

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, July 8, 2010

9:00 a.m. – Agricultural Pool Meeting

AT THE INLAND EMPIRE UTILITIES AGENCY OFFICES

6075 Kimball Ave. Bldg. A Board Room

Chino, CA 91710

(909) 993-1600



CHINO BASIN WATERMASTER

Thursday, July 8, 2010

9:00 a.m. – Agricultural Pool Meeting

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

WITH

Mr. Bob Feenstra, Chair

Mr. Jeff Pierson, Vice-Chair

9:00 a.m. – July 8, 2010

At The Offices Of

Inland Empire Utilities Agency

6075 Kimball Ave., Bldg. A, Board Room

Chino, CA 91710

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Appropriative Pool Meeting held June 10, 2010 *(Page 1)*
2. Additional Requested Items for Inclusion into the June 10, 2010 Minutes *(Page 7)*
 - a) Email from Jennifer Novak to Joseph Joswiak *(Page 9)*
 - b) Email from Jennifer Novak to Andy Malone *(Page 10)*
 - c) Material Physical Injury Analysis for Wells I-16, I-18, Dated May 27, 2010 *(Page 11)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2010 *(Page 15)*
2. Watermaster Visa Check Detail for the month of May 2010 *(Page 19)*
3. Combining Schedule for the Period July 1, 2009 through May 31, 2010 *(Page 21)*
4. Treasurer's Report of Financial Affairs for the Period May 1, 2010 through May 31, 2010 *(Page 23)*
5. Budget vs. Actual July 2009 through May 2010 *(Page 25)*

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 27)*
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 39)*
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 51)*

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 63)*

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 a Local Supplemental Storage Account – Date of Application: May 18, 2010 *(Page 72)*

II. BUSINESS ITEMS

A. AGRICULTURAL POOL MEMBER REQUEST FOR ACTION

Consider Approval by Agricultural Pool, Appropriative Pool, Non-Agricultural Pool, Advisory Committee, and Watermaster Board Members requesting Proactive Oversight by the Chino Basin Watermaster Chairman of the Board of the Chief Executive Officer/General Manager *(This item was placed on the agenda by the request of Robert Feenstra and has no supporting documentation)*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Paragraph 31 Motion
2. CDA Facilitation
3. Non-Agricultural Pool Volume Vote Changes

B. ENGINEERING REPORT

1. Presentation on the Achievement of Hydraulic Control and the Potential for Land Subsidence

C. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Update
3. Policy Manual / Database Management

IV. INFORMATION

1. Newspaper Articles *(Page 84)*

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

VIII. FUTURE MEETINGS

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. Agricultural Pool Meeting held on June 10, 2010
2. Additional Requested Items for Inclusion into the June 10, 2010 Minutes
 - a) Email from Jennifer Novak to Joseph Joswiak
 - b) Email from Jennifer Novak to Andy Malone
 - c) Material Physical Injury Analysis for Wells I-16, I-18, Dated May 27, 2010



Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

June 10, 2010

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on June 10, 2010 at 9:00 a.m.

Agricultural Pool Members Present Who Signed In

Bob Feenstra, Chair	Dairy
Nathan deBoom	Dairy
John Huitsing	Dairy
Gene Koopman	Milk Producers Counsel
Glen Durrington	Crops
Jennifer Novak	State of California, Dept. of Justice, CIM
Nathan Mackamul	State of California, CIM
Pete Hall	State of California, CIM

Watermaster Board Members Present

Paul Hofer	Crops
Michael Camacho	Inland Empire Utilities Agency
Geoffrey Vanden Heuvel	Ag Pool Dairy

Watermaster Staff Present

Danielle Maurizio	Senior Engineer
Joe Joswiak	Chief Financial Officer
Ben Pak	Senior Project Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present Who Signed In

Steven Lee	Reid & Hellyer
Marsha Westropp	Orange County Water District
Ryan Shaw	Inland Empire Utilities Agency
Rick Rees	Geomatrix Consultants, Inc.
Ken Jeske	City of Ontario
Dave Crosley	City of Chino

Chair Feenstra called the Agricultural Pool meeting to order at 9:05 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Verbatim Minutes of the Agricultural Pool Meeting held May 13, 2010

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

C. LOCAL AGENCY INVESTMENT FUND

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

It was noted Ms. Novak requested several items which were discussed regarding financial items to be attached to the minutes for approval in July. The recording secretary acknowledged they would be gathered together and attached to the minutes (*Tape counter 015-026*)

Motion by de Boom, second by Durrington, and by unanimous vote

Moved to approve Consent Calendar items A through C, as presented

II. BUSINESS ITEMS

A. CHINO CREEK WELL FIELD LOCATIONS (*Tape counter 032-099*)

Ms. Maurizio noted the language has been revised since this agenda was distributed due to a meeting with the CDA just prior to the Appropriative Pool meeting, which revised the recommendation. Ms. Maurizio noted the revised recommendation is in the staff letter and a copy of that staff letter is available on the back table. Ms. Maurizio offered comment on the recommendation and how the new recommendation meets the needs of the parties. Ms. Novak stated she had sent Andy Malone several questions via email and she did receive responses back; those conversations are on the back table for review. Ms. Novak inquired into the role of Watermaster and Wildermuth Environmental to the Desalter wells and the Chino Desalter Authority (CDA); including Watermaster's authority on what the CDA actually does concerning the placement of the wells. Ms. Novak also inquired about what, if any, influence do the Pools, the parties, and Watermaster have on this ongoing process. Counsel Fife stated this activity is outside the normal scope of Watermaster approvals and offered comment on legal process for well sites that might cause a problem. Counsel Fife stated this approval is different because the CDA is moving forward with the project that accomplishes Watermaster goals in terms of hydraulic control and the OBMP in general. Counsel Fife offered comment on liability for different projects. The Regional Board complaint against Watermaster brings some of these liability concerns into focus. Counsel Fife stated the CDA is moving forward with a very large, very expensive project whose purpose is to accomplish hydraulic control. Through the facilitation process that is presently taking place, the CDA members have asked for some assurance from Watermaster that they are doing the right thing. Ms. Novak inquired about the CDA moving forward with the implementation of its new wells without the approval of the Watermaster Board. Counsel Fife stated the CDA does not need the approval of the Watermaster Board to move forward. A lengthy discussion regarding Ms. Novak's inquiries, pumping, and Wildermuth modeling ensued. Mr. Malone stated before the wells are constructed the CDA will share data with Watermaster staff to review what their final well design will be. A discussion regarding the CDA's progression and who sits on the CDA board ensued. Mr. Jeske stated the board consists of one member each from the City of Norco, Santa Ana River Water Company, City of Ontario, Jurupa Community Services District, City of Chino, City of Chino Hills, Western Municipal Water District, and Inland Empire Utilities Agency and they all designate by action of their governing boards. Mr. Jeske offered comment on a technical committee who also advises the CDA and noted Western Municipal Water District is acting as the lead on the expansion team. A lengthy discussion regarding this matter ensued. Ms. Novak voiced her concerns over the two new wells near CIM and noted CIM does pump in the shallow and the deep zones, and a discussion regarding this subject ensued. Counsel Fife stated the action today is identifying for the CDA that the location of the wells is appropriate to accomplish the goals of the Chino Creek Well Field; however, it is the shallow zone that is preferred for hydraulic control and there are subsidence issues with pumping from the deep zone. A discussion regarding design and GPM modeling ensued. Ms. Novak reiterated staff's

