

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, July 1, 2010

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

Call 1-800-930-9525 / Pass Code: 917924

OR

You can take the call at the Chino Basin Watermaster office

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



CHINO BASIN WATERMASTER

Thursday, July 1, 2010

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

AGENDA PACKAGE



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

2:30 p.m. – July 1, 2010

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

1-800-930-9525 PASS CODE: 917924

**Call Can Be Taken At the Offices Of
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730**

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

Note: All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by one motion in the form listed below. There will be no separate discussion on these items prior to voting unless any members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES

1. Minutes of the Non-Agricultural Pool Conference Call Meeting held June 3, 2010 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2010 *(Page 5)*
2. Watermaster Visa Check Detail for the month of May 2010 *(Page 9)*
3. Combining Schedule for the Period July 1, 2009 through May 31, 2010 *(Page 11)*
4. Treasurer's Report of Financial Affairs for the Period May 1, 2010 through May 31, 2010 *(Page 13)*
5. Budget vs. Actual July 2009 through May 2010 *(Page 15)*

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District is purchasing 500 acre-feet of water from West Valley Water District. This purchase is made from WVWD's water in storage and is to be placed in CVWD's Excess Carryover Account – Date of Application: June 14, 2010 *(Page 17)*
2. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 765 acre-feet from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net under-production in Fiscal Year 2009-2010, with any remainder to be recaptured from storage – Date of Application: June 21, 2010 *(Page 29)*
3. **Consider Approval for Notice of Sale or Transfer** – Monte Vista Water District is purchasing 19.245 acre-feet of water from the San Antonio Water Company. This purchase is made first from San Antonio's net underproduction, if any, in Fiscal Year 2009-2010, with any remainder to be recaptured from storage – Date of Application: June 7, 2010 *(Page 41)*

- 4. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company (“Company”) has agreed to purchase from The Nicholson Trust annual production right in the amount of 6.082 acre-feet to satisfy a portion of the Company’s anticipated Chino Basin replenishment obligation for Fiscal Year 2009/2010 – Date of Application: June 23, 2010 (Page 53)

D. LOCAL STORAGE AGREEMENT

Notice of Application for a Local Storage Agreement – The City of Fontana (“City”) has submitted an application for a Local Storage Agreement for 5,000 acre-feet to be placed into an Excess Carryover Account – Date of Application: May 18, 2010 (Page 63)

II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

- 1. Paragraph 31 Motion
- 2. CDA Facilitation
- 3. Policy Manual / Database Management
- 4. Non-Agricultural Pool Volume Vote Changes

B. CEO/STAFF REPORT

- 1. Legislative Update
- 2. Recharge Update

III. INFORMATION

- 1. Newspaper Articles (Page 75)

IV. POOL MEMBER COMMENTS

V. OTHER BUSINESS

VI. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

VII. FUTURE MEETINGS

Thursday, July 1, 2010	1:00 p.m.	Appropriative Pool Meeting @ CBWM
Thursday, July 1, 2010	2:30 p.m.	Non-Agricultural Pool Meeting @ CBWM
Thursday, July 8, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, July 15, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, July 15, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, July 22, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM
Tuesday, July 27, 2010	9:00 a.m.	GRCC Technical Committee Meeting @ CBWM

Meeting Adjourn



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Non-Agricultural Pool Meeting held on June 3, 2010



Draft Minutes
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL CONFERENCE CALL MEETING
June 3, 2010

The Non-Agricultural Pool Conference Call Meeting was held via conference call using the Chino Basin Watermaster conference call number on June 3, 2010 at 2:30 p.m.

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Bob Bowcock, Chair	Vulcan Materials (Calmat Division)
Brian Geye	Auto Club Speedway
Tom O'Neil	City of Ontario
Jeff Wells	California Steel Industries
David Penrice	Aqua Capital Management LP
Curtis Stubbings	Praxair, Inc.
Mohamed El-Amamy	City of Ontario
David Starnes	Swan Lake Mobile Home Park

NON-AGRICULTURAL POOL MEMBER PRESENT AT WATERMASTER WHO SIGNED IN

Steve Arbelbide	California Steel Industries
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Watermaster Board Members Present at Watermaster

Michael Camacho	Inland Empire Utilities Agency
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Watermaster Staff Present at Watermaster

Kenneth R. Manning	Chief Executive Officer
Joe Joswiak	Chief Financial Officer
Sherri Lynne Molino	Recording Secretary
Ben Pak	Senior Project Engineer
Danni Maurizio	Senior Engineer

Watermaster Consultants Present at Watermaster

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

Others Present on Conference Call

Allen Hubsch	Hogan Lovells US LLP
Marguerite Battersby	Sheppard Mullin
Marv Shaw	City of Ontario
Ken Jeske	City of Ontario

Chair Bowcock called the Non-Agricultural Pool Conference Call Meeting to order at 2:40 p.m.

AGENDA - ADDITIONS/REORDER

Mr. Manning noted there is an updated Chino Creek Well Field recommendation and it will be presented during the Business Item portion of the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Non-Agricultural Pool Conference Call Meeting held May 13, 2010

Motion by Arbelbide, second by Geye, and by unanimous vote
Moved to approve Consent Calendar items A, as presented

2. Minutes of the Special Non-Agricultural Pool Conference Call Meeting held May 19, 2010

Motion by Arbelbide, second by Geye, and by unanimous vote

Moved to approve Consent Calendar item A with one correction to the word members, as presented

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2010
2. Watermaster Visa Check Detail for the month of April 2010
3. Combining Schedule for the Period July 1, 2009 through April 30, 2010
4. Treasurer's Report of Financial Affairs for the Period April 1, 2010 through April 30, 2010
5. Budget vs. Actual July 2009 through April 2010

No motion and/or vote was taken on Consent Calendar item B

C. LOCAL AGENCY INVESTMENT FUND

Revised Resolution 10-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF)

Motion by Arbelbide, second by Geye, and by unanimous vote

Moved to approve Consent Calendar item C, as presented

II. BUSINESS ITEMS

A. CHINO CREEK WELL FIELD LOCATIONS

Consider Approval of the CDA's Proposed Locations of Wells I-16 and I-18, Provided They are Constructed with Perforations Solely in the Shallow Aquifer

Motion by Arbelbide, second by Geye, and by unanimous vote

Moved to approve the CDA's proposed locations of Wells I-16 and I-18, provided that they are constructed with perforations in the shallow aquifer in accordance with Wildermuth Environmental Inc. ongoing evaluation to achieve hydraulic control and will not conflict with the OBMP goal to minimize or abate permanent subsidence, as presented

B. CHINO BASIN WATERMASTER 2010-2011 BUDGET

Consider Approval of the Chino Basin Watermaster 2010-2011 Budget

Deferred item to Special Budget Workshop on June 17, 2010 at 11:00 a.m.

C. CONDITION SUBSEQUENT NO. 8

Consider Approval of Resolution Adopting Updated Recharge Master Plan for Submittal to the Court in Fulfillment of Condition Subsequent Number 8

Motion by Penrice, second by Arbelbide, and by majority vote – City of Ontario voted no

Moved to approval of Resolution adopting updated Recharge Master Plan for submittal to the court in fulfillment of Condition Subsequent Number 8, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Paragraph 31 Motion
Counsel Fife gave his report on this item.
2. ACL Complaint
Counsel Fife gave his report on this item.

- 3. CDA Facilitation
Counsel Fife gave his report on this item.

B. CEO/STAFF REPORT

- 1. Legislative Update
Mr. Manning gave his report on this item.
- 2. Recharge Update
Mr. Manning gave his report on this item.
- 3. Potential Implementation of MWD's Water Supply Allocation Plan Update
Mr. Manning gave his report on this item.

IV. INFORMATION

- 1. Newspaper Articles
No report was given on this item.

V. POOL MEMBER COMMENTS

No report was given on this item.

VI. OTHER BUSINESS

No report was given on this item.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

No confidential session was called.

VIII. FUTURE MEETINGS

Thursday, May 27, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, June 3, 2010	1:00 p.m.	Appropriative Pool Meeting @ CBWM
Thursday, June 3, 2010	2:30 p.m.	Non-Agricultural Pool Meeting @ CBWM
Thursday, June 10, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, June 17, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, June 17, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Friday, June 18, 2010	10:30 a.m.	CBWM Court Hearing @ Chino Court Room C1
Thursday, June 24, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM

The Appropriative Pool meeting was dismissed by Chair Bowcock at 3:25 p.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

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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

STAFF REPORT

DATE: July 1, 2010
TO: Committee Members
SUBJECT: Cash Disbursement Report

SUMMARY

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

Recommendation – Staff recommends the Cash Disbursements for May 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 May 2010 were \$745,654.60. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$375,000.00, Wildermuth Environmental, Inc. in the amount of \$136,366.94 and Brownstein Hyatt Farber Schreck in the amount of \$98,192.72.

