



# CHINO BASIN WATERMASTER



## NOTICE OF MEETINGS

Thursday, November 17, 2011

9:00 a.m. – Advisory Committee Meeting

11:00 a.m. – Watermaster Board Meeting

*(A Special Thanksgiving Lunch Will Be Served)*

*AT THE CHINO BASIN WATERMASTER OFFICES*

*9641 San Bernardino Road*

*Rancho Cucamonga, CA 91730*

*(909) 484-3888*



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*A Special Thanksgiving Lunch Will be Served*

## AGENDA PACKAGES



**CHINO BASIN WATERMASTER  
ADVISORY COMMITTEE MEETING**

**9:00 a.m. – November 17, 2011**

**WITH**

*Mr. Ken Jeske, Chair*

*Mr. Jeff Pierson, Vice-Chair*

**At The Offices Of**

**Chino Basin Watermaster**

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

**AGENDA**

**CALL TO ORDER**

**AGENDA - ADDITIONS/REORDER**

**I. CONSENT CALENDAR**

**Note: All matters listed under the Consent Calendar are considered to be routine and there will be no separate discussion on these items prior to voting unless any members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.**

**A. MINUTES**

1. Minutes of the Advisory Committee Meeting held October 20, 2011 (pg. 1)

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of September 2011 (pg. 31)
2. Watermaster VISA Check Detail for the month of September 2011 (pg.45)
3. Combining Schedule for the Period July 1, 2011 through September 30, 2011 (pg. 49)
4. Treasurer's Report of Financial Affairs for the Period September 1, 2011 through September 30, 2011 (pg.53)
5. Budget vs. Actual July 2011 through September 30, 2011 (pg.57)

**C. WATER TRANSACTION**

1. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 781.000 acre-feet of water from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net underproduction in Fiscal Year 2011-2012, with any remainder to be recaptured from storage. Date of Application: September 1, 2011 (pg.65)

**II. BUSINESS ITEMS**

**A. 85/15 RULE POLICY (pg. 77)**

This item is being brought to the Advisory Committee and Watermaster Board for information only.

**B. PREEMPTIVE REPLENISHMENT AGREEMENTS (pg.83)**

That the Advisory Committee and Watermaster Board review and comment on the Preemptive Replenishment Agreements.

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. October 28, 2011 Hearing
2. Restated Judgment
3. December 17, 2011 Recharge Master Plan Filing

**B. WATERMASTER ENGINEERING REPORT**

1. Groundwater Model Update
2. General Electric/City of Ontario Material Physical Injury Analysis

**C. CEO/STAFF REPORT**

1. RWQCB Basin Plan Amendment
2. Recharge Update

**D. INLAND EMPIRE UTILITIES AGENCY**

1. MWD Update (oral)
2. Water Softener Initiative
3. State and Federal Legislative Reports
4. Community Outreach/Public Relations Report
5. IEUA Monthly Water Newsletter

**E. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

**IV. INFORMATION**

1. Cash Disbursements for October 2011 (pg.134)
2. Newspaper Articles (pg.146)

**V. COMMITTEE MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

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

**VIII. FUTURE MEETINGS**

<b>Wednesday, November 16, 2011</b>	<b>1:00 p.m.</b>	<b>Land Subsidence Committee Meeting</b>
Thursday, November 17, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
<b>* Thursday, November 17, 2011</b>	<b>11:00 a.m.</b>	<b>Watermaster Board Meeting @ CBWM</b>
Monday, November 28, 2011	1:30 p.m.	Special Watermaster Board Meeting @ CBWM
Thursday, December 8, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, December 8, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, December 8, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, December 15, 2011	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, December 15, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
<b>** Thursday, December 15, 2011</b>	<b>11:00 a.m.</b>	<b>Watermaster Board Meeting @ CBWM</b>

\* **Note:** Watermaster Board meeting date change due to the Thanksgiving holiday

\*\* **Note:** Watermaster Board meeting date change due to the Christmas holiday

**Meeting Adjourn**

**CHINO BASIN WATERMASTER  
WATERMASTER BOARD MEETING**

**11:00 a.m. – November 17, 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**

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**V. BOARD MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**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. Aqua Capital Management versus California Steel Industries

**VIII. FUTURE MEETINGS**

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**Meeting Adjourn**

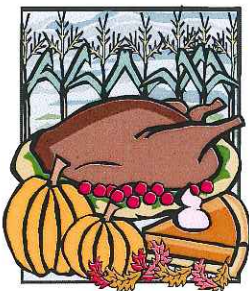


# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Advisory Committee Meeting held on October 20, 2011



***Draft Minutes***  
**CHINO BASIN WATERMASTER**  
**ADVISORY COMMITTEE MEETING**  
*October 20, 2011*

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on October 20, 2011 at 9:00 a.m.

**ADVISORY COMMITTEE MEMBERS PRESENT WHO SIGNED IN**

**Non-Agricultural Pool**

Ken Jeske, Chair	California Steel Industries
Brian Geye	Auto Club Speedway
Scott Burton	City of Ontario

**Agricultural Pool**

Jeff Pierson	Ag Pool – Crops
Bob Feenstra	Ag Pool – Dairy
Pete Hall	Ag Pool – State of California – CIM
Jennifer Novak	State of California Department of Justice

**Appropriative Pool**

Mark Kinsey	Monte Vista Water District
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Raul Garibay	City of Pomona
Dave Crosley	City of Chino
Bill Kruger	City of Chino Hills
Mohamed El-Amamy	City of Ontario
Ben Lewis	Golden State Water Company
J. Arnold Rodriguez	Santa Ana River Water Company
Robert Young	Fontana Water Company
Josh Swift	Fontana Union Water Company
Rosemary Hoerning	City of Upland

**BOARD MEMBERS PRESENT WHO SIGNED IN**

Bob Kuhn	Three Valleys Municipal Water District
Bob Bowcock	Vulcan Materials Company (Calmat Division)

**Watermaster Staff Present**

Desi Alvarez	Chief Executive Officer
Danielle Maurizio	Senior Engineer
Joe Joswiak	Chief Financial Officer
Gerald Greene	Senior Environmental Engineer
Sherri Molino	Recording Secretary

**Watermaster Consultants Present**

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

**Others Present Who Signed In**

John Mura	City of Chino Hills
Tom Harder	Jurupa Community Services District
Jack Safely	Western Municipal Water District
Van Jew	Monte Vista Water District
Tom Love	Inland Empire Utilities Agency
Terry Catlin	Inland Empire Utilities Agency



Ryan Shaw  
John Bosler  
Rick Hansen  
Sheri Rojo  
Seth Zielke

Inland Empire Utilities Agency  
Cucamonga Valley Water District  
Three Valleys Municipal Water District  
Fontana Water Company  
Fontana Union Water Company

Chair Jeske called the Advisory Committee meeting to order at 9:03 a.m.

### **AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

## **I. CONSENT CALENDAR**

### **A. MINUTES**

1. Minutes of the Advisory Committee Meeting held August 18, 2011
2. Minutes of the Advisory Committee Meeting held September 22, 2011

### **B. FINANCIAL REPORTS**

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

*Motion by El-Amamy second by Kruger and by unanimous vote*

***Moved to approve Consent Calendar items A and B, as presented***

## **II. BUSINESS ITEMS**

### **A. DEFERMENT OF 2011/2012 ASSESSMENT PACKAGE**

Mr. Alvarez stated this item is to formally approve the request for deferring the 2011/2012 Assessment Package to January 2012. Mr. Alvarez stated traditionally Watermaster issues the assessments during the October/November time frame. However, this year staff has not completed preparation of the assessments in part due to resolution issues regarding the 85/15 Rule and the reconciliation of storage. Mr. Alvarez stated it is anticipated these issues will be resolved and the Assessment Package will be issued in January 2012. Mr. Alvarez stated at the Appropriative Pool meeting it was requested that staff review the budget and look at the effect of deferring collection of the assessments until January 2012. Mr. Alvarez stated staff has gone back and looked at its operating funds and finds that Watermaster can defer receiving assessment payments until January 2012, with the assumption that any Special Assessments to pay for the 3<sup>rd</sup> installment of the Non-Agricultural Pool water purchase would be met separately. Mr. Alvarez stated staff will then have to control its expenditures to ensure staff stays within the limited reserves and funds that are available to date. Chair Jeske stated at the Non-Agricultural Pool, the discussion was to do an interim assessment based on last year's assessment; the change from those meetings until now is there will not be an interim assessment going out. Chair Jeske stated the motion on this item would be to defer the annual Assessment Package until January 2012 and continue with any special assessments. Mr. Alvarez stated the special assessment is a separate item. Mr. Kinsey stated it is his understanding, in addition to deferral, to allow the Appropriative Pool to work through any potential changes either in interpretations or application of the 85/15 Rule. Mr. Kinsey stated Watermaster is undertaking an effort to try to quantify water held in storage also. Mr. Alvarez stated it's not the quantification so much as it is the reconciliation and the truing up of the accounts. Mr. Kinsey stated there has also been a lot of discussion regarding Watermaster reserves, and the question has been raised if the reserves are in excess of Watermaster's current policy as established by the Pools and the Advisory Committee. Mr. Kinsey stated he would like to see added to this, as part of the motion to bring back the Assessment Package in January, a follow up on the discussions regarding excess reserves including identifying how much money there are in the accounts. Chair Jeske asked for

clarification on excess reserves and noted the discussion that took place last year on this matter was that Watermaster held funds in reserve that were in excess of their Reserve Policy. Mr. Kinsey stated there are two things that need to be brought back; 1) What is the actual number, because the parties have heard different numbers at different meetings, and 2) As an appropriator, if there are excess reserves being held, how much excess reserves are there, and if there are, they need to be broken out by individual agencies. Mr. Kinsey stated he is really asking that this clean-up be made a part of the assessment process. Chair Jeske inquired of staff if that was a doable time frame. Mr. Alvarez stated he believes so, and if there are any issues they will be brought back and ask for additional time, or ask for a separation of the two items. Mr. Young asked for clarification if what the parties are looking for is a presentation, as well from the financial staff an accounting from Watermaster to identify the areas that were just discussed as a presentation, or is it to be documented in the Assessment Package. Mr. Kinsey stated he thinks that it should somehow become part of the Assessment Package. If Watermaster is holding reserves in excess of its Policy, the parties want to know how much that is, and then come up with a mechanism of keeping track of it, because ultimately the parties rely on that for other expenditures; this can be done as a presentation. Mr. Kinsey offered further comment on this matter. Chair Jeske stated this should also be a part of the annual budget presentation, where Watermaster fully delineates the reserves. Mr. Young stated he agrees with this. Chair Jeske stated the Assessment Package is the time to determine if there any excess funds, and if the parties agree they continue to be held as an extra reserve account by Watermaster or if they come back as a credit on each individual's assessments. Chair Jeske stated this has been discussed before and he believes it was determined to allow the reserves to stay with Watermaster because there was not a method of determining the break down by party of all of the funds, and was essentially put off for another year to fully put together the information that Mr. Kinsey is asking for now. Ms. Rojo stated the accumulation of funds with Watermaster was something that was going to be revisited by the parties in the future to potentially come up with a policy of what to do with the reserves and how Watermaster should be holding them, and at what levels and in what amounts Watermaster should be holding them. Ms. Rojo stated there is not necessarily a policy in place now. Ms. Rojo stated the decision to bring a policy back should be a group consideration. Ms. Rojo offered further comment. A lengthy discussion regarding this matter ensued. Mr. Kinsey noted he would like to see how much there is in excess reserves, if there are excess reserves being held by Watermaster, and how much is in each of the individual Pools. Then, as an appropriator, they would like to know if there are excess reserves being held for the Appropriative Pool members individually. Mr. Kinsey offered further comment on this matter. Chair Jeske stated for the record, regarding if there is a Watermaster Policy, he recalls during the budget processes each year there were reserves and discussions took place on the reserves. However, he does not believe there has been a formal adopted policy and it was possibly only direction given at each budget year during the budget process. Chair Jeske stated it might be best to separate the two items as two individual agenda items when it comes forward in the future, and it might be best to give staff the direction to bring forward a draft proposed Policy on reserves at that time of the Assessment Package.

*Motion by Young second by Kinsey, and by unanimous vote*

***Moved to 1) Defer the Watermaster Assessment Package to January, 2012, and  
2) Direct staff to agendize a draft Reserve Policy at the same time the Assessment  
Package is presented, as presented***

#### **B. YEAR 3 PURCHASE OF NON-AGRICULTURAL POOL STORED WATER**

Mr. Joswiak referenced the staff report on page 89 of the meeting package. Mr. Joswiak stated this is a standard item that Watermaster has done each year for the past few years, and noted this is the third of the fourth payments due, which is done for the Non-Agricultural Pool water purchased. Mr. Joswiak stated payment number three is going to be \$2,377,249.88 and referenced the chart on page 91 of the meeting package which shows how the calculation as it applies to the Appropriators. Mr. Joswiak noted per the Peace Agreement Attachment G, it states the first anniversary date of when the first payment was made locks in the payment date for all future payments on a going forward basis, and then the payment needs to be made on or

before that anniversary date. Mr. Joswiak reminded the parties that the money needs to be in the Watermaster account prior to the payment which is scheduled for January 13, 2011. Mr. Joswiak stated it was brought to staff's attention that Watermaster was using the incorrect production data and he explained this matter in detail.

*Motion by Pierson second by Crosley, and by unanimous vote*

***Moved to approve a special Assessment in the amount necessary to make payment number 3 from the disposition of water purchased from the Non-Agricultural Pool pursuant to the Peace II Purchase and Sale Agreement, as presented***

### **C. METROPOLITAN WATER DISTRICT REPLENISHMENT WATER POLICY**

Mr. Alvarez gave the Metropolitan Water District (MWD) Replenishment Water Program presentation which included History, MWD's Administrative Code, Historical MWD Rates, Reversing a Commitment, MWD Proposal Key Principles, Key Development Principles, Where MWD Replenishment is Headed, and MWD Proposed Program in detail. Mr. Alvarez discussed one of the MWD slides, and discussed the possibility of purchasing replenishment water seven years in advance as water is going to be available three out of ten years, which is going to significantly affect cash flow here at Watermaster. The parties are going to have to come up with a way to finance that water. Mr. Alvarez stated this is going to be a real challenge and staff is going to have to look at alternative supplies. Mr. Alvarez stated Watermaster may have to look at reoperation and it is going to be tough to change course as there are a lot of implications; this is one of those things that requires a lot of thought. Mr. Alvarez stated once MWD finalizes this, Watermaster will have more information as to which way to go. Mr. Alvarez offered final comment on MWD's financial stability and noted he believes it would be worthwhile to try to get a quantitative estimate; it would benefit us to have a study done now. Mr. Alvarez stated he has been meeting with MWD staff and this has been pointed out to them, and they have said they think an economic study might be worthwhile. Mr. Alvarez stated he thinks we should all get together to help fund that study and that MWD be part of this endeavor; it is not a short term study, it may take may over a year to complete. Mr. Alvarez stated the schedule right now is that this will be moving through the MWD process and be presented to the MWD board in December. Mr. Alvarez stated the Policy Principals suggested in the presentation today will be the ones the MWD board is going to adopt, and they are going to adopt this framework in a skeletal basis like this, with the details to be flushed out. Chair Jeske inquired about the 50,000 acre-feet of replenishment water needed ten years from now. Chair Jeske stated he believes that number was 100,000 acre-feet, which means this is a credit to all the water agencies that, before this took place, felt changes were going to come in the future. Before it even got here, agencies were able to cut the total demands of replenishment and imported water in half. Mr. Alvarez stated there is approximately 60,000 acre-feet of water in storage in the basin in the different parties storage accounts, so some of that water can be used to meet this need. However, at the rate of replenishment and as we move forward and start taking water, that stored water is going to be used up in the very near future. Mr. Garibay inquired as to comments made by Mr. Alvarez. Mr. Alvarez stated the estimate right now is that the obligation for over pumping and the blending is probably 10,000 acre-feet; all these numbers are subject to change. Mr. Alvarez stated the additional 40,000 acre-feet would be the desalter operation. Mr. Kinsey stated all southern California water agencies are dealing with the same challenges this basin is. Mr. Kinsey offered further comment on this matter and inquired if the two of the supplemental water providers here today had any additional comments on this matter. Mr. Hansen offered comment on the MWD Replenishment Water Policy. Mr. Hansen stated MWD has never said they do not have water available; what it gets down to is cash flow and lost profit scenario. Mr. Hansen offered comments on MWD's financial status and water strategies. Mr. Love stated we have taken the initiative and gathered together members of the MWD agencies who supply groundwater basins and are trying to focus on addressing this issue. Mr. Love stated we are expressing concerns to the other MWD agencies and the MWD staff. Mr. Love stated as this moves forward those policy principals are scheduled to go to the MWD board in November for approval and it is not clear at this point whether the details of those different levels of replenishment availability will be part of that recommendation for adoption by MWD. Mr. Love stated the parties are hoping it is

just the Policy Principals. Mr. Love offered further comment on the Policy Principals and storing water within the MWD service area. Mr. Love stated with the new permit for blending water, if we get zero imported replenishment water it will not restrict the amount of recycled water we can put in; the new permit gives us that ability. Chair Jeske offered comment regarding Mr. Hansen and Mr. Love's comments. Mr. Love stated one thing the MWD agencies who deliver water to the groundwater basins would like to do is go through an economic analysis for what the investment and the economic cost is. Mr. Safely stated the incentives that come out of this will be found out later. Mr. Safely stated one of the things that he thinks will happen are some intended consequences, and referenced one of the presentation slides which he offered comment on. Mr. Love stated with regard to the regional benefit, some of those member agencies have argued that historic replenishment deliveries have not achieved any regional benefit. Mr. Love stated IEUA is working on an analysis right now on that and offered further comment on this matter. Mr. Kinsey stated there is another very large benefit which should not be forgotten and that is, MWD service area availability to utilize groundwater production significantly reduces peaking off system and significantly reduces their infrastructure needs and that has to be a fairly large number. Mr. Kinsey stated part of the benefit of the local investment is a deferral or an actual elimination of significant MWD investments and infrastructure. Mr. Kinsey stated that cost is huge and with MWD changing their programs that's not going to make those facilities go away, they will just be used differently, and there will be more reliance on MWD. Mr. Kinsey stated he has not heard anything from AGWA and if they are actively involved in working to come up with the economic analysis. It was noted they are not working on that analysis. Mr. Hansen stated Mr. Alvarez came up with the concept of doing economic analyses. However, his concern is San Diego and Los Angeles appearing to be getting what they want, and they are not going to open up themselves up to an economic analysis that is going to say that there is great value in the basins. He noted he does not hold out to much hope that that is going to happen. A lengthy discussion regarding the economic analysis, concerns over this entire matter, and a possible alternative water sources ensued.

There was no action on this item.

**D. STATE OF THE BASIN REPORT – WATER QUALITY PRESENTATION (Information Only)**

Mr. LeClaire gave the Groundwater Quality – 2010 State of the Basin Briefing Part 2 presentation. The primary concerns of the SOB are groundwater levels, storage, subsidence, and water quality. At the last set of pool meetings Mark Wildermuth provided a summary of groundwater levels and storage. Today, groundwater quality will be addressed. Mr. LeClaire stated in 1999 the Comprehensive Monitoring Program initiated the systematic sampling of private wells south of State Route 60 in the Chino Basin. Over a three-year period, Watermaster sampled all available wells at least twice to develop a robust baseline data set. As we'll discuss later their robust data set turned out to be a wise investment. This program has since been reduced to approximately 110 private key wells, and about one-third of these wells are sampled every other year. Mr. LeClaire reviewed several groundwater quality maps in detail. Mr. LeClaire stated it is not surprising that we have high concentrations of TDS and nitrate south of the 60 freeway. As Mark explained last month, there was a significant pumping depression in the agricultural preserve. As we've spoken about before, a feedback loop was developed. Consumptive use causes an increase in the concentration of salts and the cycle repeats. Mr. LeClaire stated we have the following TCE plumes in Chino Basin: GE Flat Iron, GE Test Cell, Archibald South, Milliken Landfill, Chino Airport, Crown Coach, and Stringfellow. The CIM plume is a PCE plume, with some of the PCE degrading to TCE. Note that perchlorate, which is an ion, has migrated further than TCE. TCE absorbs and desorbs from soil organic matter and has a retardation coefficient of about 2, which means that its relative velocity is about half that of groundwater. Mr. LeClaire stated on September 28, 2011, the Environmental Protection Agency (EPA) released its Toxicological Review of Trichloroethylene (TCE) (EPA/635/R-09/011F). In this publication the EPA for the first time classified TCE as a human carcinogen regardless of the route of exposure. Prior to this the EPA classified TCE only as a "possible human carcinogen." (TCE) - MCL = 5 ppb; DLR = 0.5 ppb; PHG = 1.7 ppb. Health and Safety Code §116365(g) requires the Department, at least once every five years to review its MCLs. In this review,

CDPH's MCLs are to be consistent with criteria of §116365(a) and (b). These criteria state that the MCLs cannot be less stringent than federal MCLs, and must be as close as is technically and economically feasible to the public health goals (PHGs) established by the Office of Environmental Health Hazard Assessment (OEHHA). Consistent with those criteria, CDPH is to amend any standard if any of the following occur: (1) Changes in technology or treatment techniques that permit a materially greater protection of public health or attainment of the PHG, or (2) New scientific evidence indicates that the substance may present a materially different risk to public health than was previously determined. Mr. LeClaire stated each year by March 1, CDPH is to identify each MCL it intends to review that year. Mr. LeClaire stated robust data allowed Watermaster to convince the County that the Chino Airport's plume source was the airport. Mr. LeClaire stated 1,2,3-Trichloropropane (1,2,3-TCP) was used historically as a paint and varnish remover, cleaning and degreasing agent, and a cleaning and maintenance solvent, and more currently as a chemical intermediate (NTP, 2005). Its use as a pesticide was in formulations with dichloropropenes in the manufacture of D-D, a soil fumigant. Mr. LeClaire stated perchlorate is a regulated drinking water contaminant in California, with a maximum contaminant level (MCL) of 6 micrograms per liter ( $\mu\text{g/L}$ ). The MCL became effective October 2007. In January 2011 OEHHA released a draft technical support document for a 1- $\mu\text{g/L}$  PHG for perchlorate for public comment. Mr. LeClaire stated on July 27, 2011, the Office of Environmental Health Hazard Assessment (OEHHA) established a public health goal (PHG) for chromium-6 (hexavalent chromium) of 0.02 micrograms per liter ( $\mu\text{g/L}$ ). Mr. LeClaire stated the PHG will contribute to CDPH's development of a primary drinking water standard (maximum contaminant level, MCL) that is specific for chromium-6. Mr. Feenstra offered comment on hexavalent chromium dissipation and inquired about a natural occurring spike shown on one of the presentation slides. Mr. LeClaire stated that slide represents the distribution of the number of samples in an arrange of values and shows the most probably concentration for hexavalent chromium is around 1 ppb in Chino Basin, and the show spike represents 350 samples which are associated with the point sources; all this is saying is that hexavalent chromium in the Chino Basin ranges from below .1 to about 8 or 9, and with the median value of around 1 or 2 ppb. Mr. LeClaire stated there is a documented point source by GE Flatiron back in the 1940's. Mr. Garibay inquired about the perchlorate slide regarding an isotropic analysis that was done to identify natural versus synthetic and inquired if there is a similar analysis that could be performed on the hexavalent chromium 6 that would also be able to delineate whether one is natural occurring or synthetic. Mr. LeClaire stated he has spoke with a few people who do that sort of research and there is not a method out there yet that can do that.

### III. REPORTS/UPDATES

#### A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

##### 1. October 28 Hearing

Counsel Fife stated there is a hearing scheduled for October 28, 2011 at 10:30 a.m. The main subject will be the CDA Resolution and the approval of that resolution. Counsel Fife stated the court will also be hearing about the Restated Judgment, Watermaster's Annual Report, the State of the Basin Report, and a cleanup item for General Electric for their placement in the Non-Agricultural Pool. Counsel Fife stated the pleading which was filed is available on the back table and there have been no objections filed. Counsel Fife stated the Agricultural Pool had an issue and requested a special notice to go to some of the Agricultural Pool members who are particularly affected by the Chino Creek Wellfield. Counsel Fife stated Watermaster worked with them and those notices went out as instructed. Counsel Fife stated Mr. Malone will be Watermaster's only live witness, which will be an educational opportunity for the Judge. Counsel Fife stated counsel is currently going through the preparation of testimony and noted counsel is also working with the CDA on their input on Mr. Malone's testimony. Counsel Fife stated the other issue that came up was from the Non-Agricultural Pool on the issue of the Restated Judgment. They have asked that a disclaimer be put on the front of the Restated Judgment to indicate that this is a compilation prepared by Watermaster and has not been approved by any party, and that it is for the convenience of the parties. Counsel Fife stated there is some proposed language for that request on the back table for review. Counsel Fife stated there might be a supplemental

filing that will happen next week about all the matters mentioned today. Counsel Fife stated other than the items mentioned; all items are on track for this hearing.

2. Paragraph 31 Appeal

Counsel Fife stated California Steel Industries (CSI) asked for an extension of time to file their reply brief and it was granted by the court. Counsel Fife stated CSI now has until October 28<sup>th</sup> to file their reply brief. Counsel Fife stated there are settlement discussions taking place and noted more on this subject will be discussed during closed session. Counsel Fife stated Watermaster and the Watermaster Board strongly support settlement and Watermaster counsel and staff have been instructed to do whatever we can to facilitate such a settlement. A discussion regarding the front page language ensued. Counsel Fife stated the parties will be able to see the final language prior to it being finalized and offered further comment on this matter.

**B. WATERMASTER ENGINEERING REPORT**

1. Chino Creek Well Field Extensometer Installation Update

Mr. LeClaire stated the Peace II SEIR and some of the monitoring and mitigation requirements with regard to the potential for subsidence associated particularly with the Chino Creek Wellfield require that an extensometer be built in the vicinity of that Chino Creek Wellfield. Mr. LeClaire stated Wildermuth Environmental is attempting to install that extensometer facility this fiscal year. Mr. LeClaire stated the stage that process is in right now is the technical specifications have been developed and have identified some target properties that the extensometer might be installed at. Mr. LeClaire offered comment on the target properties. Mr. LeClaire stated it is hoped to secure a piece of property and piggyback onto the well drilling contract that the CDA has right now to drill their last three Chino Creek Desalter Wellfield wells and do a change order there. Mr. LeClaire stated Wildermuth staff is working with the CDA with this regard and there will have to be a cost sharing agreement which will come through the Watermaster process in the future.

**C. CEO/STAFF REPORT**

1. Recharge (Supplemental Water Purchase/Allocation/Storage Agreements) Update

Mr. Alvarez presented the history of MWD making the replenishment water available for purchase recently and what has transpired at Watermaster since the availability of water was made in May. Mr. Alvarez stated Watermaster has received a total 33,175.5 acre-feet of the MWD replenishment water, which will be subject to adjustments, and the number will not be finalized for several weeks. Mr. Alvarez stated the breakdown for that water is as follows: through the recharge basins 32,105.5 acre-feet, through direct injection 1,074 acre-feet, and through in lieu 1,466.7 acre-feet was recharged. Mr. Alvarez offered comment on the payment of the MWD water and noted 26,000 acre-feet went through Preemptive Storage Agreements with Fontana Water Company (FWC) in the amount 20,000 acre-feet and Niagara Bottling Company (NBC) in the amount of 6,000 acre-feet. Mr. Alvarez stated the Preemptive Storage Agreements limit the water for use only for replenishment purposes and cannot be traded or sold. Mr. Alvarez stated there are a series of Preemptive Replenishment Agreements that are separate and different from Storage Agreements. Mr. Alvarez stated one of these agreements has been finalized with the City of Chino for 1,420 acre-feet of water and two other agreements are pending with Jurupa Community Services District for 2,300 acre-feet of water and the remainder amount of water will be with an agreement with Inland Empire Utilities Agency. Mr. Kinsey stated Monte Vista Water District (MVWD) prepared some correspondence and encouraged the parties to get a copy of the letter. Mr. Kinsey noted he is assuming it is going to be sent out so that everyone will have an opportunity to look at it. Mr. Kinsey stated if you are interested, you can have your legal counsel look at it and, if they would like, they are more than welcome to speak with Art Kidman to better understand a lot of the work that was done to prepare the letter. Mr. Kinsey stated MVWD thinks that Watermaster is operating outside of the limitations of the Judgment, and while we understand the benefit of no storage losses, we think having Watermaster operate as it's supposed to under the Judgment is most important. Mr. Kinsey

stated the parties can have future discussions once the response is prepared. Mr. Garibay stated while reading the opinion from the lawyer, he inquired if the response from Brownstein, Hyatt, Farber & Schreck was in recognition of the letter prepared by Mr. Kidman or was that totally independent. Mr. Alvarez stated the memo from Watermaster general counsel was prepared from a response from questions that arose subsequent to the Pool meetings last week. Mr. Young stated both of the letters were received by the committee on the same day so they both need be evaluated further. Mr. Young inquired what the status of the Storage Agreements will be until such time as decisions are being drawn up on how this matter will be handled. Mr. Alvarez stated the Storage Agreements are separate because that is not an issue of the letter, and the Storage Agreements are separate of the Replenishment Agreements. Mr. Alvarez stated the subject of the letter is taking issue with the Replenishment Agreements as opposed to the Storage Agreements, and the Storage Agreements are a done deal.

2. Archibald South Plume Update

Mr. Alvarez stated this was one of the items in the Watermaster work plan this year in terms of doing some better quantification. Mr. Alvarez stated staff has been instructed to go out and do some additional water quality samples and some of those results are in; there is an exhibit map shown on the display screen. Mr. Alvarez reviewed the map where the testing locations were and reviewed the water quality test results, noting the results were provided to the Regional Water Quality Control Board. Mr. Alvarez stated as part of this program there are ten additional locations that were identified and are mostly on the westerly side of the plume, where most of the sampling was being performed. Mr. Alvarez commented on the locations that were non-accessible at the time of testing and noted staff is working with the Agricultural Pool chair on some of these locations to obtain access, and with the residents at the locations that people were not available on that particular date and time. Mr. Garibay commented about one of the contour slides presented. Mr. Alvarez acknowledged the description comments made by Mr. Garibay were correct.

Added: 3. Letter From Regional Water Quality Control Board

Mr. Alvarez stated this item came up subsequently to the meeting package being sent out and there are copies of the Regional Water Quality Control Board letter regarding this matter available on the back table. Mr. Alvarez stated this is a good news item to report today. Mr. Alvarez stated Watermaster received a letter from the Regional Water Quality Control Board, which was addressed to both Chino Basin Watermaster and Inland Empire Utilities Agency. Mr. Alvarez stated the letter confirmed that Hydraulic Control will be achieved with the completion of the Chino Creek Wellfield, the implication being that in 2014 when all of those wells are completed and in operation, it will effectively reduce all losses from the basin. Mr. Alvarez stated there will no longer be any basin loss factors. At that time staff will have to go back and amend the Peace Agreements and the Judgment to recognize that any Storage Agreements specify there are no further basin losses as long as the system is in place and operating. Mr. Alvarez stated there are some conditions noted in the letter, and the last pending item is regarding the required monitoring. Mr. Alvarez stated the definition of what the monitoring wells ultimately will look like will possibly 3 monitoring wells or 10 monitoring wells, or whatever the number is when it's finished because this is not finalized. Mr. Alvarez stated eventually this will require staff going back and revisiting all of the Agreements and the Judgment, which will specifically preclude having Storage Agreements without a loss factors. Chair Jeske offered comment on the no loss factors and this matter. Mr. Garibay offered comment on the letter and the trigger points mentioned in the letter. Mr. Alvarez stated this letter states that based on all of the analytical effort that has been done to date, if the proposed wells, which are currently being drilled and will be completed by 2014, produce at less than 100%, or even as low as 60% of their anticipated production, we will still achieve Hydraulic Control.

**D. INLAND EMPIRE UTILITIES AGENCY**1. MWD Update

No comment was made.

2. Water Softener Initiative

Mr. Love stated on July 20, 2011 the IEUA board adopted an ordinance restricting or prohibiting the installation of new salt regenerating water softeners. Mr. Love stated this does not affect existing water softeners, contrary to what you may have seen in recent advertising in the Daily Bulletin yesterday from the water softener industry. Mr. Love stated it is just the installation of new water softeners only. Mr. Love stated this regards self regenerating water softeners which are the type that discharge salt down the sewer. This is being done to protect the water supply in the Chino Basin and the ability to continue to utilize our recycled water for both the direct uses (the irrigation and industrial uses) as well as the groundwater recharge. Mr. Love stated he wants to acknowledge Mr. Ken Willis who is the Chino Basin Watermaster chairman. Mr. Love stated Mr. Willis did an excellent job responding to a letter from the water softener industry and regarding some of the allegations that were made about the enforcement of this ordinance. Mr. Love stated IEUA has adopted the ordinance and are working with our contracting agencies to move forward on adopting similar ordinances and trying to coordinate that effort. Mr. Love offered further comment on the struggles with the water softener industry. Mr. Love stated this is very important and everyone is doing their part. Mr. Love offered comment on the recent advertisement in the Daily Bulletin and the allegations that IEUA did not follow the public process. Mr. Love stated if you have any questions with this regard you can contact either Martha Davis or Sondra Elrod at the IEUA office.

3. State and Federal Legislative Reports

No comment was made.

4. Community Outreach/Public Relations Report

No comment was made.

5. IEUA Monthly Water Newsletter

No comment was made.

**E. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

Mr. Safely referenced a handout on the back table regarding the Santa Ana Sucker Hearing, which related to the critical habitat designation of the Sucker. This is a good chance for the water agencies to come out and voice their concerns about this important issue. Mr. Safely offered further comment on this matter and noted the lawsuit is still moving forward with the Fish and Wildlife Service.

**IV. INFORMATION**1. Cash Disbursements for September 2011

No comment was made.

2. Newspaper Articles

No comment was made.

**V. COMMITTEE MEMBER COMMENTS**

Mr. Kinsey stated part of the effort to put wet water in the ground included using MVWD's injection wells. Mr. Kinsey stated he appreciated the effort because it allowed us to actually get some real data on how they perform, and they performed rather well. Mr. Kinsey offered comment on the water quality data and stated it appears basic blending does work. Mr. Kinsey offered comment on Ron Craig's son. Mr. Craig's son plays for the Saint Lois Cardinals and did something unique last night – he drove in a run with a pitch hit that turned out to be the game winning hit.



**VI. OTHER BUSINESS**

Mr. Alvarez noted there has been a change made to the November Watermaster Board meeting date due to the upcoming Thanksgiving holiday schedule. Please note the new date of November 17, 2011, which will be on the same day as the Advisory Committee meeting. Mr. Alvarez reminded the committee members about the 85/15 Rule Workshop scheduled for Wednesday, October 26, 2011 at 9:00 a.m. Mr. Alvarez reminded the committee members about the Groundwater Model Update Workshop scheduled for Thursday, October 27, 2011 at 2:00 p.m.

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

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

No confidential session was called.

**VIII. FUTURE MEETINGS**

Thursday, October 20, 2011	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, October 20, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, October 20, 2011	11:00 a.m.	Land Subsidence Committee Meeting @ CBWM
Wednesday, October 26, 2011	9:00 a.m.	85/15 Rule Workshop @ CBWM
Thursday, October 27, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, October 27, 2011	2:00 p.m.	2012 Groundwater Model Workshop/Planning Assumptions @ CBWM
Friday, October 28, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court
Thursday, November 10, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, November 10, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, November 10, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, November 17, 2011	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, November 17, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
* Thursday, November 17, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM

\* **Note:** Watermaster Board meeting date change due to the Thanksgiving holiday

Chair Jeske dismissed the Advisory Committee meeting at 10:45 a.m.

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

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



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Watermaster Board Meeting held on October 27, 2011



***Draft Minutes***  
**CHINO BASIN WATERMASTER**  
**WATERMASTER BOARD MEETING**

*October 27, 2011*

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on October 27, 2011 at 11:00 a.m.

**WATERMASTER BOARD MEMBERS PRESENT**

Bob Kuhn, Chair  
Charles Field  
Paula Lantz  
Tom Haughey  
Paul Hofer/Jeff Pierson  
Geoffrey Vanden Heuvel  
Terry Catlin

Three Valleys Municipal Water District  
Western Municipal Water District  
City of Pomona  
City of Chino  
Agricultural Pool  
Agricultural Pool  
Inland Empire Utilities Agency

**WATERMASTER BOARD MEMBERS ABSENT**

Ken Willis  
Steve Elie  
Bob Bowcock

West End Consolidated Water Company  
Inland Empire Utilities Agency  
Vulcan Materials Company (Calmat Division)

**Watermaster Staff Present**

Desi Alvarez  
Danielle Maurizio  
Joe Joswiak  
Gerald Greene  
Sherri Molino

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

**Watermaster Consultants Present**

Scott Slater  
Michael Fife  
Mark Wildermuth  
Joe LeClaire

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

**Others Present Who Signed In**

Mark Kinsey  
Justin Scott-Coe  
Art Kidman  
Rosemary Hoerning  
Raul Garibay  
Marty Zvirbulis  
Jo Lynne Russo-Pereyra  
Sheri Rojo  
Mohamed El-Amamy  
Scott Burton  
Bob Gluck  
Gil Aldaco  
John Mura  
Jeff Pierson  
Pete Hall  
Tom Love  
Craig Miller  
Ryan Shaw

Monte Vista Water District  
Monte Vista Water District  
McCormick, Kidman & Behrens  
City of Upland  
City of Pomona  
Cucamonga Valley Water District  
Cucamonga Valley Water District  
Fontana Water Company  
City of Ontario  
City of Ontario  
City of Ontario  
City of Chino  
City of Chino Hills  
Agricultural Pool – Crops  
State of California, CIM  
Inland Empire Utilities Agency  
Inland Empire Utilities Agency  
Inland Empire Utilities Agency

Eunice Ulloa  
David De Jesus  
Curtis Paxton

Chino Basin Water Conservation District  
Three Valleys Municipal Water District  
Chino Desalter Authority

Chair Kuhn called the Watermaster Board meeting to order at 11:02 a.m.

### **PLEDGE OF ALLEGIANCE**

### **AGENDA - ADDITIONS/REORDER**

Chair Kuhn inquired about the added item for the closed session. Counsel Slater stated the pending law suit between Aqua Capital Management and California Steel Industries needs to be added as a closed session agenda item today. Chair Kuhn noted this addition carried 6 to 0 in favor of adding the item.

## **I. CONSENT CALENDAR**

### **A. MINUTES**

1. Minutes of the Watermaster Board Meeting held August 25, 2011

**Note:** Chair Kuhn inquired of legal counsel if the Board could hold off on asking for a motion of the August 25, 2011 minutes in order to use them for reference and discussion in another section of the agenda for clarification purposes under CEO/STAFF REPORT 1. Recharge (Supplemental Water Purchase/Allocation/Storage Agreements Update). Counsel Slater stated this Board could either approve the minutes now or hold them for a separate motion after dialog. Mr. Vanden Heuvel stated he believes they should just be deferred because those minutes are very substantive. It was noted more than one Board member needed clarification on sections of the August 25, 2011 minutes.

*Motion by Field second by Lantz, by unanimous vote – Haughey abstained from item A1  
**Moved to approve Consent Calendar item A1, as presented***

2. Minutes of the Watermaster Board Meeting held September 29, 2011

### **B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of August 2011
2. Watermaster VISA Check Detail for the month of August 2011
3. Combining Schedule for the Period July 1, 201a through August 31, 2011
4. Treasurer's Report of Financial Affairs for the Period August 1, 2011 through August 31, 2011
5. Budget vs. Actual July 2011 through August 31, 2011

*Motion by Field second by Vanden Heuvel, by unanimous vote – Lantz and Haughey abstained from item A2*

***Moved to approve Consent Calendar items A2 and B, as presented***

## **II. BUSINESS ITEMS**

### **A. DEFERMENT OF 2011/2012 ASSESSMENT PACKAGE**

Mr. Alvarez stated every year Watermaster issues assessments which are done normally in the month of November. However, due to several issues, staff is asking for an extension of time. Ms. Maurizio stated it has been the practice over the last few years to bring the Assessment Package forward in the month of October and then send out the invoices in November. However, there are a lot of outstanding issues right now and it wasn't possible to get it done in October. Ms. Maurizio stated it appears it will take a couple more months for the issues to be resolved – the current issues are the 85/15 Rule and how Watermaster is going to handle preemptive replenishment. Those two items will affect the dollar side of the Assessment Package. Ms. Maurizio stated there are a couple of other outstanding issues – Watermaster is taking a different detailed look at supplemental storage accounts to make sure we are, in fact, within the 100,000 acre-foot cap, and then there is a new issue that has been raised between Aqua Capital

Management and California Steel Industries water rights. Those don't affect the dollars of the Assessment Package but they do affect what goes into the Assessment Package since staff does track all storage accounts through the Assessment Package. Ms. Maurizio stated Watermaster is at a point where the Assessment Package needs to be deferred. The past precedent that was set a few years ago, was to collect 50% of last year's assessments now so that Watermaster has operating funds on hand as there are not a lot of reserves, and money starts to run out around the 1<sup>st</sup> of January. Ms. Maurizio commented on a table in the corrected staff letter and offered further comment on this matter. Ms. Maurizio stated the good news is that based on the production numbers, now that its finalized, if you compare it to what was being estimated at the time of the budget process, production is almost exactly right on as to what was estimated.

*Motion by Vanden Heuvel second by Lantz, by majority vote – Kuhn voted no*

***Moved to approve deferment of Watermaster 2011/2012 Assessment Package to January 2012, as presented***

#### **B. YEAR 3 PURCHASE OF NON-AGRICULTURAL POOL STORED WATER**

Mr. Alvarez introduced this item and offered history on this matter. Mr. Alvarez stated this item will be handled through an approval of a Special Assessment next month. Mr. Joswiak referenced the staff report on page 89 of the meeting package. Mr. Joswiak stated this is a standard item that Watermaster has done each year for the past few years and noted this is the third of the four payments due which is done for the Non-Agricultural Pool water purchased. Mr. Joswiak stated payment number three is going to be \$2,377,249.88 and referenced the chart on page 91 of the meeting package which shows how the calculation applies to the Appropriators. Mr. Joswiak noted per the Peace Agreement, Attachment G states the first anniversary date of when the first payment was made locks in the payment date for all future payments. Mr. Joswiak reminded the parties that the money needs to be in the Watermaster account prior to the payment which is scheduled for January 13, 2011. Mr. Joswiak stated it was brought to staff's attention that Watermaster was using the incorrect production data and he explained this matter in detail.

*Motion by Vanden Heuvel second by Haughey, by unanimous vote*

***Moved to approve payment number three to the Non-Agricultural Pool parties from the disposition of water purchased from the Non-Agricultural Pool pursuant to the Peace II Purchase and Sale Agreement, as presented***

#### **C. METROPOLITAN WATER DISTRICT REPLENISHMENT WATER POLICY**

Mr. Alvarez gave the Metropolitan Water District (MWD) Replenishment Water Program presentation which included History, MWD's Administrative Code, Historical MWD Rates, Reversing a Commitment, MWD Proposal Key Principles, Key Development Principles, Where MWD Replenishment is Headed, and MWD Proposed Program in detail. Mr. Alvarez discussed one of the MWD slides, and discussed the possibility of purchasing replenishment water seven years in advance, as water is going to be available three out of ten years, which is going to significantly affect cash flow here at Watermaster. The parties are going to have to come up with a way to finance that water. Mr. Alvarez stated this is going to be a real challenge and staff is going to have to look at alternative supplies. Mr. Alvarez stated Watermaster may have to look at reoperation and it is going to be tough to change course as there are a lot of implications; this is one of those things that requires a lot of thought. Mr. Alvarez stated once MWD finalizes this, Watermaster will have more information as to which way to go. Mr. Alvarez offered final comments on MWD's financial stability and noted he believes it would be worthwhile to try to get a quantitative estimate; it would benefit us to have a study done now. Mr. Alvarez stated he has been meeting with MWD staff and this has been pointed out to them. They have said they think an economic study might be worthwhile. Mr. Alvarez stated he thinks we should all get together to help fund that study and that MWD be part of this endeavor; it is not a short term study, it may take may over a year to complete. Mr. Alvarez stated the schedule right now is that this will be moving through the MWD process and be presented to the MWD Board in December.

