



CHINO BASIN WATERMASTER



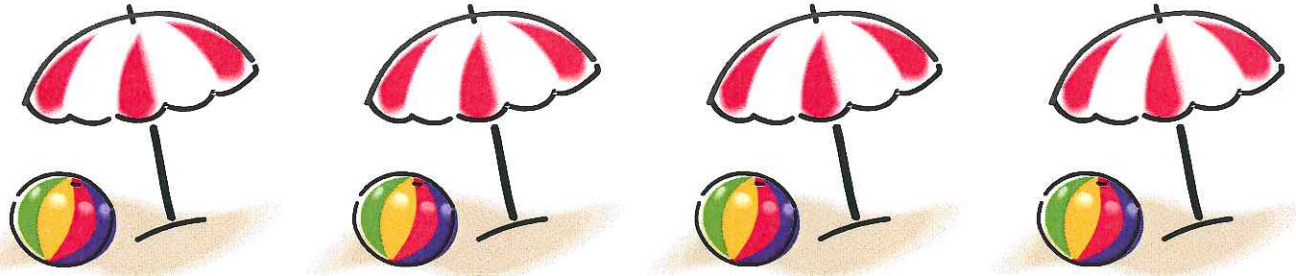
NOTICE OF MEETING

Thursday, July 28, 2011

11:00 a.m. – Watermaster Board Meeting

(Lunch will be served)

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

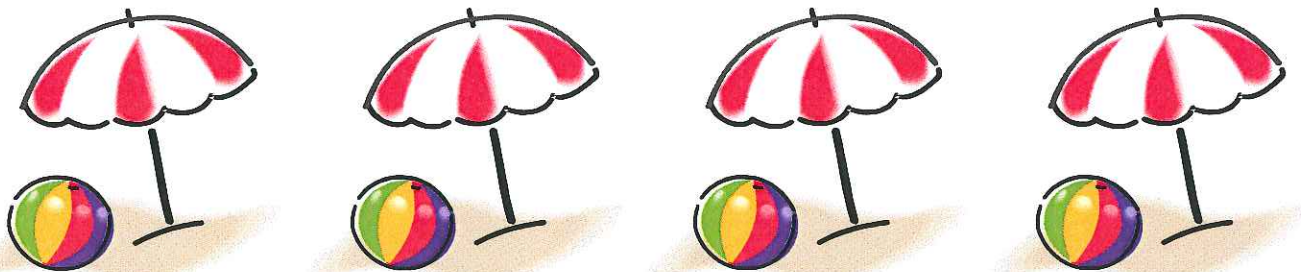


CHINO BASIN WATERMASTER

Thursday, July 21, 2011

11:00 a.m. – Watermaster Board Meeting
And
Public Hearing on the Watermaster 2011-2012 Budget

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
PUBLIC HEARING
AND
WATERMASTER BOARD MEETING**

11:00 a.m. – July 28, 2011

WITH

Mr. Ken Willis, Chair

Mr. Bob Kuhn, Vice-Chair

At The Offices Of

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

Note: All matters listed under the Consent Calendar are considered to be routine and 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 Watermaster Board Meeting held May 26, 2011 *(Page 1)*
2. Minutes of the Watermaster Board Meeting held June 23, 2011 *(Page 9)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2011 *(Page 15)*
2. Watermaster VISA Check Detail for the month of May 2011 *(Page 27)*
3. Combining Schedule for the Period July 1, 2010 through May 31, 2011 *(Page 31)*
4. Treasurer's Report of Financial Affairs for the Period May 1, 2011 through May 31, 2011 *(Page 35)*
5. Budget vs. Actual July through May 2011 *(Page 39)*

II. PUBLIC HEARING ON WATERMASTER 2011-2012 BUDGET

A. PROPOSED FISCAL YEAR 2011-2012 BUDGET

Consider Approval for the Proposed Fiscal Year 2011-2012 Watermaster Budget *(Page 45)*

III. BUSINESS ITEMS

A. ACQUISITION OF RIGHT OF ENTRY AGREEMENT FOR HORIZONTAL EXTENSOMETER

Consider Approval for the Proposed Right of Entry Agreement for the Horizontal Extensometer and Payment of \$1,000 to the Land Owner *(Page 79)*

B. AGREEMENT TO PROVIDE LOAN BETWEEN CHINO BASIN WATERMASTER AND CHINO BASIN WATER CONSERVATION DISTRICT - (Information Item Only) - (Page 85)

C. UPDATE OF CHINO BASIN GROUNDWATER MODEL - (Information Item Only)

IV. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

- 1. Paragraph 31 Appeal
- 2. Restated Watermaster Judgment
- 3. September 30, 2011 Hearing
- 4. Analysis of Brown Act Applicability (Page 105)

B. ENGINEERING REPORT

- 1. Progress Report on the State of the Basin Report

C. CEO/STAFF REPORT

- 1. Recharge Update
- 2. 85/15 Rule Review
- 3. Water Activity Report Update

V. INFORMATION

- 1. Cash Disbursements for June 2011 (Page 111)
- 2. Newspaper Articles (Page 121)

VI. COMMITTEE MEMBER COMMENTS

VII. OTHER BUSINESS

VIII. CONFIDENTIAL SESSION - POSSIBLE ACTION

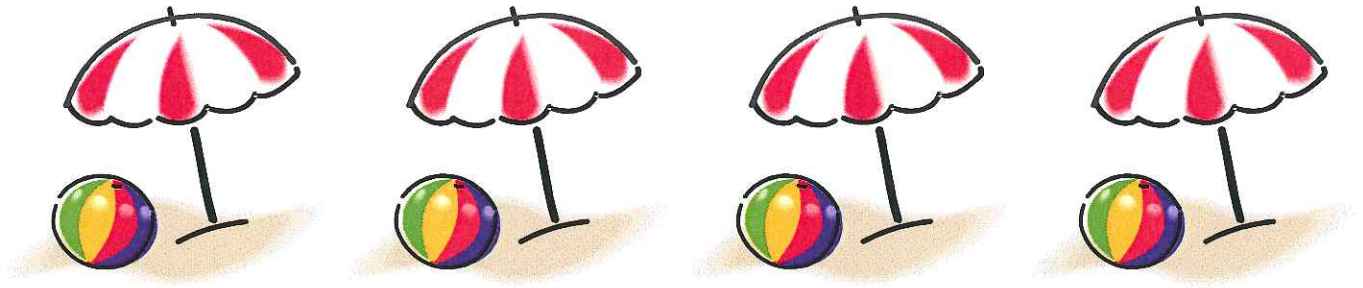
Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster committee meeting for the purpose of discussion and possible action.

- 1. South Archibald Plume
- 2. Paragraph 31 Motion

IX. FUTURE MEETINGS

Tuesday, July 26, 2011	9:00 a.m.	GRCC Meeting @ CBWM
Thursday, July 28, 2011	11:00 a.m.	Watermaster Public Hearing @ CBWM
Thursday, July 28, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, August 11, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, August 11, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, August 11, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, August 18, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, August 18, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, August 18, 2011	10:30 a.m.	Land Subsidence Committee Meeting @ CBWM
Thursday, August 25, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM

Meeting Adjourn

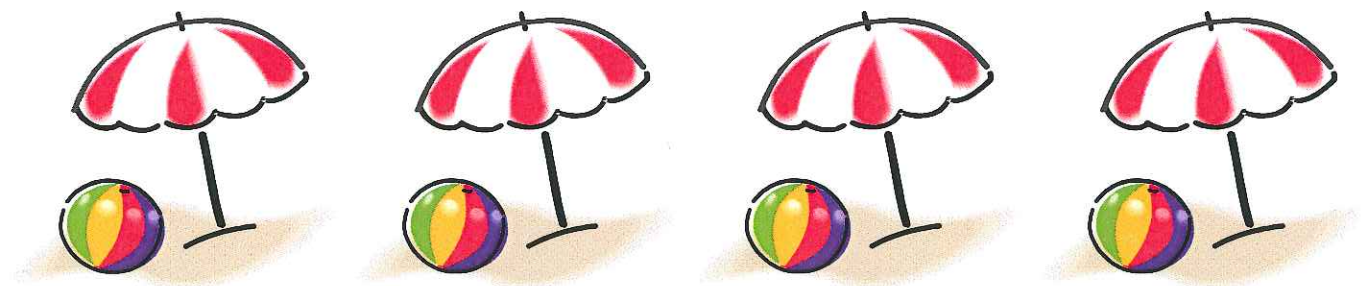


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting held on May 26, 2011
2. Watermaster Board Meeting held on June 23, 2011



Draft Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

May 26, 2011

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on May 26, 2011 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Ken Willis, Chair	West End Consolidated Water Company
Bob Kuhn	Three Valleys Municipal Water District
Terry Catlin	Inland Empire Utilities Agency
Bob Bowcock	Vulcan Materials Company (Calmat Division)
Paula Lantz	City of Pomona
Tom Haughey	City of Chino
Geoffrey Vanden Heuvel	Agricultural Pool
Paul Hofer	Agricultural Pool

WATERMASTER BOARD MEMBERS ABSENT

Steve Elie	Inland Empire Utilities Agency
Charles Field	Western Municipal Water District

Watermaster Staff Present

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

Watermaster Consultants Present

Scott Slater	Brownstein, Hyatt, Farber & Schreck
Andy Malone	Wildermuth Environmental, Inc.

Others Present Who Signed In

Ken Jeske	California Steel Industries
Marty Zvirbulis	Cucamonga Valley Water District
Jolynne Russo-Pereyra	Cucamonga Valley Water District
Mohamed El Amamy	City of Ontario
Scott Burton	City of Ontario
Dave Crosley	City of Chino
Ron Craig	City of Chino Hills
John Mura	City of Chino Hills
Ben Lewis	Golden State Water Company
Brian Geye	Auto Club Speedway
Curtis Paxton	Chino Desalter Authority
Bob Feenstra	Agricultural Pool - Dairy
Jeff Pierson	Agricultural Pool - Crops
Mark Kinsey	Monte Vista Water District
Jack Safely	Western Municipal Water District
Tom Love	Inland Empire Utilities Agency
Craig Miller	Inland Empire Utilities Agency
Karen Williams	Santa Ana Watershed Project Authority
Eunice Ulloa	Chino Basin Water Conservation District
Rick Hansen	Three Valleys Municipal Water District

Hank Stoy
Sheri Rojo

Cucamonga Valley Water District
Consultant for Fontana Water Company

Chair Willis called the Watermaster Board meeting to order at 11:00 a.m.

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board Meeting held April 28, 2011

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2011
2. Watermaster VISA Check Detail for the month of March 2011
3. Combining Schedule for the Period July 1, 2010 through March 31, 2011
4. Treasurer's Report of Financial Affairs for the Period March 1, 2011 through March 31, 2011
5. Budget vs. Actual July through March 2011

C. BANK OF AMERICA

Bank of America Visa Request to Appoint Desi Alvarez, CEO as Authorized Agent at Chino Basin Watermaster with a Credit Limit of \$10,000.00 for the Visa Account No. XXXX-XXXX-XXXX-9341

D. LOCAL AGENCY INVESTMENT FUND – NEW CEO NAME ADDITION

Revised Resolution 11-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF) for Desi Alvarez to be Renamed as the Chief Executive Officer/Secretary for Chino Basin Watermaster

E. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company ("Company") has agreed to purchase from Monte Vista Water District water in storage in the amount of 500.000 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2010-2011. Date of Application: February 24, 2011
2. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 4,055.720 acre-feet of water from the City of Chino (Chino). The transfer will be made first from Chino's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage. Date of Application: March 1, 2011
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,595.170 acre-feet of water from the City of Pomona. The transfer will be made from the City's Excess Carryover Account. Date of Application: March 1, 2011
4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 957.102 acre-feet of water from the Santa Ana River Water Company (SARWC). The transfer will be made first from SARWC's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage. Date of Application: March 1, 2011
5. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 2,233.238 acre-feet of water from the City of Upland (Upland). The transfer will be made first from Upland's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage. Date of Application: March 1, 2011

6. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 47.855 acre-feet of water from the City of Ontario (Ontario). The transfer will be made first from Ontario's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage. Date of Application: March 1, 2011

Motion by Kuhn, second by Haughey, and by unanimous vote

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

II. BUSINESS ITEMS

A. **OUTSIDE AUDIT FIRM**

Mr. Joswiak noted this item has gone to all three pools with unanimous support. Mr. Vanden Heuvel stated the Chino Basin Conservation District uses this audit firm. Ms. Lantz stated she sits on another board which also uses Charles Z. Fedak & Company. Mr. Jeske asked if there were any further comments. No further comments were made.

Motion by Catlin second by Vanden Heuvel and by unanimous vote

Moved to approve awarding a five year contract (with an optional two years) to Charles Z. Fedak & Company for Watermaster's outside audit firm, as presented

B. **PURCHASE OF 50,000 ACRE-FEET WATER FROM METROPOLITAN WATER DISTRICT**

Mr. Alvarez stated he is pleased to present this opportunity. The Metropolitan Water District (MWD) is making available replenishment water at the replenishment rate this year. This will present a unique opportunity for Watermaster to purchase a significant amount of water at a very low cost. Mr. Alvarez stated since this item has come up quickly, it requires that Watermaster move forward at a rapid pace and put as much water into the ground as is physically possible. Mr. Alvarez stated staff is recommending, and have initiated the purchase of, up to 50,000 acre-feet of water. This water will be put into the ground between now and the end of the calendar year. Mr. Alvarez offered comment on the 50,000 acre-feet of water. Beginning May 16, 2011, water is being delivered and spread in some of the recharge basins; to date 2,800 acre-feet of water has been spread. This opportunity has been discussed with the Advisory Committee. Mr. Alvarez stated 25,000 acre-feet of water has been purchased for pre-emptive replenishment primarily for the desalters, and 25,000 acre-feet is to be made available to those agencies which do need replenishment water. Mr. Alvarez stated there are several agencies who indicated their need and interest to purchase this replenishment water. Mr. Alvarez offered comment on the financing for this water. Mr. Alvarez stated a special assessment was discussed at the Advisory Committee and it was noted because of the impact a special assessment could have on some of the agencies, they have requested Watermaster staff to look at some alternative financing plans and bring those back at another meeting. Mr. Alvarez stated the recommendation for today is to move forward by the direction of the Advisory Committee as is presented in the staff letter in the meeting package. Mr. Vanden Heuvel inquired as to specifically what this Board being asked to do today. Mr. Alvarez stated this Board is being asked to authorize Watermaster staff to purchase supplemental water in two parts. One, for parties that are establishing replenishment accounts and authorizing Watermaster staff to proceed with the purchase of supplemental water for pre-emptive replenishment of the desalter, subject to workable findings for a financing plan; and two, to authorize general counsel to proceed, as necessary, with the appropriate court filings to expedite this process. Mr. Vanden Heuvel stated he would be willing to make that motion if that is what it takes to move this forward. Mr. Catlin inquired about some parties purchasing this water directly. Counsel Slater stated each party to the Judgment has a right to request Watermaster, on their behalf, to acquire supplemental water which they may elect to use for replenishment; this would require an agreement between those parties and Watermaster for the terms of procurement. The water would be held in a local storage agreement which each party to the Judgment has a right to receive, subject to certain conditions. The one requirement would be there be no material physical injury. Counsel Slater stated Watermaster staff is trying to exert leadership and send out the signal of conceptual approval subject to legal cleanup. Counsel Slater offered comment on some of the conditions on the purchase. Counsel Slater

stated it is not a condition on the local storage agreement but it is a condition on the purchase, and that the water must be used for replenishment purposes only. Counsel Slater stated under the Peace Agreement, local storage parties can transfer in and out, at will, of their local storage agreement. Counsel Slater stated there is a form already approved that is an appendix to the Judgment. We would ask the parties to execute and submit that form. Counsel Slater stated it would then be referred back to the Pools for them to process. Counsel Slater stated the Rules also have a requirement for a more lengthy notice; typically 21 days before the Advisory Committee is entitled to hear an application; so that period of time would have to be condensed in order to allow this to proceed as planned. Counsel Slater stated this Board has the authority to waive that period of time. Counsel Slater stated Watermaster is seeking conceptual approval to allow Watermaster to go out and work the terms under which the acquisition would be financed through Inland Empire Utilities Agency, Western Municipal Water District, or Three Valleys Municipal District on terms that would come back through the process in the form of an agreement. The other agencies are also entitled to local storage agreements and it is a pre-emptive purchase against future desalter replenishment. Counsel Slater stated there are protections built into the Appropriate Pool Pooling Plan and this is protection is against ternary by the majority and the desalter assessments are covered by the Peace Agreement. The parties can only be charged for the preceding years' replenishment obligation. Counsel Slater stated this is not deemed to be precedent; there were unusual circumstances in this transaction. Mr. Catlin inquired about storages losses being applied. Mr. Alvarez stated those losses would be applied. A discussion regarding this matter ensued. Mr. Alvarez stated this Board is making a policy decision; this is the first time the option of purchasing pre-emptive water has been exercised. Mr. Bowcock stated he supports Watermaster and the decision to purchase this water; however, he wanted to make sure the Special Assessment Table 2 is still subject to better understanding as to who is on the hook for paying for the replenishment water for the desalters. Counsel Slater stated that is staff and counsels' intention to work out the provisions under which the Special Assessment would be applied and who it would be applied to. There may be a situation where individual parties are willing to absorb a future obligation and others are not, and then they would want to hold the water and wait for that future replenishment obligation to occur. The Special Assessment is not intended to override the provisions in the Peace Agreement, they are what they are. We're going to explore the circumstances and conditions in which the replenishment water would be purchased – it would be consensual. Mr. Bowcock inquired further into Table 2. Mr. Alvarez stated Table 2 was one approach to financing this water purchase, that would be a Special Assessment based on existing provisions in Peace II. The other alternative is to look at some potential financing mechanisms that will lessen the obligation on the parties to have to meet the obligation of a Special Assessment; that can be done through modification of a Special Assessment in conjunction with financing. Ms. Rojo stated on page 141 of the meeting packet is the Table 2 which has been referenced in these discussions. Ms. Rojo stated during the Peace II discussions there were several different alternatives for how to break down the future desalter obligation costs and there were several different spreadsheets that were disseminated through the group. There was a particular formula that was agreed to. In section K of the Peace II Agreement, paragraph 6.2 references certain wording and that wording ties back to the title of the column of the breakdown of the formula that's already been agreed to. Ms. Rojo stated she does not think this breakdown of the formula accurately captures what was agreed to as a result of the Peace II process. Counsel Slater stated the Peace Agreement is the Peace Agreement and we are not discussing anything which would abnegate the Peace Agreement in the negotiated formula. Staff is articulating that if there is a global purchase of replenishment water, that's how it would be assessed; however, a pre-emptive purchase would be in accordance with the provisions of the Peace Agreement; there is no intention to change that. Staff is also saying if there are parties who, on their own, would like to stockpile water now in expectation of that desalter replenishment obligation, that Watermaster is open to allowing people to opt in and have a discussion about that over the next thirty to sixty days. Ms. Rojo noted there is a formula in Watermasters' database, and there are samples of how that replenishment water will get allocated, and it is different than the formula being presented today. Mr. Vanden Heuvel stated the public invested a lot of money in this water, now it would take a lot of cash to purchase this

water, and to be debiting this in terms of losses seems to be no good public policy. Mr. Vanden Heuvel stated he would like to see every effort made to preserve the full integrity of this purchase. Mr. Vanden Heuvel inquired about Table 1 on page 140 of the meeting packet. Counsel Slater stated there is a requirement in the Peace Agreement that provides that water held in local storage be subject to uniform losses and there are individual parties who have invested public money in putting their water into local storage agreements; there is less flexibility in dealing with a local storage agreements where the water is going to be carried over from year to year. To discriminate or to exclude an individual purchase by fewer than "all" the participants from the loss figure unless there is an engineering reported data which suggests the loss figure is less than 2%. Counsel Slater stated on the other hand, this schedule is a controlled overdraft schedule that was submitted to the court in 2007 and then as a part of the supplemental findings in 2008; the court has ordered Watermaster to proceed in accordance with that schedule unless good cause exists to deviate from it. Watermaster has the discretion to file an amendment to the schedule, provided there is a finding supporting the extension or modification of the schedule; you could, in theory, defer a draw on the controlled overdraft water which is in your schedule. Counsel Slater offered further comment on this matter. Mr. Vanden Heuvel stated with his motion to approve staff's recommendation, comes the additional provision that staff work to investigate the opportunity to use this water in such a way that it would not be lost. Mr. Kinsey offered comment on this item. Ms. Lantz inquired about the process and at which point in time do those processes get worked out; there is a 1st and a 2nd on the floor, and there are still significant questions/issues to be worked out. Mr. Vanden Heuvel stated the recommendation of staff was conceptual approval and that is all the motion does, and the motion recognizes there is a lot of work that has to be done. This is not a final motion. This Board has authorized staff to put the deal together and then it will go through the entire Watermaster process. Mr. Alvarez stated between now and the next Watermaster Board meeting this will be going through the Pool process, the Advisory Committee, and finally back to this Board. Mr. Alvarez stated part of the action this Board is taking today, is to authorize Watermaster to go back and negotiate some kind of financing arrangements and then take that back through the process. Counsel Slater stated parties have the right to put water in local storage as long as Watermaster can make a finding of no material physical harm. Counsel Slater offered final comments regarding this matter.

Motion by Vanden Heuvel second by Lantz and by unanimous vote

Moved to conceptually approve: 1) Authorize individual agencies/parties to directly purchase the MWD replenishment water themselves 2) Authorize Watermaster to work with Inland Empire Utilities Agency to negotiate a potential financing plan with the goal of bringing the plan back through the Watermaster process in June for the purchase of the MWD replenishment water 3) Authorize if necessary the preparation of agreements required to implement these measures and to pursue and obtain expedited ex parte Court approval if necessary of the preemptive purchase of replenishment water and to shorten time for the review and approval of storage agreements for supplemental water for the reasons set forth below. This approval will be sought with the express acknowledgment that it does not create precedent for future preemptive purchases and that Watermaster will be submitting a broader policy application to the Court in coordination with the Recharge Master Planning effort, with an additional provision that staff work to investigate the opportunity to use this water in such a way that it would not be lost, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Restated Watermaster Judgment

Counsel Slater stated this item is still a work in process and there is nothing new to report on at this item.

2. CDA Facilitation Effort

Counsel Slater stated the CDA process and the Restated Watermaster Judgment were eligible to be included in the July 8, 2011 court hearing based upon all reports optimistic about getting a Metropolitan Water District (MWD) action on the CDA approvals that were issued last November and December. MWD has not acted yet so there would be an incomplete filing with the court while waiting to see what MWD does. This suggests an extension to that hearing needs to be done. Counsel Slater stated a September court date seems more likely. There is an ongoing discussion between Watermaster staff and the CDA group over the location of some of the wells in the Chino Creek Wellfield, and there will be a brief meeting following the Board meeting today in which some of the technical people will get together and discuss the Wellfield progress. Counsel Slater stated other than the pending MWD decision, there are no known impediments to being able to implement the expansion project on schedule. A brief discussion regarding keeping the Regional Water Quality Control Board (RWQCB) informed of the CDA progress ensued. It was noted RWQCB will be notified of all schedule changes. Mr. Vanden Heuvel asked the Watermaster Board receive copies of paperwork that is exchanged between Watermaster and the RWQCB. Mr. Alvarez stated staff would make sure that happens.

B. ENGINEERING REPORT

1. GE Application for Recharge Description and Status

Mr. Malone stated this project is in the City of Ontario and has been presented previously. Wildermuth Environmental has been using Watermaster's groundwater flow model to analyze this project for the potential for material physical injury, specifically with regard to wells owned by the City of Ontario. The modeling is complete some of the results have been shared and discussed with GE and the City of Ontario. The analysis has not fully been described to the Watermaster staff. The City of Ontario and GE have asked this item not be brought to the Watermaster process in June. They wanted it deferred until July to further analyze our analysis. Mr. Vanden Heuvel stated if it looks like there is going to be a problem then he would like to be warned. A brief discussion regarding this matter ensued.

2. Summary of HCMP Annual Report

Mr. Malone stated this item is for the annual report for the Chino Basin Maximum Benefit Monitoring Program and it goes out every year. It is sometimes referred to as the Max Benefit Monitoring Program. With this annual report Wildermuth Environmental is looking at the groundwater and surface water hydrology in the southern end of the basin. The Desalter Wellfield is being looked at along with how the pumping there is changing that hydrology with respect to Hydraulic Control. Mr. Malone gave the HCMP Annual Report presentation. Mr. Malone stated the Hydraulic Control Monitoring Program and annual reporting is a commitment that Watermaster and Inland Empire Utilities Agency made to the Regional Water Quality Control Board and is written in the Basin Plan. The reason why it is a commitment is it was an exchange for Maximum Benefit Groundwater Quality Objectives for the Chino North Management Zone. The Regional Board artificially raised those water quality objectives to create a sum of capacity and allow for all the recycled water recharge and reuse that's occurring in the Chino North Management Zone without mitigation. In exchange for that, the Regional Board wanted this Monitoring Program implemented and an annual report presented on it. Hydraulic Control is the whole concept at the southern end of the basin for the Desalters to lower groundwater levels and limit the amount of rising groundwater outflow that occurs down in the Prado Basin area. Mr. Malone stated that groundwater is contaminated and the concept is to protect the water quality of the Santa Ana River. Mr. Malone stated the reviewers of this report are the Regional Board staff and, specifically, the Orange County Water District. Mr. Malone reviewed several maps in detail. A discussion regarding drawdown ensued. Mr. Harder inquired if we are still on schedule. Mr. Malone stated he did not have that answer and noted that Desi was recently at the Regional Board for a meeting. Mr. Alvarez stated he was at the meeting recently and noted we are running behind schedule. There is a revised schedule being prepared which will be submitted to the Regional Board. Mr. Malone discussed the main conclusions and the

recommendations which include eliminating surface monitoring along the Santa Ana River, and add limited monitoring along the Chino Creek. Mr. Vanden Heuvel inquired about the connection between Hydraulic Control and storage losses. Mr. Malone explained losses in this instance. Mr. Vanden Heuvel stated everything really needs to be looked at to preserve that value of water for the public. Mr. Feenstra inquired about the TCE map regarding the South Archibald Plume and stated it seems the plume has grown. Mr. Feenstra stated he is concerned about the amount of residents receiving potable water. Counsel Slater stated he wants to be clearer regarding the interface of Hydraulic Control and storage losses. Counsel Slater stated that recharge and discharge from the Santa Ana River that's caused by the operation of the Desalters is not a contractual responsibility of the parties with regard to losses. The way it was intended, and the way the agreement reads is, if Hydraulic Control is achieved from a loss standpoint that means that the discharge is 1% or less and at that point Watermaster has achieved its obligation and could set the losses at zero. Counsel Slater stated if we get Hydraulic Control there are no losses. Mr. Vanden Heuvel stated that in the future it would be good to see exactly where the Chino Airport plume is located and to see the actual concentrations of TCE.

C. CEO/STAFF REPORT

1. Recharge Update

Mr. Alvarez reviewed the current recharge numbers through April noted there is a spreadsheet available on the back table.

2. FY 2010/11 Land Use Conversions and Voluntary Agreements

Mr. Alvarez stated the assessment process has begun and letters have gone out to the Appropriators looking for land conversions and any voluntary agreements that they have entered into so that staff can move forward.

IV. INFORMATION

1. Cash Disbursements for March 2011

No comment was made regarding this item.

2. Newspaper Articles

No comment was made regarding this item.

V. BOARD MEMBER COMMENTS

Ms. Lantz stated an item came over via email, and she inquired how that reflected on the Brown Act. Ms. Lantz stated when she inquired about this she was told that Watermaster was not subject to the Brown Act and asked that be explained further. Counsel Slater stated the practice of Watermaster pursuant to the court approved Rules and Regulations, is that Watermaster will make an effort to comply with the provisions of the Brown Act unless it is effectively inconvenient to do so in the context of carrying out business. Counsel Slater offered further comment on the Brown Act. Counsel Slater stated Watermaster is an arm of the court, not a public agency, and not specifically subject to the Brown Act. Counsel Slater stated legal will put this in an abbreviated memo for your files. Ms. Lantz stated that would be appreciated.

VI. OTHER BUSINESS

No comment was made regarding this item.

The regular open Watermaster Board meeting was convened to hold its confidential session at 12:15 p.m.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster committee meeting for the purpose of discussion and possible action.

1. South Archibald Plume

2. Paragraph 31 Motion

The confidential session concluded at 12:30 p.m.

There was no reportable action from the confidential session.

VIII. FUTURE MEETINGS

Tuesday, May 24, 2011	9:00 a.m.	GRCC Meeting @ CBWM
Thursday, May 26, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, June 2, 2011	1:00 p.m.	Appropriative Pool Meeting @ CBWM
Thursday, June 2, 2011	2:30 p.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, June 9, 2011	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, June 16, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, June 16, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, June 23, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Friday, July 8, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court

The Watermaster Board meeting was dismissed by Chair Willis at 12:31 p.m.

Secretary: _____

Minutes Approved: _____

Draft Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

June 23, 2011

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on June 23, 2011 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Ken Willis, Chair
Bob Kuhn
Steve Elie
Ken Jeske
Paula Lantz
Tom Haughey
Charles Field
Geoffrey Vanden Heuvel
Paul Hofer

West End Consolidated Water Company
Three Valleys Municipal Water District
Inland Empire Utilities Agency
California Steel Industries
City of Pomona
City of Chino
Western Municipal Water District
Agricultural Pool
Agricultural Pool

WATERMASTER BOARD MEMBERS ABSENT

Bob Bowcock

Vulcan Materials Company (Calmat Division)

Watermaster Staff Present

Desi Alvarez
Danielle Maurizio
Joe Joswiak
Ben Pak
Sherri Molino

Chief Executive Officer
Senior Engineer
Chief Financial Officer
Senior Project Engineer
Recording Secretary

Watermaster Consultants Present

Scott Slater
Mark Wildermuth
Andy Malone

Brownstein, Hyatt, Farber & Schreck
Wildermuth Environmental, Inc.
Wildermuth Environmental, Inc.

Others Present Who Signed In

Marty Zvirbulis
Mohamed El Amamy
Scott Burton
Dave Crosley
Ron Craig
John Mura
Ben Lewis
Terry Catlin
Chris Berch
Daryl Grigsby
Raul Garibay
Curtis Paxton
Bob Feenstra
Jeff Pierson
Jennifer Novak
Mark Kinsey
Jack Safely
Eunice Ulloa
David De Jesus

Cucamonga Valley Water District
City of Ontario
City of Ontario
City of Chino
City of Chino Hills
City of Chino Hills
Golden State Water Company
Inland Empire Utilities Agency
Inland Empire Utilities Agency
City of Pomona
City of Pomona
Chino Desalter Authority
Agricultural Pool - Dairy
Agricultural Pool – Crops
State of California, Dept. of Justice, CIM
Monte Vista Water District
Western Municipal Water District
Chino Basin Water Conservation District
Three Valleys Municipal Water District

Hank Stoy
Sheri Rojo

Cucamonga Valley Water District
Consultant for Fontana Water Company

Chair Willis called the Watermaster Board meeting to order at 11:00 a.m.

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

Mr. Alvarez stated Business Item II A. Watermaster 2011-2012 Budget will be pulled from the agenda. It was noted the budget will be brought back through a Public Hearing next month for consideration.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board Meeting held May 26, 2011

Minutes were pulled by Mr. Vanden Heuvel.

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2011
2. Watermaster VISA Check Detail for the month of April 2011
3. Combining Schedule for the Period July 1, 2010 through April 30, 2011
4. Treasurer's Report of Financial Affairs for the Period April 1, 2011 through April 30, 2011
5. Budget vs. Actual July through April 2011

C. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 1,100,000 acre-feet of water from Santa Ana River Water Company (SARWC) to Jurupa Community Services District (JCSD). This purchase is made first from SARWC's Annual Production Right, with any additional from storage. Date of Application: April 26, 2011

Mr. Vanden Heuvel pulled the minutes for discussion. A discussion regarding the presented minutes ensued. It was noted Mr. Vanden Heuvel would work with the recording secretary to revise a portion of the minutes and then they would be brought back next month.

Motion by Elie, second by Haughey, and by unanimous vote

Moved to approve Consent Calendar items B and C, as presented

Added Comment:

Mr. Pierson inquired about the restated Judgment and how the wording in the minutes would be involved in that effort. Counsel Slater stated there is an intention to take all prior Judgment amendments and bring them through in an integrated document so there are no negotiations associated with the effort. It is only a scribes exercise to efficiently produce a restated Judgment with all of its terms in one location as opposed to being scattered through amendments and court orders. Counsel Slater stated all those documents would then be in one place. There has been a suggestion that something more aggressive would be intended, which would be to transform the existing agreements into new provisions of the Judgment. That is a much more extreme effort and it is unclear that there is support for doing that type of work. Counsel Slater stated Watermaster is intending to hold a meeting and, when this board convenes next month, staff will have the input of the parties as to which path they would like Watermaster to take. Counsel Slater stated it depends on what that effort ends up looking like to answer Mr. Pierson's question. If it is only a scribes exercise then no, there are already articulations about what de minimus means.

II. BUSINESS ITEMS**A. WATERMASTER 2011-2012 BUDGET**

Staff Recommends Approval of the 2011-2012 Watermaster Budget

This item was pulled from the Agenda. No further comment was made.

B. PURCHASE OF 50,000 ACRE-FEET WATER FROM METROPOLITAN WATER DISTRICT

Mr. Alvarez stated this is an updated item and for follow-up action on the progress of the purchase of the 50,000 acre-feet of replenishment water. This was an opportunity that became available last month when the Metropolitan Water District made the replenishment rate through the end of this year. Mr. Alvarez stated the Board considered this item last month. The item before this Board today is to approve two recommendations. Mr. Alvarez explained the recommendations in detail. Mr. Alvarez stated after the vote is taken on the first two items, a presentation regarding the financing of the water will be given. It was noted the Advisory Committee approved the two recommendations last week. A brief discussion regarding this item ensued.

Motion by Vanden Heuvel, second by Jeske, and by unanimous vote

Moved to approve 1. The applications of Fontana Water Company and Niagara Water Company for Local Storage Agreements, and 2. The Watermaster Board waived the thirty day notice period (Watermaster Rules and Regulations Section 10.10) and the twenty-one day consideration period (Watermaster Rules and Regulations Section 10.11) for Applications for Local Storage Agreements. This request is sought with the express acknowledgment that it does not create precedent for future applications, as presented

Mr. Alvarez stated the upcoming presentation will provide information on the financing alternatives which are being considered for the purchase of a portion of the MWD replenishment water. Mr. Alvarez stated a portion of this water is already being paid for by Fontana Water Company and Niagara Water Company, who are purchasing some of the replenishment water. The financing will be for the remainder of the water. Mr. Alvarez gave the financing presentation in detail which included Financing Alternatives, Special Assessment, Watermaster Bank Financing, and Regional Agency Financing. Mr. Alvarez stated this is an information item only and meant to begin dialogue amongst the parties. Mr. Alvarez stated this item will come back next month for consideration, and a workshop has been scheduled with this regard on July 5, 2011 at 2:00 p.m. Mr. Kuhn inquired about the Bank of America financing. Mr. Alvarez stated Mr. Joswiak has been speaking with the banks under consideration. A discussion regarding interest and other bank charges ensued. Mr. Elie stated Inland Empire Utilities Agency (IEUA) is not a bank; however, the agency recognizes the availability of this water and parties want to take the water in as soon as possible. If IEUA needs to assist in that endeavor then that will be the case. Mr. Elie stated the motion he made at the IEUA Board meeting was that if IEUA finances this loan IEUA will receive full reimbursements for anything out of pocket that had to be paid out. Also, IEUA wants to encourage the Watermaster family to find other creative ways so that IEUA does not have to loan the money, including the 2% waived fee. Mr. Vanden Heuvel stated he sits on the Chino Basin Water Conservation District's (CBWCD) board and they voted to authorize staff to enter into discussions with Watermaster to facilitate a loan. Mr. Vanden Heuvel offered comment on the differences between IEUA and CBWCD loans. Mr. Joswiak noted he reviewed the Term Sheet and it is a fixed rate of 1.9% from Bank of America. Mr. Kuhn inquired about the number of years the loan will be for. Mr. Joswiak stated the loan would be for 30 months.

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. CDA Facilitation**

Counsel Slater stated that last November the Board adopted a resolution which set the stage to proceed to court and obtain direction including a court order to proceed with the

expansion. Counsel Slater thanked all the agencies who participated in this extremely long process. Counsel Slater stated MWD approved the request for a local resources program grant. Watermaster is now in the position to meet with all of the Watermaster stakeholders to present the case to the court this fall. Counsel Slater stated there is an ongoing technical issue which relates to achieving Hydraulic Control and there is now a designated well field. Watermaster is now in the process of locating the wells. Counsel Slater stated Watermaster wants to make sure that staff is as efficient as possible in both obtaining Hydraulic Control and meeting the production demands of the expansion group and CDA members; discussions are underway. Counsel Slater stated this is an issue that requires additional technical attention. Mr. Vanden Heuvel stated in prior month's reports, both from legal and staff, it has been indicated that as the test wells are drilled a question arises whether the original plans for the number of wells are going to meet the production targets. Mr. Vanden Heuvel inquired about meeting those targets. Counsel Slater stated this issue is of critical importance and Watermaster is going to court with a final plan. Under the Peace II Agreement, once the final plan is set with court approval, there is no further obligation with regard to the project for course corrections if the targets are not met. Counsel Slater stated there are two elements with this regard; one will be to achieve Hydraulic Control and to achieve the production requirements. Counsel Slater stated, based upon recent conversations with Wildermuth Environmental staff and the CDA staff, it is felt that the Hydraulic Control aspect is within our sites and that we will hit that one target. Counsel Slater stated the issue is still present whether or not we will hit the production requirements. The hope is that with further input we will, in fact, hit the production expectations; this is currently not done and further dialog needs to take place. Counsel Slater stated this all needs to be resolved prior to taking this to the court and more will be known next month to report on. Counsel Slater stated a few technical meetings will need to take place prior to next month's meetings. Mr. Vanden Heuvel stated it is not just the court; it is the Regional Water Quality Control Board (RWQCB) which needs to approve this. Mr. Vanden Heuvel wanted to make sure that the RWQCB is kept fully apprised of what is going on and, if there is any paperwork exchanged, he would like the Board to receive copies. Counsel Slater stated he understood the request.

2. Restated Watermaster Judgment

Counsel Slater stated what is most needed is 20 years of court orders located in one single place. There have been several amendments made to the Judgment, there have been amendments made to the Rules & Regulations, and two agreements on the implementation plan associated with those; however, what we don't have is a cross referenced or an integrated tool. Counsel Slater stated that what will benefit the court and the parties is to have a fully annotated stack of documents where everything is together and all the material orders, and the provisions in those orders, are referenced. Counsel Slater explained how those documents influence how the Judgment is interpreted, or should be enforced. It is by inputting footnotes and cross references so that when a person/party reads a specific paragraph in the Judgment, they can see where it was originally referenced. Counsel Slater stated this format was the preferred thought rather than a complete rewrite, which would be a daunting task. Counsel Slater stated a meeting on the Restated Judgment will be scheduled within the next 2 weeks and after that meeting staff will be back seeking direction from this Board. Mr. Vanden Heuvel stated he does not want this exercise turning into Peace III and he offered comment on the creation of this process.

3. September 30, 2011 Court Hearing

Counsel Slater stated this was a convenient date for the Judge and for Watermaster. This hearing will accomplish two goals. The first is the report on the CDA Expansion, and the second is whatever is going to be done regarding the Restated Judgment. Counsel Slater stated it is possible that one of those items will be presented at that hearing. However, the anticipation is to take both matters to court. This will dictate a pace and a schedule for Watermaster through the months of July, August, and September.

Added Comment:

Mr. Vanden Heuvel stated there is nothing on the agenda with regards to the Chino Airport Plume as it intersects with the CDA, and no new report has been given with this regard recently. Mr. Vanden Heuvel offered comment on this matter. Mr. Elie stated this should be a closed session item because of the litigation. Mr. Vanden Heuvel inquired if Watermaster is still involved in this issue, or is this now a complete CDA issue. Counsel Slater stated this is part of this Board's concern. Mr. Paxton stated the CDA board voted to file litigation against the county and are waiting on a determination whether Watermaster still wants to join in that litigation. Mr. Vanden Heuvel inquired if counsel is going to report on this matter. Counsel Slater stated yes and possibly during the closed session today.

B. CEO/STAFF REPORT1. Recharge Update

Mr. Alvarez stated the replenishment water has been being taken in since May 16, 2011, and 7,500 acre-feet of water has been recharged to date. This is slightly less than what was anticipated. Mr. Alvarez stated this is about 75% of what was thought to be recharged and staff is going to be looking at ways to increase that intake.

2. Horizontal Extensometer Update

Mr. Alvarez stated there are some ongoing negotiations for a temporary lease for access to some property for installation of a horizontal extensometer. When that lease is negotiated and ready, it will come to the Board for approval next month. A brief discussion regarding this item ensued.

IV. INFORMATION1. Cash Disbursements for May 2011

No comment was made regarding this item.

2. Newspaper Articles

No comment was made regarding this item.

3. State Water Supply Conditions

No comment was made regarding this item.

V. COMMITTEE MEMBER COMMENTS

Ms. Lantz stated that last month she requested something in writing regarding the Brown Act. Counsel Slater stated that is being worked on and it will be brought forth shortly.

VI. OTHER BUSINESS

No comment was made regarding this item.

The regular open Watermaster Board meeting was convened to hold its confidential session at 11:50 p.m.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster committee meeting for the purpose of discussion and possible action.

1. South Archibald Plume
2. Paragraph 31 Motion

The confidential session concluded at 12:24 p.m.

There was no reportable action from the confidential session.

VIII. FUTURE MEETINGS

Thursday, June 23, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
*** Tuesday, July 5, 2011	2:00 p.m.	Replenishment Water Financing Workshop
* Thursday, July 14, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
* Thursday, July 14, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
** Thursday, July 14, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, July 21, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, July 21, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, July 21, 2011	10:30 a.m.	Land Subsidence Committee Meeting @ CBWM
Tuesday, July 26, 2011	9:00 a.m.	GRCC Meeting @ CBWM
Thursday, July 28, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM

- * Note Date and Time Change
- ** Note Date, Time, and Location Change
- *** New Workshop Added to July Calendar

The Watermaster Board meeting was dismissed by Chair Willis at 12:31 p.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2011
2. Watermaster VISA Check Detail for the month of May 2011
3. Combining Schedule for the Period July 1, 2011 through May 31, 2011
4. Treasurer's Report of Financial Affairs for the Period May 1, 2011 through May 31, 2011
5. Budget vs. Actual July 2010 through May 2011





CHINO BASIN WATERMASTER

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

DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: July 28, 2011
TO: Watermaster Board Members
SUBJECT: Cash Disbursement Report – Financial Report B1

SUMMARY

Issue – Record of cash disbursements for the month of May 2011.

Recommendation – Staff recommends the Cash Disbursements for May 2011 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2010-2011 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 2011 were \$365,297.11. The most significant expenditures during the month were Wildermuth Environmental, Inc. in the amount of \$133,289.76 (check number 15129 dated May 24, 2011), Brownstein Hyatt Farber Schreck in the amount of \$55,867.69 (check number 15105 dated May 24, 2011) and payroll related charges for the period 05/15/11-05/28/11 in the amount of \$33,081.86 (\$19,283.90 for direct deposits, \$6,235.79 for payroll checks and \$7,562.17 for payroll related taxes debited from our payroll bank account on May 26, 2011).