recommendation. Chair Feenstra offered comment on well water levels that fluctuated because of desalter activity. A map was shown and discussed regarding hydraulic control relative to where the dairies and the management zones are located; this map was discussed in detail. Mr. Koopman asked about an agreement with the CDA and counsel Fife stated there were a set of principals rather than an actual agreement, and those principles were adopted by the Watermaster Board at its last meeting. A lengthy discussion regarding hydraulic control, water quality, economics, TCE, and various issues ensued. Mr. Malone offered comment on what Wildermuth Environmental is working on including the model. Chair Feenstra instructed Mr. Malone to communicate with Mr. Wildermuth and the Wildermuth team as to discussions that may have taken place a year or more ago with Mr. Atwater and IEUA staff as to the well fields and how to gain hydraulic control. Mr. Malone stated he would be able to accommodate that request and would report back at a future meeting. A discussion regarding the map that was handed out and subsidence ensued. Mr. Malone discussed a deep groundwater barrier which led to a discussion. Chair Feenstra asked which staff members worked on this project from Wildermuth. Mr. Malone stated Andy Malone, Joe LeClaire, and Wen-Hsing Chaing. Ms. Novak offered the locations of the wells which were provided to her by Andy Malone. Chair Feenstra inquired as to where Mr. Manning was this morning and Ms. Maurizio noted he was at the Regional Board hearing that he was directed by the Watermaster Board to attend.

Motion by Koopman, second by Novak, 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 *(Tape counter 100-809)*

Ms. Maurizio stated staff is asking for approval for the 2010-2011 budget today; last month there was a preview presented. Chair Feenstra asked for the final date for the approval needed on the budget. Mr. Joswiak stated the date for approval from the Watermaster Board is on June 24, 2010. Chair Feenstra noted until all concerns are met here today, a special meeting might be called to discuss this issue. Mr. Joswiak referenced the staff letter in the meeting package starting on page 54 in the meeting packet. On May 13th a preliminary budget was presented to the Agricultural Pool and the Appropriative Pool and at that point in time the budget was approximately \$8.1 million dollars. The budget has gone through several revisions through a budget ad-hoc committee and from comments through the Watermaster process. Mr. Joswiak gave the 2010-2100 budget presentation in detail. Ms. Novak inquired about the reduction for the Agricultural Pool Technical Consultant. Mr. Joswiak noted that cost was brought down to an actual cost by reviewing past expenditures. A discussion regarding the reductions ensued. Mr. Lee noted the Agricultural Pool has asked Frank Brommenschenkel to review more than he has done in the past. A discussion regarding Special Project reductions, Ag Pool compensation, and verbatim minutes ensued. It was noted Steve Lee would attend all Watermaster meetings so that he can report back to the Agricultural Pool members and increase the Ag Pool legal budget. Mr. Koopman offered history on past discussions regarding the Agricultural Pool budget categories and asked that the numbers remain the same as the 2009-2010 budget. Chair Feenstra offered comment about the verbatim minutes and noted the pool did not want verbatim minutes of their own meeting; the Agricultural Pool wanted verbatim minutes of all other Watermaster meetings so that the pool could be better informed at what takes place at other meetings. Ms. Novak expressed concern over destroying tapes so quickly; however, Mr. Joswiak stated meeting takes are now been kept indefinitely. Ms. Novak requested a copy of all the Agricultural Pool tapes be sent to her after each meeting and the recording secretary stated that will happen. A lengthy discussion regarding minutes and the need for transparency ensued. It was noted the Agricultural Pool no longer needed verbatim minutes for their meetings; however, it would be helpful to have the tape counter number listed on the minutes to locate certain items on the tapes. The Agricultural Pool discussed at length the budget categories which needed to be adjusted and

the decision was to adjust the following line items: 8467: \$100,000 – 8467-1: \$18,000 – 8470: \$12,000 – 8471: \$65,000 and a motion was made with the noted adjustments. Mr. Huitsing offered comment on the outdated cassette recording tapes as opposed to the newer technology which led to a lengthy discussion on digital recording availability. Mr. Joswiak noted staff is looking into what types of digital recording devices are now available at a reasonable cost.

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

Moved to approve Watermaster 2010-2000 budget with amendments made to Agricultural Pool Administration categories: 8467: \$100,000 – 8467-1: \$18,000 – 8470: \$12,000 – 8471: \$65,000, as presented

C. **CONDITION SUBSEQUENT NO. 8 (Tape counter 810-1161)**

Ms. Maurizio stated staff is seeking approval for resolution 10-03 for adopting an updated Recharge Master Plan for submittal to the court in fulfillment of Condition Subsequent Number Eight. The court did require Watermaster to fulfill Conditions Subsequent Numbers One through Eight. Condition Subsequent numbers One through Seven have already been completed. This is due to the court by July 1, 2010. Watermaster will have fulfilled that requirement by the submittal of the Recharge Master Plan. Ms. Maurizio offered comment on the events that took place with the development of the Recharge Master Plan. Ms. Maurizio stated because of some of the events that have taken place, Watermaster has had to look at the Recharge Master Plan differently. Watermaster is asking for the court to accept a report that outlines the critical issues, and in many cases staff cannot recommend specific actions until there is more information gathered. One of those instances would be for the Urban Water Management Plan, which will not be approved until June of 2011. Ms. Maurizio stated in submitting this, it was decided the best approach for this item would be to construct a resolution that brought together this mechanism. Both Inland Empire Utilities Agency and Watermaster can adopt a resolution and have it accompany the Recharge Master Plan with the commitment that this plan will be continually reviewed. This will then turn the Recharge Master Plan into a living document/plan which provides the court an assurance it will be reviewed periodically; the first review will be 18 months starting from July 1, 2010. Ms. Maurizio noted there are various policy issues written into this plan which will need to be discussed and further developed. Staff is asking for an approval of the Resolution 10-03 in satisfaction of the court order Condition Subsequent Number Eight. Ms. Novak offered comment on the guidance document that is needed to proceed. Mr. Jeske offered comment on the discussions which took place at the Recharge Master Plan Workshops on this matter including the guidance document. Mr. Vanden Heuvel offered comment on the IEUA resolution which references Conditions Subsequent No. Five and No. Six. Counsel Fife stated Condition Subsequent No. Five and Six was a filing that was made with the court in one pleading; however the issue for the Recharge Master Plan was Condition Subsequent No. five. Counsel Fife stated Condition Subsequent No. Five was the outline of the Recharge Master Plan and that was required to be submitted by July 1, 2008. When it was submitted the process was described that was going to move forward for the overall plan. Counsel Fife reviewed additional details in the pleading for Condition Subsequent No. Five. A lengthy discussion regarding changes that have occurred since the original conditions subsequents were developed and filed over the years ensued. Ms. Maurizio read the motion which was made by the Appropriative Pool which was different than the recommendation presented to them in their staff letter to reflect language applicable to the upcoming Paragraph 31 Motion. A question regarding the Non-Agricultural Pool motion which was made by a majority vote and Ms. Maurizio noted the city of Ontario abstained.