Mr. Alvarez stated the Policy Principals suggested in the presentation today will be the ones the MWD board is going to adopt, and they are going to adopt this framework in a skeletal basis like this, with the details to be flushed out. Mr. Alvarez stated there is approximately 60,000 acre-feet of water in storage in the basin in the different parties storage accounts, so some of that water can be used to meet this need. However, at the rate of replenishment and as we move forward and start taking water, that stored water is going to be used up in the very near future. Mr. Alvarez stated the estimate right now is that the obligation for over pumping and the blending is probably 10,000 acre-feet; all these numbers are subject to change. Mr. Alvarez stated the additional 40,000 acre-feet would be the desalter operation. Mr. Alvarez stated he believes doing a economic analyses would be beneficial for this project. Mr. Kuhn inquired if staff felt that MWD wants to be paid when they put the water into storage as opposed to when it is pumped out. Mr. Alvarez stated for the level 2 and level 3 programs; the level 1 program may have differences offered. Mr. Vanden Heuvel stated this information really challenges the whole assumption that the Chino Basin Judgment was built on; the ability to allow all of the producers to produce as made sense for them operationally and that the overproduction could always be made up with replenishment water at a discount rate. Mr. Vanden Heuvel stated this is really a significant change for replenishment water. Mr. Vanden Heuvel offered further comment on Watermaster's replenishment obligations in the past, including comments on the recent CURO obligation. Mr. Vanden Heuvel stated MWD spent billions on their storage capacity and now they want us to use it. Theoretically we already had storage capacity, while they want to now use theirs and continue to sell water to us at a much higher rate. Mr. Vanden Heuvel stated he believes Watermaster should try and get something for this and, unfortunately, we probably can't stop it. Mr. Vanden Heuvel stated one of the things we should try and get out of this is a pre agreement, and what it seems that is needed policy wise is a commitment from MWD to lower transportation rates, so that there is other support to other sources. Mr. Vanden Heuvel stated to keep MWD honest we need some level of competition, meaning some other practical way to get water to our basins in southern California, where there can be access to those pipes. Mr. Vanden Heuvel stated it makes no sense to the public to go and double pipe everything cost wise. Mr. Vanden Heuvel stated the price of doing this should be a wheeling rate that's known and not absorbent which actually gives us a practical way to move water from other parts of the state into our basin for our use. Mr. Vanden Heuvel stated this is an offer for somebody to come up with the finer details on this including inquiring if there are other parties in the basin who agree with this concept and would be willing to politically willing to support this. Mr. Kuhn inquired as to the time table on this. Mr. Alvarez stated he believes it is evolving; however, MWD staff is going to be moving things forward through the committee and their then their board will be addressing policy principals in November. Mr. Alvarez stated he does not know exactly where level 1, level 2, or level 3 are going to go through or get held off. Mr. Alvarez stated by the end of the year we will see some adoption of the policy principals along with an agreement which will come back the first half of next year. Mr. Kuhn inquired to Mr. Camacho and Mr. De Jesus for any differences of opinions or dates on this report. Mr. Camacho stated the policy principals come through the committee sometime in November and the hope is that MWD will have some details for the policy principals in the December time frame; it is still unclear but their staff is pushing for that. Mr. Camacho offered further comments on this matter. Mr. De Jesus stated staff was charged by the board to have something for the replenishment program by the end of the year. However, that is not set in concrete and it appears there is time to flush all these issues out. Mr. De Jesus stated if staff can't come back with a collective recommendation based on member agencies, he would be willing to hold that off so that we can gain a more collaborative approach to this; this is very important and will be the new standard. Mr. De Jesus acknowledged that if he does not have a good feeling on this then he will be willing to recommend to MWD staff to hold off on this for an additional few months to flush the issues out. Mr. De Jesus stated he would like to have a meeting with Mr. Alvarez based on what was discussed today. Mr. Vanden Heuvel stated he appreciated Mr. De Jesus being here for this presentation and offering his comments today. Mr. Vanden Heuvel offered final comments on this matter and noted this is a huge policy decision for MWD to make and they are going to need the support of their member agency board representatives. Chair Kuhn stated he is not going to turn this meeting into a workshop and asked for comments from any other members present today on this issue to be included in the

minutes. Mr. Catlin stated he has a question on the local agreements and inquired if there was going to be a discussion today on those. Mr. Alvarez stated those agreements will be covered under the Executive Officers report today.

*No motion was made regarding this item.*

**D. STATE OF THE BASIN REPORT – WATER QUALITY PRESENTATION (Information Only)**

Mr. Alvarez introduced this item. Mr. LeClaire gave the Groundwater Quality – 2010 Stated of the Basin Briefing Part 2 presentation. Mr. LeClaire stated the State of the Basin report is produced every two years pursuant to court order. The primary concerns of the SOB are groundwater levels, storage, subsidence, and water quality. At the last set of pool meetings Mark provided a summary of groundwater levels and storage. Today groundwater quality will be addressed. Mr. LeClaire stated in 1999, the Comprehensive Monitoring Program initiated the systematic sampling of private wells south of State Route 60 in the Chino Basin. Over a three-year period, Watermaster sampled all available wells at least twice to develop a robust baseline data set. As we'll discuss later their robust data set turned out to be a wise investment. This program has since been reduced to approximately 110 private key wells, and about one-third of these wells are sampled every other year. Mr. LeClaire reviewed several groundwater quality maps in detail. Mr. LeClaire stated it is not surprising that we have high concentrations of TDS and nitrates south of the 60 freeway. As Mark explained last month there was a significant pumping depression in the agricultural preserve. As we've spoken about before, a feedback loop was developed. Consumptive use causes an increase in the concentration of salts and the cycle repeats. Mr. LeClaire stated we have the following TCE plumes in Chino Basin: GE Flat Iron, GE Test Cell, Archibald South, Milliken Landfill, Chino Airport, Crown Coach, and Stringfellow. The CIM plume is a PCE plume, with some of the PCE degrading to TCE. Note that perchlorate, which is an ion, has migrated further than TCE. TCE absorbs and desorbs from soil organic matter and has a retardation coefficient of about 2, which means that its relative velocity is about half that of groundwater. Mr. LeClaire stated on September 28, 2011, the Environmental Protection Agency (EPA) released its Toxicological Review of Trichloroethylene (TCE) (EPA/635/R-09/011F). In this publication the EPA for the first time classified TCE as a human carcinogen regardless of the route of exposure. Prior to this the EPA classified TCE only as a "possible human carcinogen." (TCE) - MCL = 5 ppb; DLR = 0.5 ppb; PHG = 1.7 ppb. Health and Safety Code §116365(g) requires the Department, at least once every five years to review its MCLs. In this review, CDPH's MCLs are to be consistent with criteria of §116365(a) and (b). These criteria state that the MCLs cannot be less stringent than federal MCLs, and must be as close as is technically and economically feasible to the public health goals (PHGs) established by the Office of Environmental Health Hazard Assessment (OEHHA). Consistent with those criteria, CDPH is to amend any standard if any of the following occur: (1) Changes in technology or treatment techniques that permit a materially greater protection of public health or attainment of the PHG, or (2) New scientific evidence indicates that the substance may present a materially different risk to public health than was previously determined. Each year by March 1, CDPH is to identify each MCL it intends to review that year. Mr. LeClaire stated robust data allowed Watermaster to convince the County that the Chino Airport's plume source was the airport. Mr. LeClaire stated 1,2,3-Trichloropropane (1,2,3-TCP) was used historically as a paint and varnish remover, a cleaning and degreasing agent, a cleaning and maintenance solvent, and more currently as a chemical intermediate (NTP, 2005). Its use as a pesticide was in formulations with dichloropropenes in the manufacture of D-D, a soil fumigant. Mr. LeClaire stated perchlorate is a regulated drinking water contaminant in California, with a maximum contaminant level (MCL) of 6 micrograms per liter (µg/L). The MCL became effective October 2007. In January 2011 OEHHA released a draft technical support document for a 1-µg/L PHG for perchlorate for public comment. Mr. LeClaire stated on July 27, 2011, the Office of Environmental Health Hazard Assessment (OEHHA) established a public health goal (PHG) for chromium-6 (hexavalent chromium) of 0.02 micrograms per liter (µg/L). The PHG will contribute to CDPH's development of a primary drinking water standard (maximum contaminant level, MCL) that is specific for chromium-6. Chair Kuhn thanked Mr. LeClaire for the detailed update.

**E. GROUNDWATER MODEL UPDATE (For Information Only)**

Mr. Wildermuth stated back in July 2011 the Pools and Advisory Committee were presented with this presentation. However, at the Watermaster Board meeting there were timing issues and it was asked that this presentation be delayed until the October meeting. Mr. Wildermuth stated the technical work that he is going to discuss was originally planned in the prior year's budget as part of the safe yield computation. Mr. Wildermuth stated when the Recharge Master Plan was updated last year, one of the items that were to be included was a recommended methodology to calculate safe yield. Mr. Wildermuth stated in Section 3 of that report the methodology was outlined in two parts. The first part was a ten year look back of computation of developed yield and a forward looking calculation for safe yield. Mr. Wildermuth stated due to budget constraints last year, this work was not included completely; only a portion of that work was included on the ten year look back on developed yield. Mr. Wildermuth stated in going forward, and looking at all the things that Watermaster is supposed to do pursuant to the Judgment, Peace Agreement, Peace II Agreement, the Rules & Regulations, and the September 2010 court order authorizing things to move forward for the Recharge Master Plan; this is a slightly expanded version of that scope. Mr. Wildermuth gave the Update to the Chino Basin Groundwater Model and Evaluation of the Basin Dynamics presentation in detail. Mr. Wildermuth thoroughly reviewed the general outline, questions that need to be answered, and the work that has to be done to answer these questions. Mr. Wildermuth discussed the planning process for scenario 1 – recalibration; the planning process for scenario 2 – safe yield and balance; the planning process for scenario 3 – new yield; the planning process for scenario 4 – storage losses; and the planning process for scenario 5 – transfers in detail. Mr. Wildermuth reviewed what is needed from the parties and others to complete this work in detail. Mr. Wildermuth noted a workshop needs to be held in the October time frame to discuss the calibration results and planning scenarios. A second workshop needs to be held in the January/February time frame to present planning results. Mr. Vanden Heuvel asked for a slide to be reviewed again. Mr. Vanden Heuvel offered comment on the baseline being revised by removing existing and planned desalters and eliminating reoperation, as if that program never happened. Mr. Wildermuth stated that was correct. Mr. Vanden Heuvel inquired if agricultural would have continued to exist in the southern part of the Chino Basin as Bud Carroll calculated it, and then we would have had a lot more production down there from agricultural than we actually did. Mr. Vanden Heuvel stated he is questioning the validity of this approach to develop new yield because of the backing out of one set of actions as if that was a new action, as revealed in this presentation. Mr. Wildermuth stated this is something that needs to be worked out and he explained in greater details. Mr. Wildermuth stated there is a workshop scheduled today and it is going to be discussed noted potential scenarios to run will be shown also. Mr. Vanden Heuvel stated his concern is that it seems the Judgment was put together the best way we knew how at the time to calculate safe yield which led to the division of the three Pools. Mr. Vanden Heuvel offered further comment on the plan through what the Judgment states. However, there are provisions for recalculating safe yield every single year. Mr. Vanden Heuvel stated he is not 100% clear on the rules of this matter. Mr. Vanden Heuvel stated his concern that the Judgment contemplates that if safe yield has to change it can change, and then there is a mechanism that was agreed to, to allocate that change to amongst the family. New yield is a new term, and it is absolutely valid and important to determine what the new safe yield of the basin is, based on all the scientific foundation that has been done. Mr. Vanden Heuvel offered further comment on this important matter regarding running simulative model scenarios on what is the best way to do this. Mr. Vanden Heuvel stated he is apprehensive of trying to go out and create a new yield because it is going to be based on assumptions; a new safe yield should be developed and then Watermaster should apply the rules as they are written and allocated. Mr. Vanden Heuvel stated trying to differentiate between a change in safe yield and new yield is complex. Counsel Slater stated when this issue was attempted to be addressed in 2000 as part of the Peace Agreement, this exact issue was debated at length and the concept of new yield came about because there was a lack of consensus about how many years need to be included in the operation scenario to recalculate safe yield. Counsel Slater stated there was a time that was picked on a go forward basis to reengage in that effort and activities that were going to be



undertaken by the parties to the Judgment and there needed to be an outlet to reward them if those activities were successful. Counsel Slater stated rather than going through an elaborate and expensive process to re-establish what the safe yield was, that outlet as created in the form of new yield. There was a process under which parties could come forward with technical expertise and demonstrate what that number was. Counsel Slater stated they would then achieve the practical benefit of an increase in safe yield without the more elaborate effort. Counsel Slater stated once the Watermaster goes through the process of recalculating safe yield, they have the ability to reach back and grab what was in the new yield and introduce it into the full on calculation, and then for the next interim period the Watermaster is also able to recalculate this interim quantity being new yield to then assign the benefits. Counsel Slater stated the purpose of it was that we know we need to calculate safe yield and recalculate it, but during the interim parties are spending money and making improvements, and it was designed to reward them for those improvements. It is a part of the Peace Agreement and OBMP, and your stakeholders have a right to receive the benefits if they can prove the existence of it. Mr. Wildermuth offered further comment on the safe yield scenario and the necessity for the parties to approve it. Mr. Wildermuth stated this is actually for the new yield created by the desalter portion and this not going to add yield on top of the yield which was calculated on the prior scenario; it's an internal division of the redistribution of that yield. Counsel Slater stated in the recalculation, if there is going to be a recalculation, you will get to the same place but the concept of new yield was designed to provide a reward and protection for parties who were making investments in the event that a recalculation was not undertaken. Mr. Wildermuth stated there are some several suggestions which will be presented today with this regard at the workshop. Mr. Wildermuth discussed the concept of agricultural development further. Mr. Vanden Heuvel inquired if the purpose of this entire undertaking is to get to a new safe yield number. Mr. Wildermuth stated yes, we are going to recalculate the safe yield and we are going to then say how much of that yield was generated by the desalters themselves because that water is potentially available too as a replenishment source for the desalters. Mr. Wildermuth stated we are not creating water above and beyond this new calculation; it's just an internal redistribution of it. A lengthy discussion regarding this entire matter as it relates to the Appropriators ensued. Chair Kuhn asked that the rest of this discussion be moved to the workshop later today. Mr. Wildermuth finished the Groundwater Model Update presentation.

### **III. REPORTS/UPDATES**

#### **A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

##### **1. October 28 Hearing**

Counsel Slater stated there is a hearing scheduled for October 28, 2011 at 10:30 a.m. The main subject will be the CDA Resolution and the approval of that resolution. Counsel Slater stated the court will also be hearing about the Restated Judgment, Watermaster's Annual Report, the State of the Basin Report, and a cleanup item for General Electric for their placement in the Non-Agricultural Pool. Counsel Slater stated the pleading which was filed is available on the back table and there have been no objections filed. Counsel Slater stated the Agricultural Pool requested a special notice to go to some of the Agricultural Pool members who are particularly affected by the Chino Creek Wellfield. Counsel Slater stated Watermaster worked with them and those notices went out as instructed. Counsel Slater stated Mr. Malone will be Watermaster's only live witness, which will be an educational opportunity for the Judge. Counsel Slater stated counsel is currently going through the preparation of testimony and noted counsel is also working with the CDA on their input on Mr. Malone's testimony. Counsel Slater stated the other issue that came up was from the Non-Agricultural Pool on the issue of the Restated Judgment. They have asked that a disclaimer be put on the front of the Restated Judgment to indicate that this is a compilation prepared by Watermaster and has not been approved by any party, and that it is for the convenience of the parties. Counsel Slater stated there is some proposed language for that request on the back table for review. Counsel Slater stated there might be a supplemental filing that will happen next week about all the matters mentioned today. Counsel Slater stated other than the items mentioned; all items are on track for this hearing.

2. Paragraph 31 Appeal

Counsel Slater stated California Steel Industries (CSI) asked for an extension of time to file their reply brief and it was granted by the court. Counsel Slater stated CSI now has until October 28<sup>th</sup> to file their reply brief. Counsel Slater stated there are settlement discussions taking place and noted more on this subject will be discussed during closed session. Counsel Slater stated Watermaster and the Watermaster Board strongly support settlement. Watermaster counsel and staff has been instructed to do whatever they can to facilitate such a settlement. A discussion regarding the front page language ensued. Counsel Slater stated the parties will be able to see the final language prior to it being finalized and offered further comment on this matter.

Chair Kuhn stated he had questions related to the two legal counsel reports. Chair Kuhn inquired about the filing due in December on the Preemptive Agreements and inquired where we are at on this process. Counsel Slater stated we all have acknowledged a very important filing that is coming in December that relates to the Recharge Master Plan and it is counsels believes by the this Board's action on August 25, 2011, and otherwise repeated direction, we need to include within that a policy approach for Preemptive Replenishment and he believes Mr. Alvarez has convened a meeting among stake holders with this regard.

**B. WATERMASTER ENGINEERING REPORT**

1. Chino Creek Well Field Extensometer Installation Update

Mr. LeClaire stated the Peace II SEIR and some of the monitoring and mitigation requirements with regard to the potential for subsidence associated particularly with the Chino Creek Wellfield require that an extensometer be built in the vicinity of that Chino Creek Wellfield. Mr. LeClaire stated Wildermuth Environmental is attempting to install that extensometer facility this fiscal year. Mr. LeClaire stated the stage that process is in right now is the technical specifications have been developed and some target properties have been identified that the extensometer might be installed at. Mr. LeClaire offered comment on the target properties. Mr. LeClaire stated it is hoped to secure a piece of property and piggyback onto the well drilling contract that the CDA has right now to drill their last three Chino Creek Desalter Wellfield wells and do a change order there. Mr. LeClaire stated Wildermuth staff is working with the CDA with this regard and there will have to be a cost sharing agreement which will come through the Watermaster process in the future.

**C. CEO/STAFF REPORT**

1. Recharge (Supplemental Water Purchase/Allocation/Storage Agreements) Update

Mr. Alvarez stated the first report will be on the Preemptive Replenishment Program and this would also be the time where this Board will be revisiting the August 25, 2011 minutes. Mr. Alvarez presented the history of MWD making the replenishment water available for purchase recently and what has transpired at Watermaster since the availability of that water was made in May. Mr. Alvarez stated at the time the MWD Replenishment Program became available, Watermaster ordered 50,000 acre-feet of water. Mr. Alvarez stated MWD limited the water to 225,000 acre-feet and suspended the program at the time the 225,000 acre-feet was delivered to all the parties that were interested in it. Mr. Alvarez stated Watermaster has received a total 33,175.5 acre-feet of the MWD replenishment water, which will be subject to adjustments, and the number will not be finalized for several weeks. Mr. Alvarez stated the breakdown for that water is as follows: through the recharge basins 32,105.5 acre-feet, through direct injection 1,074 acre-feet, and through in lieu 1,466.7 acre-feet was recharged. Mr. Alvarez stated this water purchase was unplanned and therefore there was not budgeted for, and Watermaster needed a way to come up with a way to pay for it. Mr. Alvarez stated the idea was that the water would be split, and that there would be Preemptive Storage Agreements entered into with parties that did not have sufficient operating safe yield to meet their annual production demands. Mr. Alvarez stated two Preemptive Storage Agreements were entered into with Fontana Water Company and Niagara Bottling Company. Mr. Alvarez stated the Preemptive Storage Agreements are with Fontana Water Company (FWC) in the amount of 20,000 acre-feet, and Niagara Bottling Company (NBC) in the amount of 6,000

acre-feet. Mr. Alvarez stated the Preemptive Storage Agreements limit the water for use only for replenishment purposes and cannot be traded or sold. Mr. Alvarez stated the remainder of the water then also needed to be acquired and financed, and there were different approaches looked at with that regard. Mr. Alvarez stated one option was Watermaster taking out a loan. However, that loan agreement after much discussion was not a favored option. The alternative was to look at some other replenishment options whether they were to be Storage Agreements or otherwise. Mr. Alvarez stated the rest of the water has been placed into the ground and will be paid for through three Preemptive Replenishment Agreements with the City of Chino for 1,420 acre-feet of water, and two other agreements are pending with Jurupa Community Services District for approximately 2,300 acre-feet of water and the remainder of the water will be with an Replenishment Agreement with Inland Empire Utilities Agency (IEUA.) Mr. Alvarez stated it is important to note that Watermaster has made timely payments on this and will have the last invoice in shortly, with that payment due on November 9, 2011. Mr. Alvarez stated because of that issue, there was a sense of urgency and everyone worked very diligently at coming up with a novel approach. Watermaster has developed agreements that have explored new ground and are available for moving forward and establishing additional policies; the Board has addressed that and directed Watermaster to proceed in that direction. Mr. Alvarez stated in the last few weeks there have been some discussions about the propriety of moving forward with the Replenishment Agreements and this issue came up at the Appropriative Pool meeting on October 13, 2011, where there were some questions about the agreements. Mr. Alvarez stated Watermaster has received two letters objecting to the process and the appropriateness of Preemptive Replenishment Agreements conceptually. Mr. Alvarez stated one letter was from Monte Vista Water District (MVWD) and yesterday, a second letter was received from Cucamonga Valley Water District (CVWD). Mr. Alvarez stated copies of both the letters as well as a legal counsel memorandum is available on the back table for your information. Mr. Alvarez stated the agreements have been in past meeting packages for review. Mr. Alvarez stated the issue now seems to be the process that was followed; the August 25, 2011 meeting where this Board considered the Replenishment Storage Agreement was looked at. However, because of the issues with losses and the cost associated with that, the Board decided it would be best for Watermaster to come up with a Replenishment Agreement process that would avoid the losses, and a vehicle to accomplish that was worked on. Mr. Alvarez stated Watermaster then worked with parties that were interested in that which was the City of Chino, Jurupa Community Serviced District, and Inland Empire Utilities Agency to enter into those types of agreements. Mr. Alvarez stated one of those agreements has already been executed with the City of Chino. Mr. Alvarez stated the issue with the letters received is the process that was followed, that after the August 25, 2011 Board meeting staff worked on the development of the agreements and then moved forward with negotiating and executing the agreements. Mr. Alvarez stated there are questions now whether that direction was appropriate or not, and is one of the major issues that has been raised. Mr. Alvarez stated the second issue has to do with preemptive replenishment and the whole concept of storage losses. Mr. Alvarez stated there are two representatives present today from both Monte Vista Water District and Cucamonga Valley Water District and since those agencies have provided letters on this topic, they might want to address the Board at this time. Mr. Kinsey stated he has an email Mr. Bowcock sent to some of the Watermaster Board members, and for those who were not on the distribution list he would share the email. Mr. Kinsey stated he believes he heard Mr. Vanden Heuvel earlier in his comments regarding changing Watermaster's focus and recognizing that MWD will change, and acknowledged he agrees with those statements. Mr. Kinsey stated the Appropriators have been talking about looking for alternative supplemental water supplies for several months and how that could be accomplished. Mr. Kinsey stated one of the more difficult things to understand is the Watermaster Board as it relates to its role is under the Judgment; it's different than being a city council member or a water district member. Mr. Kinsey stated the Board is not a policy making body, they are an oversight body that was hired by the Appropriators under the adjudication of the basin to oversee the Judgment and do the day-to-day administrative functions, and make sure that the basin is managed

properly, including protecting the basin long-term. Mr. Kinsey stated the policy making process is through the Pools, with the Advisory Committee essentially making policy, and again, the Board's role is one of oversight. Mr. Kinsey stated this is unique, as people who come here as policy makers have to understand that they have a different role. Mr. Kinsey stated part of what has been going on, part of the question here is, the policy making process. Mr. Kinsey stated in his opinion Watermaster has not followed the normal policy making process. Mr. Kinsey stated the three agreements before this Board today, including legal counsels summary of why the Board thinks it can execute these agreements has not been seen by any person or Pool member until last Thursday, meaning the parties were unable to evaluate the legality, and the question of legality. Mr. Kinsey stated the parties have been unable to evaluate, nor have we been asked to approve those agreements that are before this Board today. Mr. Kinsey stated all three agreements are different and they all have unique attributes, which really brings in the question of losses and of what type of water we are really talking about. Mr. Kinsey stated there has also been a letter distributed by MVWD's legal counsel, and Art Kidman is here as our representation. Mr. Kinsey stated if there are any specific questions related to MVWD's letter, those can be addressed by Mr. Kidman. Mr. Kinsey stated Watermaster's role in storage is to make sure that all storage is carried out in the basin, under a uniform storage agreement. Mr. Kinsey stated he believes those agreements were developed and ultimately approved by the court; there is a uniform process for everyone who wants to store in the Chino Basin which has the same practice and the same rules that they must operate under. Mr. Kinsey stated this is for fairness and consistency. Mr. Kinsey stated he and Mr. Alvarez have had numerous discussions about what constitutes stored water, and from those discussions it is his understanding that Watermaster's statement of stored water is that stored water is water that is accounted for and tracked in the basin, and that has a specific attended use and user for the water. Mr. Kinsey stated the agreements before this Board quantify water and track it through the process of usage, so it really is stored water. Mr. Kinsey stated its additional water that's been added to the basin. Mr. Kinsey stated each agency is purchasing a quantifiable quantity of water, and the usage of that water will be tracked until that stored water is fully utilized for various purposes. Mr. Kinsey stated the agreements that the Pools and Advisory Committee have seen were originally called Preemptive Replenishment Storage Agreements. The terms were until the Peace Agreement was over, and there were storage losses going to be assessed; those were the agreements that the Pools have acted on. Mr. Kinsey stated in August the Advisory Committee forwarded to the Board for consideration, Storage Agreements with IEUA and other municipal water districts as a place to park Preemptive Replenishment Agreements; that's what the Advisory Committee, as a policy making body, have forwarded to the Board. Mr. Kinsey stated the agreements before this Board, again none of the Pools nor the Advisory Committee have seen them. Mr. Kinsey reviewed the City of Chino's Preemptive Replenishment Agreement almost word for word for clarification of his point. Mr. Kinsey stated under the City of Chino agreement the only use for Chino's water is desalter replenishment offset. Mr. Kinsey reviewed Jurupa Community Services District's Preemptive Replenishment Agreement word for word and clearly pointed out the differences between the City of Chino's agreement and JCSD's agreement. He noted the JCSD agreement is a draft agreement and has not been signed. Mr. Kinsey reviewed Inland Empire Utilities Agency's Agreement and noted it also differs from the two previous agreements. Mr. Kinsey reviewed the IEUA agreement in detail and reminded the Board of IEUA's concerns regarding entering into a Storage Agreement. They did not want it to be a stranded asset that they could not sell if the parties were not purchasing it for desalter replenishment purposes. Mr. Kinsey offered further comment on the vast differences of the three presented agreements including losses, uses for the water, and the sale of the water. Mr. Kinsey stated part of the premise of Watermaster's responsibility is uniform Storage Agreements. Mr. Kinsey stated if the parties determine through a consensus process that the legal basis for not assigning losses to this water is appropriate the only way policy is made is through the consensus process though the Pool's, Advisory Committee, and, ultimately, to the Watermaster Board. Mr. Kinsey stated a uniform agreement needs to be developed so that everyone's water that they purchased would be treated the same; the

three agreements before us, based on our legal counsel review, are all different in terms of how they treat the water and in terms of flexibility of use, as well as whether or not it is going to be assignable to storage or not. Mr. Kinsey stated the concern here is there are agreements here that are different, and have not gone through the Watermaster process. Mr. Kinsey offered comment on the history of IEUA's willingness to step up and enter into a Storage Agreement with Watermaster. Mr. Kinsey stated Watermaster was directed to negotiate a Storage Agreement with IEUA. Mr. Kinsey offered comment on other agencies willingness to assist in various ways. Mr. Kinsey stated these items were discussed only at the Board level in terms of request for direction to evaluate whether or not Watermaster could develop this program, where we don't count the water as stored, therefore, we don't assess losses to it. Mr. Kinsey stated when you look at the minutes, he believes the intent was to develop the concept and run it through the Watermaster process is what the minutes reflect as one of the discussion items at that time; this has never been run through the process. Mr. Kinsey stated when you read the letters presented, they state that this has not been run through the process. Mr. Kinsey stated Watermaster has a long established process of working things through it to reach successful conclusion, and they require Pool and Advisory Committee input, and ultimately, recommendation to the Board. Mr. Kinsey stated what has been represented today is an accurate representation of both the differences in the agreements, that have not been reviewed, or not even been seen until last Thursday by the parties. What the parties would like to see happen is to have the Board recommend that this be taken back through the entire Watermaster process. Mr. Kinsey offered final comments on the agreement matter. Mr. Kinsey stated the second concern is the invoice coming in, and the bill being due at approximately \$3.5M. Mr. Kinsey stated there are a couple of solutions to this matter which have been discussed. Mr. Kinsey offered comment on the various parties who have offered to assist through bridge funding for those monies due. Mr. Kinsey stated he believes some of the Appropriators are willing to step up and purchase the water and hold it until this process moves forward and an ultimate decision is made. Mr. Kinsey stated he believes there is a solution to the urgency of having to generate money to pay the bill, and the only way we have been told to do that is to authorize signature of these agreements. Chair Kuhn inquired to legal counsel if they had any answers or comments to what has been presented. Counsel Slater stated having read the letters, he does not think counsel disagrees with the citation of authorities that are applicable to stored water; this is precisely why we chose a different vehicle. Counsel Slater stated replenishment water is defined differently under the Judgment, and defined differently in the Peace Agreement, and stored water is a defined term which requires an agreement, and it carries certain rights and responsibilities. This Board is obliged as a matter of contract in a court order to assess losses against stored water. Counsel Slater stated there is no such provision, no uniform requirement that applies to Watermaster's dealings with the procurement of replenishment water; you have discretion, you have the ability to carry out the Judgment, you have a duty and a responsibility as it relates to replenishment water. The agreements were crafted to discharge Board responsibility and procurement of replenishment water. Counsel Slater stated he does not disagree with the comments of Mr. Kinsey as they relate to stored water. However, we are trying to go about this in a different way, which was what was described on August 25<sup>th</sup>, and noted he will withhold comments on process. Mr. Kinsey offered comment regarding future replenishment obligations, and noted this is nothing more than pre-purchase replenishment water for future desalter replenishment obligation. Mr. Kinsey offered comment on what MVWD is doing presently with their water. Mr. Kinsey stated the real point here is we have a process to address legal issues, and that is not going to be done here today; we don't want to take this item to court. Mr. Kinsey stated all that is being asked for is that this Board allow this process, the legal underpinnings of what's proposed, and the agreements to move forward through the entire Watermaster process so that the Pools and Advisory Committee can make recommendations to the Board on them. Mr. Kinsey stated the parties have come up with a solution for what we have heard is the issue, which is, the bills are due. Mr. Kinsey stated this is frustrating because we have been asking for this information for a long time, and we have been asking for more detail on the legal basis for what Watermaster is trying to

accomplish, and again, we just got it last Thursday. Chair Kuhn inquired to Mr. Kinsey if he was ever against purchasing the water for replenishment of the desalters. Mr. Kinsey stated absolutely not. Mr. Kinsey stated we believed there was a better and different route to follow to purchase replenishment water than what has been proposed. Mr. Kinsey stated it was heard today that one of the main issues is the revenue stream necessary to do this. Mr. Kinsey offered comment on what was suggested by Mr. Alvarez in the past to pay for this water, including proposals made by other parties to assist in this endeavor. Chair Kuhn stated at the start of this process it was believed it would be very simple thing to work out with IEUA. However, that is not how it turned out, and now the process has changed over the last three months, many times over. Chair Kuhn noted his concern today is that there is a bill due and the Board has given Mr. Alvarez very clear instructions as to what we wanted staff to do, and somehow this Board wants to make sure that bill gets paid on the 9<sup>th</sup>. Chair Kuhn asked for comments from Mr. Alvarez. Mr. Alvarez stated the process that was followed has morphed, and there is no disputing that. Mr. Alvarez gave a detailed history of this matter, and noted in May this item was taken to the Advisory Committee and Watermaster Board, and then brought to the Pools in June. Mr. Alvarez reviewed the financial aspects that have transpired over the months to pay for the replenishment water. Mr. Alvarez described the presented agreements and noted that when it comes to Watermaster it is to be used for basin augmentation, and then will ultimately go to offset desalter replenishment. However, it is under the full control of the Watermaster at all times and for those reasons the water was not subject to basin losses. Chair Kuhn asked if the water being controlled by the Watermaster was one of the issues. Mr. Kinsey stated Watermaster under the Judgment is designed to oversee people storing water in the basin and making sure that the people storing water follow the rules. Mr. Kinsey stated Watermaster is now saying, whether you want to call this water stored water or replenishment water, or whatever you want to call it, the question is, who oversees Watermaster in carrying out the task. Chair Kuhn stated he needed to understand clearly that this water was originally purchased solely for the replenishment of the desalters, and yet he is hearing there are different agreements stating different call outs for the water. Counsel Slater stated there was a legal counsel memorandum which was focused on Watermaster's ability to execute a Replenishment Agreement, and the circumstances under which a Replenishment Agreement would be consistent with the Judgment. Counsel Slater stated there are three agreements, two which should be, at his last review, identical, and if they are not, then he needs to see the differences. Counsel Slater stated that JCSD and the City of Chino's arrangements were, in counsel's belief identical, and then there was an IEUA arrangement. Chair Kuhn acknowledged that the IEUA document would be different. Counsel Slater stated they were intended to be that way and he is not oppugning about anything else that was discussed or process. Counsel Slater stated, as it relates to the Replenishment Agreement, there is section 5.1 of the Peace Agreement which extends Watermaster a power which exists already under the Judgment to execute Replenishment Agreements, which have the dual objective of quantity and quality, and maximum flexibility to achieve those objectives. Counsel Slater stated the protection to the parties to the Judgment, and the Appropriators in particular, are in the form of the assessment and how and when the assessment occurs. Counsel Slater stated we have a known, stated, predicted, scheduled, and ordered future replenishment obligation that is attributable to desalter production; this is not a vague unknown replenishment obligation. Counsel Slater stated the question is whether Watermaster, in exercising its dual authority of going to buy water at a lowest possible cost, under all the circumstances have the discretion to buy replenishment water and tender it to the basin in advance of the actual replenishment obligation occurring, or whether it was required to wait until afterwards. Counsel Slater stated it is the opinion of counsel that so long as the assessment provisions in the Pooling Plans are not being violated, without imposing a new or different obligation, that Watermaster had flexibility in executing such an agreement, provided that material harm did not occur to the basin; that was our standard. Counsel Slater stated what is being rappelled with are those three agreements. Counsel Slater stated for the Chino Agreement there is a prospective obligation that will be borne out by all of the Appropriators. Counsel Slater stated section 6.2 of the Peace II Agreement

goes through a hierarchy and states how that obligation may be met in the future. The City of Chino is trying to pay now to cause an actual physical replenishment to occur to offset that. Counsel Slater stated Mr. Kinsey is raising a fairness and equity issue, which he raised on August 25<sup>th</sup> and other meetings that counsel has been present at. Counsel Slater stated Mr. Kinsey was aware of the problem, the storm arising, and had gone out and may have spent money and put that water into a Storage Agreement, and then in waiting for the day that the debt was going to come due they are paying and being assessed a loss against the water in that account. Counsel Slater stated they raise a fairness equity issue, that now someone else that comes along who did not do that gets more favorable treatment under the circumstances. Counsel Slater stated that is a policy issue for you and not a legal requirement that you assess the losses; this bears on your decision as to how you wish to approach it. We also said that there needed to be overarching rules brought back to you that would be embedded in a recharge master planning effort for the go forward, which was your second motion on August 25<sup>th</sup>. Mr. Kinsey stated we are struggling with the process in the best way to move this forward and everybody realizes we have a pending replenishment obligation, not just for the desalters but for the parties who overproduce in basin. Mr. Kinsey offered further comment on this matter, and noted that logic and wisdom do not negate contracts and they don't negate processes that should be followed. Mr. Kinsey stated he believes a perfectly good solution has been come up with to address this area in a cooperative manner, to allow the documents and legal counsels recommendation to go through the process, and there is a clear commitment to pay the bill and to develop a program to allow the parities to go out and acquire water in the most economical means to address future replenishment obligations. Chair Kuhn offered comment on Mr. Kinsey's comments regarding paying the bill for this water. Mr. Kinsey stated there is a bill due and there is not a mechanism in place to pay for that bill yet. Mr. Kinsey offered comment on Watermaster's reserves. Mr. Kinsey stated MVWD may be able to pay the bill until the contracts have been worked through. However, that water ends up being held, as long as MVWD is reimbursed for our costs, we are fine with that. Mr. Kinsey offered comment on the cost to incur this additional water. However, MVWD is willing to front some of the money to pay the bill to allow us to work through the process. Chair Kuhn noted his concerns with getting the 33,000 acre-feet dedicated to the replenishment of the desalters. Mr. Vanden Heuvel asked if Cucamonga Valley Water District had any comments. Mr. Zvirbulis stated Mr. Kinsey did a good job of explaining this matter. Mr. Zvirbulis stated Cucamonga Valley Water District is one of those agencies that has been proactive and saw the storm coming. Mr. Zvirbulis offered further commented on the CVWD water baking program. Mr. Zvirbulis stated these conversations started in May and quickly got away from us. Mr. Zvirbulis offered comment on the role Watermaster needs to play to provide water to meet all the needs that are in the basin. Mr. Zvirbulis stated he believes it is Watermaster's role to help solve these water issues and facilitate matters accordingly. Mr. Kidman stated he is legal counsel for Monte Vista Water District. Mr. Kidman stated he is here to review the three proposed agreements, and asked that the Board and parties put aside any differences or concurrences with the agreements. The issue today is that this has been done in a very rush-rush, bordering on arbitrary basis without participation as is not only the tradition, but it is required in the Chino Basin. Mr. Kidman stated no one knows if the parties are ever going to be in agreement on how these agreements turned out. Mr. Kidman stated he has not seen these agreements, despite several requests, until Monday afternoon this week at 3:45 p.m., and that is not enough time to evaluate an important decision if this is in the best interest of all. Mr. Kidman stated the Watermaster and everyone here are governed by a stipulated Judgment which all the members of the family agreed to. Mr. Kidman offered comment on the last fifteen years of working with Watermaster, and the rules that it is lead by and has agreed to. Mr. Kidman offered comment on MWD's present position on water. Mr. Kidman stated he believes Mr. Kinsey has a way to pay these bills, taking advantage of the water you already have in the ground, but work through the Watermaster process so that you all have the normal consensus that we work by in the Chino Basin. Chair Kuhn inquired if Mr. Love has this item to go before the IEUA Board in the future. Mr. Love stated it is on the November 2<sup>nd</sup> agenda. Mr. Catlin stated it is planned to come before the Board.

However, now that the Advisory Committee meeting met last Thursday and correspondence has been seen, as a Board member he has some reservation into moving into an agreement where there is controversy. IEUA has tasked Jean Cihigoyenette to look into the communications that have been come across on this issue and to encourage him to talk to counsels of the various parties about what the controversy is about. Mr. Catlin stated he wants to make sure that if IEUA enters into an agreement that it is not going to be challenged and there are not going to be issues with it. There are reservations now going into next week's IEUA board meeting addressing this agreement, unless Jean Cihigoyenette can assure me in advance of that. Mr. Vanden Heuvel stated it is important to look at what we are doing and there are a many things he would like to respond to. Mr. Vanden Heuvel stated Watermaster buys replenishment water all the time and that decision by Watermaster is not something that goes through the Pool process; that is what has been done since the beginning of the Judgment. Mr. Vanden Heuvel stated what is different in this case is that we are purchasing in advance rather than in arrears. Mr. Vanden Heuvel stated in the August 25<sup>th</sup> minutes Ms. Lantz specifically asked about this matter, and he read a section of the provided August 25, 2011 minutes regarding the pending contract and motions made at that Board meeting. Mr. Vanden Heuvel stated it was his understanding that this Board was giving Watermaster the authorization to move ahead with the replenishment purchase. Mr. Vanden Heuvel offered comment on the loss issue. Mr. Vanden Heuvel stated he has been on this Board since the beginning, and he does not recall anything ever coming to this Board that was less than a mandate, except for the July meeting on the Agricultural legal budget. Mr. Vanden Heuvel stated he has also received phone calls and this is an issue that clearly divided the Appropriative Pool community with different points of view. Mr. Vanden Heuvel stated he heard more than once, the message from several people that this needed to be done as inexpensively as possible. Mr. Vanden Heuvel offered comment on the agencies that had, and are planning ahead, and possible causing them to pay double. Mr. Vanden Heuvel stated what this Board did was to authorize staff to go ahead and purchase this water as preemptive replenishment based on the advice from counsel that the protection for the Pools was in the timing of the assessment, and as long as it wasn't an assessment that was triggered by this activity and there wasn't anything in the document that prohibited us from doing that, based on that the Board gave direction and we have been carrying this matter forward. Mr. Vanden Heuvel offered comment on the Board discretion in this matter and noted there was discretion because this was not a mandate which then allowed that discretion. Mr. Vanden Heuvel referenced page 22 Article 38b of the Judgment regarding committee review. Mr. Vanden Heuvel read the referenced material from the Judgment. Mr. Vanden Heuvel inquired if what the Board did was it within the scope of the Advisory Committee recommendation, and noted that it is a close call and offered further comment on changing the provided Preemptive replenishment Agreement, which was converted into a Storage Agreement. By making it a Storage Agreement we were able to not apply the uniform loss factor. Mr. Vanden Heuvel inquired if that was in the scope of the Advisory Committee recommendation or not; clearly the Judgment anticipates that the Board can make decisions outside that scope with notice. Mr. Vanden Heuvel stated maybe this was outside the scope of the Advisory committee recommendation, and so we would have to give notice to them, but we already have a signed agreement. Mr. Vanden Heuvel commented on the dates of notices due to upcoming holiday schedules, and it could be noted that notice was actually given on August 25, 2011 when action was taken. Mr. Vanden Heuvel stated he would like legal and Board comments at this time. Mr. Kinsey stated the minutes for the August 25<sup>th</sup> meeting were very long and asked Mr. Vanden Heuvel to point out the clear direction of a motion. Ms. Lantz stated on page 8, and Chair Kuhn read the motion off the minutes. Mr. Kinsey offered comment on both the motions made with this regard and read the second motion from the August 25<sup>th</sup> Board minutes, noting there were clearly two separate actions. Mr. Kinsey stated the second motion was regarding the development of a Preemptive Replenishment Agreement and that is the item before the Board today, so technically staff recommendation was not to authorize the completion of a Preemptive Replenishment Agreement; it is very different. Mr. Kinsey stated one is the approval of a standard Storage Agreement and the other one was recommendation to allow



counsel and staff to develop a Preemptive Replenishment Agreement. This Board did not authorize the Preemptive Replenishment Agreement, you authorized a Preemptive Replenishment Storage Agreement. Counsel Slater stated he agrees with the applicable provision in Paragraph 38, and the key question is whether the Board action on August 25<sup>th</sup> was within the scope of the authorization of from the Advisory Committee. Counsel Slater stated the agreement, in counsel's opinion, was edited and it eliminated a material provision, which is losses, and it converted the form of the agreement from a uniform Storage Agreement into a Replenishment Agreement. Counsel Slater stated as he does not like to have to give this Board this advice, counsel thinks it is sufficiently different, that it would warrant notice to the Advisory Committee. Counsel Slater stated the consequence in providing notice does not invalidate unnecessarily the punitive agreement which has been executed; what the Advisory Committee will do is only known to them unless they would come up with a mandate to provide a different direction, the agreement remains valid and there is no problem with the agreement. Counsel Slater stated if the Advisory Committee however were to adopt an 80% mandate, then really we are talking about either the Advisory Committee or the Board seeking judicial relief. Counsel Slater stated he knows of no other way to cut through the procedure set for in the Judgment other than on the basis of the urgency in the payment due. If the Board wanted to seek judicial relief and further authorization – you could do that. Counsel Slater stated the court could also ask what the opinion of the Advisory Committee is, and what the formal action is based upon what it is you decided. Counsel Slater stated in this instance he thinks the provisions of the Judgment states the Advisory Committee gets notice. Chair Kuhn asked for an example of a motion that this Board should present at this point. Counsel Slater stated he believes that the Board acted unanimously on August 25, 2011, and he believes it was the Board's direction to staff and counsel to prepare a Preemptive Replenishment Agreement, which was consistent with the directives and discussions that the Board had on August 25, 2011, and those are in the minutes. Counsel Slater stated the motion should indicate that the Board did in fact instruct counsel to prepare an agreement and authorize staff to execute it, but for avoidance of doubt, that this is as to whether it was within the scope. It would be sent to the Advisory Committee for advice and comment, and with that the Board intends to proceed until informed otherwise by the Advisory Committee that the agreements are valid and that staff has authorization to proceed. Chair Kuhn asked for a motion. Chair Kuhn stated we are going to come up with a payment and moving the process forward to the Advisory Committee. Mr. Vanden Heuvel stated he does not know about payment because that is not the motion. Mr. Vanden Heuvel stated the motion is to give the Advisory Committee notice. A discussion regarding the motion and payment ensued. Mr. Vanden Heuvel stated the Judgment requires that if the Board makes a decision we have the discretion to make that decision, but if we make a decision out of the scope of what the Advisory Committee sent us, we are obligated to give them a 30 day notice of our final acting. Mr. Vanden Heuvel stated the motion is to then give them that notice. Counsel Slater stated the motion is to give them notice of this Board's action, the rationale for that action, and to ask them for advice and consent; they are not compelled to do anything, or they can do nothing, including something different. Counsel Slater stated this Board is not compelled to accept their recommendation – you are compelled to give them notice. Counsel Slater stated given the circumstances and the issue of the next Board meeting date, you have identified an opportunity for a Special Board meeting in the month of November. Mr. Vanden Heuvel stated to be clear the motion is to give them notice. Ms. Lantz stated the motion is what Counsel Slater stated and what Mr. Haughey agreed to be for his first. Ms. Lantz stated the motion, in her understanding, was the giving notice part, and to also continue with executing the agreements and moving forward with the payment. Ms. Lantz stated she did not understand that it was to be putting everything on hold. Counsel Slater stated his advice was that the execution of the agreement could always be undone by action of the Advisory Committee under the Judgment. However, note that the Board has the authority to move forward subject to the fact that they recognize that a mandate override still exists in the power of the Advisory Committee. Counsel Slater stated there are things that need to be done and staff needs to move forward – we don't want to be at a standstill. Counsel Slater stated we can continue to

move forward, recognizing the prospect that the Advisory Committee could meet and provide a mandate direction that would have to be dealt with at the November meeting. Counsel Slater stated with regard to spending money that is left up to staff if cash is available. Ms. Lantz stated she needs clarification for whenever the next meeting is, regarding the differences in the JCSD and City of Chino contracts from a review either from legal or Watermaster staff. Ms. Lantz noted she was clear from the direction given at the August meeting, which may or may not have exceeded this Board's authority, that those agreements were identical, and that they would not need to be reviewed by the Board a second time. However, with today's discussions it seems prudent to have a thorough review. Ms. Lantz offered further comment on the IEUA agreement, which is really a different type of agreement. Counsel Slater stated absolutely that can be accomplished and noted he was puzzled by the fact that there was an identifiable discrepancy because they were intended to be identical. Mr. Vanden Heuvel stated the action and motion that is before us is to give notice that such intended action shall be served on the Advisory Committee and its members at least 30 days before the Watermaster Board meeting, at which the action is finally authorized. Mr. Vanden Heuvel stated he is concerned if the City of Chino has paid Watermaster. However, an agreement has been executed that this Board believes it authorized on August 25, 2011, and that is why we acted in good faith. Mr. Vanden Heuvel stated this Board acted, at that time, as if we were acting within the scope of the Advisory Committee action. Mr. Vanden Heuvel stated if we believed we were not, then this would have been a trigger and now it's being brought to our attention through this exchange of letters. Mr. Vanden Heuvel stated does this actually delay our ability to authorize anything. Counsel Slater stated this would not be the first instance in history when an agreement was executed and then ultimately rescinded for a reason related to process. Counsel Slater stated the Board's and staff's intention following the meeting on August 25<sup>th</sup> was that staff and counsel were acting consistent with the direction of the Board. Counsel Slater stated, while he remains solidly in support of the legality of the form of the Replenishment Agreement, in carrying out your will with that regard, and having a strong policy and legal foundation – there stands a process question that could ultimately drive us several months to go a resolution. Counsel Slater stated if Watermaster provides the notice, he can say with confidence that the matter is done at the end of November when this Board reconvenes to take final action. Counsel Slater stated if we fail to provide the notice there will be a hangover issue that will chase us into the New Year and could further disrupt your administration of Watermaster. Mr. Vanden Heuvel stated before the vote is taken, we still have the issue of this bill. Mr. Vanden Heuvel inquired about the bill from IEUA to Watermaster, or does Watermaster pay MWD directory. Mr. Alvarez stated the bills are from IEUA to Watermaster. Mr. Vanden Heuvel inquired as to the penalty if the bill is not paid on time. Mr. Joswiak stated 2% of the total bill. Mr. Vanden Heuvel stated it appears that Watermaster is not going to have the money to pay the bill, and whatever the penalty is the penalty is. Mr. Vanden Heuvel offered comment on the various loans presented over the last several months. Mr. Vanden Heuvel stated we are going to follow the letter of the law here and go ahead and pass this motion. However, we will then need to have a discussion about what we do with this bill. Chair Kuhn stated we can discuss what needs to be done with the bill as soon as the motion on the table is voted on. Ms. Lantz inquired if the action taken by this Board on August 25<sup>th</sup> actually did give notice of sorts. Counsel Slater stated the action itself that the Board took on August 25<sup>th</sup> was a public meeting, and there were people who were present and are in the audience now who hear what the Board action was. That is definitely a form of notice. Unfortunately, the Judgment Rules and Regulations provide that the notice of the action for purposes of service, the publication of the minutes and the adoption of the minutes, means we cannot rely on the normal customary practice of the minutes and provide no other form of direction written notice or substitution thereof. Chair Kuhn asked the recording secretary for a roll call vote. Ms. Molino called a roll call vote for the members and alternates present today representing the Watermaster Board on the motion provided. Chair Kuhn noted the motion carries with one abstention.