Actions:

July 14, 2011 Appropriative Pool – Approved Unanimously
July 14, 2011 Non-Agricultural Pool – Receive & File Without Approval
July 14, 2011 Agricultural Pool – Approved Unanimously
July 21, 2011 Advisory Committee – Approved Unanimously
July 28, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/03/2011	15070	ARROWHEAD MOUNTAIN SPRING WATER	0023230253	1012 - Bank of America Gen'l Ckg	38.95
Bill	04/30/2011	0023230253		Office Water Bottle - April 2011	6031.7 - Other Office Supplies	38.95
TOTAL						
Bill Pmt -Check	05/03/2011	15071	COMPUTER NETWORK		1012 - Bank of America Gen'l Ckg	527.13
Bill	04/30/2011	80333		Replacement monitor for Justin	6055 - Computer Hardware	527.13
Bill	04/30/2011	80994		Symantec backup	6054 - Computer Software	1,631.25
Bill	04/30/2011	80334		Cables	6055 - Computer Hardware	47.85
Bill	04/30/2011	80310		LCD stand, hard drive	6055 - Computer Hardware	103.31
TOTAL						2,309.54
Bill Pmt -Check	05/03/2011	15072	COUNTY OF ORANGE	VOID: Flood Enroachment Permit Fee	1012 - Bank of America Gen'l Ckg	
TOTAL						
Bill Pmt -Check	05/03/2011	15073	DIRECTV	019447404	1012 - Bank of America Gen'l Ckg	86.99
Bill	05/02/2011	019447404		Service for 4/19/11-5/18/11	6031.7 - Other Office Supplies	86.99
TOTAL						
Bill Pmt -Check	05/03/2011	15074	JAMES JOHNSTON	230	1012 - Bank of America Gen'l Ckg	810.00
Bill	04/30/2011	230		Website Services - April 2011	6052.3 - Website Consulting	810.00
TOTAL						
Bill Pmt -Check	05/03/2011	15075	ONTARIO, CITY OF	E201000585	1012 - Bank of America Gen'l Ckg	298.00
Bill	04/30/2011	E201000585		traffic control permit-water quality sampling-Ontario	7103.6 - Grdwtr Qual-Supplies	298.00
TOTAL						
Bill Pmt -Check	05/03/2011	15076	PARK PLACE COMPUTER SOLUTIONS, INC.	450	1012 - Bank of America Gen'l Ckg	4,150.00
Bill	04/30/2011	450		IT Services - April 2011	6052.1 - Park Place Comp Solutn	4,150.00
TOTAL						
Bill Pmt -Check	05/03/2011	15077	PUMP CHECK	4218	1012 - Bank of America Gen'l Ckg	2,860.00
Bill	04/30/2011	4218			7102.8 - In-line Meter-Calib & Test	2,860.00
TOTAL						
Bill Pmt -Check	05/03/2011	15078	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	164.80
Bill	04/30/2011	1vc070000016915		Scanning Services - Week ending 4/17/2011	6017 - Temporary Services	164.80
TOTAL						
Bill Pmt -Check	05/03/2011	15079	VISION SERVICE PLAN	00-101789-0001	1012 - Bank of America Gen'l Ckg	52.93
Bill	04/30/2011	001017890001		Vision Insurance Premium - May 2011	60182.2 - Dental & Vision Ins	52.93

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						52.93
Bill Pmt -Check	05/09/2011	15080	BOWCOCK, ROBERT	4/12/2011 Budget Workshop	1012 - Bank of America Gen'l Ckg	125.00
Bill	04/12/2011	4/12 Budget Wkshp		Budget Workshop	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	05/09/2011	15081	CITISTREET	Payroll and Taxes for 04/17/11-04/30/11	1012 - Bank of America Gen'l Ckg	1,450.54
General Journal	04/30/2011	04/30/11	CITISTREET	Employee 457 Deduction for 04/17/11-04/30/11	2000 - Accounts Payable	1,460.54
TOTAL						1,460.54
Bill Pmt -Check	05/09/2011	15082	COMPUTER NETWORK		1012 - Bank of America Gen'l Ckg	48.94
Bill	04/30/2011	81238		Replacement computer case - CEO	6055 - Computer Hardware	1,522.50
Bill	04/30/2011	81221		Workstation for senior engineer	6055 - Computer Hardware	163.13
Bill	05/03/2011	81267		Mouse for executive assistant, IT office	6055 - Computer Hardware	559.75
Bill	05/06/2011	81288		LCD monitor	6055 - Computer Hardware	2,294.32
TOTAL						2,294.32
Bill Pmt -Check	05/09/2011	15083	ELIE, STEVEN		1012 - Bank of America Gen'l Ckg	125.00
Bill	04/12/2011	4/12 Budget Wkshp		Budget Workshop	6311 - Board Member Compensation	125.00
Bill	04/28/2011	4/28 Board Mtg		4/28/2011 Board Meeting	6311 - Board Member Compensation	250.00
TOTAL						250.00
Bill Pmt -Check	05/09/2011	15084	HAUGHEY, TOM		1012 - Bank of America Gen'l Ckg	125.00
Bill	04/28/2011	4/28 Board Mtg		4/28/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	05/09/2011	15085	JESKE, KEN		1012 - Bank of America Gen'l Ckg	125.00
Bill	04/28/2011	4/28 Board Meeting		4/28/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	05/09/2011	15086	KUHN, BOB		1012 - Bank of America Gen'l Ckg	125.00
Bill	04/12/2011	4/12 Budget Wkshp		Budget Workshop	6311 - Board Member Compensation	125.00
Bill	04/21/2011	4/21 Advisory Comm		4/21/2011 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	04/28/2011	4/28 Board Meeting		4/28/2011 Board Meeting	6311 - Board Member Compensation	375.00
TOTAL						375.00
Bill Pmt -Check	05/09/2011	15087	LANTZ, PAULA		1012 - Bank of America Gen'l Ckg	125.00
Bill	04/12/2011	4/12 Budget Wkshp		Budget Workshop	6311 - Board Member Compensation	125.00
Bill	04/28/2011	4/28 Board Meeting		4/28/2011 Board Meeting	6311 - Board Member Compensation	250.00
TOTAL						250.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/09/2011	15088	PAYCHEX	2011042800	1012 - Bank of America Gen'l Ckg	234.76
Bill	04/28/2011	2011042800		Payroll Services - April 2011	6012 - Payroll Services	234.76
TOTAL						
Bill Pmt -Check	05/09/2011	15089	PRINTING RESOURCES		1012 - Bank of America Gen'l Ckg	28.70
Bill	04/28/2011	56465		Name plate for Desi Alvarez	6031.7 - Other Office Supplies	28.70
Bill	04/28/2011	56466		Name badge for Desi Alvarez	6031.7 - Other Office Supplies	40.02
Bill	04/28/2011	56463		Business cards for Desi Alvarez	6031.7 - Other Office Supplies	137.67
TOTAL						206.39
Bill Pmt -Check	05/09/2011	15090	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	5,519.39
General Journal	04/30/2011	04/30/11		CalPERS Employee Pymnts for 04/17/11-04/30/11	2000 - Accounts Payable	5,519.39
TOTAL						5,519.39
Bill Pmt -Check	05/09/2011	15091	PURCHASE POWER	8000909000168851	1012 - Bank of America Gen'l Ckg	21.87
Bill	04/30/2011	8000909000168851		fed ex shipments-Alvarez; CBWM documents	6042 - Postage - General	21.87
TOTAL						21.87
Bill Pmt -Check	05/09/2011	15092	REID & HELLNER	175052	1012 - Bank of America Gen'l Ckg	10,077.83
Bill	04/30/2011	175052		175052 - Ag Pool Legal Services	8467 - Ag Legal & Technical Services	10,077.83
				175052 - Ag Pool Legal Services	8467.1 - Frank B. & Associates	522.50
TOTAL						10,600.33
Bill Pmt -Check	05/09/2011	15093	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	865.20
Bill	04/30/2011	ICV070000016942		Scanning Services - Week ending 4/24/2011	6017 - Temporary Services	865.20
TOTAL						865.20
Bill Pmt -Check	05/09/2011	15094	UNION 76	300-732-389	1012 - Bank of America Gen'l Ckg	210.94
Bill	04/28/2011	300732389		April 2011	6175 - Vehicle Fuel	210.94
TOTAL						210.94
Bill Pmt -Check	05/09/2011	15095	VANDEN HEUVEL, GEOFFREY	6311	1012 - Bank of America Gen'l Ckg	125.00
Bill	04/28/2011	4/28 Board Meeting		4/28/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	05/09/2011	15096	VERIZON	012519116950792103	1012 - Bank of America Gen'l Ckg	427.08
Bill	04/30/2011	012519116950792103		012519116950792103	6022 - Telephone	427.08
Bill	04/30/2011	012561121521714508		012561121521714508	7405 - PE4-Other Expense	162.84
TOTAL						589.92
Bill Pmt -Check	05/09/2011	15097	W.C. DISCOUNT MOBILE AUTO DETAILING		1012 - Bank of America Gen'l Ckg	
				Truck washing service		

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	04/27/2011			Truck washing 4 trucks	6177 · Vehicle Repairs & Maintenance	100.00
TOTAL						<u>100.00</u>
Bill Pmt -Check	05/09/2011	15098	WILLIS, KENNETH		1012 · Bank of America Gen'l Ckg	
Bill	04/15/2011	4/15 Admin Mtg		4/15/2011 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	04/28/2011	4/28 Board Mtg		4/28/2011 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>250.00</u>
Bill Pmt -Check	05/09/2011	15099	YUKON DISPOSAL SERVICE		1012 · Bank of America Gen'l Ckg	
Bill	05/09/2011	08-K2 213849		Disposal Service for May 2011	6024 · Building Repair & Maintenance	142.88
TOTAL						<u>142.88</u>
Bill Pmt -Check	05/09/2011	15100	APPLIED COMPUTER TECHNOLOGIES		1012 · Bank of America Gen'l Ckg	
Bill	04/30/2011	2007		Database Services - April 2011	6052.2 · Applied Computer Technol	2,611.20
TOTAL						<u>2,611.20</u>
Bill Pmt -Check	05/10/2011	15101	HSBC BUSINESS SOLUTIONS		1012 · Bank of America Gen'l Ckg	
Bill	04/30/2011	7003730910002744		Carpet cleaner, misc. meeting and office supplies	6031.7 · Other Office Supplies	547.39
TOTAL						<u>547.39</u>
Bill Pmt -Check	05/10/2011	15102	MWH LABORATORIES		1012 · Bank of America Gen'l Ckg	
Bill	04/30/2011	L0052938		L0052938 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	2,065.00
Bill	04/30/2011	L0052937		L0052937 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	2,360.00
Bill	04/30/2011	L0052936		L0052936 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	1,532.00
Bill	04/30/2011	L0053692		L0053692 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	2,065.00
Bill	04/30/2011	L0053428		L0053428 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	615.00
Bill	04/30/2011	L0053308		L0053308 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	2,360.00
Bill	04/30/2011	L0052939		L0052939 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	615.00
TOTAL						<u>11,612.00</u>
Check	05/16/2011	05/16/2011	Service Charge		1012 · Bank of America Gen'l Ckg	
			Service Charge		6031.7 · Other Office Supplies	151.41
TOTAL						<u>151.41</u>
General Journal	05/20/2011	05/20/11	Payroll and Taxes for 05/01/11-05/14/11		1012 · Bank of America Gen'l Ckg	
			Direct Deposits for 05/01/11-05/14/11		1012 · Bank of America Gen'l Ckg	19,021.32
			Payroll Taxes for 05/01/11-05/14/11		1012 · Bank of America Gen'l Ckg	7,897.32
			Checks for 05/01/11-05/14/11		1014 · Bank of America P/R Ckg	5,818.08
TOTAL						<u>32,736.72</u>
Bill Pmt -Check	05/24/2011	15103	ACWA SERVICES CORPORATION		1012 · Bank of America Gen'l Ckg	
			00198			

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	05/18/2011	00198		Prepayment - June 2011	1409 - Prepaid Life, BAD&D & LTD	151.26
				May 2011	60191 - Life & Disab.Ins Benefits	80.94
TOTAL						232.20
Bill	05/24/2011	15104	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	30.00
Bill	04/30/2011	XXXX-XXXX-XXXX-9341		Fastrack replenishment	6174 - Transportation	107.34
				Administrative Professionals Day luncheon	6141.3 - Admin Meetings	231.00
				Membership dues for Desi Alvarez for AWWA	6111 - Membership Dues	950.00
				AWWA 2011 Annual Conference & Exposition	6191 - Conferences - General	526.40
				Air fare for Desi Alvarez to Washington DC	6191 - Conferences - General	285.97
				Lunch for 4/28/11 WM Board Meeting	6312 - Meeting Expenses	465.00
				Computer software	6054 - Computer Software	175.00
				Computer software	6054 - Computer Software	2,770.71
TOTAL						5,431.25
Bill	05/24/2011	15105	BROWNSTEIN HYATT FARBER SCHRECK		1012 - Bank of America Gen'l Ckg	4,473.90
Bill	04/30/2011	440895		440895 - WM Legal Counsel	6907.3 - WM Legal Counsel	1,143.90
Bill	04/30/2011	440896		440896 - Santa Ana River Water Rights	6907.34 - Santa Ana River Water Rights	2,106.00
Bill	04/30/2011	440897		440897 - S. Archibald Plume-Formerly OIA	6907.31 - S. Archibald Plume-Formerly OIA	676.35
Bill	04/30/2011	440898		440898 - Chino Airport Plume	6907.32 - Chino Airport Plume	2,116.16
Bill	04/30/2011	440899		440899 - Desalter Negotiations	6907.33 - Desalter Negotiations	27,852.75
Bill	04/30/2011	440900		440900 - Paragaph 31 Motion	6907.35 - Paragaph 31 Motion	137.25
Bill	04/30/2011	440901		440901 - Santa Ana River Habitat	6907.36 - Santa Ana River Habitat	15,566.11
Bill	04/30/2011	440902		440902 - WM Legal Counsel	6907.3 - WM Legal Counsel	1,350.90
Bill	04/30/2011	440902		440902 - S. Archibald Plume-Formerly OIA	6907.31 - S. Archibald Plume-Formerly OIA	444.37
Bill	04/30/2011	440902		440902 - Recharge Master Plan	6907.39 - Recharge Master Plan	55,867.69
TOTAL						5,431.25
Bill	05/24/2011	15106	CALPERS		1012 - Bank of America Gen'l Ckg	5,431.25
Bill	05/18/2011	1741		1741 Medical Insurance Premiums - June 2011	60182.1 - Medical Insurance	5,431.25
TOTAL						1,460.54
Bill	05/24/2011	15107	CITISTREET		1012 - Bank of America Gen'l Ckg	1,460.54
General Journal	05/20/2011	05/20/2011		Payroll and Taxes for 05/01/11-05/14/11	2000 - Accounts Payable	1,460.54
				457 Deferred Comp for 05/01/11-05/14/11		
TOTAL						62.50
Bill	05/24/2011	15108	CORELOGIC INFORMATION SOLUTIONS		1012 - Bank of America Gen'l Ckg	62.50
Bill	04/30/2011	80197307		80197307	7103.7 - Gndwtr Qual-Computer Svc	62.50
				80197307	7101.4 - Prod Monitor-Computer	125.00
TOTAL						125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/24/2011	15109	COUNTY OF ORANGE	Flood Encroachment Permit Fee	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	Encroachment permit		Fee-Permit extension to gain access to wells	7103.6 - Grdwtr Qual-Supplies	258.00
TOTAL						258.00
Bill Pmt -Check	05/24/2011	15110	CUCAMONGA VALLEY WATER DISTRICT	Lease Due June 1, 2011	1012 - Bank of America Gen'l Ckg	
Bill	05/16/2011			Lease Due June 1, 2011	1422 - Prepaid Rent	5,844.00
TOTAL						5,844.00
Bill Pmt -Check	05/24/2011	15111	GREAT AMERICA LEASING CORP.	10867878	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	10867878		Copier lease invoice	6043.1 - Ricoh Lease Fee	2,814.41
TOTAL				Usage for Black Copies - amount is for 2 months	6043.2 - Ricoh Usage & Maintenance Fee	220.50
						3,034.91
Bill Pmt -Check	05/24/2011	15112	GUARANTEED JANITORIAL SERVICE, INC.	28497	1012 - Bank of America Gen'l Ckg	
Bill	05/16/2011	28497		Janitorial Service - May 2011	6024 - Building Repair & Maintenance	865.00
TOTAL						865.00
Bill Pmt -Check	05/24/2011	15113	HOGAN LOVELLS	1966080	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	1966080		Non-Ag Legal Services - April 2011	8567 - Non-Ag Legal Service	17,240.84
TOTAL						17,240.84
Bill Pmt -Check	05/24/2011	15114	INLAND EMPIRE UTILITIES AGENCY	90007634	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	90007634			8456 - IEUA Readiness To Serve	400.98
TOTAL						400.98
Bill Pmt -Check	05/24/2011	15115	PRE-PAID LEGAL SERVICES, INC.	111802	1012 - Bank of America Gen'l Ckg	
Bill	05/18/2011	111802		May 2011	60194 - Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	05/24/2011	15116	PREMIERE GLOBAL SERVICES	07179334	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	07179334		4/01/11 Board Ad Hoc Committee Call	6312 - Meeting Expenses	1.42
TOTAL				4/04/11 EPA Request for GW Modeling	7104.1 - Grdwtr Level-WM Staff	27.49
				4/05/11 GE Application for Recharge Call	7205 - Comp Recharge-Other Expense	69.68
				4/07/11 Non Ag Pool Meeting Call	8512 - Meeting Expense	138.26
				4/11/11 GE Application for Recharge Call	7205 - Comp Recharge-Other Expense	53.97
				4/19/11 Appropriative Pool Special Meeting Call	8312 - Meeting Expenses	135.81
				3/31/11 Follow up call to MZ1 Tech Meeting Call	7405 - PE4-Other Expense	106.11
				Monthly Fee	6022 - Telephone	14.95
TOTAL						547.69
Bill Pmt -Check	05/24/2011	15117	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
General Journal	05/14/2011	05/14/2011	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 05/01/11-05/14/11	2000 - Accounts Payable	7,125.96
TOTAL						7,125.96
Bill Pmt -Check	05/24/2011	15118	SAFEGUARD DENTAL & VISION	3709550	1012 - Bank of America Gen'l Ckg	
Bill	05/16/2011	3709550		Dental Insurance Premium - May 2011	60182.2 - Dental & Vision Ins	7.91
TOTAL						7.91
Bill Pmt -Check	05/24/2011	15119	SOUTHERN CALIFORNIA WATER COMMITTEE	679	1012 - Bank of America Gen'l Ckg	
Bill	05/09/2011	679		Membership for 2011/2012	1433 - Prepaid Membership Dues	850.00
TOTAL						850.00
Bill Pmt -Check	05/24/2011	15120	STAPLES BUSINESS ADVANTAGE	8018539962	1012 - Bank of America Gen'l Ckg	
Bill	05/07/2011	8018539962		bottled water	6031.7 - Other Office Supplies	37.34
				copy paper	6031.1 - Copy Paper	263.94
TOTAL						301.28
Bill Pmt -Check	05/24/2011	15121	STATE COMPENSATION INSURANCE FUND	1615535-11	1012 - Bank of America Gen'l Ckg	
Bill	05/16/2011	1615535-11		deposit premium	60183 - Worker's Comp Insurance	216.61
TOTAL						216.61
Bill Pmt -Check	05/24/2011	15122	STAULA, MARY L	Retiree Medical	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011				60182.4 - Retiree Medical	136.61
TOTAL						136.61
Bill Pmt -Check	05/24/2011	15123	TELECOM SERVICES	5364	1012 - Bank of America Gen'l Ckg	
Bill	05/04/2011	5364		make changes to voice-mail system	6022 - Telephone	125.00
TOTAL						125.00
Bill Pmt -Check	05/24/2011	15124	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	
Bill	05/12/2011	IVC070000016969		Week Ending 5/01/2011	6017 - Temporary Services	267.80
Bill	05/16/2011	IVC070000016989		Week Ending 5/08/2011	6017 - Temporary Services	813.70
TOTAL						1,081.50
Bill Pmt -Check	05/24/2011	15125	UNITED PARCEL SERVICE	2x81x0	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	2x81x0		Contract to Desi Alvarez	6042 - Postage - General	39.04
TOTAL						39.04
Bill Pmt -Check	05/24/2011	15126	VERIZON WIRELESS	0974209445	1012 - Bank of America Gen'l Ckg	
Bill	05/16/2011	0974209445		Monthly service + equip. charge-\$256.86-phone	6022 - Telephone	687.55
TOTAL						687.55
Bill Pmt -Check	05/24/2011	15127	W.C. DISCOUNT MOBILE AUTO DETAILING	Truck washing service	1012 - Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	05/16/2011			truck washing 3 trucks	6177 - Vehicle Repairs & Maintenance	75.00
TOTAL						75.00
Bill Pmt -Check	05/24/2011	15128	WESTERN DENTAL SERVICES, INC.	002483	1012 - Bank of America Gen'l Ckg	28.88
Bill	05/12/2011	002483		Dental Insurance Premium - June 2011	60182.2 - Dental & Vision Ins	28.88
TOTAL						28.88
Bill Pmt -Check	05/24/2011	15129	WILDERMUTH ENVIRONMENTAL INC		1012 - Bank of America Gen'l Ckg	7,228.92
Bill	04/30/2011	2011135		2011135 - OBMP Engineering Services	6906 - OBMP Engineering Services	891.29
Bill	04/30/2011	2011136		2011136 - OBMP Engineering Services	6906 - OBMP Engineering Services	8,307.21
Bill	04/30/2011	2011137		2011137 - OBMP Engineering Services	6906 - OBMP Engineering Services	17,590.00
Bill	04/30/2011	2011138		2011138 - OBMP Engineering Services	6906 - OBMP Engineering Services	3,755.00
Bill	04/30/2011	2011139		2011139 - OBMP Engineering Services	6906 - OBMP Engineering Services	343.75
Bill	04/30/2011	2011140		2011140 - OBMP Engineering Services	6906 - OBMP Engineering Services	93.75
Bill	04/30/2011	2011141		2011141 - Grdwtr Qual-Engineering	7103.3 - Grdwtr Qual-Engineering	7,000.00
Bill	04/30/2011	2011142		2011142 - Grdwtr Qual-Engineering	7103.3 - Grdwtr Qual-Engineering	1,825.00
Bill	04/30/2011	2011143		2011143 - Grdwtr Qual-Engineering	7103.3 - Grdwtr Qual-Engineering	337.50
Bill	04/30/2011	2011144		2011144 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	2,334.20
Bill	04/30/2011	2011145		2011145 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	7,981.25
Bill	04/30/2011	2011146		2011146- Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	3,800.00
Bill	04/30/2011	2011147		2011147 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	1,250.00
Bill	04/30/2011	2011148		2011148 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	1,050.00
Bill	04/30/2011	2011149		2011149 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	2,500.00
Bill	04/30/2011	2011150		2011150 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	6,197.79
Bill	04/30/2011	2011151		2011151 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	3,581.25
Bill	04/30/2011	2011152		2011152 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	562.50
Bill	04/30/2011	2011153		2011153 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	6,168.78
Bill	04/30/2011	2011154		2011154 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	1,062.50
Bill	04/30/2011	2011155		2011155 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	406.25
Bill	04/30/2011	2011156		2011156 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	2,031.25
Bill	04/30/2011	2011157		2011157 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	175.00
Bill	04/30/2011	2011158		2011158 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	773.49
Bill	04/30/2011	2011159		2011159 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	125.00
Bill	04/30/2011	2011160		2011160 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	156.25
Bill	04/30/2011	2011161		2011161 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	6,018.75
Bill	04/30/2011	2011162		2011162 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	6,027.58
Bill	04/30/2011	2011163		2011163 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	2,305.00
Bill	04/30/2011	2011164		2011164 - Recharge & Well - Engineering	7109.3 - Recharge & Well - Engineering	6,123.00
Bill	04/30/2011	2011165		2011165 - PE3&5-Engineering	7303 - PE3&5-Engineering	2,825.00
Bill	04/30/2011	2011166		2011166 - PE4-Engineering	7402 - PE4-Engineering	5,100.00
Bill	04/30/2011	2011167		2011167 - PE4-Engineering	7402 - PE4-Engineering	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	04/30/2011	2011168		2011168 - PE6&7-Engineering	7502 - PE6&7-Engineering	2,150.00
Bill	04/30/2011	2011169		2011169 - OBMP - Watermaster Model Update	6906.1 - OBMP - Watermaster Model Update	10,412.50
Bill	04/30/2011	2011170		2011170 - OBMP - Watermaster Model Update	6906.1 - OBMP - Watermaster Model Update	4,800.00
TOTAL						<u>133,289.76</u>
Bill Pmt-Check	05/24/2011	15130	INLAND EMPIRE UTILITIES AGENCY	1800001883	1012 - Bank of America Gen'l Ckg	9,793.15
Bill	04/30/2011	1800001883		Support Serv.-Turner Basin/Guasti Park per agreem	7202 - Comp Recharge-Engineering	9,793.15
TOTAL						<u>9,793.15</u>
Bill Pmt-Check	05/26/2011	15131	EL TORITO	Lunch for 5/26/11 Watermaster Board Meeting	1012 - Bank of America Gen'l Ckg	459.69
Bill	05/26/2011			Lunch for 5/26/11 Watermaster Board Meeting	6312 - Meeting Expenses	459.69
TOTAL						<u>459.69</u>
General Journal	05/28/2011	05/28/2011	Payroll and Taxes for 05/15/11-05/28-11	Payroll and Taxes for 05/15/11-05/28-11	1012 - Bank of America Gen'l Ckg	19,283.90
				Direct Debits for 05/15/11-05/28-11	1014 - Bank of America P/R Ckg	6,235.79
				Payroll Checks for 05/15/11-05/28-11	1012 - Bank of America Gen'l Ckg	7,592.17
				Payroll Taxes for 05/15/11-05/28-11	1014 - Bank of America P/R Ckg	33,081.86
TOTAL						<u>19,283.90</u>
General Journal	05/31/2011	05/31/2011	Wage Works Direct Debits - May 2011	Wage Works Direct Debits - May 2011	1012 - Bank of America Gen'l Ckg	839.24
				Wage Works Direct Debits - May 2011	1012 - Bank of America Gen'l Ckg	839.24
				Wage Works Direct Debits - May 2011	1012 - Bank of America Gen'l Ckg	86.75
				Wage Works Direct Debits - May 2011	1012 - Bank of America Gen'l Ckg	1,765.23
TOTAL						<u>1,765.23</u>
Total Disbursements:						<u><u>365,297.11</u></u>

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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

DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: July 28, 2011
TO: Watermaster Board Members
SUBJECT: VISA Check Detail Report – Financial Report B2

SUMMARY

Issue – Record of VISA credit card payment disbursed for the month of May 2011.

Recommendation – Staff recommends the VISA Check Detail Report for May 2011 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2010-2011 Watermaster Budget.

BACKGROUND

A monthly VISA Check Detail report is provided to keep all members apprised of Watermaster expenditures charged against the CEO and/or CFO's Bank of America VISA card.

DISCUSSION

Total cash disbursement during the month of May 2011 was \$2,770.71. The monthly charges for May 2011 were for routine and customary expenditures and properly documented with receipts.

Actions:

- July 14, 2011 Appropriative Pool – Approved Unanimously
- July 14, 2011 Non-Agricultural Pool – Receive & File Without Approval
- July 14, 2011 Agricultural Pool – Approved Unanimously
- July 21, 2011 Advisory Committee – Approved Unanimously
- July 28, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
 VISA Check Detail Report
 May 2011

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/24/2011	15104	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2011	XXXX-XXXX-XXXX-9341		Fastrack replenishment	6174 · Transportation	30.00
				Administrative Professionals Day luncheon	6141.3 · Admin Meetings	107.34
				Membership dues for Desi Alvarez for AWWA	6111 · Membership Dues	231.00
				AWWA 2011 Annual Conference & Exposition	6191 · Conferences - General	950.00
				Air fare for Desi Alvarez to Washington DC	6191 · Conferences - General	526.40
				Lunch for 4/28/11 WM Board Meeting	6312 · Meeting Expenses	285.97
				Computer software	6054 · Computer Software	465.00
				Computer software	6054 · Computer Software	175.00
						<u>2,770.71</u>

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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

DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: July 28, 2011
TO: Watermaster Board Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2010 through May 31, 2011 - Financial Report B3

SUMMARY

Issue – Record of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2010 through May 31, 2011.

Recommendation – Staff recommends the Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2010 through May 31, 2011 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2010-2011 Watermaster Budget.

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Working Capital for the period July 1, 2010 through May 31, 2011 is provided to keep all members apprised of the FY 2010/2011 cumulative Watermaster revenues, expenditures and changes in working capital for the period listed.

DISCUSSION

The Combining Schedule of Revenue, Expenses and Changes in Working Capital has been created from various financial reports and statements created from QuickBooks Enterprise Solutions 9.0, the Watermaster accounting system. The Combining Schedule provided balances to the supporting documentation in the Watermaster accounting system as presented.

Actions:

July 14, 2011 Appropriative Pool – Approved Unanimously
July 14, 2011 Non-Agricultural Pool – Receive & File Without Approval
July 14, 2011 Agricultural Pool – Approved Unanimously
July 21, 2011 Advisory Committee – Approved Unanimously
July 28, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE PERIOD JULY 1, 2010 THROUGH MAY 31, 2011

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUNDWATER OPERATIONS		EDUCATION FUNDS	GRAND TOTALS	BUDGET 2010-2011
			APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS			
Administrative Revenues:										
Administrative Assessments	(272)		6,155,079	1,755	343,090			3	6,508,169	\$6,508,070
Interest Revenue	111,000		23,043		888				25,417	175,010
Mutual Agency Project Revenue									111,000	148,410
Grant Income									-	0
Miscellaneous Income									-	0
Total Revenues	110,729	-	6,188,122	1,755	343,978	-	-	3	6,644,587	6,831,490
Administrative & Project Expenditures:										
Watermaster Administration	478,481								478,481	512,546
Watermaster Board-Advisory Committee	62,406								62,406	73,073
Pool Administration			49,279	162,556	139,450				351,285	474,856
Optimum Basin Mgmt Administration		1,420,748							1,420,748	1,350,390
OBMP Project Costs		2,649,180							2,649,180	3,772,619
Debt Service		366,790							366,790	700,964
Education Funds Use								375	375	375
Mutual Agency Project Costs									-	10,000
Total Administrative/OBMP Expenses	540,886	4,436,717	49,279	162,556	139,450	-	-	375	5,329,263	6,894,823
Net Administrative/OBMP Expenses	(430,158)	(4,436,717)							-	-
Allocate Net Admin Expenses To Pools	430,158		295,799	119,677	14,682				-	-
Allocate Net OBMP Expenses To Pools		4,069,927	2,798,690	1,132,325	138,912				-	-
Allocate Debt Service to App Pool		366,790							-	-
Agricultural Expense Transfer*		1,414,558	(1,414,558)						-	-
Total Expenses	4,925,115	-	4,925,115	1,755	293,045	-	-	375	5,329,263	6,894,823
Net Administrative Income	1,263,007	-	1,263,007	1,755	50,933	-	-	(372)	1,315,323	(63,333)
Other Income/(Expense)									5,866,500	0
Replenishment Water Assessments									11,490	0
Interest Revenue									-	0
Water Purchases									-	0
Balance Adjustment									-	0
Other Water Purchases									(2,255,436)	0
Groundwater Replenishment									(300,634)	0
Net Other Income	-	-	-	-	-	-	-	-	3,321,920	0
Net Transfers To/(From) Reserves	4,637,244	-	1,263,007	1,755	50,933	-	-	(372)	4,637,244	(63,333)
Working Capital, July 1, 2010			6,219,006	473,483	256,632			1,001	8,478,365	
Working Capital, End Of Period			7,482,013	475,238	307,566			629	13,115,608	13,115,608
09/10 Assessable Production			78,733,238	31,854,766	3,907,911				114,495,915	
09/10 Production Percentages			68.765%	27.822%	3.413%				100.000%	

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

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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

DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: July 28, 2011
TO: Watermaster Board Members
SUBJECT: Treasurer's Report of Financial Affairs for the Period May 1, 2011 through May 31, 2011 - Financial Report B4

SUMMARY

Issue – Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of May 1, 2011 through May 31, 2011.

Recommendation – Staff recommends the Treasurer's Report of Financial Affairs for the Period May 1, 2011 through May 31, 2011 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2010-2011 Watermaster Budget.

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period May 1, 2011 through May 31, 2011 is provided to keep all members apprised of the total cash in banks (Bank of America and LAIF) and on hand at the Watermaster office (petty cash) at the end of the period stated. The Treasurer's Report details the change (increase or decrease) in the overall cash position of Watermaster, as well as the changes (increase or decrease) to the assets and liabilities section of the balance sheet. The report also provides a detailed listing of all deposits and/or withdrawals in the California State Treasurer's Local Agency Investment Fund (LAIF), the most current effective yield as of the last quarter, and the ending balance in LAIF as of the reporting date.

DISCUSSION

The Treasurer's Report of Financial Affairs has been created from various financial reports and statements created from QuickBooks Enterprise Solutions 9.0, the Watermaster accounting system. The Treasurer's Report provided, balances to the supporting documentation in the Watermaster accounting system, as well as the supporting bank statements.

Actions:

July 14, 2011 Appropriative Pool – Approved Unanimously
July 14, 2011 Non-Agricultural Pool – Receive & File Without Approval
July 14, 2011 Agricultural Pool – Approved Unanimously
July 21, 2011 Advisory Committee – Approved Unanimously
July 28, 2011 Watermaster Board –

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
MAY 1 THROUGH MAY 31, 2011**

DEPOSITORIES:			
Cash on Hand - Petty Cash	\$	500	
Bank of America			
Governmental Checking-Demand Deposits	\$	129,544	
Zero Balance Account - Payroll	\$	-	
Local Agency Investment Fund - Sacramento			
TOTAL CASH IN BANKS AND ON HAND			5/31/2011
TOTAL CASH IN BANKS AND ON HAND			4/30/2011
	\$	13,661,810	
		14,027,107	
PERIOD INCREASE (DECREASE)	\$	(365,297)	

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable	\$	-
Assessments Receivable	-	-
Prepaid Expenses, Deposits & Other Current Assets	6,052	6,052
Accounts Payable	47,664	47,664
Accrued Payroll, Payroll Taxes & Other Current Liabilities	12,584	12,584
Transfer to/(from) Reserves	(431,598)	(431,598)
PERIOD INCREASE (DECREASE)	\$	(365,297)

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Gov't Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 4/30/2011	\$	500	-	-	\$ 14,031,766
Deposits	-	(5,159)	-	14,031,766	\$ 14,027,107
Transfers	-	500,000	-	(500,000)	-
Withdrawals/Checks	-	(56,740)	56,740	-	-
	-	(308,557)	(56,740)	-	(365,297)
Balances as of 5/31/2011	\$	500	-	-	\$ 13,531,766
PERIOD INCREASE OR (DECREASE)	\$	-	-	-	(500,000)
		134,703	\$	-	\$ (365,297)

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
MAY 1 THROUGH MAY 31, 2011**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
5/17/2011	Withdrawal	L.A.I.F	\$ (500,000)				

TOTAL INVESTMENT TRANSACTIONS \$ (500,000)

* The earnings rate for L.A.I.F. is a daily variable rate; 0.51% was the effective yield rate at the Quarter ended March 31, 2011.

**INVESTMENT STATUS
May 31, 2011**

<u>Financial Institution</u>	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 13,531,766			
TOTAL INVESTMENTS	<u>\$ 13,531,766</u>			

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

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

DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: July 28, 2011
TO: Watermaster Board Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2010 through May 31, 2011 - Financial Report - B5

SUMMARY

Issue – Record of revenues and expenses of Watermaster for the Period of July 1, 2010 through May 31, 2011.

Recommendation – Staff recommends the Budget vs. Actual Report for the Period July 1, 2010 through May 31, 2011 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2010-2011 Watermaster Budget.

BACKGROUND

A Budget vs. Actual Report for the period July 1, 2010 through May 31, 2011 is provided to keep all members apprised of the total revenues and expenses for the current fiscal year. The expense section is categorized into four distinct sections. Those sections are: General and Administrative Expenses; Optimal Basin Management Program Expenses; Project Expenses; and Other Income/Expenses.

DISCUSSION

The Budget vs. Actual report has been created from QuickBooks Enterprise Solutions 9.0, the Watermaster accounting system. The Budget vs. Actual report provided, balances to the supporting documentation in the Watermaster accounting system, as well as the supporting bank statements.

There were no budget transfers for the month of May 2011.

Year-To-Date (YTD) for the eleven month period ending May 31, 2011 of the fiscal year, all categories were at or below the projected budget, including category 6900 (Optimum Basin Mgmt Plan).

The overall Watermaster payroll expenses continue to be under budget as a direct result of cost savings of the CEO's salary during the months of March and April. If you recall, Ken Manning departed as CEO on February 28, 2011 and Desi Alvarez started as CEO on May 3, 2011. When taking into account the year end vacation, sick and comp time accrual adjustments to actual, it is still projected that the Administrative payroll expense category (6010 - Salary Costs) will be under the budgeted amount of \$492,544 at fiscal year end June 30, 2011.

Within the category 6900 (Optimum Basin Mgmt Plan) are the Watermaster's legal expenses. Within the legal expense category, some individual line item activities were above the budget (\$106,278) while the majority of line item activities were below the budget (\$155,547). Above the budget line items were the Paragraph 31 Motion activities of \$63,754, the ongoing Desalter Negotiations of \$29,525 and the South Archibald Plume (formerly known as the Ontario Airport Plume) of \$12,999. The individual legal projects/activities that were below budget for the Y-T-D period were the Peace II (\$41,815), the Santa Ana River Water Rights Application of (\$6,409), Water Auction (\$35,483), Regional Water Quality Control Board of (\$10,159), Recharge Master Plan (\$28,248), the Santa Ana River Critical Habitat of (\$3,006), the Chino Airport Plume of (\$2,257) and General Administrative Legal Costs (Pool, Advisory and Board meetings) of (\$28,170). For the eleven month period, the cumulative Y-T-D budget was \$699,500 and actual legal expenses totaled \$650,231 which resulted in an (Under) budget variance of (\$49,269) or 7.0%. The budgeted Y-T-D amount of \$699,500 includes the entire legal contingency amount of \$145,000 which was processed in April's budget transfer.

	<u>Jul '10 - May 11</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
6900 · Optimum Basin Mgmt Plan				
6901 · WM Staff Salaries	176,663.96	189,401.67	-12,737.71	93.28%
6903 · OBMP SAWPA Group	25,778.00	25,778.00	0.00	100.0%
6906 · OBMP Engineering Services				
6906.1 · OBMP - Watermaster Model Update	78,410.00	90,000.00	-11,590.00	87.12%
6906 · OBMP Engineering Services - Other	289,993.53	313,141.33	-23,147.80	92.61%
Total 6906 · OBMP Engineering Services	368,403.53	403,141.33	-34,737.80	91.38%
6907 · OBMP Legal Fees				
6907.3 · WM Legal Counsel				
6907.30 · Peace II - CEQA	4,018.00	45,833.34	-41,815.34	8.77%
6907.31 · S. Archibald Plume-Formerly OIA	26,748.65	13,750.00	12,998.65	194.54%
6907.32 · Chino Airport Plume	60,492.72	62,750.00	-2,257.28	96.4%
6907.33 · Desalter Negotiations	174,524.66	145,000.00	29,524.66	120.36%
6907.34 · Santa Ana River Water Rights	16,507.32	22,916.67	-6,409.35	72.03%
6907.35 · Paragraph 31 Motion	138,754.47	75,000.00	63,754.47	185.01%
6907.36 · Santa Ana River Habitat	14,994.31	18,000.00	-3,005.69	83.3%
6907.37 · Water Auction	1,183.50	36,666.66	-35,483.16	3.23%
6907.38 · Reg. Water Quality Cntrl Board	3,591.00	13,750.00	-10,159.00	26.12%
6907.39 · Recharge Master Plan	8,419.27	36,666.67	-28,247.40	22.96%
6907.3 · WM Legal Counsel - Other	200,997.07	229,166.66	-28,169.59	87.71%
Total 6907.3 · WM Legal Counsel	650,230.97	699,500.00	-49,269.03	92.96%
Total 6907 · OBMP Legal Fees	650,230.97	699,500.00	-49,269.03	92.96%
6909 · OBMP Other Expenses				
6909.1 · OBMP Meetings	1,681.23	0.00	1,681.23	100.0%
6909.4 · Printing	1,692.00	0.00	1,692.00	100.0%
6909.5 · Ad Hoc Litigation Committee	21.58	0.00	21.58	100.0%
6909 · OBMP Other Expenses - Other	101,476.97	102,800.00	-1,323.03	98.71%
Total 6909 · OBMP Other Expenses	104,871.78	102,800.00	2,071.78	102.02%
Total 6900 · Optimum Basin Mgmt Plan	1,325,948.24	1,420,621.00	-94,672.76	93.34%

With the exceptions previously noted, there were no other unusual or significant transactions or events during the month of May. Looking ahead, the month of June should provide similar financial results with the categories being at or below budget.

