impact – None**

### BACKGROUND:

The Watermaster General Counsel budget (account number 6907.3) for FY 2009-2010 is \$595,000. We project that by the end of the fiscal year, the legal budget will be exceeded by approximately \$260,000. The total projected legal expenses, based upon meetings with Brownstein Hyatt Farber Schreck, are projected at \$855,000(see Exhibit A). During FY 2009-2010, there was no contingency reserve in the legal budget. In past years, the budget preference was to allocate or transfer funds as these unexpected issues arose, rather than to budget funds in advance as a contingency. As is customary, several unanticipated and unbudgeted events have occurred. Sequentially these include:

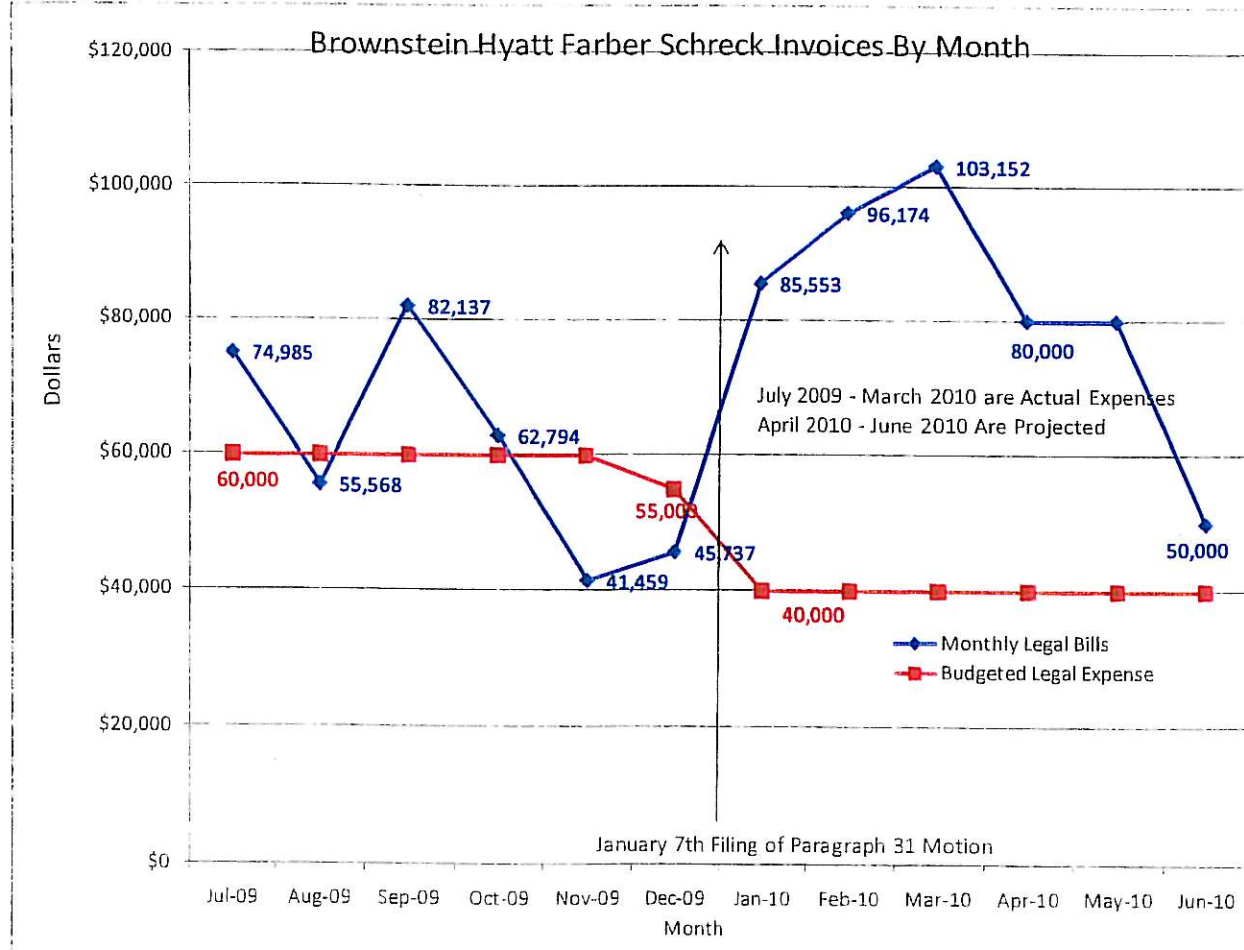
- (1) The auction
- (2) Transition from the previous judge
- (3) Increased activity regarding the Chino Airport Plume
- (4) The Non-Agricultural Pool Paragraph 31 Motion
- (5) The RWQCB ACL Complaint and associated facilitation of desalter expansion