*Motion by Haughey second by Vanden Heuvel, by unanimous roll call vote – Catlin abstained*  
**Moved to formally recognize that the Watermaster Board acted unanimously on August 25, 2011, and it was the Watermaster Board's direction to Watermaster staff and to general counsel to prepare a Preemptive Replenishment Agreement which was consistent with the direction with the directives and the discussion that the Watermaster Board had on August 25, 2011 which are stated in the minutes, and the motion for the MWD Replenishment Water Policy is the Watermaster Board did instruct counsel to prepare an Agreement and authorized staff to execute it and for avoidance of doubt, as to if this was within the scope, that this matter be sent to the Advisory Committee for advice/comment and the Watermaster Board intends to proceed until informed otherwise by the Advisory Committee that the agreements are valid and that Watermaster staff has authorization to proceed, as presented**

Chair Kuhn stated before we go on to the next subject of the payment, a motion for the August 25, 2011 minutes is now called for.

*Motion by Field second by Lantz, by unanimous vote – Haughey abstained from item A1*  
**Moved to approve the August 25, 2011 Watermaster Board meeting minutes, as presented**

Chair Kuhn inquired as to the payment of the bill, and noted he is still not clear on the Board's direction except that on November 9, 2011 Watermaster owes approximately \$3.5M to IEUA, and noted there was sincerity in Mr. Kinsey's intent that the Appropriators are willing to pick up at least a portion of that bill. Chair Kuhn inquired to Mr. Kinsey when will this Board know how much of that bill could be paid MVWD. Mr. Kinsey stated what you are doing is not running the agreements through the process; you are giving the Advisory Committee notice that this Board intends to take a direction consistent to what they gave you. Mr. Kinsey offered further comment on this matter and noted what the Board authorized was the standard Storage Agreement, and it has preemptive replenishment storage agreement on it; that was staff recommendation. Mr. Kinsey stated they were not the agreements that ultimately are in the process being signed by the parties. Mr. Kinsey stated he thinks the Appropriators can talk about this, and to address Mr. Vanden Heuvel's point about it not getting paid in a timely manner, the penalty gets passed to the Appropriators anyway. Chair Kuhn stated the Appropriators don't like loans so I am assuming you don't want to pay interest; are you going to help pay or not. Mr. Kinsey stated we will talk about it and inquired about the 2% interest. A discussion regarding the interest rate ensued. Chair Kuhn stated what he is hearing is the Appropriators will come up with something and report that back to Watermaster staff. A final discussion regarding the financial matters ensued. Mr. Alvarez stated as we move through this process there will be resolution within a month, either the Advisory Committee is going basically reject the agreements or the agreements stand as approved. Mr. Alvarez stated in the interim, there are a couple of weeks where this payment is going to be subject to some uncertainty which can be handled a couple of ways, and the easiest way if it is acceptable to IEUA, is that Watermaster enter into some kind of an agreement with the understanding that this is the process and we think this is the ultimate resolution, and that payment instead of being forthcoming on November 9<sup>th</sup>, it may be forthcoming twenty-five days later. Mr. Alvarez stated another approach would be to sit down with some of the Appropriators who have indicated their willingness to help finance this through a possible bridge loan. Mr. Alvarez stated the last alternative is that Watermaster gets a bill and we don't pay it within the 30 days; and then we are subject to the 2% penalty. Mr. Alvarez stated there are several options and that outline is what staff will be basically following based on the direction being taken today. Chair Kuhn stated it appears that penalty would be \$60,000 a month or \$750,000 annually. Mr. Alvarez stated in two weeks the Pools meet and this will be brought forward to them, and then to the Advisory Committee, so then in three weeks a special meeting of the Board should be scheduled. Chair Kuhn stated it should be 26 days from today. Mr. Catlin offered comment on the harsh penalty by IEUA, time constraints and a possible bridge finance option under the business terms already discussed. Mr. Love stated he does not have the authority to waive the 2% and noted that is

up to the IEUA Board. A discussion regarding a bridge agreement with IEUA ensued. Mr. Love stated he is willing to bring something to the IEUA Board for consideration next week. Ms. Rojo offered comment on IEUA's financial policies in detail. Mr. Vanden Heuvel stated he is curious if Watermaster is authorized, absent of any official action from anyone, to enter into any loan agreements. Chair Kuhn stated that is exactly what the Advisory Committee was trying to avoid. Mr. Vanden Heuvel inquired into the legal basis to enter into loan agreements. Counsel Slater stated Watermaster has limitations on its borrowing capacity that come from the Judgment, and if we are going to discuss a loan agreement it will be another discussion or a special meeting. Mr. Vanden Heuvel stated by this action, this really leaves us at the mercy of IEUA and we are probably ordered by the Judge to pay our bills too, so we are really between a rock and a hard place. A final discussion regarding this financial matter ensued.

2. Archibald South Plume Update

Mr. Alvarez stated this was one of the items in the Watermaster work plan this year in terms of doing some better quantification. Mr. Alvarez stated staff has been instructed to go out and do some additional water quality samples and some of those results are in; there is an exhibit map shown on the display screen. Mr. Alvarez reviewed the map where the testing locations were and reviewed the water quality test results, noting the results were provided to the Regional Water Quality Control Board. Mr. Alvarez stated as part of this program there are ten additional locations that were identified and are mostly on the westerly side of the plume, where most of the sampling was being performed. Mr. Alvarez commented on the locations that were non-accessible at the time of testing. and noted staff is working with the Agricultural Pool chair on some of these locations to obtain access, and with the residents at the locations that people were not available on that particular date and time.

3. Letter From Regional Water Quality Control Board

Mr. Alvarez stated this item came up subsequently to the meeting package being sent out and there are copies of the Regional Water Quality Control Board letter regarding this matter available on the back table. Mr. Alvarez stated this is a good news item to report today. Mr. Alvarez stated Watermaster received a letter from the Regional Water Quality Control Board, which was addressed to both Chino Basin Watermaster and Inland Empire Utilities Agency. Mr. Alvarez stated the letter confirmed that Hydraulic Control will be achieved with the completion of the Chino Creek Wellfield, the implication being that in 2014 when all of those wells are completed and in operation, it will effectively reduce all losses from the basin. Mr. Alvarez stated there will no longer be any basin loss factors. At that time staff will have to go back and amend the Peace Agreements and the Judgment to recognize that any Storage Agreements specify there are no further basin losses as long as the system is in place and operating. Mr. Alvarez stated there are some conditions noted in the letter, and the last pending item is regarding the required monitoring. Mr. Alvarez stated the definition of what the monitoring wells ultimately will look like will possibly be 3 monitoring wells or 10 monitoring wells, or whatever the number is when it's finished because this is not finalized. Mr. Alvarez stated eventually this will require staff going back and revisiting all of the Agreements and the Judgment, which will specifically preclude having Storage Agreements without a loss factors. Chair Jeske offered comment on the no loss factors and this matter. Mr. Alvarez stated this letter states that based on all of the analytical effort that has been done to date, if the proposed wells, which are currently being drilled and will be completed by 2014, produce at less than 100%, or even as low as 60% of their anticipated production, we will still achieve Hydraulic Control.

**IV. INFORMATION**

1. Cash Disbursements for September 2011  
No comment was made regarding this item.
2. Newspaper Articles  
No comment was made regarding this item.

**V. BOARD MEMBER COMMENTS**

Mr. Vanden Heuvel stated, in reading the minutes of the August 25<sup>th</sup> meeting, there are Appropriators that have been accumulating water in anticipation of obligations that they would have for the Desalter, and it looks like we have two Appropriators who are going to put their name on some of this water that we were able to get from MWD. Mr. Vanden Heuvel stated there was reference from both himself and at least one other colleague on the Board that we would really like to see staff and the parties, work toward an opportunity for the Appropriators who have stored water to dedicate it for these purposes to Watermaster and thereby stop the accumulation of losses. Mr. Vandenheuvel stated we need find the most efficient way possible to secure water and we are on a path to eliminating these storage losses through the construction of the expansion of the desalter wellfield. Mr. Vanden Heuvel noted this is still years away and there will still be water lost during that time, and if there is a way to do that differently and legally, then we should pursue that. Mr. Vanden Heuvel further stated he would like to keep that on the forefront and encourage the Appropriators to bring forward an initiative like that.

Chair Kuhn stated he has asked Mr. Alvarez to put together a Personnel Committee meeting for next week. Chair Kuhn stated Mr. Alvarez has been here for 6 months and this Board would like to meet and re-evaluate where we are at.

**VI. OTHER BUSINESS**

No comment was made regarding this item.

The regular open Watermaster Board meeting was convened to hold its confidential session at 1:46 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. Chino Airport Plume
2. Paragraph 31 Litigation

*(Added during the Additions/Reorder portion of the agenda)*

3. Pending Law Suit Between Aqua Capital Management and California Steel Industries

The confidential session concluded at 2:10 p.m.

There was no reportable action from the confidential session.

**VIII. FUTURE MEETINGS**

<del>Wednesday, October 26, 2011</del>	<del>9:00 a.m.</del>	<del>85/15 Rule Workshop @ CBWM</del> <b>CANCELLED</b>
Thursday, October 27, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, October 27, 2011	2:00 p.m.	2012 Groundwater Model Workshop/Planning Assumptions @ CBWM
Friday, October 28, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court
Thursday, November 10, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, November 10, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, November 10, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, November 17, 2011	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, November 17, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
<b>* Thursday, November 17, 2011</b>	<b>11:00 a.m.</b>	<b>Watermaster Board Meeting @ CBWM</b>
Thursday, December 8, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, December 8, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, December 8, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, December 15, 2011	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, December 15, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM

Thursday, December 22, 2011 11:00 a.m. Watermaster Board Meeting @ CBWM

\* **Note:** Watermaster Board meeting date change due to the Thanksgiving holiday

The Watermaster Board meeting was dismissed by Chair Willis at 2:11 p.m.

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

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



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### **B. FINANCIAL REPORTS**

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





# CHINO BASIN WATERMASTER

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

## STAFF REPORT

**DATE:** November 17, 2011  
**TO:** Committee Members  
Watermaster Board Members  
**SUBJECT:** Cash Disbursement Report – Financial Report B1

### SUMMARY

**Issue** – Record of cash disbursements for the month of September 2011.

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

**Fiscal Impact** – Funds disbursed were included in the FY 2011-2012 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 September 2011 were \$7,266,066.37. The most significant expenditures during the month were to Inland Empire Utilities Agency in the amounts of \$3,631,870.37 and \$3,040,956.10 (check number 15398 dated September 7, 2011 and check number 15441 dated September 26, 2011) and Wildermuth Environmental, Inc. in the amount of \$155,577.77 (check number 15450 dated September 27, 2011).

### Actions:

November 10, 2011 Appropriative Pool – Approved Unanimously  
November 10, 2011 Non-Agricultural Pool – Receive and file without approval  
November 10, 2011 Agricultural Pool – Approved Unanimously  
November 17, 2011 Advisory Committee –  
November 17, 2011 Watermaster Board –



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CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/07/2011	15369	A&R BRIDGESTONE FIRESTONE AUTO CARE	3-1629	1012 - Bank of America Gen'l Ckg	
Bill	09/06/2011	3-1629		Field truck maintenance	6177 - Vehicle Repairs & Maintenance	314.05
TOTAL						314.05
Bill Pmt -Check	09/07/2011	15370	BOWCOCK, ROBERT		1012 - Bank of America Gen'l Ckg	
Bill	08/19/2011	8/18 Advisory Comm		8/18/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	08/25/2011	8/25 Personnel Comm		8/25/11 Personnel Committee Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	09/07/2011	15371	CALPERS	1741	1012 - Bank of America Gen'l Ckg	
Bill	08/22/2011	1741		Medical Insurance - September 2011	60182.1 - Medical Insurance	5,429.59
TOTAL						5,429.59
Bill Pmt -Check	09/07/2011	15372	COMPUTER NETWORK	82236	1012 - Bank of America Gen'l Ckg	
Bill	09/06/2011	82236		External hard drives, printer for reception area	6055 - Computer Hardware	1,131.38
TOTAL						1,131.38
Bill Pmt -Check	09/07/2011	15373	GOLDEN METERS SERVICE	182	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	182			7102.8 - In-line Meter-Callb & Test	1,050.00
TOTAL						1,050.00
Bill Pmt -Check	09/07/2011	15374	INLAND EMPIRE UTILITIES AGENCY	VOID: 90008194	1012 - Bank of America Gen'l Ckg	
TOTAL						
Bill Pmt -Check	09/07/2011	15375	KUHN, BOB		1012 - Bank of America Gen'l Ckg	
Bill	08/10/2011	8/10 Admin Mtg		8/10/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	08/11/2011	8/11 Appro Pool Mtg		8/11/11 Appropriative Pool Meeting	6311 - Board Member Compensation	125.00
Bill	08/17/2011	8/17 Admin Mtg		8/17/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	08/18/2011	8/18 Advisory Comm		8/18/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	08/24/2011	8/24 Admrth Mtg		8/24/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	08/25/2011	8/25 Personnel Comm		8/25/11 Personnel Committee Meeting	6311 - Board Member Compensation	125.00
Bill	08/31/2011	8/31 Admin Mtg		8/31/11 Administrative Meeting	6311 - Board Member Compensation	125.00
TOTAL						875.00
Bill Pmt -Check	09/07/2011	15376	LANTZ, PAULA		1012 - Bank of America Gen'l Ckg	
Bill	08/11/2011	8/11 Appro Pool Mtg		8/11/11 Appropriative Pool Meeting	6311 - Board Member Compensation	125.00
Bill	08/25/2011	8/25 Board Mtg		8/25/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	09/07/2011	15377	MWH LABORATORIES		1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	L0063360		L0063360	7103.5 - Grdwtr Qual-Lab Svcs	748.00
Bill	08/31/2011	L0064927		L0064927	7103.5 - Grdwtr Qual-Lab Svcs	2,074.00

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/31/2011	L0065408		L0065408	7103.5 - Grdwtr Qual-Lab Svcs	1,066.00
Bill	08/31/2011	L0064933		L0064933	7103.5 - Grdwtr Qual-Lab Svcs	1,066.00
Bill	08/31/2011	L0064938		L0064938	7103.5 - Grdwtr Qual-Lab Svcs	1,992.00
Bill	08/31/2011	I0064939		L0064939	7103.5 - Grdwtr Qual-Lab Svcs	1,086.00
<b>TOTAL</b>						<b>8,032.00</b>
<b>Bill Pmt -Check</b>	<b>09/07/2011</b>	<b>15378</b>	<b>PARK PLACE COMPUTER SOLUTIONS, INC.</b>	<b>454</b>	<b>1012 - Bank of America Gen'l Ckg</b>	<b>3,150.00</b>
Bill	08/31/2011	454		IT Services - August 2011	6052.1 - Park Place Comp Solutn	3,150.00
<b>Bill Pmt -Check</b>	<b>09/07/2011</b>	<b>15379</b>	<b>PURCHASE POWER</b>	<b>8000909000168851</b>	<b>1012 - Bank of America Gen'l Ckg</b>	<b>75.40</b>
Bill	08/31/2011	8000909000168851		fed ex shipments	6042 - Postage - General	75.40
<b>Bill Pmt -Check</b>	<b>09/07/2011</b>	<b>15380</b>	<b>THE LAWTON GROUP</b>	<b>6017</b>	<b>1012 - Bank of America Gen'l Ckg</b>	<b>824.00</b>
Bill	08/31/2011	1VC070000017418		Week ending 8/21/11	6017 - Temporary Services	824.00
<b>Bill Pmt -Check</b>	<b>09/07/2011</b>	<b>15381</b>	<b>VANDEN HEUVEL, GEOFFREY</b>	<b>6311</b>	<b>1012 - Bank of America Gen'l Ckg</b>	<b>125.00</b>
Bill	08/25/2011	8/25 Board Mtg		8/25/11 Board Meeting	6311 - Board Member Compensation	125.00
<b>Bill Pmt -Check</b>	<b>09/07/2011</b>	<b>15382</b>	<b>WILLIS, KENNETH</b>	<b>8/22/11 Administrative Meeting</b>	<b>1012 - Bank of America Gen'l Ckg</b>	<b>125.00</b>
Bill	08/22/2011	8/22 Admin Mtg		8/22/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	08/25/2011	8/25 Personnel Comm		8/25/11 Personnel Committee Meeting	6311 - Board Member Compensation	250.00
<b>Bill Pmt -Check</b>	<b>09/07/2011</b>	<b>15383</b>	<b>CALPERS</b>	<b>1741</b>	<b>1012 - Bank of America Gen'l Ckg</b>	<b>5,430.70</b>
Bill	09/06/2011	1741		Medical Insurance - October 2011	60182.1 - Medical Insurance	5,430.70
<b>Bill Pmt -Check</b>	<b>09/07/2011</b>	<b>15384</b>	<b>CITISTREET</b>	<b>Payroll and Taxes for 08/07/11-08/20/11</b>	<b>1012 - Bank of America Gen'l Ckg</b>	<b>1,863.30</b>
General Journal	08/26/2011	08/26/2011		457 Employee Deductions for 08/07/11-08/20/11	2000 - Accounts Payable	1,863.30
<b>Bill Pmt -Check</b>	<b>09/07/2011</b>	<b>15385</b>	<b>DURRINGTON, GLEN</b>	<b>Ag Pool Member Compensation</b>	<b>1012 - Bank of America Gen'l Ckg</b>	<b>25.00</b>
Bill	08/11/2011	8/11 Ag Pool Mtg		8/11/11 Ag Pool Meeting	8411 - Compensation	25.00
				Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
<b>Bill Pmt -Check</b>	<b>09/07/2011</b>	<b>15386</b>	<b>FEENSTRA, BOB</b>	<b>Ag Pool Member Compensation</b>	<b>1012 - Bank of America Gen'l Ckg</b>	<b>125.00</b>
Bill	08/11/2011	8/11 Ag Pool Mtg		8/11/11 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	08/18/2011	8/18 Advisory Comm		8/18/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/25/2011	8/25 Personnel Comm		8/25/11 Personnel Committee Meeting	8411 - Compensation	125.00
Bill	08/25/2011	8/25 Board Meeting		8/25/11 Board Meeting	8411 - Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	09/07/2011	15387	GRAINGER	9619891907	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	9619891907		GW quality supplies	7103.6 - Grdwtr Qual-Supplies	10.95
TOTAL						10.95
Bill Pmt -Check	09/07/2011	15388	HALL, PETE*	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	08/11/2011	8/11 Ag Pool Mtg		8/11/11 Ag Pool Meeting	8411 - Compensation	25.00
Bill	08/18/2011	8/18 Advisory Comm		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
Bill	08/18/2011	8/18 Advisory Comm		8/18/11 Advisory Committee Meeting	8411 - Compensation	25.00
Bill	08/25/2011	8/25 Board Mtg		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
Bill	08/25/2011	8/25 Board Mtg		8/25/11 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						375.00
Bill Pmt -Check	09/07/2011	15389	HUITSING, JOHN	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	08/11/2011	8/11 Ag Pool Meeting		8/11/2011 Ag Pool Meeting	8411 - Compensation	25.00
Bill	08/11/2011	8/11 Ag Pool Meeting		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	09/07/2011	15390	KOOPMAN, GENE	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	08/11/2011	8/11 Ag Pool Meeting		8/11/11 Ag Pool Meeting	8411 - Compensation	25.00
Bill	08/11/2011	8/11 Ag Pool Meeting		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	09/07/2011	15391	PIERSON, JEFFREY	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	08/11/2011	8/11 Ag Pool Mtg		8/11/11 Ag Pool Meeting	6311 - Board Member Compensation	125.00
Bill	08/18/2011	8/18 Advisory Comm		8/18/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	08/25/2011	8/25 Board Meeting		8/25/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	09/07/2011	15392	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	08/20/2011	08/20/2011	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 08/07/11-08/20/11	2000 - Accounts Payable	7,009.50
TOTAL						7,009.50
Bill Pmt -Check	09/07/2011	15393	TELECOM SERVICES	Make changes to voice-mail system	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	5422		Make changes to voice-mail system	6022 - Telephone	125.00
Bill	08/31/2011	5402		Make changes to voice-mail system	6022 - Telephone	125.00
TOTAL						250.00
Bill Pmt -Check	09/07/2011	15394	VANDEN HEUVEL, ROB	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	08/11/2011	8/11 Ag Pool Mtg		8/11/11 Ag Pool Meeting	8411 - Compensation	25.00

CHINO BASIN WATERMASTER  
 Cash Disbursements For The Month of  
 September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL				Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
						125.00
Bill Pmt -Check	09/07/2011	15395	MIJAC ALARM	305769	1012 - Bank of America Gen'l Ckg	396.00
Bill	09/07/2011	305769		Bldg. monitoring from 9/01/11 to 11/30/11	6026 - Security Services	396.00
TOTAL						
Bill Pmt -Check	09/07/2011	15396	PRINTING RESOURCES		1012 - Bank of America Gen'l Ckg	28.44
Bill	08/25/2011	57004		nameplate for Gerald Greene	6031.7 - Other Office Supplies	28.44
Bill	08/25/2011	57005		title plate for Senior Environmental Engineer	6031.7 - Other Office Supplies	56.88
TOTAL						
Bill Pmt -Check	09/07/2011	15397	STATE COMPENSATION INSURANCE FUND	1970970-11	1012 - Bank of America Gen'l Ckg	322.10
Bill	08/25/2011	1970970-11		Workers Compensation premium	60183 - Worker's Comp Insurance	322.10
TOTAL						
Bill Pmt -Check	09/07/2011	15398	INLAND EMPIRE UTILITIES AGENCY	90008194	1012 - Bank of America Gen'l Ckg	540.25
Bill	08/18/2011	90008194			8456 - IEUA Readiness To Serve	540.25
					5011 - Replenishment Water	3,505,874.96
					1420 - Prepaid Injected Water Purchase	125,455.16
						3,631,870.37
General Journal	09/09/2011	09/09/2011	Payroll and Tax 08/21/11-09/03/11	Payroll and Tax 08/21/11-09/03/11	1012 - Bank of America Gen'l Ckg	8,979.89
				Payroll Tax for 08/21/11-09/03/11	1014 - Bank of America P/R Ckg	20,344.13
				Direct Deposits for 08/21/11-09/03/11	1014 - Bank of America P/R Ckg	5,963.82
				Payroll Checks for 08/21/11-09/03/11	1014 - Bank of America P/R Ckg	35,287.84
TOTAL						
Bill Pmt -Check	09/12/2011	15399	WILDERMUTH ENVIRONMENTAL INC		1012 - Bank of America Gen'l Ckg	54,188.86
Bill	07/31/2011	2011288		2011298 - OBMP - Watermaster Model Update	6906.1 - OBMP - Watermaster Model Update	54,188.86
Bill	07/31/2011	2011299		2011299 - OBMP Engineering Services	6906 - OBMP Engineering Services	2,955.00
Bill	07/31/2011	2011300		2011300 - OBMP Engineering Services	6906 - OBMP Engineering Services	881.25
Bill	07/31/2011	2011301		2011301 - OBMP Engineering Services	6906 - OBMP Engineering Services	281.25
Bill	07/31/2011	2011302		2011302 - OBMP Engineering Services	6906 - OBMP Engineering Services	9,170.00
Bill	07/31/2011	2011303		2011303 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	16,803.60
Bill	07/31/2011	2011304		2011304 - Grdwtr Qual-Engineering	7103.3 - Grdwtr Qual-Engineering	7,316.33
Bill	07/31/2011	2011305		2011305 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	1,518.75
Bill	07/31/2011	2011306		2011306 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	1,316.12
Bill	07/31/2011	2011307		2011307 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	8,923.63
Bill	07/31/2011	2011308		2011308 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	10,262.50
Bill	07/31/2011	2011309		2011309 - PE3&5-Engineering	7303 - PE3&5-Engineering	11,341.25
Bill	07/31/2011	2011310		2011310 - PE4-Engineering	7402 - PE4-Engineering	3,661.34
Bill	07/31/2011	2011311		2011311 - OBMP Engineering Services	6906 - OBMP Engineering Services	625.00

CHINO BASIN WATERMASTER  
 Cash Disbursements For The Month of  
 September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	07/31/2011	2011312		2011312 - Comp Recharge-Implementation	7202.3 - Comp Recharge-Implementation	430.00
TOTAL						129,674.88
Bill Pmt -Check	09/13/2011	15400	ACWA SERVICES CORPORATION	00198	1012 - Bank of America Gen'l Ckg	142.96
Bill	09/07/2011	00198		Prepayment - October 2011	1409 - Prepaid Life, BAD&D & LTD	142.95
TOTAL				Insurance premium - September 2011	60191 - Life & Disab.ins Benefits	285.91
Bill Pmt -Check	09/13/2011	15401	APPLIED COMPUTER TECHNOLOGIES	VOID: 2022	1012 - Bank of America Gen'l Ckg	
TOTAL						
Bill Pmt -Check	09/13/2011	15402	CHARLES Z. FEDAK & COMPANY		1012 - Bank of America Gen'l Ckg	2,500.00
Bill	08/31/2011			Billings - August 2011	6062 - Audit Services	2,500.00
TOTAL						
Bill Pmt -Check	09/13/2011	15403	CITISTREET		1012 - Bank of America Gen'l Ckg	2,785.78
General Journal	09/09/2011	09/09/2011	CITISTREET	Payroll and Tax 08/21/11-09/03/11	2000 - Accounts Payable	2,785.78
TOTAL				457 Deductions for 08/21/11-09/03/11		
Bill Pmt -Check	09/13/2011	15404	DC LAW		1012 - Bank of America Gen'l Ckg	1,722.50
Bill	08/31/2011	13950		Ag Pool Legal Services	8467 - Ag Legal & Technical Services	1,722.50
TOTAL						
Bill Pmt -Check	09/13/2011	15405	DGO AUTO DETAILING		1012 - Bank of America Gen'l Ckg	150.00
Bill	08/30/2011			Wash 4 trucks 8/25/11, 2 trucks 9/08/11	6177 - Vehicle Repairs & Maintenance	150.00
TOTAL						
Bill Pmt -Check	09/13/2011	15406	HOGAN LOVELLS		1012 - Bank of America Gen'l Ckg	4,298.05
Bill	08/31/2011	1994034		1994034	8567 - Non-Ag Legal Service	4,298.05
TOTAL				Non-Ag Pool legal services - August 2011		
Bill Pmt -Check	09/13/2011	15407	HSBC BUSINESS SOLUTIONS		1012 - Bank of America Gen'l Ckg	927.50
Bill	08/30/2011	7003730910002744		7003-7309-1000-2744	6031.7 - Other Office Supplies	927.50
TOTAL				Misc. office supplies, coffee pots, etc.		
Bill Pmt -Check	09/13/2011	15408	JAMES JOHNSTON		1012 - Bank of America Gen'l Ckg	765.00
Bill	08/31/2011	241		241	6052.3 - Website Consulting	765.00
TOTAL				Website services - August 2011		
Bill Pmt -Check	09/13/2011	15409	MWH LABORATORIES		1012 - Bank of America Gen'l Ckg	615.00
Bill	08/31/2011	L0063102		L0063102	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	08/31/2011	L0063265		L0063265	7108.4 - Hydraulic Control-Lab Svcs	1,532.00
Bill	08/31/2011	L0063266		L0063266	7108.4 - Hydraulic Control-Lab Svcs	2,065.00

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/31/2011	L0063859		L0063859	7108.4 - Hydraulic Control-Lab Svcs	1,770.00
Bill	08/31/2011	L0065166		L0065166	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	08/31/2011	L0065167		L0065167	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	08/31/2011	L0065952		L0065952	7108.4 - Hydraulic Control-Lab Svcs	2,085.00
<b>TOTAL</b>						<b>10,727.00</b>
Bill Pmt -Check	09/13/2011	15410	PAUL HASTINGS LLP	1895234	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	1895234		Ag Pool Legal Services	8467 - Ag Legal & Technical Services	1,778.01
<b>TOTAL</b>						<b>1,778.01</b>
Bill Pmt -Check	09/13/2011	15411	PAYCHEX	2011090100	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	2011090100		August 2011	6012 - Payroll Services	268.14
<b>TOTAL</b>						<b>268.14</b>
Bill Pmt -Check	09/13/2011	15412	PETTY CASH	2367-2377	1012 - Bank of America Gen'l Ckg	
Bill	09/13/2011			Gas for field truck	6175 - Vehicle Fuel	57.95
				Gas for generator-supplies for water sampling	7103.6 - Grdwtr Qual-Supplies	118.12
				Purchase ball hitch for F150 field truck	6151 - Small Tools & Equipment	10.76
				Supplies for 7/21 and 8/18 DYY meetings	7604 - PE8&9-Supplies	20.08
				Supplies for 7/21 and 8/18 Adv. Comm. meetings	6212 - Meeting Expense	20.08
				Misc. office supplies	6031.7 - Other Office Supplies	41.43
				Supplies for 7/14 Appropriative Pool Meeting	8312 - Meeting Expenses	6.98
				Supplies for 7/14 Non Ag Pool Meeting	8512 - Meeting Expense	6.99
				Supplies for 8/25 Personnel Committee Meeting	6141.2 - Committee Meetings	12.47
				MetroLink fare-Maurizio-attend 9/09 MWD mtg	6174 - Transportation	16.50
<b>TOTAL</b>						<b>311.36</b>
Bill Pmt -Check	09/13/2011	15413	PREMIERE GLOBAL SERVICES	09119827	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	09119827		8/03 agenda call	8312 - Meeting Expenses	9.60
				8/03 agenda call	8412 - Meeting Expenses	9.60
				8/03 agenda call	8512 - Meeting Expense	9.61
				CDA calls on 8/04, 8/18, and 8/24	7305 - PE3&5-Supplies	522.48
				Non-Ag pool meeting call 8/11	8512 - Meeting Expense	170.78
				Monthly service and moderator fees	6022 - Telephone	35.18
<b>TOTAL</b>						<b>757.25</b>
Bill Pmt -Check	09/13/2011	15414	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	09/09/2011	09/09/2011	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS retirement for 09/21/11-09/03/11	2000 - Accounts Payable	8,134.25
<b>TOTAL</b>						<b>8,134.25</b>
Bill Pmt -Check	09/13/2011	15415	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
<b>TOTAL</b>						<b>850.00</b>

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/13/2011	15416	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	1VC070000017446		Week ending 8/28/11	6017 - Temporary Services	824.00
TOTAL						824.00
Bill Pmt -Check	09/13/2011	15417	UNION 76	300-732-989	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	300732989		August 2011	6175 - Vehicle Fuel	275.86
TOTAL						275.86
Bill Pmt -Check	09/13/2011	15418	UNITED PARCEL SERVICE	2x81x0	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	2X81X0		Postage	6042 - Postage - General	12.48
TOTAL						12.48
Bill Pmt -Check	09/13/2011	15419	VERIZON	Data lines	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	0125661121521714508		General telephone lines	7405 - PE4-Other Expense	166.41
Bill	08/31/2011	012519115950792103			6022 - Telephone	539.00
TOTAL						705.41
Bill Pmt -Check	09/13/2011	15420	WATER FACILITIES AUTHORITY	12-16	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	12-16		WFA treatment charge	1420 - Prepaid Injected Water Purchase	10,540.74
TOTAL						10,540.74
Bill Pmt -Check	09/13/2011	15421	WESTERN DENTAL SERVICES, INC.	002483	1012 - Bank of America Gen'l Ckg	
Bill	09/07/2011	002483		Dental insurance - October 2011	60182.2 - Dental & Vision Ins	28.88
TOTAL						28.88
Bill Pmt -Check	09/14/2011	15422	CORELOGIC INFORMATION SOLUTIONS	80282310	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	80282310			7103.7 - Grdwtr Quak-Computer Svc	62.50
Bill	08/31/2011	80282310			7101.4 - Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	09/14/2011	15423	GREAT AMERICA LEASING CORP.	11299710	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	11299710		Invoice - copier leases	6043.1 - Ricoh Lease Fee	2,788.53
Bill	08/31/2011	11299710		SB County property tax	6043.1 - Ricoh Lease Fee	617.10
Bill	08/31/2011	11299710		Usage for Black Copies	6043.2 - Ricoh Usage & Maintenance Fee	346.70
Bill	08/31/2011	11299710		Usage for Color Copies	6043.2 - Ricoh Usage & Maintenance Fee	316.25
TOTAL						4,068.58
Bill Pmt -Check	09/14/2011	15424	SAFEGUARD DENTAL & VISION	3922192	1012 - Bank of America Gen'l Ckg	
Bill	09/13/2011	3922192		Dental insurance - September 2011	60182.2 - Dental & Vision Ins	7.91
TOTAL						7.91
Bill Pmt -Check	09/14/2011	15425	STAPLES BUSINESS ADVANTAGE	8019574894	1012 - Bank of America Gen'l Ckg	



CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	09/03/2011	8019574894		Miscellaneous office supplies	6031.7 - Other Office Supplies	234.79
TOTAL						234.79
Bill Pmt -Check	09/14/2011	15426	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	824.00
Bill	09/13/2011	1CV070000017473		Week ending 9/04/11	6017 - Temporary Services	824.00
TOTAL						1,537.85
Bill Pmt -Check	09/14/2011	15427	VERIZON BUSINESS	66003717	1012 - Bank of America Gen'l Ckg	1,537.85
Bill	09/13/2011	66003717		Charges for service period 10/01/11 - 10/31/11	6053 - Internet Expense	1,537.85
TOTAL						738.42
Bill Pmt -Check	09/14/2011	15428	VERIZON WIRELESS	1009830947	1012 - Bank of America Gen'l Ckg	738.42
Bill	09/13/2011	1009830947		Monthly service & G. Greene cell phone	6022 - Telephone	738.42
TOTAL						106.53
Bill Pmt -Check	09/14/2011	15429	YUKON DISPOSAL SERVICE	08-K2 213849	1012 - Bank of America Gen'l Ckg	106.53
Bill	09/13/2011	08-K2 213849		Service for September 2011	6024 - Building Repair & Maintenance	106.53
TOTAL						2,654.10
Bill Pmt -Check	09/15/2011	15430	APPLIED COMPUTER TECHNOLOGIES	2022	1012 - Bank of America Gen'l Ckg	2,654.10
Bill	08/31/2011	2022		Database serv ice - August 2011	6052.2 - Applied Computer Technol	2,654.10
TOTAL						2,488.41
Bill Pmt -Check	09/15/2011	15431	BROWNSTEIN HYATT FARBER SCHRECK	442318 - BHFS Legal - Appropriative Pool	1012 - Bank of America Gen'l Ckg	2,488.41
Bill	07/31/2011	442318		442318 - BHFS Legal - Appropriative Pool	8375 - BHFS Legal - Appropriative Pool	2,488.41
				442318 - BHFS Legal - Agricultural Pool	8475 - BHFS Legal - Agricultural Pool	1,623.41
				442318 - BHFS Legal - Non-Ag Pool	8575 - BHFS Legal - Non-Ag Pool	1,191.53
				442318 - BHFS Legal - Advisory Committee	8275 - BHFS Legal - Advisory Committee	2,767.24
				442318 - BHFS Legal - Board Meeting	6375 - BHFS Legal - Board Meeting	8,106.05
				442318 - Paragraph 31 Motion	6807.35 - Paragraph 31 Motion	248.85
				442318 - S. Archibald Plume-Formerly OIA	6907.31 - S. Archibald Plume-Formerly OIA	639.90
				442318 - BHFS Legal - Replenishmnt Water	6075 - BHFS Legal - Replenishmnt Water	8,871.30
				442318 - BHFS Legal - Restated Judgment	6072 - BHFS Legal - Restated Judgment	8,153.16
				442318 - BHFS Legal - Miscellaneous	6078 - BHFS Legal - Miscellaneous	4,307.50
				442318 - Desalter Negotiations	6907.33 - Desalter Negotiations	1,096.50
				442319 - Santa Ana River Water Rights	6907.34 - Santa Ana River Water Rights	357.88
				442320 - S. Archibald Plume-Formerly OIA	6907.31 - S. Archibald Plume-Formerly OIA	2,369.25
				442322 - Desalter Negotiations	6907.33 - Desalter Negotiations	1,790.10
				442323 - Desalter Negotiations	6907.35 - Desalter Negotiations	4,153.05
				442323 - Chino Airport Plume	6907.32 - Chino Airport Plume	1,366.20
TOTAL						49,500.33
General Journal	09/21/2011	09/21/2011	Payroll and Taxes for 09/04/11-09/17/11	Payroll and Taxes for 09/04/11-09/17/11	1012 - Bank of America Gen'l Ckg	

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CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						
Bill Pmt -Check	09/21/2011	15432	JUAN POLLO	Payroll Taxes for 09/04/11-09/17/11	1014 - Bank of America P/R Ckg	8,619.81
Bill	09/21/2011			Direct Deposits for 09/04/11-09/17/11	1014 - Bank of America P/R Ckg	19,263.05
				Payroll Checks for 09/04/11-09/17/11	1014 - Bank of America P/R Ckg	5,963.82
						33,846.68
TOTAL						
Bill Pmt -Check	09/22/2011	15432	JUAN POLLO	Lunch for Sept. 22, 2011 Board Meeting	1012 - Bank of America Gen'l Ckg	204.70
Bill	09/22/2011			Lunch for 9/22/11 Board Meeting	6312 - Meeting Expenses	204.70
TOTAL						
Bill Pmt -Check	09/22/2011	15433	CUCAMONGA VALLEY WATER DISTRICT	Lease Due October 1, 2011	1012 - Bank of America Gen'l Ckg	5,984.00
Bill	09/15/2011			Lease Due October 1, 2011	1422 - Prepaid Rent	5,984.00
TOTAL						
Bill Pmt -Check	09/22/2011	15434	GUARANTEED JANITORIAL SERVICE, INC.	28639	1012 - Bank of America Gen'l Ckg	865.00
Bill	09/15/2011	28639		Janitorial Service - September 2011	6024 - Building Repair & Maintenance	865.00
TOTAL						
Bill Pmt -Check	09/22/2011	15435	STAULA, MARY L		1012 - Bank of America Gen'l Ckg	136.61
Bill	09/30/2011				60182.4 - Retiree Medical	136.61
TOTAL						
Bill Pmt -Check	09/26/2011	15436	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	17.50
Bill	08/30/2011	XXXX-XXXX-XXXX-9341		D. Alvarez lunch w/John Rossi	6909.1 - OBMP Meetings	21.65
				D. Alvarez lunch w/Chris Frahm	6141.3 - Admin Meetings	27.88
				D. Alvarez administrative mtg w/Bob Kuhn	6141.3 - Admin Meetings	19.13
				D. Alvarez administrative mtg w/Bob Kuhn	6909.1 - OBMP Meetings	179.83
				Lunch for in-lieu delivery meeting	6031.7 - Other Office Supplies	96.21
				Miscellaneous meeting supplies	6154 - Uniforms	724.60
				Uniform shirts, jackets, hats for staff	6151 - Small Tools & Equipment	96.94
				Portable chairs for field staff	7103.6 - Grdwtr Qual Supplies	415.00
				Rent road signs for water quality sampling		1,598.74
TOTAL						
Bill Pmt -Check	09/26/2011	15437	CITISTREET	Payroll and Taxes for 09/04/11-09/17/11	1012 - Bank of America Gen'l Ckg	2,785.78
General Journal	09/21/2011	09/21/2011	CITISTREET	457 Deductions for 09/04/11-09/17/11	2000 - Accounts Payable	2,785.78
TOTAL						
Bill Pmt -Check	09/26/2011	15438	COMPUTER NETWORK	82352	1012 - Bank of America Gen'l Ckg	215.50
Bill	09/21/2011	82352		Backup tapes for system	6055 - Computer Hardware	215.50
TOTAL						
Bill Pmt -Check	09/26/2011	15439	HOGAN LOVELLS	1995687	1012 - Bank of America Gen'l Ckg	3,296.85
Bill	09/30/2011	1995687		Non-Ag Pool legal service - August 2011	8567 - Non-Ag Legal Service	3,296.85