Actions:

- July 14, 2011 Appropriative Pool – Approved Unanimously
- July 14, 2011 Non-Agricultural Pool – Receive & File Without Approval
- July 14, 2011 Agricultural Pool – Approved Unanimously
- July 21, 2011 Advisory Committee – Approved Unanimously
- July 28, 2011 Watermaster Board –

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	1/12th of the Total Budget			11/12th (92%) of the Total Budget			100% of the Total Budget		
	For The Month of May 2011			Year-To-Date as of May 31, 2011			Fiscal Year End as of June 30, 2011		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Projected	Budget	% of Budget
Income									
4010 · Local Agency Subsidies	0.00	0.00	0.0%	111,000.00	148,410.00	74.79%	111,000.00	148,410.00	74.79%
4110 · Admin Asmnts-Approp Pool	0.00	0.00	0.0%	6,165,079.40	6,153,067.00	100.2%	6,165,079.40	6,153,067.00	100.2%
4120 · Admin Asmnts-Non-Agri Pool	0.00	0.00	0.0%	343,089.90	355,003.00	96.64%	343,089.90	355,003.00	96.64%
4700 · Non Operating Revenues	0.00	0.00	0.0%	25,417.28	140,008.00	18.15%	28,929.02	175,010.00	16.53%
4900 · Miscellaneous Income	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
Total Income	0.00	0.00	0.0%	6,644,586.58	6,796,488.00	97.77%	6,648,098.32	6,831,490.00	97.32%
Gross Profit	0.00	0.00	0.0%	6,644,586.58	6,796,488.00	97.77%	6,648,098.32	6,831,490.00	97.32%
Expense									
6010 · Salary Costs	43,066.64	46,485.00	92.64%	401,493.09	446,057.00	90.01%	492,544.00	492,544.00	100.0%
6020 · Office Building Expense	8,203.35	8,433.00	97.28%	90,096.81	92,763.00	97.13%	101,196.00	101,196.00	100.0%
6030 · Office Supplies & Equip.	1,167.47	2,541.67	45.93%	23,086.83	27,958.33	82.58%	30,500.00	30,500.00	100.0%
6040 · Postage & Printing Costs	3,748.62	5,000.00	74.97%	55,560.44	73,300.00	75.8%	78,300.00	78,300.00	100.0%
6050 · Information Services	10,298.68	11,796.66	87.52%	146,354.67	148,433.34	98.6%	160,200.00	160,200.00	100.0%
6060 · Contract Services	0.00	0.00	0.0%	34,957.50	35,000.00	99.88%	35,000.00	35,000.00	100.0%
6080 · Insurance	0.00	0.00	0.0%	15,963.00	17,575.00	90.26%	17,575.00	17,575.00	100.0%
6110 · Dues and Subscriptions	7,135.00	0.00	100.0%	29,520.13	30,000.00	98.4%	30,000.00	30,000.00	100.0%
6140 · WM Admin Expenses	0.00	250.00	0.0%	1,285.65	2,750.00	46.75%	3,000.00	3,000.00	100.0%
6150 · Field Supplies	0.00	500.00	0.0%	201.76	1,900.00	11.21%	1,800.00	1,900.00	100.0%
6170 · Travel & Transportation	1,395.00	2,730.00	51.1%	23,998.17	30,430.00	78.86%	33,160.00	33,160.00	100.0%
6190 · Conferences & Seminars	0.00	0.00	0.0%	16,394.85	23,000.00	71.28%	23,000.00	23,000.00	100.0%
6200 · Advisory Comm - WM Board	2,164.11	1,872.50	115.57%	16,272.45	20,597.50	79.0%	22,470.00	22,470.00	100.0%
6300 · Watermaster Board Expenses	5,347.94	4,216.92	126.82%	46,133.40	46,388.08	99.46%	50,603.00	50,603.00	100.0%
8300 · Appr Pl-WM & Pool Admin	3,029.50	7,982.84	37.95%	49,279.08	82,058.16	60.05%	90,043.00	90,043.00	100.0%
8400 · Agri Pool-WM & Pool Admin	1,830.19	2,345.59	78.03%	28,257.46	25,801.41	109.52%	28,147.00	28,147.00	100.0%
8467 · Ag Legal & Technical Services	8,914.56	9,833.33	90.66%	123,173.33	108,166.67	113.87%	118,000.00	118,000.00	100.0%
8470 · Ag Meeting Attend -Special	0.00	1,000.00	0.0%	11,125.00	11,000.00	101.14%	12,000.00	12,000.00	100.0%
8471 · Ag Pool Expense	0.00	0.00	0.0%	0.00	48,750.00	0.0%	65,000.00	65,000.00	100.0%
8500 · Non-Ag Pl-WM & Pool Admin	899.34	13,472.17	6.69%	139,450.34	148,193.83	94.1%	161,666.00	161,666.00	100.0%
6500 · Education Funds Use Expens	0.00	0.00	0.0%	375.00	375.00	100.0%	375.00	375.00	100.0%
9400 · Depreciation Expense	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
9500 · Allocated G&A Expenditures	-37,294.92	-40,677.42	91.54%	-360,332.33	-453,451.58	79.46%	-494,129.00	-494,129.00	100.0%
6900 · Optimum Basin Mgmt Plan	179,300.25	134,912.99	132.9%	1,325,948.24	1,420,620.98	93.34%	1,556,534.00	1,556,534.00	100.0%
6950 · Mutual Agency Projects	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
9501 · G&A Expenses Allocated-OBMP	13,126.41	11,888.00	110.42%	94,799.32	130,768.00	72.49%	142,656.00	142,656.00	100.0%
7101 · Production Monitoring	7,200.81	5,879.31	122.48%	78,245.05	96,939.69	80.72%	102,819.00	102,819.00	100.0%
7102 · In-line Meter Installation	3,606.63	5,556.59	64.91%	16,059.80	61,122.41	26.28%	66,679.00	66,679.00	100.0%
7103 · Gradwtr Quality Monitoring	9,260.53	13,916.34	66.54%	169,489.83	186,079.66	91.09%	202,996.00	202,996.00	100.0%
7104 · Gowtr Level Monitoring	34,238.10	21,779.74	157.2%	210,165.74	265,502.26	79.17%	297,282.00	287,282.00	100.0%
7105 · Sur Wtr Qual Monitoring	0.00	315.00	0.0%	771.23	3,965.00	19.45%	4,280.00	4,280.00	100.0%
7107 · Ground Level Monitoring	35,599.36	46,885.01	75.93%	415,631.60	586,984.99	70.84%	657,620.00	657,620.00	100.0%
7108 · Hydraulic Control Monitoring	43,665.98	34,391.67	127.03%	345,980.41	378,308.33	91.46%	412,700.00	412,700.00	100.0%
7109 · Recharge & Well Monitoring Prog	0.00	0.00	0.0%	9,428.75	9,440.00	99.88%	9,440.00	9,440.00	100.0%

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	1/12th of the Total Budget For The Month of May 2011			11/12th (92%) of the Total Budget Year-To-Date as of May 31, 2011			100% of the Total Budget Fiscal Year End as of June 30, 2011					
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
7200 - PE2- Comp Recharge Pgm	10,906.22	18,418.49	-7,512.27	59.21%	868,617.40	927,603.50	-58,986.10	93.64%	946,022.00	946,022.00	0.00	100.0%
7300 - PE3&5-Water Supply/Desalte	1,854.54	14,022.59	-12,168.05	13.23%	93,233.91	110,088.42	-16,854.51	84.66%	124,111.00	124,111.00	0.00	100.0%
7400 - PE4- Mgmt Plan	4,963.26	7,572.92	-2,609.66	65.54%	51,265.47	84,382.08	-33,116.61	60.75%	91,965.00	91,965.00	0.00	100.0%
7500 - PE6&7-CoopEfforts/SaltMgmt	2,388.68	10,515.00	-8,126.32	22.72%	98,939.71	115,665.00	-16,725.29	85.54%	126,180.00	126,180.00	0.00	100.0%
7600 - PE8&9-StorageMgmt/Conj Use	1,317.89	4,075.00	-2,757.11	32.34%	25,552.80	41,175.00	-15,642.20	62.01%	45,250.00	45,250.00	0.00	100.0%
7690 - Recharge Improvement Debt Pymt	0.00	0.00	0.00	0.0%	366,789.50	700,964.00	-334,174.50	52.33%	700,964.00	700,964.00	0.00	100.0%
7700 - Inactive Well Protection Prgm	75.00	0.00	75.00	100.0%	75.00	1,412.00	-1,337.00	5.31%	1,412.00	1,412.00	0.00	100.0%
9502 - G&A Expenses Allocated-Projects	24,108.51	28,789.42	-4,680.91	83.74%	265,533.02	316,693.58	-51,150.56	83.85%	345,473.00	345,473.00	0.00	100.0%
Total Expense	431,597.53	436,671.33	-5,073.80	98.84%	5,329,263.41	6,404,649.64	-1,075,386.23	83.21%	6,894,823.00	6,894,823.00	0.00	100.0%
Net Ordinary Income	-431,597.53	-436,671.33	5,073.80	98.84%	1,315,323.17	391,838.36	923,484.81	335.68%	-246,724.68	-63,333.00	-183,391.68	389.57%
Other Income												
4225 - Interest Income	0.00	0.00	0.00	0.0%	11,489.65	0.00	11,489.65	100.0%	11,489.65	0.00	11,489.65	100.0%
4210 - Approp Pool-Replenishment	0.00	0.00	0.00	0.0%	3,594,458.40	0.00	3,594,458.40	100.0%	3,594,458.40	0.00	3,594,458.40	100.0%
4220 - Non-Ag Pool-Replenishment	0.00	0.00	0.00	0.0%	27,545.86	0.00	27,545.86	100.0%	27,545.86	0.00	27,545.86	100.0%
4600 - Groundwater Sales	0.00	0.00	0.00	0.0%	2,244,495.90	0.00	2,244,495.90	100.0%	2,244,495.90	0.00	2,244,495.90	100.0%
Total Other Income	0.00	0.00	0.00	0.0%	5,877,989.81	0.00	5,877,989.81	100.0%	5,877,989.81	0.00	5,877,989.81	100.0%
Other Expense												
5010 - Groundwater Replenishment	0.00	0.00	0.00	0.0%	300,633.58	0.00	300,633.58	100.0%	300,633.58	0.00	300,633.58	100.0%
5100 - Other Water Purchases	0.00	0.00	0.00	0.0%	2,255,435.78	0.00	2,255,435.78	100.0%	2,255,435.78	0.00	2,255,435.78	100.0%
9999 - To/(From) Reserves	-431,597.53	-436,671.33	5,073.80	98.84%	4,637,243.62	391,838.36	4,245,405.26	1,183.46%	3,075,195.77	-63,333.00	3,138,528.77	-4.855.6%
Total Other Expense	-431,597.53	-436,671.33	5,073.80	98.84%	7,183,312.98	391,838.36	6,801,474.62	1,835.79%	5,631,265.13	-63,333.00	5,694,598.13	-8.891.52%
Net Other Income	431,597.53	436,671.33	-5,073.80	98.84%	-1,315,323.17	-391,838.36	-923,484.81	335.68%	246,724.68	63,333.00	183,391.68	389.57%
Net Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%

Note: Please see the staff report (Financial Report-B5) for additional detailed information on the account categories.



CHINO BASIN WATERMASTER

II. PUBLIC HEARING ITEM

A. WATERMASTER 2011-2012 BUDGET





CHINO BASIN WATERMASTER

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

DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: July 28, 2011
TO: Watermaster Board Members
SUBJECT: Proposed Fiscal Year 2011/2012 Budget

SUMMARY

Issue – Annual Budget for Watermaster Administration and OBMP tasks during FY 2011/2012.

Recommendations – Conduct a Public Hearing and consider approval/adoption of the Proposed FY 2011/2012 Budget.

Fiscal Impact – The FY 2011/2012 Proposed Budget expenses are \$6,780,187. The FY 2011/2012 Budget, as proposed, anticipates a decrease in costs of \$114,636 or 1.7% below the prior year “Amended” budget of \$6,894,823.

DISCUSSION

BUDGET DEVELOPMENT:

Beginning in March, 2011 Watermaster began developing an operating budget for FY 2011/2012. Development of the budget included two budget workshops and presentations to the Pools, Advisory Committee and Board through May 2011. Based on input from all of the discussions, a budget for FY 2011/2012 was finalized in June 2011. A discussion of the evolution of the budget follows:

On April 7, 2011, a proposed budget was presented to the Appropriate Pool and the Non-Agricultural Pool. The April 7, 2011 version contained a proposed level of expenses at \$7,170,592 with proposed assessments of \$7.62 per acre-foot for Administration and \$50.03 per acre-foot for OBMP and Implementation Projects, for a combined total of \$57.65 per acre-foot. The Total Assessable Production (for budget purposes) was estimated to be 106,929.500 which was based on the actual production numbers for the first two quarters, and projected to estimate the full year's production. The “projected” Total Assessable Production of 106,929.500 acre-feet was lower than the “actual” previous year's Total Assessable Production of 114,495.915 acre-feet by 7,566.415 acre-feet or (6.6%). It was discussed that lower production results in the current year would increase the overall assessments per acre-foot, while higher production numbers would decrease the overall assessments per acre-foot.

On April 12, 2011 Watermaster conducted the first of two Budget Workshops. The consensus of the members of the workshop was the budget required reductions in the majority of the categories to reflect current economic trends and financial challenges. It was recommended that the budget include a detailed listing of the Wildermuth budget/projects that are required as part of the Judgement, and expenses and projects that are “Discretionary” in nature and could be

held off for a later date. It was also suggested that the legal expenses be categorized into "Required" and "Discretionary" expenses. The direction from the members in attendance was to develop a budget that reflected an overall assessment that was equal to or less than what was actually paid in the previous fiscal year (2010/2011). During the workshop, there were questions asked with regards to the timing of the approval of the Watermaster budget and much discussion regarding the balance of assessments and/or funds left over at the end of the fiscal year and whether those funds were used to offset assessments. Staff took the recommendations and suggestions and developed a budget that addressed them.

On April 14, 2011 the proposed budget was presented to the Agricultural Pool. This was the same budget that was presented at the Budget Workshop on April 12, 2011.

On April 21, 2011 an updated budget was presented to the Advisory Committee. Based on comments from the meeting the budget was further refined.

On April 28, 2011 a proposed budget of \$6,250,583 was presented to the Board of Directors. This budget detailed cost reductions in all sections and re-established a 30%/30% reserve for Administrative and OBMP expenses and provided an estimated amount of "Funds On Hand Utilized for Assessments". The monetary difference between the 30%/30% reserve and the estimated amount of "Funds On Hand Utilized for Assessments" was calculated to be \$200,000. The amount of \$200,000 is the estimated difference between the actual assessments received vs. actual expenditures for the fiscal year 2010/2011. The amount of \$200,000 was applied to reduce the overall assessments.

On May 5, 2011 the budget of \$6,250,583 was presented to the Appropriative and Non-Agricultural Pools. Staff took the recommendations, comments and suggestions from these meetings for use in later versions of the budget.

On May 12, 2011 the budget was presented to the Agricultural Pool. This was the same budget that was presented to the Appropriative and Non-Agricultural Pools on May 5, 2011. Staff took comments from this meeting for use in later versions of the budget.

On May 19, 2011 Watermaster conducted the 2nd Budget Workshop and discussed the draft budget. As previously requested, this budget contained columns labeled "Original Budget" and "Proposed Adjustment" that identified the changes between budget versions and allowed for an easy determination of which line items had changed and the net change amount. This version eliminated the 4% CPI from staff salaries along with the associated payroll burden. The Brownstein Hyatt Farber Schreck legal expenses (previously budgeted under the OBMP category), were segregated between the categories of G&A (\$202,555), Pools (\$138,060) and OBMP (\$204,635). There were also some adjustments to the Wildermuth budget as requested by the Pool's and from previous meeting comments. The consensus of the members in attendance at the workshop was the budget still required reductions in the legal categories and the elimination of the legal contingency of \$100,000. There were discussions regarding several components of the Wildermuth budget and that these "Discretionary" activities should be funded in the proposed budget. Staff reminded participants that the budget does not include the costs for the Agricultural Pool's legal services with regards to the Restated Judgment. Discussion took place with regards to the use of cash reserves and the timing of any possible refunds. It was reiterated from the members in attendance to develop a budget that reflected an overall assessment that was equal to or less than what was actually paid in the previous fiscal year (2010/2011). Staff took the recommendations and suggestions and developed the final version of the budget.

POOLS AND ADVISORY COMMITTEE ACTIONS:

On June 2, 2011 the Appropriative Pool moved to approve the FY 2011-2012 Watermaster Budget of \$6,780,187, conditionally taking out the \$100,000 for the Agricultural Pool Legal Fees for the Restated Judgment, subject to clarification from the Agricultural Pool.

On June 2, 2011 the Non-Agricultural Pool moved to approve the FY 2011-2012 Watermaster Budget of \$6,780,187, subject to any changes which the Chair of the Non-Agricultural Pool and Chair of the Advisory Committee determined appropriate.

On June 9, 2011 the Agricultural Pool approved (by majority vote) the FY 2011-2012 Watermaster Budget of \$6,880,187 which included the \$100,000 for the Agricultural Pool Legal Fees for the Restated Judgment.

On June 16, 2011 the Advisory Committee moved to approve a budget of \$6,780,187 for FY 2011-2012 by a volume vote (57.51 yes/42.49 no). This budget did not include any funding for the Agricultural Pool Special Legal Counsel.

On July 14, 2011 the Agricultural Pool provided additional documentation from Dan McKinney, Special Counsel for the Agricultural Pool, with regards to the estimated cost of the Pool's Legal Fees for the Restated Judgment. The documentation is provided on pages 9 and 10.

On July 21, 2011 as part of the CEO's Update/Report, the Advisory Committee was informed that the justification provided from the Agricultural Pool's meeting of July 14, 2011 was \$84,000. The proposed legal costs of \$84,000 are not included in the FY 2011-2012 Watermaster Budget, however the Agricultural Pool has requested that the Board consider this request and include it in the budget. Should the Board desire to do so, and include the requested amount in the budget for the Agricultural Pool Legal Fees for the Restated Judgment, it will be approving a budget of \$6,864,187 which is \$84,000 or 1.2% higher than the Advisory Committee recommendation of \$6,780,187.

The Advisory Committee's recommended budget is \$6,780,187 which translates to an assessment of \$48.43/AF which is \$0.98 or 2.0% lower than the current assessments. If the Agricultural Pool's requested funding of \$84,000 for additional legal services is included in the budget, it would result in a budget of \$6,864,187 which represents an assessment of \$49.17/AF which is \$0.24 or 0.5% lower than the current assessments of \$49.41/AF.

BUDGET ANALYSIS:

The July 28, 2011 budget proposes assessments of \$8.25 per acre-foot for Administration and \$40.18 per acre-foot for OBMP and Implementation Projects, for a combined total of \$48.43 per acre-foot. This compares to the actual assessment from the previous year as follows:

Assessment Amounts	G&A Expenses	OBMP & Implementation Projects	Total G&A, OBMP & Implementation Projects
Proposed Assessment as of July 28, 2011	\$8.25	\$40.18	\$48.43
Actual Assessment FY2010-2011	\$7.40	\$42.01	\$49.41
Proposed Assessment vs. Actual Assessment	\$0.85 11.5%	(\$1.83) (4.4%)	(\$0.98) (2.0%)

As a result of the methodology change (discussed at the May 19th workshop) regarding how the Brownstein Hyatt Farber Schreck legal expenses are now allocated in the budget between the categories of G&A, Pools and OBMP (formerly all BHFS expenses were allocated entirely to the OBMP category), the G&A Assessment is higher than the previous year and the OBMP & Implementation Projects are lower than the previous year.

After the latest production numbers for the 3rd quarter were received, an updated projection of the Total Assessable Production (for budget purposes) was implemented as part of the June 2, 2011 proposed budget. The estimated Total Assessable Production, which previously estimated at 106,929.500 acre-feet, was increased to 113,426.601 acre-feet. The previous year's actual Total Assessable Production was 114,495.915 acre-feet.

For the Administrative expenses:

- The draft budget includes 9.5 FTE approved staff positions, a reduction of one FTE from the previous budget.
- The budget includes a temporary employee for one-half year to complete the scanning project. This employee is from a temporary employment agency and is not an employee of Watermaster.

- There are no CPI/COLA salary adjustments or other material changes in employee's fringe benefits.
- The budget includes an increase in the CalPERS "Employer" contribution expense from 11.417% to 14.298% which is mandated by CalPERS and out of the control of Watermaster.
- The draft budget eliminates the Consulting and printing costs for the Water Auction, and eliminates the Strategic Planning Conference costs.
- New for this budget year, the Brownstein Hyatt Farber Schreck legal expenses for G&A and the Pools (\$202,555 and \$138,060 respectively) are allocated to specific projects/activities instead of all the legal expenses being charged directly against the OBMP category. This change reflects the increase in the overall Administrative expense comparisons from year to year.
- No legal contingency amount was included in the budget.
- Overall, the Administrative section is 1.5% or \$15,992 below the previous year's amended budget of \$1,060,450.
- The Agricultural Pool's legal services related to the Restated Judgment of \$84,000 is not included in the recommended July 28, 2011 version.

For OBMP General costs:

- Meetings with staff, Wildermuth and legal counsel were held to determine where costs could be reduced or work delayed until next fiscal year.
- The total Wildermuth budget is \$2,395,051 for this fiscal year. Wildermuth provided a breakdown of costs by the categories of "Required by the Judgment" which totaled \$1,503,793 and "Discretionary" which totaled \$891,258. This allowed the Staff and committees to determine which projects needed to be continued or completed and which could be delayed until next year. Approximately \$746,275 of the "Discretionary" amount was determined to be allocated to this fiscal year's budget.
- The Watermaster Groundwater Model/Safe Yield Update project was budgeted at \$204,000.
- The budget contains the Brownstein Hyatt Faber Schreck legal budget of \$221,160.
- No legal contingency amount was included in the budget.
- The balance of the Administrative Civil Liability (ACL) complaint from the California Regional Water Quality Control Board of \$25,000 is included.
- Overall, the OBMP section is 33.0% or \$563,350 below the previous year's amended budget of \$1,709,190.

OBMP Implementation Project costs:

- The total Wildermuth budget is \$2,334,051 for this fiscal year. Wildermuth provided a breakdown of costs by the categories of "Required by the Judgment" which totaled \$1,503,793 and "Discretionary" which totaled \$91,258. This allowed the Staff and committees to determine which projects needed to be continued or completed and which could be delayed until next year. Approximately \$746,275 of the "Discretionary" amount was determined to be allocated to this fiscal year's budget.
- Reductions in the majority of OBMP Implementation Project expenses compared to the FY 2010-2011 Amended Budget.
- The Recharge Master Plan Update Implementation of \$231,000 for Tasks 1 and 2 for the first and second year is funded.
- The South Archibald Plume monitoring activities of \$85,950 is funded.
- The funds to conduct the surface water monitoring program for January 2012 - June 2012 of \$94,006 is included in the budget.
- The funding of \$65,945 to identify an existing well near the Chino Creek Well Field and install a cable extensometer is included.

- The budget includes an amount of \$300,000 to be funded by Three Valleys Municipal Water District as described in the Peace II Agreement, Article IX, Section 9.1 for Basin Management Assistance.
- The San Sevaine Channel Repair of \$245,750 is included.
- This budget version decreased the Recharge Improvement Debt Payment by \$250,000 as a result of IEUA refinancing some debt and receiving a lower interest rate.
- The OBMP Implementation Projects section is 11.3% or \$464,706 above the previous year's budget of \$4,125,183.

In summary, the FY 2011/2012 Budget of \$6,780,187 as proposed anticipates a decrease in total budgeted costs of \$114,636 or 1.7% below the previous year's "Amended" budget of \$6,894,823. The final assessments will be refined when the assessment package is prepared this fall.

**Table 2: Engineering Budget for Watermaster FY 2011/12:
Comparison with FY 2010/11**

Description				Net Change
	Project	FY11/12 Budget	FY10/11 Budget	
6900 Optimum Basin Mgmt Program		\$460,219	\$350,336	\$109,883
6906 OBMP Engineering				
Attend Watermaster Meetings	\$70,389		\$73,296	(\$2,907)
Eval. Transfers/Assess. Supplemental Water Recharge	\$8,000		\$8,000	\$0
Misc. Data and CEO Requests	\$110,660		\$110,700	(\$40)
Water Rights Compliance Monitoring	\$32,760		\$32,760	\$0
Project Management	\$34,400		\$41,280	(\$6,880)
Watermaster Model Update and Required Demonstrations	\$204,010		\$41,580	\$162,430
SOB Exhibits	\$0		\$42,720	(\$42,720)
7100 Program Element 1: Comprehensive Monitoring Program		\$1,410,927	\$1,662,704	(\$251,777)
7101 Production Monitoring Monitoring Program	\$1,400		\$1,400	\$0
7103 Groundwater Quality Monitoring Program	\$121,190		\$123,891	(\$2,701)
7104 Groundwater Level Monitoring Program	\$185,069		\$230,069	(\$45,000)
7107 Ground Level Monitoring Program	\$639,597		\$812,033	(\$172,436)
7108 Hydraulic Control Monitoring Program	\$452,511		\$486,871	(\$34,360)
7109 Recharge and Well Monitoring Program	\$11,160		\$8,440	\$2,720
7200 Program Element 2: Comprehensive Recharge Program		\$241,320	\$135,320	\$106,000
7202.2 GRCC Meetings	\$10,320		\$10,320	\$0
7202.3 Implementation	\$231,000		\$125,000	\$106,000
7300 Program Elements 3 & 5: Water Supply Plan - Desalter		\$47,840	\$47,840	\$0
7303 Engineering Services	\$47,840		\$47,840	\$0
7400 Program Element 4: Mgmt Zone Strategies		\$55,732	\$79,411	(\$23,679)
7402 Engineering Services	\$55,732		\$79,411	(\$23,679)
7500 Program Elements 6 & 7: Coop Efforts/Salt Mgmt		\$160,013	\$133,400	\$26,613
7502 Engineering Services	\$160,013		\$133,400	\$26,613
7600 Program Elements 8 & 9: Storage Mgmt/Conj Use		\$19,000	\$19,000	\$0
7602 Engineering Services	\$19,000		\$19,000	\$0
Totals	\$2,395,051	\$2,395,051	\$2,428,011	(\$32,960)

REVISED JUNE 2, 2011

CHINO BASIN WATERMASTER
Summary of Engineering Tasks for FY 2011/12
July 1, 2011 to June 30, 2012

Acct. No.	Description	Required	Discretionary	Total	Proposed	Notes
6906	Attend Watermaster Meetings		\$70,389	\$70,389	\$70,389	a
6906	Evaluation of Transfers/Assessment of Supplemental Water Recharge		\$8,000	\$8,000	\$8,000	
6906	Miscellaneous Data and CEO Requests		\$110,660	\$110,660	\$110,660	
6906	Water Rights Compliance Monitoring	\$32,760		\$32,760	\$32,760	
6906	Project Management	\$34,400		\$34,400	\$34,400	
6906.1	Watermaster Model Update and Required Demonstrations	\$204,010		\$204,010	\$204,010	
7101.3	Groundwater Production Monitoring Program		\$1,400	\$1,400		
7103.3	Groundwater Quality Monitoring Program	\$117,390		\$117,390	\$117,390	
	Provide training for Watermaster staff		\$3,800	\$3,800		
7104.3	Groundwater-Level Monitoring Program	\$175,069		\$175,069	\$175,069	
	Redevelopment of NAWQA wells		\$10,000	\$10,000		
7107	Ground Level Monitoring Program	\$466,927		\$466,927	\$466,927	b
	Identify existing well for cable extensometer in CCWF area		\$13,285	\$13,285		c
	Install cable extensometer in CCWF area at existing well		\$65,945	\$65,945		d
	Install new benchmarks around CCWF and perform initial elevation survey		\$56,720	\$56,720		e
	Install new benchmarks in Pomona and perform initial elevation/EDM survey		\$36,720	\$36,720		f
7108	Hydraulic Control Monitoring Program	\$358,505		\$358,505	\$358,505	g
	Conduct surface water monitoring program from Jan - Jun 2012		\$94,006	\$94,006		h
7109	Recharge and Well Monitoring Program	\$11,160		\$11,160	\$11,160	i
7202.2	Comprehensive Recharge Program: GRCC Meetings		\$10,320	\$10,320	\$10,320	
7202.3	Comprehensive Recharge Program: Implementation		\$231,000	\$231,000	\$231,000	
7303	Water Supply Plan: Desalters	\$47,840		\$47,840	\$47,840	
7402	Management Zone Strategies: MZ-1	\$55,732		\$55,732	\$55,732	
7502	Cooperative Efforts - South Archibald Plume		\$85,950	\$85,950	\$85,950	k1
7502	Cooperative Efforts - Chino Airport Plume		\$74,063	\$74,063		k2
7602	Storage Management/Conjunctive Use		\$19,000	\$19,000		l
	Total	\$1,503,793	\$891,258	\$2,395,051	\$2,250,068	

a -- WEI attends up to three Watermaster process or other meetings per month at Watermaster staff request.

b -- can be deferred at least on more year

\$144,983

c -- required by Watermaster commitments in the MZ1 Subsidence Management Plan

d -- reconnaissance and planning work

e -- determined at Budget Workshop #2 the amount should not be deferred.

f -- Watermaster CEQA commitment. Should be done prior to CCWF start up to establish ground level baseline. Could be deferred one year.

g -- Watermaster's role in the ground level monitoring in the Pomona area should be reviewed by Watermaster before making any budgetary commitments.

h -- includes surface water monitoring through December 2011; and Chino Creek monitoring, groundwater level and quality and reporting for the entire fiscal year.

i -- assumes that RB will not complete the Basin Plan amendment and does not remove this monitoring requirement by December 31, 2011.

j -- includes the Recharge Master Plan Implementation Task 1 and Task 2. Task 1: Prepare Summary Description of MZ3 projects from 2010 RMPU and describe benefits to MZ3 entities in Riverside County. Task 2: Update Hydrology Models.

k1 -- WEI attends four Water Quality Committee meetings (one day preparation, one day meeting). South Archibald Plume: lab costs for split samples with ABGL, estimate plume mass and redefine plume for conceptual mitigation plans for negotiations.

k2 -- Water Quality Committee - Investigations and Reports (e.g., perchlorate). Chino Airport Plume: estimate plume mass and redefine plume for conceptual mitigation plans for negotiations.

l -- there are no planned activities this year.

Brownstein Hyatt Farber Schreck		2011-2012 Proposed Budget		Revised June 2, 2011	
Account	Description	Note	Currently in CBWM Budget	Labor (Cost)	
				Task	Account
	WM Legal Services - Meetings		\$ 250,000		
6275	Advisory Committee Meetings		6.5 Hours X 12 Meetings @ \$395	\$ 30,810	
6375	Board Meetings		6.5 Hours X 12 Meetings @ \$585	\$ 45,630	
8375	Appropriative Pool Meetings		4.5 Hours X 12 Meetings @ \$395	\$ 21,330	
8475	Agricultural Pool Meetings		6.5 Hours X 12 Meetings @ \$395	\$ 30,810	
8575	Non-Agricultural Pool Meetings		2.0 Hours X 12 Meetings @ \$395	\$ 9,480	
	Total for Activity			\$ 138,060	\$ 138,060
6070	WM Legal Services		\$ -		
6071	Court Coordination		35 Hrs @ \$585, 35 Hrs @ \$395, 20 Hrs @ \$240	\$ 39,100	
6072	Restated Judgment		60 Hrs @ \$585, 60 Hrs @ \$395, 15 Hrs @ \$240	\$ 62,400	
6073	Personnel Matters		25 Hrs @ \$395	\$ 9,875	
6074	Miscellaneous	A	144 Hrs @ \$395	\$ 56,880	
6074	Miscellaneous	B	35 Hrs @ \$585, 35 Hrs @ \$395	\$ 34,300	
	Total for Activity			\$ 202,555	\$ 202,555
6907.31	S. Archibald Plume - Formerly OIA		\$ 15,000		
	Slater is primary attorney.		30 Hrs @ \$585, 10 Hrs @ \$510, 5 Hrs @ \$395	\$ 24,625	
	Total for Activity			\$ 24,625	\$ 24,625
6907.32	Chino Airport Plume		\$ 74,000		
	Staffing primarily by Hoch.		10 Hrs @ \$585, 35 Hrs @ \$510, 5 Hrs @ \$395	\$ 25,675	
	Total for Activity			\$ 25,675	\$ 25,675
6907.33	Desalter Facilitation and Court Proceeding		\$ 195,000		
	Continued CDA Facilitation		75 Hrs @ \$585, 10 Hrs @ \$395	\$ 47,825	
	CDA Resolution Court	C	20 Hrs @ \$585, 20 Hrs @ \$395	\$ 19,600	
	Total for Activity			\$ 67,425	\$ 67,425
6907.34	Santa Ana River Water Rights		\$ 25,000		
	Water right permits 20753 and 19895		25 Hrs @ \$395, 50 Hrs @ \$305	\$ 25,125	
	Total for Activity			\$ 25,125	\$ 25,125
6907.35	Paragraph 31 Motion		\$ 73,500		
	Continued support of motion and appeals		40 Hrs @ \$585, 40 Hrs @ \$395	\$ 39,200	
	Total for Activity			\$ 39,200	\$ 39,200
6907.36	Santa Ana River Habitat		\$ 9,500	\$ -	\$ -
	Total for Activity			\$ -	\$ -
6907.37	Storage & Recovery, Water Auction		\$ 40,000	\$ -	\$ -
	Total for Activity			\$ -	\$ -
6907.38	Reg. Water Quality Control Board		\$ 15,000		
	Legal counsel involvement in ongoing issues		10 Hrs @ \$585, 20 Hrs @ \$395	\$ 13,750	
	Total for Activity			\$ 13,750	\$ 13,750
6907.39	Recharge Master Plan		\$ 40,000		
	Includes Storage and Recovery Issues		30 Hrs @ \$585, 20 Hrs @ \$395	\$ 25,360	
	Total for Activity			\$ 25,360	\$ 25,360
6907.4	WM Legal Counsel - Contingency		\$ -	\$ -	\$ -
	Miscellaneous			\$ -	\$ -
	Total for Activity			\$ -	\$ -
	Total--All Accounts		\$ 737,000	\$ 561,775	\$ 561,775

Notes: (A) Variety of day-to-day matters that arise throughout the month concerning the Judgment, Rules, agreements, etc.
(B) Activities related to Interagency Cooperative Agreements and other matters (i.e. water purchases from MWD).
(C) Includes attorney and witness preparation, hearing attendance and potential post-hearing activities.

General Notes:

- Brownstein maintains a 10% discount on all fees over \$100,000 as part of the original contract with Watermaster.
- There are out-of-pocket costs that include phone charges, electronic legal research charges, travel costs (including mileage, lodging, etc.) and other incidental costs.
- Rather than attempt to project which budget items would be affected by the 10% discount, and which out-of-pocket cost items might be relevant to which budget items, the budget detail assumes they offset each other.

Proposed Budget for Special Counsel for Agricultural Pool

1. Restated Judgment:

Review BHFS revised judgment and compare to court orders amending Judgment	10
Conferences with clients	8
Conferences with counsel and other parties	16
Agricultural Pool member intervention and organization issues	10
Attend meetings at Watermaster pertaining to restated judgment	16
Court pleadings relating to amended judgment	4
Attend court hearings relating to amended and restated judgment	8

2. Annotated Judgment, rules, implementation plans and agreements:

Meetings and conferences to work on Ag Pool issues in annotations	32
Draft portions of annotations pertaining to Ag Pool	8
Work on Finalizing product	8
Conferences with counsel and other interested parties	24
Court hearing and pleadings relating to annotated document	8
Work on outline of matters identified as conflicting and requiring repairs	6

3. Proceedings to correct Judgment inconsistencies and errors

Meetings and conferences to work on Ag Pool issues	16
Draft portions of new amendments	8
Work on Finalizing product	8
Conferences with counsel and other parties	16
Draft pleadings and responses relating to motions to amend judgment	10
Court hearings relating to motions to amend judgment	8

4. Contingency for litigation involving disputes 24

Total estimated hours 248

Comments:

This budget outlines likely expense involving the three phases of Judgment restatement and revision which were agreed upon at the July 14, 2011 conference of Interested parties. This includes costs which are estimated to be 5% of the time charged. Watermaster records indicate that meetings involved in PA2 totaled over 100 hours and a reasonable budget for that entire project would exceed 200 hours work over a 2 year period. The hourly rate for Dan McKinney is \$375 per hour. The estimate is essentially \$84,000 plus a \$9,000 litigation contingency.

Respectfully submitted,

Dan McKinney

Actions:

June 2, 2011 Appropriative Pool – Moved to approve the FY 2011-2012 Watermaster Budget, conditionally taking out the \$100,000 for the Agricultural Pool Legal Fees for the Restated Judgment, Subject to Clarification from the Agricultural Pool.

June 2, 2011 Non-Agricultural Pool – Moved to approve the FY 2011-2012 Watermaster Budget, subject to any changes which the Chair of the Non-Ag Pool and Chair of the Advisory Committee determines appropriate.

June 9, 2011 Agricultural Pool – Moved to approve by Majority Vote the FY 2011-2012 Watermaster Budget including the \$100,000 for the Agricultural Pool Legal Fees for the Restated Judgment.

June 16, 2011 Advisory Committee – Moved to approve the FY 2011-2012 Watermaster Budget by a Volume Vote (57.51 yes/42.49 no) with removing the \$100,000 Agricultural Pool Special Legal Counsel amount from the budget. Upon further documentation and clarification from the Agricultural Pool, members of the Advisory committee stated they would be willing to include the additional amount for Legal Fees for the Restated Judgment in the proposed budget.

July 28, 2011 Watermaster Board –



CHINO BASIN WATERMASTER

PROPOSED BUDGET FY 2011-2012

JULY 28, 2011

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**CHINO BASIN WATERMASTER
SUMMARY BUDGET FY 2011-2012**

	FY 09-10 June Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Original Budget	FY 11-12 Proposed Adjustments	FY 11-12 Proposed Budget	Proposed vs. Amended	% Variance Proposed vs. Amended
4000 Mutual Agency Revenue	\$ 111,000	\$ 148,410	\$ 148,410	\$ 111,000	\$ 300,000	\$ 411,000	\$ 262,590	176.9%
4110 Appropriative Pool Assessments	7,178,987	6,153,067	6,153,067	6,639,778	(889,319)	5,750,459	(402,608)	(6.5)%
4120 Non-Agricultural Pool Assessments	225,016	355,003	355,003	224,804	28,914	253,718	(101,285)	(28.5)%
4730 Prorated Interest Income	43,420	175,010	175,010	150,010	0	150,010	(25,000)	(14.3)%
4900 Miscellaneous Income	188	0	0	0	0	0	0	0.0%
Total Income	7,558,612	6,831,490	6,831,490	7,125,592	(560,405)	6,565,187	(266,303)	-3.9%
Administrative Expenses								
6010 Salary Costs	492,090	464,944	492,544	481,927	(8,951)	472,976	(19,568)	(4.0)%
6020 Office Building Expense	102,742	101,196	101,196	103,369	0	103,369	2,173	2.1%
6030 Office Supplies & Equip.	45,639	33,500	33,500	28,500	0	28,500	(5,000)	(14.9)%
6040 Postage & Printing Costs	82,056	78,300	78,300	66,180	0	66,180	(12,120)	(15.5)%
6050 Information Services	139,782	142,200	160,200	148,020	0	148,020	(12,180)	(7.6)%
6060 WM Special Contract Services	96,259	75,000	29,000	37,000	(3,000)	34,000	5,000	17.2%
6070 Watermaster Legal Services	0	0	0	0	202,555	202,555	202,555	100.0%
6080 Insurance Expense	15,986	17,575	17,575	19,036	0	19,036	1,461	8.3%
6110 Dues and Subscriptions	16,100	30,000	30,000	30,000	0	30,000	0	0.0%
6150 Field Supplies & Equipment	1,168	1,800	1,800	1,600	0	1,600	(200)	(11.1)%
6170 Travel & Transportation	28,828	33,160	33,160	21,970	0	21,970	(11,190)	(33.7)%
6190 Conferences & Seminars	21,302	23,000	23,000	17,500	0	17,500	(5,500)	(23.9)%
6200 Advisory Committee Expenses	17,921	22,470	22,470	23,633	30,418	54,051	31,581	140.5%
6300 Watermaster Board Expenses	43,074	50,603	50,603	56,257	44,989	101,246	50,643	100.1%
6500 Education Fund Expenditures	0	375	375	375	0	375	0	0.0%
8300 Appropriative Pool Administration	22,733	90,043	90,043	29,346	20,934	50,280	(39,763)	(44.2)%
8400 Agricultural Pool Administration	186,478	223,147	223,147	228,370	30,459	258,829	35,682	16.0%
8500 Non-Agricultural Pool Administration	6,596	161,666	161,666	62,456	39,257	101,713	(59,953)	(37.1)%
9400 Depreciation Expense	29,103	0	0	0	0	0	0	0.0%
9500 Allocated G&A Expenditures	(423,428)	(488,129)	(488,129)	(496,144)	(171,598)	(667,742)	(179,613)	(36.8)%
Total Administrative Expenses	924,428	1,060,850	1,060,450	859,395	185,063	1,044,458	(15,992)	(1.5)%
General OBMP Expenditures								
6900 Optimum Basin Mgmt Program	1,559,618	1,197,734	1,556,534	1,594,092	(659,066)	935,026	(621,508)	(39.9)%
6950 Cooperative Efforts	9,000	10,000	10,000	10,000	0	10,000	0	0.0%
9501 Allocated G&A Expenditures	141,999	142,656	142,656	146,322	54,492	200,814	58,158	40.8%
Total General OBMP Expenses	1,710,617	1,350,390	1,709,190	1,750,414	(604,574)	1,145,840	(563,350)	(33.0)%
OBMP Implementation Projects								
7101 Production Monitoring	104,977	104,219	102,819	108,769	(3,869)	104,900	2,081	2.0%
7102 In-Line Meter Installation/Maintenance	48,657	66,679	66,679	66,832	(469)	66,363	(316)	(0.5)%

**CHINO BASIN WATERMASTER
SUMMARY BUDGET FY 2011-2012**

	FY 09-10 June Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Original Budget	FY 11-12 Proposed Adjustments	FY 11-12 Proposed Budget	Proposed vs. Amended	% Variance Proposed vs. Amended
7103 Groundwater Quality Monitoring	161,349	202,996	202,996	208,768	(4,808)	203,960	964	0.5%
7104 Groundwater Level Monitoring	363,253	336,282	287,282	335,372	(58,940)	276,432	(10,850)	(3.8)%
7105 Recharge Basin Water Quality Monitori	3,679	4,280	4,280	3,609	(17)	3,592	(688)	(16.1)%
7106 Water Level Sensors Install	0	0	0	0	0	0	0	0.0%
7107 Ground Level Monitoring	354,982	815,620	657,620	641,320	263,123	904,443	246,823	37.5%
7108 Hydraulic Control Monitoring Program	500,863	493,700	412,700	459,813	(29)	459,784	47,084	11.4%
7109 Recharge & Well Monitoring Program	9,113	8,440	9,440	11,160	0	11,160	1,720	18.2%
7200 OBMP Pgm Element 2 - Comp Rechar	1,530,608	1,011,022	946,022	1,281,694	60,091	1,341,785	395,763	41.8%
7300 OBMP Pgm Element 3 & 5 - Water Sup	71,798	90,111	134,111	93,425	(42)	93,383	(40,728)	(30.4)%
7400 OBMP Pgm Element 4 - Mgmt Zone St	90,244	91,955	91,955	70,165	(98)	70,067	(21,888)	(23.8)%
7500 OBMP Pgm Element 6 & 7 - Coop Effo	163,488	146,180	116,180	163,022	(74,080)	88,942	(27,238)	(23.4)%
7600 OBMP Pgm Element 8 & 9 Storage Mg	29,338	64,250	45,250	64,616	(18,843)	45,773	523	1.2%
7700 Inactive Well Protection Program	0	1,412	1,412	1,432	(19)	1,413	1	0.1%
7690 Recharge Improvement Debt Payment	890,006	700,964	700,964	700,964	(250,000)	450,964	(250,000)	(35.7)%
9502 Allocated G&A Expenditures	294,429	345,473	345,473	349,821	117,107	466,928	121,455	35.2%
Total OBMP Implementation Projects	4,616,783	4,483,583	4,125,183	4,560,782	29,107	4,589,889	464,706	11.3%
Total Expenses	7,251,828	6,894,823	6,894,823	7,170,592	(390,405)	6,780,187	(114,636)	(1.7)%
Net Ordinary Income	306,784	(63,333)	(63,333)	(45,000)	(170,000)	(215,000)	(151,667)	(239.5)%
Other Income								
4225 Interest Income	34,990	0	0	0	0	0	0	0.0%
4210 Approp Pool-Replenishment	4,887,364	0	0	0	0	0	0	0.0%
4220 Non-Ag Pool-Replenishment	9,478	0	0	0	0	0	0	0.0%
4230 Groundwater Recharge Activity	0	0	0	0	0	0	0	0.0%
4600 Groundwater Sales	2,176,962	0	0	0	0	0	0	0.0%
Total Other Income	7,108,795	0	0	0	0	0	0	0.0%
Other Expense								
5010 Groundwater Recharge	7,728,299	0	0	0	0	0	0	0.0%
5105 Purchase of Non-Ag Pool Water	2,166,022	0	0	0	0	0	0	0.0%
Total Other Expense	9,894,321	0	0	0	0	0	0	0.0%
9900 To / (From) Reserves	(2,478,034)	0	0	0	0	0	0	0.0%
Net Other Income	(307,492)	0	0	0	0	0	0	0.0%
Net Income	\$ (709)	\$ (63,333)	\$ (63,333)	\$ (45,000)	\$ (170,000)	\$ (215,000)	\$ (151,667)	(239.5)%