The most significant of these items are the Paragraph 31 Motion and the Auction. The auction was not included in the general counsel budget because the expectation was that costs associated with the auction would be funded from the auction proceeds. The backup plan in the event that the auction did not proceed was to perform a budget transfer. For the months of August through October 2009, legal counsel expenses associated with the auction were in excess of \$150,000. Ultimately, these funds will

not have to be expended again as the template Storage and Recovery Agreement was approved by the Court and all the remaining authorizing instruments will be available to be used in a subsequent auction. Despite this significant unbudgeted cost, until the filing of the Paragraph 31 motion, the prior level of activity in other budget categories suggested that only a modest budget transfer would be necessary, similar in magnitude to the prior transfers in previous years.

Counsel began addressing the issues associated with the Paragraph 31 Motion at the beginning of January, 2010. Legal counsel has responded to numerous letters and information requests, attended meetings, investigated the allegations as requested and the associated level of activity has been significant. In many ways the requests were tantamount to pre-litigation discovery. Moreover, research associated with the Motion has entailed a detailed review of documents and meeting materials spanning the whole of 2009. By the end of March, legal costs associated with the Motion were approximately \$150,000. Our legal counsel estimates that through hearing the 2010 legal costs on this matter will well exceed \$200,000. They believe these costs are reasonable given the requirement that Watermaster has a responsibility to administer the Judgment and to fairly evaluate the claim by any party regarding an improper action by Watermaster. The level of activity was further warranted by the magnitude of the financial risk associated with the contention that Watermaster's acquisition of stored water be set aside and the possibility that one or more parties would escalate the conflict. Costs associated with the Paragraph 31 Motion thus compose the majority of the amount of the legal counsel budget overrun.

Exhibit A:





Concurrently with the legal meetings, during the past few weeks meetings have been held with Wildermuth and Watermaster staff to review the Engineering tasks being performed by outside consultants and determine if any areas exist for budget reductions or possible budget transfers. Upon reviewing the remaining engineering tasks, it was determined that several projects would be under budget, while several other projects would be over budget at fiscal year-end. Watermaster staff has identified approximately \$300,000 of budget transfers which could be used to offset the legal category expenses. These offsets are in the Optimal Basin Management Plan

DISCUSSION:

1. Account group 6906 (Optimum Basin Management Plan). Both Wildermuth and Watermaster staff agree that savings exist in this category as a result of cost savings and work adjustments.

|              | <u>Budget</u> | <u>Projected</u> | <u>Savings</u> |
|--------------|---------------|------------------|----------------|
| Grand Totals | \$570,003     | \$438,879        | (\$131,124)    |

2. Account group 7107 (Ground Level Monitoring). The reason for the remaining budget of \$168,653 in Account 7107 is that \$183K was allocated for the implementation of the ASR (Aquifer Storage and Recovery) pilot project and the effort was not completed in this fiscal year. Both Wildermuth and Watermaster staff agree that savings exist in this category as a result.

|              | <u>Budget</u> | <u>Projected</u> | <u>Savings</u> |
|--------------|---------------|------------------|----------------|
| Grand Totals | \$548,653     | \$380,000        | (\$168,653)    |

3. Account group 7108 (Hydraulic Control Monitoring). Both Wildermuth and Watermaster staff agree that savings exist in this category as a result of cost savings and work adjustments.

|              | <u>Budget</u> | <u>Projected</u> | <u>Savings</u> |
|--------------|---------------|------------------|----------------|
| Grand Totals | \$553,479     | \$520,000        | (\$ 33,479)    |

4. Account 7303 (PE3&5-Water Supply/Desalter). Both Wildermuth and Watermaster staff agree that savings exist in this category as a result of cost savings and work adjustments.

|                              | <u>Budget</u> | <u>Projected</u> | <u>Savings</u> |
|------------------------------|---------------|------------------|----------------|
| 7303 PE3&5-Engineering-Other | \$72,309      | \$62,000         | (\$10,309)     |

5. Account group 7200 (PE2 Comp Recharge Program). Both Wildermuth and Watermaster staff agree that this category will exceed the budget by \$24,212 as a direct result of greater Recharge Master Plan expenses being allocated towards this category.