Actions:

7-01-10 Appropriative Pool
7-01-10 Non-Agricultural Pool
7-08-10 Agricultural Pool
7-15-10 Advisory Committee
7-22-10 Watermaster Board

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
May 2010

May 2010

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
General Journal	05/01/2010	05/01/10	PAYROLL FOR 04/18/10-05/01/10	-8,394.58
General Journal	05/01/2010	05/01/10	PAYROLL FOR 04/18/10-05/01/10	-25,833.00
Bill Pmt -Check	05/03/2010	14146	A&R BRIDGESTONE FIRESTONE AUTO CARE	-347.72
Bill Pmt -Check	05/03/2010	14147	APPLIED COMPUTER TECHNOLOGIES	-2,337.25
Bill Pmt -Check	05/03/2010	14148	ARROWHEAD MOUNTAIN SPRING WATER	-26.39
Bill Pmt -Check	05/03/2010	14149	COMPUTER NETWORK	-70.69
Bill Pmt -Check	05/03/2010	14150	KONICA MINOLTA BUSINESS SOLUTIONS	-992.41
Bill Pmt -Check	05/03/2010	14151	LOS ANGELES TIMES	-48.00
Bill Pmt -Check	05/03/2010	14152	MET LIFE SMALL BUSINESS CENTER	-50.00
Bill Pmt -Check	05/03/2010	14153	PARK PLACE COMPUTER SOLUTIONS, INC.	-3,450.00
Bill Pmt -Check	05/03/2010	14154	PRE-PAID LEGAL SERVICES, INC.	-77.70
Bill Pmt -Check	05/03/2010	14155	SOLINST CANADA LTD.	-17.76
Bill Pmt -Check	05/03/2010	14156	STANDARD INSURANCE CO.	-549.35
Bill Pmt -Check	05/03/2010	14157	STAPLES BUSINESS ADVANTAGE	-267.46
Bill Pmt -Check	05/03/2010	14158	STATE COMPENSATION INSURANCE FUND	-836.03
Bill Pmt -Check	05/03/2010	14159	THREE VALLEYS MUNICIPAL WATER DIST	-15.00
Bill Pmt -Check	05/06/2010	14160	A&R BRIDGESTONE FIRESTONE AUTO CARE	-239.52
Bill Pmt -Check	05/06/2010	14161	BOWCOCK, ROBERT	-250.00
Bill Pmt -Check	05/06/2010	14162	CAMACHO, MICHAEL	-750.00
Bill Pmt -Check	05/06/2010	14163	CUCAMONGA VALLEY WATER DISTRICT	-3,750.00
Bill Pmt -Check	05/06/2010	14164	DIRECTV	-83.99
Bill Pmt -Check	05/06/2010	14165	FEENSTRA, BOB	-125.00
Bill Pmt -Check	05/06/2010	14166	HAUGHEY, TOM	-250.00
Bill Pmt -Check	05/06/2010	14167	HSBC BUSINESS SOLUTIONS	-398.18
Bill Pmt -Check	05/06/2010	14168	IDEAL GRAPHICS	-1,314.14
Bill Pmt -Check	05/06/2010	14169	INLAND EMPIRE UTILITIES AGENCY	-375,000.00
Bill Pmt -Check	05/06/2010	14170	JAMES JOHNSTON	-870.00
Bill Pmt -Check	05/06/2010	14171	KUHN, BOB	-375.00
Bill Pmt -Check	05/06/2010	14172	OFFICE DEPOT	-271.86
Bill Pmt -Check	05/06/2010	14173	PLATINUM CONSULTING GROUP	-450.00
Bill Pmt -Check	05/06/2010	14174	PURCHASE POWER	-2,500.00
Bill Pmt -Check	05/06/2010	14175	REID & HELLYER	-17,874.14
Bill Pmt -Check	05/06/2010	14176	STAPLES BUSINESS ADVANTAGE	-360.52
Bill Pmt -Check	05/06/2010	14177	STATE COMPENSATION INSURANCE FUND	-1,045.22
Bill Pmt -Check	05/06/2010	14178	UNITED PARCEL SERVICE	-21.19
Bill Pmt -Check	05/06/2010	14179	VANDEN HEUVEL, GEOFFREY	-375.00
Bill Pmt -Check	05/06/2010	14180	VERIZON	-605.67
Bill Pmt -Check	05/06/2010	14181	W.C. DISCOUNT MOBILE AUTO DETAILING	-75.00
Bill Pmt -Check	05/06/2010	14182	WHITEHEAD, MICHAEL	-250.00
Bill Pmt -Check	05/06/2010	14183	WILDERMUTH ENVIRONMENTAL INC	-66,480.50
Bill Pmt -Check	05/06/2010	14184	WILLIS, KENNETH	-500.00
Bill Pmt -Check	05/06/2010	14185	YUKON DISPOSAL SERVICE	-142.88
Bill Pmt -Check	05/11/2010	14186	EL TORITO	-270.67
Bill Pmt -Check	05/12/2010	14187	A&R BRIDGESTONE FIRESTONE AUTO CARE	-287.96

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
May 2010

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
Bill Pmt -Check	05/12/2010	14188	NORDBAK'S PROMOTIONAL PRODUCTS	-752.37
Bill Pmt -Check	05/12/2010	14189	PETTY CASH	-374.18
General Journal	05/15/2010	05/15/10	PAYROLL FOR 05/01/10-05/15/10	-7,422.04
General Journal	05/15/2010	05/15/10	PAYROLL FOR 05/01/10-05/15/10	-25,845.88
Bill Pmt -Check	05/20/2010	14190	AWWA	-1,435.00
Bill Pmt -Check	05/20/2010	14191	BANC OF AMERICA LEASING	-3,215.74
Bill Pmt -Check	05/20/2010	14192	CUCAMONGA VALLEY WATER DISTRICT	-5,792.00
Bill Pmt -Check	05/20/2010	14193	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	05/20/2010	14194	GUARANTEED JANITORIAL SERVICE, INC.	-865.00
Bill Pmt -Check	05/20/2010	14195	MCI	-1,242.77
Bill Pmt -Check	05/20/2010	14196	PAYCHEX	-223.71
Bill Pmt -Check	05/20/2010	14197	SAFEGUARD DENTAL & VISION	-7.91
Bill Pmt -Check	05/20/2010	14198	SOUTHERN CALIFORNIA WATER COMMITTEE	-850.00
Bill Pmt -Check	05/20/2010	14199	STAPLES BUSINESS ADVANTAGE	-676.87
Bill Pmt -Check	05/20/2010	14200	STAULA, MARY L	-136.61
Bill Pmt -Check	05/20/2010	14201	THE STANDARD INSURANCE COMPANY	-200.64
Bill Pmt -Check	05/20/2010	14202	UNION 76	-141.71
Bill Pmt -Check	05/20/2010	14203	VERIZON WIRELESS	-590.23
Bill Pmt -Check	05/20/2010	14204	WESTERN DENTAL SERVICES, INC.	-28.06
Bill Pmt -Check	05/21/2010	14205	ACWA SERVICES CORPORATION	-214.10
Bill Pmt -Check	05/21/2010	14206	BANK OF AMERICA	-1,064.70
Bill Pmt -Check	05/21/2010	14207	BROWNSTEIN HYATT FARBER SCHRECK	-98,192.72
Bill Pmt -Check	05/21/2010	14208	KONICA MINOLTA BUSINESS SOLUTIONS	-724.67
Bill Pmt -Check	05/21/2010	14209	LIATTI & ASSOCIATES	-1,416.30
Bill Pmt -Check	05/21/2010	14210	MIJAC ALARM	-30.00
Bill Pmt -Check	05/21/2010	14211	PRE-PAID LEGAL SERVICES, INC.	-77.70
Bill Pmt -Check	05/21/2010	14212	PREMIERE GLOBAL SERVICES	-482.74
Bill Pmt -Check	05/21/2010	14213	R&D PEST SERVICES	-85.00
Bill Pmt -Check	05/21/2010	14214	UNITED PARCEL SERVICE	-62.60
Bill Pmt -Check	05/21/2010	14215	W.C. DISCOUNT MOBILE AUTO DETAILING	-75.00
Bill Pmt -Check	05/21/2010	14216	CALPERS	-5,110.13
Bill Pmt -Check	05/26/2010	14217	WILDERMUTH ENVIRONMENTAL INC	-69,886.44
Bill Pmt -Check	05/26/2010	14218	CUCAMONGA VALLEY IAAP	-77.00
				<u><u>-745,654.60</u></u>