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						3,296.85
Bill Pmt -Check	09/26/2011	15440	INLAND EMPIRE UTILITIES AGENCY	90008374	1012 - Bank of America Gen'l Ckg	
Bill	09/19/2011	90008374		90008374	8456 - IEUA Readiness To Serve	552.90
				MWD Water	5011 - Replenishment Water	3,015,257.20
				Tier 2 Surcharge (FY2010 Deliveries)	5106 - Tier Adjustment-Delivered Water	25,146.00
TOTAL						3,040,956.10
Bill Pmt -Check	09/26/2011	15441	MCCALL'S METER SALES & SERVICE	21351	1012 - Bank of America Gen'l Ckg	
Bill	09/06/2011	21351		21352	7102.7 - In-line Meter	1,096.56
Bill	09/06/2011	21352			7102.7 - In-line Meter	1,114.09
TOTAL						2,210.65
Bill Pmt -Check	09/26/2011	15442	MWH LABORATORIES	L0067354	1012 - Bank of America Gen'l Ckg	
Bill	08/30/2011	L0067354		L0067354 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,236.00
Bill	08/30/2011	L0066472		L0066472 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	3,018.00
Bill	08/30/2011	L0066473		L0066473 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	1,652.00
Bill	08/30/2011	L0067349		L0067349 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	3,928.00
Bill	08/30/2011	L0067350		L0067350 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	3,310.00
Bill	08/30/2011	L0066477		L0066477 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	2,074.00
Bill	08/30/2011	L0067353		L0067353 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	2,692.00
Bill	08/30/2011	L0067355		L0067355 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	838.00
Bill	08/30/2011	L0067403		L0067403 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	4,546.00
Bill	08/31/2011	L0067707		L0067707 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	2,692.00
TOTAL						25,986.00
Bill Pmt -Check	09/26/2011	15443	PRE-PAID LEGAL SERVICES, INC.	111802	1012 - Bank of America Gen'l Ckg	
Bill	09/23/2011	111802		Employee deductions - September 2011	60194 - Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	09/26/2011	15444	PRINTING RESOURCES	57002	1012 - Bank of America Gen'l Ckg	
Bill	09/11/2011	57002		Name badge for Gerald Greene	6031.7 - Other Office Supplies	39.65
TOTAL						39.65
Bill Pmt -Check	09/26/2011	15445	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	09/23/2011	09/23/2011	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS retirement for 09/04/11-09/17/11	2000 - Accounts Payable	8,054.01
TOTAL						8,054.01
Bill Pmt -Check	09/26/2011	15446	STANDARD INSURANCE CO.	Policy # 00-640888-0009	1012 - Bank of America Gen'l Ckg	
Bill	09/23/2011	006408880009		Policy # 00-640888-0009	60191 - Life & Disab.Ins Benefits	525.66
TOTAL						525.66
Bill Pmt -Check	09/26/2011	15447	STATE COMPENSATION INSURANCE FUND	1970970-11	1012 - Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	09/23/2011	1970870-11		Workers Comp Insurance - September 2011	60183 · Worker's Comp Insurance	1,132.55
<b>TOTAL</b>						<u>1,132.55</u>
Bill Pmt -Check	09/26/2011	15448	THE LAWTON GROUP	6017	1012 · Bank of America Gen'l Ckg	977.60
Bill	09/11/2011	1VC070000017506		Week ending 9/11/11	6017 · Temporary Services	824.00
Bill	09/23/2011	1cv070000017536		Week ending 9/18/11	6017 · Temporary Services	1,801.60
<b>TOTAL</b>						<u>1,801.60</u>
Bill Pmt -Check	09/26/2011	15449	UNITED HEALTHCARE	C0025358905	1012 · Bank of America Gen'l Ckg	679.54
Bill	09/14/2011	C0025358905		Dental insurance for September 2011	60182.2 · Dental & Vision Ins	679.54
<b>TOTAL</b>						<u>679.54</u>
Bill Pmt -Check	09/27/2011	15450	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	14,300.00
Bill	09/30/2011	2011330		20113300 - Grd Level-Engineering	7107.2 · Grd Level-Engineering	14,300.00
Bill	09/30/2011	2011331		20113331 - OBMP - Watermaster Model Update	6906.1 · OBMP - Watermaster Model Update	36,123.52
Bill	08/30/2011	2011332		20113332 - OBMP Engineering Services	6906 · OBMP Engineering Services	6,325.09
Bill	09/30/2011	2011333		20113333 - OBMP Engineering Services	6906 · OBMP Engineering Services	2,306.34
Bill	09/30/2011	2011334		20113334 - Grdwtr Level-Engineering	7104.3 · Grdwtr Level-Engineering	31,407.75
Bill	08/30/2011	2011335		20113335 - Grdwtr Qual-Engineering	7103.3 · Grdwtr Qual-Engineering	14,253.00
Bill	08/30/2011	2011336		20113336 - Hydraulic Control-Engineering	7108.3 · Hydraulic Control-Engineering	20.53
Bill	08/30/2011	2011337		20113337 - Hydraulic Control-Engineering	7108.3 · Hydraulic Control-Engineering	4,933.24
Bill	08/30/2011	2011338		20113338 - Hydraulic Control-Engineering	7108.3 · Hydraulic Control-Engineering	7,681.74
Bill	08/30/2011	2011339		20113339 - Grd Level-Engineering	7107.2 · Grd Level-Engineering	22,572.60
Bill	08/30/2011	2011340		2011340 - PE3&5-Engineering	7303 · PE3&5-Engineering	2,496.48
Bill	08/30/2011	2011341		2011341 - PE4-Engineering	7402 · PE4-Engineering	2,011.34
Bill	08/30/2011	2011342		2011342 - OBMP Engineering Services	6906 · OBMP Engineering Services	1,000.00
Bill	08/30/2011	2011343		2011343 - OBMP Engineering Services	6906 · OBMP Engineering Services	487.50
Bill	09/01/2011	2011344		2011344 - OBMP Engineering Services	6906 · OBMP Engineering Services	9,658.64
<b>TOTAL</b>						<u>155,577.77</u>
General Journal	09/30/2011	09/30/2011	Payroll and taxes for 09/18/11-10/01/11	Payroll and taxes for 09/18/11-10/01/11	1012 · Bank of America Gen'l Ckg	8,519.19
				Payroll taxes for 09/18/11-10/01/11	1012 · Bank of America Gen'l Ckg	26,406.37
				Direct Deposits for 09/18/11-10/01/11	1012 · Bank of America Gen'l Ckg	34,925.56
<b>TOTAL</b>						<u>8,519.19</u>
General Journal	09/30/2011	09/30/2011	Wage Works Direct Debits - August 2011	Wage Works Direct Debits - August 2011	1012 · Bank of America Gen'l Ckg	495.40
				Wage Works Direct Debits - August 2011	1012 · Bank of America Gen'l Ckg	495.40
				Wage Works Direct Debits - August 2011	1012 · Bank of America Gen'l Ckg	76.25
				Wage Works Direct Debits - August 2011	1012 · Bank of America Gen'l Ckg	1,067.05
<b>TOTAL</b>						<u>1,067.05</u>
<b>Total Disbursements:</b>						<u><u>7,266,066.37</u></u>

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# CHINO BASIN WATERMASTER

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Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

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## STAFF REPORT

**DATE:** November 17, 2011  
**TO:** Committee Members  
Watermaster Board Members  
**SUBJECT:** VISA Check Detail Report – Financial Report B2

### SUMMARY

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

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

**Fiscal Impact** – Funds disbursed were included in the FY 2011-2012 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 September 2011 was \$1,598.74. The monthly charges for September 2011 were for routine and customary expenditures and properly documented with receipts.

### Actions:

November 10, 2011 Appropriative Pool – Approved Unanimously  
November 10, 2011 Non-Agricultural Pool – Receive and file without approval  
November 10, 2011 Agricultural Pool – Approved Unanimously  
November 17, 2011 Advisory Committee –  
November 17, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER  
 VISA Check Detail Report  
 September 2011

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt - Check	15343	08/22/2011	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	
Bill	XXXX-XXXX-XXXX-9341	08/30/2011		D. Alvarez lunch w/John Rossi	6909.1 - OBMP Meetings	17.50
				D. Alvarez lunch w/Chris Frahm	6909.1 - OBMP Meetings	21.65
				D. Alvarez administrative mtg w/Bob Kuhn	6141.3 - Admin Meetings	27.88
				D. Alvarez administrative mtg w/Bob Kuhn	6141.3 - Admin Meetings	19.13
				Lunch for in-lieu delivery meeting	6909.1 - OBMP Meetings	179.83
				Miscellaneous meeting supplies	6031.7 - Other Office Supplies	96.21
				Uniform shirts, jackets, hats for staff	6154 - Uniforms	724.60
				Portable chairs for field staff	6151 - Small Tools & Equipment	96.94
				Rent road signs for water quality sampling	7103.6 - Growthr Qual-Supplies	415.00
				<b>Total Disbursements:</b>		<b>1,598.74</b>

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# CHINO BASIN WATERMASTER

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## STAFF REPORT

**DATE:** November 17, 2011  
**TO:** Committee Members  
Watermaster Board Members  
**SUBJECT:** Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2011 through September 30, 2011 - Financial Report B3

### SUMMARY

**Issue** – Record of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2011 through September 30, 2011.

**Recommendation** – Staff recommends the Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2011 through September 30, 2011 be received and filed as presented.

**Fiscal Impact** – Funds disbursed were included in the FY 2011-2012 Watermaster Budget.

### BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Working Capital for the period July 1, 2011 through September 30, 2011 is provided to keep all members apprised of the FY 2011/2012 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:

November 10, 2011 Appropriative Pool – Approved Unanimously  
November 10, 2011 Non-Agricultural Pool – Receive and file without approval  
November 10, 2011 Agricultural Pool – Approved Unanimously  
November 17, 2011 Advisory Committee –  
November 17, 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, 2011 THROUGH SEPTEMBER 30, 2011

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUNDWATER OPERATIONS		EDUCATION FUNDS	GRAND TOTALS	BUDGET 2011-2012
			POOL APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS			
Administrative Revenues:										
Administrative Assessments		4,820	456	182			1			\$6,097,177
Interest Revenue		405,777							5,458	150,010
Mutual Agency Project Revenue									405,777	411,000
Grant Income										0
Miscellaneous Income										0
Total Revenues		410,596	456	182			1	411,234		6,658,187
Administrative & Project Expenditures:										
Watermaster Administration	182,416								182,416	425,107
Watermaster Board-Advisory Committee	50,118								50,118	155,297
Pool Administration		12,000	23,736	18,877					54,613	503,822
Optimum Basin Mgmt Administration	398,000								398,000	1,161,401
OBMP Project Costs	713,817								713,817	4,166,221
Debt Service	471,400								471,400	450,964
Education Funds Use										375
Mutual Agency Project Costs										10,000
Total Administrative/OBMP Expenses	1,815,751	12,000	23,736	18,877				1,870,364		6,873,187
Net Administrative/OBMP Expenses	(1,815,751)									
Allocate Net Admin Expenses To Pools		1,248,603	505,174	61,974						
Allocate Net OBMP Expenses To Pools										
Allocate Debt Service to App Pool										
Agricultural Expense Transfer*		528,910	(528,910)							
Total Expenses	1,789,513		456	80,851				1,870,364		6,873,187
Net Administrative Income	(1,378,917)			(80,670)			1	(1,459,130)		(215,000)
Other Income/(Expense)										0
Replenishment Water Assessments										0
Non-Ag Stored Water Purchases										0
Interest Revenue										0
MWD Water Purchases				9,812,431				9,812,431		0
Non-Ag Stored Water Purchases										0
MWD Water Purchases										0
Groundwater Replenishment										0
Net Other Income										0
Net Transfers To/(From) Reserves	(1,484,269)	(1,378,917)	456	(80,670)			1	(1,484,269)		(215,000)
Working Capital, July 1, 2011		6,922,600	475,807	282,721			630	7,861,937		6,377,668
Working Capital, End Of Period		5,543,684	476,262	202,051			630	6,377,668		6,377,668
<b>09/10 Assessable Production</b>		78,733,238	31,854,766	3,907,911				114,495,915		
<b>09/10 Production Percentages</b>		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

## STAFF REPORT

**DATE:** November 17, 2011  
**TO:** Committee Members  
Watermaster Board Members  
**SUBJECT:** Treasurer's Report of Financial Affairs for the Period September 1, 2011 through September 30, 2011 - Financial Report B4

### SUMMARY

**Issue** – Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of September 1, 2011 through September 30, 2011.

**Recommendation** – Staff recommends the Treasurer's Report of Financial Affairs for the Period September 1, 2011 through September 30, 2011 be received and filed as presented.

**Fiscal Impact** – Funds disbursed were included in the FY 2011-2012 Watermaster Budget.

### BACKGROUND

A Treasurer's Report of Financial Affairs for the Period September 1, 2011 through September 30, 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:

November 10, 2011 Appropriative Pool – Approved Unanimously  
November 10, 2011 Non-Agricultural Pool – Receive and file without approval  
November 10, 2011 Agricultural Pool – Approved Unanimously  
November 17, 2011 Advisory Committee –  
November 17, 2011 Watermaster Board –

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**CHINO BASIN WATERMASTER  
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD  
SEPTEMBER 1 THROUGH SEPTEMBER 30, 2011**

<b>DEPOSITORIES:</b>		
Cash on Hand - Petty Cash	\$	500
Bank of America		
Governmental Checking-Demand Deposits	\$	515,065
Zero Balance Account - Payroll	\$	-
Local Agency Investment Fund - Sacramento		
		<u>3,146,495</u>
		<u>3,662,060</u>
<b>TOTAL CASH IN BANKS AND ON HAND</b>		<b>9/30/2011</b>
<b>TOTAL CASH IN BANKS AND ON HAND</b>		<b>8/31/2011</b>
		<u>7,045,393</u>
		<u><b>\$ (3,383,334)</b></u>

**CHANGE IN CASH POSITION DUE TO:**

Decrease/(Increase) in Assets:		
Accounts Receivable	\$	(2,362,926)
Assessments Receivable		
Prepaid Expenses, Deposits & Other Current Assets	-	(259,804)
(Decrease)/Increase in Liabilities		
Accounts Payable	-	(252,777)
Accrued Payroll, Payroll Taxes & Other Current Liabilities	-	(54,887)
Transfer to/(from) Reserves	-	(452,940)
		<u>                    </u>
		<u><b>\$ (3,383,334)</b></u>

**SUMMARY OF FINANCIAL TRANSACTIONS:**

Balances as of 8/31/2011					
Deposits	\$	2,198,399	\$	-	\$ 4,846,495
Transfers	-	8,882,733	-	3,300,000	12,182,733
Withdrawals/Checks	-	(3,369,135)	69,135	(5,000,000)	(8,300,000)
	-	(7,196,932)	(69,135)	-	(7,266,066)
Balances as of 9/30/2011	\$	515,064.96	\$	-	\$ 3,146,495
					<u>3,662,060</u>
<b>PERIOD INCREASE OR (DECREASE)</b>	\$	<b>-</b>	\$	<b>(1,683,334)</b>	<b>\$ (3,383,334)</b>



**CHINO BASIN WATERMASTER  
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD  
SEPTEMBER 1 THROUGH SEPTEMBER 30, 2011**

**INVESTMENT TRANSACTIONS**

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
9/8/2011	Withdrawal	L.A.I.F	\$ (2,000,000)				
9/19/2011	Deposit	L.A.I.F	\$ 3,300,000				
9/28/2011	Withdrawal	L.A.I.F	\$ (3,000,000)				
<b>TOTAL INVESTMENT TRANSACTIONS</b>			<b>\$ (1,700,000)</b>				

\* The earnings rate for L.A.I.F. is a daily variable rate; 0.38% was the effective yield rate at the Quarter ended September 30, 2011.

**INVESTMENT STATUS  
September 30, 2011**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 3,146,495			
<b>TOTAL INVESTMENTS</b>	<b>\$ 3,146,495</b>			

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

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

Respectfully submitted,

Joseph S. Joswiak  
Chief Financial Officer  
Chino Basin Watermaster



# CHINO BASIN WATERMASTER

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

## STAFF REPORT

**DATE:** November 17, 2011  
**TO:** Committee Members  
Watermaster Board Members  
**SUBJECT:** Budget vs. Actual Report for the Period July 1, 2011 through September 30, 2011 -  
Financial Report - B5

### SUMMARY

**Issue** – Record of revenues and expenses of Watermaster for the Period of July 1, 2011 through September 30, 2011.

**Recommendation** – Staff recommends the Budget vs. Actual Report for the Period July 1, 2011 through September 30, 2011 be received and filed as presented.

**Fiscal Impact** – Funds disbursed were included in the FY 2011-2012 Watermaster Budget.

### BACKGROUND:

A Budget vs. Actual Report for the period July 1, 2011 through September 30, 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 or budget amendments proposed for the month of September 2011.

Year-To-Date (YTD) for the three months ending September 30, 2011, all categories were at or below the projected budget, including category 6900 (Optimum Basin Mgmt Plan).

During the Budget Workshops, the Watermaster legal expenses are being allocated to the specific areas of activity. For example, the legal meeting expenses related to the Appropriative, Agricultural, and Non-Agricultural Pools as well as the Advisory Committee and Board are shown in those specific areas. General ledger accounts have been created and the expenses are appropriately categorized. This provides a clearer picture of the actual costs associated with each individual group.

Also, a new category for Watermaster Legal Services (6070) was established for fiscal year 2011/2012. These expenses are associated with administrative legal services for Watermaster.

New to the financial reports as of this month, is the chart listed below that summarizes the Brownstein Hyatt Farber Schreck expenses compared to the year-to-date budget. To date, the BHFS expenses are \$1,580 or 0.8% below the budgeted amount of \$190,711. The following details are provided:

	Jul '11 - Sep '11	Budget	\$ Over Budget	% of Budget	Annual Budget
<b>6070 · Watermaster Legal Services</b>					
6071 · BHFS Legal - Court Coordination	0.00	9,775.03	-9,775.03	0.0%	39,100.00
6072 · BHFS Legal - Restated Judgment	16,426.41	31,200.00	-14,773.59	52.65%	62,400.00
6073 · BHFS Legal - Personnel Matters	142.20	2,468.72	-2,326.52	5.76%	9,875.00
6074 · BHFS Legal - Interagency Issues	0.00	8,575.03	-8,575.03	0.0%	34,300.00
6075 · BHFS Legal - Replenishmnt Water	22,367.25	0.00	22,367.25	100.0%	0.00
6078 · BHFS Legal - Miscellaneous	16,804.51	14,220.00	2,584.51	118.18%	56,880.00
<b>Total 6070 · Watermaster Legal Services</b>	<b>55,740.37</b>	<b>66,238.78</b>	<b>-10,498.41</b>	<b>84.15%</b>	<b>202,555.00</b>
6275 · BHFS Legal - Advisory Committee	7,954.84	7,702.50	252.34	103.28%	30,810.00
6375 · BHFS Legal - Board Meeting	22,678.60	11,407.50	11,271.10	198.8%	45,630.00
8375 · BHFS Legal - Appropriative Pool	5,078.56	5,332.50	-253.94	95.24%	21,330.00
8475 · BHFS Legal - Agricultural Pool	4,343.16	7,702.50	-3,359.34	56.39%	30,810.00
8575 · BHFS Legal - Non-Ag Pool	3,783.68	2,370.00	1,413.68	159.65%	9,480.00
<b>Total BHFS Legal Services</b>	<b>43,838.84</b>	<b>34,515.00</b>	<b>9,323.84</b>	<b>127.01%</b>	<b>138,060.00</b>
<b>6907.3 · WM Legal Counsel</b>					
6907.30 · Peace II - CEQA	0.00	0.00	0.00	0.0%	0.00
6907.31 · S. Archibald Plume-Formerly OIA	3,009.15	6,156.28	-3,147.13	48.88%	24,625.00
6907.32 · Chino Airport Plume	8,866.95	6,418.78	2,448.17	138.14%	25,675.00
6907.33 · Desalter Negotiations	58,542.72	40,455.00	18,087.72	144.71%	67,425.00
6907.34 · Santa Ana River Water Rights	1,959.51	6,281.25	-4,321.74	31.2%	25,125.00
6907.35 · Paragraph 31 Motion	9,318.15	19,600.01	-10,281.86	47.54%	39,200.00
6907.36 · Santa Ana River Habitat	7,855.25	0.00	7,855.25	100.0%	0.00
6907.37 · Water Auction	0.00	0.00	0.00	0.0%	0.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	3,437.53	-3,437.53	0.0%	13,750.00
6907.39 · Recharge Master Plan	0.00	7,608.00	-7,608.00	0.0%	25,360.00
6907.3 · WM Legal Counsel - Other	0.00	0.00	0.00	0.0%	0.00
<b>Total 6907.3 · WM Legal Counsel</b>	<b>89,551.73</b>	<b>89,956.85</b>	<b>-405.12</b>	<b>99.55%</b>	<b>221,160.00</b>
<b>Total Brownstein, Hyatt, Farber, Schreck Costs</b>	<b>189,130.94</b>	<b>190,710.63</b>	<b>-1,579.69</b>	<b>99.17%</b>	<b>561,775.00</b>

### **OBMP Engineering Services and Legal Costs:**

Within the category 6900 (Optimum Basin Mgmt Plan) are the remaining Watermaster's legal expenses. Within the legal expense category, some individual line item activities were above the budget \$28,391 while the majority of line item activities were below the budget (\$28,796). Above the budget line items were the Desalter Negotiations of \$18,088, the Santa Ana River Habitat of \$7,855 and the Chino Airport Plume of \$2,448. The individual legal projects/activities that were below budget for the Y-T-D period were the South Archibald Plume (formerly the OIA Plume) of (\$3,147), the Santa Ana River Water Rights Application of (\$4,322), the Paragraph 31 Motion of (\$10,282), the Regional Water Quality Control Board of (\$3,437) and the Recharge Master Plan of (\$7,608). For the three month period, the cumulative Y-T-D

budget was \$89,957 and actual legal expenses totaled \$89,552 which resulted in an (Under) budget variance of (\$405) or (0.5%).

	Jul '11 - Sep '11	Budget	\$ Over Budget	% of Budget
<b>6900 · Optimum Basin Mgmt Plan</b>				
6901 · WM Staff Salaries	58,989.00	54,247.97	4,741.03	108.74%
6903 · OBMP SAWPA Group	11,655.00	11,655.00	0.00	100.0%
<b>6906 · OBMP Engineering Services</b>				
6906.1 · OBMP - Watermaster Model Update	130,392.37	136,006.68	-5,614.31	95.87%
6906 · OBMP Engineering Services - Other	72,247.16	64,052.25	8,194.91	112.79%
<b>Total 6906 · OBMP Engineering Services</b>	<b>202,639.53</b>	<b>200,058.93</b>	<b>2,580.60</b>	<b>101.29%</b>
<b>6907 · OBMP Legal Fees</b>				
<b>6907.3 · WM Legal Counsel</b>				
6907.30 · Peace II - CEQA	0.00	0.00	0.00	0.0%
6907.31 · S. Archibald Plume-Formerly OIA	3,009.15	6,156.28	-3,147.13	48.88%
6907.32 · Chino Airport Plume	8,866.95	6,418.78	2,448.17	138.14%
6907.33 · Desalter Negotiations	58,542.72	40,455.00	18,087.72	144.71%
6907.34 · Santa Ana River Water Rights	1,959.51	6,281.25	-4,321.74	31.2%
6907.35 · Paragraph 31 Motion	9,318.15	19,600.01	-10,281.86	47.54%
6907.36 · Santa Ana River Habitat	7,855.25	0.00	7,855.25	100.0%
6907.37 · Water Auction	0.00	0.00	0.00	0.0%
6907.38 · Reg. Water Quality Cntrl Board	0.00	3,437.53	-3,437.53	0.0%
6907.39 · Recharge Master Plan	0.00	7,608.00	-7,608.00	0.0%
6907.3 · WM Legal Counsel - Other	0.00	0.00	0.00	0.0%
<b>Total 6907.3 · WM Legal Counsel</b>	<b>89,551.73</b>	<b>89,956.85</b>	<b>-405.12</b>	<b>99.55%</b>
<b>Total 6907 · OBMP Legal Fees</b>	<b>89,551.73</b>	<b>89,956.85</b>	<b>-405.12</b>	<b>99.55%</b>
<b>6909 · OBMP Other Expenses</b>				
6909.1 · OBMP Meetings	476.55	0.00	476.55	100.0%
6909.4 · Printing	0.00	0.00	0.00	0.0%
6909.5 · Ad Hoc Litigation Committee	0.00	0.00	0.00	0.0%
6909 · OBMP Other Expenses - Other	0.00	8,333.36	-8,333.36	0.0%
<b>Total 6909 · OBMP Other Expenses</b>	<b>476.55</b>	<b>8,333.36</b>	<b>-7,856.81</b>	<b>5.72%</b>
<b>Total 6900 · Optimum Basin Mgmt Plan</b>	<b>363,311.81</b>	<b>364,252.11</b>	<b>-940.30</b>	<b>99.74%</b>

The OBMP Implementation Projects (accounts 7100's – 7700's) were all under budget as of September 30, 2011. Category 7107 (Ground Level Monitoring) contains the annual budget costs of \$365,945 for the installation of a cable extensometer in the Chino Creek Well Field area at an existing well. The budget was front-loaded for the first six months of the fiscal year. To date, we have not received any progress billings and we expect that this positive variance will continue until progress billings are received. This category also includes the budgeted quarterly InSar Imagery costs of \$30,000 which are tracking well below the budget.

Category 7200 (Comprehensive Recharge Program) contains the budgeted cost of \$245,750 for the San Sevaine channel repair. The budget of \$245,750 for this project was front-loaded for the first six months of the fiscal year. To date, we have not received any progress repair billings and we expect that this positive variance will continue until progress billings are received.

The Recharge Improvement Debt Payment (Category 7690) is another category which the budget and expense fluctuate due to the timing of expense receipts. Watermaster expects that a credit from IEUA in the amount of \$100,000+ will be forthcoming in the months of December 2011 or January 2012. Currently, this category is below the budgeted amount by \$130,000.

New to the financial reports as of this month, is the chart listed below that summarizes the Wildermuth Environmental, Inc. expenses compared to the year-to-date budget. To date, the WEI expenses are \$243,233 or 31.4% below the budgeted amount of \$773,191. The following details are provided:

	Jul '11 - Sep '11	Budget	\$ Over Budget	% of Budget	Annual Budget
6906.1 · OBMP - Watermaster Model Update	130,392.37	136,006.68	-5,614.31	95.87%	204,010.00
6906 · OBMP Engineering Services - Other	72,247.16	64,052.25	8,194.91	112.79%	256,209.00
7103.3 · Grdwtr Qual-Engineering	28,994.33	29,126.72	-132.39	99.55%	80,507.00
7103.5 · Grdwtr Qual-Lab Svcs	12,286.00	15,220.78	-2,934.78	80.72%	36,883.00
7104.3 · Grdwtr Level-Engineering	72,265.47	55,786.03	16,479.44	129.54%	151,144.00
7104.8 · Grdwtr Level-Contracted Serv	0.00	2,500.03	-2,500.03	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equip	0.00	3,481.25	-3,481.25	0.0%	13,925.00
7107.2 · Grd Level-Engineering	78,548.66	41,608.78	36,939.88	188.78%	166,435.00
7107.3 · Grd Level-SAR Imagery	0.00	30,000.00	-30,000.00	0.0%	120,000.00
7107.6 · Grd Level-Contract Svcs	17,176.00	56,183.72	-39,007.72	30.57%	224,735.00
7107.7 · Grd Level-Extensometer Install	0.00	49,458.75	-49,458.75	0.0%	65,945.00
7107.8 · Grd Level-Cap Equip Exte	0.00	6,440.50	-6,440.50	0.0%	25,762.00
7108.3 · Hydraulic Control-Engineering	32,102.05	69,915.47	-37,813.42	45.92%	279,662.00
7108.4 · Hydraulic Control-Lab Svcs	37,438.00	42,712.22	-5,274.22	87.65%	170,849.00
7108.9 · Hydraulic Control-Contract Svcs	0.00	499.97	-499.97	0.0%	2,000.00
7109.3 · Recharge & Well - Engineering	0.00	11,160.00	-11,160.00	0.0%	11,160.00
7202.2 · Engineering Svc	0.00	2,580.00	-2,580.00	0.0%	10,320.00
7202.3 · Comp Recharge-Implementation	430.00	57,750.00	-57,320.00	0.75%	231,000.00
7303 · PE3&5-Engineering - Other	17,171.99	47,840.00	-30,668.01	35.9%	47,840.00
7402 · PE4-Engineering	7,497.68	11,433.00	-3,935.32	65.58%	45,732.00
7403 · PE4-Contract Svcs	0.00	2,500.03	-2,500.03	0.0%	10,000.00
7502 · PE6&7-Engineering	0.00	12,040.03	-12,040.03	0.0%	48,160.00
7503 · PE6&7-Contract Svcs (Plume)	23,408.00	24,894.98	-1,486.98	94.03%	37,790.00
<b>Total Wildermuth Environmental, Inc. Costs</b>	<b>529,957.71</b>	<b>773,191.19</b>	<b>-243,233.48</b>	<b>68.54%</b>	<b>2,250,068.00</b>

### Other Income and Expense:

During the September accounting period, the remaining invoicing for the MWD replenishment water from the Inland Empire Utilities Agency was received by Watermaster. An invoice in the amount of \$3,455,466.60 was received and the billings to Niagara Bottling and Fontana Water Company will be issued in the month of October. The charges from IEUA and September invoices to Niagara Bottling and Fontana Water Company were reflected in the September 2011 financials. To date, Niagara Bottling has been billed for 5,656.62 AF for a total amount of \$2,389,544.66 and Fontana Water Company has been billed for 18,862.58 AF for a total amount of \$7,964,296.14. Please note that the dollars and AF amounts are from invoices received from IEUA, which are usually 30+ days delayed from actual results.

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

**Actions:**

- November 10, 2011 Appropriative Pool – Approved Unanimously
- November 10, 2011 Non-Agricultural Pool – Receive and file without approval
- November 10, 2011 Agricultural Pool – Approved Unanimously
- November 17, 2011 Advisory Committee –
- November 17, 2011 Watermaster Board –

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	1/12th of the Total Budget			3/12th (25%) of the Total Budget			100% of the Total Budget		
	For The Month of September 2011			Year-To-Date as of September 30, 2011			Fiscal Year End as of June 30, 2012		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Projected	Budget	% of Budget
<b>Income</b>									
4010 - Local Agency Subsidies	0.00	0.00	0.0%	405,776.62	111,000.00	365.57%	411,000.00	411,000.00	100.0%
4110 - Admin Asmnts-Approp Pool	0.00	0.00	0.0%	0.00	0.00	0.0%	5,840,178.00	5,840,178.00	100.0%
4120 - Admin Asmnts-Non-Agri Pool	0.00	0.00	0.0%	0.00	0.00	0.0%	256,999.00	256,999.00	100.0%
4700 - Non Operating Revenues	5,457.68	37,502.50	14.55%	5,457.68	37,502.50	14.55%	150,010.00	150,010.00	100.0%
4900 - Miscellaneous Income	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
<b>Total Income</b>	5,457.68	37,502.50	14.55%	411,234.30	148,502.50	276.92%	6,658,187.00	6,658,187.00	100.0%
<b>Gross Profit</b>	5,457.68	37,502.50	14.55%	411,234.30	148,502.50	276.92%	6,658,187.00	6,658,187.00	100.0%
<b>Expense</b>									
6010 - Salary Costs	29,893.89	38,664.66	77.32%	115,633.51	125,805.12	91.92%	472,976.00	472,976.00	100.0%
6020 - Office Building Expense	8,712.71	8,214.00	106.07%	24,692.17	25,579.00	96.53%	103,369.00	103,369.00	100.0%
6030 - Office Supplies & Equip.	941.99	2,125.00	44.33%	5,026.44	6,375.00	78.85%	25,500.00	25,500.00	100.0%
6040 - Postage & Printing Costs	3,292.09	6,731.66	48.91%	11,315.76	16,961.66	66.71%	66,180.00	66,180.00	100.0%
6050 - Information Services	13,248.07	13,585.00	97.52%	31,813.24	38,255.00	83.16%	148,020.00	148,020.00	100.0%
6060 - Contract Services	1,200.00	6,000.00	20.0%	7,580.00	14,000.00	54.14%	34,000.00	34,000.00	100.0%
6070 - Watermaster Legal Services	26,398.88	22,073.58	119.55%	55,740.37	66,238.78	84.15%	202,555.00	202,555.00	100.0%
6080 - Insurance	0.00	0.00	0.0%	17,740.87	19,036.00	93.2%	19,036.00	19,036.00	100.0%
6110 - Dues and Subscriptions	0.00	0.00	0.0%	14,111.00	15,010.00	94.01%	30,000.00	30,000.00	100.0%
6140 - WM Admin Expenses	196.01	250.00	78.4%	243.02	750.00	32.4%	3,000.00	3,000.00	100.0%
6150 - Field Supplies	64.64	0.00	100.0%	228.99	250.00	91.6%	1,600.00	1,600.00	100.0%
6170 - Travel & Transportation	1,889.69	2,212.50	85.41%	4,186.55	5,492.50	76.22%	21,970.00	21,970.00	100.0%
6190 - Conferences & Seminars	1,028.21	2,000.00	51.41%	1,878.21	4,375.00	42.93%	17,500.00	17,500.00	100.0%
6200 - Advisory Comm - WM Board	4,646.44	4,504.25	103.16%	13,417.83	13,512.75	99.3%	54,051.00	54,051.00	100.0%
6300 - Watermaster Board Expenses	10,447.63	10,437.17	100.1%	36,700.36	36,811.47	99.7%	101,246.00	101,246.00	100.0%
8300 - Appr Pl-WM & Pool Admin	3,735.60	4,190.00	89.16%	11,989.52	12,570.00	95.46%	50,280.00	50,280.00	100.0%
8400 - Agri Pool-WM & Pool Admin	3,728.39	5,319.09	70.1%	12,683.35	15,957.19	79.48%	63,829.00	63,829.00	100.0%
8467 - Ag Legal & Technical Services	0.00	17,583.33	0.0%	6,653.01	52,750.03	12.61%	211,000.00	211,000.00	100.0%
8470 - Ag Meeting Attend -Special	1,700.00	1,000.00	170.0%	4,400.00	3,000.00	146.67%	12,000.00	12,000.00	100.0%
8471 - Ag Pool Expense	0.00	16,250.00	0.0%	0.00	16,250.00	0.0%	65,000.00	65,000.00	100.0%
8500 - Non-Ag Pl-WM & Pool Admin	2,292.95	8,476.08	27.05%	18,877.10	25,428.28	74.24%	101,713.00	101,713.00	100.0%
6500 - Education Funds Use Exps	0.00	0.00	0.0%	0.00	0.00	0.0%	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	-42,266.96	-60,049.92	70.39%	-107,773.91	-180,149.72	59.83%	-720,599.00	-720,599.00	100.0%
6900 - Optimum Basin Mgmt Plan	156,683.08	124,588.14	125.76%	363,311.81	364,252.11	99.74%	935,026.00	935,026.00	100.0%
6950 - Mutual Agency Projects	0.00	0.00	0.0%	0.00	0.00	0.0%	10,000.00	10,000.00	100.0%
9501 - G&A Expenses Allocated-OBMP	18,694.10	18,031.25	103.68%	34,688.46	54,093.75	64.13%	216,375.00	216,375.00	100.0%
7101 - Production Monitoring	10,060.88	11,741.67	85.69%	29,859.05	35,224.97	84.77%	104,900.00	104,900.00	100.0%
7102 - In-line Meter Installation	3,757.39	5,530.25	67.94%	8,827.89	16,590.75	53.21%	66,363.00	66,363.00	100.0%
7103 - Gdwtr Quality Monitoring	10,329.28	19,996.67	51.66%	62,445.11	78,989.97	79.05%	203,960.00	203,960.00	100.0%
7104 - Gdwtr Level Monitoring	27,418.46	27,042.24	101.39%	84,788.72	87,108.09	97.3%	276,432.00	276,432.00	100.0%
7105 - Sur Wtr Qual Monitoring	0.00	291.00	0.0%	0.00	898.00	0.0%	3,592.00	3,592.00	100.0%



	1/12th of the Total Budget			3/12th (25%) of the Total Budget			100% of the Total Budget		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Projected	Budget	% of Budget
7107 - Ground Level Monitoring	45,530.56	179,214.25	25.41%	95,724.66	284,083.25	33.7%	904,443.00	904,443.00	100.0%
7108 - Hydraulic Control Monitoring	34,419.04	38,315.34	89.83%	69,895.35	114,945.94	60.81%	459,794.00	459,794.00	100.0%
7109 - Recharge & Well Monitoring Prog	0.00	5,580.00	0.0%	0.00	11,160.00	0.0%	11,160.00	11,160.00	100.0%
7200 - PE2- Comp Recharge Pgm	10,588.28	76,658.92	13.81%	209,043.54	400,633.70	52.18%	1,341,785.00	1,341,785.00	100.0%
7300 - PE3&5-Water Supply/Desaltn	6,136.57	19,741.92	31.08%	25,420.56	59,225.75	42.92%	93,383.00	93,383.00	100.0%
7400 - PE4- Mgmt Plan	2,702.12	5,663.91	47.71%	9,239.39	17,516.81	52.75%	70,067.00	70,067.00	100.0%
7500 - PE6&7-CoopEfforts/SaltMgmt	6,576.25	13,859.34	47.45%	36,716.62	37,683.04	97.44%	88,942.00	88,942.00	100.0%
7600 - PE8&9-StorageMgmt/Conj Use	5,639.29	3,785.25	148.98%	8,800.44	11,443.25	76.91%	45,773.00	45,773.00	100.0%
7690 - Recharge Improvement Debt Pymt	0.00	0.00	0.0%	471,400.00	600,964.00	78.44%	450,964.00	450,964.00	100.0%
7700 - Inactive Well Protection Prgm	0.00	0.00	0.0%	0.00	353.25	0.0%	1,413.00	1,413.00	100.0%
9502 - G&A Expenses Allocated-Projects	23,572.88	42,018.67	56.1%	73,085.48	126,055.97	57.96%	504,224.00	504,224.00	100.0%
Total Expense	433,258.41	701,631.22	61.75%	1,870,364.47	2,635,480.66	70.97%	6,873,187.00	6,873,187.00	100.0%
Net Ordinary Income	-427,800.73	-664,128.72	64.42%	-1,458,130.17	-2,486,978.16	58.67%	-215,000.00	-215,000.00	100.0%
Other Income									
4225 - Interest Income	7.01	0.00	100.0%	7.01	0.00	100.0%	0.00	0.00	0.0%
4210 - Approp Pool-Replenishment	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
4220 - Non-Ag Pool-Replenishment	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
4600 - Groundwater Sales	6,224,475.30	0.00	100.0%	9,812,431.40	0.00	100.0%	0.00	0.00	0.0%
Total Other Income	6,224,482.31	0.00	100.0%	9,812,438.41	0.00	100.0%	0.00	0.00	0.0%
Other Expense									
5010 - Groundwater Replenishment	6,224,475.30	0.00	100.0%	9,812,431.40	0.00	100.0%	0.00	0.00	0.0%
5100 - Other Water Purchases	25,146.00	0.00	100.0%	25,146.00	0.00	100.0%	0.00	0.00	0.0%
9999 - To/(From) Reserves	-452,939.72	-664,128.72	68.2%	-1,484,269.16	-2,486,978.16	59.69%	-215,000.00	-215,000.00	100.0%
Total Other Expense	5,796,681.58	-664,128.72	-872.83%	8,353,308.24	-2,486,978.16	-335.88%	-215,000.00	-215,000.00	100.0%
Net Other Income	427,800.73	664,128.72	64.42%	1,458,130.17	2,486,978.16	58.67%	215,000.00	215,000.00	100.0%
Net Income	0.00	0.00	0.0%	0.00	0.00	0.0%	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

## I. CONSENT CALENDAR

### C. WATER TRANSACTION

1. **Notice of Sale or Transfer** – The lease and/or purchase of 781.000 acre-feet of water from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net underproduction in Fiscal Year 2011-2012, with any remainder to be recaptured from storage. Date of Application: September 1, 2011



***CHINO BASIN WATERMASTER***

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

October 4, 2011

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

**NOTICE OF APPLICATION(S) RECEIVED**

Date of Application: **September 1, 2011**      Date of this notice: **October 4, 2011**

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

- Notice of Sale or Transfer – The lease and/or purchase of 781.000 acre-feet of water from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio’s net underproduction in Fiscal Year 2011-12, with any remainder to be recaptured from storage.

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

Appropriative Pool:	October 13, 2011
Non-Agricultural Pool:	October 13, 2011
Agricultural Pool:	October 13, 2011

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

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

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

Watermaster address:

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

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

# **CHINO BASIN WATERMASTER**

## **NOTICE OF TRANSFER OF WATER**

Notification Dated: October 4, 2011

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

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# CHINO BASIN WATERMASTER

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

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**KENNETH R. MANNING**  
**CHIEF EXECUTIVE OFFICER**

**DATE:** October 4, 2011  
**TO:** Watermaster Interested Parties  
**SUBJECT:** Summary and Analysis of Application for Water Transaction

### Summary –

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

### Issue –

- Notice of Sale or Transfer – The lease and/or purchase of 781.000 acre-feet of water from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net underproduction in Fiscal Year 2011-12, with any remainder to be recaptured from storage.

### Recommendation –

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

### Fiscal Impact –

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

### Background

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

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

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

- Notice of Sale or Transfer - The lease and/or purchase of 781.000 acre-feet of water from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net underproduction in Fiscal Year 2011-12, with any remainder to be recaptured from storage.

Notice of the water transaction identified above was mailed on October 4, 2011 along with the materials submitted by the requestors.

**DISCUSSION**

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

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



CITY OF



ONTARIO

ONTARIO MUNICIPAL UTILITIES COMPANY

PAUL S. LEON  
MAYOR

DEBRA DORST-PORADA  
MAYOR PRO TEM

ALAN D. WAPNER  
SHEILA MAUTZ  
JIM W. BOWMAN  
COUNCIL MEMBERS

SEP 12 2011

CHINO BASIN WATERMASTER

CHRIS HUGHES  
CITY MANAGER

MARY E. WIRTES, MMC  
CITY CLERK

JAMES R. MILHISER  
TREASURER

MOHAMED EL-AMAMY  
UTILITIES GENERAL MANAGER

September 1, 2011

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

Attn: Desi Alvarez

Subject: Annual Lease of Water Rights

This is to notify Watermaster of the lease and /or purchase of 781 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net underproduction in Fiscal Year 2011-12, with any remainder to be recaptured from storage.

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

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

Sincerely,

A handwritten signature in cursive script that reads "Tom O'Neill".