|              | <u>Budget</u> | <u>Projected</u> | <u>Add'l Cost</u> |
|--------------|---------------|------------------|-------------------|
| Grand Totals | \$718,650     | \$742,862        | \$ 24,212         |



6. Account group 7400 (PE4 Mgmt Plan). Both Wildermuth and Watermaster staff agree that this category will exceed the budget by \$18,720 as a direct result of greater MZ-1 Monitoring expenses being allocated towards this category.

|              | <u>Budget</u> | <u>Projected</u> | <u>Add'l Cost</u> |
|--------------|---------------|------------------|-------------------|
| Grand Totals | \$81,280      | \$100,000        | \$18,720          |

Overall, the cash savings identified by the Watermaster staff is \$343,565 and is recommending the transfers be completed as follows:

|   |                  |
|---|------------------|
| Overall Savings Identified from Accounts 6906, 7107, 7108 and 7303: | <u>\$343,565</u> |
| Transfer to Watermaster Legal Counsel (account 6907.3):             | \$300,633        |
| Transfer to Comp Recharge-Engineering Services (account 7202.2):    | \$ 24,212        |
| Transfer to PE4-Engineering (account 7402):                         | <u>\$ 18,720</u> |
| Grand Total Transfers:  | <u>\$343,565</u> |

With the proposed transfers between accounts of \$343,565 the approved original budget of \$7,680,788 does not change.

ACTIONS:

- May 13, 2010 Appropriative Pool –
- May 13, 2010 Non-Agricultural Pool –
- May 13, 2010 Agricultural Pool –
- May 20, 2010 Advisory Committee –
- May 27, 2010 Watermaster Board –



**CHINO BASIN WATERMASTER  
BUDGET TRANSFERS**

**ATTACHMENT #1a**

Fiscal Year 2009-2010

Transfer # T-10-05-01

To: **All Parties**

From: Joseph S. Joswiak Date: 4-May-10

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

**Budgetary account reduction**

| <i>Line Item Description</i>          | <i>Account Number</i> | <i>Current Budget</i> | <i>Proposed Transfer</i> |
|---------------------------------------|-----------------------|-----------------------|--------------------------|
| OBMP Engineering Services-Other       | 6906                  | \$ 495,003            | \$ (80,003)              |
| CEQA                                  | 6906.4                | \$ 75,000             | \$ (56,486)              |
| Ground Level-SAR Imagery              | 7107.3                | \$ 95,000             | \$ (95,000)              |
| Ground Level-Contracted Services      | 7107.6                | \$ 209,526            | \$ (209,526)             |
| Hydraulic Control-Lab Services        | 7108.4                | \$ 181,933            | \$ (181,933)             |
| Hydraulic Control-Contracted Services | 7108.9                | \$ 4,700              | \$ (4,700)               |
| PE3&5-Engineering-Other               | 7303                  | \$ 72,309             | \$ (10,309)              |
| Comp Recharge-Engineering Other       | 7202                  | \$ 158,225            | \$ (44,658)              |
| Comp Recharge-Contracted Services     | 7203                  | \$ 22,000             | \$ (22,000)              |
| Comp Recharge-Supplies                | 7204                  | \$ 16,000             | \$ (15,519)              |
| PE4-Contracted Services               | 7203                  | \$ 10,000             | \$ (10,000)              |

**Budgetary account addition**

|                                    |        |            |             |
|------------------------------------|--------|------------|-------------|
| Santa Ana River TMDL               | 6906.6 | \$ -       | \$ 5,365    |
| Ground Level Engineering           | 7107.2 | \$ 244,127 | \$ 135,873  |
| Hydraulic Control-Engineering      | 7108.3 | \$ 366,846 | \$ 153,154  |
| Comp Recharge-Engineering Services | 7202.2 | \$ -       | \$ 68,389   |
| Comp Recharge-Temp Services        | 7201.1 | \$ 522,425 | \$ 24,212   |
| Comp Recharge-Temp Services        | 7201.1 | \$ 522,425 | \$ 13,788   |
| PE4-Engineering                    | 7402   | \$ 71,280  | \$ 28,720   |
| Watermaster Legal Counsel          | 6907.3 | \$ 595,000 | \$ 300,633  |
|                                    |        |            | <b>\$ -</b> |

Should be zero

**Transfer Procedure**

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

**Finance Use Only**

Date Board Approved \_\_\_\_\_

Finance Log # \_\_\_\_\_

Date Posted \_\_\_\_\_

Posted By \_\_\_\_\_

Approved by \_\_\_\_\_

Date approved \_\_\_\_\_

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# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### C. CHINO CREEK WELL FIELD LOCATIONS



As a reminder, all  
documentation for this item  
will go out separate cover prior  
to the meeting on Thursday.