**CHINO BASIN WATERMASTER
DETAIL BUDGET FY 2011-2012**

	FY 09-10 June Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Original Budget	FY 11-12 Proposed Adjustments	FY 11-12 Proposed Budget	Proposed vs. Amended
Ordinary Income							
Income							
4000 Mutual Agency Revenue							
4013 Local Agency Contr - OBMP	\$111,000	\$148,410	\$148,410	\$111,000	\$0	\$111,000	(\$37,410)
4030 Basin Management Assistance	0	0	0	0	300,000	300,000	300,000
Total 4000 Mutual Agency Revenue	111,000	148,410	148,410	111,000	300,000	411,000	262,590
4110 Appropriative Pool Assessments							
4111 Administrative Assessment	609,111	592,138	592,138	548,588	83,743	632,331	40,193
4111.2 OBMP Assessment	3,729,218	3,360,334	3,360,334	3,603,327	(534,342)	3,068,985	(291,349)
4111.3 App Pool - Special Assessment	63,333	0	0	0	0	0	0
4112 Ag Pool Reallocation - Administrative	231,256	224,667	224,667	236,102	36,929	273,031	48,364
4113 Ag Pool Reallocation - OBMP	1,414,836	1,274,964	1,274,964	1,550,797	(225,649)	1,325,148	50,184
4115 Recharge Improvement Revenue	1,131,233	700,964	700,964	700,964	(250,000)	450,964	(250,000)
4117 P/Y Adjustments & Pool Interest	0	0	0	0	0	0	0
Total 4110 Appropriative Pool Assessments	7,178,987	6,153,067	6,153,067	6,639,778	(889,319)	5,750,459	(402,608)
4120 Non-Agricultural Pool Assessments							
4123 Administrative Assessment	31,593	30,712	30,712	29,703	3,391	33,094	2,382
4123.3 Non-Ag Pool - Special Assessment	0	150,000	150,000	0	60,000	60,000	(90,000)
4124 OBMP Assessment	193,423	174,291	174,291	195,101	(34,477)	160,624	(13,667)
4127 P/Y Adjustments	0	0	0	0	0	0	0
Total 4120 Non-Agricultural Pool Assessments	225,016	355,003	355,003	224,804	28,914	253,718	(101,285)
4730 Prorated Interest Income							
4713 Interest Income-Other	116	0	0	0	0	0	0
4731 Interest - Agricultural Pool	2,764	15,750	15,750	13,500	0	13,500	(2,250)
4732 Interest - Appropriative Pool	38,790	155,750	155,750	133,500	0	133,500	(22,250)
4733 Interest - Non-Agricultural Pool	1,744	3,500	3,500	3,000	0	3,000	(500)
4739 Interest - Education Fund	6	10	10	10	0	10	0
Total 4730 Prorated Interest Income	43,420	175,010	175,010	150,010	0	150,010	(25,000)
4900 Miscellaneous Income							
	188	0	0	0	0	0	0
Total Income	7,558,612	6,831,490	6,831,490	7,125,592	(560,405)	6,565,187	(266,303)
Administrative Expenses							
6010 Salary Costs							
6011 WM Staff Salaries & Payroll Burden	537,534	444,317	471,917	449,983	(8,951)	441,032	(30,885)
6012 Payroll Services	3,219	3,120	3,120	4,020	0	4,020	900
6013 Human Resources Services	11,393	12,000	12,000	6,000	0	6,000	(6,000)
6016 New Employee Search Costs	10,385	500	500	500	0	500	0
6017 Temporary Services	0	5,000	5,000	21,424	0	21,424	16,424

**CHINO BASIN WATERMASTER
DETAIL BUDGET FY 2011-2012**

	FY 09-10 June Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Original Budget	FY 11-12 Proposed Adjustments	FY 11-12 Proposed Budget	Proposed vs. Amended
Subtotal Wages	562,531	464,937	492,537	481,927	(8,951)	472,976	(19,561)
6018 Fringe Benefits	542,759	482,775	482,775	513,053	(13,323)	499,730	16,955
60199 Payroll Burden Allocated	(613,199)	(482,768)	(482,768)	(513,053)	13,323	(499,730)	(16,962)
Total 6010 Salary Costs	492,090	464,944	492,544	481,927	(8,951)	472,976	(19,568)
6020 Office Building Expense							
6021 Office Lease	69,504	69,504	69,504	71,181	0	71,181	1,677
6022 Telephone	16,753	15,000	15,000	15,300	0	15,300	300
6024 Building Repairs & Janitorial	14,739	15,000	15,000	14,740	0	14,740	(260)
6026 Security Services	1,746	1,692	1,692	2,148	0	2,148	456
6027 Other Expense	0	0	0	0	0	0	0
Total 6020 Office Building Expense	102,742	101,196	101,196	103,369	0	103,369	2,173
6030 Office Supplies & Equip.							
6031.1 Copy Paper	1,366	6,000	6,000	4,500	0	4,500	(1,500)
6031.7 Other Office Supplies	41,620	24,500	24,500	21,000	0	21,000	(3,500)
6038 Other Office Equipment	0	0	0	0	0	0	0
6039 Office Expenses	0	0	0	0	0	0	0
6141 Meeting Expenses	2,155	0	0	0	0	0	0
6141.1 Meeting Supplies	0	1,500	1,500	1,500	0	1,500	0
6141.3 Admin Meetings	0	1,500	1,500	1,500	0	1,500	0
6147 Other Admin Expenses	498	0	0	0	0	0	0
Total 6030 Office Supplies & Equip.	45,639	33,500	33,500	28,500	0	28,500	(5,000)
6040 Postage & Printing Costs							
6042 Postage - General	4,908	6,000	6,000	6,000	0	6,000	0
6043 Copy Machine Lease - Other	0	0	0	0	0	0	0
6043.1 Ricoh Lease Fee	44,551	42,000	42,000	37,980	0	37,980	(4,020)
6043.2 Ricoh Usage & Maintenance Fee	6,906	18,000	18,000	14,400	0	14,400	(3,600)
6044 Postage Meter Lease	2,027	2,800	2,800	2,800	0	2,800	0
6045 Outside Printing	23,665	9,500	9,500	5,000	0	5,000	(4,500)
Total 6040 Postage & Printing Costs	82,056	78,300	78,300	66,180	0	66,180	(12,120)
6050 Information Services							
6052 Consultants	0	0	0	0	0	0	0
6052.1 Park Place Computer Solutions	39,300	46,000	46,000	46,800	0	46,800	800
6052.2 Applied Computer Technologies	34,744	36,000	36,000	36,000	0	36,000	0
6052.3 Website Consulting	0	10,800	10,800	10,800	0	10,800	0
6053 Internet Services	26,380	12,400	12,400	18,420	0	18,420	6,020
6054 Computer Software	8,263	8,000	8,000	9,000	0	9,000	1,000
6055 Computer Hardware	31,095	29,000	47,000	26,000	0	26,000	(21,000)
6057 Computer Maintenance	0	0	0	1,000	0	1,000	1,000

**CHINO BASIN WATERMASTER
DETAIL BUDGET FY 2011-2012**

	FY 09-10 June Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Original Budget	FY 11-12 Proposed Adjustments	FY 11-12 Proposed Budget	Proposed vs. Amended
Total 6050 Information Services	139,782	142,200	160,200	148,020	0	148,020	(12,180)
6060 WM Special Contract Services							
6060 Contract Services - Other	0	46,000	0	0	0	0	0
6061 Contract Services	1,620	0	0	0	0	0	0
6061.1 Accounting Services	3,750	0	0	0	0	0	0
6061.3 Rauch	15,494	10,000	10,000	15,000	0	15,000	5,000
6061.4 Other Contract Services	20,695	0	0	0	0	0	0
6062 Audit Services	9,075	9,000	9,000	12,000	(3,000)	9,000	0
6063 Public Relations/Consultant	45,625	10,000	10,000	10,000	0	10,000	0
6064 Consultant Services/Water Auction	0	0	0	0	0	0	0
6067 General Counsel	0	0	0	0	0	0	0
Total 6060 WM Special Contract Services	96,259	75,000	29,000	37,000	(3,000)	34,000	5,000
6070 Watermaster Legal Services							
6071 Legal Services - Court Coordination	0	0	0	0	39,100	39,100	39,100
6072 Legal Services - Restated Judgment	0	0	0	0	62,400	62,400	62,400
6073 Legal Services - Personnel Matters	0	0	0	0	9,875	9,875	9,875
6074 Legal Services - Interagency Issues	0	0	0	0	34,300	34,300	34,300
6078 Legal Services - Miscellaneous	0	0	0	0	56,880	56,880	56,880
6079 Legal Services - Contingency	0	0	0	0	0	0	0
Total 6070 Watermaster Legal Services	0	0	0	0	202,555	202,555	202,555
6080 Insurance Expense							
6085 Business Insurance Package	15,703	17,325	17,325	18,728	0	18,728	1,403
6086 Position Bond Insurance	283	250	250	307	0	307	57
Total 6080 Insurance Expense	15,986	17,575	17,575	19,036	0	19,036	1,461
6110 Dues and Subscriptions							
6111 Membership Dues	15,570	29,000	29,000	29,000	0	29,000	0
6112 Subscriptions	530	1,000	1,000	1,000	0	1,000	0
Total 6110 Dues and Subscriptions	16,100	30,000	30,000	30,000	0	30,000	0
6150 Field Supplies & Equipment							
6151 Small Tools & Equipment	269	800	800	600	0	600	(200)
6154 Uniforms	898	1,000	1,000	1,000	0	1,000	0
Total 6150 Field Supplies & Equipment	1,168	1,800	1,800	1,600	0	1,600	(200)
6170 Travel & Transportation							
6170 Travel & Transportation	0	0	0	0	0	0	0
6171.1 CEO Vehicle Allowance	9,038	9,000	9,000	0	0	0	(9,000)
6171.2 Watermaster Mgmt. Staff Vehicle Allowance	13,860	14,400	14,400	14,400	0	14,400	0
6173 Mileage Reimbursements	246	400	400	250	0	250	(150)

**CHINO BASIN WATERMASTER
DETAIL BUDGET FY 2011-2012**

	FY 09-10 June Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Original Budget	FY 11-12 Proposed Adjustments	FY 11-12 Proposed Budget	Proposed vs. Amended
6174 Public Transportation	210	360	360	320	0	320	(40)
6175 Vehicle Fuel	1,558	3,000	3,000	3,000	0	3,000	0
6177 Vehicle Repairs & Maintenance	3,917	6,000	6,000	4,000	0	4,000	(2,000)
Total 6170 Travel & Transportation	28,828	33,160	33,160	21,970	0	21,970	(11,190)
6190 Conferences & Seminars							
6191 Conferences & Seminars	18,207	11,000	11,000	16,000	0	16,000	5,000
6192 Training & Continuing Education	3,095	5,000	5,000	1,500	0	1,500	(3,500)
6193.1 Strategic Planning Conference	0	10,000	10,000	0	0	0	(10,000)
6193.2 Conference - Registration Fee	0	(3,000)	(3,000)	0	0	0	3,000
Total 6190 Conferences & Seminars	21,302	23,000	23,000	17,500	0	17,500	(5,500)
6200 Advisory Committee Expenses							
6201 WM Staff Salaries	16,313	20,470	20,470	21,633	(392)	21,241	771
6212 Meeting Expense	1,608	2,000	2,000	2,000	0	2,000	0
6275 Legal Services - Advisory Committee Meeting	0	0	0	0	30,810	30,810	30,810
Total 6200 Advisory Committee Expenses	17,921	22,470	22,470	23,633	30,418	54,051	31,581
6300 Watermaster Board Expenses							
6301 WM Staff Salaries	15,480	28,803	28,803	30,557	(641)	29,916	1,113
6311 Board Member Compensation	21,500	18,500	18,500	20,000	0	20,000	1,500
6312 Meeting Expense	6,094	3,000	3,000	5,400	0	5,400	2,400
6313 Board Member Expenses	0	300	300	300	0	300	0
6375 Legal Services - Board Meeting	0	0	0	0	45,630	45,630	45,630
Total 6300 WM Board Expenses	43,074	50,603	50,603	56,257	44,989	101,246	50,643
6500 Education Fund Expenditures							
6500	0	375	375	375	0	375	0
8300 Appropriative Pool Administration							
8301 WM Staff Salaries	22,482	26,210	26,210	28,846	(396)	28,450	2,240
8312 Meeting Expenses	250	500	500	500	0	500	0
8367 Appropriative Pool - Legal Services	0	63,333	63,333	0	0	0	(63,333)
8375 Legal Services - Approp. Pool Meeting	0	0	0	0	21,330	21,330	21,330
Total 8300 Appropriative Pool Administration	22,733	90,043	90,043	29,346	20,934	50,280	(39,763)
8400 Agricultural Pool Administration							
8401 WM Staff	19,324	22,847	22,847	25,286	(351)	24,935	2,088
8411 Compensation	1,900	2,000	2,000	2,000	0	2,000	0
8412 Meeting Expenses	21	300	300	300	0	300	0
8456 IEJA Readiness To Serve	3,846	3,000	3,000	5,784	0	5,784	2,784
8467 Ag-Pool Legal Service	95,287	100,000	100,000	100,000	0	100,000	0
8467.1 Frank B & Associates	10,612	18,000	18,000	18,000	0	18,000	0
8467.2 Legal - Restated Judgment	0	0	0	0	0	0	0

**CHINO BASIN WATERMASTER
DETAIL BUDGET FY 2011-2012**

	FY 09-10 June Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Original Budget	FY 11-12 Proposed Adjustments	FY 11-12 Proposed Budget	Proposed vs. Amended
8470 Ag Pool Meeting Special Compensation	14,225	12,000	12,000	12,000	0	12,000	0
8471 Ag Pool Special Projects	41,262	65,000	65,000	65,000	0	65,000	0
8475 Legal Services - Ag. Pool Meeting	0	0	0	0	30,810	30,810	30,810
Total 8400 Agricultural Pool Administration	186,478	223,147	223,147	228,370	30,459	258,829	35,682
8500 Non-Agricultural Pool Administration							
8501 WM Staff	5,395	11,466	11,466	14,456	(223)	14,233	2,767
8512 Meeting Expense	1,201	200	200	3,000	0	3,000	2,800
8567 Non-Ag Legal Service	0	150,000	150,000	45,000	30,000	75,000	(75,000)
8575 Legal Services - Non-Ag. Pool Meeting	0	0	0	0	9,480	9,480	9,480
Total 8500 Non-Agricultural Pool Administration	6,596	161,666	161,666	62,456	39,257	101,713	(59,953)
9400 Depreciation Expense	29,103	0	0	0	0	0	0
9500 Allocated G&A Expenditures	(423,428)	(488,129)	(488,129)	(496,144)	(171,598)	(667,742)	(179,613)
Total Administrative Expenses	924,428	1,060,850	1,060,450	859,395	185,063	1,044,458	(15,992)

General OBMP Expenses

6900 Optimum Basin Mgmt Program							
6901 OBMP - Staff	258,305	206,620	206,620	221,250	(4,258)	216,992	10,372
6902 OBMP - Temporary Staff	0	0	0	0	0	0	0
6903 OBMP - SARW Group	0	25,778	25,778	37,433	(25,778)	11,655	(14,123)
6906 OBMP - Engineering	375,259	350,336	339,336	256,209	0	256,209	(83,127)
6906.1 OBMP - Watermaster Model Update	0	0	145,000	204,200	(190)	204,010	59,010
6906.2 OBMP - Basin Wide Objectives	0	0	0	100,000	(100,000)	0	0
6906.4 OBMP - CEQA	18,514	0	0	0	0	0	0
6906.6 OBMP - Santa Ana River TMDL	5,365	0	0	0	0	0	0
6906.7 OBMP - DataX	0	0	0	0	0	0	0
6906.8 OBMP - Reports	0	0	0	0	0	0	0
6907 OBMP - Legal							
6907.1 Ellison & Schneider	0	0	0	0	0	0	0
6907.2 Ludorff & Scalmanini	0	0	0	0	0	0	0
6907.3 WM Legal Counsel	875,931	250,000	250,000	250,000	(250,000)	0	(250,000)
6907.30 Peace II - CEQA	0	50,000	50,000	0	0	0	(50,000)
6907.31 S. Archibald Plume - Formerly OIA	0	15,000	15,000	25,000	(375)	24,625	9,625
6907.32 Chino Airport Plume	0	15,000	74,000	25,000	675	25,675	(48,325)
6907.33 Desalter Facilitation & Court	0	0	145,000	0	67,425	67,425	(77,575)
6907.34 Santa Ana River Water Rights	14,368	25,000	25,000	25,000	125	25,125	125
6907.35 Paragraph 31 Motion	0	0	73,500	40,000	(800)	39,200	(34,300)
6907.36 Santa Ana River Habitat	0	0	9,500	0	0	0	(9,500)
6907.37 Storage & Recovery, Water Auction	0	40,000	40,000	35,000	(35,000)	0	(40,000)
6907.38 Reg. Water Quality Control Board	0	15,000	15,000	50,000	(36,250)	13,750	(1,250)

**CHINO BASIN WATERMASTER
DETAIL BUDGET FY 2011-2012**

	FY 09-10 June Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Original Budget	FY 11-12 Proposed Adjustments	FY 11-12 Proposed Budget	Proposed vs. Amended
6907.39 Recharge Master Plan	0	40,000	40,000	50,000	(24,640)	25,360	(14,640)
6907.4 WM Legal Counsel - Contingency	0	145,000	0	250,000	(250,000)	0	0
6909 OBMP - Other Expense	0	0	0	0	0	0	0
6909.1 OBMP Meetings	7,264	0	0	0	0	0	0
6909.3 OBMP Other Expenses	2,841	0	0	0	0	0	0
6909.4 OBMP Other Expenses - Other	1,770	0	0	0	0	0	0
6909.5 Ad Hoc Litigation Committee	0	0	0	0	0	0	0
6909 OBMP - Other Expense	0	20,000	102,800	25,000	0	25,000	(77,800)
Total 6900 Optimum Basin Mgmt Program	1,559,618	1,197,734	1,556,534	1,594,092	(659,066)	935,026	(621,508)

Total 6950 Cooperative Efforts

	9,000	10,000	10,000	10,000	0	10,000	0
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9501 Allocated G&A Expenditures

	141,999	142,656	142,656	146,322	54,492	200,814	58,158
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Total General OBMP Expenses

	1,710,617	1,350,390	1,709,190	1,750,414	(604,574)	1,145,840	(563,350)
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7000 OBMP Implementation Projects

7100 OBMP Pgm Element 1 - Comp Monitoring Program

P 64

7101 Production Monitoring

7101.1 Production Monitoring - WM Staff	103,749	102,069	102,069	106,619	(2,469)	104,150	2,081
7101.2 Production Monitoring - Temporary Services	0	0	0	0	0	0	0
7101.3 Production Monitoring - Engineering Services	478	1,400	0	1,400	(1,400)	0	0
7101.4 Production Monitoring - Computer Services	750	750	750	750	0	750	0

Total 7101 Production Monitoring

	104,977	104,219	102,819	108,769	(3,869)	104,900	2,081
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7102 In-Line Meter Installation/Maintenance

7102.1 In-Line Meter - WM Staff	5,626	10,679	10,679	10,832	(469)	10,363	(316)
7102.5 In-Line Meter - Repair	6,425	8,000	8,000	8,000	0	8,000	0
7102.7 In-Line Meter - In-Line Meters	10,599	8,000	8,000	8,000	0	8,000	0
7102.8 In-Line Meter - Calibration & Testing	26,006	40,000	40,000	40,000	0	40,000	0

Total 7102 In-Line Meter Installation/Maintenance

	48,657	66,679	66,679	66,832	(469)	66,363	(316)
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7103 Groundwater Quality Monitoring

7103.1 Grdwtr Quality - WM Staff	24,738	76,355	76,355	81,203	(1,008)	80,195	3,840
7103.3 Grdwtr Quality - Engineering Services	109,759	87,008	87,008	84,307	(3,800)	80,507	(6,501)
7103.4 Grdwtr Quality - Contract Services	0	0	0	2,125	0	2,125	2,125
7103.5 Grdwtr Quality - Laboratory Services	25,873	36,883	36,883	36,883	0	36,883	0
7103.6 Grdwtr Quality - Supplies	229	2,000	2,000	3,500	0	3,500	1,500
7103.7 Grdwtr Quality - Computer Services	750	750	750	750	0	750	0

Total 7103 Groundwater Quality Monitoring

	161,349	202,996	202,996	208,768	(4,808)	203,960	964
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7104 Groundwater Level Monitoring

**CHINO BASIN WATERMASTER
DETAIL BUDGET FY 2011-2012**

	FY 09-10 June Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Original Budget	FY 11-12 Proposed Adjustments	FY 11-12 Proposed Budget	Proposed vs. Amended
7104.1 Grdwtr Level - WM Staff	103,192	90,713	90,713	93,803	(3,940)	89,863	(850)
7104.3 Grdwtr Level - Engineering Services	239,229	206,144	157,144	206,144	(55,000)	151,144	(6,000)
7104.4 Grdwtr Level - Contract Services (CBWM Staff)	0	1,000	1,000	500	0	500	(500)
7104.6 Grdwtr Level - Supplies	908	2,500	2,500	1,000	0	1,000	(1,500)
7104.7 Grdwtr Level - Capital Equipment (CBWM Staff)	19,923	12,000	12,000	10,000	0	10,000	(2,000)
7104.8 Grdwtr Level - Contract Services	0	10,000	10,000	10,000	0	10,000	0
7104.9 Grdwtr Level - Capital Equipment	0	13,925	13,925	13,925	0	13,925	0
Total 7104 Groundwater Level Monitoring	363,253	336,282	287,282	335,372	(58,940)	276,432	(10,850)
7105 Recharge Basin Water Quality Monitoring							
7105.1 Recharge Basin Water Quality - WM Staff	2,587	2,780	2,780	3,009	(17)	2,992	212
7105.4 Recharge Basin Water Quality - Laboratory Services	1,092	1,000	1,000	500	0	500	(500)
7105.6 Recharge Basin Water Quality - Supplies	0	500	500	100	0	100	(400)
Total 7105 Recharge Basin Water Quality Monitoring	3,679	4,280	4,280	3,609	(17)	3,592	(688)
7107 Ground Level Monitoring							
7107.1 Ground Level - WM Staff	55	1,421	1,421	1,566	0	1,566	145
7107.2 Ground Level - Engineering Services	176,916	336,538	178,538	166,592	(157)	166,435	(12,103)
7107.3 Ground Level - Synthetic Aperture Radar	95,000	95,000	95,000	120,000	0	120,000	25,000
7107.5 Ground Level - Laboratory Services	0	0	0	0	0	0	0
7107.6 Ground Level - Contract Services	82,041	351,393	351,393	327,400	(102,665)	224,735	(126,658)
7107.7 Ground Level - Extensometer Installation	0	0	0	0	365,945	365,945	365,945
7107.8 Ground Level - Capital Equipment	0	31,268	31,268	25,762	0	25,762	(5,506)
7107.9 Ground Level - Supplies	970	0	0	0	0	0	0
Total 7107 Ground Level Monitoring	354,982	815,620	657,620	641,320	263,123	904,443	246,823
7108 Hydraulic Control Monitoring							
7108.1 Hydraulic Control Monitoring - WM Staff	6,746	6,829	6,829	7,302	(29)	7,273	444
7108.2 Hydraulic Control Monitoring - Temporary Services	0	0	0	0	0	0	0
7108.3 Hydraulic Control Monitoring - Engineering Services	319,838	311,322	230,322	279,662	0	279,662	49,340
7108.4 Hydraulic Control Monitoring - Laboratory Services	163,939	170,849	170,849	170,849	0	170,849	0
7108.6 Hydraulic Control Monitoring - Supplies	0	0	0	0	0	0	0
7108.9 Hydraulic Control Monitoring - Contract Services	10,339	4,700	4,700	2,000	0	2,000	(2,700)
Total 7108 Hydraulic Control Monitoring	500,863	493,700	412,700	459,813	(29)	459,784	47,084
7109 Recharge & Well Monitoring							
7109.3 Recharge & Well Monitoring - Engineering Services	9,113	8,440	9,440	11,160	0	11,160	1,720
7109.4 Recharge & Well Monitoring - Laboratory Services	0	0	0	0	0	0	0
Total 7109 Recharge & Well Monitoring	9,113	8,440	9,440	11,160	0	11,160	1,720
7200 OBMP Pgm Element 2 - Comp Recharge							
7201 Comp Recharge - WM Staff	107,431	115,702	115,702	125,996	(909)	125,087	9,385
7202 Comp Recharge - Engineering Services - Other	165,529	0	0	0	0	0	0

**CHINO BASIN WATERMASTER
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	FY 09-10 June Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Original Budget	FY 11-12 Proposed Adjustments	FY 11-12 Proposed Budget	Proposed vs. Amended
7202.1 Comp Recharge - Temp Services	0	0	0	0	0	0	0
7202.2 Comp Recharge - Engineering Services	604,600	10,320	0	10,320	0	10,320	10,320
7202.3 Comp Recharge - Implementation	0	150,000	95,320	170,000	61,000	231,000	135,680
7203 Comp Recharge - Contract Services	0	0	0	0	0	0	0
7204 Comp Recharge - Supplies	561	10,000	10,000	2,000	0	2,000	(8,000)
7205 Comp Recharge - Other Expenses	0	5,000	5,000	5,000	0	5,000	0
7206 Comp Recharge - Basin Program O&M	652,487	720,000	720,000	722,628	0	722,628	2,628
7207 Comp Recharge - Other	0	0	0	245,750	0	245,750	245,750
7208 Hansen Aggregate Damages	0	0	0	0	0	0	0
Total 7200 OBMP Pgm Element 2 - Comp Recharge	1,530,608	1,011,022	946,022	1,281,694	60,091	1,341,785	395,763
7300 OBMP Pgm Element 3 & 5 - Water Supply Plan - Desalter							
7301 OBMP - WM Staff	20,602	34,271	34,271	37,585	(42)	37,543	3,272
7303 OBMP - Engineering Services	48,532	47,840	91,840	47,840	0	47,840	(44,000)
7304 OBMP - Contract Services	0	0	0	0	0	0	0
7305 OBMP - Supplies	103	8,000	8,000	8,000	0	8,000	0
7306 OBMP - Other Expense	2,561	0	0	0	0	0	0
Total 7300 OBMP Pgm Element 3 & 5 - Water Supply Plan	71,798	90,111	134,111	93,425	(42)	93,383	(40,728)
7400 OBMP Pgm Element 4 - Mgmt Zone Strategies							
7401 OBMP - WM Staff	8,377	11,465	11,465	12,333	(98)	12,235	770
7402 OBMP - Engineering Services	80,575	69,410	69,410	45,732	0	45,732	(23,678)
7403 OBMP - Contract Services	0	10,000	10,000	10,000	0	10,000	0
7404 OBMP - Supplies	140	0	0	0	0	0	0
7405 OBMP - Other Expenses	1,152	1,080	1,080	2,100	0	2,100	1,020
Total 7400 OBMP Pgm Element 4 - Mgmt Zone Strategies	90,244	91,955	91,955	70,165	(98)	70,067	(21,888)
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt							
7501 OBMP - WM Staff	1,194	2,780	2,780	3,009	(17)	2,992	212
7502 OBMP - Engineering Services	162,294	113,400	101,400	122,223	(74,063)	48,160	(53,240)
7503 OBMP - Contract Services	0	12,000	12,000	37,790	0	37,790	25,790
7505 OBMP - Other Expenses	0	18,000	0	0	0	0	0
Total 7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt	163,488	146,180	116,180	163,022	(74,080)	88,942	(27,238)
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use							
7601 OBMP - WM Staff	26,702	44,900	44,900	45,266	157	45,423	523
7602 OBMP - Engineering Services	2,138	19,000	0	19,000	(19,000)	0	0
7604 OBMP - Supplies	498	350	350	350	0	350	0
7605 OBMP - Other Expenses	0	0	0	0	0	0	0
Total 7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use	29,338	64,250	45,250	64,616	(18,843)	45,773	523
7700 Inactive Well Protection Program							
7701 Inactive Well Protection Program - WM Staff	0	412	412	432	(19)	413	1

**CHINO BASIN WATERMASTER
DETAIL BUDGET FY 2011-2012**

	FY 09-10 June Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Original Budget	FY 11-12 Proposed Adjustments	FY 11-12 Proposed Budget	Proposed vs. Amended
7703 Inactive Well Protection Program - Contract Services	0	1,000	1,000	1,000	0	1,000	.0
Total 7700 Inactive Well Protection Program	0	1,412	1,412	1,432	(19)	1,413	1
7690 Recharge Improvement Debt Payment	890,006	700,964	700,964	700,964	(250,000)	450,964	(250,000)
9502 Allocated G&A Expenditures	294,429	345,473	345,473	349,821	117,107	466,928	121,455
Total OBMP Implementation Projects	4,616,783	4,483,583	4,125,183	4,560,782	29,107	4,589,889	464,706
Total General OBMP & Implementation Projects	6,327,400	5,833,973	5,834,373	6,311,196	(575,468)	5,735,729	(98,644)
Total Expenses	7,251,828	6,894,823	6,894,823	7,170,592	(390,405)	6,780,187	(114,636)
Net Ordinary Income	306,784	(63,333)	(63,333)	(45,000)	(170,000)	(215,000)	(151,667)

Other Income							
4225 Interest Income	34,990	0	0	0	0	0	0
4225 Interest Income	34,990	0	0	0	0	0	0
Total 4225 Interest Income							

Water Replenishment Assessments							
4210 Approp Pool-Replenishment	560,954	0	0	0	0	0	0
4211 15% Gross Assessments	3,178,738	0	0	0	0	0	0
4212 85% Net Assessments	592,787	0	0	0	0	0	0
4213 100% Net Assessments	0	0	0	0	0	0	0
4214 Prior Year Adjustment	554,886	0	0	0	0	0	0
4215 Prior Year Carryover	0	0	0	0	0	0	0
4216 CURO Adjustment	4,887,364	0	0	0	0	0	0
Total 4210 Approp Pool-Replenishment							

4220 Non-Ag Pool-Replenishment	9,478	0	0	0	0	0	0
4223 Net Replenishment	0	0	0	0	0	0	0
4224 CURO Adjustment	9,478	0	0	0	0	0	0
Total 4220 Non-Ag Pool-Replenishment							

4600 Groundwater Sales	2,176,962	0	0	0	0	0	0
4613 Stored Water Sales	2,176,962	0	0	0	0	0	0
Total 4600 Groundwater Sales							
Total Other Income	7,108,795	0	0	0	0	0	0

Other Expense							
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**CHINO BASIN WATERMASTER
DETAIL BUDGET FY 2011-2012**

	FY 09-10 June Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Original Budget	FY 11-12 Proposed Adjustments	FY 11-12 Proposed Budget	Proposed vs. Amended
5010 Groundwater Recharge							
5011.4 Replenishment Water	0	0	0	0	0	0	0
5011 Replenishment Water	7,728,299	0	0	0	0	0	0
5017 IEUA Surcharges	0	0	0	0	0	0	0
Total 5010 Groundwater Recharge	7,728,299	0	0	0	0	0	0
5105 Purchase of Non-Ag Pool Water	2,166,022	0	0	0	0	0	0
Total Other Expense	9,894,321	0	0	0	0	0	0
9900 To / (From) Reserves	(2,478,034)	0	0	0	0	0	0
Net Other Income	(307,492)	0	0	0	0	0	0
Net Income	(\$709)	(\$63,333)	(\$63,333)	(\$45,000)	(\$170,000)	(\$215,000)	(\$151,667)

CHINO BASIN WATERMASTER ACCOUNT NUMBER JUSTIFICATION BUDGET FY 2011-2012

Budget Account Number	Account Description	Comments and Information
ORDINARY INCOME/EXPENSE		
4020	MUTUAL AGENCY REVENUE	
4013	Local Agency Contr - OBMP	This account represents reimbursement funds from Hanson Aggregates for damage to Lower Day Basin. Annual payments of \$111,000 to start 07/01/09 and end on 07/01/11.
4030	Basin Management Assistance	This account represents the one-time contribution amount of \$300,000 from Three Valleys Municipal Water District according to the Peace II Agreement, Section 9, Article 9.1.
4110 APPROPRIATIVE POOL ASSESSMENTS		
4111	Administrative Assessment	Appropriative Pool Assessments equal the Pool's share of all General Administrative Expenses levied to the Appropriators on a per acre-foot basis levied based on the prior year's production.
4111.2	OBMP Assessment	Appropriative Pool Assessments equal the Pool's share of all Optimum Management costs levied to the Appropriators on a per acre-foot basis based on the prior year's production.
4111.3	Appropriative Pool - Special Assessment	Appropriative Pool Special Assessment for legal services or other expenses such as Basin Wide Objectives, Special Assessment levied to the Appropriators on a formula based upon 50% Operating Safe Yield and 50% Averaged Production and Exchanges, as approved by the Appropriative Pool.
4112	Agricultural Pool Reallocation-Administrative Assessment	The Appropriative Pool and the Overlying Agricultural Pool agreed that the unproduced portion of Ag Pool's annual share of safe yield (62,800 acre-feet) would be immediately reallocated to the Appropriative Pool members provided the Appropriative Pool would pay the Agricultural Pool's share of Administrative and Special Project expenses.
4113	Agricultural Pool Reallocation-OBMP Assessment	With separate assessments levied for General Administration and Optimum Basin Management Plan and Implementation Costs, the Agricultural Pool costs charged through the reallocation levy have been separated to differentiate between the revenues from the two levies.
4115	Recharge Improvement Revenue	This account covers funds required to pay the budgeted debt service payment and the operating and maintenance expenses.
4117	P/Y Adjustments	Consists of adjustments related to prior years, if any.
4120 NON-AGRICULTURAL POOL ASSESSMENTS		
4123	Administrative Assessment	Non-Agricultural Pool Assessments equal the Pool's share of all General Administrative Expenses levied to the Non-Agricultural Pool based on the prior year's production.
4123.3	Non-Agricultural Pool - Special Assessment	Non-Agricultural Pool Assessment for legal services. Special Assessment levied to the Non-Agricultural Pool members based upon prior year's actual production.
4124	OBMP Assessment	Non-Agricultural Pool Assessments equal the Pool's share of all Optimum Basin Management costs levied to the Pool members based on the prior year's production.
4127	P/Y Adjustments	Made up of prior year Non-Agricultural Pool production adjustments, if any.
4710	Unrealized Gain/(Loss) on Investments	Interest is prorated between the pools and the Education Fund using formulae approved by the Advisory Committee and Pools several years ago. Budgeted interest
4127	P/Y Adjustments	Consists of adjustments related to prior years, if any.
4730	PRORATED INTEREST INCOME	Interest is prorated between the Pools and the Education Fund using formula approved by the Advisory Committee and Pools several years ago.
6010 SALARY COSTS		
6011	WM Staff Salaries & Payroll Burden	Expenses related to administrative staff hours and costs not related to a particular project.
6012	Payroll Services	Expenses related to processing of bi-weekly payroll and preparation of quarterly and annual tax returns, including calendar year-end W-2 processing.
6013	Human Resources Services	Expenses related to processing of flexible spending medical and dependent care accounts, along with personnel consulting services.
6016	New Employee Search Costs	Expenses related to hiring of new staff, (i.e. employment postings with Monster.com, CareerBuilder, local newspapers, etc.).
6017	Temporary Services	Expenses related to hiring temporary staff from an Employment Agency (i.e. special projects, maternity leaves, extended sick leaves, etc.).
6018	Fringe Benefits	Benefits paid to employees such as employer and employee portions of CalPERS retirement, Medicare payroll taxes, medical, dental, vision, vacation, sick leave, holidays, workers compensation insurance premiums, life insurance premiums, short and long term disability premiums, state unemployment insurance.
60199	Payroll Burden Allocated	Fringe benefits allocated to salary costs.
6020 OFFICE BUILDING EXPENSE		
6021	Office Lease	Lease for Watermaster office.
6022	Telephone	Telephone expense includes office telephone system, cellular phones for management and field staff along with conference call service.
6024	Building Repairs & Janitorial	This account covers monthly janitorial and housekeeping service, along with repairs and maintenance requests for the office.
6026	Security Services	After business hours and weekend building alarm monitoring services for the office building.
6027	Other Expense	Expenses to this category include office building improvements.

CHINO BASIN WATERMASTER ACCOUNT NUMBER JUSTIFICATION BUDGET FY 2011-2012

Budget Account Number	Account Description	Comments and Information
6030 OFFICE SUPPLIES & EQUIPMENT		
6031.1	Copy Paper	This budget item covers the cost of copy paper for the printers, copy machines, etc.
6031.7	Other Office Supplies	This budget item covers the cost of office supplies which includes: stationary, envelopes, checks and other miscellaneous office supplies.
6038	Other Office Equipment	This budget item covers the cost of office equipment not included in Other Office Supplies (6031.7) referenced above.
6039	Office Expense	This account covers the costs of items not covered under any of the above 6030 categories including file management consulting fees.
6141	Meeting Expenses	Expenses charged to this category include administrative meeting expenses, food, refreshments, etc.
6141.1	Meeting Supplies	Expenses charged to this category include administrative meeting supplies.
6141.3	Admin Meetings	Expenses charged to this category include administrative meeting expenses, conference calls, etc.
6147	Other Admin Expenses	This budget item covers the cost of administrative meeting expenses not included in other categories of 6141 listed above.
6040 POSTAGE & PRINTING COSTS		
6042	Postage	The postage account covers the cost of mailing or shipping all meeting notices and agendas; correspondence; Annual Reports; outgoing bills and payments, etc. Charges also include FedEx, United Parcel Service costs as well as US postage.
6043	Copy Machine Lease - Other	This account covers the cost of leasing copy machines as well as the costs for copies exceeding the minimum number per month/year as stipulated in the lease agreements.
6043.1	Ricoh Lease Fee	This account covers the cost of leasing the Ricoh copy machines from Imaging Plus.
6043.2	Ricoh Usage & Maintenance Fee	This account covers the usage charges (per page charge) and any maintenance fees for the Ricoh copy machines from Imaging Plus.
6044	Postage Meter Lease	Postage meter costs includes the annual lease fees, quarterly reset fees and postage meter ink cartridge replacements.
6045	Outside Printing	Printing jobs done by outside printers and include the Annual Report, blueprints, special area street maps, color prints and emergency printing when our in-house copiers are down for repairs, etc. Also includes printing of color brochures and annual financial statements.
6050 INFORMATION SERVICES		
6052	Computer Consultant Support Services	Watermaster uses IT consultants to maintain the computer network and workstations, as well as to develop and maintain databases.
6052.1	Park Place Computer Solutions	Watermaster's IT consultant who maintains the computer network and workstations, ensuring proper backups, and recommends system improvements.
6052.2	Applied Computer Technologies	Watermaster's database consultant who maintains the numerous databases.
6052.3	Website Consulting	Watermaster's website consultant who maintains, updates and ensures the website www.cbwm.org is operational and maintained with current information.
6053	Internet Services	Miscellaneous website maintenance costs & T-1 internet connections.
6054	Computer Software	Costs include new software, software upgrades and annual software licenses.
6055	Computer Hardware	Costs include new computer hardware, upgraded computer hardware, servers, printers, back up power supplies, monitors, etc.
6057	Computer Maintenance	Costs include the maintenance and repair of computer hardware, servers, printers, etc.
6060 WATERMASTER SPECIAL CONTRACT SERVICES		
6060	Contract Services - Other	Expense category used to capture the Watermaster consultants who develop and implement strategic plans, develop brochures, and design reports.
6061	Contract Services	Expense category used to capture the Watermaster special consultants who develop and implement special plans, projects and activities.
6061.1	Accounting Services	Expense category used to capture the Watermaster special consultants who specialize in Accounting related services.
6061.3	Rauch	Expense category used to capture the Watermaster consultant who specializes in the Annual Report creation, development and submission.
6061.4	Other Contract Services	Expense category used to capture the Watermaster consultants who develop and implement strategic plans, develop brochures, and design reports.
6062	Audit Services	Services provided by the audit firm to ensure compliance and field work related for the annual financial statement audit.
6063	Public Relations Consultant	Watermaster retains outside consultants on a per contract basis as our Public Relations Consultant, to keep us up to date regarding relevant legislative issues.
6064	Consultant Services/Water Auction	Watermaster retains outside consultants on a per contract basis as our representative in regards to the activities of the Water Auction.
6067	General Counsel	Watermaster's general counsel expenses related to personnel and non-project specific matters.