May 2010

CHINO BASIN WATERMASTER
 VISA Check Detail Report
 May 2010

<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Paid Amount</u>
Bill Pmt -Check	14206	05/21/2010	BANK OF AMERICA	1012 · Bank of America Gen'l Ckg	
Bill	4024420001939341	04/30/2010		6141.3 · Admin Meetings	-138.28
				6191 · Conferences	-267.05
				6909.1 · OBMP Meetings	-33.01
				6312 · Meeting Expenses	-464.20
				6031.7 · Other Office Supplies	-162.16
TOTAL					<u>-1,064.70</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 MAY 31, 2010

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUNDWATER OPERATIONS		EDUCATION FUNDS	GRAND TOTALS	BUDGET 2009-2010
			POOL APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS			
Administrative Revenues:										
Administrative Assessments			7,215,654	-	225,016				7,440,671	\$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	111,000	188							111,188	0
Total Revenues	111,000	188	7,244,629	2,434	226,265	-	-	5	7,584,522	7,680,789
Administrative & Project Expenditures:										
Watermaster Administration	570,238								570,238	580,238
Watermaster Board-Advisory Committee	60,930								60,930	61,901
Pool Administration		22,358	148,056	11,001					181,416	229,860
Optimum Basin Mgmt Administration		1,499,021							1,499,021	1,557,820
OBMP Project Costs		3,375,423							3,375,423	4,109,362
Debt Service		942,042							942,042	1,131,233
Education Funds Use									-	375
Mutual Agency Project Costs									-	10,000
Total Administrative/OBMP Expenses	631,169	5,816,486	148,056	11,001	-	-	-	-	6,629,071	7,680,789
Net Administrative/OBMP Expenses	(520,169)	(5,816,486)								
Allocate Net Admin Expenses To Pools	520,169		363,428	137,890	18,850					
Allocate Net OBMP Expenses To Pools		4,874,444	3,405,647	1,292,157	176,641					
Allocate Debt Service to App Pool		942,042								
Agricultural Expense Transfer*		1,578,103	(1,578,103)							
Total Expenses	6,311,579	933,239	2,434	206,492	19,773	-	-	5	6,629,071	7,680,789
Net Administrative Income									955,451	-
Other Income/(Expense)									7,073,805	0
Replenishment Water Assessments						7,073,805			25,077	0
Interest Revenue						25,077			-	0
Water Purchases									-	0
Balance Adjustment									-	0
Other Water Purchases						(2,166,022)			(2,166,022)	0
Groundwater Replenishment						(6,640,034)			(6,640,034)	0
Net Other Income						(1,707,174)			(1,707,174)	0
Net Transfers To/(From) Reserves	(751,724)	933,239	2,434	19,773	(1,707,174)	-	5	-	(751,724)	-
Working Capital, July 1, 2009									10,995,966	
Working Capital, End Of Period									10,244,242	
08/09 Assessable Production	84,716,450	32,142,764	4,393,990	3,624%	121,253,204	100.000%				
08/09 Production Percentages	69.667%	26.509%	3.624%							

*Fund balance transfer as agreed to in the Peace Agreement.
 © Financial Statements 2009-2010 (02010-05) (Combining_May2010_H1Jul2009-May2010)

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

DEPOSITORIES:			
Cash on Hand - Petty Cash	\$	500	
Bank of America			
Governmental Checking-Demand Deposits	\$	4,240,739	
Zero Balance Account - Payroll	\$	-	
Local Agency Investment Fund - Sacramento			
TOTAL CASH IN BANKS AND ON HAND			5/31/2010
TOTAL CASH IN BANKS AND ON HAND			4/30/2010
	\$	16,315,169	
		17,076,459	
PERIOD INCREASE (DECREASE)	\$	(761,290)	

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:			
Accounts Receivable	\$	-	
Assessments Receivable		16,338	
Prepaid Expenses, Deposits & Other Current Assets		(1,877)	
(Decrease)/Increase in Liabilities		5,350,370	
Accrued Payroll, Payroll Taxes & Other Current Liabilities		(56,101)	
Transfer to/(from) Reserves		(6,070,020)	
PERIOD INCREASE (DECREASE)	\$	(761,290)	

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 4/30/2010	\$ 500	\$ 274,029	\$ -	\$ 16,801,930	\$ 17,076,459
Deposits	-	4,712,365	-	-	4,712,365
Transfers	-	(67,496)	68,618	(4,728,000)	(4,726,877)
Withdrawals/Checks	-	(678,159)	(68,618)	-	(746,778)
Balances as of 5/31/2010	\$ 500	\$ 4,240,739	\$ -	\$ 12,073,930	\$ 16,315,169
PERIOD INCREASE OR (DECREASE)	\$ -	\$ 3,966,710	\$ -	\$ (4,728,000)	\$ (761,290)

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
5/27/2010	Withdrawal		\$ (4,728,000)				
<hr/>							
TOTAL INVESTMENT TRANSACTIONS			\$ (4,728,000)	-			

* 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
May 31, 2010**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 12,073,930			
TOTAL INVESTMENTS	\$ 12,073,930			

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 May 2010

	YTD Actuals 07/09 - 05/10	FY 2009-2010 Budget	\$Amt Over (Under) Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	111,000	148,410	-37,410	75%
4110 · Admin Asmnts-Approp Pool	7,215,654	7,185,411	30,243	100%
4120 · Admin Asmnts-Non-Agri Pool	225,016	155,427	69,589	145%
4700 · Non Operating Revenues	32,663	191,540	-158,877	17%
4900 · Miscellaneous income	188			
Total Income	7,584,522	7,680,788	-96,266	99%
Gross Profit	7,584,522	7,680,788	-96,266	99%
Expense				
6010 · Salary Costs	454,376	487,838	-33,462	93%
6020 · Office Building Expense	89,795	102,500	-12,705	88%
6030 · Office Supplies & Equip.	29,557	43,500	-13,943	68%
6040 · Postage & Printing Costs	62,436	84,300	-21,864	74%
6050 · Information Services	115,757	148,500	-32,743	78%
6060 · Contract Services	97,235	98,000	-765	99%
6080 · Insurance	15,934	16,730	-796	95%
6110 · Dues and Subscriptions	16,521	17,000	-479	97%
6140 · WM Admin Expenses	2,166	3,000	-834	72%
6150 · Field Supplies	1,024	2,800	-1,776	37%
6170 · Travel & Transportation	26,191	37,800	-11,609	69%
6190 · Conferences & Seminars	21,502	26,500	-4,998	81%
6200 · Advisory Comm - WM Board	17,478	18,078	-600	97%
6300 · Watermaster Board Expenses	43,453	43,823	-371	99%
8300 · Appr PI-WM & Pool Admin	22,358	23,069	-711	97%
8400 · Agri Pool-WM & Pool Admin	24,427	25,114	-687	97%
8467 · Ag Legal & Technical Services	113,579	98,000	15,579	116%
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	11,001	6,677	4,324	165%
6500 · Education Funds Use Expens	0	375	-375	0%
9500 · Allocated G&A Expenditures	-362,255	-488,230	125,975	74%
	812,585	872,374	-59,789	93%
6900 · Optimum Basin Mgmt Plan	1,373,017	1,568,880	-195,863	88%
6950 · Mutual Agency Projects	0	10,000	-10,000	0%
9501 · G&A Expenses Allocated-OBMP	126,004	148,448	-22,444	85%
	1,499,021	1,727,328	-228,307	87%

	YTD Actuals 07/09 - 05/10	FY 2009-2010 Budget	\$Amt Over (Under) Budget	% of Budget
7101 · Production Monitoring	86,405	131,259	-44,854	66%
7102 · In-line Meter Installation	41,196	56,179	-14,983	73%
7103 · Grdwtr Quality Monitoring	147,933	214,362	-66,429	69%
7104 · Gdwtr Level Monitoring	324,039	366,956	-42,917	88%
7105 · Sur Wtr Qual Monitoring	3,679	43,912	-40,233	8%
7107 · Ground Level Monitoring	277,873	381,406	-103,533	73%
7108 · Hydraulic Control Monitoring	439,833	533,543	-93,710	82%
7109 · Recharge & Well Monitoring Prog	9,113	9,152	-40	100%
7200 · PE2- Comp Recharge Pgm	1,464,624	1,478,560	-13,936	99%
7300 · PE3&5-Water Supply/Desalte	62,387	85,694	-23,307	73%
7400 · PE4- Mgmt Plan	77,945	110,705	-32,760	70%
7500 · PE6&7-CoopEfforts/SaltMgmt	150,587	163,727	-13,140	92%
7600 · PE8&9-StorageMgmt/Conj Use	29,558	29,550	8	100%
7690 · Recharge Improvement Debt Pymt	942,042	1,131,233	-189,191	83%
7700 · Inactive Well Protection Prgm	0	5,066	-5,066	0%
9502 · G&A Expenses Allocated-Projects	260,251	339,782	-79,531	77%
	4,317,465	5,081,086	-763,621	85%
Total Expense	6,629,071	7,680,788	-1,051,717	86%
Net Ordinary Income	955,451		955,451	100%
Other Income/Expense				
Other Income				
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			
Total Other Income	7,098,882			
Other Expense				
5010 · Groundwater Replenishment	6,640,034			
5100 · Other Water Purchases	2,166,022			
9999 · To/(From) Reserves	-751,724			
Total Other Expense	8,054,332			
Net Other Income	-955,451			
Net Income	0		0	0%