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# CHINO BASIN WATERMASTER

## IV. INFORMATION

1. Newspaper Articles



# Panel aims to retain more water

## New basin plan places priority on capturing runoff

By Mediha Fejzagic  
DiMartino  
Staff Writer

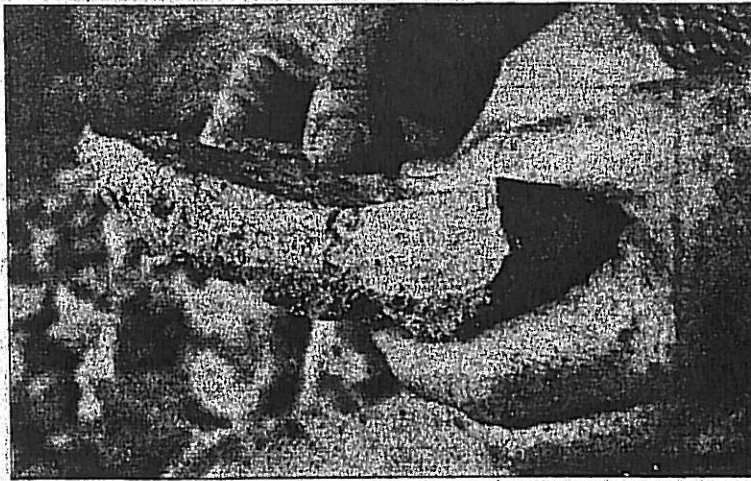
RANCHO CUCAMONGA — Looking for ways to cope with the region's growing demand for water, the Chino Basin Watermaster board has put together a plan of action that prioritizes reliance on local resources.

"Local projects are the future of the Chino Basin, not the imported water," said Ken Manning, the water authority's CEO. "We need to be able to retain large sums of (storm runoff) quickly. We have to be able to gorge and not just sip."

The Watermaster board — which oversees collecting storm runoff and sinking it into the ground for future use in an area from Pomona to Fontana and from the mountains to the Santa Ana River — plans to unveil its Recharge Master Plan today at a workshop at the Goldy S. Lewis Community Center.

The plan, if fully implemented, would increase the groundwater supply by 25 percent at a cost of \$50 million to \$150 million, Manning said.

"It's our road map for the next 10 years," said Richard Atwater, general manager of the Inland Empire Utilities Agency, based in Chino.



Gordon Treweek, a project engineer for Chino Basin Watermaster, holds a piece of dried clay and silt he picked up from the bottom of the lower Day Creek basin near Rancho Cucamonga on Wednesday.

Mediha Fejzagic  
DiMartino  
Staff Photographer

Short-term plans include converting a half-dozen flood control basins into "internal dams" so that they can retain more water during wet months.

Currently, the flood control basins are designed solely as safety measures. The conversion would add inflatable rubber dams that would allow for retention of water as well as preventing floods.

The San Bernardino County Flood Control District "used to focus on getting the water off property as quickly as possible," said Robert DeLoach, general manager of Cucamonga Valley Water District.

"They are letting us use their basins to recharge storm water."

Long-term projects, to be implemented in the next five to 10 years, include renova-

tion of Lower Cucamonga Basin in south Ontario.

"It would be an above-ground, temporary holding place that would catch water before it gets to Prado (Dam)," Manning said. "It's not a lake, but it could hold 10,000 to 15,000 acre-feet of water."

An acre-foot equals 325,851 gallons and is enough water to supply two typical households for a year.

The Chino Basin project hinges on the passage of an \$11.1 billion bond measure on the November ballot.

"A combination of state and federal funds could cover 50 percent of the cost," Manning said.

But there is a chance that Chino Basin Watermaster will not get any of the funds, DeLoach said.

"Ultimately, the cost will be

borne by the ratepayers if we don't find outside money to help pay for it," he said. "If we do (secure it), customers will pay nothing more or just a couple of pennies."

And, keeping in mind the county's growing population and the scarcity of very expensive water imported from Northern California — to implement the plan is not a choice but a must, DeLoach said.

If nothing is done, in 10 years customers will have to pay higher rates for imported water as well as facing mandatory conservation.