**CHINO BASIN WATERMASTER
ACCOUNT NUMBER JUSTIFICATION
BUDGET FY 2011-2012**

Budget Account Number	Account Description	Comments and Information
6070	WATERMASTER LEGAL SERVICES	
6071	Legal Services - Court Coordination	Watermaster legal counsel expenses for the regular court hearings with Judge Reichert.
6072	Legal Services - Restated Judgment	Watermaster legal counsel expenses for the Restated Judgment.
6073	Legal Services - Personnel Matters	Watermaster legal expenses related to personnel issues and/or other HR matters.
6079	Legal Services - Contingency	Watermaster legal expenses related to the administration/G&A contingency.
6080	INSURANCES	
6085	Business Insurance Package	All insurance policies are now included under Business Insurance Package, including auto & general liability.
6086	Position Bond Insurance	Insures key positions for risk of misappropriation and/or fraud.
6110	DUES & SUBSCRIPTIONS	
6111	Membership Dues	Watermaster memberships include: American Water Works Assoc Research Foundation, Association of California Water Agencies, Association of Ground Water Agencies, California Groundwater Coalition, American Groundwater Trust, Southern California Water Committee, Water Education Foundation and the Groundwater Resources Association. Watermaster subscribes to several trade journals and the local newspaper.
6112	Subscriptions	
6150	FIELD SUPPLIES & EQUIPMENT	
6151	Small Tools & Equipment	Small tools and equipment include any tool which might be required while working in the field.
6154	Uniforms	T-shirts, polo shirts, hats and jackets are provided to staff with Watermaster's logo to wear while in the field and while representing Watermaster. This line item also includes work boots for the field staff.
6170	TRAVEL & TRANSPORTATION	
6170	Travel & Transportation	Travel and transportation costs related to Watermaster business, not related to conferences and seminars.
6171.1	CEO Vehicle Allowance	Employment agreement provides the Chief Executive Officer a vehicle allowance of \$750 per month. For FY 2011/2012, the vehicle allowance is included as part of the overall CEO's salary.
6171.2	Watermaster Mgmt. Staff Vehicle Allowance	Employment agreement provides the Watermaster management staff receive \$400 per month.
6173	Mileage Reimbursements	Reimbursements paid to Watermaster employees for use of personal vehicles for Watermaster business at the federally approved rate per mile.
6174	Public Transportation	Cost of tolls and transponders for Watermaster vehicles on the toll roads (Transportation Corridor Agency and 91 Express Lanes) in Orange County.
6175	Vehicle Fuel	Fuel expenses for Watermaster owned vehicles.
6177	Vehicle Repairs & Maintenance	Covers repairs and maintenance to Watermaster's vehicles.
6190	CONFERENCES & SEMINARS	
6191	Conferences & Seminars	Costs associated with staff attending conferences or seminars for information, training, or making presentations regarding the Chino Basin Watermaster activities.
6192	Training & Continuing Education	Attendance at training and continuing education for Watermaster staff.
6193.1	Strategic Planning Conference	Costs associated with the annual Strategic Planning Conference (site location fee, catering, supplies, brochures, etc.).
6193.2	Conference - Registration Fee	Registration fees for the Strategic Planning Conference.
6200	ADVISORY COMMITTEE EXPENSES	
6201	WM Staff Salaries	Salary and burden costs of WM staff in attending and preparing for Advisory Committee meetings.
6211	Compensation - AG Pool Members	Compensation for AG pool members is paid through accounts 8411 & 8470.
6212	Meeting Expense	Advisory Committee meetings are normally scheduled to cover the lunch hour so that members are absent from their normal jobs the least amount of time possible. To accommodate the members, a luncheon and/or refreshments are served. Those related costs are reflected in this account.
6275	Legal Services - Advisory Committee	Brownstein legal services directly allocated to the preparation and attendance at the Advisory Committee meetings.
6300	WATERMASTER BOARD EXPENSES	
6301	WM Staff Salaries	Salary and burden costs of WM staff in preparing for and attending Watermaster Board Meetings.
6311	Board Member Compensation	Board Members are entitled to, but may waive, compensation for each day of service. Those who have not waived, receive \$125 per day served at various meetings including Board meetings, Committee meetings, and other water agency meetings, including conference calls.
6312	Meeting Expenses	Board and Committee meetings may be scheduled to cover the lunch hour so that attendees are absent from their normal jobs the least amount of time possible. If this occurs, a luncheon and/or refreshments are served. Those related costs are reflected in this account.
6313	Board Member's Expenses	Board Members are entitled to receive reimbursement for expenses incurred on behalf of Watermaster business. Upon request, mileage is reimbursed to any Board Member using a personal vehicle for Watermaster business.
6375	Legal Services - Board Meeting	Brownstein legal services directly allocated to the preparation and attendance at the Board meetings.

CHINO BASIN WATERMASTER ACCOUNT NUMBER JUSTIFICATION BUDGET FY 2011-2012

Budget Account Number	Account Description	Comments and Information
5500	EDUCATION FUND EXPENDITURES	This account disburses funds from the educational account as directed.
8300	APPROPRIATIVE POOL ADMINISTRATION AND SPECIAL PROJECTS	Salary and burden costs of WM staff in attending and preparing for Pool Meetings, and any other Appropriative Pool administrative activity.
8301	WM Staff Salaries	This item covers meeting expenses, including the cost of refreshments.
8312	Meeting Expenses	This item covers the legal services for the Appropriative Pool legal counsel.
8367	Legal Services	Brownstein legal services directly allocated to the preparation and attendance at the Appropriative Pool meetings.
8375	Legal Services - Appropriative Pool Meeting	
8400	AGRICULTURAL POOL ADMINISTRATION AND SPECIAL PROJECTS	
8401	WM Staff Salaries	Salary and burden costs of WM staff in attending and preparing for Pool Meetings, along with any other Agricultural Pool administrative activity.
8411	Compensation - AG Pool Members	Ag Pool Members are reimbursed \$125 for each Pool, Committee or Board Meeting attended. \$25 of the \$125 is coded to this category with the additional \$100 coded to account #8470.
8412	Meeting Expenses	This account covers meeting expenses, including the cost of refreshments.
8456	IEUA Readiness To Serve	Inland Empire Utilities Agency implemented a 'Readiness To Serve' charge against Watermaster for future provision of service to the land in the Agricultural preserve.
8487	Agricultural Pool Legal Services	The Agricultural Pool retains its own legal counsel to represent them in all Watermaster matters.
8487.1	Frank B & Associates	The Agricultural Pool has contracted with a water management consultant to assist them in following Watermaster activities important to the Agricultural Pool.
8487.2	Legal - Restated Judgment	This budget category covers the legal costs associated with the Restated Judgment.
8470	Ag Pool Meeting Special Compensation	See account #8411 for details of this line item.
8471	Ag Pool Special Projects	This item covers any special projects that the Agricultural Pool approves funds to be expended towards.
8475	Legal Services - Agricultural Pool Meeting	Brownstein legal services directly allocated to the preparation and attendance at the Agricultural Pool meetings.
9500	NON-AGRICULTURAL POOL ADMINISTRATION AND SPECIAL PROJECTS	
9501	WM Staff Salaries	Salary and burden costs of WM staff in attending and preparing for Pool Meetings, along with any other Non-Agricultural Pool administrative activity.
9512	Meeting Expense	This item covers meeting expenses, including the cost of refreshments.
9557	Non-Ag Legal Service	The Non-Agricultural Pool retains its own legal counsel to represent them in all Watermaster matters.
9575	Legal Services - Non-Agricultural Pool	Brownstein legal services directly allocated to the preparation and attendance at the Non-Agricultural Pool meetings.
9550	ALLOCATED O&A EXPENDITURES	Administrative overhead that is allocated to OBMP and Project jobs as a percentage of total Watermaster salaries.
6900	OPTIMUM BASIN MANAGEMENT PROGRAM	
6900	OPTIMUM BASIN MANAGEMENT PROGRAM - GENERAL ENGINEERING	This work includes general engineering services requested by Watermaster to support implementation of the OBMP. The current budget request includes general, non-project specific as well as ad hoc requests for services and data requests promoting the ongoing efforts to implement the OBMP. Items include all aspects of preparing reports as required by the OBMP including the State of the Basin Report and the conditions subsequent pursuant to Judge Gunn's December 21, 2007 court order approving Peace II.
6901	OBMP - WM Staff	Salary and burden costs of WM staff in performance of OBMP activities and projects.
6903	OBMP - SAWPA Group	Basin Monitoring Plan TaskForce with SAWPA
6906	OBMP - Engineering	Costs associated with the OBMP project by Wildermuth Environmental, Inc.
6906.1	OBMP - Watermaster Model Update	Costs associated with updating the OBMP model by Wildermuth Environmental, Inc.
6906.2	OBMP - Basin Wide Objectives	Expense category to capture basin wide objectives as determined by the Appropriative Pool and other committees.
6907.3	WM Legal Counsel	Watermaster legal counsel expenses for the three Pools, the Advisory Committee and the Board meetings, projects, activities, etc.
6907.30	Peace II - CEQA	Watermaster legal expenses related to the Peace II - CEQA.
6907.31	S. Archibald Plume - Formerly OIA	Watermaster legal expenses related to the S. Archibald Plume, formerly known as the Ontario Airport Plume.
6907.32	Chino Airport Plume	Watermaster legal expenses related to the Chino Airport Plume.
6907.33	Desalter Facilitation and Court	Watermaster legal expenses related to the Desalter Facilitation and Court proceedings.
6907.34	Santa Ana River Water Rights	Watermaster legal expenses related to the Santa Ana River Water Rights.
6907.35	Paragraph 31 Motion	Watermaster legal expenses related to the Paragraph 31 Motion and Appeal.
6907.36	Santa Ana River Habitat	Watermaster legal expenses related to the Santa Ana River Habitat.
6907.37	Water Auction	Watermaster legal expenses related to the Water Auction.
6907.38	Regional Water Quality Control Board	Watermaster legal expenses related to the Regional Water Quality Control Board.
6907.39	Recharge Master Plan	Watermaster legal expenses related to the Recharge Master Plan.
6907.4	WM Legal Counsel - Contingency	Watermaster legal expense contingency. Can only be allocated to the current fiscal year budget by submitting a budget transfer request through the three Pools, the Advisory Committee and the Board for approval.
6909	OBMP - Other Expenses	Expense category to capture other expenses related to the OBMP project (i.e. Regional Board fine and additional costs related to the water softener exchange program through IEUA).

CHINO BASIN WATERMASTER ACCOUNT NUMBER JUSTIFICATION BUDGET FY 2011-2012

Budget Account Number	Account Description	Comments and Information
6950	COOPERATIVE EFFORTS	
9501	ALLOCATED G&A EXPENDITURES	
7000	OPTIMUM BASIN MANAGEMENT PROGRAM IMPLEMENTATION PROJECTS	
7101.1	PRODUCTION MONITORING	On an ad hoc basis, Watermaster and other agencies agree to share the costs of various projects that will benefit both parties. Administrative overhead that is allocated to OBMP and Project jobs as a percentage of total Watermaster salaries.
7101.2		
7101.3		
7101.4	Production Monitoring - Computer Services	Watermaster staff collects and processes production information for the approximately 580 wells within the Basin, including approximately 200 Appropriator wells, 16 Non-Ag wells, and approximately 370 private wells. Watermaster staff read the meters for the private wells, while the Appropriators and Non-Ag parties report their meter readings to Watermaster. The data is inputted into a production database that is updated quarterly, and is used at the end of the fiscal year to provide essential data for the Assessment Package.
7102.1	IN-LINE METER INSTALLATION	Computer services are for the subscription for parcel lot information (split 50/50 with account 7109 - Groundwater Quality Monitoring). Approximately 270 in-line flow meters are now installed on the previously un-metered private wells. Approximately half of all Ag and Non-Ag meters must be calibrated each year, and other maintenance and repairs are required. Each calibration is expected to cost \$200. Approximately 12 broken meters are expected to be replaced this fiscal year, as these wells are expected to remain for at least another 12 months.
7102.5		
7102.7		
7102.8		
7103.3	GROUNDWATER QUALITY MONITORING	Pursuant to the OBMP & Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater quality monitoring program. Previously, Watermaster annually collected water quality data from approximately 200 private wells and obtained other water quality data from other cooperators so that approximately one-third of the active wells were sampled every third year. Other cooperators include members of the appropriate and overlying non-agricultural pools, the Regional Water Quality Control Board, the Department of Toxic Substances Control, the United States Geological Survey, the Orange County Water District and others. The key well monitoring program has now been implemented. Approximately 125 wells are included within the water quality key well program, with approximately 60 wells being sampled and analyzed each year. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use. The ad hoc Water Quality Committee oversees the surface water and groundwater quality programs to ensure that necessary data are collected to effectively manage the Basin.
7103.4	Groundwater Quality Monitoring - Contract Services	Contract services for this category include pumping of monitoring wells, the installation of access spigets on wells as necessary, and highway signs.
7103.6	Groundwater Quality Monitoring - Supplies	Required supplies for this line item include sampling equipment such as piping and valving, and well as the rental of equipment for monitoring well testing.
7103.7	Groundwater Quality Monitoring - Computer Services	Computer services are for the subscription for parcel lot information (split 50/50 with account 7101 - Production Monitoring).
7104.1	GROUNDWATER LEVEL MONITORING	Pursuant to the OBMP and Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater-level monitoring program. The key well monitoring program has now been implemented. For the key well program, about 75 wells are measured monthly, about 70 wells are measured by transducers, about 210 wells are measured by municipal well owners (which are collected by Watermaster staff), and about 100 wells are measured by cooperators. Cooperators include members of the appropriate and overlying non-ag pools, RWQCB, DTSC, USGS, OCWD, and others. All data is checked for reasonableness with regard to historical data at the well, converted from depth-to-water to groundwater-level elevation, and compiled into a centralized database. The majority of this effort is concentrated in the southern half of the basin to support Desalter/HCMP monitoring programs. This data is analyzed in time series charts and maps annually to support the annual HCMP report and the semi-annual State of the Basin Report.
7104.3	PROJECT	
7104.6	Groundwater Level Monitoring - Supplies	Required supplies for this category include sounder replacement lines, rubber gloves, distilled water, and fittings for installing transducers.
7104.7	Groundwater Level Monitoring - Capital Equipment	Capital equipment for this category include transducers and transducer download cables purchased by Watermaster staff.
7104.4	Groundwater Level Monitoring - Contract Services	Contract services for this category include the construction of aluminum covers for transducers (not otherwise enclosed in structures) and ground-level surveys of well reference points.
7104.8		
7104.9	Groundwater Level Monitoring - Capital Equipment	Capital equipment purchased by the Wildermuth Environmental, Inc. staff.
7105.1	BASIN WATER QUALITY MONITORING	Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the surface water quality monitoring program. Work in this line item previously included measuring water quality at recharge and flood retention basins within the Chino Basin. This was typically done during the rainy season only; approximately 3-4 samplings per basin per year. Enough data has now been collected and catalogued for this activity and only minor amounts of money are now budgeted for use on an as-needed basis.
7105.4		
7105.6	Basin Water Quality Monitoring - Supplies	Required supplies for this line item include rubber gloves, sample bags, tools, and field lab equipment.
7107.1	GROUND LEVEL MONITORING	Pursuant to the OBMP and Peace Agreement, Program Element 1 also includes the development and implementation of a ground-level monitoring and testing program. Watermaster is interested in determining how much, if any, subsidence has occurred in the Basin and in monitoring the effectiveness of the OBMP in minimizing it. Data is collected from a network of ground elevation stations (surveys), from a multi-piezometer and from a dual borehole extensometer in the subsidence-prone area (mainly Management Zone 1). Satellite imagery (InSAR) will also be collected and analyzed for subsidence. Watermaster is implementing these efforts as part of the MZ1 Subsidence Management Plan.
7107.2		
7107.3		
7107.5		
7107.6		A pump test at a well owned by the City of Chino Hills will be performed, as well as installation of a new cable extensometer and a survey in the CCWF area.

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**CHINO BASIN WATERMASTER
ACCOUNT NUMBER JUSTIFICATION
BUDGET FY 2011-2012**

Budget Account Number	Account Description	Comments and Information
7107.8	Ground Level Monitoring - Capital Equipment	Capital equipment purchased by the Wildermuth Environmental, Inc. staff.
7107.9	Ground Level Monitoring - Supplies	Miscellaneous supplies for this line item.
7108.1	HYDRAULIC CONTROL MONITORING PROGRAM	As part of the Basin Plan, a monitoring plan to evaluate the state of hydraulic control in the southern end of the basin has been developed. Hydraulic control will be used to maximize the safe yield of the basin. Watermaster, OCWD and the Regional Board have developed a monitoring plan to assess the state of hydraulic control to provide information to Watermaster to manage future production and recharge. Samples are collected from stations along the SAR every-other-week for water quality analyses. Stream flow measurements are also collected from stations along the SAR. Four near-river wells are monitored monthly and 21 HCMP SAR wells are monitored annually. Water discharge and quality data area collected from all POTWS and other non-frietary dischargers between the Riverside Narrows and below Prado dam. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use.
7108.2		
7108.3		
7108.4		
7108.5		
7108.9		A 2011 aerial photograph of the Chino Basin will also be purchased.
7109.3	RECHARGE AND WELL MONITORING PROGRAM	Engineering services to review quarterly and annual reports for Chino Basin Recycled Water Groundwater Recharge Program.
7109.4		
7201	OBMP PROGRAM ELEMENT 2 -- COMPREHENSIVE RECHARGE PROGRAM	This budget category includes the start of the Recharge Master Plan implementation, GRCC participation and recharge basin O&M (a shared cost with IEUA).
7202		
7202.1		
7202.2		
7202.3		
7203		
7204		
7205		
7206	OBMP Program Element 2 - Basin Program	Basin O&M charges direct from IEUA.
7207	OBMP Program Element 2 - Recharge - Other	San Sevaine channel repair - cost sharing agreement with San Bernardino County Flood Control District and Inland Empire Utilities Agency
7301	OBMP PROGRAM ELEMENTS 3 & 5 - WATER SUPPLY PLAN - DESALTER	The expenses in this budget line item includes engineering services for the technical review of non-Watermaster consultant work products for consistency with OBMP, Basin Plan and other Watermaster interests. Work in this category also includes the design support for the proposed Chino Creek Desalter well field.
7304		
7305		
7306		
7401	OBMP PROGRAM ELEMENT 4 - MANAGEMENT ZONE MANAGEMENT STRATEGIES	Pursuant to the OBMP and Peace Agreement, Watermaster has developed a long-term management plan for MZ1. Watermaster and the Court approved the MZ1 Subsidence Management Plan in 2007. Watermaster began implementing the MZ1 Subsidence Management Plan in FY 2008-2009 and continued in years thereafter, adapting the plan as new data and understanding dictates. Data collected and analyzed will be presented and discussed at the Subsidence Technical Group meetings.
7402		
7403		
7404		
7405		
7501	OBMP PROGRAM ELEMENTS 6 & 7 - COOPERATIVE EFFORTS AND SALT MANAGEMENT	Pursuant to the OBMP and Peace Agreement, Watermaster will complete specific activities to improve water quality monitoring and analyze the effectiveness of the OBMP to accomplish its goals. The work in this line item includes coordinating the Water Quality committee activities, coordinating with RWQCB and DTSC on several groundwater plumes - including VOC plumes potentially emanating from the South Archibald Plume (formerly OIA) and the Chino Airport, and the Stringfellow perchlorate plume, which has now reached the Santa Ana River, the Basin Monitoring Task Force pursuant to Watermaster's Maximum Benefit obligation, and participating in the TMDL process for Santa Ana River, Chino and Mill Creeks.
7502		
7503		
7505		
7603		This budget category includes laboratory costs for split-sample analyses with ABGL of the South Archibald Plume.
7601	OBMP PROGRAM ELEMENTS 8 & 9 - STORAGE MANAGEMENT AND CONJUNCTIVE USE PROGRAMS	This budget category includes Watermaster's effort to expand the existing DYY Program and to develop new groundwater storage programs.
7602		
7604		
7701	INACTIVE WELL PROTECTION PROGRAM	Pursuant to the OBMP and Peace Agreement, Watermaster is responsible for inactive wells that have not been properly abandoned. Watermaster equips inactive wells with devices that meet the requirement of well abandonment to protect the integrity of the groundwater. These devices also allow for access to the well for monitoring purposes, if necessary. This fiscal year, approximately two or three inactive wells will need to be equipped with such devices.
7703		
7690	RECHARGE IMPROVEMENT DEBT PAYMENT	Repayment of debt as agreed to in contract with Inland Empire Utilities Agency for improvement of recharge basins within the Chino Basin. This expense is to be paid by the Appropriators.

CHINO BASIN WATERMASTER ACCOUNT NUMBER JUSTIFICATION BUDGET FY 2011-2012

Budget Account Description
Number

Comments and Information

9502 ALLOCATED G&A EXPENDITURES Administrative overhead that is allocated to O&M and Project jobs as a percentage of total Watermaster salaries.

SUPPLEMENTAL & REPLENISHMENT WATER INCOME AND EXPENSES

Water rights were assigned in the Judgment entered in 1978. It established the terms and conditions regarding replenishment water and how the assessments would be levied to cover the water for each pool. No amounts are budgeted in this category as Watermaster is unable to determine what the overproduction will be at year, if any. Replenishment water is a "pass-thru" expense meaning all amounts overproduced by an agency are billed to them at the rate Watermaster pays for the cost of the water, plus fees.

Certain Appropriators under the Judgment have 15% of the cost of replenishment water required by their group and 85% of the cost is paid by the appropriator overproducing water in the prior year. Other Appropriators have the obligation to pay 100% of the costs of replacing any overproduced water.

Costs levied against the 15%/85% group for replacing water.

Costs levied against the 15%/85% group for replacing water.

Costs levied against those subject to 100% assessments for replacing water.

Cumulative Unmet Replenishment Obligation (CURO).

Non-Ag members (primarily industrial producers) are required to replace any water produced which exceeds their assigned water rights.

Sale of stored Non-Ag water to the Appropriators.

Costs of Replenishment or Supplemental Water.

This budget line covers the costs of purchasing replenishment water from MWD.

Inland Empire Utilities Agencies charges a fee for water delivered.

4210	App Pool Replenishment Assessments
4211	15% Gross Assessments
4212	85% Gross Assessments
4213	100% Net Assessments
4216	CURO Adjustment
4220	Non-Ag Pool Replenishment
4613	Stored Water Sales
5010	Groundwater Recharge
5011	Replenishment Water
5017	IEUA Surcharges

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**CHINO BASIN WATERMASTER
ASSESSMENT CALCULATION
FISCAL YEAR 2011-2012**

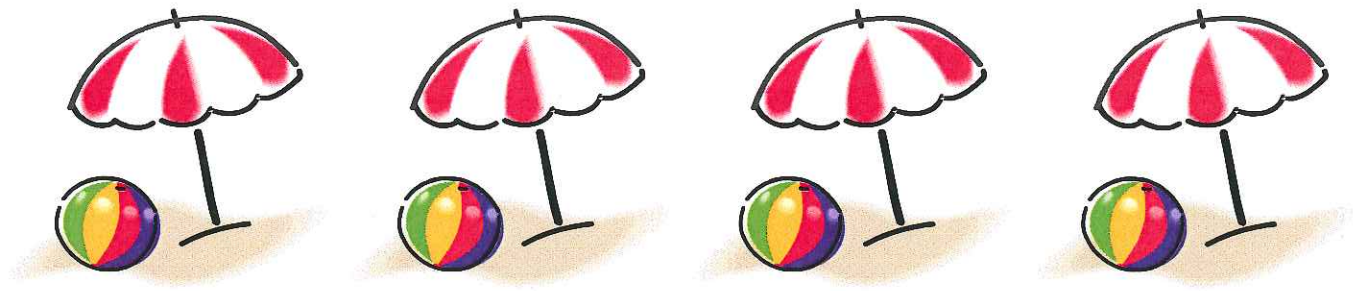
INCLUDES "30% OPERATING RESERVES" AND "FUNDS ON HAND UTILIZED FOR ASSESSMENTS"

	FY		ASSESSMENT	APPROPRIATIVE POOL		AGRICULTURAL POOL		NON-AG POOL	
	2010-2011 BUDGET	2011-2012 BUDGET							
PRODUCTION BASIS									
2009-10 Production & Exchanges in Acre-Feet (Actuals)			114,495,915	78,733,238	68.765%	31,854,766	27.822%	3,907,911	3.413%
2010-11 Production & Exchanges in Acre-Feet (Projected Estimate)			113,426,601	76,426,601	67.380%	33,000,000	29.094%	4,000,000	3.527%
BUDGET									
Administration, Advisory Committee & Watermaster Board (1)	\$847,518	\$969,458		\$653,219		\$282,051		\$34,188	
OBMP & Implementation Projects (1)	5,133,009	5,284,765		3,560,864		1,537,534		186,368	
General Admin & OBMP Assessments	\$5,980,527	\$6,254,223		653,219		282,051		34,188	
TOTAL BUDGET			6,254,223	653,219		282,051		34,188	
Less Budgeted Interest Income	(175,010)	(150,009)		(101,076)		(43,643)		(5,290)	
Contributions from Outside Agencies	(148,410)	(411,000)		(276,931)		(119,575)		(14,494)	
CASH DEMAND			5,693,214	653,219		282,051		34,188	
OPERATING RESERVE (Estimated)									
Administrative (30%)	30%	290,837		\$195,966		\$84,615		\$10,256	
OBMP (30%)	30%	1,585,430		1,068,259		461,260		55,910	
Less: Funds On Hand Utilized for Assessments (2)			(2,076,267)	(216,854)		(93,635)		(11,350)	
FUNDS REQUIRED TO BE ASSESSED			\$5,493,214	\$632,331		\$273,031		\$33,094	
Proposed Assessments				\$48.43					
General Administration Assessments	A	Per Acre-Foot	\$8.25	\$40.18		\$8.27		\$8.27	\$40.16
Minimum Assessments		Per Producer	\$5.00					\$5.00	
Prior Year Assessments (Actuals)	B	Per Acre-Foot	\$7.40	\$42.01		\$7.40		\$7.40	\$42.01
	A - B		\$0.85	(\$1.83)		(\$0.98)			

(1) Total costs are allocated to Pools by actual production percentages. Does not include Recharge Debt Payment or Replenishment water purchases.

(2) Cash on Hand is June 30 fund balance (estimated) less funds required for Agricultural Pool Reserves, carryover replenishment obligations, SB 22 funds and Education funds.

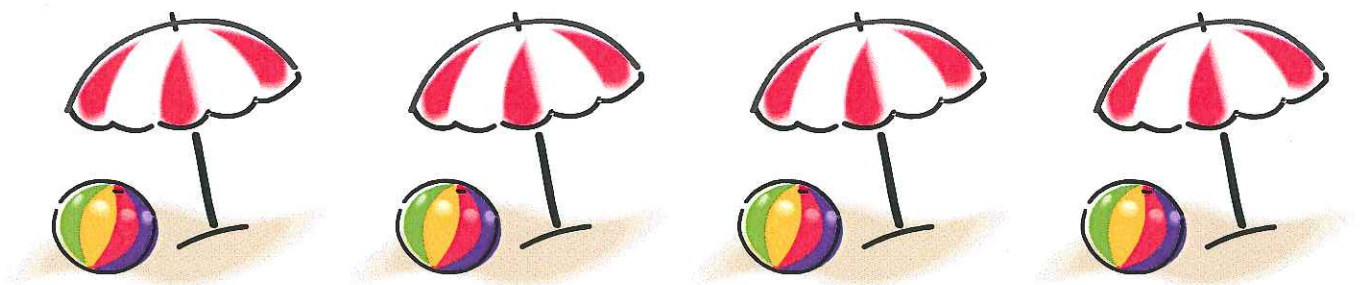
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CHINO BASIN WATERMASTER

III. BUSINESS ITEM

A. ACQUISITION OF RIGHT OF ENTRY AGREEMENT FOR HORIZONTAL EXTENSOMETER





CHINO BASIN WATERMASTER

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

DESI ALVAREZ
Chief Executive Officer

STAFF REPORT

DATE: July 28, 2011
TO: Watermaster Board Members
SUBJECT: Right of Entry Agreement for Horizontal Extensometer

SUMMARY

Issue — A Horizontal Extensometer facility is planned for construction in August 2011 on private property in the City of Chino. A Right of Entry Agreement between Watermaster and the property owner is needed so that Watermaster (1) can enter the property to install and periodically maintain/inspect the facility and (2) has assurance that the facility will remain in place for at least 21 months.

Recommendation — Approve the Right of Entry Agreement.

Financial Impact — Watermaster's pays \$1,000 to the property owner to offset any legal fees the property owner incurs for review and acceptance of the Right of Entry Agreement.

BACKGROUND

The MZ1 Subsidence Management Plan (MZ1 Plan) was developed by the MZ1 Technical Committee (now the Land Subsidence Committee) and approved by Watermaster in October 2007. The purpose of the MZ1 Plan is to reduce or abate future land subsidence and ground fissuring in MZ1—specifically in an area of the City of Chino that experienced land subsidence and ground fissuring in the early 1990s. In November 2007, the Court approved the MZ1 Plan and ordered its implementation.

The MZ-1 Plan calls for Watermaster to perform and/or support certain activities, including:

- Monitoring of horizontal strain across the historical fissure zone.
- Conducting additional testing and monitoring to refine the Guidance Criteria.
- Developing alternative pumping plans for the MZ-1 producers that are impacted by the MZ-1 Plan.
- Conducting an ASR (aquifer injection and recovery) feasibility study at a production well owned by the City of Chino Hills.

The Land Subsidence Committee has developed a plan to install a monitoring facility (Horizontal Extensometer) across the historical fissure zone. The purpose of the Horizontal Extensometer will be to record horizontal movement across the fissure zone as groundwater levels change in the area because of pumping and recharge. Controlled aquifer tests are planned for 2011-13 which include pumping and deep-aquifer injection. The hope of the Land Subsidence Committee is that the data derived from the Horizontal Extensometer during the aquifer tests helps to refine the existing Guidance Criteria in the MZ1 Plan, and assists the MZ1 producers that are impacted by the MZ1 Plan to develop alternative pumping/injection plans that will not cause land subsidence and ground fissuring in the future. To the extent that the Land Subsidence Committee deems the Horizontal Extensometer useful and valuable, it may recommend to Watermaster a long-term monitoring mission for this facility, movement of the facility to a different location (if necessary), or installation of a similar facility(ies) elsewhere (if needed).

The Land Subsidence Committee has selected a preferred site for the Horizontal Extensometer on private property in the City of Chino. A Right-of-Entry Agreement between Watermaster and the property owner has been reached so that Watermaster can access the property to install, maintain, and inspect the Horizontal Extensometer. The Right-of-Entry Agreement is attached for review and approval by Watermaster. The property owner has already agreed to the terms. Watermaster's payment of \$1,000 to the property owner is intended to offset any legal fees that the property owner may incur due to review and acceptance of this Right-of-Entry Agreement.

The term of the agreement is 21 months – this is the minimum period required to accomplish the monitoring of the fissure zone during the controlled aquifer tests that are planned for 2011-13. The property owner has been cooperative, but is unwilling to commit to more than 21 months at this time. By executing this agreement, Watermaster assumes the risk that the property owner may ask Watermaster to remove the facility at the conclusion of the 21-month term. But, as stated above, at that time Watermaster will have the criteria to decide on whether to remove and discontinue monitoring, or find a different location to re-install the facility. The agreement also allows Watermaster to request an extension of the agreement with the property owner (or any subsequent property owner).

ACTIONS:

July 14, 2011 Appropriative Pool – Approved Unanimously

July 14, 2011 Non-Agricultural Pool – Moved to approve recommendations, subject to any changes which the Chair of the Non-Ag Pool and Chair of the Advisory Committee determines appropriate

July 14, 2011 Agricultural Pool – Approved Unanimously

July 21, 2011 Advisory Committee – Approved Unanimously

July 28, 2011 Watermaster Board –

RIGHT OF ENTRY AGREEMENT

THIS RIGHT OF ENTRY AGREEMENT ("Agreement") is made as of the ____ day of July 2011 by and among Jim Farrand ("Landowner") and Chino Basin Watermaster ("Watermaster") (collectively, the "Parties").

A. Landowner owns certain undeveloped real property located at 5500 Daniels Street, Chino, California, 91710 ("Property").

B. Landowner desires to allow Watermaster to enter and use a portion of the Property to install, maintain and inspect horizontal extensometer facilities, including protective crash posts that will be visible above ground while the property remains undeveloped ("Monitoring Facilities").

C. Watermaster desires to use a portion of the Property to install, maintain and inspect the Monitoring Facilities.

AGREEMENT

1. **Right of Entry.** By this Agreement, Landowner grants to Watermaster a right of entry ("Right of Entry") for the installation, maintenance and inspection of Monitoring Facilities on the Property.
2. **Location of Right of Entry.** The Right of Entry will cover the area within 20 feet of the northern boundary of the Property and within 200 feet of the western boundary of the Property, as depicted in Exhibit A attached to this Agreement ("Right of Entry Area"). The Right of Entry Area is within a setback zone that the City of Chino will potentially require to remain undeveloped in the event the Property is developed in the future.
3. **Consideration.** In exchange for receiving the Right of Entry, Watermaster agrees to pay Landowner the sum of one thousand dollars (\$1,000), the receipt and sufficiency of which is acknowledged by Landowner's signature on this Agreement.
4. **Term.** This Agreement shall be effective for 21 months beginning August 1, 2011. The duration of the Agreement may be extended by written agreement signed by Landowner and Watermaster.
5. **Landowner Obligations.** Landowner further agrees:
 - a. Landowner will use its best efforts to refrain from disturbing the Monitoring Facilities in the use of the Property for his own purposes.
 - b. Any future landscaping or pavement installed by Landowner will not interfere with Watermaster's exercise of its rights under this Agreement, including its ability to install, maintain or inspect the Monitoring Facilities in the Right of Entry Area.

c. Landowner agrees to fully disclose the existence of the Monitoring Facilities, and all his obligations under this Agreement, to any future purchaser of the Property.

6. Watermaster Obligations. Watermaster further agrees:

a. Watermaster and its agents or representatives will lock all gates while on and upon leaving the Property in order to protect the Property from the acts of third parties.

b. Watermaster will remove Monitoring Facilities if they are no longer in use and will thereafter restore the Property to its original condition or a condition equivalent to that which existed before installation of the Monitoring Facilities.

c. Watermaster will construct the Monitoring Facilities below ground, except that protective crash posts will be installed above ground around the perimeter of the Monitoring Facilities during the time that the Property remains undeveloped.

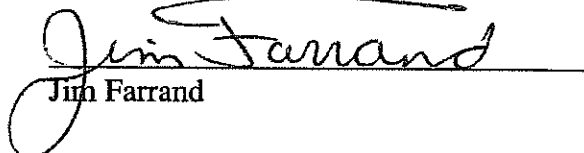
7. Successors and Assigns. This Agreement shall be binding upon and benefit any successors or assigns of the Parties, including any future purchasers of the Property.

8. Incorporation of Exhibit. The exhibit attached to this Agreement is incorporated by this reference.

9. Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed to be an original Agreement and which taken together shall constitute one agreement.

Dated: July ____, 2011

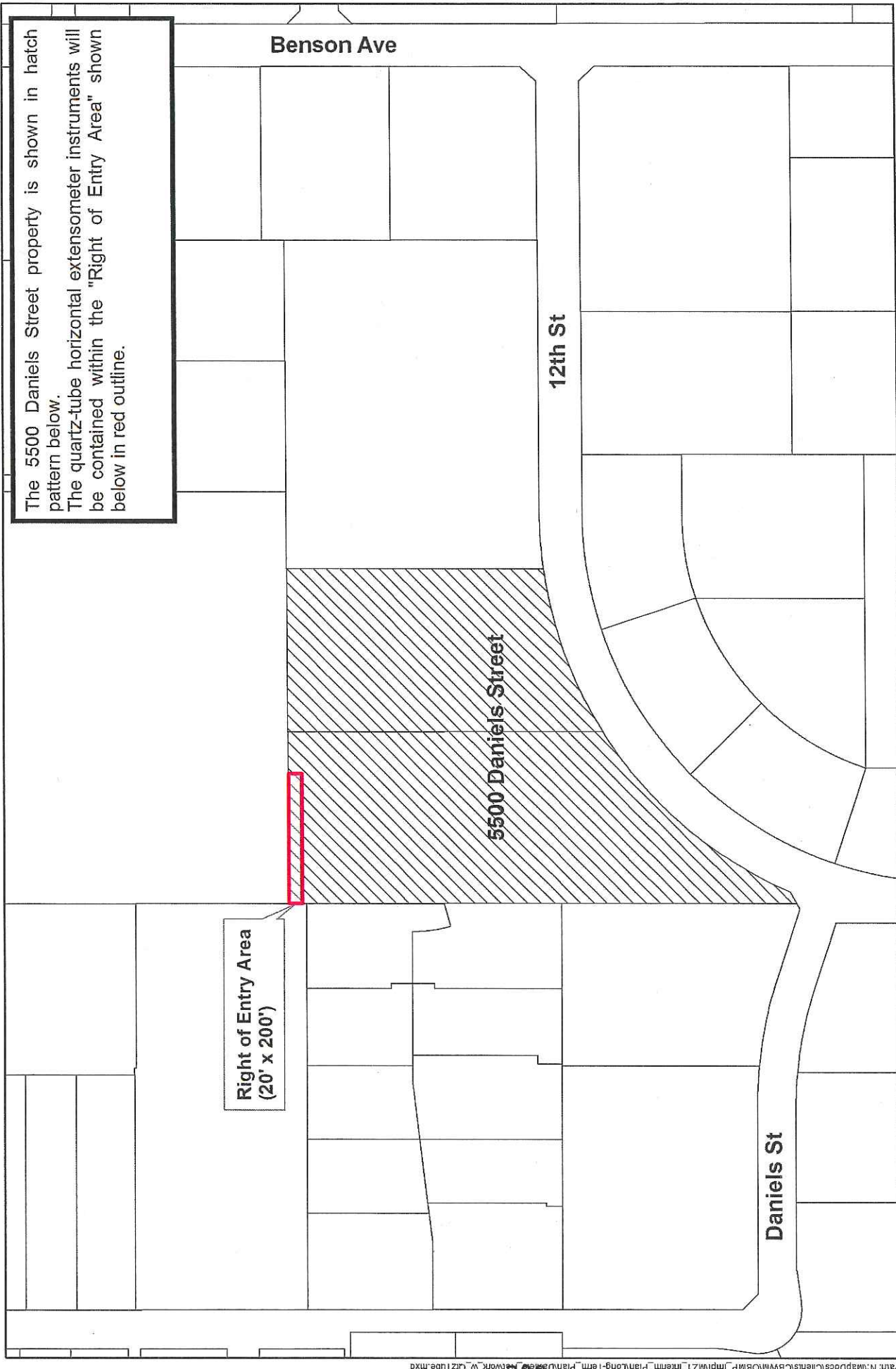
Desi Alvarez, Chino Basin Watermaster



Jim Farrand

EXHIBIT:

A – Proposed Location of the Horizontal Extensometer



The 5500 Daniels Street property is shown in hatch pattern below.
 The quartz-tube horizontal extensometer instruments will be contained within the "Right of Entry Area" shown below in red outline.

Right of Entry Area
 (20' x 200')



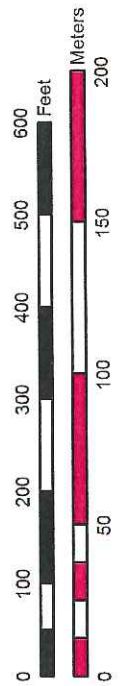
Proposed Location of the Horizontal Extensometer
 5500 Daniels St, Chino CA 91710

Exhibit - A

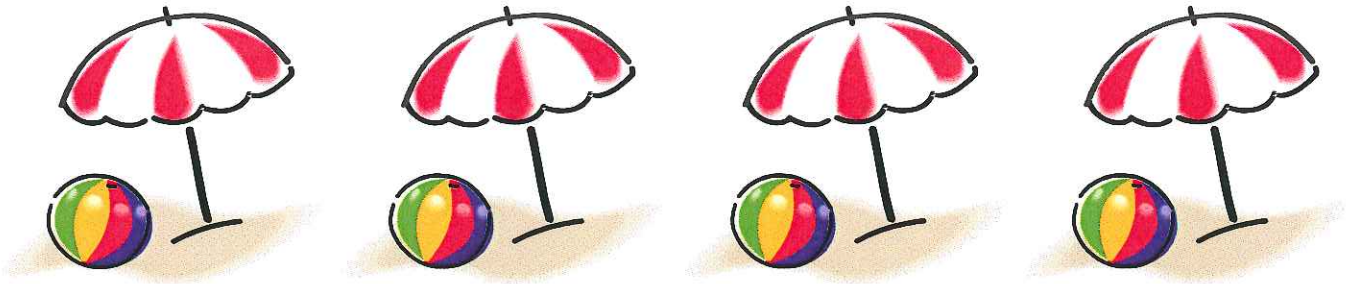


WILDERMUTH
 ENVIRONMENTAL INC.

23692 Blitcher Drive
 Lake Forest, CA 92530
 949.420.3030
 www.wildermuthenvironmental.com



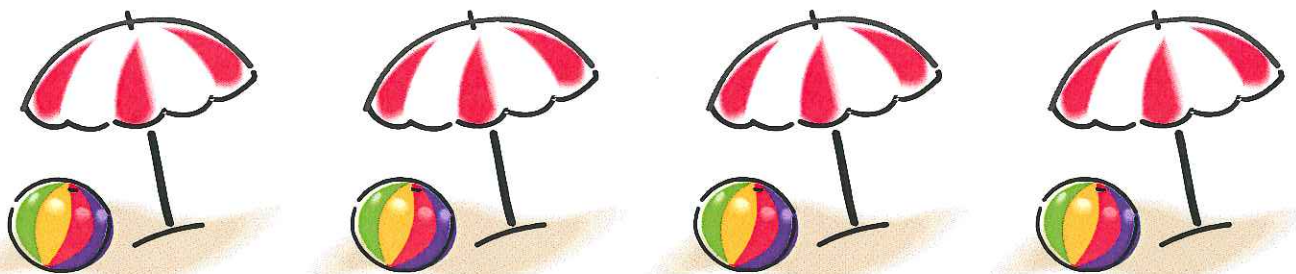
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CHINO BASIN WATERMASTER

III. BUSINESS ITEM

B. LOAN AGREEMENT WITH THE CHINO BASIN WATER CONSERVATION DISTRICT





CHINO BASIN WATERMASTER

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

DESI ALVAREZ, P.E.
Chief Executive Officer

STAFF REPORT

DATE: July 28, 2011
TO: Watermaster Board Members
SUBJECT: Loan Agreement with the Chino Basin Water Conservation District

SUMMARY

Recommendation – Receive and file this report summarizing a Loan Agreement with the Chino Basin Water Conservation District in an Amount not to exceed \$5,000,000.00

Discussion:

Beginning May 16, 2011 imported replenishment water has been spread in Chino Basin to augment the water supply making additional water available in the Desalter overdraft account and for preemptive replenishment. Replenishment water deliveries are scheduled to end December 31, 2011 during which period it is estimated that between 40,000 AF and 50,000 AF of imported water will be spread in the basin. Since acquisition of this water was unplanned Watermaster did not budget for the water purchase and per the direction of the Advisory Committee and the Board of Directors has been working on finding interim financing to pay for purchase of the water. As part of this effort Watermaster has been negotiating with various parties including its bank, the Chino Basin Water Conservation District, and regional agencies such as IEUA, WMWD, and TVMWD.

On July 11, 2011 the Chino Basin Water Conservation District Board of Directors approved a loan of up to \$5,000,000.00 to the Chino Basin Watermaster. Following the CBWCD Board's approval of the loan a Loan Agreement has been negotiated between Watermaster and CBWCD (Exhibit B attached).

The Loan Agreement provides the legal framework whereby the Chino Basin Water Conservation District will lend Watermaster up to Five Million Dollars (\$5,000,000.00). The loan will be subject to a variable interest rate equivalent to the monthly Local Agency Investment Fund (LAIF) interest rate plus one and one-half percent (1.5%) interest per annum. Interest will be calculated on the basis of a 30-day month and a 360-day year and shall be paid quarterly. The principal shall be due and payable on January 15, 2015.

Watermaster agrees to pledge assessment revenue received from replenishment assessments levied by Watermaster and shall make principal payment due from such revenue. No new debt will be issued with a priority on parity or senior to the CBWCD. Watermaster will repay the loan through the replenishment assessments it will be collecting to meet Desalter replenishment obligations beginning in 2013 consistent with Article VI of the Peace II Agreement. If by November 15, 2014, Watermaster has not collected replenishment assessments to meet its commitment for full repayment, then by December 15, 2014, Watermaster will levy a special assessment in an amount sufficient to meet the repayment obligations due on January 15, 2015.

Interest payments which are due quarterly will be paid from existing reserves. The estimated interest cost through January 2015 is \$333,330.00. This cost assumes an interest rate of two percent which is based on the average LAIF note for the past six quarters plus 1.5%. Watermaster currently has approximately \$1.3M dollars in a reserve which appears sufficient to cover this expense.

The Agreement will be submitted by Watermaster to the San Bernardino Superior Court (the "Court") maintaining continuing jurisdiction over the Judgment with a request that the Court find that the Agreement constitutes a legal and binding commitment on Watermaster.