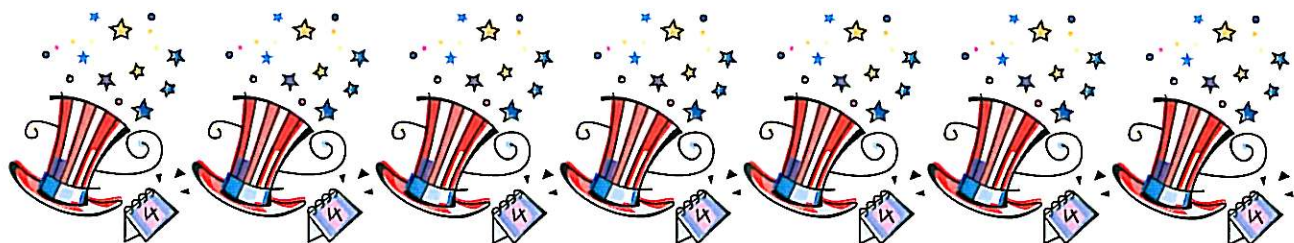


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District is purchasing 500 acre-feet of water from West Valley Water District. This purchase is made from WVWD's water in storage and is to be placed in CVWD's Excess Carryover Account
2. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 765 acre-feet from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net under-production in Fiscal Year 2009-2010, with any remainder to be recaptured from storage
3. **Consider Approval for Notice of Sale or Transfer** – Monte Vista Water District is purchasing 19.245 acre-feet of water from the San Antonio Water Company. This purchase is made first from San Antonio's net underproduction, if any, in Fiscal Year 2009-2010, with any remainder to be recaptured from storage
4. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company ("Company") has agreed to purchase from The Nicholson Trust annual production right in the amount of 6.082 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2009/2010



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

June 24, 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: **June 14, 2010**

Date of this notice: **June 24, 2010**

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

- Notice of Sale or Transfer – Cucamonga Valley Water District is purchasing 500 acre-feet of water from West Valley Water District. This purchase is made from WVWD's water in storage and is to be placed in CVWD's Excess Carryover Account.

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

Appropriative Pool: July 1, 2010

Non-Agricultural Pool: July 1, 2010

Agricultural Pool: July 8, 2010

This *Application* will be scheduled for consideration by the Advisory Committee *no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days* after the last pool committee reviews it.

After consideration by the Advisory Committee, the *Application* will be considered by the Board.

Unless the *Application* is amended, parties to the Judgment may file *Contests* to the *Application* with Watermaster *within seven calendar days* of when the last pool committee considers it. Any *Contest* must be in writing and state the basis of the *Contest*.

Watermaster address:

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

Tel: (909) 484-3888
Fax: (909) 484-3890

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: June 24, 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: June 24, 2010
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- **Notice of Sale or Transfer –** Cucamonga Valley Water District is purchasing 500 acre-feet of water from West Valley Water District. This purchase is made from WVWD's water in storage and is to be placed in CVWD's Excess Carryover Account.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Cucamonga Valley Water District is purchasing 500 acre-feet of water from West Valley Water District. This purchase is made from WVWD's water in storage and is to be placed in CVWD's Excess Carryover Account.

Notice of the water transaction identified above was mailed on June 24, 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.

The 85/15 Rule does not apply for this water transaction because Cucamonga Valley Water District requested that this water be placed in its Excess Carryover Account.

Robert A. DeLoach
General Manager
Chief Executive Officer

June 14, 2010

Kenneth R. Manning, Chief Executive Officer
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Re: Water Transfer from West Valley Water District to Cucamonga Valley Water District

Dear Mr. Manning:

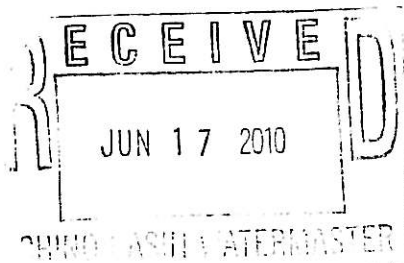
This letter is to notify Watermaster that Cucamonga Valley Water District (CVWD) is purchasing 500 acre-feet of water from West Valley Water District (WVWD). This purchase is made from WVWD's water in storage. Please place this water into CVWD's Excess Carryover Account.

Executed copies of Consolidated Forms 3 and 4 (Application for Sale or Transfer of Right to Produce Water from Storage and Application or Amendment to Application to Recapture Water in Storage) are attached. If you have any question or need additional information please call me.

Yours truly,



Martin E. Zvirbulis
Deputy General Manager



Attachment: Consolidated Forms 3 & 4

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**CONSOLIDATED WATER TRANSFER FORMS:
 FORM 3: APPLICATION FOR SALE OR TRANSFER OF RIGHT TO PRODUCE WATER FROM STORAGE
 FORM 4: APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE
 FORM 5: APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD**

FISCAL YEAR 2009 - 2010

DATE REQUESTED: May 10, 2010

AMOUNT REQUESTED: 500 Acre-Feet

<p>TRANSFER FROM (SELLER / TRANSFEROR):</p> <p><u>West Valley Water District</u> Name of Party</p> <p><u>855 W Baseline Road</u> Street Address</p> <p><u>Rialto</u> <u>CA</u> <u>92376</u> City State Zip Code</p> <p><u>(909) 875-1804</u> Telephone</p> <p><u>(909) 875-7284</u> Facsimile</p>	<p>TRANSFER TO (BUYER / TRANSFEREE):</p> <p><u>Cucamonga Valley Water District</u> Name of Party</p> <p><u>10440 Ashford Street</u> Street Address</p> <p><u>Rancho Cucamonga</u> <u>CA</u> <u>91730</u> City State Zip Code</p> <p><u>(909) 937-2591</u> Telephone</p> <p><u>(909) 476-8032</u> Facsimile</p>
---	--

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

PURPOSE OF TRANSFER:

- Pump when other sources of supply are curtailed
- Pump to meet current or future demand over and above production right
- Pump as necessary to stabilize future assessment amounts
- Other, explain _____

WATER IS TO BE TRANSFERRED FROM:

- Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool)
- 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 Excess Carryover Account

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

Is the Buyer an 85/15 Party? Yes No

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

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

1500 - 2500 GPM Current & future years as needed
 Projected Rate of Recapture Projected Duration of Recapture

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

Pumping

PLACE OF USE OF WATER TO BE RECAPTURED:

Cucamonga Valley Water District service area.

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 from 19 to 70 ppm

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

Static water levels from 460' to 582'

MATERIAL PHYSICAL INJURY

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

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

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

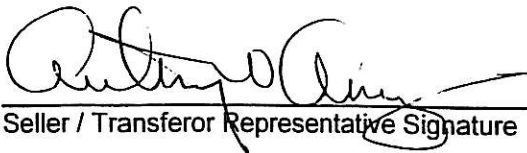
N/A

SAID TRANSFER SHALL BE CONDITIONED UPON:

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


ADDITIONAL INFORMATION ATTACHED

Yes No



 Seller / Transferor Representative Signature

Anthony W. Araiza
 Seller / Transferor Representative Name (Printed)



 Buyer / Transferee Representative Signature

Martin E. Zvirbulis
 Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

June 24, 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: **June 21, 2010**

Date of this notice: **June 24, 2010**

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

- Notice of Sale or Transfer – The lease and/or purchase of 765 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio’s net under-production in Fiscal Year 2009-2010, with any remainder to be recaptured from storage.

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

Appropriative Pool: July 1, 2010

Non-Agricultural Pool: July 1, 2010

Agricultural Pool: July 8, 2010

This *Application* will be scheduled for consideration by the Advisory Committee *no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days* after the last pool committee reviews it.

After consideration by the Advisory Committee, the *Application* will be considered by the Board.

Unless the *Application* is amended, parties to the Judgment may file *Contests* to the *Application* with Watermaster *within seven calendar days* of when the last pool committee considers it. Any *Contest* must be in writing and state the basis of the *Contest*.