Tom O'Neill  
Utilities Operations Division Manager

Enclosures

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

FISCAL YEAR 2011 - 2012

DATE REQUESTED: August 22, 2011

AMOUNT REQUESTED: 781 Acre-Feet

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

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

**PURPOSE OF TRANSFER:**

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

**WATER IS TO BE TRANSFERRED FROM:**

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

**WATER IS TO BE TRANSFERRED TO:**

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

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

Is the Buyer an 85/15 Party? Yes  No

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

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

<b>IF WATER IS TO BE TRANSFERRED FROM STORAGE:</b>	
Varies	July 1, 2011 to June 30, 2012
Projected Rate of Recapture	Projected Duration of Recapture
<b>METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):</b>	
Recapture by Ontario will be accomplished by pumping 24 wells.	
<b>PLACE OF USE OF WATER TO BE RECAPTURED:</b>	
Management zones 1, 2, & 3.	
<b>LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES):</b>	

**WATER QUALITY AND WATER LEVELS**

Are the Parties aware of any water quality issues that exist in the area? Yes  No

If yes, please explain:

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

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

Static water levels vary from 270 feet bgs to 530 feet bgs.

**MATERIAL PHYSICAL INJURY**

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

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

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

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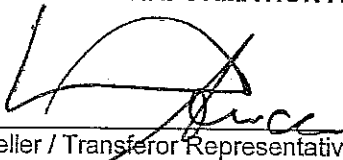
SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

Yes

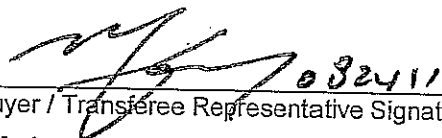
No



Seller / Transferor Representative Signature

Charles Moorrees

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Mohamed El-Amamy

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: \_\_\_\_\_

DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

HEARING DATE, IF ANY: \_\_\_\_\_

DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_

DATE OF BOARD APPROVAL: \_\_\_\_\_

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# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### A. 85/15 RULE POLICY





# CHINO BASIN WATERMASTER

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

## STAFF REPORT

**DATE:** November 17, 2011  
**TO:** Advisory Committee Members  
Watermaster Board Members  
**SUBJECT:** 85/15 Rule Policy

### SUMMARY

**Recommendation** – This item is being brought to the Advisory Committee and Watermaster Board for information only.

### BACKGROUND

The Chino Basin Judgment requires that overproduction be made up through replenishment on a one for one basis the year following overproduction. Water purchased to replenish overproduction by members of the Appropriative Pool is paid for through an annual assessment. The assessment is split with the overproducing party responsible for 85% of the cost of the replenishment water and all members of the Pool responsible for the remaining 15%. This arrangement is known as the 85/15 Rule and is incorporated in the Judgment, Section 7 of Exhibit H – Appropriative Pool Pooling Plan.

Although the intent of the 85/15 Rule appears straight forward enough, a review of its recent application found that it was being applied in a manner inconsistent with the intent of the Judgment. The inconsistent application of the 85/15 Rule was discussed at the Appropriative Pool, Advisory Committee, and Watermaster Board meetings in September, 2011. Watermaster was requested to have a workshop on its future application which was held on September 20, 2011. At the October 13, 2011 meeting of the Appropriative Pool the Pool decided to convene a special meeting of Pool members only to draft an 85/15 Rule Implementation Policy for Pool consideration and adoption.

### 85/15 Rule Policy:

A draft policy was prepared by the Appropriative Pool at its Closed Session meeting of November 2, 2011. The draft Policy was brought through the November 10, 2011 Pool meetings, and was approved by the Appropriative Pool with one minor change. The approved policy is attached. In summary the Policy calls for the 85/15 Rule to apply to replenishment water acquired through a purchase by Watermaster or through a water transfer from either unused operating safe yield or from stored water only to the exact quantity required to satisfy the amount of water overproduced. The Appropriative Pool intends to revisit this policy within the next 12 months to make any changes it feels are necessary, including its application to preemptive replenishment. In addition, the Pool requested that a table be added to the Assessment Package that demonstrates the analyses of whether or not each transfers is eligible for the 85/15 Rule.

Attachment: 85/15 Rule Policy



**Actions:**

November 10, 2011 Appropriative Pool – Approved unanimously to approve the 85/15 Policy as presented in the agenda package with language modification striking the words “*to preemptive replenishment*” at the end of the sentence in section 5.1.1 of the 85/15 Policy

November 10, 2011 Non-Agricultural Pool – No action was taken – deferred for a month

November 10, 2011 Agricultural Pool – No action was taken – deferred for a month

November 17, 2011 Advisory Committee –

November 17, 2011 Watermaster Board –

**Chino Basin Watermaster  
WATERMASTER POLICY**

Subject	Policy Number	Date Adopted	Date Revised
85/15 RULE	5.1	11-10-11	

**Purpose**

5.1.1 To document the application of the 85/15 Rule to replenishment water acquired by Watermaster or by an Appropriative Pool party through a transfer of Operating Safe Yield or stored water to satisfy overproduction within the Appropriative Pool. The Appropriative Pool is reviewing and will consider within 12 months application of the 85/15 Rule.

**Background**

5.1.2 The intent of the 85/15 Rule is to lessen the burden on Appropriative Pool overproducers that were original Parties to the Judgment. The 85/15 Rule is specified in Section 7 of "Exhibit 'H' Appropriative Pool Pooling Plan" to the Judgment:

7. Replenishment Assessment. *The cost of replenishment water required to replace production from Chino Basin in excess of Operating Safe Yield in the preceding year shall be allocated and recovered as follows:*

(a) *For production, other than for increased export, within CBMWD or WMWD:*

(1) Gross Assessment. *15% of such replenishment water costs shall be recovered by a uniform assessment against all production of each appropriator producing in said area during the preceding year.*

(2) Net Assessment. *The remaining 85% of said costs shall be recovered by a uniform assessment on each acre-foot of production from said area by each such appropriator in excess of his allocated share of Operating Safe Yield during said preceding year.*

(b) *For production which is exported for use outside Chino Basin in excess of maximum export in any year through 1976, such increased export production shall be assessed against the exporting appropriator in an amount sufficient to purchase replenishment water from CBMWD or WMWD in the amount of such excess.*

(c) *For production within SBVMWD or PVMWD:  
By an assessment on all production in excess of an appropriator's share of Operating Safe Yield in an amount sufficient to purchase replenishment water through SBVMWD or MWD in the amount of such excess.*

5.1.3 Watermaster receives water transfer applications throughout the fiscal year. As part of the water transfer process, Watermaster must evaluate and document if the 85/15 Rule will potentially apply to the transfer. After the close of the fiscal year, when the Assessment Package is prepared, the transfer will be thoroughly evaluated to see if the 85/15 Rule applies to any portion of it.

**Policy**

5.1.4 Applicability - The 85/15 Rule applies to any overproducer that is a Party subject to the 85/15 Rule. The rule applies to both water transfers undertaken to offset overproduction and to water acquired by Watermaster to offset overproduction. In all cases 85-percent of the cost of the water is paid by the overproducer and the remaining 15-percent of the cost is paid by all Parties subject to the 85/15 Rule (including the overproducer itself). The following table is a list of Appropriators (as of June 30, 2011) that are and are not subject to the 85/15 Rule.

**85/15 Rule Participation**

<b><i>Parties subject to the 85/15 Rule</i></b>	<b><i>Parties not subject to the 85/15 Rule</i></b>
<i>Chino Hills, City of</i>	Arrowhead Mountain Spring Water Company
<i>Chino, City of</i>	Fontana, City of
<i>Cucamonga Valley Water District</i>	Marygold Mutual Water Company
<i>Fontana Union Water Company</i>	Niagara Bottling LLC
<i>Fontana Water Company</i>	Norco, City of (Exceeding Export Right)
<i>Golden State Water Company</i>	Pomona, City of
<i>Jurupa Community Services District</i>	
<i>Monte Vista Irrigation Company</i>	
<i>Monte Vista Water District</i>	
<i>Nicholson Trust</i>	
<i>Norco, City of (Within Export Right)</i>	
<i>Ontario, City of</i>	
<i>San Antonio Water Company</i>	
<i>San Bernardino Shooting Park</i>	
<i>Santa Ana River Water Company</i>	
<i>Upland, City of</i>	
<i>West End Consolidated Water District</i>	
<i>West Valley Water District</i>	

5.1.5 Replenishment Obligations - When the 85/15 Rule is applied toward a replenishment obligation, it will be applied to that exact amount which a Party overproduced. It also applies to the Cumulative Unmet Replenishment Obligation (CURO).

5.1.6 Water Transfers - When the 85/15 Rule is applied toward a transfer of Operating Safe Yield or stored water, it will be applied to only that portion of the transfer(s) required to satisfy overproduction in the year in which the water is used to satisfy overproduction.

5.1.7 Assessment Package Procedure – The 85/15 Rule needs to be applied to all overproduction replenishment and water transfers.

- a. The necessary accounting for overproduction replenishment, CURO, and preemptive replenishment will be documented within the Assessment Package. Watermaster will prepare and provide when requested a detailed accounting of water subject to the 85/15 Rule.
  1. All overproduction replenishment qualifies for the 85/15 Rule, as long as the Buyer is subject to the 85/15 Rule.
  2. Any CURO also qualifies for the 85/15 Rule, as long the obligation was initially subject to the 85/15 Rule.
- b. Water transfers will be evaluated individually as follows.
  1. Determine if the Buyer is a Party that is subject to the 85/15 Rule.
  2. If the Buyer is subject to the 85/15 Rule, determine if the water transfer qualifies for the 85/15 Rule. In order to qualify for the Rule, the Buyer must have otherwise been an overproducer and must be purchasing the water to offset overproduction. (The 85/15 Rule does not apply if the Buyer is an under producer or if an overproducer that wants to put the water into storage.) An overproducer is defined as a party that would have otherwise had greater “Total Production and Exchanges” than their “Annual Production Right” had it not been for the water transaction(s).
  3. The 85/15 Rule will only be applied to the portion of a water transfer required to offset overproduction. The 85/15 Rule will not be applied to the portion of water acquired through a transfer in excess of the amount required to offset overproduction.
  4. If the 85/15 Rule applies to a transfer, the monetary amount that is applied to the water transfer in the Assessment Package is the precise amount (per acre-foot) of the transaction, as agreed to by the Buyer and Seller reported and certified by Watermaster. The Party acquiring water through a transfer (Buyer)

shall be responsible for paying the full cost of the water. The 15-percent is to be credited to the Buyer through the Assessment process.

5. In the case of Aquifer Storage and Recovery (ASR), the monetary amount applied to the 85/15 transaction (if the 85/15 Rule applies) is the total monetary amount that the Party paid to purchase the water. (Operational, including electrical and treatment, costs do not apply.)



# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### B. PREEMPTIVE REPLENISHMENT AGREEMENTS





# CHINO BASIN WATERMASTER

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

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## STAFF REPORT

**DATE:** November 17, 2011  
**TO:** Advisory Committee Members  
Watermaster Board Members  
**SUBJECT:** Preemptive Replenishment Agreements

### SUMMARY

**Recommendation** – That the Advisory Committee and Watermaster Board review and comment on the Preemptive Replenishment Agreements.

### *Background:*

Following Metropolitan Water District's (MWD) announcement of May 10, 2011 that replenishment water would be available at a discounted rate, Watermaster placed an order for up to 50,000 acre-feet of water. Watermaster was the first agency to take replenishment water under this year's program and received a total of 34,642.22 acre-feet of replenishment water as of September 30, 2011 when the program came to an end. Of the total, 33,175.5 acre-feet was wet water recharge and 1,466.7 acre-feet was in lieu recharge.

### *Acquisition of Replenishment Water:*

Acquisition of this water was fortuitous opportunity for the Chino Basin as replenishment water had not been available since 2007 and Watermaster needed to make up an annual 6,500 acre-feet wet water recharge obligation in Management Zone 1 in the vicinity of the Chino Hills subsidence zone. However, since the availability of this water was not anticipated there were no arrangements in place to finance it. To address this financial conundrum created by the lack of funds for the purchase of the water, Watermaster originally proposed acquiring the water to augment the Desalter overdraft account and pay for it through a Special Assessment consistent with the provisions in the Peace II Agreement for acquiring Desalter replenishment water. This initial proposal proved impractical because of the adverse financial impact that it would have on the budget of those agencies which would be assessed but had not anticipated the special assessment. Consequently Watermaster explored other alternatives for acquisition of the water with the intent to purchase the water consistent with the requirements imposed by MWD and to minimize the expense incurred in paying for the water. With these conditions in mind, several alternatives were presented which included Watermaster borrowing money to pay for the water, having individual parties with demonstrated replenishment needs acquire the water for preemptive replenishment in restricted storage accounts, and

having Regional Agencies and/or Appropriators acquire the water through the use of restricted storage accounts for future Desalter replenishment.

Following extended deliberations, beginning with the May 19, 2011 Advisory Committee meeting through the August 25, 2011 Watermaster Board meeting, a plan evolved for the acquisition of the water. The plan included the use of preemptive replenishment Storage Agreements totaling 26,000 acre-feet with parties without safe yield and the use of Preemptive Replenishment Agreements with other parties of the basin for the remainder of the water. Since this process was time sensitive and explored and developed previously unused concepts it was agreed that any and all agreements created for this would be non precedential.

***Preemptive Replenishment Agreement:***

The development and use of the Preemptive Replenishment Agreement resulted from discussion and directions provided at the August 25, 2011 Watermaster Board meeting. In a spirit of minimizing cost to the public, the Watermaster Board directed that a Preemptive Replenishment Agreement be developed that would not incur any basin losses over time something that could not be avoided through the use of Storage Agreements. Following that direction Watermaster staff and counsel developed an agreement that explored new territory an effectively allows for other parties to purchase water on behalf of Watermaster for basin augmentation. Two template Replenishment Agreements were prepared, one for a producer entity and one for a non-producing party.

A detailed discussion of the concepts and points of authority behind the development of the Preemptive Replenishment Agreements was provided in a Legal Memorandum prepared by general counsel dated October 19, 2011. An excerpt of the Legal Memorandum covering the background behind the Preemptive Replenishment Agreement concept is in Exhibit A.

***Status of Agreements:***

Five agreements are currently in place for the acquisition of the replenishment water. Two of the agreements are restricted to Preemptive Replenishment Storage Agreements totaling 26,000 acre-feet and they have been executed with Fontana Water Company and Niagara Bottling Company. The other three agreements are Preemptive Replenishment Agreements that will account for 7,175.5 acre-feet of water. Of these other three Preemptive Replenishment Agreements one has been executed with the City of Chino for 1,420 acre-feet and two (one with Jurupa Community Services District and one with Inland Empire Utilities Agency for 3,355.5 acre-feet) are pending execution. Copies of all three agreements are attached as Exhibit B.

***Actions:***

November 10, 2011 Appropriative Pool – Approved unanimously that the Appropriative Pool requested that John Shatz work with Watermaster’s legal counsel concerning the development of a uniform Storage Agreement with Inland Empire Utilities Agency and also requested that John Shatz work with Watermaster to facilitate with Watermaster regarding the Preemptive Replenishment Agreements without harm or prejudice to the City of Chino or the Jurupa Community Services District Agreements.

November 10, 2011 Non-Agricultural Pool – No action, deferred

November 10, 2011 Agricultural Pool – No action, deferred

November 17, 2011 Advisory Committee –

November 17, 2011 Watermaster Board –



**EXHIBIT A**  
Preemptive Replenishment Agreements  
Excerpt From  
General Counsel Memorandum Dated October 19, 2011

**A. Introduction**

Watermaster has the right and obligation to perform the duties provided in the Judgment (Judgment Paragraph 17). Watermaster may enter into contracts for the purpose of carrying out the powers granted under the Judgment (Judgment Paragraph 25).

The purpose of the Physical Solution is to establish a legal and practical means for making the maximum reasonable beneficial use of the waters of Chino Basin (Judgment Paragraph 39). It is essential that the Judgment provide maximum flexibility and adaptability so that Watermaster can take advantage of prevailing hydrologic and economic conditions in implementing the Physical Solution (Judgment Paragraph 40).

Watermaster has the exclusive regulatory authority over the Replenishment of Supplemental Water under the Judgment (Peace Agreement Section 5.1(a)). The procurement of Replenishment water is cornerstone of the Physical Solution. That is, under the Judgment all members of the Appropriative Pool were extended the right to Produce groundwater in excess of their allocated share of Operating Safe Yield (Judgment Paragraph 42).

The Judgment presumes that Supplemental Water will be obtained in arrears following the actual over-production of a known quantity of groundwater. Once the over-production has been established, Watermaster would exert reasonable efforts to acquire Supplemental Water. But there is no limitation in the Judgment that limits Watermaster to only obtaining Supplemental Water in arrears.

In fact, the delivery of Supplemental Water from Metropolitan Water District ("MWD") to Watermaster through the Inland Empire Utilities Agency ("IEUA") has been the customary method for Watermaster to procure Supplemental Water in satisfaction of its obligation to obtain Replenishment Water. In the years immediately following the entry of the Judgment, Supplemental Water was available to Watermaster in almost every year. With the passage of time, restrictions and enhanced regulation of imported water supplies reduced the availability of Supplemental Water from MWD to seven years in ten and then, more recently, MWD's projections are that Supplemental Water may be available no more than three years in ten. MWD has not made Supplemental Water available in the four years preceding 2011.

As has been referenced in many public meetings, workshops and Court filings, this change in hydrologic and regulatory conditions have the potential of adversely impacting Watermaster's ability to carry out the Physical Solution. Consequently, Watermaster and various Parties to the Judgment have raised the need for more flexible replenishment policies and procedures to address the present hydrologic reality.

Following an extremely wet year, the MWD declared that it had a specific quantity of water available for replenishment. There is considerable ambiguity as to whether the MWD will make replenishment water available in the future. There is also ambiguity as to the cost under which MWD will make water available. Watermaster Staff considered multiple strategies to secure water for replenishment and presented these strategies to the respective Pools, the Advisory Committee, and the Board.

**B. Watermaster's Replenishment Authority and Responsibility**

Supplemental Water may be obtained by Watermaster from any available source (Judgment Paragraph 49). Watermaster is required to obtain the best available quality of Supplemental water at the most reasonable cost (Judgment Paragraph 49). Available sources may include but are not limited to State Project Water, Colorado River Supplies made available by MWD (Judgment Paragraph 49). Watermaster may accomplish replenishment of over-production from the Basin by any reasonable method (Judgment Paragraph 50).

Watermaster's ability to assess for the costs of obtaining replenishment water is constrained by the method of assessment it may impose against the Pools. For example, Watermaster shall levy and collect assessments in each year pursuant to the Pooling Plans in an amount sufficient to purchase replenishment water to replace over-production (Judgment Paragraph 45). Each Pool will be assessed only that amount necessary to cover the actual cost of replenishment (Judgment Paragraph 45).

The Peace Agreement then further instructed Watermaster to "arrange, facilitate and provide for Recharge by entering into Contracts (Peace Agreement Section 5.1). The Peace Agreement definition of "Recharge" includes the replenishment of Supplemental Water (Peace Agreement Section 1.1 (nn) Section 1.1 (oo)). Moreover, Watermaster is mandated to "protect and enhance the Safe Yield of the Basin" through replenishment and recharge" (Peace Agreement Section 5.1(e)(i)).

Last, Watermaster has the obligation to undertake Recharge using water of the lowest cost and the highest quality (Peace Agreement Section 5.1(f)).

### **C. The Appropriative Pool Pooling Plan**

The method of assessment for over-production is to be set forth in each Pooling Plan (Judgment Paragraph 42). The Appropriative Pool Pooling Plan sets forth the method of assessment for the acquisition of replenishment water to offset over-production in the previous year in Section 7, which gives rise to the 85/15 Rule. The Appropriative Pool Pooling Plan does not purport to restrain Watermaster's authority to secure Replenishment Water where no assessment is levied against the Pool. Nor does it preclude Watermaster from securing Replenishment Water in one year and subsequently assessing for the cost of the water when over-production occurs.

### **D. The City of Chino / Watermaster Preemptive Replenishment Agreement.**

The Agreement is characterized as a "Preemptive Replenishment Agreement" which indicates that the action contemplated is to satisfy a replenishment obligation in advance of the over-production. Indeed, the intention of the Agreement is to act in advance of the actual action of over-production. In the instant case, the identified cause of the over-production is the Desalter production authorized by the Peace II Agreement. It is not speculative. It is actually planned for and scheduled as a part of Watermaster's compliance with the Regional Board and Judicial mandate of securing Hydraulic Control. Therefore, there is little doubt that the replenishment obligation will in fact occur. The replenishment obligation is a known forward obligation of the City of Chino under Peace Agreement Section 6.2.

Pursuant to the Judgment and the Peace Agreement, Watermaster is contracting with the City of Chino to provide replenishment water to satisfy a known replenishment obligation. The City of Chino will offer a specific sum of \$600,000 and make the water available. It relinquishes dominion and control to Watermaster, retaining only the right to receive a credit/off-set against the forward replenishment obligation in accordance with Section 6.2 of the Peace II Agreement.

"The Supplemental Water that is replenished pursuant to this Agreement shall be subject to the exclusive regulation and control of Watermaster. Each year Watermaster will quantify its Replenishment obligation, and the Supplemental Water made available by this Agreement may be selected by the Replenishing Party to satisfy its share of Watermaster's replenishment obligation, and would then be applied by Watermaster as an offset against a then applicable Desalter Replenishment obligation. The Replenishing Party reserves no right to store or recover the Supplemental Water which is

the subject of this agreement for any purpose other than to designate it for use as an offset against a Desalter Replenishment obligation as accounted for by Watermaster and thus, no losses will be assessed as if the Supplemental Water had been stored.” (Agreement Section 4).

There is no assessment contemplated by the Agreement and accordingly, there is no violation of the Appropriative Pool Pooling Plan.

#### **E. IEUA Preemptive Replenishment Agreement**

IEUA does not produce groundwater from the Basin. They are the customary source of securing Supplemental Water from the MWD. Under the IEUA Preemptive Replenishment Agreement with Watermaster, IEUA makes available Supplemental Water for replenishment by Watermaster. In turn, parties to the Judgment will incur replenishment obligations attributable to Desalter Production pursuant to Section 6.2 of the Peace II Agreement. Nothing in the IEUA Preemptive Replenishment Agreement suggests that the form or timing of repayment that is contrary to the approved Pooling Plans.

#### **F. Comparison to Local Storage Agreement.**

A Local Storage Agreement is different from a Replenishment Agreement and distinguishable from the Preemptive Replenishment Agreement between the City of Chino and Watermaster. An Appropriator generally has a right to a Local Storage Agreement as a matter of right, provided that there is available storage capacity and storage capacity is available (Peace Agreement 5.2(b)(iv)). Moreover, water that is held in storage under a Local Storage Agreement may be stored, recovered or transferred from storage by a member of the Appropriative Pool (Peace Agreement Section 5.2(b)(xiii)). The Local Storage Agreement and the water held in Storage is held by the Appropriator – not by Watermaster. As such, the holder of Local Storage Agreement holds dominion and control over the water.

Water held in storage for the advantage of the Appropriator is also subject to mandatory losses both in the Peace Agreement and the Peace II Agreement (Peace Agreement Section 5.2(b)xii; Peace Agreement II Section 7.4(b)). These mandatory losses must be applied unless and until substantial evidence is presented that losses are in fact less or Watermaster obtains Hydraulic Control.

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**EXHIBIT B**  
**CHINO BASIN WATERMASTER**

**PREEMPTIVE REPLENISHMENT AGREEMENT**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, by and between Chino Basin Watermaster, (herein "Watermaster") and the Inland Empire Utilities Agency ("IEUA"), pursuant to the Judgment entered January 27, 1978.

**WHEREAS**, the acquisition of Supplemental Water for Replenishment is subject to procedures established by and administered through Watermaster, with the advice and assistance of the Advisory and Pool Committees (Judgment Paragraph 41.);

**WHEREAS**, "Replenishment Water" means Supplemental Water used to Recharge the Basin pursuant to the physical solution, either directly by percolating or injecting the water into the Basin or indirectly by delivering the water for use in lieu of Production and use of Safe Yield or Operating Yield (Peace Agreement Section 1.1 o.o.);

**WHEREAS**, "Supplemental Water" means water imported to the Chino Basin from outside the Chino Basin Watershed and recycled water. (Peace Agreement Section 1.1 ww.);

**WHEREAS**, Watermaster is authorized to provide for and facilitate Recharge by entering into contracts with appropriate parties provided that such contracts must include appropriate terms and conditions for the location of the Recharge and the payment of costs, if any. (Peace Agreement Section 5.1(j));

**WHEREAS**, Watermaster shall administer and direct the Recharge of all water in a manner that is consistent with this Agreement, the OBMP and causes no Material Physical Injury to any party to the Judgment or the Chino Basin (Peace Agreement Section 5.1(c));

**WHEREAS**, Watermaster must undertake Recharge, using water of the lowest cost and the highest quality (Peace Agreement Section 5.1(f));

**WHEREAS**, the Metropolitan Water District of Southern California (MWD) has traditionally provided Replenishment Water to the Inland Empire Utilities Agency (IEUA) and then to Watermaster;

**WHEREAS**, MWD has historically made Replenishment Water available in approximately 7 of 10 years but in recent years it has not made any Replenishment Water available and because of a combination of climate, regulatory controls, environmental and economic considerations there is substantial doubt as to whether Replenishment Water will be made available at all in the future;

**WHEREAS**, parties to the Judgment are reasonably projected to require Replenishment Water to off-set Production of Groundwater in excess of Operating Safe Yield and Desalter Production;

**WHEREAS**, the Judgment acknowledged the need for flexibility so that Watermaster would be free to take advantage of technological, social, institutional and economic options to implement the Physical Solution (Judgment Paragraph 40.)

**WHEREAS**, prevailing conditions require Watermaster to develop, propose and adopt procedures to enhance flexibility and opportunistically acquire Supplemental Water for Replenishment in advance of the actual accrual of the Replenishment obligation (hereinafter "Preemptive Replenishment") and to present those procedures to the Court in connection with the Recharge Master Plan;

**WHEREAS**, Watermaster has an obligation to provide replenishment water for the Desalter Operation and Watermaster's Desalter Overdraft account for the pre Peace II Agreement Desalter replenishment will be exhausted in 2013;

**WHEREAS**, following an extraordinary "wet year" and prior to the adoption of comprehensive procedures for Preemptive Replenishment MWD has made available Replenishment Water to its member agencies for the price of \$409 per acre-foot on a first come, first served basis;

**WHEREAS**, the present opportunity to acquire Supplemental Water from MWD is unique and short-lived and the requirement of urgency action requires Watermaster to execute this Preemptive Replenishment Agreement in advance of a comprehensive set of procedures for preemptive Replenishment;

**WHEREAS**, Watermaster's Engineer Wildermuth Environmental has evaluated the potential for the purchase and Replenishment of up to 50,000 acre-feet of Supplemental Water from MWD to cause Material Physical Harm and concluded that any increased discharge to the Santa Ana River would be extremely small and would cease entirely upon Watermaster's attainment of Hydraulic Control provided that Watermaster maintains control over the method and location of Replenishment;

**NOW THEREFORE**, in consideration of the mutual promises specified herein and for other good and valuable consideration, the Parties agree as follows:

- 1. SUPPLEMENTAL WATER.** The IEUA will directly or indirectly acquire Supplemental Water from MWD and make available the Supplemental Water to Watermaster for the sole and exclusive purpose of Preemptive Replenishment to offset the Production of Groundwater by the Desalters as provided in Section 6.2 of the Peace II Agreement and as authorized by the Court Order of December 17, 2007.
- 2. REPLENISHMENT.** Watermaster will cause the Supplemental Water to be Replenished without causing Material Physical Injury. Upon the completion of the physical Replenishment by Watermaster, Watermaster agrees to reimburse IEUA for its actual costs incurred as set forth in Section 7 below. Watermaster may designate the Supplemental Water for use as an offset against a Desalter Replenishment obligation as provided in Section 6.2 of the Peace II Agreement.
- 3. TERM OF AGREEMENT.** The term of this Agreement shall continue until all the Supplemental Water acquired and made available by IEUA under this Agreement has been used to offset a then existing Replenishment obligation attributable to Desalter Production as provided in Section 6.2 of the Peace II Agreement and accounted for by Watermaster. However, in the event that there is any Preemptively Replenished Supplemental Water that has not been used to offset a Replenishment obligation attributable to Desalter Production by December 31, 2016, then the remaining Water will be deemed "Surplus" and can be made available by IEUA to any Party to the Judgment that agrees to purchase the water.
- 4. ASSIGNMENT.** This Agreement is not assignable. All provisions of this Agreement are applicable to and binding upon not only IEUA, but also their respective heirs, executors, administrators, successors, lessors and licensees and upon the agents, employees and attorneys in fact of all such persons and the designees of any Supplemental Water acquired pursuant to this Agreement.
- 5. CONTROL.** The Supplemental Water that is replenished pursuant to this Agreement shall be subject to the exclusive regulation and control of Watermaster and the provisions of this Agreement until December 31, 2016. Each year Watermaster will quantify the Replenishment obligation attributable to the Desalter Production and the Supplemental Water made available by this Agreement will be applied by Watermaster as an offset against a then applicable Desalter Replenishment obligation. Except as otherwise provided herein, IEUA reserves no right to store or recover the Supplemental Water for any purpose other than for its use as an offset against then existing Replenishment obligation attributable to the Production of Groundwater by the Desalter as accounted for by Watermaster. As the Supplemental Water is not being stored for subsequent recovery by IEUA or for transfers to a Party to the Judgment no losses will be assessed as if the Supplemental Water had been stored. If the water is deemed Surplus as

defined in Section 3 of this Agreement, losses would only be applied prospectively at the then defined basin loss rate and no retroactive application of storage losses shall be applied for the time period preceding December 31, 2016.

**6. PAYMENT.** Watermaster shall reimburse IEUA for the actual cost of Replenishment Water upon its use in offsetting a then existing Desalter Replenishment Obligation in the year the obligation accrues. The actual cost shall be equal to the Replenishing Party's direct costs which are the sum of the acquisition cost of the water and financing expenses. Acquisition costs means: (i) \$409.00 per acre-foot plus (ii) \$12.00 per acre-foot IEUA surcharge plus (iii) \$2.00 per acre-foot for that portion of the water taken through the Orange County Water District's turnout distributed over the total quantity of imported replenishment water; and (iv) \$42.00 per acre-foot for that portion of water taken through direct injection distributed over the total quantity of imported replenishment water. Financing expenses means the actual interest computed by taking the Local Agency Investment Fund (LAIF) monthly interest rate and adding one and one half percent (1.5%). This shall constitute all of the financing charges.

**7. PROCEDURES AND ACCOUNTING FOR REPLENISHED WATER.** Watermaster shall maintain a continuing account of the quantity of water replenished pursuant to this Agreement, which shall be available for review upon reasonable notice by Replenishing Party.

**8. NOTICE.** Any notices may be given by mail and postage prepaid addressed as follows:

Watermaster	Chino Basin Watermaster 9641 San Bernardino Road Rancho Cucamonga, CA 91730
Replenishing Party	Inland Empire Utilities Agency 6075 Kimball Avenue Chino, CA 91708

**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be duly executed by their authorized officers.

**WATERMASTER**

**INLAND EMPIRE UTILITIES AGENCY**

\_\_\_\_\_  
Watermaster

\_\_\_\_\_  
Inland Empire Utilities Agency

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**EXHIBIT B**  
**CHINO BASIN WATERMASTER**

**PREEMPTIVE REPLENISHMENT AGREEMENT**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of October, 2011, by and between Chino Basin Watermaster, (herein "Watermaster") and Jurupa Community Services District (JCSD), (herein "Replenishing Party") pursuant to the Judgment entered January 27, 1978.

**WHEREAS**, the acquisition of Supplemental Water for Replenishment is subject to procedures established by and administered through Watermaster, with the advice and assistance of the Advisory and Pool Committees (Judgment Paragraph 41);

**WHEREAS**, "Replenishment Water" means Supplemental Water used to Recharge the Basin pursuant to the physical solution, either directly by percolating or injecting the water into the Basin or indirectly by delivering the water for use in lieu of Production and use of Safe Yield or Operating Yield (Peace Agreement Section 1.1 (o.o));

**WHEREAS**, "Supplemental Water" means water imported to the Chino Basin from outside the Chino Basin Watershed and recycled water. (Peace Agreement Section 1.1(ww));

**WHEREAS**, Watermaster is authorized to provide for and facilitate Recharge by entering into contracts with appropriate parties provided that such contracts must include appropriate terms and conditions for the location of the Recharge and the payment of costs, if any. (Peace Agreement Section 5.1(j));

**WHEREAS**, Watermaster shall administer, direct and conduct the Recharge of all water in a manner that is consistent with this Agreement, the OBMP and causes no Material Physical Injury to any party to the Judgment or the Chino Basin (Peace Agreement Section 5.1(c));

**WHEREAS**, Watermaster must undertake Recharge, using water of the lowest cost and the highest quality (Peace Agreement Section 5.1(f));

**WHEREAS**, the Metropolitan Water District of Southern California (MWD) has traditionally provided Replenishment Water to the Inland Empire Utilities Agency (IEUA) and then to Watermaster;

**WHEREAS**, MWD has historically made Replenishment Water available in approximately 7 of 10 years but in recent years it has not made any Replenishment Water available and because of a combination of climate, regulatory controls, environmental and economic considerations there is substantial doubt as to whether Replenishment Water will be made available at all in the future;

**WHEREAS**, parties to the Judgment are reasonably projected to require Replenishment Water to off-set Production of Groundwater in excess of Operating Safe Yield and Desalter Production;

**WHEREAS**, the Judgment acknowledged the need for flexibility so that Watermaster would be free to take advantage of technological, social, institutional and economic options to implement the Physical Solution (Judgment Paragraph 40.)

**WHEREAS**, prevailing conditions require Watermaster to develop, propose and adopt procedures to enhance flexibility and opportunistically acquire Supplemental Water for Replenishment in advance of the actual accrual of the Replenishment obligation (hereinafter "Preemptive Replenishment") and to present those procedures to the Court in connection with the Recharge Master Plan;

**WHEREAS**, Watermaster has an obligation to provide replenishment water for the Desalter Operation and Watermaster's Desalter Overdraft account for the pre Peace II Agreement Desalter replenishment will be exhausted in 2013;

**WHEREAS**, following an extraordinary "wet year" and prior to the adoption of comprehensive procedures for Preemptive Replenishment MWD has made available Replenishment Water to its member agencies for the price of \$409 per acre-foot on a first come, first served basis;

**WHEREAS**, the present opportunity to acquire Supplemental Water from MWD is unique and short-lived and the requirement of urgency action requires Watermaster to execute this Preemptive Replenishment Agreement in advance of a comprehensive set of procedures for preemptive Replenishment;

**WHEREAS**, Watermaster's Engineer Wildermuth Environmental has evaluated the potential for the purchase and Replenishment of up to 50,000 acre-feet of Supplemental Water from MWD to cause Material Physical Harm and concluded that any increased discharge to the Santa Ana River would be extremely small and would cease entirely upon Watermaster's attainment of Hydraulic Control provided that Watermaster maintains control over the method and location of Replenishment;

**NOW THEREFORE**, in consideration of the mutual promises specified herein and for other good and valuable consideration, the Parties agree as follows:

1. **SUPPLEMENTAL WATER.** The Replenishing Party will make available funds for the procurement of Supplemental Water from MWD and make it available to Watermaster for the sole and exclusive use as an off-set against a future assessment by Watermaster for Desalters in accordance with Section 6.2 of the Peace II Agreement, the Court's Order of December 17, 2007 and Watermaster's Resolution No. 2010-04.

2. **REPLENISHMENT.** Watermaster will cause the Preemptive Replenishment of Supplemental Water made available by the Replenishing Party pursuant to this Agreement. Upon the completion of the Preemptive Replenishment, the Replenishing Party subject to the approval of Watermaster may designate the Supplemental Water for use in lieu of an assessment levied by Watermaster to off-set Desalter Production..

2. **TERM OF AGREEMENT.** The term of this Agreement shall continue until all the Supplemental Water acquired and made available by the Replenishing Party under this Agreement has been used to offset a then existing Replenishment obligation and accounted for by Watermaster.

3. **ASSIGNMENT.** This Agreement is not assignable. All provisions of this Agreement are applicable to and binding upon not only the Replenishing Party, but their also their respective heirs, executors, administrators, successors, lessors and licensees and upon the agents, employees and attorneys in fact of all such persons and the designees of any Supplemental Water acquired pursuant to this Agreement.

4. **CONTROL.** The Supplemental Water that is replenished pursuant to this Agreement shall be subject to the exclusive regulation and control of Watermaster. Each year Watermaster will quantify its Replenishment obligation, and the Supplemental Water made available by this Agreement may be selected by the Replenishing Party to satisfy its share of Watermaster's replenishment obligation, and would then be applied by Watermaster as an offset against a then applicable Desalter Replenishment obligation. The Replenishing Party reserves no right to store or recover the Supplemental Water which is the subject of this agreement for any purpose other than to designate it for use as an off-set against a Desalter Replenishment obligation as accounted for by Watermaster and thus, no losses will be assessed as if the Supplemental Water had been stored.

5. **PAYMENT.** The Replenishing Party shall pay Watermaster \$1,000,000 for approximately 2,300 acre-feet of Supplemental Water, based on Watermaster's calculation of the actual unit cost of acquiring the Supplemental Water at this time, which is defined as the sum of (i) \$409.00 per acre-foot plus; (ii)



EXHIBIT B

CHINO BASIN WATERMASTER

PREEMPTIVE REPLENISHMENT AGREEMENT

**THIS AGREEMENT** is made and entered into this <sup>4<sup>th</sup></sup> day of October, 2011, by and between Chino Basin Watermaster, (herein "Watermaster") and the City of Chino, (herein "Replenishing Party") pursuant to the Judgment entered January 27, 1978.

**WHEREAS**, the acquisition of Supplemental Water for Replenishment is subject to procedures established by and administered through Watermaster, with the advice and assistance of the Advisory and Pool Committees (Judgment Paragraph 41);

**WHEREAS**, "Replenishment Water" means Supplemental Water used to Recharge the Basin pursuant to the physical solution, either directly by percolating or injecting the water into the Basin or indirectly by delivering the water for use in lieu of Production and use of Safe Yield or Operating Yield (Peace Agreement Section 1.1 (oo));

**WHEREAS**, "Supplemental Water" means water imported to the Chino Basin from outside the Chino Basin Watershed and recycled water. (Peace Agreement Section 1.1(ww));

**WHEREAS**, Watermaster is authorized to provide for and facilitate Recharge by entering into contracts with appropriate parties provided that such contracts must include appropriate terms and conditions for the location of the Recharge and the payment of costs, if any. (Peace Agreement Section 5.1(j));

**WHEREAS**, Watermaster shall administer, direct and conduct the Recharge of all water in a manner that is consistent with this Agreement, the OBMP and causes no Material Physical Injury to any party to the Judgment or the Chino Basin (Peace Agreement Section 5.1(c));

**WHEREAS**, Watermaster must undertake Recharge, using water of the lowest cost and the highest quality (Peace Agreement Section 5.1(f));

**WHEREAS**, the Metropolitan Water District of Southern California (MWD) has traditionally provided Replenishment Water to the Inland Empire Utilities Agency (IEUA) and then to Watermaster;

**WHEREAS**, MWD has historically made Replenishment Water available in approximately 7 of 10 years but in recent years it has not made any Replenishment Water available and because of a combination of climate, regulatory controls, environmental and economic considerations there is substantial doubt as to whether Replenishment Water will be made available at all in the future;

**WHEREAS**, parties to the Judgment are reasonably projected to require Replenishment Water to off-set Production of Groundwater in excess of Operating Safe Yield and Desalter Production;

**WHEREAS**, the Judgment acknowledged the need for flexibility so that Watermaster would be free to take advantage of technological, social, institutional and economic options to implement the Physical Solution (Judgment Paragraph 40.)

**WHEREAS**, prevailing conditions require Watermaster to develop, propose and adopt procedures to enhance flexibility and opportunistically acquire Supplemental Water for Replenishment in advance of the actual accrual of the Replenishment obligation (hereinafter "Preemptive Replenishment") and to present those procedures to the Court in connection with the Recharge Master Plan;

**WHEREAS**, Watermaster has an obligation to provide replenishment water for the Desalter Operation and Watermaster's Desalter Overdraft account for the pre Peace II Agreement Desalter replenishment will be exhausted in 2013;

**WHEREAS**, following an extraordinary "wet year" and prior to the adoption of comprehensive procedures for Preemptive Replenishment MWD has made available Replenishment Water to its member agencies for the price of \$409 per acre-foot on a first come, first served basis;

**WHEREAS**, the present opportunity to acquire Supplemental Water from MWD is unique and short-lived and the requirement of urgency action requires Watermaster to execute this Preemptive Replenishment Agreement in advance of a comprehensive set of procedures for preemptive Replenishment;

**WHEREAS**, Watermaster's Engineer Wildermuth Environmental has evaluated the potential for the purchase and Replenishment of up to 50,000 acre-feet of Supplemental Water from MWD to cause Material Physical Harm and concluded that any increased discharge to the Santa Ana River would be extremely small and would cease entirely upon Watermaster's attainment of Hydraulic Control provided that Watermaster maintains control over the method and location of Replenishment;

**NOW THEREFORE**, in consideration of the mutual promises specified herein and for other good and valuable consideration, the Parties agree as follows:

1. **SUPPLEMENTAL WATER.** The Replenishing Party will make available funds for the procurement of Supplemental Water from MWD and make it available to Watermaster for the sole and exclusive use as an off-set against a future assessment by Watermaster for Desalters in accordance with Section 6.2 of the Peace II Agreement, the Court's Order of December 17, 2007 and Watermaster's Resolution No. 2010-04.
2. **REPLENISHMENT.** Watermaster will cause the Preemptive Replenishment of Supplemental Water made available by the Replenishing Party pursuant to this Agreement. Upon the completion of the Preemptive Replenishment, the Replenishing Party subject to the approval of Watermaster may designate the Supplemental Water for use in lieu of an assessment levied by Watermaster to off-set Desalter Production.
3. **TERM OF AGREEMENT.** The term of this Agreement shall continue until all the Supplemental Water acquired and made available by the Replenishing Party under this Agreement has been used to offset a then existing Replenishment obligation and accounted for by Watermaster.
4. **ASSIGNMENT.** This Agreement is not assignable. All provisions of this Agreement are applicable to and binding upon not only the Replenishing Party, but their also their respective heirs, executors, administrators, successors, lessors and licensees and upon the agents, employees and attorneys in fact of all such persons and the designees of any Supplemental Water acquired pursuant to this Agreement.
5. **CONTROL.** The Supplemental Water that is replenished pursuant to this Agreement shall be subject to the exclusive regulation and control of Watermaster. Each year Watermaster will quantify its Replenishment obligation, and the Supplemental Water made available by this Agreement may be selected by the Replenishing Party to satisfy its share of Watermaster's replenishment obligation, and would then be applied by Watermaster as an offset against a then applicable Desalter Replenishment obligation. The Replenishing Party reserves no right to store or recover the Supplemental Water which is the subject of this agreement for any purpose other than to designate it for use as an off-set against a Desalter Replenishment obligation as accounted for by Watermaster and thus, no losses will be assessed as if the Supplemental Water had been stored.
6. **PAYMENT.** The Replenishing Party shall pay Watermaster \$600,000 for approximately 1,420 acre-feet of Supplemental Water, based on Watermaster's calculation of the actual unit cost of acquiring the Supplemental Water at this time, which is defined as the sum of (i) \$409.00 per acre-foot plus; (ii)


\$12.00 per acre-foot IEUA surcharge plus; (iii) \$2.00 per acre-foot for that portion of the water that is taken through the Orange County Water District's turnout, distributed over the total quantity of imported Replenishment Water acquired by Watermaster at this time; and (iv) \$42.00 per acre-foot for that portion of the water that is taken through direct injection, distributed over the total quantity of imported Replenishment Water acquired by Watermaster at this time. The Replenishing Party will be entitled to a credit of 1,420 acre-feet of Supplemental Water against a future Watermaster assessment pursuant to Section 6.2 of the Peace II Agreement. The actual quantity of Supplemental Water made available to Watermaster and the corresponding credit will be determined no later than January 10, 2012 upon the completion of Replenishment.

7. **NOTICE.** Any notices may be given by mail and postage prepaid addressed as follows:

Watermaster	Chino Basin Watermaster 9641 San Bernardino Road Rancho Cucamonga, CA 91730
Replenishing Party	City of Chino 13220 Central Avenue Chino, CA 91710

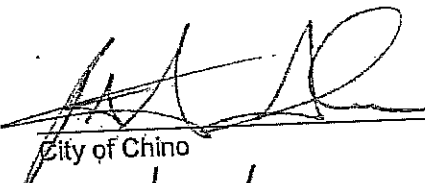
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers.