Actions:

July 21, 2011 Advisory Committee – Requested that the loan agreement between Chino Basin Watermaster and Chino Basin Water Conservation District be presented to the Pools in August for further discussion and approval of the use of the accumulated reserves to offset monthly interest payments

July 28, 2011 Watermaster Board –

AGREEMENT TO PROVIDE LOAN

This Agreement to Provide Loan ("Agreement") is made as of this ____ day of July, 2011, by and between Chino Basin Water Conservation District (the "District"), and Chino Basin Watermaster (the "Watermaster").

RECITALS

A. Watermaster is the entity appointed by the Court maintaining continuing jurisdiction over the case *Chino Basin Municipal Water District v. City of Chino, San Bernardino Superior Court Case No. RCV 51010* ("Judgment"), whose purpose is to administer the terms of the Judgment.

B. District is a California Water Conservation District organized under _____.

C. Watermaster desires to purchase replenishment water from the Metropolitan Water District of Southern California ("MWD") in order to augment the basin's water supply to satisfy Desalter replenishment obligations of the parties to the Judgment.

D. Under the Judgment, Watermaster collects revenue to purchase replenishment water on a yearly basis based on pumping by parties to the Judgment that incur a replenishment obligation.

E. Watermaster desires to borrow, and District desires to assist Watermaster by lending to Watermaster, an amount in cash not to exceed \$5,000,000 (the "Loan") in order to accomplish the purchase of water from MWD.

F. Under Paragraph 24 of the Judgment, "Watermaster may borrow from time to time amounts not exceeding the annual anticipated receipts of Watermaster during such year."

NOW THEREFORE, IN CONSIDERATION of the mutual agreements, obligations, and representations, and in further consideration for the making of the Loan, Watermaster and District hereby agree as follows:

1. Loan. Subject to the terms and conditions of this Agreement, District hereby agrees to lend the Watermaster up to Five Million Dollars (\$5,000,000.00) at a variable interest rate equivalent to the monthly Local Agency Investment Fund interest rate plus One and One-Half Percent (1.5%) simple interest per annum as more detailed in the attached Promissory Note (the "Note", Exhibit A to this Agreement). As more fully set forth in the Note, the terms of the Loan shall include the following:

1.1 Interest shall be paid quarterly. Interest shall be calculated on the basis of a 30-day month and a 360-day year.

1.2 The Note will provide that all outstanding principal shall be due and payable on January 15, 2015.

2. Security. Subject to the terms and conditions of this Agreement, in conjunction with the Note, Watermaster hereby agrees to pledge assessment revenue received from replenishment assessments levied by Watermaster ("Pledged Revenues"), which agreement shall be in the form of the Security Agreement attached hereto as Exhibit B (the "Security Agreement"), and shall make payments due under the Note from the Pledged Revenues and any other legally available source. No new debt will be issued with a priority on parity or senior to the Loan. Any assessments necessary to pay such Loan shall be levied by Watermaster. Watermaster shall levy replenishment assessments upon every acre-foot of water that incurs a replenishment assessment in an amount sufficient to account for both the principal and interest on money borrowed to purchase that water. If by November 15, 2014, Watermaster has not collected replenishment assessments to meet its commitment for full repayment, then by December 15, 2014, Watermaster will levy a special assessment in an amount sufficient to meet the repayment obligations due on January 15, 2015.

3. Use of Loan Proceeds. Watermaster hereby covenants and agrees that the proceeds from the Loan shall only be used to pay invoices from the Inland Empire Utilities Agency ("IEUA") for replenishment water purchased by IEUA from MWD and the Water Facilities Authority for treatment charges.

4. Distribution of Loan Proceeds. Funds will be made available by the District within three days of demand from Watermaster, but shall only be distributed as invoices are received from IEUA for the water and only in the amount of such invoices.

5. Watermaster Records. Watermaster covenants to keep proper books and financial records, in accordance with accepted practices for similar issuers, and to make such books and records available for reasonable inspection by District. Watermaster shall also provide the following financial information and statements in form and content acceptable to District:

5.1 Within 240 days of fiscal year end, a copy of Watermaster's CPA audited financial statement.

5.2 Within 90 days after the end of each interim six-month period (the first six-month period ending on December 31, 2011), a copy of Watermaster's unaudited financial statements for the six months then ended.

5.3 Within 90 days after the beginning of the fiscal year being budgeted, a budget for the new fiscal year.

5.4 Such other financial information as may be reasonably requested by the District from time to time.

6. Court Approval; Deliverables. This Agreement shall be submitted by Watermaster to the San Bernardino Superior Court (the "Court") maintaining continuing jurisdiction over the Judgment with a request that the Court find that the Agreement constitutes a legal and binding commitment on Watermaster. Such approval shall act as a condition precedent to the execution by the parties of the Note and the Security Agreement. Within days of receiving Court approval, the parties shall execute and deliver the Note and the Security Agreement in the forms attached hereto.

7. Representations and Warranties. Watermaster represents and warrants that it knows of no existing or threatened litigation the results of which, if adversely determined, would have a material adverse effect upon Watermaster's ability to fulfill its obligations under this Agreement.

8. Term. This Agreement shall commence on the date set forth above and remain in full force and effect throughout the term of the Loan.

9. Governing Law. This Agreement and any exhibits referenced herein shall be interpreted under and be governed by the laws of the State of California. Any dispute arising under this Agreement shall be subject to the jurisdiction of the Court maintaining continuing jurisdiction over the Judgment.

10. Time. Time is of the essence in this Agreement.

11. Notices. Formal notices, demands and communications between Watermaster and District shall be sufficiently given and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of Watermaster and District as follows:

DISTRICT:

WATERMASTER: Chino Basin Watermaster
c/o Mr. Desi Alvarez
8632 San Bernardino Road
Cucamonga, CA _____

12. Relationship of Parties. The relationship of Watermaster and the District under this Agreement is and at all times shall remain solely that of a debtor and a creditor, and shall not be construed as a joint venture, equity venture, partnership, or any other relationship, except as otherwise may be agreed to by the parties. The District neither undertakes nor assumes any responsibility or duty to Watermaster (except as provided for herein) or any third party.

13. Assignment; Binding Nature. This Agreement and the rights granted herein are personal to the District and the Watermaster and may not be exercised or assigned voluntarily or involuntarily by or to any person or entity other than the District and the Watermaster, and shall terminate and be of no further force or effect upon any assignment. All provisions of this Agreement shall be binding upon and inure to the benefit of the administrators, successors-in-interest, transferees, and permitted assigns of each of the parties; provided, however, that except as otherwise permitted in this Agreement, this section does not waive the prohibition on assignment of this Agreement by the District or the Watermaster without the District's or the Watermaster's consent.

14. Waiver. Any waiver by the District of any obligation in this Agreement must be in writing. No waiver will be implied from any delay or failure by the District to take action on any breach or default of Watermaster or to pursue any remedy allowed under the Agreement or applicable law. Any extension of time granted to Watermaster to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by the District to any act or omission by Watermaster shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the District's written consent to future waivers.

15. Entire Agreement; Amendment. This Agreement including exhibits referenced herein contain the entire agreement of the parties and supersede any and all prior negotiations with respect to the subject matter hereof. Any amendments or modifications to this Agreement must be in writing, and shall be made only if executed by both Watermaster and the District.

16. Other Agreements. Watermaster represents that it has not entered into any agreements that are inconsistent with the terms of this Agreement. Further, Watermaster shall not enter into any agreements that are inconsistent with the terms of this Agreement without an express waiver by the District in writing.

17. Severability. Every provision of this Agreement is intended to be severable. If any provision of this Agreement shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

18. Attorneys' Fees. If any legal proceeding (lawsuit, arbitration, etc.) including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, each party shall bear its own costs.

IN WITNESS WHEREOF , the parties have executed this Agreement as of the date first written above.

DISTRICT

By: _____

WATERMASTER

By: _____
Desi Alvarez, CEO

- Exhibit A: Form of Promissory Note
- Exhibit B: Form of Security Agreement

EXHIBIT A

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SECURED PROMISSORY NOTE

1. **Evidence of Obligation.** For value received, this Promissory Note (the “Note”) is given by Chino Basin Watermaster (“Borrower”) to Chino Basin Water Conservation District (“Lender”), to evidence that certain obligation by Borrower to pay to Lender a principal amount not to exceed Five Million Dollars (\$5,000,000.00).
2. **Payment Covenant.** For value received, Borrower promises to pay to Lender at Cucamonga, California, or at such other place as may be designated in writing by Lender, or to its order, a principal amount not to exceed Five Million Dollars (\$5,000,000.00) plus Interest (as defined below in Section 3), as provided herein.
3. **Use of Proceeds; Principal Amount.** The principal shall only be used by Borrower to pay invoices from the Inland Empire Utilities Agency (“IEUA”) for replenishment water purchased by IEUA from the Metropolitan Water District of Southern California and the Water Facilities Authority for treatment charges. The amount of the principal of this Note shall be determined as follows but shall not exceed \$5,000,000.00: Funds shall be transferred by Lender to Borrower within three (3) days of written demand by Borrower to Lender, provided that such written demand include the invoices received by Borrower from IEUA, and provided further that the amount of the funds transferred by Lender to Borrower shall be an amount equal to the amount of such invoices.
4. **Interest.** Interest on the outstanding principal balance due under this Note shall accrue commencing on the date of this Note at a variable rate equal to the monthly Local Agency Investment Fund interest rate plus One and One-Half Percent (LAIF + 1.5%) simple interest per annum based on a 30-day month and a 360-day year (the “Interest”). The Interest shall be paid quarterly commencing on .
5. **Maturity.** The entire amount of unpaid principal, plus all accrued and unpaid Interest and any costs or fees owing under this Note shall be due and payable in full on January 15, 2015.
6. **Prepayment.** Borrower reserves the right at any time, and from time to time, to prepay all or any portion of the amounts outstanding hereunder without penalty or premium.
7. **Default; Acceleration.** If an Event of Default (as defined below) occurs under this Note, then Lender may, at its sole option, declare all sums owing under this Note immediately due and payable, and all amounts owing hereunder shall be automatically due and payable subject to any requirements as specified below.

Each of the following shall constitute an “Event of Default”:

- (a) Failure of Borrower to pay when due principal or accrued interest under this Note within thirty (30) days of any due date;

(b) A custodian, trustee, receiver, or agent is appointed or takes possession of substantially all of the assets of Borrower;

(c) Any attachment, execution, or other writ is levied on all or substantially all of the assets of the Borrower;

(d) Any default under the terms of the Security Agreement executed concurrently herewith by Borrower.

8. **Application of Payments.** Any payment when made shall be credited first on the accrued interest then due, and the remainder on the principal payable under this Note. Interest shall thereupon cease on the amount so credited on the principal sum.

9. **No Waivers.** No previous waiver and no failure or delay by Lender in acting with respect to the terms of this Note shall constitute a waiver of any breach, default, or failure of condition under this Note or the obligations secured thereby. A waiver of any term of this Note or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

10. **Usury.** All agreements between Borrower and Lender are expressly limited, so that in no event or contingency whatsoever, whether by reason of the advancement of the proceeds of this Note, acceleration of maturity of the unpaid principal balance, or otherwise, shall the amount paid or agreed to be paid to Lender for the use, forbearance, or detention of the money to be advanced under this Note exceed the highest lawful rate permissible under applicable usury laws. If, under any circumstances whatsoever, Lender shall ever receive as interest an amount that exceeds the highest lawful rate, the amount that would be excessive interest shall be applied to the reduction of the unpaid principal balance under this Note and not to the payment of interest, or, if such excessive interest exceeds the unpaid balance of principal under this Note, such excess shall be refunded to Borrower.

11. **Time of the Essence; Dates.** Time is of the essence of this Note. In the event that any date specified in this Note falls on Saturday, Sunday or a public holiday, such date shall be deemed to be the succeeding day on which the public agencies and major banks are open for business.

12. **Governing Law and Venue.** This Note shall be construed and enforced in accordance with the laws of the State of California. The venue for any proceedings under this Note shall be a court of competent jurisdiction in the County of San Bernardino, State of California.

13. **Parties in Interest.** This Note shall bind Borrower and its successors, heirs and assigns. This Note shall not be assigned or transferred by Lender without the express prior written consent of Borrower, except by operation of law.

14. **Severability.** If any provision in this Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Note will remain in full

force and effect. Any provision of this Note held invalid or unenforceable only in part or degree will remain in full force and effect the extent not held invalid or unenforceable.

15. **Attorneys' Fees.** If any legal proceeding (lawsuit, arbitration, etc.) including an action for declaratory relief, is brought to enforce or interpret the provisions of this Note, each party shall bear its own costs.

IN WITNESS WHEREOF, Borrower has executed this Note as set forth below.

BORROWER:

Chino Basin Watermaster

Desi Alvarez, CEO

Address:
8632 San Bernardino Road
Cucamonga, CA _____

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SECURITY AGREEMENT

This Security Agreement (“**Agreement**”) is made and entered into on this ____ day of _____, 2011, by and between Chino Basin Water Conservation District (the “**District**”) and Chino Basin Watermaster (“**Watermaster**”) (each a “**Party**” and collectively, the “**Parties**”) with reference to the following facts and intentions:

A. Watermaster is the entity appointed by the Court maintaining continuing jurisdiction over the case *Chino Basin Municipal Water District v. City of Chino, San Bernardino Superior Court Case No. RCV 51010* (“**Judgment**”), whose purpose is to administer the terms of the Judgment.

B. District is a California Water Conservation District organized under _____.

C. The Parties entered into that certain Agreement to Provide Loan dated _____, 2011 (the “**Loan Agreement**”), and the approval of the Court as set forth in Section 6 of the Loan Agreement has been obtained.

D. In conjunction with the Secured Promissory Note executed by Watermaster concurrently herewith (the “**Note**”), Watermaster agrees to grant the District a security interest in the assessment revenue received from replenishment assessments levied by Watermaster, as more fully described herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements hereinafter set forth, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), THE PARTIES AGREE AS FOLLOWS:

1. **Incorporation by Reference; Defined Terms.** The above Recitals and Exhibits hereto are incorporated herein by this reference. Any term used but not defined in this Agreement shall have the meaning given such term in the Loan Agreement or the Note.

2. **Grant of Security Interest.** Watermaster grants to the District a security interest in the assessment revenue received by Watermaster from replenishment assessments levied by Watermaster (the “**Pledged Revenues**”), to secure performance and payment by Watermaster to the District under the Note.

3. **No Senior Debt.** Watermaster agrees that for the term of the Note, Watermaster shall not issue any debt with a priority on parity with or senior to the Note, and shall not pledge, lien or encumber the Pledged Revenues for the term of the Note.

4. **Representations, Warranties and Covenants.** Watermaster represents, warrants and covenants that it will execute documents and take such other actions and do such other things, all as the District may from reasonably require from time to time, to establish, perfect and maintain a valid security interest and lien in the Pledged Revenues;

5. **Events of Default.** Watermaster will be in default on the occurrence of any one of the following events or conditions (each, an “**Event of Default**”):

a. Watermaster's failure to perform any of the obligations, covenants, terms or conditions contained or referred to in this Agreement or the Note;

b. Watermaster's breach of any warranty, representation or statement contained or referred to in this Agreement or the Note.

6. **Remedies of the District.** When an Event of Default occurs, the District shall provide written notice to Watermaster of the Event of Default and the reasons therefor ("Notice of Default"). Watermaster may object in writing within five (5) days of receipt of Notice of Default, and the parties shall meet and confer in good faith to resolve any dispute. If the parties are unable to resolve such dispute within 30 days then the dispute will be resolved by motion to the Court maintaining continuing jurisdiction over the Judgment. The rights, powers and remedies of the District in this Agreement shall be in addition to all rights, powers and remedies given by law and are cumulative. The exercise of any one or more of the rights, powers and remedies provided in this Agreement shall not be construed as a waiver of any other rights, powers and remedies of the District.

7. **Termination of Agreement.** This Agreement, and Watermaster's duties and obligations under this Agreement, will continue in effect and only terminate when Watermaster completes performance of the obligations and duties under the terms and conditions of the Note.

8. **General Provisions.**

a. **Recitals.** The recitals set forth at the beginning of this Agreement of any matters or facts shall be conclusive proof of their truthfulness and the terms and conditions stated in the recitals, if any, shall be deemed a part of this Agreement.

b. **Other Instruments.** The parties shall, whenever and as often as reasonably requested by the other party, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered any and all documents and instruments as may be necessary, expedient or proper in the reasonable opinion of the requesting party to carry out the intent and purposes of this Agreement, provided that the requesting party shall pay the cost and expense of the further instruments or documents (except that each party shall pay its own attorneys' fees).

c. **Construction.** The provisions of this Agreement should be liberally construed to effectuate its purposes. The language of this Agreement shall be construed simply according to its plain meaning and shall not be construed for or against either party, as each party has participated in the drafting of this Agreement and had the opportunity to have their counsel review it.

d. **Date and Delivery of Agreement.** Notwithstanding anything to the contrary contained in this Agreement, the Parties intend that this Agreement shall be deemed effective, executed, and delivered for all purposes under this Agreement as of the date stated on the first page of this Agreement.

e. **Captions, Headings, Exhibits and Abbreviations.** The captions and headings of this Agreement are for convenience only and have no force or effect in the

interpretation or construction of this Agreement. Words indicated in parenthesis signify an abbreviation for the previous set of words or terms, so that when the abbreviation is used within the Agreement, it shall have the same meaning as a full restatement of the words or terms. All recitals first stated above and all exhibits attached to this Agreement are incorporated by this reference as though fully stated in this Agreement.

f. **Severability.** If any term, provision, covenant or condition of this Agreement shall be or become illegal, null, void or against public policy, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, shall be modified or changed by the parties to the extent possible to carry out the intentions and directives stated in this Agreement. The remaining provisions of this Agreement shall remain in full force and effect and shall not be affected, impaired or invalidated thereby.

g. **Counterparts.** This agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

h. **Successors and Assigns.** This Agreement shall be binding on and shall inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns, except as restricted by this Agreement.

i. **No Assignment.** Watermaster shall not voluntarily or by operation of law assign, hypothecate, give, transfer, mortgage, sublet, license, or otherwise transfer or encumber all or any part of its rights, duties, or other interests in this Agreement without the District's prior written consent. Any attempt to do so in violation of this provision shall be a material default under this Agreement and shall be null and void.

j. **Waiver.** No waiver of any provision or consent to any action shall constitute a waiver of any other provision or consent to any other action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver in the future except to the extent specifically stated in writing. Any waiver given by a party shall be null and void if the party requesting such waiver has not provided a full and complete disclosure of all material facts relevant to the waiver requested. No waiver shall be binding unless executed in writing by the party making the waiver.

k. **Governing Law, Jurisdiction and Venue.** The validity and interpretation of this Agreement and any ancillary documents shall be governed by the laws of the State of California without giving effect to the principles of conflict of laws. The parties agree that any state court located in San Bernardino County shall have personal jurisdiction over the parties hereto and over any case or controversy related in any manner this Agreement and shall be the exclusive forum in which to adjudicate such case or controversy. Any final judgment rendered against a party in any action or proceeding shall be conclusive as to the subject of such final judgment and may be enforced in other jurisdictions in any manner provided by law.

l. **Notices.** Formal notices, demands and communications between Watermaster and the District shall be sufficiently given and shall not be deemed given unless

dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of Watermaster and the District as follows:

DISTRICT: _____

WATERMASTER: Chino Basin Watermaster
c/o Mr. Desi Alvarez
8632 San Bernardino Road
Cucamonga, CA _____

m. **Attorneys' Fees.** If any legal or equitable proceeding (lawsuit, arbitration, etc.), including an action for declaratory relief, related in any manner to this Agreement is brought, each party shall bear its own costs in the resolution of such dispute.

n. **Authorizations.** All individuals executing this and other documents on behalf of the respective parties certify and warrant that they have the capacity and have been duly authorized to so execute the documents on behalf of the entity so indicated. Each signatory shall also indemnify the other parties to this Agreement, and hold them harmless, from any and all damages, costs, attorneys' fees, and other expenses, if the signatory is not so authorized.

o. **Entire Agreement and Amendment.** In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and both parties acknowledge that they have not relied on any promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature binding except as stated in this Agreement. This Agreement supersedes, and its terms govern, all prior or contemporaneous proposals, agreement or other communications between the parties, oral or written, regarding this subject matter. This Agreement may be altered, amended or modified only by an instrument in writing explicitly referencing this Agreement, executed by the parties to this Agreement and by no other means. Each party waives their right to claim, contest or assert that this Agreement was modified, canceled, superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement on the date first above written.

**CHINO BASIN WATER CONSERVATION
DISTRICT**

By: _____

Its: _____

CHINO BASIN WATERMASTER

By: _____
Desi Alvarez, CEO

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CHINO BASIN WATERMASTER

IV. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

4. Analysis of Brown Act Applicability



Memorandum

DATE: July 18, 2011
TO: Watermaster Board
FROM: General Counsel
RE: Applicability of the Brown Act and Open Meeting Requirements to Chino Basin Watermaster

I. Purpose of this Memorandum

This memorandum analyzes whether Chino Basin Watermaster ("Watermaster") qualifies as a "public agency" for purposes of the Brown Act and whether Watermaster must comply with the Brown Act's open meeting and public participation requirements.

II. Executive Summary

The Brown Act applies to "legislative bodies" of "local agencies." Although no California court has directly addressed the issue, the Attorney General has consistently stated that courts, their sub-entities and adjuncts are exempt from the Brown Act's requirements. A public agency that is not created by statute as an entity apart from the judicial system is not a "local agency" or a "legislative body" for purposes of the Brown Act.

Since Watermaster is an arm of the court, it does not qualify as a "local agency" under the Brown Act and falls under an exemption from the Act for judicial entities. Watermaster also does not qualify as a "legislative body" for purposes of the Brown Act, because it does not exist as a distinct entity established by any legislation. Watermaster was created by the Superior Court to help implement its constitutional mandate that the waters of the state be put to full beneficial use under Article X, section 2 of the California Constitution. Since Watermaster does not qualify as a local agency or a legislative body under the Brown Act, the Act does not apply to Watermaster meetings.

III. Discussion

A. Brown Act Background

The Brown Act (also referred to below as the "Act") requires "all meetings of the legislative body of a local agency to be open and public." (Gov't Code, § 54953.) A "local agency" is defined as a county, city, school district, or "other local public agency." (Gov't Code, § 54951.) A "legislative body" is defined as "[t]he governing body of a local agency or any other local body created by state or federal statute." (Gov't Code, § 54952(a).) The Legislature passed the Brown Act to strike a balance between

allowing the public access to meetings of multi-member public bodies and the need for candor among decision-makers without the fear of public backlash. As stated by the courts, the main purpose of the Brown Act is to “facilitate public participation in local government decisions and to curb misuse of the democratic process by secret legislation by public bodies.” (*Cohan v. City of Thousand Oaks* (1994) 30 Cal.App.4th 547, 555.)

To these ends, the Brown Act imposes a host of requirements to provide public access to the meetings of the legislative bodies of local agencies. (Gov’t Code, § 54953(a); *Boyle v. City of Redondo Beach* (1999) 70 Cal.App.4th 1109, 1116.) For example, the times and dates of all meetings must be noticed and an agenda must be prepared, providing a brief general description of all matters to be discussed or considered at the meeting. (Gov’t Code, §§ 54954, 54954.2.) Closed-session meetings are specifically defined and are limited in scope. Permissible closed-session meetings are primarily limited to personnel issues, pending litigation, labor negotiations and real property acquisitions. (Gov’t Code, §§ 54956.8, 54956.9, 54957, 54957.6.)

B. The Brown Act Does not Apply to Watermaster Because it is a Judicially-Created Entity

1. Court-Affiliated Entities Do not Qualify as “Local Agencies” Under the Brown Act and are Exempt from the Act’s Requirements

When courts evaluate whether or not the Brown Act applies to an entity, the courts construe the provisions calling for open meetings and public participation broadly, and generally read any exceptions to the Act’s requirements narrowly. (*Galbisio v. Orosi Public Utility Dist.* (2008) 167 Cal.App.4th 1063.) When in doubt, the courts generally will find that the Act applies to an entity, however no California court has applied the Brown Act to judicially-affiliated entities.¹ The California Attorney General’s Office, in charge of assisting agencies in complying with the Brown Act, has consistently stated that the Brown Act “does not apply to the judicial branch of government or boards and commissions which are an adjunct to the judiciary; i.e. arms of the court.” (California Attorney General’s Office, *The Brown Act: Open Meetings for Local Legislative Bodies*, p. 4 (2003).

Attorney General opinions dealing with the Brown Act are given great weight by the courts because the Attorney General regularly advises local agencies about the meaning of the Brown Act and publishes a manual designed to assist local governmental agencies in complying with the Act’s open meeting requirements. (*Shapiro v. Board of Directors of Centre City Development Corp.* (2005) 35 Cal.Rptr.3d 826.) Three oft-cited Attorney General’s opinions illustrate the reasoning behind the conclusion that court-affiliated bodies are not required to follow the Brown Act.

In the most-cited opinion on the Brown Act’s applicability to court-related entities, Cal. Atty. Gen., Indexed Letter, No. IL 75-109 (June 3, 1975), the Attorney General was asked whether a county juvenile commission, created by order of the superior court, was subject to the Brown Act. The juvenile commission was created by the presiding judge of the superior court to oversee the administration of the juvenile court on the superior court’s behalf. Ultimately, the juvenile commission’s actions were subject to final approval by the superior court.

¹ Decisions in other states with open meetings laws similar to the Brown Act have held that the open meetings laws do not apply to the judiciary or their adjuncts. (See, e.g., *Witherow v. State Bd. of Parole Com’rs* (2007) 123 Nev. 305 (Nevada open meeting law did not apply to parole hearings); *Roberts v. City of Cranston Zoning Bd. of Review* (1982) 448 A.2d 779 (Meetings of divisions of the judicial branch are not, meetings of public bodies within the meaning of Rhode Island open meetings law); *Kennedy v. Upper Milford Tp. Zoning Hearing Bd.* (2003) 575 Pa. 105 (judicial branch and sub-branches exempt from Pennsylvania open meeting law).)

The Attorney General explained that since the juvenile commission was created by the court and subject to its continuing oversight, the commission was "in effect part of the superior court," and thus fell within a long-understood exemption for judicial agencies. (*Id.*) The Attorney General examined the Brown Act's definition of "local agency," and determined that an offshoot of the judicial branch could not qualify as a local agency. Since the commission was clearly not a county or municipal body, the key question was whether a court or its adjuncts fell within the meaning of an "other local public agency" under the Brown Act. The Attorney General concluded that an entity that is tied to the superior court does not qualify as an "other local agency."

The opinion also concluded that the Brown Act did not apply based on an analogy to the open meeting law applicable to state entities, known as the Bagley-Keene Act. All of the Brown Act provisions were drafted based on similar provisions that already existed in the Bagley-Keene Act. (*Freedom Newspapers v. Orange County Employees Retirement System Board* (1993) 6 Cal. 4th 821, 825.) The Attorney General reasoned that since courts are not mentioned in the Brown Act and they are mentioned in the Bagley-Keene Act, the Legislature's intent would be shown by reading the Brown Act and the Bagley-Keene Act together. (*Id.*) The Bagley-Keene Act expressly exempts the judiciary and its sub-entities from the open meeting law requirements. (See Gov't Code, § 11121.1(a).) Based on this exemption for courts and their affiliates in the state act and considering the Legislature's failure to mention the courts in any provisions of the Brown Act, the Attorney General concluded that "neither act applies to such [judicial] commissions." (Cal. Atty. Gen., Indexed Letter, No. IL 75-109, p. 2.) The Attorney General added in passing that this interpretation was supported by the fact that superior courts are not "local" for purposes of the Brown Act because they are state entities created under Article VI of the Constitution; thus, "it follows that the commission would be a state agency provided for in Article VI, or at least an arm or adjunct of such an agency, and should thus fall within the judicial agency exception provided by [Bagley-Keene]."²

In a 1962 decision, the Attorney General reviewed whether the Brown Act applied to a County Board of Parole Commissioners that was judicially affiliated. (Cal. Atty. Gen. Indexed Letter, No. IL 62-46 (May 15, 1962).) The Attorney General concluded that even assuming the Board qualified as an "other local agency" under the Brown Act definition, "We believe the courts would hold that it is not subject to the Brown Act," because "the functions of the Board is [sic] closely allied with the courts." (*Id.*) Referring to a Harvard Law Review article, the opinion stated, "Certain governmental bodies are excluded from the operation of most statutes. Even where an exemption is not explicit, it almost certainly would be implied." (*Id.*, at p. 3.) Thus, the Attorney General stated that even though the Brown Act does not expressly exempt judicially affiliated entities like the Parole Board, the exemption was implied. Furthermore, the Attorney General pointed out that "[w]hen, in 1955, efforts were made to extend the Brown Act...the proposal excepted from the extension the judicial department and its adjuncts." (*Id.*, at p. 4.)

Another Attorney General opinion from 1960 also concluded that the Brown Act does not apply to meetings of judicially-affiliated entities. In response to a question about whether meetings of a committee of the Fresno County Superior Court related to judicial administration had to be open to the public, the Attorney General stated that "a superior court-affiliated entity does not come within the definition of a local agency as contained in Government Code section 54951." (Cal. Atty. Gen., Indexed Letter, No. IL 60-16 (February 14, 1960).) Successive Attorneys General affirmed the conclusions of these prior opinions. (E.g., Cal. Atty. Gen., Indexed Letter No. IL 68-106 (Apr. 29, 1968) ("In view of the lack of any pronouncements on the parts of either the courts or the Legislature which would compel a different conclusion, our opinion remains unchanged."))

² The Attorney General's office expressly did not attempt to decide whether members of the Commission, the Commission being adjuncts of the Court, were thus public officials.

Applying the reasoning above, since Watermaster is an adjunct of the Superior Court subject to the Court's continuing jurisdiction to implement the provisions of the Judgment, Watermaster is not a "local agency" subject to the Brown Act.

Similar to the commission in Cal. Atty. Gen., Indexed Letter, No. IL 75-109, Watermaster was created by the Superior Court and operates as an extension of the Court. Since it is thus "in effect part of the superior court," Watermaster also falls within the exemption for judicial agencies. The Watermaster Court has previously found that: "Watermaster's function is to administer and enforce the provisions [of the Judgment] and subsequent instructions or orders of the court. The Watermaster operates on the one hand as an administrator and on the other hand as an extension of the court." (Feb. 19, 1998 Ruling, p. 2.)

Serving as an extension of the Superior Court that is expressly "subject to the continuing supervision and control of the Court," under the terms of the Judgment, (Judgment, ¶ 17), Watermaster is a part or sub-arm of the judiciary. Similar to the Parole Board in Indexed Letter IL 62-46, discussed above, the Watermaster Board's functions are "closely allied with the courts." (*Id.*) As such, since Watermaster is an adjunct of the Superior Court, a state entity, it does not qualify as a "local agency" under the Brown Act. (See also, Cal. Atty. Gen., Indexed Letter, No. IL 60-16 (February 14, 1960) ("...a superior court-affiliated entity does not come within the definition of a local agency").

2. Watermaster Also Does Not Qualify as a "Legislative Body" Because it was Created by the Court to Implement a Constitutional Mandate

The Attorney General also concluded that where an entity is not created by an elected legislative body, and ultimately acts at the direction of the court to carry out its constitutional mandates, it is not a "legislative body" under the Brown Act. (California Attorney General's Office, *The Brown Act: Open Meetings for Local Legislative Bodies*, p. 4 (2003), *citing* Cal. Atty. Gen., Indexed Letter, No. IL 75-109 (June 3, 1975).) In Indexed Letter IL 75-109, the Attorney General explained that arms of the judiciary are created by authority of courts pursuant to Article VI of the California Constitution. The judiciary, in turn, is tasked with upholding the Constitution. Thus, where a judicial adjunct was not created by the Legislature as a separate juridical entity, but rather by the Court to assist in upholding the Constitution under Article VI, the adjunct cannot be said to "legislate" under the Brown Act. (*Id.*, at p. 5.)

To be a qualifying "legislative body", the agency must be created by an "elected legislative body" pursuant to statute as an entity apart from the courts, with distinct powers related to administration of the law. (*McKee v. Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force* (2006) 134 Cal.App.4th 354, 363.) A recent leading case described the test for determining when an entity will qualify for coverage under the Brown Act:

A typical governmental instrumentality, if one can be said to exist, is created by an enabling statute that prescribes the powers and duties of the instrumentality, and specifies that it is to be managed by a board selected by the government in a manner consistent with the enabling law. *The instrumentality is typically established as a separate juridical entity*, with the powers to hold and sell property and to sue and be sued.

(*McKee, supra*, 134 Cal.App.4th at 359 (emphasis added); see also *Imperial Irrigation Dist. v. State Wat. Resources Control Bd.* (1990) 225 Cal.App.3d 548, 567 ["the powers of public [agencies] are derived from the statutes which create them and define their functions"].)

As an illustration, the California State Bar is an arm of the California Supreme Court, comprised of numerous committees. The California Supreme Court has held that because the State Bar was created by and administers directives of the Supreme Court, not an elected legislative body, the Brown Act

does not apply. (Starr Babcock, California State Bar General Counsel, State Bar Open Meeting Rules Release, p. 2 (May 5, 2011).)³ Since the State Bar carries out the Supreme Court's directives to maintain an orderly system of admission to practice law pursuant to Article VI, section 9 of the California Constitution, the State Bar is not a separate juridical entity from the courts tasked with its own powers to administer law. Thus, the State Bar cannot be considered a "legislative local agency" under the Brown Act. (Starr Babcock, California State Bar General Counsel, State Bar Open Meeting Rules Release, p. 2 (May 5, 2011).)

Applying the above *McKee* test here, Watermaster was not created by a legislative body under an enabling statute that limited its powers and duties, and does not exist as a separate entity from the Court. The Superior Court retains continuing jurisdiction to review actions of Watermaster. Watermaster carries out the daily functions called for under the Judgment to assist the Court in managing the basin. (Judgment, ¶¶ 15, 17.) All of Watermaster's actions, decisions and rules are expressly reviewable by the Court. (Judgment, ¶ 31.)

Accordingly, since Watermaster does not qualify as a separate juridical entity created by the Legislature, it is not a "legislative body" that is required follow the Brown Act.

IV. Conclusion

For the reasons discussed above, due to the nature of Watermaster's creation by the Superior Court under the Judgment, the Brown Act requirements do not apply to Watermaster. As a judicially affiliated entity, it is not a "public agency" for purposes of the Brown Act and falls under the exemption for judicial adjuncts. Additionally, the Act does not apply because Watermaster cannot be considered a "legislative body" where it was created by the Court to assist in implementation of the Court's Constitutional directive to ensure the waters of the state are put to full beneficial use.

³ The State Bar has made a decision to follow Brown Act procedures, even though not required to do so.

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CHINO BASIN WATERMASTER

V. INFORMATION

1. Cash Disbursements for June 2011



CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/02/2011	15132	ARROWHEAD MOUNTAIN SPRING WATER		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	0023230253		Office Water Bottle - May 2011	6031.7 - Other Office Supplies	30.12
TOTAL						30.12
Bill Pmt -Check	06/02/2011	15133	BOWCOCK, ROBERT		1012 - Bank of America Gen'l Ckg	
Bill	05/13/2011	5/13 Admin Mtg		5/13/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	05/19/2011	5/19 Budget Wkshp		5/19/11 Budget Workshop	6311 - Board Member Compensation	125.00
Bill	05/26/2011	5/26 Board Mtg		5/26/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	06/02/2011	15134	DIRECTV		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	019447404		Service for 5/19/11-6/18/11	6031.7 - Other Office Supplies	86.99
TOTAL						86.99
Bill Pmt -Check	06/02/2011	15135	ELIE, STEVEN		1012 - Bank of America Gen'l Ckg	
Bill	05/19/2011	5/19 Admin Mtg		5/19/11 Administrative Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	06/02/2011	15136	HAUGHEY, TOM		1012 - Bank of America Gen'l Ckg	
Bill	05/13/2011	5/13 Admin Mtg		5/13/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	05/26/2011	5/26 Board Mtg		5/26/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	06/02/2011	15137	KUHN, BOB		1012 - Bank of America Gen'l Ckg	
Bill	05/04/2011	5/04 Admin Mtg		5/04/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	05/19/2011	5/19 Advisory Comm		5/19/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	05/23/2011	5/23 P 31 Mot Mtg		5/23/11 Paragraph 31 Motion Meeting	6311 - Board Member Compensation	125.00
Bill	05/26/2011	5/26 Board Mtg		5/26/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	06/02/2011	15138	LANTZ, PAULA		1012 - Bank of America Gen'l Ckg	
Bill	05/13/2011	5/13 Admin Mtg		5/13/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	05/26/2011	5/26 Board Mtg		5/26/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	06/02/2011	15139	MWH LABORATORIES		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	L0055302		L0055302 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,532.00
Bill	05/31/2011	L0056445		L0056445 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	05/31/2011	L0056444		L0056444 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	05/31/2011	L0055911		L0055911 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00

CHINO BASIN WATERMASTER
 Cash Disbursements For The Month of
 June 2011

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	05/31/2011	L0055301		L0055301 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	05/31/2011	L0055300		L0055300 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	05/31/2011	L0054371		L0054371 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,360.00
TOTAL						11,317.00
Bill Pmt -Check	06/02/2011	15140	PARK PLACE COMPUTER SOLUTIONS, INC.	451	1012 - Bank of America Gen'l Ckg	4,575.00
Bill	05/31/2011	451		IT Service - May 2011	6052.1 - Park Place Comp Solutn	4,575.00
TOTAL						4,575.00
Bill Pmt -Check	06/02/2011	15141	PURCHASE POWER	8000909000168851	1012 - Bank of America Gen'l Ckg	20.73
Bill	05/31/2011	8000909000168851		fed ex shipments to: Jennifer Novak	6042 - Postage - General	20.73
TOTAL						20.73
Bill Pmt -Check	06/02/2011	15142	R&D PEST SERVICES	0143748	1012 - Bank of America Gen'l Ckg	85.00
Bill	05/31/2011	0143748		Pest and bug services	6024 - Building Repair & Maintenance	85.00
TOTAL						85.00
Bill Pmt -Check	06/02/2011	15143	STANDARD INSURANCE CO.	Policy # 00-640888-0009	1012 - Bank of America Gen'l Ckg	502.20
Bill	05/31/2011	006408880009		Life and AD&D Policy # 00-640888-0009	60191 - Life & Disab.Ins Benefits	502.20
TOTAL						502.20
Bill Pmt -Check	06/02/2011	15144	STAPLES BUSINESS ADVANTAGE	8018598067	1012 - Bank of America Gen'l Ckg	185.64
Bill	05/14/2011	8018598067		toner, mounting squares, first aid supplies	6031.7 - Other Office Supplies	185.64
TOTAL						185.64
Bill Pmt -Check	06/02/2011	15145	STATE COMPENSATION INSURANCE FUND	1615535-11	1012 - Bank of America Gen'l Ckg	719.01
Bill	05/31/2011	1615535-11		Workers Comp Premium - 1615535-11	60183 - Worker's Comp Insurance	719.01
TOTAL						719.01
Bill Pmt -Check	06/02/2011	15146	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	824.00
Bill	05/31/2011	1VC070000017054		Week Ending 5/22/2011	6017 - Temporary Services	824.00
Bill	05/31/2011	1VC070000017027		Week Ending 5/15/2011	6017 - Temporary Services	769.00
TOTAL						1,593.00
Bill Pmt -Check	06/02/2011	15147	UNITED HEALTHCARE	0024191572	1012 - Bank of America Gen'l Ckg	311.31
Bill	05/31/2011	0024191572		Dental Insurance Premium	60182.2 - Dental & Vision Ins	311.31
TOTAL						311.31
Bill Pmt -Check	06/02/2011	15148	VANDEN HEUVEL, GEOFFREY	6311	1012 - Bank of America Gen'l Ckg	125.00
Bill	05/09/2011	5/09 Ad Hoc Comm Mtg		5/09/11 Ad Hoc Committee Meeting	6311 - Board Member Compensation	125.00
Bill	05/12/2011	5/12 Admin Mtg		5/12/11 Administrative Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	05/23/2011	5/23 P 31 Mot Mtg		5/23/11 Paragraph 31 Motion Meeting	6311 - Board Member Compensation	125.00
Bill	05/26/2011	5/26 Board Mtg		5/26/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	06/02/2011	15149	VERIZON		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	012561121521714508		012561121521714508	7405 - PE4-Other Expense	163.26
Bill	05/31/2011	012519116950792103		012519116950792103	6022 - Telephone	453.92
TOTAL						617.18
Bill Pmt -Check	06/02/2011	15150	VISION SERVICE PLAN	00-101789-0001	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	001017890001		Vision Insurance Premium - June 2011	60182.2 - Dental & Vision Ins	52.93
TOTAL						52.93
Bill Pmt -Check	06/02/2011	15151	WILLIS, KENNETH		1012 - Bank of America Gen'l Ckg	
Bill	05/04/2011	5/14 Admin Mtg		5/04/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	05/09/2011	5/09 Ad Hoc Comm		5/09/11 Ad Hoc Committee Meeting	6311 - Board Member Compensation	125.00
Bill	05/23/2011	5/23 P 31 Motion		5/23/11 Paragraph 31 Motion Meeting	6311 - Board Member Compensation	125.00
Bill	05/26/2011	5/26 Board Mtg		5/26/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	06/06/2011	15152	CHINO, CITY OF - FINANCE DEPT		1012 - Bank of America Gen'l Ckg	
Bill	06/01/2011			FY 10-11 Replenishment Water	5011 - Replenishment Water	2,137,364.44
TOTAL						2,137,364.44
Bill Pmt -Check	06/06/2011	15153	CITY OF POMONA		1012 - Bank of America Gen'l Ckg	
Bill	06/01/2011			FY 10-11 Replenishment Water	5011 - Replenishment Water	840,654.59
TOTAL						840,654.59
Bill Pmt -Check	06/06/2011	15154	INLAND EMPIRE UTILITIES AGENCY		1012 - Bank of America Gen'l Ckg	
Bill	06/01/2011			VOID: 1800001887	5011 - Replenishment Water	25,219.59
TOTAL						25,219.59
Bill Pmt -Check	06/06/2011	15155	ONTARIO, CITY OF*		1012 - Bank of America Gen'l Ckg	
Bill	06/01/2011			FY 10-11 Replenishment Water	5011 - Replenishment Water	25,219.59
TOTAL						25,219.59
Bill Pmt -Check	06/06/2011	15166	SANTA ANA RIVER WATER COMPANY		1012 - Bank of America Gen'l Ckg	
Bill	06/01/2011			FY 10-11 Replenishment Water	5011 - Replenishment Water	504,392.75
TOTAL						504,392.75
Bill Pmt -Check	06/06/2011	15157	STATE OF CA - DEPT OF CONSUMER AFFAIRS	61463	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011			Renew Civil Engineer Certificate - D. Maurizio	6111 - Membership Dues	125.00