Watermaster address:

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

Tel: (909) 484-3888
Fax: (909) 484-3890

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: June 24, 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: June 24, 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 –** The lease and/or purchase of 765 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net under-production in Fiscal Year 2009-2010, 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.

- The lease and/or purchase of 765 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net under-production in Fiscal Year 2009-2010, with any remainder to be recaptured from storage.

Notice of the water transaction identified above was mailed on June 24, 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.

The 85/15 Rule does not apply for this water transaction because the City of Ontario is utilizing this transaction to produce its San Antonio Water Company shares.



PAUL S. LEON
MAYOR

ALAN D. WAPNER
MAYOR PRO TEM

SHEILA MAUTZ
JIM W. BOWMAN

DEBRA DORST-PORADA
COUNCIL MEMBERS

June 21, 2010

CHRIS HUGHES
CITY MANAGER

MARY E. WIRTES, MMC
CITY CLERK

JAMES R. MILHISER
TREASURER

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

SUBJECT: ANNUAL LEASE OF WATER RIGHTS

Dear Mr. Manning,

This is to notify Watermaster of the lease and/or purchase of 765 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage.

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

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

Sincerely,

Scott Burton
Engineering & Operations Director

Enclosures

cc. Tom O'Neill, Water Production Manger

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CONSOLIDATED WATER TRANSFER FORMS:
FORM 3: APPLICATION FOR SALE OR TRANSFER OF RIGHT TO PRODUCE WATER FROM STORAGE
FORM 4: APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE
FORM 5: APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

FISCAL YEAR 2009 - 2010

DATE REQUESTED: June 16, 2010 AMOUNT REQUESTED: 765 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
<u>San Antonio Water Company</u>	<u>City of Ontario</u>
Name of Party	Name of Party
<u>139 N. Euclid</u>	<u>1425 S. Bon View Avenue</u>
Street Address	Street Address
<u>Upland</u> <u>CA</u> <u>91786</u>	<u>Ontario</u> <u>CA</u> <u>91761</u>
City State Zip Code	City State Zip Code
<u>909 982-4170</u>	<u>909 395-2000</u>
Telephone	Telephone
<u>909 620-3047</u>	<u>909 395-2601</u>
Facsimile	Facsimile

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

PURPOSE OF TRANSFER:

- Pump when other sources of supply are curtailed
- Pump to meet current or future demand over and above production right
- Pump as necessary to stabilize future assessment amounts
- Other, explain _____

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:

Varies July 1, 2009 to June 30, 2010
 Projected Rate of Recapture Projected Duration of Recapture

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

Recapture by Ontario will be accomplished by pumping 23 wells.

PLACE OF USE OF WATER TO BE RECAPTURED:

Management zones 1, 2 & 3.

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 levels in pumped groundwater varies from less than 5 mg/L to 50 mg/L.

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

Static water levels vary from 270 feet to 530feet.

MATERIAL PHYSICAL INJURY

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

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

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

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

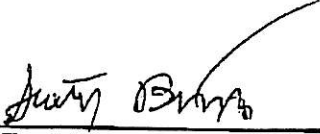
Yes No



Seller / Transferor Representative Signature

Charles Moorrees

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Scott Burton

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

June 24, 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: **June 7, 2010**

Date of this notice: **June 24, 2010**

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

- Notice of Sale or Transfer – Monte Vista Water District is purchasing 19.245 acre-feet of water from the San Antonio Water Company. This purchase is made first from San Antonio’s net underproduction, if any, in Fiscal Year 2009-2010, with any remainder to be recaptured from storage.

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

Appropriative Pool:	July 1, 2010
Non-Agricultural Pool:	July 1, 2010
Agricultural Pool:	July 8, 2010

This *Application* will be scheduled for consideration by the Advisory Committee *no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days* after the last pool committee reviews it.

After consideration by the Advisory Committee, the *Application* will be considered by the Board.

Unless the *Application* is amended, parties to the Judgment may file *Contests* to the *Application* with Watermaster *within seven calendar days* of when the last pool committee considers it. Any *Contest* must be in writing and state the basis of the *Contest*.

Watermaster address:

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

Tel: (909) 484-3888
Fax: (909) 484-3890

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: June 24, 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: June 24, 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 is purchasing 19.245 acre-feet of water from the San Antonio Water Company. This purchase is made first from San Antonio's net underproduction, if any, in Fiscal Year 2009-2010, 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 is purchasing 19.245 acre-feet of water from the San Antonio Water Company. This purchase is made first from San Antonio's net underproduction, if any, in Fiscal Year 2009-2010, with any remainder to be recaptured from storage.

Notice of the water transaction identified above was mailed on June 24, 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.

The 85/15 Rule does not apply for this water transaction because Monte Vista Water District is utilizing this transaction to produce its San Antonio Water Company shares.

Monte Vista

Dedicated to Quality Service and Innovation

June 7, 2010

Mark N. Kinsey
GENERAL MANAGER

Mr. Ken Manning, Chief Executive Officer
CHINO BASIN WATERMASTER
9641 San Bernardino Road
Rancho Cucamonga, California 91730

Purchase of Water in Storage: Fiscal Year 2009-10

Dear Mr. Manning:

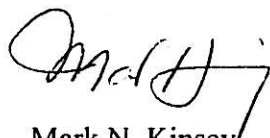
This letter is to notify Watermaster of the purchase of 19.245 acre-feet of water from the San Antonio Water Company. This purchase is made first from San Antonio's net underproduction, if any, in Fiscal Year 2009-10, with any remainder to be recaptured from storage.

This purchase will be utilized by the District to offset projected Fiscal Year 2009-10 or future fiscal year replenishment obligations within the Chino Basin. Attached is an executed application for lease or transfer of a right to produce water from storage and a recapture plan for consideration by Watermaster. Please agendaize this item at the earliest possible opportunity.

If you have any questions or require additional information concerning this matter, please call me at 267-2170. Thank you.

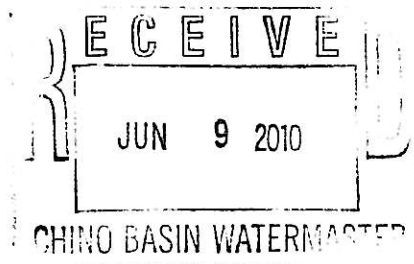
Sincerely,

Monte Vista Water District



Mark N. Kinsey
General Manager

Attachments



Water District

10575 Central Avenue, Post Office Box 71 • Montclair, CA 91763 • (909) 624-0035 • FAX (909) 624-4725 • www.mvwd.org

Sandra S. Rose
PRESIDENT

Maynard B. Lenhart
VICE PRESIDENT

Tony Lopez
DIRECTOR

Philip L. Erwin
DIRECTOR

G. Michael Milhiser
DIRECTOR

P47

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

Charles Moorrees
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: _____

CONSOLIDATED WATER TRANSFER FORMS:
 FORM 3: APPLICATION FOR SALE OR TRANSFER OF RIGHT TO PRODUCE WATER FROM STORAGE
 FORM 4: APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE
 FORM 5: APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

FISCAL YEAR 2009 - 2010

DATE REQUESTED: April 5, 2010

AMOUNT REQUESTED: 19,245 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):			TRANSFER TO (BUYER / TRANSFEREE):		
<u>San Antonio Water Company</u>			<u>Monte Vista Water District</u>		
Name of Party			Name of Party		
<u>139 North Euclid</u>			<u>10575 Central Avenue</u>		
Street Address			Street Address		
<u>Upland</u>	<u>CA</u>	<u>91786</u>	<u>Montclair</u>	<u>CA</u>	<u>91763</u>
City	State	Zip Code	City	State	Zip Code
<u>(909) 982-4107</u>			<u>(909) 624-0035</u>		
Telephone			Telephone		
<u>(909) 920-3047</u>			<u>(909) 624-0037</u>		
Facsimile			Facsimile		

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

PURPOSE OF TRANSFER:

- Pump when other sources of supply are curtailed
- Pump to meet current or future demand over and above production right
- Pump as necessary to stabilize future assessment amounts
- Other, explain _____

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

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

Is the Buyer an 85/15 Party? Yes No

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

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

Projected Rate of Recapture _____ Projected Duration of Recapture _____

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

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?

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 19.245 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.