**WATERMASTER**

  
\_\_\_\_\_  
Watermaster

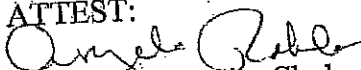
10-10-2011  
Date

**REPLENISHING PARTY**

  
\_\_\_\_\_  
City of Chino

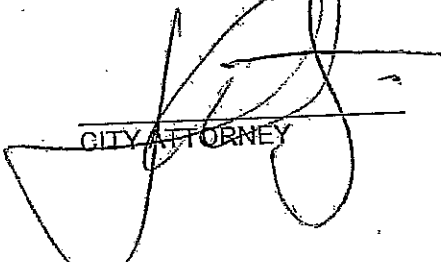
10/6/11  
Date

**ATTEST:**

  
Angela Robles, City Clerk

Date 10.6.11

**APPROVED AS TO FORM**

  
\_\_\_\_\_  
CITY ATTORNEY

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**CHINO BASIN WATERMASTER**

**ADVISORY COMMITTEE**

**November 17, 2011**

**AGENDA**

**INTERAGENCY WATER MANAGER'S REPORT**

**Chino Basin Watermaster**

**9641 San Bernardino Road**

**Rancho Cucamonga, CA 91730**

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**Discussion Items:**

- MWD Update (oral)
- Water Softener Initiative (oral, attachment)

**Written Items:**

- State and Federal Legislative Reports
- Community Outreach/Public Relations Report
- IEUA Monthly Water Newsletter



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Fred Hamilton, Publisher & CEO;  
President, Los Angeles Newspaper Group  
Frank Pine, Executive Editor & General Manager  
Mike Brossart, Senior Editor  
Jessica Keating, Assistant Opinion Editor  
Jim Maples, Reader Nick Quackenbos, Reader  
Sally Rivera, Reader Ruby Simpson, Reader

SATURDAY  
38/1



TODAY  
75/55



INLAND VALLEY

# Daily Bulletin

754

FRIDAY, OCTOBER 21, 2011

## WATER SOFTENERS

# Curb salt going into groundwater

**T**he Inland Valley's economic well-being is inextricably connected with its water supply.

For one thing, the more water that has to be imported from sources like the Colorado River or the Sacramento-San Joaquin River Delta, the higher percentage of their budgets local users — residents, businesses, schools and colleges, everyone — have to pay for their water.

For another, future residential and commercial development depend by law on having a reliable water supply for years to come.

We're fortunate to be sitting on the huge Chino Basin underground water reservoir, which local water agencies — and hence, their residential, business and governmental customers — have spent a fortune to clean up, removing salts and other substances to make it available for our use.

That's why we urge local cities and water boards to adopt the model ordinance on water softeners that the Inland Empire Utilities Agency has provided them.

The ordinance bans new installations of salt-discharging water softeners, the kind that homeowners dump bags of salt into. Trouble is, the salt winds up in our groundwater and then has to be removed.

Two desalters, which cost more than \$300 million to build and are expensive to operate, pull salts out of the Chino Basin groundwater day after day, reducing the water's salt content to the point where it can be recycled.

It's analogous to the old saw about digging a hole: The first thing to do when you're trying to get the salt out of your water is to stop adding more salt.

The water softener industry is fighting the ordinance, sending letters to cities and water agencies claiming that it was adopted in haste with little public review, and warning that it will open houses to police searches to enforce the ban. Wrong on both counts.

We published an editorial in May 2010 supporting the work of the Regional Water Softener Model Ordinance Task Force, so it hasn't exactly been a secret nor did the ordinance come out of nowhere. It was discussed at at least a dozen public meetings, including a June 15 public hearing chaired by IEUA board Vice President Michael Camacho, and adopted five weeks later. Ken Willis, Upland councilman and longtime member of state and regional water boards, said in 20 years he's never seen an issue so publicly vetted as this one.

No police action will be involved. Anyone with a traditional salt-discharging softener can keep using it indefinitely, but no new installations of such units would be allowed. Installation of salt-free softeners or salt-exchange services, in which canisters of used salt are picked up by a company that dumps it into a brine line — keeping it out of the groundwater — would be allowed and encouraged. IEUA is offering rebates of up to \$2,000 to a homeowner who removes a salt-discharge unit and either goes without or replaces it with an approved unit.

We encourage IEUA's member agencies, cities and water districts from Chino Hills to Fontana, to adopt their own versions of the model ordinance in coming months.

Let's keep our local groundwater usable.

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Date: November 16, 2011  
To: The Honorable Board of Directors  
Through: Public, Legislative Affairs, and Water Resources Committee (11/09/11)  
From: Thomas A. Love  
General Manager  
Submitted by: Martha Davis  
Executive Manager of Policy Development  
Subject: October Legislative Report from Agricultural Resources

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**RECOMMENDATION**

This is an informational item for the Board of Directors to receive and file.

**BACKGROUND**

Dave Weiman provides a monthly report on his federal activities on behalf of IEUA.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

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# *Agricultural Resources*

635 Maryland Avenue, N.E.  
Washington, D.C. 20002-5811  
(202) 546-5115  
(202) 546-4472-fax  
[agresources@erols.com](mailto:agresources@erols.com)

October 28, 2011

## **Legislative Report**

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**TO:** Thomas Love  
General Manager, Inland Empire Utility Agency

**FR:** David M. Weiman  
Agricultural Resources  
LEGISLATIVE REPRESENTATIVE, IEUA

**SU:** Legislative Report, October 2011

**Highlights:**

- *Super Committee Heads for Late November Target*
- *Water Softener Issue – Looking Back and Looking Forward*
- *Bay Delta – Federal Legislation*
- *Drought Conditions/Water Supply*
- *IEUA Working Partners*

*Super Committee Heads for Late November Target.* The Super Committee is now meeting. What is happening (or not happening) changes daily. It's in a swirl. Cut \$1.5 Trillion over 10 years. Cut \$ 3.0 Trillion. No, cut \$4.0 Trillion. Add a "Jobs" title. Don't add a Jobs Title. Taxes off the table. Taxes (for the rich) essential. The Tea Party. The Occupy Movement. The public wants a deficit package. Maybe no. Jobs numbers are stagnant. Insignificant jobs uptick this month, but otherwise flat. Defense establishment claiming DOD and defense industry cannot tolerate further cuts. Now, industry sector after sector is now coming forward explaining that (a) they contribute to jobs; and (b) there programs should not be cut. Articles are now appearing speculating that the Committee will not produce a bill. The ebb and flow of events is dizzying. Committee members are driving Washington crazy because they are not talking –

perhaps the only thing on which the Committee Members have reached agreement. The implications are staggering. The very structure and shape of the Federal Government is up for grabs. Meanwhile, events in Europe involving their debt crisis are spilling over and have the capacity to significantly impact both the US and global economies. In every direction – uncertainty (in budget and financial systems that demand “certainty”).

***EPA – Water Softeners – Looking Back and Looking Forward.*** When EPA withdrew the NOI, IEUA leadership – joined by ACWA, LASD and others believed that this issue had been resolved. Not so. Among the first things to happen, Ben Grumbles, former AA for Water at EPA and President, Clean Water America Alliance began to suggest that EPA should “reconsider” its decision on the NOI and now, proceed with it. What changed? Nothing. All sorts of jockeying was occurring behind closed doors. EPA staff was upset over what happened and it was recognized that this issue – whatever it was – was NOT over. As the Board knows, the Water Quality Association began writing outrageous letters to IEUA and the cities and communities served. IEUA was accused of improper procedures and otherwise denying the industry a reasonable opportunity to present its views. These charges were bogus – they were false. Industry then placed a large paid ad – an “Open Letter” to IEUA – in the newspaper. In short, industry decided to further the fight over salt-based water softeners.

It is useful to be aware that not only did industry boycott the IEUA regulatory process, but the same industry boycotted the EPA NOI comment process a year ago. In fact, the NOI process was noteworthy for a single reason – almost no one (as in near zero) in the public supported the NOI. This means, in very simple terms, that the water softener industry did not support a EPA NOI process advanced by the WaterSense office.

A rather remarkable unanticipated development occurred – not in Washington, but in the District. The water softener industry does not speak with one voice. That has been understood for some time. Martha Davis was contacted and invited to be briefed on a new salt-less water softener technology. This was significant at many levels and for many reasons, not the least of which was the EPA WaterSense program staff previously insisted that such technology did not exist (therefore, reviewing the older salt-based technology was appropriate and reasonable. This single contact, from industry to IEUA overturned that EPA assumption.

That briefing took place last month. As a result, IEUA recommended to industry leaders (from that portion of industry investing and promoting salt-less technology) that they conduct briefings in Southern California, Sacramento and Washington, DC. My office prepared a plan for a Washington, DC briefing (possibly in December) that would include outreach to Federal Departments and Agencies including, EPA, CEQ, DOI, Congress (key committees and members) and water industry reps.

It is particularly important to bring these technology developments to EPA because their working assumption – their programmatic belief – was that such technology did not exist. During November, the “outreach” and “educational” efforts will be finalized. IEUA is actively working with ACWA on this initiative, in Sacramento and Washington, DC.

**Bay Delta.** As previously report, legislation to overturn California water rights and Area of Origin rights stalled. Talks are under way. Drafts and redrafts were circulated, but agreement is elusive. As reported last month, *"The conflict persists. If there's a solution or compromise, it's not evident. In the meantime, opposition to the legislation (and attempts to rewrite it) continue. The bill is generating attention – and highlighting (and intensifying) regional conflicts."*

**Drought Conditions and Water Supplies.** The report this month is almost identical to last month – that is, *"California, during the past several months, was largely free of current drought conditions (slight exception for the Mojave and Imperial Valley which both experienced lowest of five levels of drought). Moving east on the National map is another story. Arizona is suffering serious drought, but the worst conditions exist in New Mexico and virtually the entire State of Texas is in the worst of sustained drought conditions. As reported last month, the drought extends east – across the Southern Tier to Florida."*

**IEUA Continues to Work With Various Partners.** On an on-going basis in Washington, IEUA continues to work with:

- a. Metropolitan Water District of Southern California (MWD)
- b. Milk Producer's Council (MPC)
- c. Santa Ana Watershed Project Authority (SAWPA)
- d. Water Environment Federation (WEF)
- e. Association of California Water Agencies (ACWA)
- f. WaterReuse Association
- g. CALStart
- h. Orange County Water District (OCWD)
- i. Cucamonga Valley Water District (CVWD)
- j. Western Municipal Water District
- k. Chino Basin Watermaster
- l. Western Urban Water Coalition
- m. National Water Resources Association



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Date: November 16, 2011  
To: The Honorable Board of Directors  
Through: Public, Legislative Affairs, and Water Resources Committee (11/09/11)  
From: Thomas A. Love  
General Manager  
Submitted by: Martha Davis  
Executive Manager of Policy Development  
Subject: October Legislative Report from Innovative Federal Strategies, LLC

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**RECOMMENDATION**

This is an informational item for the Board of Directors to receive and file.

**BACKGROUND**

Letitia White provides a monthly report (attached) on their federal activities on behalf of IEUA.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

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*Innovative Federal Strategies* LLC  
Comprehensive Government Relations

**MEMORANDUM**

**To:** Tom Love and Martha Davis, IEUA  
**From:** Letitia White and Heather Hennessey  
**Date:** October 28, 2011  
**Re:** October Monthly Legislative Update

Congress has been busy during the last month, mainly on budget issues. The House and Senate are feeling the pressure to pass the fiscal year 2012 appropriations bills before the current continuing resolution expires on November 18<sup>th</sup>. The chambers are also anxious that the "super committee" comes up with the required \$1.2 trillion in savings before the Thanksgiving holiday. And all of this is very much in the media spotlight with the Congress and President at all-time low approval ratings.

We very much appreciated the opportunity to visit with IEUA executives during our October visit to California. The meeting gave us a helpful status update on your ongoing programs and flagged several issues that we will continue to work with you on going forward. Please keep us posted as the issues evolve on your end.

**FY12 Appropriations**

As you know, the federal fiscal year started on October 1<sup>st</sup> but none of the twelve annual appropriations bills has been signed into law. Our federal government is currently running on what is known as a CR or continuing resolution, which provides funding at the prior year's levels. The current CR expires on November 18<sup>th</sup> so the House and Senate are scrambling to find the best way forward in Washington's politically charged climate. The House has passed six of the annual bills and the Senate has worked on one free standing bill and one package of three bills, affectionately known as a "mini-bus". This first mini-bus combines the Agriculture bill, the Commerce-Justice-Science bills and the Transportation-Housing and Urban Development. While passing one large appropriations package – an omnibus in Hill jargon – might be easier on some levels; several mini-bus bills might actually have a better chance of passing both the Republican-run House and Democrat-run Senate.

An interesting development occurred in the Senate two weeks ago where Senate Majority Leader Harry Reid (D-NV) and Senate Minority Leader Mitch McConnell (R-KY), who are both veterans of the Senate Appropriations Committee, announced their shared interest in passing all twelve of the appropriations bills in three minibus packages. House conservatives have already taken a hard line against an omnibus and their resistance would almost ensure that GOP House leaders would need Democratic votes to pass it, a tactic they would be reluctant to use. As a result, mini-buses might have more appeal to Republican leaders because they could cobble

## *Innovative Federal Strategies LLC*

together a GOP majority by packaging a bipartisan measure, such as Defense or Military Construction-VA, with one or two less popular bills. The House's top Democrat appropriator, Norm Dicks (D-WA), said last week that he'd "welcome" moving two or three spending bills at a time through the chamber. But on the flip side, a single omnibus would give individual Members less input which might prevent as many demands on GOP leaders from conservative Members as there would be on minibuss bills. They also argue a single vehicle would give them more leverage in negotiations with Democrats about spending levels and riders.

Whatever the case, Congress will be more pressed than in recent years to wrap up as much of their appropriations work as possible quickly because by the end of November lawmakers will receive the recommendations of the deficit committee, which both chambers must vote on by December 23. Also, if they do not complete work by November 18<sup>th</sup>, a new continuing resolution must also be passed. Despite all this pressure, it looks increasingly as if all twelve bills will not be law until right before Christmas.

### **Super Committee**

Speaking of the deficit or "super committee", despite the odds against striking a major deal, members of the joint deficit reduction committee are making what seems like progress, particularly when compared with the acrimony and walkouts that derailed budget talks over raising the debt limit this summer. Super Committee panel members remain serious and optimistic. All twelve of the principals are still at the table and appear to be in the early stages of serious negotiations. The talks are mostly being held behind closed doors and very few details have leaked out of those talks. There have only been three public hearings. At points, even Super Committee staff has been dismissed so the Members may talk privately. The panel's 12 members say they believe their odds of reaching agreement on at least \$1.2 trillion in deficit reduction, as called for by the debt limit increase law, are improved if they keep their discussions private, preventing interest groups and others from picking apart or attacking proposals under consideration. Nevertheless, it's clear they have engaged in substantive discussions, moved through issues including overhauling entitlement programs and the tax system, searched for common ground, and even created subgroups to further study topics. Several panelists say their talks have moved from simply framing partisan arguments to beginning negotiations.

One recent signal that the committee is seeking common ground is a letter that four panel members — two Democrats and two Republicans — sent to President Obama last Friday, urging him to explore the reallocation of existing broadcast spectrum as well as auctioning off spectrum to raise revenue. They wrote the move could raise tens of billions of dollars. Revenue from a spectrum sell-off could emerge as a bipartisan option for allowing the panel to raise some revenue to spur job growth, a Democratic priority, without having to increase taxes, which has become anathema for many Republicans. Whatever the case, a big deal is bound to be controversial and will no doubt have something for everyone to hate.

Nevertheless, the pressure on the super committee to come up with a workable plan is increasing. Recent reports say that banks are worried that the super committee will not be able to complete its work which could trigger another downgrading of the U.S. debt. As you know, the last downgrade of the debt caused huge losses in the financial markets; yet another downgrade could be catastrophic to our faltering economy.

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### **President Obama's Jobs Bill**

As you have probably heard, President Obama's jobs bill died in the Senate two weeks ago. Senate Democratic leaders moved to Plan B which was to take the President's package apart and push for votes on pieces of the package that they hope Republicans would either support or pay a political price for their opposition. Before leaving for their recess, at the end of the month the Senate brought up a portion of the President's plan that would provide \$35 billion for teachers, police and firefighters. The measure was rejected on a 50-50 vote. Republicans were against the bill due to the funding offset – a 0.7 percent surcharge on income exceeding \$1 million. When the Senate returns in November, the leadership plans to bring up the President's infrastructure portion of his jobs bills. This bill aims to create jobs with \$50 billion for road, bridge, rail, transit and airport projects. The plan includes:

- \$2 billion for airport development grants, plus \$1 billion for the Federal Aviation Administration to advance its NextGen air traffic control system upgrade.
- \$27 billion for highway and rail projects
- \$4 billion specifically for passenger-rail upgrades, including some high-speed rail projects, and \$2 billion for Amtrak to upgrade and replace equipment and infrastructure
- \$3 billion to capitalize public transit projects, with another \$6 billion for “fixed guide way” light rail and electric trolley buses, as well as bus systems.
- \$5 billion for competitive grants available for any transportation additions and upgrades

For the longer term, the bill would establish a national infrastructure bank to fund future transportation projects, helping to match public and private money. Republicans have expressed support for infrastructure-bank proposals in the past, and the idea has gotten support from key business groups as well.

### ***Outlook for October***

The main focus for Congress in the month of November will be to get a new continuing resolution passed and finish FY12 appropriations. Members and the general public alike will also be waiting with baited breath for the results of the super committee's work to be released. Given the partisan acrimony we have seen over the past several months, no one is very optimistic that these tasks will be completed peacefully and on schedule. However, if Representative and Senators are following the polls, they should be keenly aware that their approval ratings are at an all time low. Maybe this will inspire some bi-partisanship?

We will be monitoring all of this and will keep you informed as we learn more.

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**Inland Empire Utilities Agency**  
A MUNICIPAL WATER DISTRICT

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Date: November 16, 2011  
To: The Honorable Board of Directors  
Through: Public, Legislative Affairs, and Water Resources Committee (11/09/11)  
From: Thomas A. Love  
General Manager  
Submitted by: Martha Davis  
Executive Manager of Policy Development  
Subject: October Legislative Report from Dolphin Group

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**RECOMMENDATION**

This is an informational item for the Board of Directors to receive and file.

**BACKGROUND**

Michael Boccadoro provides a monthly report (attached) on the Dolphin Group's activities on behalf of the Chino Basin/Optimum Basin Management Program Coalition.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

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**October 28, 2011**

**To:** Inland Empire Utilities Agency  
**From:** Michael Boccadoro  
President  
**RE:** October Status Report



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Please find attached the status report from The Dolphin Group for the month October 2011.

Governor Jerry Brown acted on the remaining legislation on his desk as the October 9 deadline to sign or veto bills for the legislative session came to an end. Several of those bills signed in October affected energy issues, including AB 512 (Gordon), which expands the government renewable energy program to include renewable-energy facilities up to 5 MW and SB 489 (Wolk), which expands the net energy metering program to include all renewable projects.

One bill that Governor Brown and the legislature were unable to pass during the legislative session was the reauthorization of the energy Public Goods Charge (PGC). Governor Brown has directed the California Public Utilities Commission (CPUC) to consider alternative means to keep the program, set to expire in January, funded in the future. The CPUC has opened a new rulemaking proceeding to address the issue.

The CPUC also continued its proceeding on the implementation of SB 32 (Feed in Tariff). A revised staff proposal was released, providing a comprehensive program that addresses the major implementation issues.

The California Energy Commission (CEC) focused on a number of operational changes in October, as they move to hosting one all-day meeting per month, rather than the current schedule of hosting two half-day meetings each month. The CEC is also continuing to address the out-of-state biomethane issue and may possibly put significant requirements, and possible limitations, on its continued use.

Meanwhile, the California Air Resources Board (CARB) unanimously voted to approve rules for the implementation of the state's cap and trade program rules at its October meeting. The initial rollout of the program is set to begin in 2012.

## **Inland Empire Utilities Agency Status Report – October 2011**

### ***Governor Brown Signs Energy Legislation at Deadline***

As the October 9 deadline to sign or veto legislation rapidly approached, Governor Brown acted on a number of energy related bills. Included in this action, Brown signed AB 512 (Gordon), which expands the local government self-generation program to include renewable-energy facilities up to 5 MW. Under the not-widely utilized program, local governments are able to install renewable energy generation projects at one location and serve (credit) other accounts owned by the same local entity.

Governor Brown also signed into law SB 489 (Wolk), which expands the net-energy-metering (NEM) program to include all renewable energy resources, including biogas. The NEM expansion faced significant opposition from the state's investor owned utilities. The program is now expected to attract a greater number of commercial customers, including biogas projects. The Governor had previously signed AB 1150 (M. Perez) extending the Self-Generation Incentive Program.

### ***Governor Brown Looks to CPUC to Continue Public Goods Charge***

After failing to pass legislation to reauthorize the energy Public Goods Charge (PGC) during the legislative session, Governor Brown turned to the California Public Utilities Commission (CPUC) to find a way to extend the program. In response, the CPUC opened a new rulemaking proceeding in October to explore ways to fund the PGC before it expires in January 2012.

Funding levels for research, development and demonstration of renewables and the appropriate means to collect the surcharge from ratepayers will be addressed in the first phase of the new case, which the CPUC hopes to conclude by December 15. If the first phase is approved, the second phase will address program design and administration. The second phase will most likely continue into early 2012. A number of parties are supporting CPUC action to extend the programs and expand the renewables program for biogas projects.

### ***SB 32 Implementation/RPS Proceeding***

The CPUC proceeding focused on SB 32 (Feed-in Tariff) implementation is continuing. A revised staff proposal was released in late October that provides a comprehensive Renewable Feed-in Tariff (FiT) program that addresses all of the major implementation issues.

SB 32 was pursued by IEUA to correct a deficiency in the existing FiT program whereby the tariff, or power purchase price, is set at the market price referent (MPR). Under the revised staff proposal, the purchase prices would be set based on the future outcome of a separate renewable procurement program known as the renewable auction mechanism (RAM). The RAM is designed to procure renewable energy from small renewable energy projects up to 20 MW in size.

Proponents of SB 32 have significant concerns with the staff proposal, most notably that the reliance on the RAM could result in a prohibitively low FiT power purchase price. Parties are concerned that the RAM will be dominated by highly subsidized photovoltaic (PV) solar projects and thereby result in a low initial price. Parties are also concerned that the sized difference (20 MW under RAM) will also skew the market price lower.

Comments on the staff proposal are due in early November and the CPUC is expected to issue a proposed decision before the end of the year.

### ***California Energy Commission Makes Operational Changes***

At its early October meeting, the California Energy Commission (CEC) presented a number of internal operational changes to be instituted in 2012. Among those changes will be a switch to holding one all-day meeting per month, as opposed to the current process of two half-day meetings. The CEC will also seek to reduce the number of commissioner committees by eliminating all policy committees. In their place, the CEC will assign lead commissioners to each policy issue, who will be in charge of hosting workshops in planning and rulemaking proceedings.

Other changes will relate to streamlining processes for solicitation and agreement on contracts, grants and loans, along with a number of other steps to improve efficiency within the commission.

### ***CARB Finalizes Cap-and-Trade Regulations***

The California Air Resources Board (CARB) unanimously voted to approve the state's cap and trade program rules at its October 20 meeting. The first of its kind program is seen as an integral component to achieving the greenhouse gas goals called for by AB 32.

The program will cover approximately 360 businesses in the state that are responsible for emitting more than 25,000 metric tons of carbon dioxide gases per year. The initial rollout from 2012 to 2014 will include utilities and industrial sources of greenhouse gases. The second phase, starting in 2015, will add fossil fuel distributors.

The program includes an adaptive management plan to adjust to any unexpected outcomes. The program has received a large amount of support from regulators, legislators and environmental organizations throughout the state, but received a cooler reception from business interests that believe the regulations could cause businesses to move out of state.

The cap-and-trade program could have significant indirect implications for water agencies through higher energy prices from capped utilities.

### ***Legislation***

With the October 9 deadline for Governor Brown to sign or veto bills passed, the legislative year is officially over. However, a number of bills are pending and will carry-over into the second year of the legislative session. New bill introductions will also be permitted in January and February for consideration in 2012.

Key measures being followed by IEUA include:

**LEGISLATION ADDRESSED IN 2011**

CA AB 134 **AUTHOR:** Dickinson (D)

**TITLE:** Sacramento Regional County Sanitation District

**INTRODUCED:** 01/12/2011

**DISPOSITION:** Enacted

**LOCATION:** Chaptered

**SUMMARY:**

Authorizes the Sacramento Regional County Sanitation District to file an application for a permit to appropriate a specified amount of water that is based on the volume of treated wastewater that the district discharges into the Sacramento River and recovers for reuse. Authorizes the State Water Resources Control Board to grant a permit to appropriate that treated wastewater upon terms and conditions determined by the board. Requires the board to comply with specified related requirements.

**Position:** Watch

CA AB 275 **AUTHOR:** Solorio (D)

**TITLE:** Rainwater Capture Act of 2011

**INTRODUCED:** 02/07/2011

**DISPOSITION:** Vetoed

**LOCATION:** Vetoed

**SUMMARY:**

Enacts the Rainwater Capture Act of 2011. Authorizes residential, commercial, and governmental landowners to install, maintain, and operate rain barrel systems and rainwater capture systems for specified purposes. Requires a local agency to notify a public water system of any permit program. Authorizes a landscape contractor to enter into a prime contract for the construction of such system, if it is used exclusively for landscape irrigation. Authorizes such contractors to design and install exterior parts.

**Position:** Support

CA AB 359 **AUTHOR:** Huffman (D)

**TITLE:** Groundwater Management Plans

**INTRODUCED:** 02/14/2011

**DISPOSITION:** Enacted

**LOCATION:** Chaptered

**SUMMARY:**

Requires a local groundwater management agency to provide a copy of a resolution of intention to adopt a groundwater management plan to the Department of Water

Resources. Authorizes any person to be placed on the list to receive plan preparation notices. Requires the existing plan to remain in effect if the new plan is not implemented. Requires the department to post specified related information on its Web site. Specifies that groundwater projects shall include projects of the regional water plan.

**Position:** Watch

CA AB 512 **AUTHOR:** Gordon (D)  
**TITLE:** Local Government Renewable Energy Self-Generation  
**INTRODUCED:** 02/15/2011  
**DISPOSITION:** Enacted  
**LOCATION:** Chaptered  
**SUMMARY:**

Expands the definition of an eligible renewable generating facility to include a facility with a specified generation capacity. Prohibits an electrical corporation from being required to compensate a local government for electricity generated from a facility in excess of the bill credits applied to the benefiting account. Prohibits a local government facility from being eligible for any other tariff or program that requires such corporation to purchase generation from that facility while in the program.

**Position:** Watch

CA AB 741 **AUTHOR:** Huffman (D)  
**TITLE:** Onsite Wastewater Disposal  
**INTRODUCED:** 02/17/2011  
**DISPOSITION:** Enacted  
**LOCATION:** Chaptered  
**SUMMARY:**

Amends an existing law authorizing a property owner included within an assessment district for construction of a main trunkline or collector sewer lines, to request construction plumbing to connect his or her property to the adjoining public sewer system, and creates a lien. Relates to funding. Authorize defined entities, to use this provision for the purpose of converting properties from onsite septic systems and connecting them to the sewer system and for replacing or repairing existing sewer laterals.

**Position:** Support

CA SB 215 **AUTHOR:** Huff (R)  
**TITLE:** Invasive Aquatic Species: Mussels  
**INTRODUCED:** 02/09/2011  
**DISPOSITION:** Enacted  
**LOCATION:** Chaptered  
**SUMMARY:**

Extends the repeal date of existing law that generally prohibits a person from possessing, importing, shipping, or transporting, or from placing, planting, or causing to be placed or planted in any water within the state, dreissenid mussels, and authorizes the Director of Fish and Game or his or her designee to engage in

enforcement activities. Provides that a person who violates, resists, delays, obstructs, or interferes with the implementation of these provisions is subject to a penalty.

**Position:** Support

CA SB 489 **AUTHOR:** Wolk (D)  
**TITLE:** Electricity: Net Energy Metering  
**INTRODUCED:** 02/17/2011  
**DISPOSITION:** Enacted  
**LOCATION:** Chaptered  
**SUMMARY:**

Relates to net energy metering. Requires an eligible customer-generator to utilize a renewable source listed in the definition of a renewable electrical generation facility used for the Renewable Energy Resources Program. Provides that a small hydroelectric generation facility is not an eligible renewable electrical generation facility. Requires a customer of an electrical corporation to use specified technology for funding pursuant to the self-generation incentive program. Repeals a related pilot project.

**Position:** Support

CA SB 607 **AUTHOR:** Walters (R)  
**TITLE:** Water Resources Board: Brackish Groundwater Treatment  
**INTRODUCED:** 02/17/2011  
**DISPOSITION:** Enacted  
**LOCATION:** Chaptered  
**SUMMARY:**

Requires the Water Resources Control Board to either amend the State Ocean Plan, or adopt separate standards, to address water quality objectives and effluent limitations that are specifically appropriate for brackish groundwater treatment system facilities that produce municipal water supplies for local use.

**Position:** Watch

### LEGISLATION TO BE ADDRESSED IN 2012

CA AB 83 **AUTHOR:** Jeffries (R)  
**TITLE:** Environment: CEQA Exemption: Recycled Water Pipeline  
**INTRODUCED:** 01/05/2011  
**DISPOSITION:** Pending - Carryover  
**LOCATION:** Assembly Natural Resources Committee  
**SUMMARY:**

Amends existing law regarding California Environmental Quality Act environmental impact reports. Exempts a project for the installation of a new pipeline for the distribution of recycled water within an improved public street, highway, or right-of-way.

**Position:** Support  
CA AB 157 **AUTHOR:** Jeffries (R)  
**TITLE:** Safe, Clean and Reliable Drinking Water Supply Act  
**INTRODUCED:** 01/19/2011  
**DISPOSITION:** Pending - Carryover  
**LOCATION:** Assembly Water, Parks and Wildlife Committee  
**SUMMARY:**  
Reduces the total amount of bonds authorized to be issued pursuant to the Safe, Clean and Reliable Drinking Water Supply Act of 2012. Makes conforming reductions to amounts specified to be allocated from these bond funds for certain purposes.

**Position:** Watch  
CA AB 467 **AUTHOR:** Eng (D)  
**TITLE:** Safe Drinking Water, Water Quality and Supply  
**INTRODUCED:** 02/15/2011  
**DISPOSITION:** Pending - Carryover  
**LOCATION:** Assembly Appropriations Committee  
**SUMMARY:**  
Amends existing law that requires the State Department of Public Health, in collaboration with the Department of Toxic Substances Control and the State Water Resources Control Board, to develop and adopt regulations governing the repayment of costs that are subsequently recovered from parties responsible for the contamination of groundwater. Requires the State of Department of Public Health to develop guidelines governing this repayment.

**Position:** Watch  
CA AB 550 **AUTHOR:** Huber (D)  
**TITLE:** Sacramento-San Joaquin Delta: Peripheral Canal  
**INTRODUCED:** 02/16/2011  
**DISPOSITION:** Pending - Carryover  
**LOCATION:** Assembly Water, Parks and Wildlife Committee  
**SUMMARY:**  
Prohibits the construction of a peripheral canal that conveys water from a diversion point in the Sacramento River to a location south of the Sacramento-San Joaquin Delta, unless expressly authorized by the Legislature. Requires the Legislative Analyst's Office to complete an economic feasibility analysis prior to the enactment of a statute authorizing the construction of a peripheral canal. Prohibits the construction and operation of a peripheral canal from diminishing water quality.

**Position:** Oppose  
CA AB 723 **AUTHOR:** Bradford (D)  
**TITLE:** Energy: Public Goods Charge  
**INTRODUCED:** 02/17/2011  
**DISPOSITION:** Pending - Carryover  
**LOCATION:** Senate Energy, Utilities and Communications Committee  
**SUMMARY:**



Amends the Public Utilities Act that requires an electrical corporation to identify a separate electrical rate component, commonly referred to as the public goods charge to fund energy efficiency, renewable energy, and research, development, and demonstration programs that enhance system reliability and provide in-state benefits. Extends this requirement. Makes technical and conforming changes. Requires the Public Utilities Commission to implement various elements relating to energy efficiency.

CA AB  
1361

**Position:** Watch  
**AUTHOR:** Perea (D)  
**TITLE:** Electrical Corporations: Net Metering  
**INTRODUCED:** 02/18/2011  
**DISPOSITION:** Pending - Carryover  
**LOCATION:** Assembly Utilities and Commerce Committee  
**SUMMARY:**

Revises the definition of an eligible customer-generator to include a defined state agency. Requires that the generating capacity of a facility used by a state agency not exceed 5 megawatts pursuant to both the net energy metering requirements and the wind energy co-metering requirements.

CA SB 34

**Position:** Watch  
**AUTHOR:** Simitian (D)  
**TITLE:** Water Resources Investment Act of 2011  
**INTRODUCED:** 12/06/2010  
**DISPOSITION:** Pending - Carryover  
**LOCATION:** Senate Appropriations Committee  
**SUMMARY:**

Requires revenues and charges collected under the Water Resources Investment Program to be deposited in the state Water Resources Investment Program Fund and a number of regional investment accounts within the fund. Requires money in the regional accounts be for water-related projects and programs. Requires state account moneys be appropriated for specified statewide water-related programs and the Delta plan, mercury contamination in the Sacramento-San Joaquin Delta, and for related bond debt service.

CA SB 35

**Position:** Watch  
**AUTHOR:** Padilla (D)  
**TITLE:** State Energy Research and Technology Act of 2011  
**INTRODUCED:** 12/06/2010  
**DISPOSITION:** Pending - Carryover  
**LOCATION:** Assembly Natural Resources Committee  
**SUMMARY:**

Enacts the Energy Research and Technology Program Act of 2011. Requires the State Energy Resources Conservation and Development Commission to establish and administer the California Energy Research and Technology Program (CERT) to fund research, development, and demonstration projects to lead to advancement and breakthroughs to overcome barriers to the achievement of statutory energy

goals. Requires regulation adoption. Requires the CERT council to track project progress. Requires a program review contract.

**Position:** Watch

CA SB 200 **AUTHOR:** Wolk (D)

**TITLE:** Sacramento-San Joaquin Delta: Bay Delta Conservation

**INTRODUCED:** 02/08/2011

**DISPOSITION:** Pending - Carryover

**LOCATION:** Senate Natural Resources and Water Committee

**SUMMARY:**

Amends the Delta Reform Act of 2009 that requires the Delta Stewardship Council to consider the Bay Delta Conservation Plan (BDCP) for inclusion in a specified Delta Plan and the authorizes the incorporation of the plan into the Delta Plan if the BDCP meets certain requirements. Requires any state agency that is responsible for authorizing or implementing any action of the BDCP to ensure the action is consistent with specified requirements prescribed by these provisions.

**Position:** Oppose

CA SB 370 **AUTHOR:** Blakeslee (R)

**TITLE:** Energy: Net Energy Metering

**INTRODUCED:** 02/15/2011

**DISPOSITION:** Held on Suspense

**LOCATION:** Senate Appropriations Committee

**SUMMARY:**

Relates to net energy metering. Authorizes an agricultural customer-generator with multiple meters to elect to aggregate the electrical load of the meters located on the property where the generation facility is located and on all property adjacent or contiguous to the property on which the generation facility is located, if those properties are solely owned by the agricultural customer-generator.

**Position:** Watch

CA SB 900 **AUTHOR:** Steinberg (D)

**TITLE:** Regional Water Quality Control Boards: Members

**INTRODUCED:** 02/18/2011

**DISPOSITION:** Pending - Carryover

**LOCATION:** Assembly Inactive File

**SUMMARY:**

Amends the Porter-Cologne Water Quality Control Act. Deletes provisions of the act prohibiting a board member from participating in actions that involve the member or a waste discharger with which the member is connected. Specifies that the limitation on the member's financial interest applies only to a disqualifying financial interest within the Political Reform Act. Relates to requirements, qualifications, and to disqualifying factors for regional board members.

**Position:** Watch

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Date: November 16, 2011  
To: The Honorable Board of Directors  
Through: Public, Legislative Affairs, and Water Resources Committee  
(11/09/11)  
From: Thomas A. Love  
General Manager  
Submitted by: Sondra Elrod  
Administration and Public Affairs Officer  
Subject: Public Outreach and Communications

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**RECOMMENDATION**

This is an informational item for the Board of Directors to receive and file.

**BACKGROUND**

2011 Calendar of Events

November 2011

- November 5, SAWA Bird Festival, Chino Creek Wetlands and Educational Park
- November 9, Director Camacho's IEUA/MWD Weymouth Plant Tour
- November 12, Water-Wise Landscaping Workshop, CBWCD
- November 12, Solar Cup Boat Building Workshop, Three Valleys MWD

December 2011

- December 3, Sustainable Holiday Crafts Workshop, IEUA Event Center
- December 7, MWD "Water is Life" Poster Recognition Event, MWD Board Room
- December 10, Employee Association Holiday Dinner, Sierra La Verne Country Club
- December 22, IEUA Holiday Luncheon, Los Serranos Country Club

2012 Calendar of Events

March 2012

- March 9-10, Director Camacho's IEUA/MWD Educational Tour for the SWP

April 2012

- April 19, IEUA Annual Earth Day Event, Chino Creek Wetlands and Educational Park

Outreach/Educational Inland Valley Daily Bulletin Newspaper Campaign  
The monthly tips on ways to help conserve water continue to appear in our local newspapers each month.

Water Conservation Outreach  
Regional Conservation Outreach Campaign

- Ongoing monthly ¼-page ads in the Inland Valley Daily Bulletin, Champion Newspaper, Fontana Herald News.
- Daily Bulletin's Think Environment ad ran October 31, 2011.
- Ongoing water wise gardening classes.

Educational Updates

- Upland High School garden is completed for the GIES Program. Work has begun on the gardens for Monte Vista Elementary and Los Osos High School.
- Los Osos (Rancho Cucamonga) will be participating in the MWD Solar Cup 2012. They will be attending the Boat Building Workshop at Three Valleys on November 12, 2011 where they will be learning how to construct the hull of the boat.
- EduGrants through the Water Education Water Awareness Committee have been received and a review meeting will be held mid-November. Congratulation letters will be sent out mid-December before the teachers go on winter break.
- The educational package for the Santa Ana Watershed is complete and received. A distribution/outreach campaign has started with the goal of reaching the complete Santa Ana Watershed Community.
- Marketing for the upcoming "Water is Life" Student/Art Poster contest will begin in early December in order to give teachers and students time to work on the art over winter break. The submissions will be due early April 2012.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

The above-mentioned activities are budgeted in the FY 20011/12 Administrative Service Fund, Public Information Services budget.

# IEUA MONTHLY WATER NEWSLETTER

NOVEMBER 2011 (REPORTING OCTOBER 2011 DATA)

## Highlights

- **Delta Stewardship Council Releases Draft EIR for Delta Plan** - Public hearings to receive oral comment on the draft EIR will be held November 17, 2011 and December 15, 2011 (Page 1)
- **Chino Basin Watermaster Forms Recharge Master Plan Committee** - Pursuant to a Court ruling, this committee will develop a plan to implement the adopted Master Plan (June 2010). (Page 1)
- **IEUA Recharges Over 27,000 AF In Only 4 Months** - The Chino Basin continues to recharge large quantities of storm, recycled and imported water (Page 2)

## Delta Stewardship Council

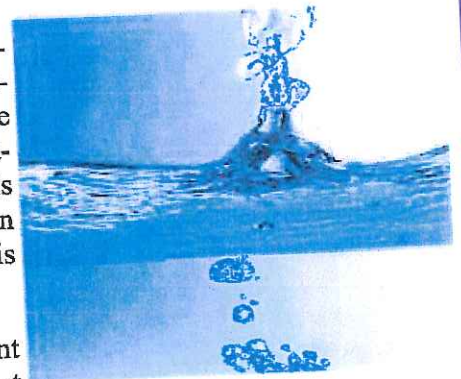
On November 4, the Delta Stewardship Council will release its draft Program Environmental Impact Report (EIR) for the Delta Plan. The environmental review process analyzes the environmental impacts of the Council's fifth staff draft of the Delta Plan as well as five other alternatives: a no project alternative, two alternatives with increased emphasis on water supply reliability, one alternative with increased emphasis on Delta ecosystem restoration and one alternative with increased emphasis on protection and enhancement of Delta communities and culture.

The draft EIR is being prepared by the Council as the Project proponent and state lead agency under the California Environmental Quality Act (CEQA) for the Delta Plan. The Delta Plan draft EIR is a programmatic EIR due to the broad nature of the Delta Plan. Specific physical actions (levee improvements to reduce flood risk, wetlands restoration to improve the Delta ecosystem, for example) to further the Delta Plan's goals would be taken by other government agencies. Those agencies, in turn, would complete project-specific environmental documents in the future at the time those specific actions are designed and proposed.

For copies of previous draft EIR, please visit the Council's website, at: [http://www.deltacouncil.ca.gov/draft\\_delta\\_plans.html](http://www.deltacouncil.ca.gov/draft_delta_plans.html).

## Chino Basin Recharge Master Plan Update

Chino Basin Watermaster, Chino Basin Water Conservation District, IEUA, local flood control districts and several others have formed a Committee that will meet over the next 6-months to develop a plan to implement the Chino Basin Recharge Master Plan Update (completed in June 2010).



## IEUA Water Supply Programs

### Imported Water Deliveries

For Calendar Year 2011, IEUA and its member agencies have purchased an estimated 36,063 AF of Tier I water (approximately 60% of the Tier I limit). This does not include approximately 35,000 AF of replenishment water purchases that IEUA purchases between May and September 2011.

### Dry Year Yield (DYY) Program

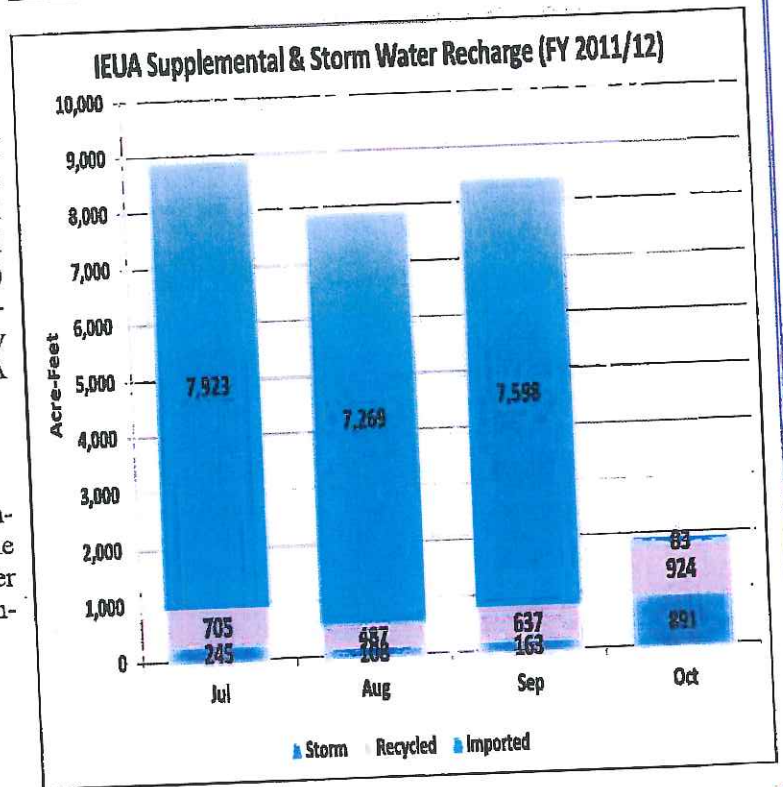
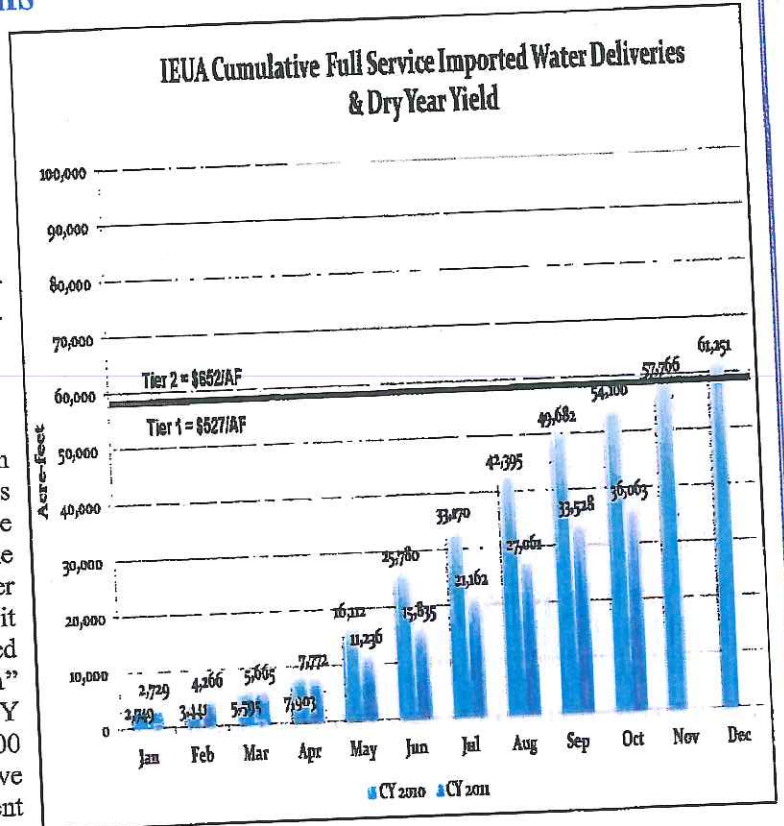
MWD has made a third consecutive call on the DYY Program. This call is considered to be a partial call because there is only 17,200 AF left in the storage account. The remaining water in the storage account will be split amongst the DYY participants based on a pre-defined "pro-rata" methodology. To date, DYY participants have certified all 17,200 AF (of which 4,707 AF will receive additional ion-exchange treatment credit from MWD).