CHINO BASIN WATERMASTER
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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						125.00
Bill Pmt -Check Bill	06/06/2011 06/01/2011	15188	UPLAND, CITY OF	FY 10-11 Replenishment Water	1012 - Bank of America Gen'l Ckg 5011 - Replenishment Water	1,176,916.43 1,176,916.43
TOTAL						5,159.96 5,159.96
Bill Pmt -Check Bill	06/06/2011 05/31/2011	15169 1800001887	INLAND EMPIRE UTILITIES AGENCY		1012 - Bank of America Gen'l Ckg 6909 - OBMP Other Expenses	5,159.96 5,159.96
TOTAL						1,385.66 1,385.66
Bill Pmt -Check General Journal	06/07/2011 05/28/2011	15160	CITISTREET CITISTREET	Payroll and Taxes for 05/15/11-05/28/11 457 Employee Deductions for 05/15/11-05/28/11	1012 - Bank of America Gen'l Ckg 2000 - Accounts Payable	1,385.66 1,385.66
TOTAL						9,248.56 9,248.56
Bill Pmt -Check Bill	06/07/2011 05/31/2011	15161 13191	GEOTECHNICAL SERVICES		1012 - Bank of America Gen'l Ckg 7104.7 - Grdwtr Level-WM Staff-Cap Equip	9,248.56 9,248.56
TOTAL						39.54 39.54
Bill Pmt -Check Bill	06/07/2011 06/06/2011	15162 9552585839	GRAINGER	measuring tape	1012 - Bank of America Gen'l Ckg 7104.6 - Grdwtr Level-Supplies	39.54 39.54
TOTAL						2,814.41 284.66 628.82 3,727.89
Bill Pmt -Check Bill	06/07/2011 05/31/2011	15163 10971041	GREAT AMERICA LEASING CORP.	Invoice - Lease Fees Usage for Black Copies Usage for Color Copies - 2 months	1012 - Bank of America Gen'l Ckg 6043.1 - Ricoh Lease Fee 6043.2 - Ricoh Usage & Maintenance Fee 6043.2 - Ricoh Usage & Maintenance Fee	2,814.41 284.66 628.82 3,727.89
TOTAL						285.31 285.31
Bill Pmt -Check Bill	06/07/2011 05/31/2011	15164 7003730910002744	HSBC BUSINESS SOLUTIONS	Miscellaneous office and meeting supplies	1012 - Bank of America Gen'l Ckg 6031.7 - Other Office Supplies	285.31 285.31
TOTAL						855.00 855.00
Bill Pmt -Check Bill	06/07/2011 05/31/2011	15165 232	JAMES JOHNSTON	Website Services - May 2011	1012 - Bank of America Gen'l Ckg 6052.3 - Website Consulting	855.00 855.00
TOTAL						396.00 396.00
Bill Pmt -Check Bill	06/07/2011 06/01/2011	15166 301328	MILJAC ALARM	Fire monitoring from 6/01/11-6/31/11	1012 - Bank of America Gen'l Ckg 6026 - Security services	396.00 396.00
TOTAL						396.00 396.00
Bill Pmt -Check	06/07/2011	15167	PAYCHEX		1012 - Bank of America Gen'l Ckg	

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	05/31/2011	2011052600		Payroll Services - May 2011	6012 · Payroll Services	315.71
TOTAL						315.71
Bill Pmt -Check General Journal	06/07/2011 05/28/2011	15168	PUBLIC EMPLOYEES' RETIREMENT SYSTEM PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493 CalPERS Payment for 05/15/11-05/28-11	1012 · Bank of America Gen'l Ckg 2000 · Accounts Payable	7,091.03 7,091.03
TOTAL						7,091.03
Bill Pmt -Check Bill	06/07/2011 05/31/2011	15169 4150	PUMP CHECK	4150 4150	1012 · Bank of America Gen'l Ckg 7103.4 · Grdwtr Qual-Contract Svc	450.00 75.00
Bill	05/31/2011	4236		4236 4236	7703 · Inactive Well-Contract Svcs 7102.8 · In-line Meter-Callb & Test 7102.5 · In-line Meter-Computer	3,040.00 225.00 3,790.00
TOTAL						3,790.00
Bill Pmt -Check Bill	06/07/2011 06/06/2011	15170 3763215	SAFEGUARD DENTAL & VISION	Dental Insurance Premium - June, 2011	1012 · Bank of America Gen'l Ckg 60182.2 · Dental & Vision Ins	7.91 7.91
TOTAL						7.91
Bill Pmt -Check Bill	06/07/2011 05/31/2011	15171 1VC07000017082	THE LAWTON GROUP	Week Ending 5/29/2011	1012 · Bank of America Gen'l Ckg 6017 · Temporary Services	824.00 824.00
TOTAL						824.00
Bill Pmt -Check Bill	06/07/2011 06/06/2011	15172 002483	WESTERN DENTAL SERVICES, INC.	Dental Insurance Premium - July 2011	1012 · Bank of America Gen'l Ckg 60182.2 · Dental & Vision Ins	28.88 28.88
TOTAL						28.88
Bill Pmt -Check Bill	06/07/2011 06/06/2011	15173 08-k2 213849	YUKON DISPOSAL SERVICE	Disposal Service for June 2011	1012 · Bank of America Gen'l Ckg 6024 · Building Repair & Maintenance	142.88 142.88
TOTAL						142.88
General Journal	06/11/2011	06/11/2011	Payroll and Taxes for 05/29/11-06/11/11	Payroll and Taxes for 05/29/11-06/11/11	1012 · Bank of America Gen'l Ckg	7,512.88
				Payroll Taxes for 05/29/11-06/11/11	1012 · Bank of America Gen'l Ckg	18,817.63
				Direct Deposits for 05/29/11-06/11/11	1012 · Bank of America Gen'l Ckg	5,954.93
				Payroll Checks for 05/29/11-06/11/11	1014 · Bank of America P/R Ckg	32,285.44
TOTAL						59,570.88
Bill Pmt -Check Bill	06/14/2011 05/31/2011	15174 2012	APPLIED COMPUTER TECHNOLOGIES	Database Services - May 2011	1012 · Bank of America Gen'l Ckg 6052.2 · Applied Computer Technol	2,361.20 2,361.20
TOTAL						2,361.20

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/14/2011	15175	COMPUTER NETWORK	81531	1012 - Bank of America Gen'l Ckg	
Bill	06/07/2011	81531		Adobe Acrobat software	6054 - Computer Software	1,952.06
TOTAL						
Bill Pmt -Check	06/14/2011	15176	REID & HELLYER	17550	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	175550		17550 - Ag Pool Legal Services	8457 - Ag Legal & Technical Services	7,848.18
				17550 - Ag Pool Legal Services	8467.1 - Frank B. & Associates	1,066.38
TOTAL						
Bill Pmt -Check	06/17/2011	15177	ACWA SERVICES CORPORATION	00198	1012 - Bank of America Gen'l Ckg	
Bill	06/14/2011	00198		Prepayment - July 2011	1409 - Prepaid Life, BAD&D & LTD	122.62
				June 2011	60191 - Life & Disab.Ins Benefits	118.22
TOTAL						
Bill Pmt -Check	06/17/2011	15178	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	XXXX-XXXX-XXXX-9341		Thomas Guide	6031.7 - Other Office Supplies	39.73
				Microsoft Technical Support	6057 - Computer Maintenance	259.00
TOTAL						
Bill Pmt -Check	06/17/2011	15179	BROWNSTEIN HYATT FARBER SCHRECK	441119	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	441119		441119 - WM Legal Counsel	6907.3 - WM Legal Counsel	17,347.40
				441119 - Desalter Negotiations	6907.33 - Desalter Negotiations	1,919.70
Bill	05/31/2011	441120		441120 - Santa Ana River Water Rights	6907.34 - Santa Ana River Water Rights	2,189.85
Bill	05/31/2011	441121		441121 - S. Archibald Plume-Formerly OIA	6907.31 - S. Archibald Plume-Formerly OIA	2,415.15
Bill	05/31/2011	441122		441122 - Chino Airport Plume	6907.32 - Chino Airport Plume	367.20
Bill	05/31/2011	441123		441123 - Desalter Negotiations	6907.33 - Desalter Negotiations	1,948.05
Bill	05/31/2011	441124		441124 - Paragraph 31 Motion	6907.35 - Paragraph 31 Motion	42,084.44
TOTAL						
Bill Pmt -Check	06/17/2011	15180	CORELOGIC INFORMATION SOLUTIONS	80221400	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	80221400		80221400	7103.7 - Grdwtr Qual-Computer Svc	62.50
				80221400	7101.4 - Prod Monitor-Computer	62.50
TOTAL						
Bill Pmt -Check	06/17/2011	15181	CUCAMONGA VALLEY WATER DISTRICT	Lease Due July 1, 2011	1012 - Bank of America Gen'l Ckg	
Bill	06/15/2011			Lease Due July 1, 2011	1422 - Prepaid Rent	5,844.00
TOTAL						
Bill Pmt -Check	06/17/2011	15182	PUMP CHECK	4280	1012 - Bank of America Gen'l Ckg	
Bill	06/02/2011	4280			7102.8 - In-line Meter-Callib & Test	950.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	06/02/2011	4281		4280	7102.5 · In-line Meter-Computer	225.00
				4281	7102.5 · In-line Meter-Computer	158.54
				4281	7102.8 · In-line Meter-Callb & Test	190.00
Bill	06/02/2011	4282		4282	7102.5 · In-line Meter-Computer	158.54
				4282	7102.8 · In-line Meter-Callb & Test	190.00
TOTAL						1,872.08
Bill Pmt -Check	06/17/2011	15183	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	136.61
Bill	06/30/2011				60182.4 · Retiree Medical	136.61
TOTAL						
Bill Pmt -Check	06/17/2011	15184	THE LAWTON GROUP	6017	1012 · Bank of America Gen'l Ckg	824.00
Bill	06/05/2011	1VC070000017111		Week Ending 6/05/2011	6017 · Temporary Services	824.00
TOTAL						824.00
Bill Pmt -Check	06/17/2011	15185	VERIZON BUSINESS	00962429	1012 · Bank of America Gen'l Ckg	1,525.60
Bill	05/31/2011	00962429		00962429	6053 · Internet Expense	1,525.60
TOTAL						1,525.60
Bill Pmt -Check	06/17/2011	15186	VERIZON WIRELESS	0983107189	1012 · Bank of America Gen'l Ckg	460.48
Bill	06/14/2011	0983107189		monthly service	6022 · Telephone	460.48
TOTAL						460.48
General Journal	06/25/2011	06/25/2011	Payroll and Taxes for 06/12/11-06/25/11	Payroll and Taxes for 06/12/11-06/25/11	1012 · Bank of America Gen'l Ckg	9,683.81
				Payroll Taxes for 06/12/11-06/25/11	1014 · Bank of America P/R Ckg	30,113.96
				Direct Deposits for 06/12/11-06/25/11	1014 · Bank of America P/R Ckg	5,963.82
				Payroll Checks for 06/12/11-06/25/11	1014 · Bank of America P/R Ckg	45,761.59
TOTAL						81,523.18
Bill Pmt -Check	06/28/2011	15187	A & R TIRE	3-751	1012 · Bank of America Gen'l Ckg	28.08
Bill	06/22/2011	3-751		field truck repairs	6177 · Vehicle Repairs & Maintenance	28.08
TOTAL						28.08
Bill Pmt -Check	06/28/2011	15188	CALPERS	1741	1012 · Bank of America Gen'l Ckg	5,431.25
Bill	06/22/2011	1741		Medical Premiums - July 2011	60182.1 · Medical Insurance	5,431.25
TOTAL						5,431.25
Bill Pmt -Check	06/28/2011	15189	CITISTREET	Payroll and Taxes for 06/29/11-06/11/11	1012 · Bank of America Gen'l Ckg	2,056.32
General Journal	06/11/2011	06/11/2011	CITISTREET	457 Employee Deductions for 05/29/11-06/11/11	2000 · Accounts Payable	2,056.32
TOTAL						2,056.32

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

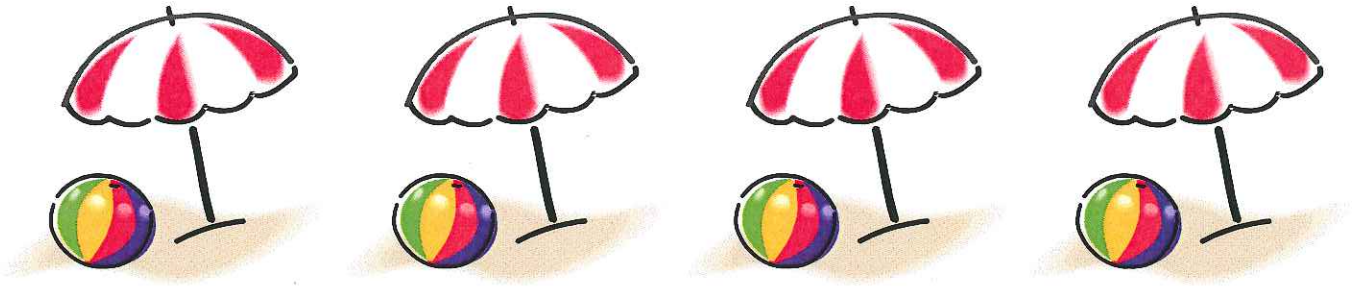
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/28/2011	15190	DGO AUTO DETAILING		1012 - Bank of America Gen'l Ckg	
Bill	06/22/2011			wash 4 trucks	6177 - Vehicle Repairs & Maintenance	100.00
TOTAL						100.00
Bill Pmt -Check	06/28/2011	15191	GLOBAL PRESENTER.COM		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	52517		Service and shipping for Polycom Vortex repair	6055 - Computer Hardware	564.00
TOTAL						564.00
Bill Pmt -Check	06/28/2011	15192	HIGHWAY SAFETY CO		1012 - Bank of America Gen'l Ckg	
Bill	06/23/2011			Purchase reflective cones for traffic control	7103.6 - Grdwtr Qual-Supplies	259.17
TOTAL						259.17
Bill Pmt -Check	06/28/2011	15193	INLAND EMPIRE UTILITIES AGENCY		1012 - Bank of America Gen'l Ckg	
Bill	06/22/2011	90007834			8456 - IEUA Readiness To Serve	400.98
TOTAL						400.98
Bill Pmt -Check	06/28/2011	15194	PRE-PAID LEGAL SERVICES, INC.		1012 - Bank of America Gen'l Ckg	
Bill	06/22/2011	111802		June 2011	60194 - Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	06/28/2011	15195	PREMIERE GLOBAL SERVICES		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	07619078		Monthly fee	6022 - Telephone	14.95
				Paragraph 31 calls 4/27, 5/09, agenda call 5/25	8512 - Meeting Expense	160.93
				South Archibald plume call on 5/05	7103.6 - Grdwtr Qual-Supplies	65.70
				Replenishment water call on 5/09	6909.1 - OBMP Meetings	6.45
				Agenda call on 5/25	8312 - Meeting Expenses	19.47
TOTAL						267.50
Bill Pmt -Check	06/28/2011	15196	PUBLIC EMPLOYEES' RETIREMENT SYSTEM		1012 - Bank of America Gen'l Ckg	
General Journal	06/11/2011	06/11/2011		Payor #3493	2000 - Accounts Payable	7,098.02
TOTAL				CalPERS for 05/29/11-06/11/11		7,098.02
Bill Pmt -Check	06/28/2011	15197	STANDARD INSURANCE CO.		1012 - Bank of America Gen'l Ckg	
Bill	06/22/2011	640888-0009		Policy # 00-640888-0009	60191 - Life & Disab.Ins Benefits	503.24
TOTAL				Life/Disability Insurance Premiums		503.24
Bill Pmt -Check	06/28/2011	15198	STATE COMPENSATION INSURANCE FUND		1012 - Bank of America Gen'l Ckg	
Bill	06/23/2011	1615535-11		Workers Comp Premium	60183 - Worker's Comp Insurance	798.67
TOTAL						798.67

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

Type	Date	Num	Name	Memo	Account	Paid Amount	
Bill Pmt -Check	06/28/2011	15199	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg		
Bill	06/22/2011	ICV070000017137		Week Ending 6/12/2011	6017 - Temporary Services	824.00	
TOTAL							824.00
Bill Pmt -Check	06/29/2011	15200	LIATTI & ASSOCIATES	429	1012 - Bank of America Gen'l Ckg		
Bill	06/29/2011	429		June 26, 2011 - June 30, 2011	6085 - Business Insurance Package	243.55	
				July 1, 2011 - June 25, 2012	1405 - Prepaid Ins-Bus Pkg Policy	17,534.87	
TOTAL							17,778.42
Total Disbursements:						6,486,993.47	

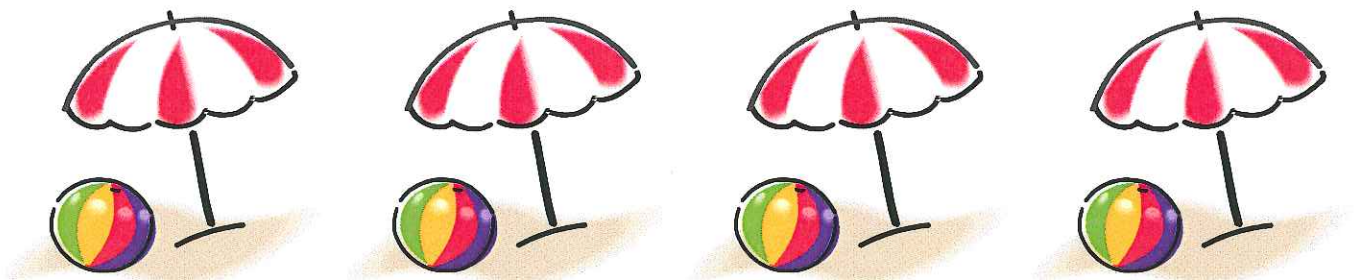
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CHINO BASIN WATERMASTER

V. INFORMATION

2. Newspaper Articles



Bloomberg

Orszag: Why We Care About Price of Water in China

By Peter Orszag - Jul 6, 2011

An American trucker barreling down Interstate 95 bemoaning the high price of [diesel fuel](#) might never imagine that one of the things driving up his bill is the way water in [China](#) is being mispriced. But the truth is, water shortages are indirectly causing increased use of diesel generators for electricity in China, and that, in turn, is helping raise diesel prices in the U.S.

Smarter pricing could help China -- and the rest of the world -- avoid further problems allocating water resources, and mitigate some of the side effects.

Coal plants generate most of China's electricity. Hydropower is the second-biggest source. Water is clearly essential for hydropower, but a lot of it is needed for coal power, too -- to mine the raw material, to process it and then to cool the [power plants](#) that burn it. In 2010, coal-fired electricity in China used more than 30 trillion gallons (114 trillion liters) of water, or about 20 percent of the country's total consumption. And over the coming decade, roughly 40 percent of the nation's increase in water demand will be associated with coal power, China's Ministry of Water Resources says.

This development is exacerbating an already severe shortage in China. The country accounts for about 15 percent of the world's consumption of fresh water. Yet its supplies are limited, and pollution is a significant hazard.

According to the [World Bank](#), the amount of water per capita in China is only one-quarter of the global average. Furthermore, about 80 percent of the total supply is south of the [Yangtze River](#), while only about half the Chinese population lives there. So the north is chronically short. The North China plain, which encompasses both Shanghai and Beijing, contains more than 40 percent of the national population, but less than 15 percent of the water. In this region, the per-capita amount is only about one-quarter the level considered the minimum for people to live on.

Pollution Hurts

Widespread pollution exacerbates the situation. About 90 percent of the aquifers underneath major cities in China are polluted. More than 300 million Chinese lack access to safe drinking water, according to the World Bank.

In addition to these challenges, there is a severe drought this year, which is the worst in half a century, according to some estimates. Rainfall is 40 percent to 60 percent lower than normal, which means less power from hydroelectric dams and too little water to support some coal-fired plants. The Chinese have, therefore, had to lean more heavily on diesel generators to help power the electricity grid. That, in turn, has led officials to ban exports of diesel fuel.

And that raises costs for the trucker on I-95.

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So what can be done? Broadly, three things.

The first is to reduce China's water pollution and, globally, address the threat of [climate change](#). Some scientists say climate change is already increasing the pressure on China's water supply by disrupting normal patterns of rain- and snowfall.

The second is to increase the supply of usable water in the places in China that lack it, through desalination and by redirecting water from south to north. In the Tianjin-Binhai development zone, on the western shore of the Bohai Sea, China has built a 12 billion-yuan (\$1.9 billion) [desalination plant](#), using the latest Israeli technology. In addition, the nation is embarking on the world's largest water-diversion project, to re-route part of the Yangtze along three channels to the north.

Raise the Price

But what is perhaps most promising is the third solution: better pricing of existing water resources. Water is Earth's most valuable commodity, and yet in most countries it is given away free -- as if it had no value at all.

In Oman, a Middle Eastern desert country where water is scarce, it is understood to be more valuable. There, farmers trade water rights. As Peter Brabeck-Letmathe, the chairman of Nestle SA, has pointed out, farmers are in the best possible position to know water's value. Pricing it through tradable rights or other mechanisms "is an extremely strong incentive to use water efficiently," Brabeck-Letmathe said in an [interview with the McKinsey Quarterly](#).

The academic literature bears out his point. In a July 2007 study, Sheila Olmstead of [Yale University](#) and Robert Stavins of [Harvard University](#) concluded that [using prices to manage water](#) demand was more cost-effective than conservation programs not linked to price, such as restrictions on watering the lawn and subsidies for low-flow faucets.

Yet many critics of higher prices for water say low- and moderate-income households will be unfairly affected. So the most promising way to price water -- in China as well as in the U.S. and elsewhere -- would be to provide, at no cost, a base amount per day for normal activities, such as cooking and cleaning, and then charge for water used above that threshold at rates that rise with the increased amount consumed.

The Chinese people are willing to pay more for water, the [World Bank](#) reports, "as long as the quality of the service is good and the tariff level acceptable." And yet prices in China are still much too low to ensure that the water is used efficiently enough to sustain the supply. Higher prices would persuade people to both reduce waste and improve the allocation of water across all its possible uses (including in the energy sector). It would also encourage more investment in desalination and other measures to increase supply.

If China moved more aggressively to price water in a manner that reflected demand and supply, it could teach the U.S. a lesson in using market economics to address environmental issues. As a colleague of mine at Citigroup Inc.,

the analyst Deane Dray, has written, “water has never been priced efficiently.” In the U.S., water is generally heavily subsidized, and prices aren’t adequately linked to usage levels.

Just as we need to price carbon in order to avoid a climate crisis, we need to price water to avoid a water crisis. Market forces can work wonders for the environment, but only if we have the political courage to create them.

([Peter Orszag](#), vice chairman of global banking at Citigroup and a former director of the Office of Management and Budget in the Obama administration, is a Bloomberg View columnist. The opinions expressed are his own.)

For more [Bloomberg View columns](#).

To contact the author of this column: Peter Orszag at orszagbloomberg@gmail.com

To contact the editor responsible for this column: Mary Duenwald mduenwald@bloomberg.net

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INLAND: Water conservation outpacing growth, study finds

10:00 PM PDT on Thursday, June 23, 2011

By JANET ZIMMERMAN
The Press-Enterprise

Seventeen of the 26 Southern **California** water agencies served by Metropolitan Water District used less **Colorado River** water in 2008 than in 1990, despite population growth. None of the Inland districts served by the wholesaler were among them, water officials blame on explosive population growth.

The information was included in a report released Thursday by the Oakland-based Pacific Institute, a nonpartisan research institute that looked at 100 cities and water agencies from the seven states that depend on the **Colorado River**, plus Nevada.



Special to The Press-Enterprise

Water from the Metropolitan Water District's Colorado River Aqueduct is released into the Whitewater River as it makes its way to the groundwater replenishment facility near Windy Point.

While the population of the Colorado River basin grew by about 10 million people in those 18 years, water deliveries increased by only 600,000 acre-feet, less than would have been expected had per-capita deliveries remained constant, said Cohen.

One acre-foot of water serves two families for a year.

In Southern **California**, deliveries dropped 4 percent between 1990 and 2000, while population growth of 3.6 million people among the 26 water districts supplied Metropolitan Los Angeles. Much of that decrease was a result of conservation measures including aggressive public education campaigns and tiered rates that penalize heavy users, Cohen said.

Other factors were the recession, climate and drought restrictions.

Some areas grew by more than 600 percent over the period, and many of the cities doubled in population, he noted.

Among the three Inland municipal water districts -- Eastern in Perris, Western in **Riverside** and Inland Empire Utilities Agency in Chino -- water deliveries increased during that period. They also increased among districts in the Coachella Valley.

Eastern spokesman Peter Odencrans said the area's rapid growth during the study period could have played a role in the increase.

He also said per-capita use in arid regions such as this will always be higher than in coastal cities.

However, per-capita water use has declined, Odencrans and other officials say. "The study shows we're going in the right direction," he said.

Eastern has increased local water supply, rather than relying on imports from the Colorado River and Sacramento-San Joaquin Delta.

John Rossi, general manager at Western, said population growth has outstripped customers' conservation efforts.

The district is responding by moving to tiered rates based on individualized budgets, he said.

"We're looking at twice the amount of Metropolitan water by 2025 than we have today, and growth projections are built out," Rossi said. "That's why we're being so aggressive with the water budget rates. We have to get the use down."

Reach Janet Zimmerman at 951-368-9586 or jzimmerman@PE.com



Water surplus generates steep discount for city agencies

Mediha Fejzagic DiMartino, Staff Writer

Posted: 06/19/2011 09:06:57 PM PDT

When it rains, it pours.

Now that California's drought is officially over, area cities are scrambling to find the money to buy part of 225,000 acre-feet of water unexpectedly up for sale by the Metropolitan Water District.

And this excess water is being offered to local agencies, including one that serves Fontana, at an 80 percent discount.

"Everyone was unaware that there is going to be that much water available as extra from what was allocated in the past, so no city, no agency had any money budgeted to pay for it," said Bill Kruger, a Chino Hills councilman.

But no one will stay thirsty.

The Chino Basin Watermaster board - which oversees the massive underground water reservoir stretching from Pomona to Fontana and from the mountains to the Santa Ana River - is looking into ways to help its cash-strapped agencies buy 50,000 acre-feet of the water. An acre-foot, 325,851 gallons, is enough water to supply two typical households for a year.

The watermaster's staff report about the excess water said that buying it now will save the agencies from \$852,500 to \$4.47million by 2013.

As one of the financing options, the watermaster has tapped the Chino-based Inland Empire Utilities Agency, which serves Fontana, to foot

the \$21 million bill.

"(It's) a significant amount," said Thomas Love, the IEUA's general manager.

"Our board (of directors) is considering either dipping into its reserve funds or to

issue a debt. Footing the bill is not exactly what will happen. We would pay for water as it's delivered and then sell it back to municipalities over the next three years, to give them time to budget for it. We have already started taking the delivery as it takes several months to store it."

Not only is the extra water available, but at \$409 per acre-foot, it's relatively cheap.

"It's one of those opportunities that it would be almost criminal not to take advantage of it," said Desi Alvarez, the watermaster's chief executive officer. "\$409 is very good. It's the best price we'll see for a long time. If you asked me two years ago I'd say we'll never see it."

The MWD charges local agencies for its imported water on a multi-level price scale. Next year, for example, imported water will cost between \$442 and \$686 per acre-foot.

In fiscal year 2012-13 the watermaster expects

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to purchase roughly 25,000 acre-feet of replenishment water for its operations at an estimated cost of \$10.5 million.

"The availability of replenishment water provides Chino Basin with a singular opportunity to purchase water at a significant cost savings," read the watermaster's staff report about the purchase.

"The replenishment water has not been available by MWD for the last four years. As a result, when Watermaster has had to purchase replenishment water it was at a much higher rate."

The influx of water on the market is caused by a combination of factors, said Bob Muir, an MWD spokesman.

The extremely wet seasons in Northern California and at the Colorado River have contributed to the MWD's maximizing its water supply levels.

"Diamond Valley lake is 98 percent full," Muir said. "It was half empty just a year ago. MWD has similar supplies in groundwater storage. We have more water in reserves than we ever had in the history of the district."



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Water groups turn in rewrite of Delta Plan

By HEATHER HACKING - Staff Writer

Posted: 06/13/2011 10:13:31 PM PDT

Big players in state water use haven't been satisfied with the direction of the Delta Plan, due in January. So rather than send in a letter with comments on the most recent draft, they wrote their own plan.

The 28 groups have also asked that their 50-page document be one of the alternatives analyzed when the Delta Plan reaches the environmental review stage.

One of the main differences in the water-users' plan is that it seeks to improve state water supplies for all areas of the state, while keeping with the goal of ecosystem improvement in the Delta, the group states in a cover letter.

The document also includes the type of detail that has not yet been released by the Stewardship Council, such as calling for studies of ammonia and nutrients in waterways, looking at the impact of ocean fish harvest and lifting the catch limit on non-native bass species, as just a few examples.

The alternative plan also specifically calls for protection of the pre-1914 water rights held in Northern California, and ways to measure whether strategies are working.

"We believe that the Stewardship Council is off track," said David Guy, president of Northern California Water Association. "We have offered a fundamentally different approach to the Delta Plan."

The group began working on their alternative plan just a few months ago, and pulled in the ideas of water managers throughout the state, he explained.

"The Council members have challenged us to bring forward an approach and

help them solve problems in the Delta. And here we are," Guy said.

In a way, the water users gave warning they weren't happy with the direction the plans were going.

In mid-March 60 groups signed a letter stating the Stewardship Council was exceeding the authority of the Delta Reform Act. That letter said local governments should retain control over their water planning.

Jeff Sutton, manager of the Tehama-Colusa Canal Authority said the Stewardship Council draft reports are taking a regulatory approach.

"Whereas what has been offered will result in working together to create an approach we think has a chance of success," Sutton said.

"What we'd like to do is get this back on track and have it result in something folks can support and rally around," Sutton said.

The fact that so many water leaders are in agreement on the alternative plan is a sign this approach was needed, he said.

The alternative draft is so specific because there were a lot of people who know water issues, and could see what needs to be done, Guy said.

"I think you have a lot of folks involved in the drafting who have been around for a lot of years," Guy said. The proposals represent "good ecosystem management and strong principles."

The timing of the alternative plan was important because the Stewardship Council plans to start environmental review this month.

"That's why we felt we needed to get this in," Guy

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said. "If they get a really off-track approach as the basis for the environmental document, that will make this process doomed for failure."

Guy said he really gives the Stewardship Council credit for keeping the process in motion. He said those who signed the recent alternative plan share the same goals as state water leaders who began the process, "ecosystem improvements in the Delta as well as water supply reliability for the state."

On the Internet:

Alternative plan: www.acwa.com, then click on "Coalition Submits Alternative"

Delta Stewardship Council draft plans: www.deltacouncil.ca.gov.

Signatories of the plan

Twenty eight groups signed on as supporters of the "alternative plan" submitted for long-term management of the Sacramento-San Joaquin Delta.

These groups represent most of the farm and urban water users in the state including: The Association of California Water Agencies, State and Federal Contractors Water Agency, Northern California Water Agency, Metropolitan Water District, State Water Contractors and Westlands Water District.

Local signatories include Glenn-Colusa Irrigation District and Yolo County Water Resources.

Delta plan tackles big water issues

The Delta Stewardship Council sprang from a package of water bills passed in 2009. It is tasked to write a Delta Plan for long-term management of the Sacramento-San Joaquin Delta.

Topics to be figured out include sustainable water use, conveyance and storage, restoring fish and wildlife, better water quality, flood risk, agriculture, governance, financing and preserving the Delta's "sense of place."

The goal is to have the plan worked out, including passing environmental review, by January 2012.

The plan was to release a new draft each month, and begin environmental review this month. But so many comments came in after the third draft, released in

April, that the council took an extra month to review comments.

A fourth draft, scheduled for release Monday, was not posted online as of deadline.

Staff writer Heather Hacking can be reached at 896-7758 or hhacking@chicoer.com.

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PG&E required to supply water to Hinkley residents

Jim Steinberg, Staff Writer

Created: 06/11/2011 08:33:20 AM PDT

BARSTOW - The water agency overseeing the cleanup of Hinkley's contaminated groundwater later this month will issue orders for Pacific Gas & Electric Co. to begin providing whole house water to residents whose water supply has significant levels of chromium 6, also known as hexavalent chrome.

PG&E provides bottled water to replace tap water for drinking purposes at about 80 locations, including residences, a school and a senior center.

The new order will require PG&E to provide water for all cooking, bathing and other needs for residents affected by a three-mile-long and one-half-mile wide plume, Lauri Kemper, assistant executive officer of the Lahontan Regional Water Quality Control Board, said during an interview.

"We listened to the concerns of Hinkley residents and took action," Kemper said.

A draft proposal of the order should be available for public comment in a few days, said officials from the water board during a board meeting Wednesday held at Barstow's Hampton Inn.

After a brief comment period, a final order will be issued that would allow Pacific Gas & Electric "a reasonable time period" to decide how it will supply all water needs, be it with large tanks or with the order, Kemper said.

That could mean the program won't be fully

rolled out until much of the hot Hinkley summer - a time of increased water consumption - is over.

"We know the board is looking at that and will work with

them on being responsive to their request," PG&E spokesman Jeff Smith said Thursday.

During the meeting, it was revealed that PG&E's recent samplings of private wells has detected chromium levels exceeding maximum background levels of chromium 6 well beyond current plume boundaries.

The water board has determined that chromium 6 levels above 3.1 parts per billion in a domestic well are the result of PG&E's pumping station.

Levels below that amount are considered to be naturally occurring.

One site, a mile north of what was believed to be the northernmost boundary of the plume, is clearly related to the chromium 6 used by PG&E at its Hinkley natural gas pumping station during the 1950s and 1960s, said Lisa Dernbach, senior engineering geologist for the water board.

Use of chromium 6 for controlling algae and

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protecting metal against rust was common during that era, before its cancer-causing side effects were known.

Another site, one mile west of the known boundary of the plume, could be related the PG&E plume, she said Wednesday night.

This leap of a mile may mean the plume is expanding at a faster rate than previously thought.

"It is definitely not contained," she said.

Kevin Sullivan, who is managing PG&E's Hinkley cleanup project, said further study was needed to understand what those well sample readings mean.

To accomplish that, PG&E is sinking more sampling wells near those two sites.

Meanwhile, nearby residents are worried.

"If it is that close, it won't be much longer until it is in my well," said Paul Greenberg, 61, who has lived near where one of the newly contaminated well sites is for 11 years. "I think I am going to have to get out of here ... but I have no place to go."

Explaining why the plume might be moving faster than it has previously, Dernbach said the geological formations in the Hinkley area could be squeezing the plume's width, making it travel faster as it becomes compressed in its northern migration.

Well tests last year indicated the plume was moving in a northeastern direction, but at a relatively slow pace.

During the meeting, Smith outlined PG&E's proposal, using several technologies, which would bring the plume down to background levels in 40 years.

In the worst parts of the plume, below land owned by PG&E., food-grade alcohol will be injected into the groundwater, which will feed naturally occurring bacteria. These bacteria then release a chemical which converts chromium 6, into chromium 3, a harmless chemical often used as a vitamin supplement.

Sullivan said the bacterial treatment works rapidly to bring down chromium 6 concentrations. But it is not without side effects, such as causing levels of manganese to rise. This too will need to be taken out of the water supply, he said.

While the highly contaminated areas of the plume can be reduced quickly, it will take some time to bring the chromium 6 levels down to 3.1 parts per billion or less.

"It's like wringing water out of a sponge," he said. A lot comes out initially, but to get the last bit out takes time.

Under the proposal, fresh water will be injected into the plume at other points, and a third technique involves using contaminated plume water for agricultural irrigation.

The environment in plant root systems also leads to the conversion of chromium 6 into chromium



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3, Sullivan said.



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Rockies snow decline bad sign for water supply

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By Timothy Gardner
WASHINGTON | Thu Jun 9, 2011 7:12pm EDT

(Reuters) - Snowpack declines in the Rocky Mountains over the last 30 years are more significant than during any other period in past centuries and foreshadow a strain on summer water supplies for more than 70 million people across the Western United States, a U.S. government study said.

Despite this year's record snowpacks in the Rockies and resulting floods, declines over the three decades have shown an unusual pattern compared to reconstructions of snowpacks going back 1,000 years, according to the Geological Survey study released on Thursday, in the journal Science.

Runoff from winter snowpack, layers of snow that build up in mountains, accounts for 60 to 80 percent of the West's annual water supply, the study said.

The declines can be attributed to unusual springtime warming caused by man-made climate change and come during the summer, which is the period of highest demand for water in the West, it said.

"The more we increase temperature, the earlier we melt out our snow pack and the less of it there is to get through our warm dry summers," said USGS scientist Gregory Pederson, the lead author of the study.

Pederson declined to predict how the declines would affect humans in the West, saying that people have long been creative in finding new ways to divert and store water when it is needed. But he said agriculture and industries that depend on annual allocations of water could be suffer. In addition, coldwater fisheries could be damaged as warmer water flows downstream.

Pederson and other scientists at the USGS and at the Universities of Arizona, Wyoming and Western Ontario reconstructed past snowpacks using tree ring data going back 500 to more than 1,000 years.

Lower elevation trees such as ponderosa pines grow larger tree rings during big snowpack years as annual melts provide water downstream, while high elevation trees, including mountain hemlocks, grow small rings during big snowpacks because they impeded growth.

The data showed that with few exceptions northern Rocky Mountain snowpacks were large when southern Rocky snowpacks were small and vice versa.

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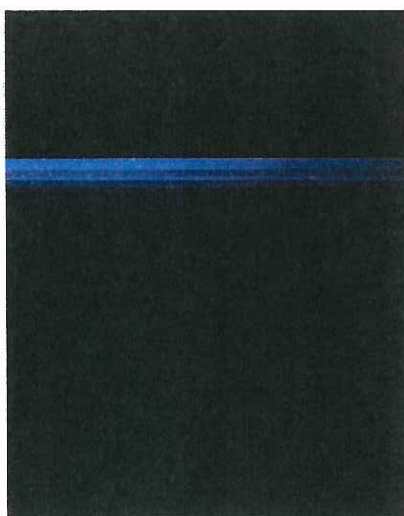
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But since the 1980s there were simultaneous declines along the entire length of the Rocky Mountains, the study showed.

"This scientific work is critical to understanding how climate change is affecting western water supplies," Secretary of the Interior Ken Salazar said in a statement.

He said it helps land managers adapt to changing conditions, assists water managers with planning, and gives the public an understanding of the impacts that human-produced carbon emissions are having on U.S. resources.

The study can be seen at: link.reuters.com/hyr99r

(Reporting by Timothy Gardner; Editing by Eric Walsh)

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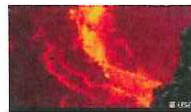
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California water wars: DOI's pumping cutbacks prompt lawsuit

Jun. 10, 2011 9:38am

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- SLDMWA is immediately filing suit to ask the federal court for a temporary restraining order to stop Interior from reducing California's water supplies any further.

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The Department of the Interior's decision last night to cut back on water deliveries for the Central Valley is a direct violation of federal law, the San Luis & Delta Mendota Water Authority (SLDMWA) announced. SLDMWA is immediately filing suit to ask the federal court for a temporary restraining order to stop Interior from reducing California's water supplies any further.

"The law is crystal clear," said SLDMWA Executive Director Dan Nelson. "When there is an abundance of water as there is in this very wet year, the Bureau of

Reclamation is obligated to export and store as much water as its system can manage."

This requirement is a key provision of an agreement between the federal government and the State of California concerning the coordinated operations of the Central Valley Project and the State Water Project, and the Central Valley Project Improvement Act requires that Reclamation meet its obligations under this agreement. That agreement was first signed on May 20, 1985, and it has been repeatedly ratified by Congress in the years since, most recently in 2009.

Interior approved the cutbacks after reviewing an order issued by the U.S. Fish and Wildlife Service (USFWS) that directed the Bureau of Reclamation to ratchet down the pumping at the C.W. "Bill" Jones Pumping Plant. Both Reclamation and USFWS are part of the Department of the Interior.

"The agreement on coordinated operations recognizes a basic principle of responsible water conservation: when nature provides an abundance of water, you need to do everything you can to ensure that it is saved for the future and not left to run into the ocean unused," said Nelson. "There is no doubt that we are currently in a wet period but Interior is ignoring its obligations under the law."

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Despite this year's record wet conditions, CVP deliveries to the agricultural water service agencies south of the delta have already been limited to only 80 percent of their project supplies.

USFWS reportedly initiated this action to protect fall run Chinook salmon. But that species has not been listed under the Endangered Species Act. And other federal fisheries experts have repeatedly pointed out that the recent increase in the number of fish taken at the pumps simply reflect a large, healthy increase in fish abundance this year.

"The decision to reduce pumping at a time when there is so much water in the Delta is clearly punitive and it defies explanation in terms of responsible water management and good public policy," said Nelson. "It creates another unnecessary and destructive controversy over excessive federal interference in California's water supplies.

"This is exactly why some members of Congress feel an overhaul of the laws governing the use of Central Valley Project water for the environment is necessary and recently introduced legislation to do so. As things are now, even when the statutes are unambiguous, these federal officials choose to ignore them."

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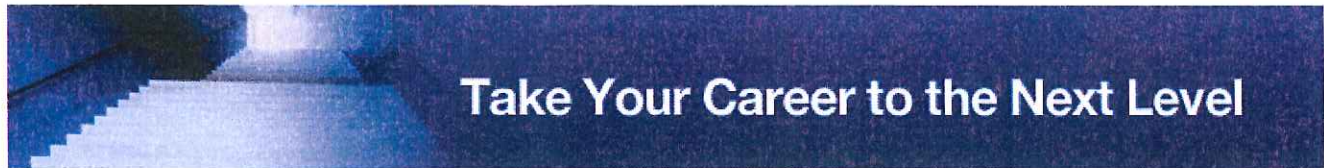
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Water worries grow on Colorado River

By Mike Lee /h5>
5 p.m., June 6, 2011

Drought conditions lasting 5 or more years will persist 40 percent of the time over the next five decades on the Colorado River, according to a federal analysis released Monday.

The U.S. Bureau of Reclamation, which manages water flows on the river, issued the first installment of a long-range study about bridging the gap between supply and demand for river water. The next update will deal with water-use projections and ways to address shortages. The final report, with recommendations, is expected in July 2012.

The Colorado River is one of the San Diego region's two main water sources, along with the Sacramento-San Joaquin River Delta. Local officials are trying to develop local sources such as groundwater, reclaimed wastewater and desalinated ocean water.

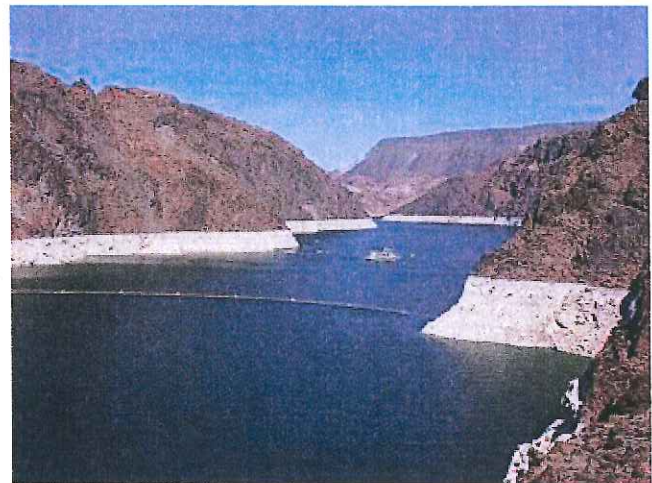
After a long line of dreary forecasts for the Colorado River Basin, no one expected the bureau's projections to be rosy -- and they weren't. The study anticipates roughly a 9 percent decrease in flows on the river over the next 50 years, along with increased drought periods. Projections are based on climate models that show decreased precipitation across the Southwest in years to come.