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

Moved to approve Resolution 10-03 adopting updated Recharge Master Plan for submittal to the court in fulfillment of Condition Subsequent Number 8 subject to reconsideration if terms and conditions for purchase of water from the Non-Agricultural Pool change as a result of disposition of Paragraph 31 Motion, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**1. Paragraph 31 Motion *(Tape counter 1162-1169)*

Counsel Fife stated that all of the paperwork has been on file for several weeks and the hearing is next Friday at 10:30 a.m. in the Chino court house.

2. ACL Complaint *(Tape counter 1169-1284)*

Counsel Fife stated at the last Watermaster Board meeting the Board approved a settlement agreement with the Regional Board. Counsel Fife noted the basic terms of that settle agreement are that Watermaster and Inland Empire Utilities Agency (IEUA) jointly will pay the fine that was in the Regional Board's complaint. Half of that fine is going to be dedicated to a supplemental environmental project, that is a project within the Chino Basin, and then in exchange for doing that, a new schedule for attainment of hydraulic control will be supplied so that moving forward the parties are in compliance with the permits, and fines are no longer accruing. Counsel Fife stated also being put into place is a process for meeting with the Regional Board on a quarterly basis so that if the Chino Creek Well Field project does not move forward as planned, staff can bring that to the Regional Board's attention and revise the schedule to ensure remaining in compliance. The goal is to prevent a situation from arising again where the Regional Board can issue fines. Counsel Fife stated the Watermaster Board has approved the settlement agreement and it will also go to the IEUA board at their next meeting, and then the Regional Board will consider the agreement at their meeting, which is this morning. Mr. Manning is currently attending that meeting. Mr. Manning and Mr. Love will be giving a presentation concerning what is being done in the Chino Basin, compliance with all of the other conditions in the Basin Plan, and the general perspective on progress being made regarding hydraulic control. Counsel Fife noted the Watermaster Board did approve the settlement agreement on May 27, 2010; however, it was not a unanimous vote, the Non-Agricultural Pool voted against it. A discussion regarding this matter ensued. Chair Feenstra offered comment on his discussions with Mr. Atwater and the Regional Water Quality Control Board regarding the recent ACL fine. Mr. Koopman offered comment on the fine from the Regional Board.

3. CDA Facilitation *(Tape counter 1285- 1337)*

Counsel Fife stated this item is related to the ACL complaint. When the compliant was issued, the Watermaster Board directed Mr. Manning and Mr. Slater to engage in a process of mediation with the CDA parties to try and move the project along to get it back on track. Several meetings and conference calls took place during the month of May and a set of principals was developed for accomplishing the purpose of moving the project forward. Counsel Fife stated the Watermaster Board considered these principals on May 27, 2010, and approved them. These principals will be on the CDA agenda tonight for approval. Counsel Fife stated this project now seems to be moving forward and will continue as planned. A brief discussion regarding this item ensued.

Tape #3**B. CEO/STAFF REPORT**1. Legislative Update *(Tape Counter 015-016)*

Ms. Maurizio stated that the focus taking place legislatively is on the elections that took place two days ago in Sacramento.

2. Recharge Update *(Tape Counter 016-023)*

Ms. Maurizio stated a copy of the most recent recharge update is available on the back table for review. Ms. Maurizio reviewed the recharge spreadsheet in detail.

- 3. Potential Implementation of MWD's Water Supply Allocation Plan Update *(Tape Counter 024-026)*
 Ms. Maurizio stated Mr. Manning asked her to report that he has been working with AGWA on putting together a joint agency response to MWD; meetings will take place over the next 60 days regarding this matter.
- 4. Monte Vista Irrigation Company History Update *(Tape Counter 027-034)*
 Ms. Maurizio stated this item is in response from a request made and questions presented at the May Agricultural Pool meeting. Ms. Maurizio stated she has done research on this item and found paperwork dating back to some 1975 correspondence. Monte Vista Irrigation Company stated in that paperwork that they were established in 1908 to service growers in southwest Ontario. In doing further research including talking with Monte Vista Water District, by the time the Judgment was formed they were placed into the Appropriative Pool which is where they have remained since the formation of the Judgment.
- 5. 10-Year Review of Legal Expenses *(Tape Counter 035-049)*
 Mr. Joswiak stated this item is in response from a request made and questions presented at the May Agricultural Pool meeting. Mr. Joswiak presented a PowerPoint spreadsheet which was reviewed and discussed in detail. A discussion regarding the 10-year review ensued. Chair Feenstra asked that a copy of the presented spreadsheet be forwarded to him via email for his records.

IV. INFORMATION

- 1. Newspaper Articles
 No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

No confidential session was called.

Chair Feenstra noted a special Agricultural Pool meeting will be scheduled in the near future.

VIII. FUTURE MEETINGS

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 Agricultural Pool meeting was dismissed by Chair Feenstra at 11:17 p.m.

Secretary: _____

Minutes Approved: _____

Sherri Lynne Molino

Subject: FW: questions for Ag Pool meeting

Jennifer,

Please find listed below the answers to your questions:

1. What is the role of Black & Veatch with respect to Watermaster, as opposed to the services that Wildermuth provides? **Black and Veatch are consultants who assisted Wildermuth in the formation and development of the Recharge Master Plan Update. Watermaster has a separate contract for approximately \$150,000 with Black and Veatch to provide specific services related to the Recharge Master Plan Update. For the upcoming fiscal year, we project to have them working under contract on a much smaller scale for approximately \$20,000 or less.**

2. What is the difference between services provided by Applied Computer Technologies, Park Place Computer Solutions and Computer Network? **The differences are as follows:**

- **Applied Computer Technology performs the Watermaster database maintenance and updates on a monthly basis.**
- **Park Place Computer Solutions performs the routine in-house IT computer services, networking and maintenance for Watermaster systems on a monthly basis.**
- **Computer Network is a local retail store where we purchase replacement computers, disc drives, keyboards, cassette tapes for minutes, minor printer repairs, and other hardware or software related items.**

Applied Computer Technology and Park Place Computer Solutions are part of the 2010-2011 fiscal budget under account 6052 [Consultants], which was reduced by \$5,000 from the current year's budget.