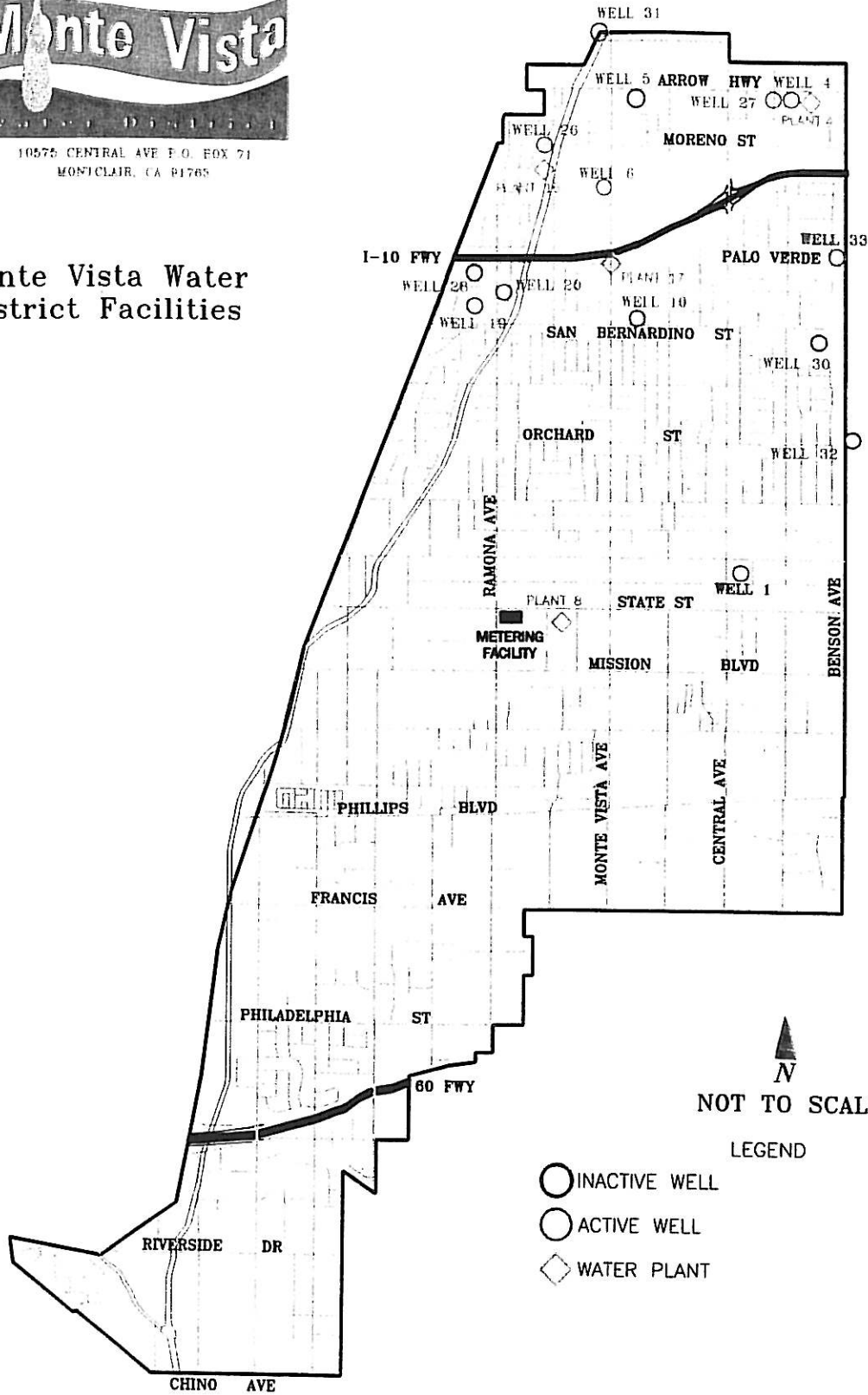
<u>Well</u>	<u>Production Acre-Feet/Day</u>
4	4.2
5	6.1
6	5.2
10	5.2
19	9.0
20	5.8
26	9.0
27	9.0
28	9.0
30	9.0
31	9.0
32	9.0
33	4.5
<hr/>	
Daily Total	94.0

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 91765

Monte Vista Water District Facilities



N
NOT TO SCALE

LEGEND

- INACTIVE WELL
- ACTIVE WELL
- ◇ WATER PLANT

Jdizon M:\Presentation\Facilities.dwg

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

June 24, 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: **June 23, 2010**

Date of this notice: **June 24, 2010**

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

- A. Notice of Sale or Transfer – Fontana Water Company (“Company”) has agreed to purchase from The Nicholson Trust annual production right in the amount of 6.082 acre-feet to satisfy a portion of the Company’s anticipated Chino Basin replenishment obligation for Fiscal Year 2009/2010.

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

Appropriative Pool:	July 1, 2010
Non-Agricultural Pool:	July 1, 2010
Agricultural Pool:	July 8, 2010

This *Application* will be scheduled for consideration by the Advisory Committee *no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days* after the last pool committee reviews it.

After consideration by the Advisory Committee, the *Application* will be considered by the Board.

Unless the *Application* is amended, parties to the Judgment may file *Contests* to the *Application* with Watermaster *within seven calendar days* of when the last pool committee considers it. Any *Contest* must be in writing and state the basis of the *Contest*.

Watermaster address:

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

Tel: (909) 484-3888
Fax: (909) 484-3890

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: June 24, 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: June 24, 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 – Fontana Water Company (“Company”) has agreed to purchase from The Nicholson Trust annual production right in the amount of 6.082 acre-feet to satisfy a portion of the Company’s anticipated Chino Basin replenishment obligation for Fiscal Year 2009/2010.

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.

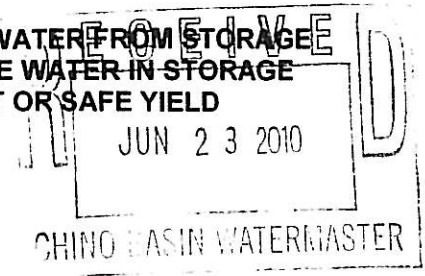
- Fontana Water Company (“Company”) has agreed to purchase from The Nicholson Trust annual production right in the amount of 6.082 acre-feet to satisfy a portion of the Company’s anticipated Chino Basin replenishment obligation for Fiscal Year 2009/2010.

Notice of the water transaction identified above was mailed on June 24, 2010 along with the materials submitted by the requestors.

DISCUSSION

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

CONSOLIDATED WATER TRANSFER FORMS:
FORM 3: APPLICATION FOR SALE OR TRANSFER OF RIGHT TO PRODUCE WATER FROM STORAGE
FORM 4: APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE
FORM 5: APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD



FISCAL YEAR 2009 - 2010

DATE REQUESTED: June 23, 2010

AMOUNT REQUESTED: 6.082 Acre-Feet

<p>TRANSFER FROM (SELLER / TRANSFEROR):</p> <p><u>The Nicholson Trust</u> Name of Party</p> <p><u>Post Office Box 6010</u> Street Address</p> <p><u>El Monte</u> <u>CA</u> <u>91734</u> City State Zip Code</p> <p><u>(626) 448-6183</u> Telephone</p> <p><u>(626) 448-5530</u> Facsimile</p>	<p>TRANSFER TO (BUYER / TRANSFEREE):</p> <p><u>Fontana Water Company</u> Name of Party</p> <p><u>Post Office Box 987</u> Street Address</p> <p><u>Fontana</u> <u>CA</u> <u>92334</u> City State Zip Code</p> <p><u>(909) 822-2201</u> Telephone</p> <p><u>(909) 823-5046</u> Facsimile</p>
--	---

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

PURPOSE OF TRANSFER:

- Pump when other sources of supply are curtailed
- Pump to meet current or future demand over and above production right
- Pump as necessary to stabilize future assessment amounts
- Other, explain _____

WATER IS TO BE TRANSFERRED FROM:

- Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool)
- 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:	
<u>Varies</u> Projected Rate of Recapture	<u>2009 – 2010</u> Projected Duration of Recapture
METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):	
<u>Pumping</u>	
PLACE OF USE OF WATER TO BE RECAPTURED:	
<u>Chino Basin Management Zone 3</u>	
LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES):	
<u>N/A</u>	

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:

Of the wells routinely pumped, perchlorate levels range from non-detect to 2.9 ppb and nitrate levels range from 6.6 ppm to 32.0 ppm.

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

Static Water Levels ranging from 324 feet bgs to 665 feet bgs.

MATERIAL PHYSICAL INJURY

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

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

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

SAID TRANSFER SHALL BE CONDITIONED UPON:

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


ADDITIONAL INFORMATION ATTACHED

Yes No



Seller / Transferor Representative Signature

Robert H. Nicholson, Jr., Trustee
Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Robert K. Young, General Manager
Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

D. LOCAL STORAGE AGREEMENT

Notice of Application for a Local Storage Agreement –
The City of Fontana (“City”) has submitted an
application for a Local Storage Agreement for 5,000
acre-feet to be placed into an Excess Carryover
Account – Date of Application: May 18, 2010.