"This is the most comprehensive look at the water supply and water demand picture in the Colorado River Basin," said Halla Razak, Colorado River program director for the San Diego County Water Authority. "Everybody really believes that this study will give us a pretty good road map to move forward."

That's no easy task given that there's more demand for Colorado River water than it can provide today, let alone with lower flows and higher demands.

Monday's study said the period from 2000 through 2010 represents the lowest 11-year average natural flow at a given point on the Colorado River in recorded history, approximately 20 percent below the 103-year average. Although an 11-year drought of that magnitude is unprecedented in over 100 years, reconstructions of prehistoric stream flows show that equal or greater droughts have occurred.

On the demand side, the study said that from 1971-1999 water use in the Colorado River Basin increased by about 23 percent.



Lake Mead has been showing the "bathtub rings" of drought stress for most of the past decade. — NASA

San Diego County and the rest of the state emerged from a three-year drought and related water-use restrictions after heavy snowfall last winter. Many water experts expect the reprieve to be temporary.

About 15 percent of Colorado River withdrawals are used by the basin's urban water utilities use that serve more than 30 million people and support hundreds of billions of dollars in economic activity annually. In addition, the Colorado River is a major source of water for agriculture, irrigating nearly 4 million acres of land. The river also is a major source of hydroelectric power.

"While there is no 'silver bullet' for managing future supply challenges, there are opportunities for urban, agricultural, and other water users in the basin to collaborate on a balanced, sensible approach for managing future Colorado River supplies and managing potential future shortages while avoiding significant economic and quality of life impacts to the region," said a statement issued Monday by urban water agencies across the West, including the county water authority.

The conservation group Environmental Defense Fund said it's pushing the Bureau of Reclamation and state officials to ensure that the federal study identifies solutions to the imbalance between water supply and demand while sustaining healthy river flows.

"Active outdoor recreation in the Colorado River Basin contributes more than \$75 billion annually to the region's economy and supports more than 780,000 jobs," said Dan Grossman, the group's director in the Rocky Mountain region. "That's why we must capitalize on this study by crafting a path forward that protects the health of the Colorado River--and the ecosystems and economies it supports--or we'll miss a critical opportunity with potentially tragic consequences for the region.

He added: "While the Bureau of Reclamation and Colorado River Basin states have made some progress, they have a lot of work left to do."

Mike Lee: (619)293-2034; mike.lee@uniontrib.com. Follow on Twitter @sdutlee.

Find this article at:

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Sherri Molino

From: Richard Hellmann [rhellmann@brwnald.com]
Sent: Tuesday, June 07, 2011 9:18 AM
To: Sherri Molino
Subject: BC Water News Special Edition: 10 Minutes With Steve Maxwell

Brown AND Caldwell

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Steve Maxwell is the founder of **TechKNOWLEDGEy Strategic Group**, which provides consulting and advisory services to the environmental and water resource industries. He recently talked to *BC Water News* about why awareness and understanding of the challenges this industry faces is so important, and why everyone is clamoring to get into the water business.

June 7, 2011

10 Minutes With ...

Steve Maxwell

What are the biggest challenges facing the water industry?

I could run over the standard list of critical challenges — decaying and under-invested infrastructure, critical freshwater shortages in growing geographic regions, resistance by the public to more realistic cost-based pricing, the slow pace of new technology adoption by the utility business, and the like. However, I think that one can summarize almost all of the challenges we face by simply underlining the critical significance of better public awareness and understanding of the water challenges we face.

If we really had a better grasp of what is really at issue here, change would be easier, and solutions would come faster. For example, if more people understood the technical



Name: Steve Maxwell

Title: Founder of TechKNOWLEDGEy Strategic Group

Background: Steve has 30 years of experience in the environmental and resource management fields. Prior to founding TSG, he served as vice president of marketing for the hazardous waste management company USPCI, Inc.; manager of

feasibility of water reuse, we wouldn't have the hysteria that we do about "toilet to tap" and so on. If more people really understood the critical nature of our underground infrastructure problems, they probably wouldn't be quite so upset about the occasional (and usually minor) water rate increase. And I find that even a lot of folks inside the water business don't really understand the true and sustainable life-cycle costs of providing clean drinking water. Too many people still think water is essentially free, or that it should be.

What are the greatest opportunities?

As we face more daunting water quality and quantity challenges, we will increasingly be measuring and keeping track of more and more data — so that we can both better understand the problem, and find more productive solutions. Firms that are developing new instruments or sensors to gather that data, as well as firms which are developing the software and systems to turn that data into actionable intelligence, are sure to enjoy booming opportunities in the future.

Another opportunity is the whole area of more efficient agricultural water usage and more efficient irrigation systems and technologies. It is becoming only too clear that the vast majority of our overall water consumption goes into agriculture, and that agricultural usage is highly inefficient. The obvious corollary to this is that by improving ag usage efficiency, a lot of water can be freed up for use in other, perhaps higher-valued applications. Drip irrigation, modified capillary-action irrigation, laser field leveling, and soil moisture content monitoring are just a few examples of emerging opportunities.

You talk about "exploding strategic interest" in the water industry. What does that mean?

It means the rapidly increasing interest in

strategic planning for Union Pacific Corporation; and executive VP of Recra Environmental, an environmental lab and consulting firm. Previously, he held marketing and planning positions in the mining and energy industry. He is also an associate and partner in the world's original water hedge fund, Summit Global Management of San Diego, a leader in water rights investing.

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opportunities offered by the water resource industry that has come from almost all corners. These days, it seems like virtually everyone wants to get into the water business — to somehow obtain a platform to participate in what is increasingly realized to be a very critical long-term business. More and more people are realizing that strong business opportunities are going to be here long-term — as in decades or centuries, not years.

Firms that are already in the business want to expand their market share and strategic position, firms that are sort of tangential to the business or partially in the business want to consolidate or strengthen their exposure, and all kinds of firms and investors that are not already in the business want to get in, and want to get in now.

That includes a vast range of industrial companies and so-called “strategic” or industrial buyers. And it includes the full spectrum of financial investors and investment vehicles — private equity funds, sovereign country funds, hedge funds, ETFs, and right down to individual small investors like you and me — looking for a good stock to buy.

How will all of this impact public and private water agencies?

Water and wastewater utilities are likely to see a lot of changes over the next decade or two. First, as economic pressures intensify, and as technological and regulatory complexity of the industry increases, utilities are going to have to become quicker, more efficient and more responsive. With all the requirements and expectations starting to be placed on this industry, it's not going to be easy to be a sleepy little water utility in the future.

Additionally, cost pressures toward outsourcing or privatization will see to the need that utilities need to focus on efficiency

and productivity. Utilities will also have to get a little more adventurous or entrepreneurial in terms of trying new technologies or new approaches, both in order to comply with future regulatory requirements and to meet growing customer expectations — they won't be able to act in the slow, overly cautious, and, some would say, stodgy manner that some of them have in the past.

There will probably be at least some sort of a trend toward greater privatization, particularly amongst the ranks of the smaller and more financially constrained utility agencies. In Europe, almost half of water utilities are privately owned and operated, while in the United States that figure is around only 10 percent; that is likely to change. Finally, as wastewater is increasingly recognized for what it really is — a source of energy, materials and a new raw water source — the boundaries between traditional water and wastewater utilities will likely start to fade.

You say we are depleting water supplies and meanwhile keeping water prices “artificially low.” What has to change?

More people have to simply understand that what we are paying for water in most places today is not sufficient to maintain the needed capital infrastructure in order to provide that clean water on a sustainable basis. In some places, rates may cover operating costs, but not capital reinvestment costs; in other areas, rates may not even really cover true operating costs.

How has the recession affected the water industry?

In a nutshell, not as much as most other industries. In an economic recession, we may not go out to eat at fancy restaurants as often, we may not buy bigger houses or cars, and we may cut back on our vacations, and so on. But we don't really cut back on our water

consumption. How many of us think, “Gee, let’s don’t flush the toilet as often, until the economy gets better, or until Mom gets a new job?”

For this reason, water stocks and water utility stocks in particular, are a favorite hedge against recession — they keep ticking away even when many other sectors are flat on their backs.

What do you do when you’re not thinking about water?

Usually, if I’m not working or doing things with my family, I’m out somewhere on my bicycle. I used to run a lot, but as I’ve gotten a bit older my knees didn’t always agree with that, and over the past 10 years or so I’ve become a real bicycle road racing enthusiast. We have a lot of nice routes, both on the plains and in the mountains here around Boulder, Colo., where I live, and of course, this is an absolutely bike-crazy community. I’ve also enjoyed doing cycling tours in France, concurrent with the Tour de France, and around other parts of Europe.

One of my big accomplishments was, a couple of years ago, being able to complete the legendary cycling climb called Mont Ventoux, in southern France, from all three directions in one day. It is considered one of the toughest climbs in all of professional cycling, and there are three routes to the top. I did them all in one day — about 90 miles with 15,000 feet of climbing — and I have a cheap little plastic plaque proving that I am one of only a few dozen Americans to accomplish that.



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Water district gives millions in contracts to politically connected recipients

Those people and organizations have helped the southeast Los Angeles County agency fight critics and avoid outside scrutiny.



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From left are Central Basin Water District board members Robert Apodaca, partly hidden, Art Chacon, Edward Vasquez, Rudy Montalvo and Phillip Hawkins. (Allen J. Schaben / Los Angeles Times)

By Sam Allen, Hector Becerra and Patrick McGreevy, Los Angeles Times
June 3, 2011

A water district that serves southeast Los Angeles County has awarded millions of dollars in contracts to politically connected individuals and organizations, which have helped the district fight critics and avoid outside scrutiny, public records and interviews show.

The Central Basin Municipal Water District's relationships with state legislators, a former mayor of Bell and other political insiders have enabled the obscure utility to accumulate clout in Sacramento and in the industrial corridor along the 710 Freeway.

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At the heart of the district's political ties is the Oldtimers Foundation, a nonprofit organization that was run for many years by George Cole, a former Bell mayor and councilman who has served on the water district's elected board of directors.

In the last five years, Oldtimers has received more than \$2.5 million from Central Basin. Oldtimers provides low-cost housing, dial-a-ride programs and other services to municipalities. The water district has paid it to install water-saving toilets and promote water conservation, among other services.

Central Basin has also paid Oldtimers' board president, former Assemblyman Tom Calderon, more than \$750,000 in consulting fees since 2004 for political and legislative advice.

Calderon's two brothers, both state legislators, have defended the water district's interests in Sacramento. In 2009, Sen. Ron Calderon (D-Montebello) helped thwart an audit of Central Basin's books. This year, Assemblyman Charles Calderon (D-Whittier) proposed legislation that could reduce the fees Central Basin's customers pay for groundwater.

Tom and Ron Calderon, as well as Central Basin officials and contractors, helped finance a recall effort in 2008 against two council members in the City of Commerce who were critics of the water district, records show.

Tina Baca Del Rio, one of the targeted council members, said she had opposed Central Basin's proposal to build a pipeline through her city. Baca Del Rio was recalled but won her seat back in 2009. The other council member, Robert Fierro, avoided recall by a narrow margin.

Central Basin is a wholesaler that sells imported water to dozens of communities and water companies in southeast L.A. County. The district has about 20 employees and hires contractors to provide most of its services. The five board members each represent a

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portion of its service area.

The district has come under criticism from customers, elected officials and the state auditor for a surcharge it imposed to help pay for a pipeline that distributes recycled water for industrial uses and irrigation.

Critics say the pipeline will never pay for itself and has become a costly burden on water customers.

Rep. Grace Napolitano (D-Norwalk), whose congressional district overlaps with Central Basin's service area, said the utility has refused to share information about its finances and rate structure.

She also said it was a conflict of interest for Ron and Charles Calderon to sponsor legislation affecting an agency for which their brother is a paid consultant.

"I'm concerned about this water district and about who may be behind it for a power grab," Napolitano said in an interview. "What is the end that they are seeking? That to me is the question."

[Read more](#)

Key Players

Click for a description of each person's role.



George Cole

- Former executive at the Oldtimers Foundation, where he started in the early 1980s
- Former Bell city councilman charged with misappropriation of funds
- Former Central Basin board member
- Along with Ron and Tom Calderon, helped finance a 2008 recall effort against two council members in the City of Commerce who were opposed to a Central Basin project

Ron and Charles Calderon said there was no conflict of interest because their brother does not influence their legislative agendas.

"I don't think it really matters whether he is a consultant to the board or not," said Ron Calderon. "What I am supporting is a water program that makes sense, whether he is there or not."

Charles Calderon said he had nothing to do with his brother's contract with the district, and added: "He hasn't lobbied me." He said Napolitano was criticizing him in anticipation that he might run against her some day.

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Regarding the district's association with the Oldtimers Foundation, Art Aguilar, Central Basin's general manager, said Oldtimers had submitted the lowest bid on each of its contracts and did high-quality work.

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ManuelDelgadillo at 2:32 AM June 05, 2011

George Cole has been a southeast political player for many years and it is finally catching up with him. There is a definite conflict of interest that should be investigated by the Los Angeles District Attorney. What a coincidence that the Oldtimers Foundation that George Cole headed and ran received the contracts to install the water efficient toilets and in the end got paid more than the Eco-Green bid. These are the types of back door politics that have plagued the southeast area for years. Board members should not be allowed to be in anyway associated with contracts being voted on. The George Cole's political ties run deep in the southeast area, so I do not believe this is the end of what will be uncovered. This great investigative reporting is very much appreciated.

elmoro at 9:45 AM June 04, 2011

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Vazquez, Apodaca, Hawkins, Montalvo and Chacon are extremely corrupted officials that were elected to the Board by fraudulent maneuvers. The Chacon and the Calderons families are elected to office by voters that are used to the politics of favoritism so common in Mexico. They are just white collar criminals using the system to gain high paying comissions and



News Release

Contact: Phil Rosentrater, External Affairs Director
951.571.7293 office; proentrater@wmwd.com

Western Awarded \$2.9 Million in Grants to Expand Desalination Efforts

Chino Desalter expansion will increase local water supply and improve basin water quality

RIVERSIDE, CA – May 27, 2011 – Western Municipal Water District today announced the award of \$2.9 million in state and federal grants to fund a portion of the Chino Desalter’s Phase 3 Expansion. When completed, the \$130 million expansion will create an additional 10.5 million gallons per day of new water, benefitting more than 1.5 million people in the Inland Empire. To date, Western, which is the lead agency in a consortium of inland water agencies representing the Chino Basin Desalter Authority (CDA), has secured \$15.7 million in grant awards for the project. Local property taxes and federal funds will serve as a match for state resources to complete funding.

“Western recognizes that managing the salinity of our watershed is one of the District’s core responsibilities, and we have been proactive in seeking state and federal funding to support these efforts,” said John V. Rossi, general manager of Western. “But the Phase 3 Expansion of the facilities at Chino is about more than improving the basin’s water quality; it will also expand local potable water supply, reducing our dependence on expensive and unreliable imported water, and ensure that we are respectful of our downstream neighbors.”

The \$2.9 million in grants were awarded for the development of new wells in the Chino Creek Well Field, which will supply additional groundwater to be treated at the Chino Desalters. Increased groundwater pumping, coupled with upgraded treatment capacity at the Chino I and Chino II Desalters, will provide much needed water for the cities of Chino, Chino Hills, Norco, Ontario Jurupa Community Services District, Santa Ana River Water Company and Western. The desalination facilities will also improve local groundwater quality by removing salts, nitrates, and volatile organic compounds from the basin’s water, while dramatically reducing the flow of degraded water into the Santa Ana River, protecting downstream water supplies and ecosystems.

To secure the grants, Western’s Water Resources Department prepared two applications: one was submitted to the California Department of Water Resources (DWR) through the Santa Ana Watershed Project Authority as part of the Integrated Regional Water Management Plan; the other was submitted to the United States Department of the Interior Bureau of Reclamation (Reclamation). Recognizing the importance of salt management for watersheds around the country, the DWR grant awarded the per-project maximum of \$1 million, while the Reclamation grant provided the maximum 25 percent federal match of \$1.9 million. All \$2.9 million will go toward construction of the Chino Creek Well Field.

These two additional funding sources bring the total grant awards for the project to \$15.7 million. Most importantly, the Reclamation grant award appropriates \$2 million of the \$26 million authorized under the Omnibus Public Land Management Act of 2009, which will allow Western to seek additional federal appropriations for the Chino Desalter in the upcoming fiscal year.

CDA agencies, including major partners Inland Empire Utilities Agency, Jurupa Community Services District and the city of Ontario, have worked strategically to fulfill the objectives of the CDA as quickly as possible.

“The awarding of these grants is an affirmation of the importance of our mission,” said Charles D. Field, member of Western’s Board of Directors and the District’s representative on the CDA and the Chino Basin Watermaster Board. “Western will continue to stay on the forefront of salinity management, implementing treatment technology in a way that is sensitive to the environment as well as to the pocketbooks of our ratepayers.”

Western Municipal Water District provides water supply, wastewater disposal and water resource management to the public in a safe, reliable, environmentally sensitive and financially responsible manner.

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Bill to stop river project draws powerful foes

Posted at 10:12 PM on Thursday, Jun. 02, 2011

By Michael Doyle / Bee Washington Bureau

WASHINGTON – California officials and the Obama administration on Thursday strongly objected to a politically divisive bill that blocks San Joaquin River restoration efforts, casting the bill's long-term prospects into doubt.

Citing "very serious problems" with the bill authored by Rep. Devin Nunes, R-Visalia, administration officials warned against breaking apart the river restoration settlement that in 2006 ended an 18-year-long lawsuit pitting farmers against environmentalists.

"The bill would not only undo the very valuable restoration work committed to by all the settling parties, but would also ... pave the way for many more years of costly court battles," Interior Secretary Ken Salazar warned a House panel.

California Natural Resources Secretary John Laird echoed that warning, saying the bill would "almost certainly send the controversy back to court, where the consequences of litigation would be unknown."

As a statement, though, the San Joaquin Valley Water Reliability Act could succeed even if it dies in the Senate. Critics fear it might also propel over the finish line other California water provisions.

Republicans specifically cast the legislation in partisan terms, repeatedly contrasting the GOP's farmer-friendly efforts with what Nunes described as "four years of neglect by the [previous] Democratic majority." The bill allows lawmakers to articulate a position, with various Republicans Thursday denouncing "uncompromising environmental groups" and "left-wing ideology."

"California's San Joaquin Valley is ground zero for what's gone wrong with federal water policy," declared Rep. Tom McClintock, R-Elk Grove, the chairman of the House water and power subcommittee.

Though the hearing was the first on Capitol Hill to consider the water legislation, lawmakers and witnesses spent at least as much time revisiting old feuds as on discussing the bill's details. At one point, Westlands Water District general manager Tom Birmingham and Rep. John Garamendi, D-Walnut Grove, clashed over water negotiations they had back in 1997.

This year's 38-page bill would stop the ambitious program that currently aims to return salmon to the San Joaquin River by Dec. 31, 2012. The bill also would lengthen irrigation contracts, curtail environmental protections in the Sacramento-San Joaquin Delta and provide farmers more

water. "The pumps have to run," Nunes said, and "the San Joaquin River boondoggle has to end."

Working on a separate front, Nunes and his allies succeeded Thursday in stripping \$66 million in San Joaquin River restoration funds from a fiscal 2012 spending bill.

The Friant Water Users Authority and the Natural Resources Defense Council signed the river settlement in 2006. Without the agreement, negotiators reckoned that a federal judge would control the water decisions.

Barry Nelson of the Natural Resources Defense Council and Cynthia Koehler of the Environmental Defense Fund both cautioned Thursday that cracking the river settlement could undermine confidence in other water negotiations, particularly those underway through the Bay Delta Conservation Plan.

Neither Friant nor the NRDC were invited to testify Thursday. Instead, the subcommittee summoned farmer Kole Upton, a former Friant chairman who now opposes the river restoration plan. "The salmon restoration is behind schedule and the question should be asked whether this effort warrants the expenditure of so much public money," Upton said.

Bureau of Reclamation Commissioner Michael Connor acknowledged the Dec. 31, 2012, deadline for returning salmon to the river may slip, suggesting that "we are interested in looking at the schedule" for possible revisions.

The water bill is almost certain to pass the Republican-controlled House, possibly this summer.

Rep. Jim Costa, D-Fresno, said Thursday he will support the bill so that further negotiations can ensue.

Neither of California's two Democratic senators, Dianne Feinstein and Barbara Boxer, support the current bill. This complicates the bill's final passage, though Nunes says he's working with senators from other states.

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Obama administration moves to cut unneeded regulations

The proposed changes come in a report from a government-wide review ordered by Obama in January to weed out overly burdensome rules and stimulate job growth.

By Jim Puzzanghera, Los Angeles Times

May 27, 2011

Reporting from Washington

The Obama administration has identified dozens of unneeded regulations — from handling spilled milk to requiring warm-air hand dryers — that should be eliminated to save hundreds of millions of hours a year in filling out forms and, over time, billions of dollars in costs.

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The proposed changes, a few of which already have been enacted or are in their final stages, came in a report Thursday from a government-wide review ordered by President Obama in January to weed out overly burdensome rules and stimulate job growth.

Obama has been under fire from Republicans and business groups for expanding government regulations, particularly after the enactment last year of the sweeping healthcare and financial reform laws.

The proposed rule reductions were applauded by administration critics as a good first step to easing burdens on businesses and local governments. But an environmental group warned that the White House needed to be careful not to eliminate rules that protect the public.

White House officials said they were committed to getting rid of regulations "that are out-of-date, unnecessary, excessively burdensome or in conflict with other rules."

"The objective was to ... be sure that the regulations on the books do what they were intended to do and they do it at the lowest possible costs," said Jacob Lew, director of the White House Office of Management and Budget.

"This is not a one-time project," he said. "This is the beginning of what will become a new way of doing business" for federal agencies.

Detailed plans to reduce regulations came from 30 federal agencies and departments. The Commerce Department, for example, proposed to simplify government rules on exports.

The White House posted the plans on its [website, http://www.whitehouse.gov](http://www.whitehouse.gov), and asked the public for comments. Most of the changes must go through formal rule-writing procedures that also require public comment periods.

The Occupational Safety and Health Administration said Thursday that it already had made final a new rule to streamline and simplify several requirements as part of the broader regulatory review.

Among them were updating a definition of potable water to be consistent with Environmental Protection Agency standards, removing outdated standards that require warm-air hand dryers to allow for new technology that uses room-temperature air and eliminating requirements for employers to send records to the National Institute for Occupational Safety and Health because the records "don't serve a useful research purpose."

The White House said those changes alone would eliminate more than 1.9 million annual hours of "redundant reporting requirements" for employers, saving more than \$40 million a year in costs.

In another example, the EPA will propose the elimination of air pollution vapor recovery systems at gas stations because of improved air pollution control technology in newer vehicles. The move, if approved, would save stations about \$67 million a year, the White House said.

At the urging of dairy farmers, the EPA in April changed rules that had included milk in oil spill regulations that required special containment facilities and other measures. The rule change will save the dairy industry \$146 million a year.

Rep. Darrell Issa (R-Vista), chairman of the House Oversight and Government Reform Committee, said he supported "any effort on the part of the president to make the regulatory system more predictable, more transparent and less onerous for job creators."

But he said that "flawed" proposed regulations in the pipeline were just as much a threat as existing ones.

Before Obama announced the regulatory review, Issa had sent letters to more than 150 business leaders soliciting suggestions for regulations to eliminate.

The U.S. Chamber of Commerce, which has battled the Obama administration over regulatory issues, echoed Issa's concerns. The chamber said the recommendations to remove some regulations represented progress but didn't go far enough.

"What we need is a plan to make our flawed regulatory system smarter, less intrusive and more accountable," said Bill Kovacs, the group's senior vice president of environment, technology and regulatory affairs.

The chamber called for greater congressional oversight of regulations that have a major economic impact, cost-benefit analyses and scientific reviews conducted by independent third parties and changes

to make it easier to challenge rules in court.

But the Natural Resources Defense Council said it would examine the proposed rule reductions to make sure they didn't go too far.

"The purpose of the regulatory system is to protect the health and well-being of the American public," said Scott Slesinger, the group's legislative director. "Any proposed changes should be closely evaluated to ensure they protect the public, first and foremost."

jim.puzzanghera@latimes.com

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Delta's winter surge undercuts rationale for big diversion of Sierra water around it

Mike Taugher, Contra Costa Times

Created: 05/21/2011 07:07:53 AM PDT

A surge of winter runoff that could not be captured has buttressed objections to building a huge aqueduct to route Sierra water around the Sacramento Delta area for use in Southern California.

For several years, the Contra Costa Water District and others have argued it would be foolhardy to build a large, expensive and highly contested water diversion that winter rains or spring snow melt could rarely fill.

A smaller version -- perhaps one-fifth the size contemplated --

would be cheaper, deliver nearly as much water and could not be misused in ways that would harm drinking water quality and fisheries, they contend.

But backers of the larger version, primarily major Delta water users in the San Joaquin Valley and Southern California, insist a big aqueduct would maximize flexibility -- that it is important to be able to take large gulps during high flows when such diversions have little environmental effect.

This year, when a wet winter ended a three-year, reservoir-draining drought, is a case in point.

When the big flows came through this spring, Delta water managers'




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pumps diverted no more than about half what it would take to fill the proposed 15,000-cubic-foot-per-second aqueduct under study. Most days, the pumping rate was far less.

As it turned out, there was nowhere to send the water, except to let it flow through the Delta to the San Francisco Bay and the Pacific. The state's reservoirs filled quickly, and groundwater

storage banks were taking water as fast as they could.

"Deliveries have been limited by the number of places to put the water," said Mark Cowin, director of the state Department of Water Resources. "If there were more opportunities to store water, we would have exported more water."

Cowin said more reservoirs and groundwater storage banks should be built. He also said the Brown administration has changed the course charted by the Schwarzenegger administration and will consider smaller Delta diversion alternatives equally with the larger

version.

"This is an issue that will be thoroughly scrutinized," said Richard Stapler, spokesman for the state Natural Resources Agency.

Still, bigger is better, say the major water agencies that propose to pay for the project.

A big canal could take advantage of early-season storms to fill reservoirs sooner and stretch water supplies, said Laura King Moon, assistant general manager of State Water Contractors, which represents water agencies in the Bay Area, Southern California and elsewhere.

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complicated," King Moon said. "The contractors are convinced that 15,000 cfs is the optimal size for both water supply and ecosystem reasons.

"I expect there to be a lot of debate over this in the coming months," she said.

The aqueduct is being proposed as part of a Bay Delta Conservation Plan, which seeks to stabilize water supplies and protect the environment.

By taking water from the Sacramento River through a new set of tunnels or a canal and restoring wetlands, supporters of the idea say they can ensure more reliable delivery of Delta water and eliminate the environmental problems of using huge pumps in the south Delta.

After nearly \$150 million in planning, though, the conservation plan was severely criticized this month by a panel convened by the National Academy of Sciences, which concluded in part that water agencies apparently decided they

wanted to build a large aqueduct and then set out to rationalize it as a strategy for protecting the environment.

Although some critics of replumbing the Delta contend no new aqueduct is needed, others find the idea of a smaller one attractive because it guarantees a limit on how much water can flow through it, unlike a larger canal that might be overused.

An increase in Delta pumping during the 2000s coincided with the collapse of several fish species, and just last week, House Republicans introduced legislation to reverse environmental safeguards in the Delta to increase water deliveries.



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Contra Costa leaders looked to additional storage as a buffer against those types of threats 30 years ago when they won statewide rejection of the Peripheral Canal during Gov. Jerry Brown's first administration.

The worry then, as now, was that building a big canal without sufficient storage capacity would create an incentive to fill the aqueduct whenever water agencies in the San Joaquin Valley or Southern California were thirsty, and not necessarily when Mother Nature is generous.

"It will allow them to take Delta water when it's needed south as opposed to when it's truly surplus," said former Contra Costa County supervisor Sunne McPeak.

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Point of View

Water: Get involved in big picture, small picture

Ruby Simpson

Created: 05/25/2011 07:24:50 PM PDT

In the 19th century and into the mid-20th century, federal and state governments spent billions to build water delivery infrastructure. Since then, not so much. Today, environmental and governmental constraints and budgetary inattention have brought water issues to crisis proportions in the most densely populated parts of the country, where infrastructure has deteriorated to dangerous levels just as environmental restrictions have precluded both the repair of the old and the development of the new.

For example, in inland Southern California, the U.S. Fish and Wildlife Service has ruled that a

fish called the Santa Ana sucker requires additional habitat areas. The result of this ruling, if it stands, will mean that area water providers will have to import water, much of it from upstate. The problem? The service is protecting another fish in Northern California, the Delta smelt, providing a classic Catch-22: inland Southern California cannot import the additional water it needs.

The result? No new construction projects for inland counties already suffering from 13.9 percent unemployment. Precisely quantifying the damage is difficult but there is no arguing that there will be significant economic damage.


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California's Central Valley is the state's fertile agricultural Eden. Enormous reductions in the delivery of irrigation water to this farmland because of limits to the Delta levees in Northern California, which provides much of the valley's water, have

resulted in 18-24 percent unemployment in the Central Valley, depending on the county. It can be argued that agriculture cannot continue to operate as it has in the past. Some crops must simply phase out because they cannot be sustained, even with economic subsidies. Still, cutting off water with no legislative mandate, no public hearings and no citizen input has caused catastrophic damage.

These are just two of hundreds of examples of a governmental agency failing to look at the big picture or negligently disregarding legitimate economic considerations.

For the big picture, get involved politically to bring about sensible government policy that balances economic reality with

environmental concerns. Water is nonpartisan.

Water may not be scarce in every region, but it is unquestionably a limited resource. As population expands, rainfall and other primary water resources remain the same, constraining water use. We simply cannot continue misusing water.

Small-picture changes can make big picture differences.

Office parks can no longer simply douse everything with potable water, but micro drip systems get water where it is needed and are particularly useful for commercial buildings. Rain gauge monitors at a cost of about \$35 per apparatus preclude sprinklers from running

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when it is raining.

For every 1,000 square feet of roof, one inch of rain can generate 628 gallons, or 6,280 gallons for a 10,000-square-foot rooftop. Catchment containers that run along the blind side of a retail big box, for instance, can easily provide enough water for toilet flushing for half the year, and the cost to purify the water sufficiently for such use is unobjectionable, more so as the cost of water rises.

The relatively low cost of water in most parts of the country, by the way, is due to subsidies. In Los Angeles County, for instance, 47 percent of the electricity generated is used to move water. Catching some water from rooftop runoff is a trade-off to keeping the air conditioner running.

Building owners can eliminate water-wasters like grass and landscape with native plants that are both esthetically pleasing and durable. Landscape planning helps, too. A simple decision to plant shrubs on the sunny side of

the building and deep-rooted grass that does not need daily irrigation on the shady side can mean a dramatic drop in water usage.


Homeowners should use drip irrigation for shrubs and trees. Install rain gauge monitors. Investigate rainwater catchment because the technology is moving at lightning speed and in some climates is already financially feasible for homeowners, and even on a small scale can help with water bills.

Need an incentive? The cost of an acre-foot of water, enough for one or two families for a year, is about \$250 in some large suburban areas. The cost of one acre foot of desalinated water?



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A comment made by a member of
a local water agency brought
home why we need to pay more
attention to water: "Every time I
turn on the faucet, water comes
out. That was not consistently true
100 years ago, and it's not
consistently true anywhere in the u
ndeveloped world today. I'm
willing to take the steps necessary
to make sure that in five years and
50 years, we can turn on the
faucet and have clean water. We
can't live without it and it doesn't
take care of itself."

*Ruby Simpson is president of
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California's Draft Bay Delta Conservation Plan Needs Better Integration to Be More Scientifically Credible, Report Finds

ScienceDaily (May 5, 2011) — A draft plan to conserve habitat for endangered and threatened fishes in the California Bay-Delta while continuing to divert water for agricultural and personal use in central and southern California has critical missing components, including clearly defined goals and a scientific analysis of the proposed project's potential impacts on delta species, says a new report from the National Research Council. In addition, the scientific information in the plan is fragmented and presented in an unconnected manner, making its meaning difficult to understand.

The delta region receives fresh water from the Sacramento and San Joaquin rivers and their tributaries, and water from the delta ultimately flows into the San Francisco Bay and the Pacific Ocean. Pumping stations divert water from the delta, primarily to supply Central Valley agriculture and southern California metropolitan areas. The effects of an increasing population and the operation of the engineered water-control system have substantially altered the delta ecosystem, including its fish species.

The November 2010 draft of the Bay Delta Conservation Plan (BDCP) aims to gain authorization under the federal Endangered Species Act and companion California legislation for a proposed water diversion project, such as a canal or tunnel that would take water from the northern part of the delta directly to the south while protecting the region's ecosystems. To date approximately \$150 million has been spent in developing the BDCP, which is being prepared by a steering committee of federal, state, and local agencies, environmental organizations, and other interest groups. The plan is slated for completion by 2013 and would be implemented over the next 50 years.

The draft BDCP states that the principal component of a habitat conservation plan is an "effects analysis," which the plan defines as "a systematic, scientific look at the potential impacts of a proposed project on those species and how those species would benefit from conservation actions." However, the effects analysis is still being prepared and was not included in the BDCP, resulting in a critical gap in the science. Without this analysis, it is hard to evaluate alternative mitigation and conservation actions.

The BDCP lacks clarity in its purpose, which makes it difficult to properly understand, interpret, and review the science that underlies the plan, stated the panel that wrote the report. Specifically, it is unclear whether the BDCP is exclusively a habitat conservation plan to be used as an application to "take" -- meaning to injure, harass, or kill -- listed species incidentally or whether it is intended to be a plan that achieves the co-equal goals of providing reliable water supply and protecting and enhancing the delta ecosystem. If it is the latter, a more logical sequence would be to select alternative projects or operation regimes only after the effects analysis is completed.

Furthermore, the draft BDCP combines a catalog of overwhelming detail with qualitative analyses of many separate actions that often appear disconnected and poorly integrated, the panel said. There are many scientific elements, but the science is not drawn together in an integrated fashion to support the restoration activities. The panel noted that a systematic and comprehensive restoration plan needs a clearly stated strategic view of what each scientific component is intended to accomplish and how this will be done.

"There is a strong body of solid science to support some of the actions discussed in the BDCP, but because the science is not well-integrated, we are getting less from the science than we could," said panel chair Henry Vaux, professor emeritus of resource economics at the University of California in Berkeley and Riverside. "As our report concludes, a stronger and more complete BDCP -- and the panel identified several areas for improvement -- could contribute importantly to solving the problems that beset the delta."

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Time to get ready for the runoff

By editor

Created 06/06/2011 - 5:59pm

By Mike Gervais/Register Staff

mgervais@inyoregister.com [1]

 [bishop creek on brockman.jpg](#) [2]

As temperatures begin to warm in the Sierra, snow will melt, sending runoff down Bishop Creek (above) and into local streams and ditches. Residents are being advised to clean debris from their ditches and streams to prevent water from spilling over the banks. Photo by Darcy Ellis

With a heavy snowpack lingering in the Sierra, residents in Inyo County are being advised to clear their ditches and ponds to prepare for the inevitable influx of water as summer temperatures begin to creep into the Owens Valley.

According to Los Angeles Department of Water and Power Public Information Officer Chris Plakos, the department is doing its part, with crews working daily to ensure ditches are ready for the runoff.

The LADWP said it is anticipating 619,000 acre-feet of runoff to make its way down from the Sierra this spring and summer. That is 150 percent of the average runoff. To be clear, one acre-foot is 326,000 gallons of water.

"Our crews are out working almost every day to make things go smoothly," Plakos said. Each year, the Inyo County Sheriff's Department, LADWP and the Bishop Community Water District remind residents to clear their ditches, streams and ponds to prevent flooding as the runoff makes its way to the valley floor. That advice is as important as ever this year.

If ditches and streams become clogged with debris, this year's runoff could cause significant flooding.

"The runoff really has not started yet," Plakos said. "Mammoth and Rock Creek (snowpacks), they're still holding steady from last month. People need to keep their ditches clean and be courteous and aware of their neighbors downstream."

Inyo County Sheriff Department Public Information Officer Carma Roper said sheriff's personnel will be meeting with LADWP and other local and state agencies on June 2 to discuss potential for flooding due to the runoff.

Plakos said that the draining of South Lake should not add any additional water to local streams and ditches, as Southern California Edison, who is responsible for water flow in and out of the lake, has the ability to regulate the amount of water that flows into Bishop Creek and makes its way into the valley.

“The thing that can really be an issue is if we get a warm rain on the snowpack, because that makes a kind of sludge,” Plakos said. “If we got 100 degree temperatures in Mammoth tomorrow, the snow wouldn’t melt fast enough to cause any major problems, because our system is built to handle the worst-case scenario.”

Right now, Plakos said Crowley Lake and other department-owned reservoirs are at the optimal level to receive and hold heavy runoff flows. “Our systems can certainly accommodate a runoff year like this,” he said.

With the LADWP and Edison prepared for the heavy runoff, local officials want to make sure that local citizens are also prepared.

Any excess plant growth, debris and sediment in private ditches should be cleared as soon as possible to prevent flooding this summer. v

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For Immediate Release

Eastern Municipal Water District announces new General Manager

Perris, CA (June 20, 2011)—Eastern Municipal Water District is pleased to announce the appointment of Paul D. Jones II as its new general manager effective July 25. Mr. Jones comes from Irvine Ranch Water District where he has served as general manager for the past 12 years. Jones succeeds Anthony J. Pack, who recently announced his retirement.

“We searched nationally for someone to build on what Tony Pack and the District have been able to accomplish,” said Randy Record, EMWD’s director and representative on the Metropolitan Water District. “Paul Jones will be able to ramp up quickly because of his broad knowledge of water and wastewater, and his numerous contacts within the many agencies of Southern California.”

Jones, 52, brings extensive experience in the water industry. Under his leadership, IRWD became known for diverse and highly reliable water supply and storage portfolios. While at IRWD he was instrumental in the development of creative urban runoff treatment programs and natural resource management at the San Joaquin Marsh and Wildlife Sanctuary. IRWD, located in central Orange County, serves water to more than 320,000 residents in an area encompassing 25 percent of the county. IRWD provides more than 23 million gallons a day of sewer service. And similar to EMWD, IRWD has an extensive recycled water system.

“I am very pleased to be selected for the position of General Manager for EMWD,” said Paul Jones. “EMWD is known and respected for its leadership in the water industry and I am fortunate to have the opportunity to become a member of their team.”

Prior to working at IRWD, Jones was the general manager of Central and West Basin Municipal Water Districts in Carson. Like EMWD, both IRWD and Central/West Basin Municipal Water Districts are highly-respected and enjoy a national reputation for the operation of successful tertiary-treated recycled water programs.

Jones has also worked in private industry as a principal engineer for a private environmental engineering firm, John M. Tetterer and Associates. He was also director of regional infrastructure planning and manager of infrastructure project engineering with The Irvine Company. Other water industry work included experience as senior engineer and assistant to the general manager at Municipal Water District of Orange County.

A Registered Civil Engineer, Jones is a member of the National Engineering Honor Society, Tau Beta Pi. Jones and his wife, Julie, reside in Orange with their four children. He will join EMWD in July as Pack retires after more than 21 years at the Riverside County water agency.

Pack, 66, was appointed General Manager of EMWD in September 2001 after six years as Deputy General Manager. Pack's expertise resulted in many significant accomplishments during his tenure including:

- Successfully managing the fastest growth period in the history of EMWD. At the height of the housing boom, EMWD was handling approximately 19,000 new sewer connections and 14,000 new water connections in a year!
- Receiving state and federal agencies' approvals for more than \$108 million in grants and related funding and more than \$276 million in low- or no-interest loans. Since 2001, these grants and loans have helped fund wetlands modifications, alternative energy, water management and development, feasibility studies, regulatory compliance projects, recycled water infrastructure, and more.
- Promoting a culture of continuous process improvement which led to EMWD being the first public utility to receive the silver-level, California Award for Performance Excellence (CAPE) award in 2005.
- Supporting an environment of safety which resulted in EMWD being the first public agency to receive the CAL OSHA CalStar award for a superior safety culture in 1999.
- Fostered a strong relationship with elected members at the state and federal level and testified before Congress multiple times on California water issues.
- Developing leadership for an organization that has grown to nearly \$2.5 billion in assets and has earned a AA credit rating.

Before joining EMWD as a project coordinator in 1990, Pack served over 20 years with the U.S. Marine Corps, retiring from Camp Pendleton as a lieutenant colonel. He earned a Master of Science degree from the University of Southern California and a Bachelor of Arts degree from the University of Connecticut.

As a result of Pack's contributions, EMWD's diversified water supply portfolio is able to serve approximately 755,000 people within its service area in an economical and efficient manner.

###

EMWD is the freshwater, wastewater service and recycled water provider to a 542-square mile area from Moreno Valley southward along the I-215 corridor to Temecula and eastward to Hemet and San Jacinto. Approximately 755,000 people live and work in this area. In addition to its own water customers, EMWD supplements water to six local water agencies and municipalities that have their own water departments. EMWD operates four water reclamation facilities and treats some 46 million gallons of wastewater daily. More information can be found at EMWD's website www.emwd.org.



News Release

Contact: Michele McKinney Underwood, External Affairs, 951.571.7239; 951.897.0897 mobile

Western Recognized for Leadership in Energy and Environmental Design Facility receives LEED silver certification from U.S. Green Building Council

RIVERSIDE, CA – June 24, 2011 – Affirming its commitment to sustainable practices and environmental stewardship, Western Municipal Water District has been awarded silver certification by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) program for its John E. Shipley Administration Building at the Operations facility. LEED, the nationally-recognized benchmark for sustainable building, encourages efficient building design, construction and operation with a rating system that evaluates performance from health and environmental perspectives. In seeking LEED certification for its Operations facility, Western was awarded 35 of the 38 points for which it applied. The facility allows the District to manage operations more efficiently and respond more effectively to the needs of its customers, in an environmentally friendly and cost-effective way.

“Employing green building practices makes sense not only from an environmental standpoint; it can also make sense financially,” said Jeff Sims, assistant general manager and chief operating officer of Western. “The modest increase in investment that comes with building to LEED standards can be offset many times over by the reduction in operating expenses over the life cycle of the building.” Western’s history of conservative fiscal practices has made the funding of the new facility possible; the project’s cost was covered by a combination of funds set aside by the District and Water Revenue Bonds Series 2009B.

LEED certification recognizes Western’s new Operations facility – which includes both a 19,000-square-foot administration building and a 12,000-square-foot maintenance building – for a number of sustainable techniques: design innovation, use of reclaimed water for irrigation, utilization of renewable building materials and optimization of energy performance, among others. The Operations Center is located at El Sobrante Road adjacent to the new Cajalco Fire Station, on the site of the small, outdated operations facility that it replaced. Developing the site in partnership with the Riverside County Fire Department enabled cost-sharing and combined savings. Because construction costs are down, the District was able to realize an additional 20 percent savings on construction expenses. The project also brought 38 construction jobs to the local economy.

As energy costs continue to rise, the Operations facility will be positioned for significant savings in the years ahead. “Controlling costs for our customers is one of our most important responsibilities. We are always on the lookout for ways to improve the efficiency of our operations,” said Brenda Dennstedt, president of Western’s Board of Directors. “Investing now in making our facilities as efficient as possible is a case where we can be simultaneously responsible both to our customers and our environment.”

Western Municipal Water District provides water supply, wastewater disposal and water resource management to the public in a safe, reliable, environmentally sensitive and financially responsible manner.

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