3. What services were provided by W.C. Discount Mobile Auto Detailing on 4/5, 4/7 and 4/21? I have looked back at previous reports and realize that the vendor has appeared before, but I would like to know what it is. **W.C. Discount Mobile Auto Detailing is the service we use to wash the 4 company trucks (2 Dodge Dakota pickups, 1 Ford Expedition, and 1 Ford F-150 pickup) we have onsite at the Rancho Cucamonga Watermaster office. This washing service comes to our location every 2 weeks. The 4/5 check was for washing of 4 vehicles on 03/24/10. The 4/7 check was for washing 4 vehicles on 04/06/10. The check on 4/21 was for washing 3 vehicles on 04/20/10.**

W.C Discount Mobile Auto Detailing is part of the 2010-2011 fiscal budget under category 6177 [Vehicle Repairs and Maintenance], which was reduced by \$1,000 from the current year's budget.

4. Mathis & Associates appears on every bill in recent memory but not on some of the bills I checked from last year. What services were and continue to be provided to Watermaster?

Mathis and Associates has 3 separate and distinct contracts.

- **(1) for the Personnel/Staff Assessment – contract not to exceed \$9,975.00 – remaining \$1,500.00 on contract.**
- **(1) for the recruitment of the CFO – contract not to exceed \$9,950.00 – remaining \$3,450.00 on contract.**
- **(1) CEO Evaluation – not to exceed \$9,550.00 – remaining \$8,050.00 on contract.**

By the end of this fiscal year, the (3) contracts should be completed. With the exception of the Staff Professional Training, Mathis and Associates is not specifically identified as part of the 2010-2011 fiscal budget. For the 2010-2011 fiscal budget, the "Staff Professional Training" will be a contract not to exceed approximately \$9,500. Funds have been budgeted in account 6060 [WM Special Contract Services] for contracted services at \$23,000 lower than the current budget.

I'm sure that I will have more questions as we get closer to the meeting, but I wanted to share these in advance.

Joseph S. Joswiak, MBA
Chief Financial Officer (CFO)
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730
JJoswiak@cbwm.org
Office: (909) 484-3888 Ext. 225
Cell: (909) 915-5067



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From: Jennifer Novak [mailto:Jennifer.Novak@doj.ca.gov]
Sent: Monday, June 07, 2010 12:52 PM
To: Joe Joswiak; Ken R. Manning
Cc: feenstra@agconceptsinc.com; Michael T Fife; jpierson@intexcorp.com; slee@rhlaw.com
Subject: questions for Ag Pool meeting

Ken & Joe,

Going through the Ag Pool agenda packet for this week's meeting, I have some questions regarding the cash disbursement detail report. Forgive me if some of these items are common knowledge. They may be, but not for me.

1. What is the role of Black & Veatch with respect to Watermaster, as opposed to the services that Wildermuth provides?
2. What is the difference between services provided by Applied Computer Technologies, Park Place Computer Solutions and Computer Network?
3. What services were provided by W.C. Discount Mobile Auto Detailing on 4/5, 4/7 and 4/21? I have looked back at previous reports and realize that the vendor has appeared before, but I would like to know what it is.
4. Mathis & Associates appears on every bill in recent memory but not on some of the bills I checked from last year. What services were and continue to be provided to Watermaster?

I'm sure that I will have more questions as we get closer to the meeting, but I wanted to share these in advance.

Thank you.

Jennifer

Sherri Lynne Molino

From: Andy Malone [AMalone@WildermuthEnvironmental.com]
Sent: Thursday, June 10, 2010 2:06 PM
To: Sherri Lynne Molino
Cc: Michael T Fife; Joe Joswiak
Subject: FW: Chino Creek Well Field Locations
Attachments: 20100608_CIM_Comments_Responses.pdf; CCWF.pdf

Sherri-Lynne,

This is the main email transmittal to Jennifer Novak yesterday (below). I also sent Jennifer these reports:

1. Chino Basin Maximum Benefit Monitoring Program – 2009 Annual Report
2. 2009 Production Optimization and Evaluation of the Peace II Project Description
3. Detailed Technical Specifications for Drilling, Construction, Development, and Testing of Chino Basin Desalter Authority Wells I-16, I-18, I-MW16 and I-MW18

Andy Malone

Wildermuth Environmental, Inc.
949.600.7503

From: Andy Malone
Sent: Wednesday, June 09, 2010 1:36 PM
To: 'Jennifer Novak'
Cc: feenstra@agconceptsinc.com; Craig Stewart; Richard.Rees@amec.com; Michael T Fife; kmanning@cbwm.org; jpierson@intexcorp.com; slee@rhlaw.com; 'sslater@hatchparent.com'; Mark Wildermuth, PE
Subject: RE: Chino Creek Well Field Locations

Hi Jennifer,

Attached are our responses to your questions. Also attached is a map that shows the modeled well locations for the CCWF and the locations of the two CCWF test production wells.

Please let me know if you have any questions.

Andy Malone

Wildermuth Environmental, Inc.
949.600.7503

From: Jennifer Novak [mailto:Jennifer.Novak@doj.ca.gov]
Sent: Monday, June 07, 2010 3:57 PM
To: Andy Malone; Mark Wildermuth, PE
Cc: feenstra@agconceptsinc.com; Craig Stewart; Richard.Rees@amec.com; Michael T Fife; kmanning@cbwm.org; jpierson@intexcorp.com; slee@rhlaw.com
Subject: Chino Creek Well Field Locations

Mark & Andy,

Your letter to Watermaster re: Material Physical Injury Analysis for Wells I-16, I-18, dated May 27, 2010 references a few documents that I do not believe I have and would like to receive before Thursday's Ag Pool meeting. These are: 1) the Detailed Technical Specifications for Drilling, December 24, 2009 by Geoscience; 2) the November 25, 2009 Production Optimization and Evaluation of the Peace II Project Description; and 3) any map you have that shows the proposed locations of the wells.

In addition, I have a few questions that you can answer now or at the upcoming Ag Pool meeting.

- 1) How "approximate" are the locations for the two wells at this time?
- 2) How "approximate" are they relative to the previously modeling done by Wildermuth?
- 3) Did the previous modeling assume the same pumping (zone, rate, etc.) as is being proposed now?
- 4) Are you convinced that pumping from the shallow zone only will lead to greater containment than pumping from a mix of shallow/deep or deep zones?
- 5) How much contingency is built into the pumping program? If needed, could you pump 20 or 30% less from any one well or all wells to achieve the necessary containment?
- 6) In your letter, you request the opportunity to re-examine the appropriate operation of the wells and their effect on the Basin after the entire wellfield has been installed and tested. Do you not already have that authority? And why are you not seeking a similar opportunity to re-evaluate after 16 and 18 go in?
- 7) Based on the data, modeling and approximate locations that you have, what, if any, effect do you foresee with respect to the Chino Airport plume?
- 8) What are the chances that the currently proposed "approximate" locations will pull the Chino Airport plume over to the CIM property?
- 9) Has the Chino Airport plume been sufficiently characterized for you to even answer #s 7 & 8?
- 10) Do you foresee any water quality effects to CIM based upon the wells' proposed "approximate" locations?