"We will not be able to continue to pump as we used to," he said. "Our entire groundwater basin depends on the success of this project and the accomplishment of everything that is suggested in the Recharge Master Plan."

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## Rialto water district tops on grant list

Josh Dulaney, Staff Writer

Created: 04/13/2010 03:22:41 PM PDT

RIALTO - A groundwater treatment plan proposed by the West Valley Water District has scored the highest on a list of projects seeking state funding.

The water district's \$10 million grant proposal submitted to the state Department of Water Resources is a wellhead treatment project that uses an eco-friendly process to remove contaminants from drinking water.

Officials with the water district are calling it a significant step forward in recovering water resources that have been contaminated by industrial sources for decades.

"Since we opened our doors, we have fought to ensure the safety of our community's water supply," said Anthony "Butch" Araiza, general manager of the water district. "While lawyers for other entities sort out the blame, we have to do what is most important for our customers - solve the problem."

The department has released a preliminary list of nine qualifying projects out of 100 submitted by agencies throughout the state vying for \$50 million in funding under state Proposition 84.

The proposition - known as the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act - was passed by California voters in November 2006.

The state is expected to announce the grant recipients later this month.

"We're fairly confident because they said our application is one of the very best they've seen," Araiza said.

The water district's project uses micro-organisms to destroy perchlorate and other contaminants in drinking water.

Perchlorate has been discovered in drinking water throughout areas of Southern California and has been used for agricultural, industrial and military purposes.

Some scientists say it can impair thyroid function and cause developmental problems in infants.

The project will allow the water district and the city of Rialto to restore two wells that had been taken out of service because of perchlorate and other contaminants.

The total estimated cost is about \$20 million.

Araiza said the Department of Defense has put in about \$3 million for the project, and the state Water Resources Control Board has kicked in about \$2.5 million.

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He said the project could be up and running as early as next year.

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## Panel aims to retain more water

### New basin plan places priority on capturing runoff

Mediha Fejzagic DiMartino, Staff Writer

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RANCHO CUCAMONGA - Looking for ways to cope with the region's growing demand for water, the Chino Basin Watermaster board has put together a plan of action that prioritizes reliance on local resources.

"Local projects are the future of the Chino Basin, not the imported water," said Ken Manning, the water authority's CEO. "We need to be able to retain large sums of (storm runoff) quickly. We have to be able to gorge and not just sip."

The Watermaster board - which oversees collecting storm runoff and sinking it into the ground for future use in an area from Pomona to Fontana and from the mountains to the Santa Ana River - plans to unveil its Recharge Master Plan today at a workshop at the Goldy S. Lewis Community Center.

The plan, if fully implemented, would increase the groundwater supply by 25

percent at a cost of \$50 million to \$150 million, Manning said.

"It's our road map for the next 10 years," said Richard Atwater, general manager of the Inland Empire Utilities Agency, based in Chino.

Short-term plans include converting a half-dozen flood control basins into "internal dams" so that they can retain more water during wet months.

Currently, the flood control basins are designed solely as safety measures. The conversion would add inflatable rubber dams that would allow for retention of water as well as preventing floods.

The San Bernardino County Flood Control District "used to focus on getting the water off property as quickly as possible," said Robert DeLoach, general manager of Cucamonga Valley Water District.

"They are letting us use their basins to recharge storm water."

Long-term projects, to be implemented in the next five to 10 years, include renovation of Lower Cucamonga Basin in south Ontario.

"It would be an above-ground, temporary

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holding place that would catch water before it gets to Prado (Dam)," Manning said. "It's not a lake, but it could hold 10,000 to 15,000 acre-feet of water."

An acre-foot equals 325,851 gallons and is enough water to supply two typical households for a year.

The Chino Basin project hinges on the passage of an \$11.1 billion bond measure on the November ballot.

"A combination of state and federal funds could cover 50 percent of the cost," Manning said.

But there is a chance that Chino Basin Watermaster will not get any of the funds, DeLoach said.

"Ultimately, the cost will be borne by the ratepayers if we don't find outside money to help pay for it," he said. "If we do (secure it), customers will pay nothing more or just a couple of pennies."

And, keeping in mind the county's growing population and the scarcity of very expensive water imported from Northern California - to implement the plan is not a choice but a must, DeLoach said.

If nothing is done, in 10 years customers will have to pay higher rates for imported water as well as facing mandatory conservation.

"We will not be able to continue to pump as we used to," he said. "Our entire groundwater basin depends on the success of this project and the accomplishment of everything that is suggested in the Recharge Master Plan."

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