### Chino Desalter Authority (CDA)

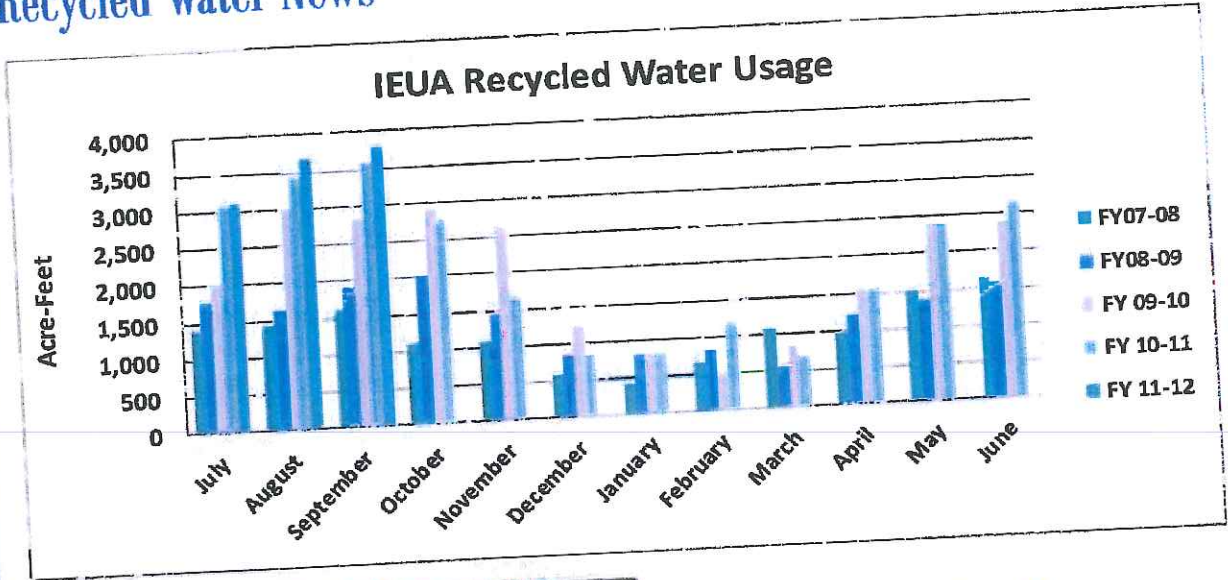
For the month of October, the two desalters produced 2,133AF of water (of which 1,237 AF was delivered to IEUA retail agencies). The contracted entitlement is 24,600 AFY (but actual production is 25,000 to 26,000 AFY) and is scheduled for expansion to produce approximately 40,000 AFY by 2014, with the implementation of CDA Phase III.

### Groundwater Recharge Program

Fiscal Year 11/12 has started out as another successful year for recharge in the Chino Basin. Through October, over 27,000 AF of storm, recycled and imported water has been recharged.



# Recycled Water News



### Recycled Water Usage:

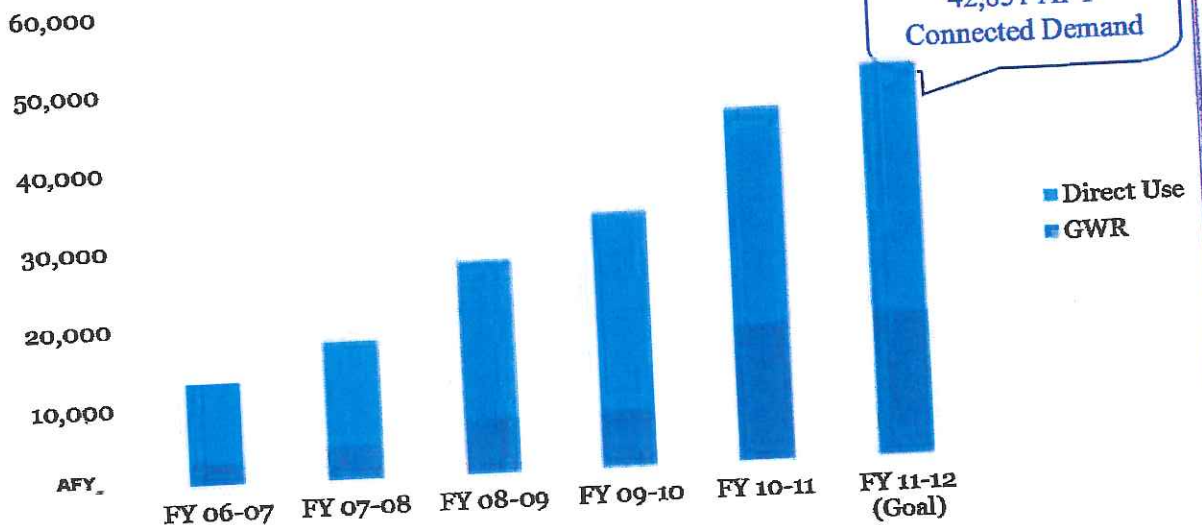
October 2011 Estimates

Recharge: 800 AF

Direct Sales: 2,800 AF

Total Usage: 3,600 AF

### IEUA Connected Recycled Water Demand





## Conservation Program News

### FY 2011-2012 New Water Resource Management Initiatives

The Legislature passed the following bills aimed towards reducing our reliance on imported water from the Sacramento-San Joaquin Delta estuary, by improving the development and reuse of our local supplies:

AB 275—(Solorio) **Rainwater Capture**—This bill enacts the Rainwater Capture Act of 2011, which would authorize residential, commercial, and governmental landowners to install, maintain, and operate rain barrel systems.

AB 849—(Gatto) **Graywater**—This bill repeals the authority of any local agency to adopt building standards that prohibits the use of graywater.

AB 359—(Huffman) **Groundwater Management Plans**—This bill authorizes all requests made for groundwater management plans to be placed on a list regarding plan preparation, meeting announcements, and availability of draft plans, maps, and other relevant documents. These documents would be shared with the planning agencies and all interested parties.

SB 834—(Wolk) **Integrated Regional Water Management Plans**—This bill requires an integrate regional water management plan to identify how it plans to further the specified state policy concerning reducing reliance on the Sacramento-San Joaquin Delta for water supply and improving regional self-reliance for water.



### FreeSprinklerNozzles.com Program

Launched on September 1, 2011, the Free Sprinkler Nozzles Voucher Program has issued 3,314 vouchers to residential customers and 11,470 high efficiency nozzles have been distributed out of the 50,000 nozzle allocation through the month of October. The program will remain open until November 11, 2011 and then re-launch on July 1, 2012. Currently six IEUA member agencies participate in this program and include the cities of Chino, Chino Hills, Ontario and Upland, Cucamonga Valley Water District, and Monte Vista Water District.

### FY 2010/11 Regional Landscape Evaluation and Audit Program (LEAP)

Launched in August 2010 and administered by the Chino Basin Water Conservation District, a total of 178 landscape audits have been completed to date (November 3, 2011), constituting a potential water savings of 210.08 acre-feet per year, if all recommendations are implemented. Of the completed audits, 80 were single family sites and 98 were commercial sites, with a total landscaped area of 113.81 acres.



### IEUA Regional High Efficiency Toilet Installation Program

Since launching in October 2006, the toilet installation program has retrofitted a total of 18,308 Ultra Low Flush and High Efficiency Toilets throughout the region. This program offers low-cost high efficiency toilets and installation to consumers in the single and multi-family demographic markets. There are 4,102 units that remain to be installed under the contract and the program is anticipated to be completed by December 2012.



# CHINO BASIN WATERMASTER

## IV. INFORMATION

1. Cash Disbursements for October 2011



CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
October 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check Bill	10/03/2011 09/29/2011	15451 Lease-ACOPEB 2011	AFS ASSOCIATES, INC.	Software lease for GASB 45 compliance Lease of ACOPEB - GASB 45	1012 - Bank of America Gen'l Ckg 6054 - Computer Software	1,200.00 1,200.00
TOTAL						37.88 37.88
Bill Pmt -Check Bill	10/05/2011 09/24/2011	15452 3-1952	A&R BRIDGESTONE FIRESTONE AUTO CARE	3-1952 Field truck maintenance	1012 - Bank of America Gen'l Ckg 6177 - Vehicle Repairs & Maintenance	37.88 37.88
TOTAL						38.94 38.94
Bill Pmt -Check Bill	10/05/2011 09/27/2011	15453 0023230253	ARROWHEAD MOUNTAIN SPRING WATER	0023230253 Office Water Bottle - September 2011	1012 - Bank of America Gen'l Ckg 6031.7 - Other Office Supplies	1,200.00 1,200.00
TOTAL						3,541.74 3,541.74
Bill Pmt -Check Bill	10/05/2011 09/30/2011	15454	CHARLES Z. FEDAK & COMPANY	Progress Billing - September 2011	1012 - Bank of America Gen'l Ckg 6062 - Audit Services	1,500.00 1,500.00
TOTAL						233.00 233.00
Bill Pmt -Check Bill	10/05/2011 09/30/2011	15455 82431	COMPUTER NETWORK	82431 Backup Exec Software for servers	1012 - Bank of America Gen'l Ckg 6054 - Computer Software	1,500.00 1,500.00
TOTAL						25.00 100.00 125.00
Bill Pmt -Check Bill	10/05/2011 10/03/2011	15456 18069340	CORO SOUTHERN CALIFORNIA	Sponsorship-Oct. 18, 2011 Luncheon & Prgm Sponsorship-Oct. 18, 2011 Luncheon & Prgm	1012 - Bank of America Gen'l Ckg 6191 - Conferences - General	1,500.00 1,500.00
TOTAL						233.00 233.00
Bill Pmt -Check Bill	10/05/2011 10/04/2011	15457 18069340	DAILY BULLETIN	18069340 10/19/11-9/19/12	1012 - Bank of America Gen'l Ckg 6112 - Subscriptions/Publications	25.00 100.00 125.00
TOTAL						86.99 86.99
Bill Pmt -Check Bill	10/05/2011 09/27/2011	15459 019447404	DIRECTV	019447404 Monthly Service for office (9/19/11-10/18/11)	1012 - Bank of America Gen'l Ckg 6031.7 - Other Office Supplies	25.00 100.00 125.00
TOTAL						25.00 100.00 125.00
Bill Pmt -Check Bill	10/05/2011 09/08/2011	15460 9/08 Ag Pool Meeting	DURRINGTON, GLEN	AG POOL MEMBER COMPENSATION 9/08/11 Ag Pool Meeting AG Pool Member Meeting Compensation	1012 - Bank of America Gen'l Ckg 8411 - Compensation 8470 - Ag Meeting Attend -Special	25.00 100.00 125.00
TOTAL						86.99 86.99

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
October 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						
Bill Pmt -Check	10/05/2011	15461	FEENSTRA, BOB	9/08/11 Ag Pool Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/08/2011	9/08 Ag Pool Mtg		9/15/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	09/15/2011	9/15 Advisory Comm		9/22/11 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	09/22/2011	9/22 Board Mtg				375.00
TOTAL						2,788.53
Bill Pmt -Check	10/05/2011	15462	GREAT AMERICA LEASING CORP.	11410365	1012 - Bank of America Gen'l Ckg	2,788.53
Bill	09/30/2011	11410365		Copier lease invoice	6043.1 - Ricoh Lease Fee	184.51
				Usage for Black Copies	6043.2 - Ricoh Usage & Maintenance Fee	238.26
				Usage for Color Copies	6043.2 - Ricoh Usage & Maintenance Fee	3,211.30
TOTAL						340.00
Bill Pmt -Check	10/05/2011	15463	GROOMAN'S PUMP & WELL DRILLING, INC.	12860	1012 - Bank of America Gen'l Ckg	340.00
Bill	09/26/2011	12860			7102.7 - In-line Meter	340.00
TOTAL						125.00
Bill Pmt -Check	10/05/2011	15464	HALL, PETE*	9/15/11 Advisory Committee Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/08/2011	9/15 Advisory Comm		9/22/11 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	09/22/2011	9/22 Board Mtg				250.00
TOTAL						125.00
Bill Pmt -Check	10/05/2011	15465	HUITSING, JOHN	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/08/2011	9/08 Ag Pool mtg		9/08/2011 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						25.00
Bill Pmt -Check	10/05/2011	15466	KOOPMAN, GENE	AG Pool Member Meeting Compensation	1012 - Bank of America Gen'l Ckg	100.00
Bill	09/08/2011	9/08 Ag Pool Mtg		9/08/11 Ag Pool Meeting	8411 - Compensation	100.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	125.00
TOTAL						147.00
Bill Pmt -Check	10/05/2011	15467	MUJAC ALARM	Bldg. monitoring from 10/01/11 to 12/31/11	1012 - Bank of America Gen'l Ckg	147.00
Bill	10/01/2011	307316			6026 - Security Services	147.00
TOTAL						2,400.00
Bill Pmt -Check	10/05/2011	15468	PARK PLACE COMPUTER SOLUTIONS, INC.	455	1012 - Bank of America Gen'l Ckg	2,400.00
Bill	09/30/2011	455		IT Services - September 2011	6052.1 - Park Place Comp Solu	2,400.00
TOTAL						62.57
Bill Pmt -Check	10/05/2011	15469	PURCHASE POWER	8000909000168851	1012 - Bank of America Gen'l Ckg	62.57
Bill	09/27/2011	8000909000168851		fed ex shipments for the month	6042 - Postage - General	62.57
TOTAL						

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Cash Disbursements For The Month of  
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	10/05/2011	15470	R&D PEST SERVICES	Continuing preventative treatment	1012 - Bank of America Gen'l Ckg 6024 - Building Repair & Maintenance	85.00 85.00
Bill	09/27/2011	0147550				
TOTAL						824.00 824.00
Bill Pmt -Check	10/05/2011	15471	THE LAWTON GROUP	Week ending 9/25/11	1012 - Bank of America Gen'l Ckg	25.00
Bill	09/25/2011	1vc070000017569			6017 - Temporary Services	100.00 125.00
TOTAL						548.03 166.53 712.56
Bill Pmt -Check	10/05/2011	15472	VANDEN HEUVEL, ROB	AG POOL MEMBER COMPENSATION	1012 - Bank of America Gen'l Ckg	25.00
Bill	09/08/2011	9/08 Ag Pool Mtg		9/08/11 Ag Pool Meeting	8411 - Compensation	100.00
Bill				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	125.00
TOTAL						55.05 55.05
Bill Pmt -Check	10/05/2011	15473	VERIZON	012519116950792103	1012 - Bank of America Gen'l Ckg	548.03
Bill	09/30/2011	012519116950792103		012561121521714508	6022 - Telephone	166.53
Bill	09/30/2011	012561121521714508			7405 - PE4-Other Expense	712.56
TOTAL						55.05 55.05
Bill Pmt -Check	10/05/2011	15474	VISION SERVICE PLAN	00-101789-0001	1012 - Bank of America Gen'l Ckg	55.05
Bill	09/27/2011	001017890001		Vision Insurance - October 2011	60182.2 - Dental & Vision Ins	55.05
TOTAL						106.53 106.53
Bill Pmt -Check	10/05/2011	15475	YUKON DISPOSAL SERVICE	08-K2 213849	1012 - Bank of America Gen'l Ckg	106.53
Bill	10/01/2011	08-K2 213849		Disposal service - October 2011	6024 - Building Repair & Maintenance	106.53
TOTAL						102.78 127.57 230.35
Bill Pmt -Check	10/13/2011	15476	ACWA SERVICES CORPORATION	00198	1012 - Bank of America Gen'l Ckg	102.78
Bill	10/11/2011	00198		Prepayment - November 2011	1409 - Prepaid Life, BAD&D & LTD	127.57
Bill				October 2011	60191 - Life & Disab.Ins Benefits	230.35
TOTAL						2,785.78 2,785.78
Bill Pmt -Check	10/13/2011	15477	CITISTREET	Payroll and taxes for 09/18/11-10/01/11	1012 - Bank of America Gen'l Ckg	2,785.78
General Journal	09/30/2011	09/30/2011	CITISTREET	457 Employee deductions - 09/18/11-10/01/11	2000 - Accounts Payable	2,785.78
TOTAL						91.59 91.59
Bill Pmt -Check	10/13/2011	15478	COMPUTER NETWORK	82545	1012 - Bank of America Gen'l Ckg	91.59
Bill	10/01/2011	82545		Backup battery	6055 - Computer Hardware	91.59
TOTAL						865.00 865.00
Bill Pmt -Check	10/13/2011	15479	GUARANTEED JANITORIAL SERVICE, INC.	28696	1012 - Bank of America Gen'l Ckg	865.00
Bill	10/01/2011	28696		Janitorial service - October 2011	6024 - Building Repair & Maintenance	865.00
TOTAL						

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Cash Disbursements For The Month of  
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	10/13/2011	15480	HALL, PETE*	AG POOL MEMBER COMPENSATION	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/08/2011	9/08 Ag Pool Mtg		9/08/11 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						295.23
Bill Pmt -Check	10/13/2011	15481	HSBC BUSINESS SOLUTIONS	7003-7309-1000-2744	1012 - Bank of America Gen'l Ckg	295.23
Bill	09/30/2011	7003730910002744		Miscellaneous office supplies	6031.7 - Other Office Supplies	295.23
TOTAL						855.00
Bill Pmt -Check	10/13/2011	15482	JAMES JOHNSTON	243	1012 - Bank of America Gen'l Ckg	855.00
Bill	09/30/2011	243		Website services - September 2011	6052.3 - Website Consulting	855.00
TOTAL						838.00
Bill Pmt -Check	10/13/2011	15483	MWH LABORATORIES	L0069057 - PE6&7-Contract Svcs (Plume)	1012 - Bank of America Gen'l Ckg	838.00
Bill	09/30/2011	L0069057		L0068376 - PE6&7-Contract Svcs (Plume)	7503 - PE6&7-Contract Svcs (Plume)	838.00
Bill	09/30/2011	L0068376			7503 - PE6&7-Contract Svcs (Plume)	1,676.00
TOTAL						246.12
Bill Pmt -Check	10/13/2011	15484	PAYCHEX	2011092900	1012 - Bank of America Gen'l Ckg	246.12
Bill	09/30/2011	2011092900		Payroll processing - September 2011	6012 - Payroll Services	246.12
TOTAL						8,110.17
Bill Pmt -Check	10/13/2011	15485	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	8,110.17
General Journal	09/30/2011	09/30/2011		CalPERS retirement for 09/18/11-10/01/11	2000 - Accounts Payable	8,110.17
TOTAL						7.91
Bill Pmt -Check	10/13/2011	15486	SAFEGUARD DENTAL & VISION	3975365	1012 - Bank of America Gen'l Ckg	7.91
Bill	10/10/2011	3975365		Dental insurance - October 2011	60192.2 - Dental & Vision Ins	7.91
TOTAL						5,000.00
Bill Pmt -Check	10/13/2011	15487	SAN BERNARDINO COUNTY FLOOD CONTROL I FC 053/12	Annual lease-Etiwanda Conservation Basins	1012 - Bank of America Gen'l Ckg	5,000.00
Bill	09/30/2011	FC 053/12			7205 - Comp Recharge-Other Expense	5,000.00
TOTAL						659.20
Bill Pmt -Check	10/13/2011	15488	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	659.20
Bill	09/30/2011	1VC070000017603		Week ending 10/02/11	6017 - Temporary Services	659.20
TOTAL						113.31
Bill Pmt -Check	10/13/2011	15489	UNION 76	300-732-989	1012 - Bank of America Gen'l Ckg	113.31
Bill	09/30/2011	300732989		Fuel - September 2011	6175 - Vehicle Fuel	113.31
TOTAL						18.22
Bill Pmt -Check	10/13/2011	15490	UNITED PARCEL SERVICE	2x81x0	1012 - Bank of America Gen'l Ckg	18.22
Bill	09/30/2011	2x81x0		Packages to GeoTech from Jim Theirl	6042 - Postage - General	18.22

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Cash Disbursements For The Month of  
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Type	Date	Num	Name	Memo	Account	Paid Amount
<b>TOTAL</b>						18.22
Bill Pmt -Check	10/13/2011	15491	WESTERN DENTAL SERVICES, INC.	Dental Insurance - November 2011	1012 - Bank of America Gen'l Ckg 60182.2 - Dental & Vision Ins	28.88
Bill	10/10/2011	002483				28.88
<b>TOTAL</b>						57.76
Bill Pmt -Check	10/19/2011	15482	BROWNSTEIN HYATT FARBER SCHRECK	442849 - BHFS Legal - Appropriative Pool	1012 - Bank of America Gen'l Ckg 8375 - BHFS Legal - Appropriative Pool	1,312.65
Bill	08/31/2011	442849		442849 - BHFS Legal - Agricultural Pool	8475 - BHFS Legal - Agricultural Pool	1,442.25
				442849 - BHFS Legal - Non-Ag Pool	8575 - BHFS Legal - Non-Ag Pool	1,312.65
				442849 - BHFS Legal - Advisory Committee	6275 - BHFS Legal - Advisory Committee	2,521.35
				442849 - BHFS Legal - Board Meeting	6375 - BHFS Legal - Board Meeting	7,766.10
				442849 - BHFS Legal - Restated Judgment	6072 - BHFS Legal - Restated Judgment	1,258.65
				442849 - BHFS Legal - Restated Judgment	6073 - BHFS Legal - Personnel Matters	142.20
				442849 - BHFS Legal - Personnel Matters	6075 - BHFS Legal - Replenishmnt Water	1,749.60
				442849 - BHFS Legal - Replenishmnt Water	6078 - BHFS Legal - Miscellaneous	4,859.08
				442849 - BHFS Legal - Miscellaneous	6907.33 - Desalter Negotiations	2,097.45
				442849 - Desalter Negotiations	6907.32 - Chino Airport Plume	1,888.65
	08/31/2011	442850		442850 - Chino Airport Plume	6907.33 - Desalter Negotiations	21,806.10
Bill	08/31/2011	442851		442851 - Desalter Negotiations	6907.35 - Paragaph 31 Motion	3,073.50
Bill	08/31/2011	442852		442852 - Paragaph 31 Motion	6907.36 - Santa Ana River Habitat	318.15
Bill	08/31/2011	442853		442853 - Santa Ana River Habitat		51,548.38
<b>TOTAL</b>						969.25
Bill Pmt -Check	10/19/2011	15493	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg 6191 - Conferences - General	20.48
Bill	09/30/2011	XXXX-XXXX-XXXX-9341		D. Alvarez-26th Annual Wateruse Symposium	6609.1 - OBMP Meetings	115.81
				D. Alvarez breakfast meeting	6154 - Uniforms	28.28
				Purchase shirts/jackets for field staff	6174 - Transportation	1,133.82
				Fastrack replenishment		
<b>TOTAL</b>						25.00
Bill Pmt -Check	10/19/2011	15494	DE BOOM, NATHAN	AG Pool Member Meeting Compensation	1012 - Bank of America Gen'l Ckg 8411 - Compensation	100.00
Bill	09/12/2011	9/12 WEI Mtg		9/12/11 Wildermuth Meeting at MPC	8470 - Ag Meeting Attend -Special	125.00
				AG Pool Member Meeting Compensation		
<b>TOTAL</b>						25.00
Bill Pmt -Check	10/19/2011	15495	DURRINGTON, GLEN	AG POOL MEMBER COMPENSATION	1012 - Bank of America Gen'l Ckg 8411 - Compensation	100.00
Bill	09/12/2011	9/12 WEI Meeting		9/12/11 Wildermuth Meeting at MPC	8470 - Ag Meeting Attend -Special	125.00
				AG Pool Member Meeting Compensation		
<b>TOTAL</b>						180,656.82
Bill Pmt -Check	10/19/2011	15496	INLAND EMPIRE UTILITIES AGENCY	90008524	1012 - Bank of America Gen'l Ckg 7206 - Comp Recharge-O&M	180,656.82
Bill	10/13/2011	90008524		Quarterly GW Recharge O&M Costs		
<b>TOTAL</b>						

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check Bill	10/19/2011 10/12/2011	15497	MUNICIPAL WATER DISTRICT OF OC	MWDOC Water Policy Forum Oct. 20, 2011 Registration fee for D. Alvarez	1012 - Bank of America Gen'l Ckg 6191 - Conferences - General	75.00 75.00
OTAL						
Bill Pmt -Check Bill	10/19/2011 09/12/2011	15498 9/12 WEI Mtg	VANDEN HEUVEL, ROB	AG POOL MEMBER COMPENSATION 9/12/11 Wildermuth meeting at MPC AG Pool Member Meeting Compensation	1012 - Bank of America Gen'l Ckg 8411 - Compensation 8470 - Ag Meeting Attend -Special	25.00 100.00 125.00
OTAL						
Bill Pmt -Check Bill	10/19/2011 09/30/2011	15499 12-22	WATER FACILITIES AUTHORITY	12-22 WFA treatment charge	1012 - Bank of America Gen'l Ckg 1420 - Prepaid Injected Water Purchase	14,173.32 14,173.32
OTAL						
Bill Pmt -Check Bill	10/19/2011 09/30/2011	15500 4555-11-01	GEOSCIENCE SUPPORT SERVICES, INC.	4555-11-01 4555-11-01	1012 - Bank of America Gen'l Ckg 7107.6 - Grd Level-Contract Svcs	14,117.00 14,117.00
OTAL						
Bill Pmt -Check Bill Bill Bill Bill Bill Bill Bill Bill Bill Bill Bill Bill	10/19/2011 09/30/2011 09/30/2011 09/30/2011 09/30/2011 09/30/2011 09/30/2011 09/30/2011 09/30/2011 09/30/2011 09/30/2011 09/30/2011 09/30/2011	15501 L0065953 L0065955 L0067496 L0066827 L0065958 L0065959 L0065960 L0065963 L0067501 L0067502 L0067502 L0067616	MWH LABORATORIES	L0065953 - Hydraulic Control-Lab Svcs L0065955 - Hydraulic Control-Lab Svcs L0067496 - Hydraulic Control-Lab Svcs L0066827 - Hydraulic Control-Lab Svcs L0065958 - Hydraulic Control-Lab Svcs L0065959 - Hydraulic Control-Lab Svcs L0065960 - Hydraulic Control-Lab Svcs L0065963 - Hydraulic Control-Lab Svcs L0067501 - Hydraulic Control-Lab Svcs L0067502 - Hydraulic Control-Lab Svcs L0067616 - Hydraulic Control-Lab Svcs	1012 - Bank of America Gen'l Ckg 7108.4 - Hydraulic Control-Lab Svcs 7108.4 - Hydraulic Control-Lab Svcs 7108.4 - Hydraulic Control-Lab Svcs 7108.4 - Hydraulic Control-Lab Svcs 7108.4 - Hydraulic Control-Lab Svcs 7108.4 - Hydraulic Control-Lab Svcs 7108.4 - Hydraulic Control-Lab Svcs 7108.4 - Hydraulic Control-Lab Svcs 7108.4 - Hydraulic Control-Lab Svcs 7108.4 - Hydraulic Control-Lab Svcs 7108.4 - Hydraulic Control-Lab Svcs	3,928.00 3,310.00 4,515.00 3,936.00 1,532.00 2,065.00 615.00 2,065.00 615.00 2,065.00 2,065.00 2,065.00
OTAL						
Bill Pmt -Check Bill Bill Bill Bill Bill Bill Bill Bill Bill Bill Bill	10/19/2011 09/29/2011 09/29/2011 09/30/2011 09/30/2011 09/30/2011 09/30/2011 09/30/2011 09/30/2011 09/30/2011 09/30/2011 09/30/2011	15502 2011364 2011365 2011366 2011367 2011368 2011369 2011370 2011371 2011372 2011372 2011373	WILDERMUTH ENVIRONMENTAL INC	2011364 - OBMP Engineering Services 2011365 - OBMP Engineering Services 2011366 - Grd Level-Engineering 2011367 - OBMP - Watermaster Model Update 2011368 - OBMP Engineering Services 2011369 - OBMP Engineering Services 2011370 - OBMP Engineering Services 2011371 - OBMP Engineering Services 2011372 - Grdwtr Level-Engineering 2011373 - Grdwtr Qual-Engineering	1012 - Bank of America Gen'l Ckg 6906 - OBMP Engineering Services 6906 - OBMP Engineering Services 7107.2 - Grd Level-Engineering 6906.1 - OBMP - Watermaster Model Update 6906 - OBMP Engineering Services 6906 - OBMP Engineering Services 6906 - OBMP Engineering Services 6906 - OBMP Engineering Services 7104.3 - Grdwtr Level-Engineering 7103.3 - Grdwtr Qual-Engineering	8,083.10 2,838.68 4,400.00 40,079.99 11,245.00 1,150.00 3,000.00 3,933.23 24,054.12 7,425.00



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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	09/30/2011	2011374		2011374 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	1,249.85
Bill	09/30/2011	2011375		2011375 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	6,456.19
Bill	09/30/2011	2011376		2011376 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	27,013.56
Bill	09/30/2011	2011377		2011377 - PE3&5-Engineering	7303 - PE3&5-Engineering	3,334.26
Bill	09/30/2011	2011378		2011378 - PE4-Engineering	7402 - PE4-Engineering	1,825.00
Bill	09/30/2011	2011379		2011379 - OBMP Engineering Services	6906 - OBMP Engineering Services	687.50
Bill	09/30/2011	2011380		2011380 - OBMP Engineering Services	6906 - OBMP Engineering Services	28,200.00
Bill	09/30/2011	2011398		2011398 - OBMP Engineering Services	6906 - OBMP Engineering Services	2,880.88
Bill	10/01/2011	2011399		2011399 - OBMP Engineering Services	6906 - OBMP Engineering Services	18,580.56
Bill	10/01/2011	2011399		2011399 - OBMP Engineering Services	6906 - OBMP Engineering Services	196,438.72
TOTAL						
Bill Pmt -Check	10/20/2011	15503	COMPUTER NETWORK	82581 Replacement laptop battery	1012 - Bank of America Gen'l Ckg 6055 - Computer Hardware	91.59
Bill	10/19/2011	82581				91.59
TOTAL						
Bill Pmt -Check	10/20/2011	15504	CORELOGIC INFORMATION SOLUTIONS	80324415	1012 - Bank of America Gen'l Ckg	62.50
Bill	09/30/2011	80324415		80324415	7103.7 - Gndwtr Quali-Computer Svc 7101.4 - Prod Monitor-Computer	62.50 125.00
TOTAL						
Bill Pmt -Check	10/20/2011	15505	CUCAMONGA VALLEY WATER DISTRICT	Lease Due November 1, 2011	1012 - Bank of America Gen'l Ckg	5,984.00
Bill	10/18/2011			Lease Due November 1, 2011	1422 - Prepaid Rent	5,984.00
TOTAL						
Bill Pmt -Check	10/20/2011	15506	INLAND EMPIRE UTILITIES AGENCY	Labor charges for Turner Basin/ Guestl Park	1012 - Bank of America Gen'l Ckg	4,697.50
Bill	10/19/2011	1800001955		Support services for Turner Basin/ Guestl Park	7202 - Comp Recharge-Engineering 7202 - Comp Recharge-Engineering	1,179.00 5,876.50
Bill	10/19/2011	1800001956				
TOTAL						
Bill Pmt -Check	10/20/2011	15507	PITNEY BOWES CREDIT CORPORATION	Property tax on postage machine	1012 - Bank of America Gen'l Ckg	56.19
Bill	10/19/2011	6684246		Monthly leasing charge	6044 - Postage Meter Lease 6044 - Postage Meter Lease	541.22 587.41
Bill	10/19/2011	6684246				
TOTAL						
Bill Pmt -Check	10/20/2011	15508	PRE-PAID LEGAL SERVICES, INC.	Employee deduction - October 2011	1012 - Bank of America Gen'l Ckg	51.80
Bill	10/19/2011	111802			60194 - Other Employee Insurance	51.80
TOTAL						
Bill Pmt -Check	10/20/2011	15509	STAULA, MARY L	Retiree Medical	1012 - Bank of America Gen'l Ckg	136.61
Bill	10/31/2011				60182.4 - Retiree Medical	136.61
TOTAL						
Bill Pmt -Check	10/20/2011	15510	THE LAWTON GROUP		1012 - Bank of America Gen'l Ckg	

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	10/19/2011	1VC070000017635		Week ending 10/09/11	6017 - Temporary Services	824.00
TOTAL						824.00
Bill Pmt -Check	10/20/2011	15511	VERIZON BUSINESS	66929768 Charge for service period 11/01/11 -11/30/11	1012 - Bank of America Gen'l Ckg 6053 - Internet Expense	1,545.23
Bill	10/19/2011	66929768				1,545.23
TOTAL						385.84
Bill Pmt -Check	10/20/2011	15512	VERIZON WIRELESS	1018695634 Monthly wireless service	1012 - Bank of America Gen'l Ckg 6022 - Telephone	385.84
Bill	10/19/2011	1018695634				385.84
TOTAL						8,322.14
General Journal	10/21/2011	10/21/2011	Payroll and Taxes for 10/02/11-10/15/11	Payroll and Taxes for 10/02/11-10/15/11	1012 - Bank of America Gen'l Ckg	8,322.14
				Payroll Taxes for 10/02/11-10/15/11	1012 - Bank of America Gen'l Ckg	25,826.22
				Direct Deposits for 10/02/11-10/15/11	1012 - Bank of America Gen'l Ckg	34,148.36
TOTAL						125.00
Bill Pmt -Check	10/25/2011	15513	BOWCOCK, ROBERT	9/15/11 Advisory Committee Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/15/2011	9/15 Advisory Comm		9/15/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	10/25/2011	15514	ELIE, STEVEN	9/22/11 Board Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/22/2011	9/22 Board Mtg		9/22/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	10/25/2011	15515	ELROD, EARL	9/22/11 Board Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/22/2011	9/22 Board Mtg		9/22/11 Board Meeting	6311 - Board Member Compensation	125.00
Bill	09/30/2011	8/25 Board Mtg		8/25/11 Board Meeting	6311 - Board Member Compensation	250.00
TOTAL						125.00
Bill Pmt -Check	10/25/2011	15516	JESKE, KEN	9/22/2011 Board Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/22/2011	9/22 Board Mtg		9/22/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	10/25/2011	15517	KUHN, BOB	9/07/11 Administrative Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/07/2011	9/07 Admin Mtg		9/07/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	09/08/2011	9/08 Appro Pool Mtg		9/08/11 Appropriative Pool Meeting	6311 - Board Member Compensation	125.00
Bill	09/11/2011	9/11 Advisory Comm		9/11/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	09/22/2011	9/22 Board Mtg		9/22/11 Board Meeting	6311 - Board Member Compensation	500.00
TOTAL						125.00
Bill Pmt -Check	10/25/2011	15518	LANTZ, PAULA	9/08/11 Appropriative Pool Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/08/2011	9/08 Appro Pool Mtg		9/08/11 Appropriative Pool Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	10/25/2011	15519	PIERSON, JEFFREY	9/08/11 Ag Pool Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/08/2011	9/08 Ag Pool Mtg		9/08/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	09/15/2011	9/15 Advisory Comm		9/22/11 Board Meeting	6311 - Board Member Compensation	125.00
Bill	09/22/2011	9/22 Board Mtg				375.00
TOTAL						
Bill Pmt -Check	10/25/2011	15520	VANDEN HEUVEL, GEOFFREY	6311	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/08/2011	9/08 Appro Pool Mtg		9/08/11 Appropriative Pool Meeting	6311 - Board Member Compensation	125.00
Bill	09/22/2011	9/22 Board Mtg		9/22/11 Board Meeting	6311 - Board Member Compensation	250.00
TOTAL						
Bill Pmt -Check	10/25/2011	15521	WILLIS, KENNETH	9/22/11 Board Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/22/2011	9/22 Board Mtg		9/22/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						
Bill Pmt -Check	10/25/2011	15522	ALVAREZ, DESI	Travel Expense Reimbursement	1012 - Bank of America Gen'l Ckg	4.00
Bill	10/24/2011			Parking for RWQCB Meeting	6174 - Transportation	40.00
Bill				Taxi fare to airport	6191 - Conferences - General	14.00
Bill				Parking for MWD Replenishment Workgroup	6174 - Transportation	58.00
TOTAL						
Bill Pmt -Check	10/25/2011	15523	APPLIED COMPUTER TECHNOLOGIES	2025	1012 - Bank of America Gen'l Ckg	2,366.60
Bill	09/30/2011	2025		Database services - September 2011	6052.2 - Applied Computer Technol	2,366.60
TOTAL						
Bill Pmt -Check	10/25/2011	15524	BROWNSTEIN HYATT FARBER SCHRECK	443253 - BHFS Legal - Appropriative Pool	1012 - Bank of America Gen'l Ckg	1,277.50
Bill	09/30/2011	443253		443253 - BHFS Legal - Agricultural Pool	8375 - BHFS Legal - Appropriative Pool	1,277.50
Bill				443253 - BHFS Legal - Non-Ag Pool	8475 - BHFS Legal - Agricultural Pool	1,279.50
Bill				443253 - BHFS Legal - Advisory Committee	8575 - BHFS Legal - Non-Ag Pool	2,666.25
Bill				443253 - BHFS Legal - Board Meeting	6275 - BHFS Legal - Advisory Committee	6,806.45
Bill				443253 - BHFS Legal - Restated Judgment	6375 - BHFS Legal - Board Meeting	7,014.60
Bill				443253 - BHFS Legal - Replenishment Water	6072 - BHFS Legal - Restated Judgment	11,746.35
Bill				443253 - BHFS Legal - Miscellaneous	6075 - BHFS Legal - Replenishment Water	11,612.70
Bill				443253 - BHFS Legal - Miscellaneous	6078 - BHFS Legal - Miscellaneous	821.78
Bill				443253 - Santa Ana River Habitat	6078 - BHFS Legal - Miscellaneous	355.50
Bill				443248 - Santa Ana River Water Rights	6907.36 - Santa Ana River Habitat	1,601.63
Bill				443249 - Chino Airport Plume	6907.34 - Santa Ana River Water Rights	5,612.10
Bill				443250 - Desalter Negotiations	6907.32 - Chino Airport Plume	31,762.57
Bill				443251 - Paragraph 31 Motion	6907.33 - Desalter Negotiations	1,842.75
Bill				443252 - Santa Ana River Habitat	6907.35 - Paragraph 31 Motion	7,181.60
TOTAL						

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
October 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						
Bill Pmt -Check	10/25/2011	15525	CALPERS	1741 Medical insurance - November 2011	1012 - Bank of America Gen'l Ckg 60182.1 - Medical Insurance	8,313.55
Bill	10/24/2011	1741				8,313.55
TOTAL						2,785.78
Bill Pmt -Check	10/25/2011	15526	CITISTREET	Payroll and Taxes for 10/02/11-10/15/11	1012 - Bank of America Gen'l Ckg	2,785.78
General Journal	10/21/2011	10/21/2011	CITISTREET	457 Employee deductions for 10/02/11-10/15/11	2000 - Accounts Payable	2,785.78
TOTAL						50.00
Bill Pmt -Check	10/25/2011	15527	CUCAMONGA VALLEY IAAP	10/26/11 Cucamonga Valley IAAP Meeting	1012 - Bank of America Gen'l Ckg	50.00
Bill	10/19/2011			Fee for Wilson & Molino to attend meeting	6192 - Training & Seminars	50.00
TOTAL						150.00
Bill Pmt -Check	10/25/2011	15528	DGO AUTO DETAILING	Wash 4 trucks on 9/21/11, 2 trucks on 10/20/11	1012 - Bank of America Gen'l Ckg 6177 - Vehicle Repairs & Maintenance	150.00
Bill	10/24/2011					150.00
TOTAL						
Bill Pmt -Check	10/25/2011	15529	INLAND EMPIRE UTILITIES AGENCY	VOID: 90008537	1012 - Bank of America Gen'l Ckg	
Bill Pmt -Check	10/25/2011	15530	MWH LABORATORIES	L0070648 - PE6&7-Contract Svcs (Plume)	1012 - Bank of America Gen'l Ckg	2,692.00
Bill	10/19/2011	L0070648			7503 - PE6&7-Contract Svcs (Plume)	3,310.00
Bill	10/19/2011	L0070650			7503 - PE6&7-Contract Svcs (Plume)	838.00
Bill	10/19/2011	L0070651			7503 - PE6&7-Contract Svcs (Plume)	6,840.00
TOTAL						27.93
Bill Pmt -Check	10/25/2011	15531	PETTY CASH	2378-2385 Supplies for 9/20/2011 85/15 workshop	1012 - Bank of America Gen'l Ckg	56.56
Bill	10/24/2011			Supplies to celebrate office birthdays	6141.2 - Committee Meetings	33.00
				MetroLink fare-Maurizio-9/23, 9/29 MWD	6174 - Transportation	55.52
				Gas for field truck	6175 - Vehicle Fuel	48.00
				To renew AAA membership	6177 - Vehicle Repairs & Maintenance	11.23
				Supplies for 10/22 Water Fair at CBWCD	6191 - Conferences - General	49.41
				Supplies for 10/20 Advisory Committee Meeting	6212 - Meeting Expense	13.98
				Supplies for 10/13 Appropriative Pool Meeting	8312 - Meeting Expenses	295.63
TOTAL						15.53
Bill Pmt -Check	10/25/2011	15532	PREMIERE GLOBAL SERVICES	09405011 Agenda call on 8/31	1012 - Bank of America Gen'l Ckg	15.52
Bill	09/30/2011	09405011		Agenda call on 8/31	8312 - Meeting Expenses	15.52
				Agenda call on 8/31	8312 - Meeting Expense	484.68
				CDA Resolution calls on 9/01, 9/07 and 9/21	7305 - PE3&5-Supplies	64.03
				Annual Report call on 9/06	6909.1 - OBMP Meetings	

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
October 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
					8512 - Meeting Expense	87.15
				Non-Ag Pool Conference call on 9/08	6022 - Telephone	92.57
				Conference call on 9/14	6141.2 - Committee Meetings	183.54
				85/15 Workshop call on 9/20	6022 - Telephone	37.74
				Monthly service and moderator fees		996.28
TOTAL						
				Payor #3493	1012 - Bank of America Gen'l Ckg	8,134.25
Bill Pmt -Check	10/25/2011	15533	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Employee deductions 10/02/11-10/15/11	2000 - Accounts Payable	8,134.25
General Journal	10/15/2011		PUBLIC EMPLOYEES' RETIREMENT SYSTEM			
TOTAL						
				1970970-11	1012 - Bank of America Gen'l Ckg	1,125.84
Bill Pmt -Check	10/25/2011	15534	STATE COMPENSATION INSURANCE FUND	WC Premium for October 2011	60183 - Worker's Comp Insurance	1,125.84
Bill	10/24/2011					
TOTAL						
				6017	1012 - Bank of America Gen'l Ckg	824.00
Bill Pmt -Check	10/25/2011	15535	THE LAWTON GROUP	Week ending 10/16/11	6017 - Temporary Services	824.00
Bill	10/24/2011	1VC070000017667				
TOTAL						
				To replace check #13866 lost in mail	1012 - Bank of America Gen'l Ckg	10,775.13
Bill Pmt -Check	10/26/2011	15536	SOUTHERN CALIFORNIA EDISON COMPANY	To replace check #13866 lost in mail	5105 - Purchase of Non-Ag Pool Water	10,775.13
Bill	02/08/2011					
TOTAL						
					Total Disbursements:	710,729.56

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# CHINO BASIN WATERMASTER

## IV. INFORMATION

### 2. Newspaper Articles



## Calif. farmers face off on new delta water system

By GOSIA WOZNIACKA, Associated Press – 14 hours ago

0

FRESNO, Calif. (AP) — California's long-running water wars typically pit farmers against environmentalists, but this time the state's growers are facing off against each other about plans to build a massive water system in the Sacramento-San Joaquin River Delta.