Thank you.

Jennifer F. Novak
Deputy Attorney General
Department of Justice
Office of the Attorney General
300 South Spring Street, Suite 1702
Los Angeles, California 90013
(213) 897-4953
(213) 897-2802 FAX

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MATERIAL PHYSICAL INJURY ANALYSIS FOR WELLS I-16, I-18, DATED MAY 27, 2010

STATE OF CALIFORNIA (CALIFORNIA INSTITUTE FOR MEN) COMMENTS AND WATERMASTER RESPONSES

No.	Comment	Response
1	How "approximate" are the locations for the two wells at this time?	The locations of the two test production wells (I-16 and I-18) and their companion monitoring wells (I-MW16 and I-MW18) are not approximate. The well sites have been secured by the CDA, and the bid documents have been sent to prospective well drilling contractors. The well site locations are shown on Figures 1, 2, and 3 of the <i>Detailed Technical Specifications for Drilling, Construction, Development, and Testing of the Chino Basin Desalter Authority Wells I-16, I-18, I-MW16 and I-MW18</i> (technical specifications).
2	How "approximate" are they relative to the previously modeling done by Wildermuth?	The most recent groundwater modeling performed by Wildermuth Environmental (WEI) was documented in the report titled <i>2009 Production Optimization and Evaluation of the Peace II Project Description</i> (November 25, 2009). The locations of the two test production wells (I-16 and I-18) are very close to two wells assumed in the modeling (see attached map figure).
3	Did the previous modeling assume the same pumping (zone, rate, etc.) as is being proposed now?	<p>With regard to "zone": The WEI modeling assumed that the Chino Creek Well Field (CCWF) would pump only from the shallow aquifer system. The proposed design for the production wells in the technical specifications (as updated in the addendum) depicts the well-screen interval across both the shallow and deep aquifer systems.</p> <p>With regard to "rate": The WEI modeling assumed that about 7,500 acre-ft/yr will be pumped from six wells that comprise the CCWF. The CDA has two documents that describe proposed pumping rates and volumes, which are both consistent with the WEI modeling:</p> <ul style="list-style-type: none"> (1) the CDA's <i>Chino Desalter Phase 3 Comprehensive Predesign Report</i> states that the CCWF will pump about 5,000-7,700 acre-ft/yr. (2) the technical specifications for two test wells indicate that the each well will be designed to pump a maximum of 2,000 gpm (3,223 acre-ft/yr). If six wells are ultimately constructed, and all achieve this maximum pumping capacity, then the maximum pumping capacity of the



STATE OF CALIFORNIA (CALIFORNIA INSTITUTE FOR MEN) COMMENTS AND WATERMASTER RESPONSES

No.	Comment	Response
		well field would be 12,000 gpm (19,338 acre-ft/yr). It appears from these specifications that the CDA is attempting to design the production wells, and the well field as a whole, to achieve the necessary production for hydraulic control and to have some flexibility and safety factor.
4	Are you convinced that pumping from the shallow zone only will lead to greater containment than pumping from a mix of shallow/deep or deep zones?	A well that pumps at a specific rate from only the shallow aquifer will cause greater drawdown in the shallow aquifer than a well pumping at that same rate from both the shallow and deep aquifers. However, Watermaster and IEUA are not necessarily concerned about "greater containment." They are concerned that the well field and its long-term operation causes enough regional drawdown to achieve hydraulic control in the area, and that hydraulic control can be demonstrated through monitoring of groundwater levels.
5	How much contingency is built into the pumping program? If needed, could you pump 20 or 30% less from any one well or all wells to achieve the necessary containment?	According to the <i>Chino Desalter Phase 3 Comprehensive Predesign Report</i> , all wells of the CCWF will be equipped with pump motors that can operate at variable speeds (i.e. variable pumping rates). Adjustment of pumping rates at individual wells may be necessary achieve and maintain hydraulic control.
6	In your letter, you request the opportunity to re-examine the appropriate operation of the wells and their effect on the Basin after the entire wellfield has been installed and tested. Do you not already have that authority? And why are you not seeking a similar opportunity to re-evaluate after 16 and 18 go in?	Please be aware that the letter you are referring to is a letter from WEI to Ken Manning of Watermaster. The request was from WEI to Watermaster.
7	Based on the data, modeling and approximate locations that you have, what, if any, effect do you foresee with respect to the Chino Airport plume?	The Chino Airport plume is composed of trichloroethene (TCE) and its degradation by-products, as well as 1,2,3-trichloropropane. The historical plume source(s) are on the western portion of the Chino Airport facility. The plume extends approximately 12,100 feet to the south southwest. Private wells south of Pine Avenue have had more than one detection of TCE as recently as 2008. Although there are no private wells or monitoring wells located in the



STATE OF CALIFORNIA (CALIFORNIA INSTITUTE FOR MEN) COMMENTS AND WATERMASTER RESPONSES

No.	Comment	Response
		<p>southeastern-most portion of CIM, it can be inferred that the Chino Airport plume likely exists <i>currently</i> in groundwater under this portion of the CIM facility.</p> <p>The results of the Pease II modeling work show that much of the Chino Airport plume would eventually be captured by the CCWF. The modeling results show further that there may be a small "cut-off plume" that escapes the well field. This cut-off plume would likely have TCE in relatively low (less than 5 ug/L) concentrations and one might expect this mass of TCE to be biodegraded in the Prado Basin Management Zone.</p>
8	<p>What are the chances that the currently proposed "approximate" locations will pull the Chino Airport plume over to the CIM property?</p>	<p>As noted in the response to Comment 7, one may infer that the Chino Airport plume currently underlies the southeastern-most portion of the CIM facility. The effect the future pumping of the CCWF will be to develop a hydraulic depression around the well field. This will draw the Chino Airport plume into the well field, including that portion of the plume that currently underlies CIM property.</p>
9	<p>Has the Chino Airport plume been sufficiently characterized for you to even answer #s 7 & 8?</p>	<p>Watermaster has sampled and analyzed 51 private wells within the Chino Airport plume and a 0.25 mile buffer around the plume. The Chino Desalter Authority (CDA) and Watermaster have collected numerous samples from the Chino Desalter-I wells. In addition, the County has installed and sampled 18 monitoring wells and collected water quality data from 64 HydroPunch samples (in 24 locations) within and in the vicinity of the plume. Our professional opinion is that there are sufficient data to move forward with the construction of the well field as detailed in the Preliminary Design Report.</p> <p>In addition, the County has a work plan to drill and install four more nests of off-site wells. Further information will be collected as the CDA drills and installs the extraction and monitoring wells associated with the CCWF. As more data become available, our understanding of the mass and concentration of the plume will increase. We will also expand our understanding of the hydrogeology and specifics about well</p>