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

**WATER TRANSACTIONS –
LOCAL STORAGE AGREEMENT**

Date of Notice:

June 24, 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: **May 18, 2010**

Date of this notice: **June 24, 2010**

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

- A. Notice of Application for a Local Storage Agreement – The City of Fontana (“City”) has submitted an application for a Local Storage Agreement for 5,000 acre-feet to be placed into an Excess Carryover Account.

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

Appropriative Pool:	July 1, 2010
Non-Agricultural Pool:	July 1, 2010
Agricultural Pool:	July 8, 2010

This *Application* will be scheduled for consideration by the Advisory Committee *no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days* after the last pool committee reviews it.

After consideration by the Advisory Committee, the *Application* will be considered by the Board.

Unless the *Application* is amended, parties to the Judgment may file *Contests* to the *Application* with Watermaster *within seven calendar days* of when the last pool committee considers it. Any *Contest* must be in writing and state the basis of the *Contest*.

Watermaster address:

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

Tel: (909) 484-3888
Fax: (909) 484-3890

CHINO BASIN WATERMASTER

NOTICE OF APPLICATION FOR A LOCAL STORAGE AGREEMENT

Notification Dated: June 24, 2010

A party to the Judgment has submitted a proposed Application for a Local Storage Agreement for Watermaster approval. Unless contrary evidence is presented to Watermaster that overcomes the rebuttable presumption provided in Section 5.2(b)(v) of the Peace Agreement, Watermaster must find that there is "no material physical injury" and approve the storage agreement. Watermaster staff is not aware of any evidence to suggest that this storage agreement would cause material physical injury and hereby provides this notice to advise interested persons that this storage agreement 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 storage agreement begins the Watermaster process (comes before Watermaster).

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CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: June 24, 2010
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for a Local Storage Agreement

Summary –

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

Issue –

- Notice of Application for a Local Storage Agreement – The City of Fontana ("City") has submitted an application for a Local Storage Agreement for 5,000 acre-feet to be placed into an Excess Carryover Account.

Recommendation –

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

Fiscal Impact – None.

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 a Local Storage Agreement is attached with the notice of application.

- Notice of Application for a Local Storage Agreement – The City of Fontana ("City") has submitted an application for a Local Storage Agreement for 5,000 acre-feet to be placed into an Excess Carryover Account.

Notice of the application identified above was mailed on June 24, 2010 along with the materials submitted by the requestors.

DISCUSSION

The City of Fontana intervened into the Judgment in FY 1998-1999. On May 18, 2010, the City submitted Form 1, an application for a Local Storage Agreement. The Application identifies the maximum quantity of the storage account to be 5,000 acre-feet to be placed into an Excess Carryover Account.

The Application states the purposes of storing the water is: 1) to stabilize or reduce future water costs/assessments, and 2) for the City to store recycled water that is recharged by Inland Empire Utilities Agency (IEUA). The City of Fontana, as a member of IEUA, is entitled to approximately 18.5-percent of the total amount of recycled water produced and recharged by IEUA. The City currently has a contract in place with the City of Ontario for the purchase of the first 3,000 acre-feet of this water. IEUA has projected that within the next two years they will recharge an average of 17,000 acre-feet per year and may reach as much as 25,000 acre-feet per year in a dry year. These amounts will exceed the 3,000 acre-feet that is currently under contract to the City of Ontario.

The Application states that the method of placement in storage is via percolation/recharge and a Form 2 application is attached. The Form 2 states that all recharge basins included in the IEUA/CBWM area that accept recycled water will be utilized.

The Application states that the method and location of recapture from storage is transfer to another Party to the Judgment. At that point, the City of Fontana and the other Party will need to submit appropriate water transfer forms.

Per the Peace II Agreement, losses will be applied to all water placed into the City's Excess Carryover Account in a similar manner to all other water in storage.

APPLICATION
FOR
LOCAL STORAGE AGREEMENT

APPLICANT

City of Fontana
 Name of Party May 18, 2010 _____
 Date Requested Date Approved
16489 Orange Way
 Street Address 5000-Acre-feet _____
 Amount Requested Acre-feet
 Amount Approved
Fontana CA 92335
 City State Zip Code
 Telephone: (909) 350-6530 Facsimile: (909) 350-6773

TYPE OF WATER TO BE PLACED IN STORAGE

Excess Carry Over
 Local Supplemental or Imported
 Both

PURPOSE OF STORAGE - Check all that may apply

- Stabilize or reduce future water costs/assessments.
- Facilitate utilization of other available sources of supply.
- Facilitate replenishment under certain well sites.
- Preserve pumping right for a changed future potential use.

Other, explain: The City of Fontana as a member Agency of Inland Empire Utilities Agency (IEUA) is entitled to approximately 18.5% of the total amount of recycled water produced and recharged by the agency. The City currently has a contract in place with the City of Ontario for the purchase of the first 3000 acre feet of this water. IEUA has projected that within the next two years they will recharge an average of 17,000 acre feet per year and may reach as much as 25,000 acre feet per year in a dry year. These amounts will exceed the 3000 acre feet that is currently under contract to the City of Ontario. The City is hereby requesting a storage account for this excess recharge water.

METHOD AND LOCATION OF PLACEMENT IN STORAGE - Check and attach all that may apply

- Recharge (Form 2)
- Transfer of Right to Water in Storage (Form 3)
- Transfer from another party to the Judgment (Form 5)

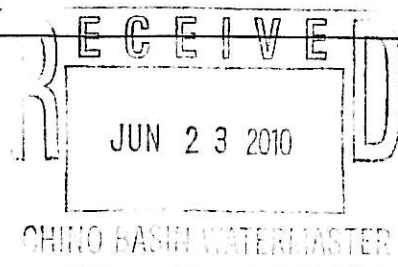
METHOD AND LOCATION OF RECAPTURE FROM STORAGE - Check and attach all that may apply

- Pump from my wells (Form 4)
- Transfer to another party to the Judgment (Form 3)

WATER QUALITY AND WATER LEVELS

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

No water levels or water quality will be affected. We are not adding any recharge water we are asking to establish a storage account for our share of the recharge currently taking place through the regional recharge master plan.



Form 1 (cont.)

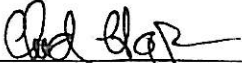
MATERIAL PHYSICAL INJURY

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

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

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]



Chuck Hays, Public Works Director
City of Fontana

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION FOR RECHARGE

APPLICANT

City of Fontana Name of Party, May 18, 2010 Date Requested, Date Approved, 16489 Orange Way Street Address, 5,000-Acre-feet Amount Requested, Acre-feet Amount Approved, Fontana City, CA State, 92335 Zip Code, Projected Rate of Recharge, Projected Duration of Recharge, Telephone: (909) 350-6530, Facsimile: (909) 350-6773

SOURCE OF SUPPLY

Water from: [] State Water Project, [] Colorado River, [] Local Supplemental Source: IEUA, [X] Recycled Water, [] Other, explain

METHOD OF RECHARGE

[X] PERCOLATION Basin Name All basins included in the IEUA/CBWM recharge Water Plan., Location, [] INJECTION Well Number, Location (attach map) See map, [] EXCHANGE Facility Name, Share of Safe Yield -0-, Carry Over Right, Water in Storage -0-, Pumping Capacity (cfs) -0-

WATER QUALITY AND WATER LEVELS

What is the existing water quality and what are the existing water levels in the areas that are likely to be affected? Water quality and water levels will not be affected since we are not increasing the amount of recharge. We are requesting a storage account for recharge that is currently taking place. The City is entitled to approximately 18.5% of the total recharged by IEUA.