Farmers like Steve Heringer, whose family has grown grapes and grains near the Northern California town of Clarksburg for five generations, said plans for a new canal or tunnel that would carry river water to farms and cities in the south could ruin his land.

But 150 miles south in the heart of the San Joaquin Valley, Steve Patricio said he can't see a future for his business of growing, packing and shipping cantaloupe and honeydew without a new tunnel or canal.

The issue of how much water should be pumped from the delta is vital to the two-thirds of Californians who rely on it for drinking water and the many farmers who depend on it to cultivate 4 million acres in the nation's most productive agricultural state. It's also crucial to the delta estuary, which experts say has serious environmental problems.

The decline of once-abundant fish species has triggered regulations that limited pumping in recent years. Roiled by the restrictions and a drought, farmers and urban water users south of the delta have rallied around plans for a new conveyance system, which they say would capture and divert river water around the delta to ensure an adequate supply.

"For anyone like myself, who lives and farms south of the delta, any solution without a new conveyance is not a solution. It's a step backwards," Patricio said.

But farmers in the delta view the Bay Delta Conservation Plan as a water grab. A similar sentiment killed a proposed canal at the ballot box in 1982.

Currently, various proposals are being prepared by state and federal agencies, environmental groups and water districts that contract for water from two existing government water projects.

Although officials haven't settled on a plan, some Northern California farmers think it's only a matter of time before a lot more water is pumped away from the area. They argue the planning process favors the water districts — or contractors — who pay for the planning and will benefit from a new water system.

"The plan is a joke. It's carried out by water contractors who want as much unrestricted water as they can get," said Mike Robinson, a fourth generation delta farmer from Stockton. "The decision of what to build has already been made; they are just falling over themselves to justify it."

Last month, the state Legislative Analyst's Office reported that a new agreement between government agencies and water contractors included provisions that could benefit the contractors and give them greater influence over the plan's content. According to the report, the state must get written authorization from the contractors to proceed with a public draft of the environmental review, and contractors can review work by consultants and could pull out funding anytime.

The water districts have spent \$140 million so far on tasks such as preliminary engineering and design, environmental documentation and hundreds of meetings. They have agreed to fund an additional \$100 million.

After five Northern California representatives demanded the U.S. Interior Department withdraw from the agreement, officials announced they would seek public comment on the matter.

Officials are considering 10 alternatives for a new water system. One calls for doing nothing, but few seem to be talking about that option.

Officials have made the analysis of two alternatives public. A canal that would cut through properties east of the delta would cost \$8.4 billion, while a tunnel would cost \$12.7 billion.

Jerry Meral, the state Natural Resources Agency's deputy secretary in charge of the plan, said the proposals will be winnowed down to one option, which should be out in June. Construction could begin in 2017 and the new system could be operational by 2024.



Water users would finance the project through higher rates.

Delta farmers fear diverting water would further damage the estuary and increase salinity, making farming impossible. About 600,000 acres are cultivated in the delta, but farmers there said they already stopped growing some crops because of a rise in salinity, which they attribute to pumping that allows more ocean water to flow in.

"If they take the majority of the Sacramento River and divert it, it won't be coming through to flush out the salt," Robinson said.

State officials countered that computer modeling showed a new project wouldn't increase salinity in most of the delta.

Farmers also worry about changing the river's elevation, disrupting the system of pumps and siphons they rely on for irrigation and drainage.

But Meral said the goal would be to capture and store excess flows during high water years. The current proposal calls for pumping up to 15,000 cubic feet per second, but that much water only would be diverted for a few days every few years, Meral said.

South of the delta, the ability to pump more is "critical," said farmer Sarah Woolf.

"From a farming perspective, it's very difficult to invest in land or capital investments when you don't have reliable water deliveries," she said.

Woolf, whose family farms 1,000 acres of cotton, onions and tomatoes west of Fresno, said pumping restrictions meant her family couldn't plant on some of their land and had to lease land with better water access.

In recent years, farms in the area received about 65 percent on average of the contracted water. But the farms received only 10 percent of contracts in 2009.

"Most farmers plan for not getting enough water," Woolf said, "but there is a difference in getting less water and not getting any water at all."

Delta farmers counter that the state should improve the current system and create hundreds of smaller projects that recycle and store water.

Planning should take into account all farmland, said Barbara Barrigan-Parrilla, executive director of Restore the Delta, which represents delta farmers.

"You can't help one farming region by destroying another," she said.

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Boston.com - 13 hours ago

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Kansas City Star - 1 day ago

Flash Forward 100 Years: Climate Change Scenarios in California's Bay-Delta  
United States Geological Survey (press release) - 2 days ago

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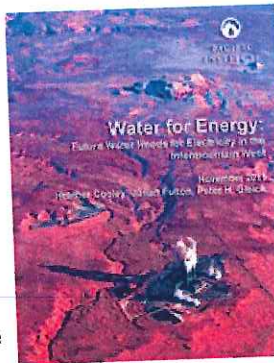
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### Water for Energy: Future Water Needs for Electricity in the Intermountain West

The production of electricity, from fuel extraction to generation, has growing impacts on both water availability and quality. The [new analysis](#) from the Pacific Institute evaluates future water needs for different energy futures and identifies a growing risk of conflicts between electricity production and water availability in the U.S. Intermountain West. The new report also identifies strategies to ensure the long-term sustainable use of both resources.



The study, [Water for Energy: Future Water Needs for Electricity in the Intermountain West](#), examines the water requirements for current and projected electricity generation within the Intermountain West, which is the area bound by the Rocky Mountains in the East and the Sierra Nevada and Cascade Mountains in the West. While water and energy conflicts are increasing across the United States, the Intermountain West is of particular interest for this study because it has a growing population (and growing demand for energy and water), a diverse fuel mix for power generation, and existing water constraints and limitations that are expected to worsen.

Under current trends, by 2035, water withdrawals and consumption for electricity generation in the region are projected to increase by 2% and 5%, respectively, over 2010 levels – but water availability is already affecting power plant operations and siting in the Intermountain West. And in addition to the water needed for electricity generation, population and economic growth will increase demands for water resources, even as climate change makes the available water supply less reliable.

These trends will intensify water resource conflicts throughout the region. The good news is that by expanding energy-efficiency efforts, installing more dry cooling systems, and relying more heavily on renewable energy, such as wind and solar PV, these water requirements can be dramatically reduced. The new analysis shows these alternative strategies can permit increases in electricity production with a significant reduction in total water demands, reducing pressure on scarce and over-allocated water resources.

The Pacific Institute report identifies concrete steps to reduce risk in the water-energy nexus: 1) improve data, information, and education on the impact of the energy sector on water resources; (2) accelerate water and energy efficiency improvements; (3) accelerate development and deployment of renewable energy

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systems; (4) establish cooling technology requirements that limit water use; and (5) promote switching to alternative water sources (such as wastewater and industrial water).

Read the [full report](#).  
Read the [summary and conclusions](#).  
Read the full [press release](#).

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# Govt. Study Affirms Delta Fears, Water Risks for California



Suisun Slough in the lower Sacramento Delta. Twenty-five million Californians depend on the Delta for at least some of their water.

**"Today's extremes could become tomorrow's norms"**

That's the upshot of an ambitious study by the [US Geological Survey](#), which would appear to affirm some dire predictions for California's most important water system.

**The study**, authored by nearly a dozen scientists, is billed as "the first integrated assessment of how the Bay-Delta system will respond to climate change." It's presented as a "flash forward" to what California's **Sacramento-SanJoaquin Delta** could become by the end of this century. It ran a series of nine indicators through multiple models to project trends in temperature, precipitation, salinity, runoff and sea level rise.

The result: Pretty much what climate scientists have been saying; that we'll see "potentially longer dry seasons," a shrinking Sierra snow pack and "earlier snowmelt leaving less water for runoff in the summer."

"Our biggest reservoir in the state is our snowpack," said Greg Zlotnick, who chairs the groundwater committee for the Association of California Water Agencies. "We're going to get less snow, more rain, it's going to run off more quickly, and that water will not be there late in the year." Unfortunately, late in the year is when farms need it most for irrigation. Zlotnick says peak runoff has already shifted by about a month earlier in the season.

The study also tries to assess impacts from rising sea levels and increasing intrusion of salt water farther inland, and warned that "increased intensity and frequency of winter flooding could also occur as a result of earlier snowmelt and a shift from snow to rain."

In a statement issued with the report, USGS Director Marcia McNutt called "protection" of California's Bay-Delta system "a top priority for maintaining the state's agricultural economy, water security to tens of millions of users, and essential habitat to a valuable ecosystem."

Authors of the study ran their models under both rapid-and-moderate-warming scenarios developed by the UN's climate panel. These yielded some differences in the outcomes. The authors write that those and other uncertainties in the process make it challenging for planners to respond to their projections. In their article for the open-access journal *PLoS One*, the researchers write that planners and risk managers "should anticipate shifts into regimes of environmental conditions unprecedented in the period of our social and economic development."

In other words, the next 90 years will take us into pretty much unexplored territory.

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**The Easy Fix That Isn't**

Touted as a simple way to combat climate change, white roofs may actually increase global warming, according to a new Stanford study. By Alyson Kenward If you're interested in staving off climate change without trying too hard, painting your roof ... [Read More](#)

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## One Response to "Govt. Study Affirms Delta Fears, Water Risks for California"

1.



Meme Mine says:

**November 2, 2011 at 9:10 pm**

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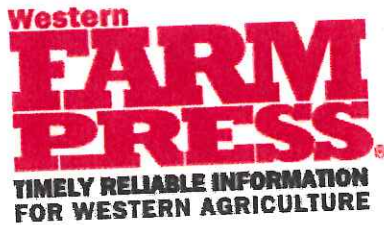
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## California water plight gets lifeline from technology

Mon, 2011-10-31 14:56

How California can use the latest technology to solve its [water supply crisis](#) is the focus of a new Public Broadcast System program co-sponsored by the California Farm Water Coalition.

"This is really a celebration of the creativity and leadership that everyone from family farmers in the Central Valley to the public water agencies that serve our largest cities have implemented in addressing one of [California's biggest challenges for the future](#)," says Mike Wade, executive director of the California Farm Water Coalition.

The program, "Stretching Our Water Supplies," will be broadcast on public television stations in California, Oregon and Nevada beginning in November. It is produced by Huell Howser as part of his long-running series on life in California for public television.

In the first of the program's three segments, distinguished biologist Dr. Stuart Siegel, founder of Wetlands and Water Resources, Inc., San Rafael, explains how public water agencies serving California's farms and cities are working together to restore wetlands and habitat in the Sacramento-San Joaquin Delta, the crossroads of the state's water system.

In the second segment, Panoche Drainage District General Manager Dennis Falaschi demonstrates the innovations that have enabled him to recycle the saline drainage water from more than 100,000 acres of farmlands. As a result, contaminants that used to be discharged into the San Joaquin River have been reduced by 85 percent. The water is now being used to grow specially selected agricultural commodities that scientists hope will one day help to improve food supplies and nutrition in Third World countries.

In the last segment, Huell Howser visits a family farm that is carrying water conservation to extraordinary levels of efficiency, using cutting edge technology that enables the farmer to look into the root zone below ground and measure the "heartbeat" of his crops.

"The creativity on display in the program will be evident to everyone who cares about protecting our water resources," said Wade. "Huell Howser has done an amazing job of searching out the best work and translating the science into stories to which we can all relate and see clearly how important these innovations will be to our lives."

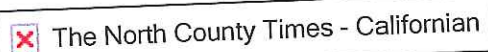
"Stretching Our Water Supplies" is co-sponsored by the California Farm Water Coalition and the Family Farm Alliance. Huell Howser's long-running reports on life in California for public television have been endorsed by the California Teachers Association, the California Federation of Teachers, the California State Library Foundation, the California Library Association the California School Boards Association, the California Council for the Social Studies, and the California Historical Society.

# California water plight gets lifeline from technology

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 The North County Times - Californian

## REGION: Riverside County to discuss irrigating citrus with recycled water

By **DAVE DOWNEY** [ddowney@californian.com](mailto:ddowney@californian.com) | Posted: Monday, October 31, 2011 3:53 pm

It may be a long time before water flushed down the toilet flows out the tap after undergoing a thorough cleansing process. But some local providers are moving to deliver recycled waste water to the people who grow our food.

Leading the way, [Western Municipal Water District](#) is proposing to serve recycled water to citrus farmers in the Lake Mathews area south of Riverside, as soon as it can secure permits for a recently completed plant upgrade.

Eastern Municipal Water District and Rancho California Water District are weighing similar proposals, although theirs are years away.

Alarmed by the trend, [Riverside County Supervisor Bob Buster](#), himself a citrus farmer, said Monday that he believes it is time for an independent review of the idea.

Citing water pollution concerns that led the city of Riverside two years ago to abandon its own plan to deliver treated effluent to farms, Buster said the county should conduct a study and examine whether it has the legal authority to regulate such projects.

The item is on the [agenda for Tuesday's Riverside County Board of Supervisors meeting](#) in Riverside. The meeting starts at 9 a.m. in the County Administrative Center, 4080 Lemon St.

"Since there is a big push to shift agriculture over to recycled water, there needs to be a counterbalance here," Buster said in a telephone interview Monday. "I think the farmers need a friendlier forum. The farmers are increasingly a minority in these large (water) districts. It is easy for their concerns to be swept aside."

He said the county could provide that objective forum.

Buster farms 25 acres of lemons and oranges, and would not be personally affected by the Western plan.

Malissa McKeith, a Los Angeles lawyer who represents some of the affected agricultural properties, said farmers worry that the recycled water will contain high amounts of boron and salt.

Crop yields could decline and groves could eventually die, putting farmers out of business, she said.

"Using reclaimed water on food crops in our area is new," McKeith said. "If we're going to use reclaimed water, which is great, we need to be careful before we put it on food crops."

Western officials say they were being careful.

Michele McKinney Underwood, a spokeswoman for Western, said the agency has conducted extensive tests and that the reclaimed water it plans to provide around Lake Mathews has safe levels of boron, salt and other chemicals.

"It's a safe, alternative supply good for use in the outdoors," McKinney Underwood.

Like other providers, Western is looking for ways to stretch its supplies at a time when the [State Water Project](#) is becoming less reliable, she said. And the district views recycled water as one option.

The State Water Project is a system of reservoirs and canals that pipes water to Southern California from hundreds of miles away in the Sacramento-San Joaquin Delta.

Western owns and operates a waste-water treatment plant along Interstate 215 that used to belong to March Air Reserve Base.

McKinney Underwood said the district recently finished a plant overhaul that tripled its capacity to 3 million gallons a day and enabled it to provide more advanced treatment.



"We haven't flipped the switch to the new recycled product for the customers," McKinney Underwood said.

She said the first deliveries probably will be made later this year, once permits are obtained.

The reclaimed water is to be served through a pipe network that delivers ground water and Colorado River water.

Peter Odencrans, an [Eastern Municipal Water District](#) spokesman, said his agency plans to deliver reclaimed water to citrus farmers in unincorporated Valle Vista east of Hemet.

"We don't have any pipes that would connect to the citrus growers," Odencrans said. "But that is one of the things that is in our long-range plan, to get the citrus growers off of their groundwater and on recycled water in lieu of that."

Eastern provides water in a wide area extending from Murrieta to Moreno Valley.

Meggan Valencia, legislative specialist for [Rancho California Water District](#), said the Temecula-area agency is exploring supplying recycled water to avocado and citrus farmers in De Luz. But she said that would probably be far into the future.

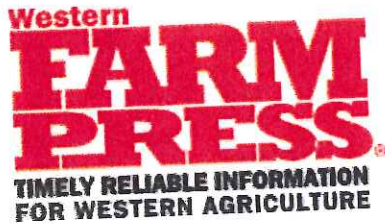
Greg Morrison, spokesman for [Elsinore Valley Municipal Water District](#), said the district that serves much of the Interstate 15 corridor in Southwest County has no plans for feeding recycled water to farms.

"But we would have no problem or concern about delivering recycled water to agricultural customers, should the need arise," Morrison said.

Elsinore Valley does, however, use recycled water to irrigate golf courses and refill Lake Elsinore, where people swim and ski, he said.

Randy Record, an Eastern board member and longtime San Jacinto farmer, said he irrigates alfalfa, corn, wheat, barley, oats and sugar beets with recycled water.

"My family has used it for over 40 years," Record said. "The ground is still in production today, and it couldn't be more productive."

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## Water agencies extend lifeline to endangered sucker fish

Mon, 2011-10-31 12:39

Inland Empire water agencies want to work with state and federal environmental protection agencies to set up a [master plan for habitat restoration and recovery](#) to benefit the Santa Ana Sucker and other endangered species along the Santa Ana River.

Top officials from Riverside Public Utilities, Western Municipal Water District and San Bernardino Valley Municipal Water District stated their interest in setting up a master plan in a Sept. 20 letter to Jeff Brandt, a senior environmental scientist for habitat planning at the California Department of Fish and Game, copies of which they sent to the U.S. Fish and Wildlife Service and the Riverside Corona Resource Conservation District.

“Our agencies would like to begin work immediately with CDFG, the RCRC, USFWS, and member agencies of the Santa Ana Sucker Task Force and the Santa Ana Sucker Conservation Team to develop a master plan for habitat restoration and recovery of native fishes in the Santa Ana River and its chief tributaries,” said the letter, which was co-signed by Kevin S. Milligan, assistant general manager of Riverside Public Utilities, Douglas D. Headrick, general manager of San Bernardino Valley Municipal Water District, and John V. Rossi, general manager of Western Municipal Water District of Riverside County.

“The master plan would identify potential habitat restoration projects, potential sources of funding, and otherwise chart a path toward the eventual recovery of these species. The master plan would also identify standard mitigation measures for construction projects that might be located in the Santa Ana River channel or within one of these tributaries. Lastly, the master plan would identify other avenues through which the participants could cooperate to achieve our shared goal of restoring native fish populations in the Santa Ana River.”

Water agencies are pushing for creation of a habitat restoration plan even as they proceed with a lawsuit against the U.S. Fish and Wildlife Service for doubling the critical habitat area for the Santa Ana Sucker. Water agencies allege the Service violated the Endangered Species Act and other federal laws when it expanded the critical habitat area for the Sucker and worry that the new restrictions on water conservation, groundwater recharge and flood control operations along the Santa Ana River threaten the water supplies for 1 million residents of Riverside and San Bernardino counties.

“We’d like to see the Service work with local agencies in a cooperative way to maximize conservation efforts to nurture the Sucker without putting local water supplies in jeopardy or increasingly our reliance on water imports from the Sacramento-San Joaquin Delta,” said Douglas Headrick, general manager of

## Water agencies extend lifeline to endangered sucker fish

San Bernardino Valley Municipal Water District, adding, "We think the Service could achieve a lot more of its objectives by working cooperatively with local agencies."

In their Sept. 20th letter to Jeff Brandt of the California Department of Fish and Game, local water agency officials also stated their willingness to partner with state and federal agencies to share the cost of research to support species recovery and habitat restoration efforts.

"Our governing boards believe that CDFG and the U.S. Fish and Wildlife Service (USFWS) should jointly lead an aggressive science program to better understand the habitat preferences of these species, their genetic makeup, and the factors limiting recovery of these species," water agencies wrote, adding, "Our governing boards would support additional disbursements from the Restoration/Recovery Trust Fund for these purposes, particularly if those funds served as a local cost-share for state and/or federal funding. Our governing boards are also willing to consider other ways in which we could collaborate with CDFG and USFWS in these scientific efforts. Valley District, for instance, has a long history of collaborating with the U.S. Geological Survey on scientific investigations."

Water agencies also stated in their Sept. 20th letter that development of a habitat restoration master plan could serve as a national model for ecosystem restoration in the midst of a major urban area.

A copy of the complete letter from local water agencies to Jeff Brandt of the California Department of Fish and Game is available at [www.sbvmd.com](http://www.sbvmd.com).

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## Scientists question validity of PG&E study to determine background level of chromium 6 in Hinkley

Jim Steinberg, The (San Bernardino County) Sun

Posted: 10/30/2011 03:00:00 AM PDT

HINKLEY -- A scientist asked to review the scientific validity of groundwater sampling here said that the methods have produced data that is "completely worthless."

Most of the wells used in the water samplings draw from both shallow groundwater, which would tend to have higher levels of chromium 6, and deep aquifers, which generally would have a lower level of the cancer-causing contaminant -- or none at all, said James A. Jacobs, a geologist specializing in hydrology.

The mixing of the two water supplies has the overall effect of diluting chromium 6 concentrations, said Jacobs, a Fulbright Scholar who has practiced geology for 30 years and teaches sustainable remediation methods for soils and water at UC Berkeley.

He is co-author of "The Chromium VI Handbook," which was published in 2005.

"Although it might be economically attractive to use existing and available domestic and agricultural wells for a purpose for which they were not designed, the study does not meet the scientific objectives of trying to determine background concentrations" of chromium,

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Jacobs wrote.

Jacobs said that 44 out of 48 wells in the study either screened more than one aquifer or draw water at a depth that was unknown.

Jacobs said the samplings should have been taken from wells 2 inches in diameter that isolate specific aquifer levels.

The sampling wells were up to 18 inches in diameter and many commingled water sources.

Jacobs

also said that the area where the test wells were located is so mixed up from decades of water pumping by Pacific Gas & Electric Co. - for remediation and agricultural purposes - that meaningful data for determining the naturally occurring background level for chromium 6 around can not be determined - regardless of the type of well used for sampling.

He also expressed concern that the plume appears to be spreading both horizontally and

vertically.

In the 1950s and 1960s, the PG & E used the cancer causing chemical chromium 6, also called hexavalent chromium, to prevent rust and algae buildup in its Hinkley cooling towers.

The chemical, widely used before its cancer-causing properties were known, was discharged into unlined ponds and from there entered the groundwater.

Jacobs was among the three scientists hired by the Lahontan Water Board to review the data and conclusions of a 2008 report which determined the naturally occurring level of chromium 6 in Hinkley's water is 3.1 parts per billion.



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Another scientist, Stuart Nagourney, an adjunct professor of chemistry at The College of New Jersey, wrote that the spacing of sampling sites in the study "is questionable."

The third scientist, Yoram Rubin, from UC Berkeley's Department of Civil and Environmental Engineering, questioned some of the statistical methods used in the 2008 background study.

The state of California allows no more than 50 parts per billion of total chromium in drinking water. Total chromium includes chromium 3, which in small amounts is used as a vitamin supplement and chromium 6, which has been shown to cause various cancers.

Both state and federal regulators are working to establish a maximum allowable concentration of chromium 6 in drinking water.

On the path to that goal, a state agency late last year set .02 parts per billion as a public health goal for chromium 6, but this is not

meant to be considered an enforceable water standard, which is likely to take several years to determine.

Lauri Kemper, assistant director of the Lahontan Water Board, said Jacobs did not evaluate all water data gathered both in the distant past and very recently.

The data he viewed was primarily limited to samplings near the heart of plume obtained in 2007, she said.

Jeff Smith, spokesman for Pacific Gas & Electric Co., said that "We are still in the process of reviewing the results (of the peer reviewers' studies). PG&E was in favor of the peer review. It was our hopes that the comments

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would benefit the groundwater remediation programs (which have proposed by PG&E)."

"It is clear that there needs to be more work in the field to understand the background level conditions in Hinkley. We are looking forward to working with the water board in this endeavor," Smith said.

Singer noted that the 3.1 parts per billion background number determined in the 2008 study does not mean that anything below that amount was not caused by PG&E.

Singer said the peer review comments raised by Jacobs and others need to be analyzed further.

"I am not prepared to get into a response on a point-by-point basis," he said.

The peer review studies were paid for out of California Environmental Protection Agency funding, he said.

Kemper said that if the well

samplings did not draw from several aquifers that background level might have been set much higher, meaning PG&E's cleanup burden would be less.

When the water study techniques were approved in 2007, existing wells were chosen because that path would reduce expenses and shorten the time frame for the study's completion, she said.

Hinkley resident Robert Conaway said it is good that scientists are recognizing that the plume is spreading and that the sampling wells aren't producing results that are scientifically meaningful.

Reach Jim [via email](#), or call him at 909-386-3855.

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 The North County Times - Californian

## Water Authority expands scope of lawsuit against Metropolitan

By **BRADLEY J. FIKES** [bfikes@nctimes.com](mailto:bfikes@nctimes.com) | Posted: Friday, October 28, 2011 4:00 pm

The [San Diego County Water Authority](#) succeeded Thursday in [adding](#) new causes of action in its [lawsuit](#) against the Metropolitan Water District over what it says are Metropolitan's unfair rates.

San Francisco Superior Court Judge Richard A. Kramer granted a motion by the water authority to add five additional causes of action in the suit, which alleges overcharging the Water Authority and its ratepayers, the authority said in a news release.

"We are pleased that the court agreed with the Water Authority's position that the most economical and efficient legal path is allowing one court to address and resolve all our claims against MWD. By streamlining and consolidating the claims into one case and before one judge, we believe this case can be resolved sooner," Water Authority Board Chair Michael T. Hogan said in the press release.

Metropolitan Water District spokesman Bob Muir said the decision says nothing about the merits of the case.

The additional causes of action allege that Metropolitan discriminated against the Water Authority and in favor of other members of Metropolitan, breaching its fiduciary duty to fairly represent the interests of all member agencies.

The lawsuit contends that Metropolitan overcharges for transporting water. The authority rents the use of Metropolitan's aqueducts to import water from the Imperial Valley, supplementing the water it imports from Metropolitan. The authority says these overcharges could cost San Diego County ratepayers \$230 million a year.

Metropolitan denies the Water Authority's claims, and says the rate structure is fair and legal.

Regarding Thursday's ruling, Metropolitan's Muir said it's common for judges to allow expanded claims.

"Judge Kramer's ruling today defined the scope of the Water Authority's lawsuit, but no decision was made on the merits of the case," Muir said. "It's common for the courts to allow amendments to lawsuits."

To read more about the lawsuit from the Water Authority's perspective, go to <http://www.sdcwa.org/top-issue-mwd-rate-challenge>.



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## PG&E appeals water board order for Hinkley

Joe Nelson, The (San Bernardino County) Sun

Posted: 10/25/2011 01:57:04 PM PDT

Pacific Gas & Electric Co. has filed an appeal with the state's Water Resources Control Board to stop an order that it provide permanent replacement water to Hinkley residents affected by a toxic groundwater plume.

The utility's action Tuesday afternoon comes two weeks after the Lahontan Water Board ordered PG&E to provide a new replacement water system to Hinkley water users.

PG&E has been providing bottled water to roughly 230 residents at more than 80 locations in Hinkley, including homes and the town's only school and senior center.

"We remain committed to continuing to work cooperatively with the water board, interested agencies and the Hinkley community to address environmental impacts and community concerns stemming from our past operations..." PG&E spokesman Jeff Smith said.

Those operations have for decades forced PG&E to grapple with the High Desert town's groundwater contamination problem.

In the 1950s and 1960s, the utility used the cancer-causing chemical hexavalent chromium, or chromium 6, to prevent rust and algae buildup in its cooling towers, long before the harmful side effects of the chemical were known. The chemical leaked into unlined ponds and contaminated Hinkley's groundwater.

The plight of Hinkley's residents, who claimed the contaminated groundwater was the cause of myriad health ailments, and their landmark

lawsuit against PG&E was the subject of the 2000 film "Erin Brockovich."

Last year, the state Regional Water Quality Control Board, Lahontan Region, learned the contaminated plume had expanded to roughly 2 1/2 miles in length and about a mile in width. It ramped up its orders to PG&E to expedite the cleanup process.

A series of community meetings were launched, and Erin Brockovich was again summoned to the town to gather with residents and discuss their concerns. Talk of another lawsuit swirled through the community.

Smith said on Tuesday that PG&E is concerned about the "wide-ranging and statewide policy implications of certain provisions" with Lahontan's Oct. 11 abatement order.

For example, Lahontan's latest order sets a new standard for chromium 6 levels that are more than 100 times lower than the naturally occurring background level in Hinkley and lower than naturally occurring background levels experienced in other communities across the state, Smith said.

"We are concerned that the order requiring replacement water for wells containing

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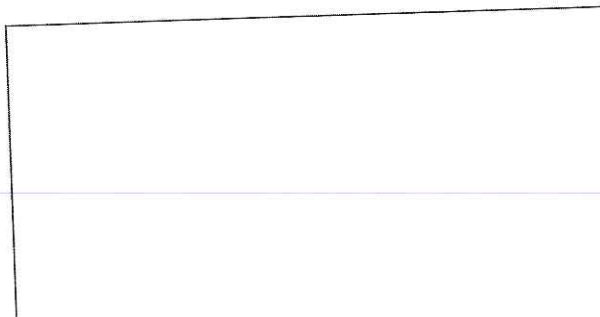
concentrations well below natural background levels is not consistent with California state law and may not be possible to achieve," Smith said.

Longtime Hinkley resident and activist Roberta Walker said a replacement water

"I'm not surprised," said Walker, a 35-year resident of the town. "It's just another stall tactic for PG&E."

Reach Joe [via email](#), follow him on Twitter [@SBcountyNow](#), or call him at 909-386-3874.

Staff Writer [Ryan Carter](#) contributed to this story.



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system comes down to five choices for PG&E - including shipping water in from out of town and even building a pipeline into town.

She's not thrilled with any of them, she said, citing a lack of trust in PG&E and the water the company would provide to users.

Lahontan's latest demands partly contributed to PG&E filing a report with the Securities and Exchange Commission on Oct. 18, informing the federal agency that the projected cleanup cost in Hinkley now exceeds \$54 million, the amount PG&E set aside in June for its groundwater cleanup efforts in Hinkley.

Lauri Kemper, assistant executive officer for Lahontan, could not be reached for comment Tuesday.

But Walker was skeptical of PG&E's latest action.

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# CONTRA COSTA TIMES

ContraCostaTimes.com

## IEUA stands by water softener law

By Andrew Edwards, Staff Writer

Posted: 10/18/2011 05:55:17 PM PDT

Updated: 10/18/2011 06:40:54 PM PDT

The Inland Empire Utilities Agency has no plans to reverse its prohibition on future Inland Empire installations of certain water softeners, despite industry opposition to the ban.

The agency, with territory spanning from Fontana to Montclair and southward into the Chino Valley, has banned future installations domestic water softeners that discharge wastewater with excess amounts of salt into the local sewer system.

Water officials passed the law against new water softeners in June, saying the ban is needed to prevent local water supplies from becoming so salty that recycled water supplies would be off-limits.

The IEUA is expanding its use of recycled water to replace cleaning drinking water for irrigating landscaping, parks and golf courses.

Industry members say the ban fails to recognize technological improvements that could solve salt concerns without prohibiting a common household appliance.

The IEUA's ban does not require homeowners to remove existing water softeners and would still allow households to use "exchange tank" systems in which waste water does not flush into the sewage system.

"It would mostly affect the cheaper models people buy at Home Depot, and they pour tons of rock salt into it," said Ken Willis, an Upland City Council member who represents the city on the IEUA's board of directors.

Households using exchange tank systems would have to pay for wastewater to be removed. That service can

cost \$20 to \$30 per month.

The IEUA manages water treatment and recycling water for Upland as well as Montclair, Chino, Chino Hills, Ontario and Fontana. The IEUA's member agencies also include the Monte Vista and Cucamonga Valley water districts.

None of those agencies have passed their own version of the water softener ban. Willis said the Upland council will soon consider a version that will be essentially the same as the IEUA's version.

The IEUA has a rebate program offering up to \$2,000 to households who replace ion exchange softeners.

Water softener companies, represented by groups like the Pacific Quality Association, have contended that the ban will allow police to search homes for forbidden water equipment.

IEUA officials say there are no plans for such aggressive enforcement, which Willis deemed called "too far over the top" in a letter to the industry group.

"We don't engage in imaginary crimes, as there is always too much real stuff to worry about," Willis wrote.

Willis and other supporters of the law say restricting water softeners is a necessary move and in line with other IEUA policies that force industrial water users to connect to "brine lines" that keep salt away the area's groundwater basin.

If too much salt dissolves into water stored in the



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Chino groundwater basin, the U.S. Environmental Protection Agency would not allow the inland utility to deliver the recycled water supplies used for irrigation.

Losing access to that water would make western San Bernardino County more dependent upon water imported from Northern California, officials say.

Residential water softeners release roughly 3,000 tons of salt annually, according to the IEUA.

The EPA requires the IEUA to have no more than 550 milligrams of salt per liter in the recycled water it delivers.

Current salt amounts are still at less than 500 milligrams per liter. If salt levels exceed the 550 mg level, the IEUA will not be able to deliver recycled water to customers.

The agency estimates the salt that water softeners add to recycled water in an area is about 25 mg per liter.

But Mike Mecca, product development director for Performance Water Products, a Buena Park-based water softener manufacturer, contends that new ion exchange softeners have become more efficient and are not likely to cause the salt problems that IEUA officials are concerned about.

Cities and other water providers won't need to enforce the IEUA's ban, he said.

"These kind of bans and things are really not going to be necessary," Mecca said.

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**BOOSTER SHOTS: Oddities, musings and news from the health world**

## Raw sewage: Biologists gush over world of undiscovered viruses

By Amina Khan, Los Angeles Times / for the Booster Shots blog

1:31 PM PDT, October 6, 2011

Here's a posting from the "ick" files. Scientists are now delving into an uncharted environment to study human and other viruses: raw sewage.

In a study published Tuesday in the online journal mBio, researchers from the U.S. and Spain found that untreated human wastewater -- "the effluence of society," they wrote -- contains an incredible diversity of viruses ... and that the vast majority are viruses we hadn't known of before. Click for the [abstract](#).

At this point, biologists know of about 3,000 different viruses, representing 84 different viral families -- but they suspect that those known bugs are just the tip of the iceberg.

To find out what they were missing, the researchers genetically analyzed untreated wastewater from Pittsburgh; Barcelona, Spain; and Addis Ababa, Ethiopia. The effluence that they studied indeed contained a wealth of viruses -- 234 known bugs from 26 different families.

Among them, the researchers found 17 that infect humans, including human papillomavirus and the flu-causing norovirus. Many of the other known viruses came from plants -- which would make sense, since plant viruses are known to dominate the viral landscape in human fecal matter.

But the researchers also found that that the vast majority of DNA signatures they found didn't match any known viruses -- meaning, the authors wrote, "that the vast majority of the viruses on Earth have not yet been characterized." Yikes.

Whether they're friend or foe is hard to say -- some could be opportunistic bugs waiting for a crack in the body's defenses; others may be beneficial, or at least benign.

The biologists say they plan to study other environments, such as the ocean, and to analyze the richness of the viral communities there. The more diverse the host organisms are, they write, the more diverse those viruses will be.

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## Brown signs slate of clean drinking water bills

October 10, 2011 | Bernice Yeung



Joe Shlabotnik/ Flickr

From arsenic to E. coli bacteria, contaminants flow from the water taps of hundreds of communities across the state. But seven bills signed into law Friday by Gov. Jerry Brown seek to improve access to clean drinking water in California, particularly for residents in rural and disadvantaged communities.

"Clean drinking water is a basic human right," Brown said in a statement. "The bills I have signed today will help ensure that every Californian has access to clean and safe sources of water."

According to clean-water advocates, the legislation addresses a longstanding need. A [study \[PDF\]](#) by the Pacific Institute found that between 2005 and 2008, 1.3 million residents in the San Joaquin Valley had nitrate-polluted water coming from their faucets. Nitrates can cause death in vulnerable populations such as babies, and they also have been associated with cancer. Surveys by California Rural Legal Assistance and the Community Water Center in Visalia also found that low-income Californians who have access only to polluted water spend between 4 and 10 percent of their household income on bottled water for cooking and drinking.

"The legislation is extremely important because it's a step forward in realizing that really disadvantaged communities don't have access to clean water," said Esmeralda Soria of the California Rural Legal Assistance Foundation, which lobbied for four of the bills. "They have been bathing, cooking and drinking contaminated water or buying expensive bottled water. These are small steps toward these communities having more access to funding that will in the long term give them access to cleaner water. These communities see that there's hope in the near future of having clean water."

The bills range from translating water contamination notices to removing logistical barriers to funding water infrastructure improvements.

The bills signed into law are:

- **AB 54:** Allows water agencies to begin construction on ailing systems as soon as an application for state funding is accepted, rather than waiting several months or more for the money to be received. The legislation also would create new assistance and increase transparency of small, community-run mutual water agencies by providing training to board members. It also would require them to provide basic information to regional agencies about their operations.
- **AB 938:** Requires drinking water alerts to be translated when 10 percent or more of water district customers speak a second language.
- **AB 983:** Makes it possible for "severely disadvantaged communities" to obtain 100 percent grant funding for water infrastructure improvement projects. Currently, these communities can qualify only for up to 80 percent in grants and must take out the remaining 20 percent in loans that residents may have difficulty repaying.
- **AB 1221:** Allows state-recognized tribes and nonprofit organizations (such as mutual water agencies) access to the state's Cleanup and Abatement Account to pay for pollution mediation. Although these organizations pay into the account in the form of pollution fines, they do not currently qualify for cleanup money.
- **SB 244:** Requires cities and counties to consider the infrastructure needs – including clean drinking water access – of disadvantaged and unincorporated communities in urban planning efforts, including general plan updates.

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# Brown signs slate of clean drinking water bills | California Watch

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• **AB 1194:** Makes adjustments to and clarifies existing water laws to ensure that state public health laws conform with the federal Safe Drinking Water Act. For example, the California Department of Public Health now will interpret laws involving human consumption of water to include cooking and food preparation. Failure to comply with national drinking water statutes could have resulted in a loss of about \$130 billion in federal funds.

• **AB 1292:** Authorizes the issuance of revenue bonds, which will be deposited into the Safe Drinking Water State Revolving Fund so the state can satisfy federal matching requirements under the Safe Drinking Water Act.

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In combination, the package of legislation will be a boon to public health, advocates and legislators say. Assemblyman Jose Solorio, D-Anaheim, introduced legislation that would improve water quality served by small community-run water districts, after learning that a 90-family community in his district was relying on a deteriorating system with unhealthy levels of nitrates.

Susana De Anda of the Visalia-based Community Water Center said the legislation signed into law – such as AB 938, which requires translation of water pollution warnings – will have a significant impact on the residents with whom she works. In Tulare County, for example, a Spanish-speaking resident named Guadalupe Nunez received a number of notices telling her not to drink the water, De Anda said. But because she couldn't read them, she saved them in a folder and continued consuming what came from the tap. She learned of the health risks only when she brought the notices to a community meeting where someone translated them for her.

"This is a great day for water rights advocates," De Anda said. "Every Californian is closer to the human right to safe drinking water. The bills are tangible examples of how we're moving in the right direction."

The legislation primarily will involve changes to the way the California Department of Public Health and the State Water Resources Control Board do business. Both agencies acknowledge that the new laws will improve water quality and wastewater treatment throughout the state, "especially in the case of those from economically disadvantaged areas," Kathie Smith, spokeswoman for the state water board, wrote in an e-mail.

Matt Conens, spokesman for the state public health department, wrote in an e-mail that the legislation signed by Brown "will help ensure that every Californian has access to clean and safe sources of water. Protecting the water we drink is an absolutely crucial duty of state government."

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### Western GM John V. Rossi Elected to Help Lead ACWA's Region 9

RIVERSIDE, CA; Oct. 10, 2011 – Contributing to regional and statewide water solutions will be a high priority for Western General Manager John V. Rossi as the newly-elected Vice Chair of the Association of California Water Agencies (ACWA) Region 9 Board for the 2012-13 term of office.

"Working with fellow agency leaders to provide guidance and direction at ACWA is a tremendous opportunity and honor for me in representing the interests of our region," Rossi explained. Board President Brenda Dennstedt summed up the election by stating, "Western's GM has helped transform the District to a water resource planning agency in his tenure here. His expertise paired with the Region 9 chair and his fellow ACWA board members will provide a unique perspective and injection of strategic planning to the Regional Board."

The official term of office begins Jan. 1, 2012. The full Region 9 Board consists of:

Chair Craig A. Ewing, Desert Water Agency

Vice Chair John V. Rossi, Western Municipal Water District

- Board Members Art Bishop, Mojave Water Agency
- Joseph J. Kuebler, Eastern Municipal Water District
- Steve Robbins, Coachella Valley Water District
- Harvey R. Ryan, Elsinore Valley Municipal Water District
- Kathleen J. Tieg, Cucamonga Valley Water District

As GM of Western, Rossi manages the 527-square mile district and his duties include responsibility for the planning, direction and management of the water, wastewater, and nonpotable water activities and operations of the District. Marking his seventh year leading Western, Rossi is also a court-appointed Watermaster for the Santa Ana River and Western judgments. Western is a member agency of the Metropolitan Water District of Southern California, the Santa Ana Watershed Project Authority (SAWPA) and the Western Riverside Council of Governments (WRCOG). Rossi is the chairperson for the Riverside County Water Taskforce. He's an alternate Board Member for the Board of Directors to the Chino Basin Watermaster, Vice Chair of the Association of California Water Agencies Ground Water Committee and a board member of the National WaterReuse Board.

Rossi is also on the board of the American Ground Water Trust.

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## Water agency order requires new water source for Hinkley residents with contaminated wells

Jim Steinberg, Staff Writer

Posted: 10/12/2011 01:03:21 AM PDT

HINKLEY - The water agency overseeing the cleanup of Hinkley's contaminated groundwater ordered Pacific Gas and Electric Co. on Tuesday to provide a new permanent water source to affected users.

PG&E has been providing bottled water to replace tap water for drinking purposes at more than 80 Hinkley locations, including residences, a school and a senior center.

But Lahontan Water Board's order said that's not good enough for the long term.

The agency was motivated by water users' need to get quality drinking water out of their own taps, something many Hinkley residents couldn't do.

"Replacement water service should have the comparable quality to the water pumped prior to the well being affected by the discharge of the waste," the order said.

"This is a major shift, moving from intermediate replacement water to something more permanent," said Harold J. Singer, the executive officer of the Lahontan Water Board said in a telephone interview Tuesday.

During the early 1950s and 1960s, PG&E used chromium 6 at its natural- gas-pumping station in Hinkley to control algae and protect metal

against rust, a practice common in that era before cancer-causing side effects of that chemical were known.

Over the years, the plume contaminated by the chromium 6 has grown, forcing more residents to use bottled water.

But the board said whole- house replacement water was needed to meet users' demands for water to prepare

foods, shower and other uses, said Lauri Kemper, the board's assistant executive officer.

The board has also required PG&E to demonstrate that the replacement water - both the current bottled water it supplies residents and the longer- term household replacement water it will provide - contain less than 0.02 parts per billion of chromium 6, also called hexavalent chromium.

The current state requirements for such water are no more than 50 parts per billion of total chromium.

"This is a significant step," Singer said of the order. "I deliberated long and hard and did some additional investigation. We took this very seriously. The end result is an order that makes

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sense. It is looking out for the people of Hinkley from the long-term perspective."

The order gave PG&E 180 days to submit a feasibility study on methods to provide permanent replacement water supply for all indoor domestic uses and 120 days after that to provide a permanent water replacement source.

Such methods could include filtering devices put at a site where well water enters a home through pipes, or in which several homes could be hooked up to a common water tank.

Carmela Spasojevich, who for many years has been involved in the community movement to get chromium 6 out of the groundwater, said that the timeline is too long.

"These people have to bathe in water with a known carcinogen," she said.

PG&E must also develop a process to fund an independent consultant that can advise the community on matters subject to the regulation by the water board.

Hinkley residents are expected to address the Lahontan Water Board at 7 p.m. Wednesday inside the Mojave Water Agency headquarters, 13846 Conference Center Drive, Apple Valley.

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