STATE OF CALIFORNIA (CALIFORNIA INSTITUTE FOR MEN) COMMENTS AND WATERMASTER RESPONSES

No.	Comment	Response
		<p>construction in the vicinity of the CCWF through planned aquifer tests. The CDA may revise - slightly - the locations and construction specifications of the CCWF, based on new lithologic, hydrogeologic, and groundwater quality information obtained during the on-going work. Adaptive management, in this way, optimizes decision making through an iterative process by using newly gained monitoring data.</p>
10	<p>Do you foresee any water quality effects to CIM based upon the wells' proposed "approximate" locations?</p>	<p>The portion of the Chino Airport plume that underlies the CIM facility should be drawn into the capture zone of the CCWF and mitigated.</p>
11	<p>Where would I find a description of any proposed monitoring program for these wells?</p>	<p>The Hydraulic Control Monitoring Program (HCMP) is described in the latest <i>Chino Basin Maximum Benefit Monitoring Program - 2009 Annual Report</i>. This report describes the monitoring program, its results, and interpretations as to the achievement of hydraulic control.</p> <p>It is likely that the HCMP will be expanded after the CCWF is installed and operational, but this expansion has not yet been defined by Watermaster/IEUA. The CDA will also conduct its own monitoring at its production wells, which typically includes groundwater levels, water quality, and groundwater production. The CDA shares these data with Watermaster.</p>





CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

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





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: July 8, 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 – Approved unanimously
7-01-10 Non-Agricultural Pool – No vote
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
				-745,654.60

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		NON-AG POOL	GROUNDWATER OPERATIONS		EDUCATION FUNDS	GRAND TOTALS	BUDGET 2009-2010
			POOL APPROPRIATIVE	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		7,244,818	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	22,358	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		363,428		137,890	18,850				-	-
Allocate Net OBMP Expenses To Pools		4,874,444		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				206,492				6,629,071	7,680,789
Net Administrative Income	933,239		2,434		19,773			5	955,451	-
Other Income/(Expense)										
Replenishment Water Assessments						7,073,805			7,073,805	0
Interest Revenue						25,077			25,077	0
Water Purchases									-	0
Balance Adjustment									-	0
Other Water Purchases						(2,166,022)			(2,166,022)	0
Groundwater Replenishment						(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			5,942,967	470,719	256,577	4,166,457	158,251	995	10,995,966	
Working Capital, End Of Period			6,876,206	473,153	276,350	2,459,283	158,251	1,000	10,244,242	10,244,242
08/09 Assessable Production			84,716,450	32,142,764	4,393,990				121,253,204	
08/09 Production Percentages			69.867%	26.509%	3.624%				100.000%	

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

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
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)
Accounts Payable		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	Gov't'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)				
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%

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
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.



Cucamonga Valley
Water District

10440 Ashford Street • Rancho Cucamonga, CA 91729-0638
P.O. BOX 638 • (909) 987-2591 • Fax (909) 476-8032

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

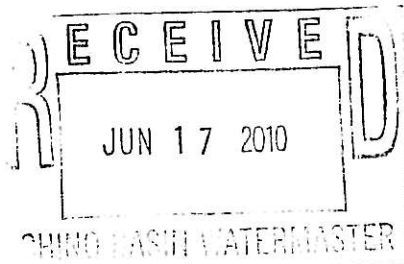
Dear Mr. Manning:

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

Randall J. Reed
President

Kathy Tiegs
Vice President

Oscar Gonzalez
Director

Henry L. "Hank" Stoy
Director

James V. Curatalo, Jr.
Director

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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

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

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

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

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?

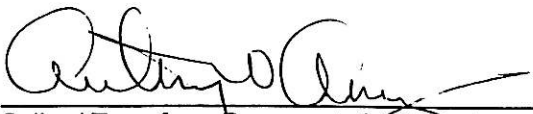
N/A

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

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

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

- Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool)
- 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 _____

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:

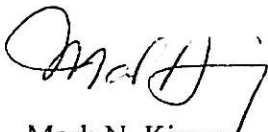
This letter is to notify Watermaster of the purchase of 19.245 acre-feet of water from the San Antonio Water Company. This purchase is made first from San Antonio's net underproduction, if any, in Fiscal Year 2009-10, with any remainder to be recaptured from storage.

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 agendize 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.

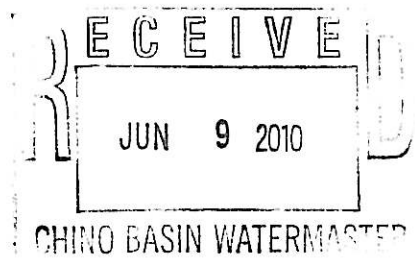
Sincerely,

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
P57

Philip L. Erwin
DIRECTOR

G. Michael Milhiser
DIRECTOR

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.

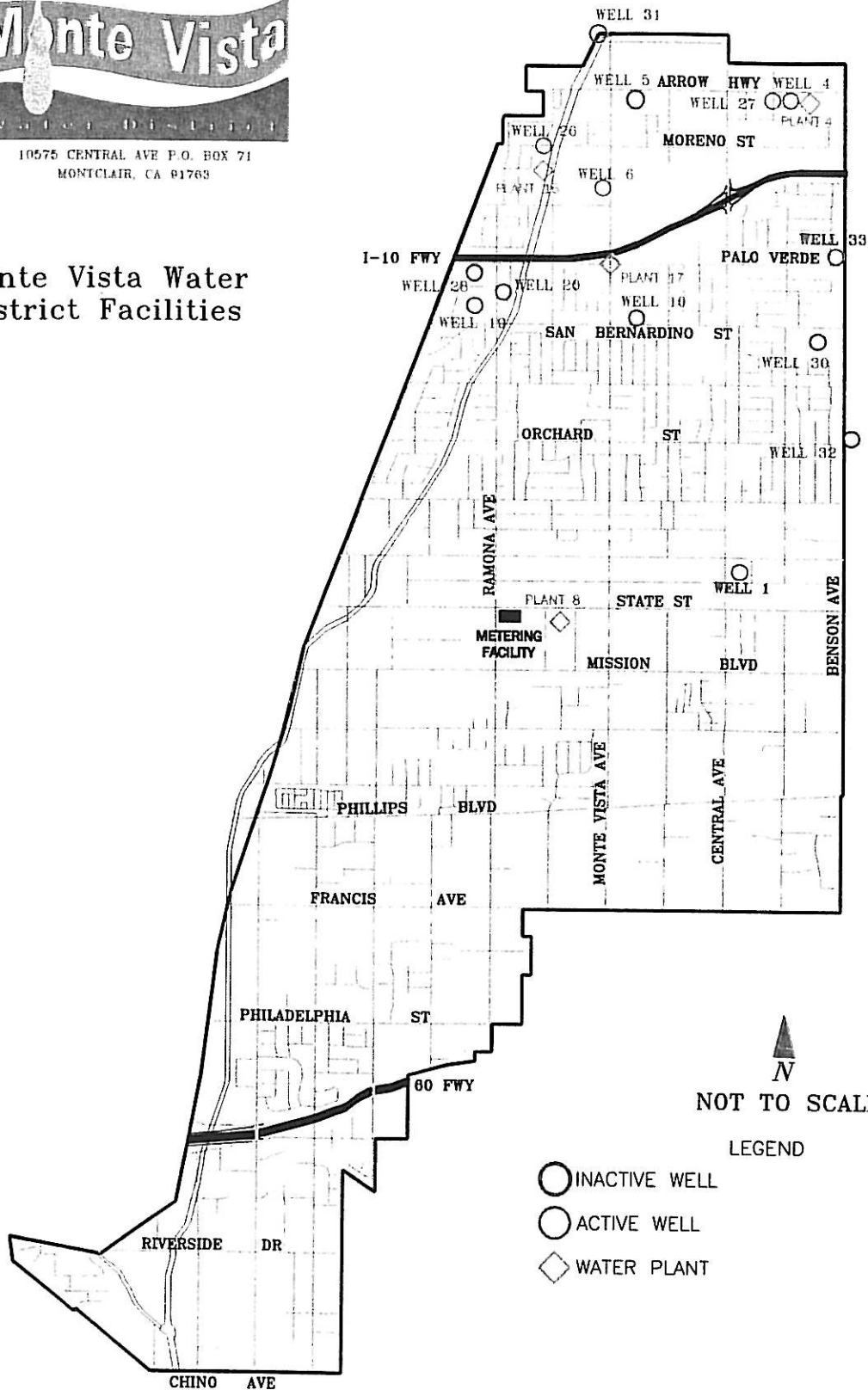
<u>Well</u>	<u>Production Acre-Feet/Day</u>
4	4.2
5	6.1
6	5.2
10	5.2
19	9.0
20	5.8
26	9.0
27	9.0
28	9.0
30	9.0
31	9.0
32	9.0
33	4.5
<hr/>	
Daily Total	94.0