MATERIAL PHYSICAL INJURY

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

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

ADDITIONAL INFORMATION ATTACHED

Yes No []



Chuck Hays, Public Works Director
City of Fontana

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

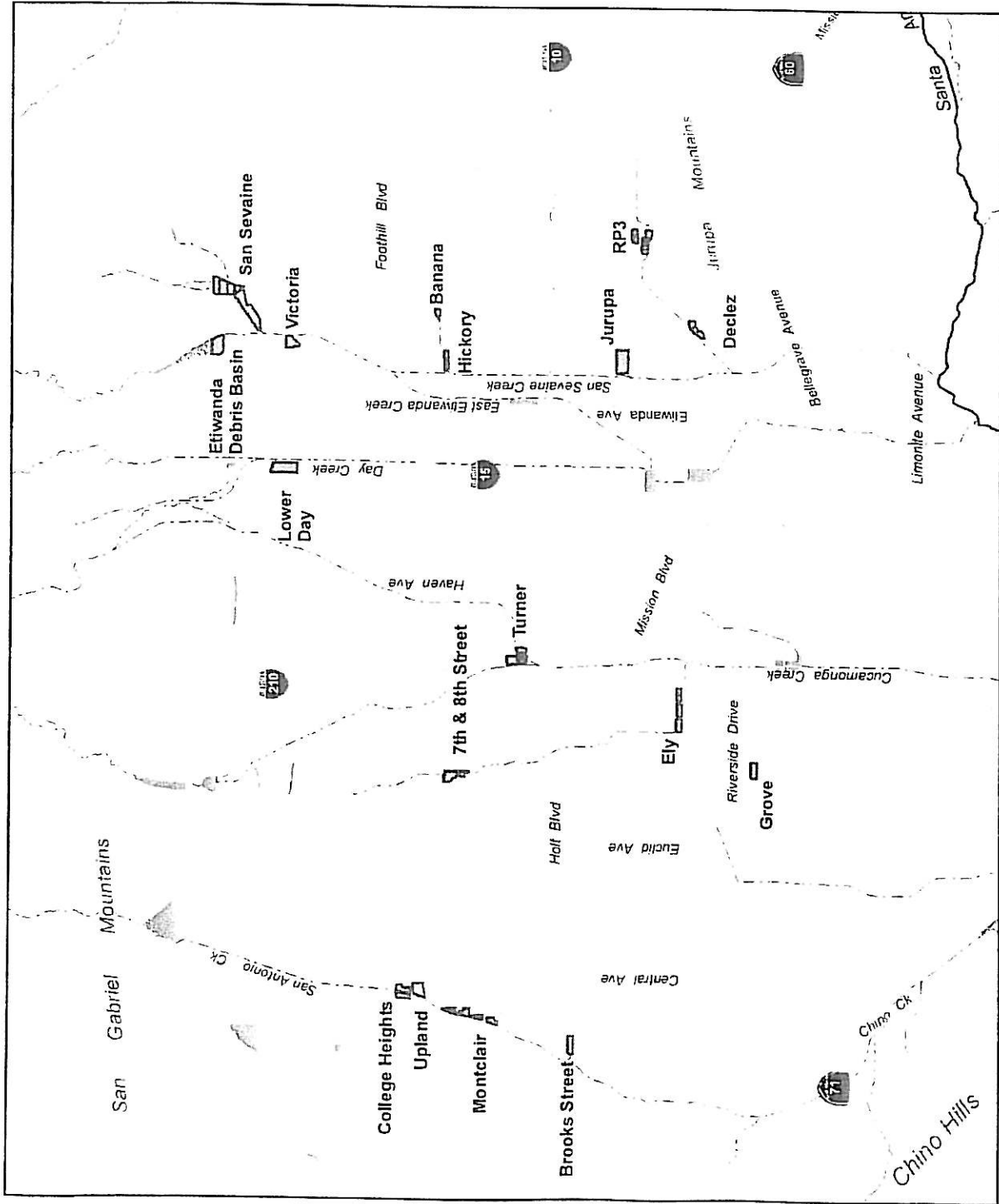
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____




HEARING DATE, IF ANY: _____

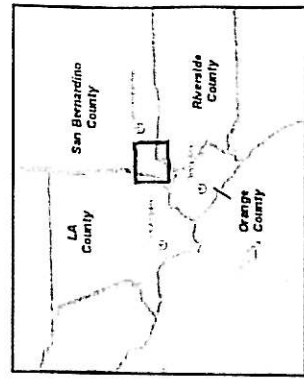
DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____




Main Map Features

-  Recharge Basins in the Recycled Water Groundwater Recharge Program
-  Non-program basins
-  Rivers and Streams



Chino Basin Recycled Water Groundwater Recharge Programs
Basin Locations


 Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Figure 1-1

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CHINO BASIN WATERMASTER

III. INFORMATION

1. Newspaper Articles



latimes.com/news/custom/scimedemail/la-me-water-drought-20100620,0,4400238.story

latimes.com

California's drought may be over, but no one's rushing to lift restrictions

Precipitation has been above average this year and many state reservoirs are nearly full. But the long-term concerns that politicians and water districts have harped on for years aren't going away.

By Bettina Boxall, Los Angeles Times

June 20, 2010

Late spring storms smothered the Sierra in snow. The state's biggest reservoir is nearly full. Precipitation across much of California has been above average. By standard measures, California's three-year drought is over.

"From a hydrologic standpoint, for most of California, it is gone," said state hydrologist Maury Roos, who has monitored the ups and downs of the state's water for 50 years.

But Gov. Arnold Schwarzenegger isn't lifting his drought declaration. Los Angeles isn't ending its watering restrictions and Southern California's major water wholesaler isn't reversing delivery cuts. Despite months of rain and snow and rising levels in the state's major reservoirs, water managers aren't ready to celebrate or make the drought's end official.

Caution, politics and a changing water landscape are all at play.

"The concern is, if we return to a dry year next year we're in trouble" said Assemblyman Jared Huffman (D-San Rafael), one of the Legislature's water policy experts. "But you also have to wonder if the drought isn't also a convenient political tool sometimes — especially in an election year."

The Colorado River Basin, a significant water source for the Southland, remains stuck in a long-term drought. Environmental restrictions on pumping water from Northern California will continue to reduce exports to the south. Both are cause for caution.

On the political side, an expensive water bond made its way onto the November ballot with the help of images of shrinking reservoirs and parched fields in the Central Valley.

Data from the state Department of Water Resources paint a [vastly improved water picture](#). As of May 31, statewide precipitation was at 115% of average, reservoir storage was at 95% and runoff at 80%.

advertisement



Lake Oroville, the biggest reservoir in the State Water Project system, has risen 14 feet this month and water levels are still climbing. Shasta Lake, the giant of California reservoirs, is nearly full. Roos expects June runoff to be above average, boosted by snowmelt from storms that kept fattening the Sierra snowpack well into spring.

All in all, Roos said, this is turning out to be the best water year since 2006, before the drought began. "It looks pretty good to me," he said.

But not everything is back to normal. While most farmers in the Central Valley will get their full federal water allotment this year, the hard-hit west side of the San Joaquin Valley is still facing cuts, as are irrigation districts in the state's northeast corner.

The state project that sends water to the Southland has ramped up deliveries from initial projections, but they will remain well below normal. State officials say that is due to strict pumping curbs in the Sacramento-San Joaquin Delta, to protect salmon and smelt populations, and because Oroville has been slower to refill than some other reservoirs.

Water managers warn that even if the drought is over, the days of carefree water use in California are gone forever.

"We're trying to prepare the consumer for the fact that this isn't just a short-term thing — if it's wet or dry. This may be every year," said Debra Man, assistant general manager of the Metropolitan Water District of Southern California, which sells imported water to Los Angeles and other Southland cities. "We're facing more than just weather."

After jumping for much of the past decade, the MWD's imports of Northern California water fell in recent years, not only because of the drought, but because fish protections are restricting pumping from the delta.

The Colorado River Basin, MWD's other big supplier, is in the grip of a stubborn, long-term drought. And a complicated legal agreement struck earlier this decade calls for California to limit its use of the river to the state's historic allotment, an amount that has been exceeded regularly in the past.

All that has diminished MWD's supplies, draining its regional water reserves by half — too much, Man said, for the agency to end the rationing it imposed last year.

In the Bay Area, however, several districts dropped their drought restrictions as conditions improved. Los Angeles is not ready to do the same, even though the city will get slightly more water than usual from the [Eastern Sierra](#) this year.

"Things have improved. I'm happy that they have," said James McDaniel, a senior assistant general manager in the L.A. Department of Water and Power. But "we're still quite concerned about another dry year coming up. We could be in a real bad situation."

Citing the same supply pressures as Man, McDaniel said he has stopped talking about drought and instead refers to "a chronic water-supply shortage. ... I don't know that it will ever be the same as it was before."

From the start, the drought took on political dimensions. When Schwarzenegger announced his June 2008 drought proclamation, he included a plug for a massive bond to fund new water infrastructure.

When lawmakers last year approved the \$11-billion bond package and placed it on this November's ballot, they invoked the drought.

When farm interests staged angry rallies protesting irrigation cutbacks last summer, they stood next to withered fields. When Central Valley politicians attacked the Endangered Species Act, they complained that the act's pumping limits and the drought were wrecking the valley's economy and causing massive job losses (a claim that was not supported by [farm labor statistics](#)).

"This was a real drought. There's no doubt about that," said Huffman, the Assemblyman. "It caused real impacts. At the same time, I would agree the politics were extreme, especially last year and especially in the San Joaquin Valley. I think some folks saw an opportunity."

Deputy Press Secretary Jeff Macedo said the governor has no plans to declare the drought over. "We haven't gotten to that point yet."

"After three years of drought, these communities in the Central Valley have been affected greatly. They still are feeling those effects," he added. "This isn't a political issue. This is part of the governor reacting to a natural disaster."

bettina.boxall@latimes.com

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