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 91769

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.

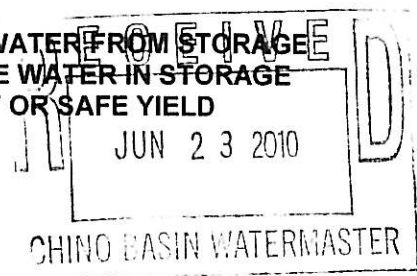
- Fontana Water Company (“Company”) has agreed to purchase from The Nicholson Trust annual production right in the amount of 6.082 acre-feet to satisfy a portion of the Company’s anticipated Chino Basin replenishment obligation for Fiscal Year 2009/2010.

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 _____

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.

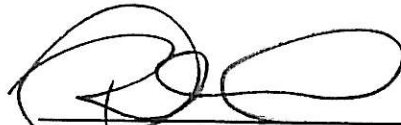
ADDITIONAL INFORMATION ATTACHED

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: _____



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 a Local Supplemental
Storage Account



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

**WATER TRANSACTIONS –
LOCAL STORAGE AGREEMENT**

Date of Notice:

June 29, 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 29, 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 a Local Supplemental Storage 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 29, 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 29, 2010
TO: Watermaster Interested Parties
SUBJECT: REVISED 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 a Local Supplemental Storage 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 a Local Supplemental Storage Account.

A Revised Notice of the application identified above was mailed on June 29, 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 a Local Supplemental Storage 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 Local Supplemental Storage Account in a similar manner to all other water in storage.

APPLICATION FOR LOCAL STORAGE AGREEMENT

APPLICANT

City of Fontana
Name of Party
16489 Orange Way
Street Address
Fontana CA 92335
City State Zip Code
Telephone: (909) 350-6530

Revised June 29, 2010
Original May 18, 2010
Date Requested Date Approved
5,000 Acre-feet
Amount Requested Amount Approved
Facsimile: (909) 350-6773

TYPE OF WATER TO BE PLACED IN STORAGE

- [] Excess Carry Over [X] Local Supplemental or Imported [] Both

PURPOSE OF STORAGE - Check all that may apply

- [X] 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.
[X] Other, explain 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 City is hereby requesting a storage account for this excess recharge water.

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 3,000 acre feet of this water.

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

- [X] 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)
[X] 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?

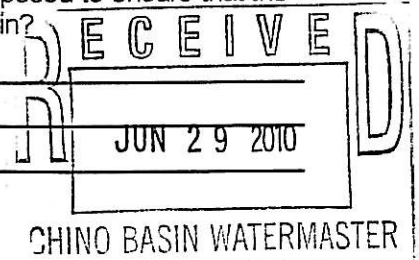
No water levels or water quality will be affected. We are not adding any recharge water we are asking to establish a storage account for our share of the recharge currently taking place through the regional recharge master plan.

MATERIAL PHYSICAL INJURY

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

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

-
-
-



ADDITIONAL INFORMATION ATTACHED

Yes [X] No []



Applicant

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

**APPLICATION
FOR
RECHARGE**

APPLICANT

City of Fontana			Revised June 29, 2010	
Name of Party			Original May 18, 2010	
16489 Orange Way			Date Requested	
Street Address			Date Approved	
Fontana CA 92335			5,000 Acre-feet	
City State Zip Code			Amount Requested	
Telephone: (909) 350-6530			Amount Approved	
			CBWM/IEUA Operations	
			Projected Rate of Recharge	
			Projected Duration of Recharge	
			Facsimile: (909) 350-6773	

SOURCE OF SUPPLY

Water from:

State Water Project

Colorado River

Local Supplemental Source: _____

Recycled Water

Other, explain _____

METHOD OF RECHARGE

PERCOLATION

Basin Name: All recharge 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 [X] No []



Applicant

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

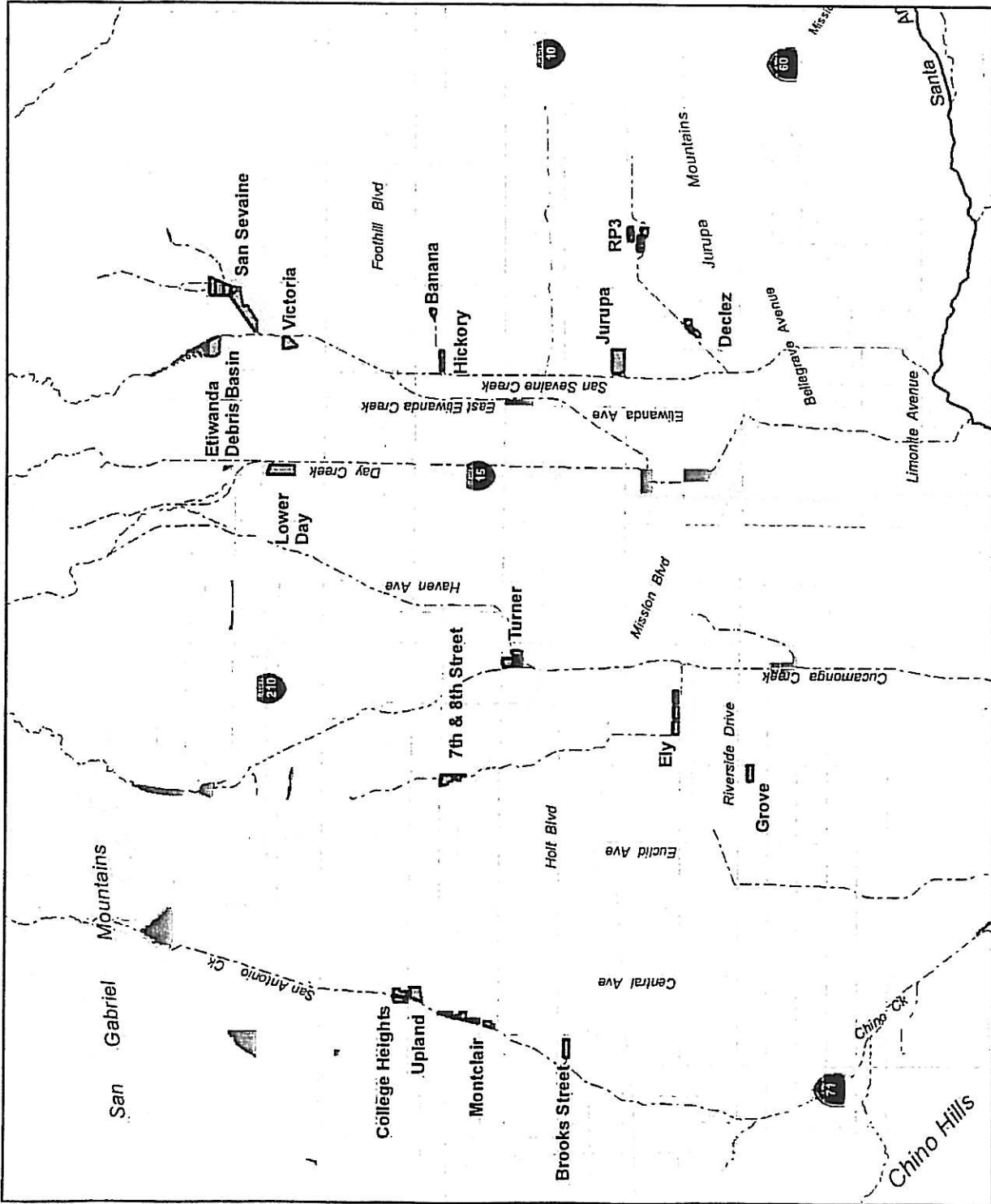
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____




HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



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

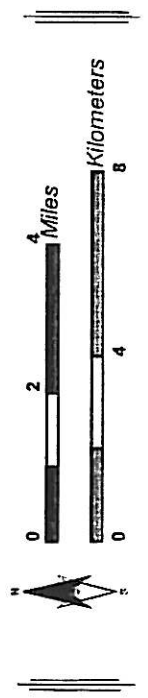
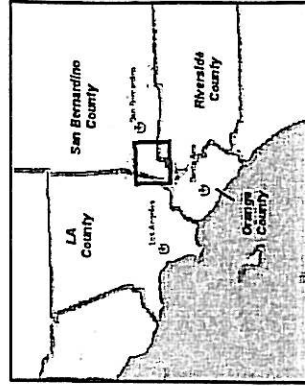


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CHINO BASIN WATERMASTER

IV. 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%.

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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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Statement on 2010 Water Bond

6/29/10

As you may have heard, there is a possibility that Proposition 18, the Safe, Clean and Reliable Drinking Water Supply Act, may be pushed from the November 2010 statewide ballot to 2012. Below please find our campaign statement that was just released to the news media:

Statement from Jim Earp, executive director of California Alliance for Jobs and chair of the campaign to pass the water bond, Alliance for Clean Water and Jobs.

SACRAMENTO, CA – “The water bond represents a truly comprehensive solution to fix the problems in the Delta, increase conservation and recycling, and expand the availability and quality of water supplies in every region of the state. That’s why the measure enjoys unprecedented support from business, labor, environmentalists, farmers, water agencies and many others.

“We’re confident that when presented to voters, they will approve the measure. However, in light of the economic situation, we agree with the Governor and legislative leaders that the best timing for the water bond is in 2012. We support postponing the bond to 2012.”

We greatly appreciate the broad support the water bond has received, and our campaign will keep you posted as we know more about the status of the bond. We have posted below written statements from the Governor and Senator Dave Cogdill.

Gov. Schwarzenegger Issues Statement Regarding the Water Supply Act of 2010

Governor Arnold Schwarzenegger today issued the following statement regarding the Water Supply Act of 2010:

“After reviewing the agenda for this year, I believe our focus should be on the budget -- solving the deficit, reforming out of control pension costs and fixing our broken budget system. It’s critical that the water bond pass, as it will improve California’s economic growth, environmental sustainability and water supply for future generations. For that reason, I will work with legislature to postpone the bond to the next ballot and avoid jeopardizing its passage

The Water Supply Act is a crucial component of the comprehensive water package that passed in 2009. The bond will fund, with local cost-sharing, drought relief, water supply reliability, Delta sustainability, statewide water system operational improvements, conservation and watershed protection, groundwater protection and water recycling and water conservation programs.

Delaying the bond will not impact other parts of the 2009 water package, such as enhancing the Delta ecosystem, better monitoring groundwater basins, reducing statewide consumption and improving diversion patterns.

In May 2004, state leaders passed a bill to delay voting on the high-speed rail bond until November 2006, and later delayed the vote again until November 2008, when it eventually passed as Proposition 1A. The voters' approval of Proposition 1A in 2008 made a \$9.95 billion bond-funded down payment on high-speed rail in California.

Senator Cogdill Issues Statement Regarding Voter Approval of Water Bond

Senator Dave Cogdill, R-Modesto, today issued the following statement regarding the decision to delay the Safe, Clean and Reliable Drinking Water Act until the November 2012 ballot:

"Ensuring California has a safe and reliable water supply is, has, and always will be my top priority. I have dedicated the last four years to achieving this goal and I am committed to getting this bond passed at the ballot box. While I believe we must immediately invest in our water future, timing is everything and I'm willing to wait to bolster voter understanding of this critical measure.

"I'm encouraged by the fact that a recent poll shows that 75 percent of voters believe passing a bond is important. By waiting until 2012, we can give the economy a greater opportunity to rebound and lessen economic concerns about this critical investment.

"When I leave the Legislature later this year, my dedication to rebuilding our aging water infrastructure will not end. I will continue to fight to ensure California's water needs are met now and for future generations of families, businesses, farmers and ranchers. It's not just a public safety concern, it's critical to our overall economy and one of the biggest issues facing our state."

Delaying bonds have not hampered ultimate success at the ballot box. Though the bond authorizing the construction of a high speed rail was twice delayed, 52 percent of voters ultimately approved the measure in 2008.

Latest Press Release