



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

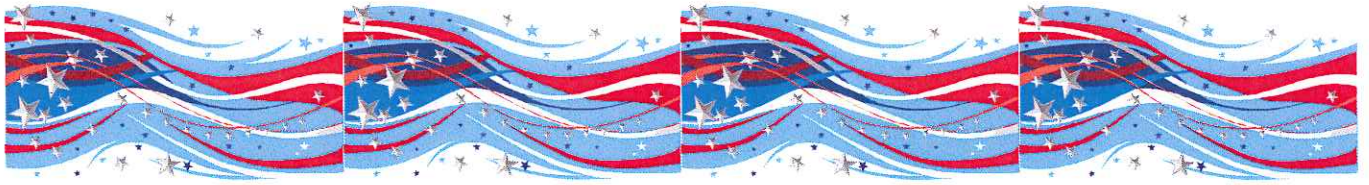
Thursday, July 14, 2011

9:00 a.m. – Appropriative Pool Meeting

11:00 a.m. – Non-Agricultural Pool Conference Call Meeting

1:00 p.m. – Agricultural Pool Meeting

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



CHINO BASIN WATERMASTER

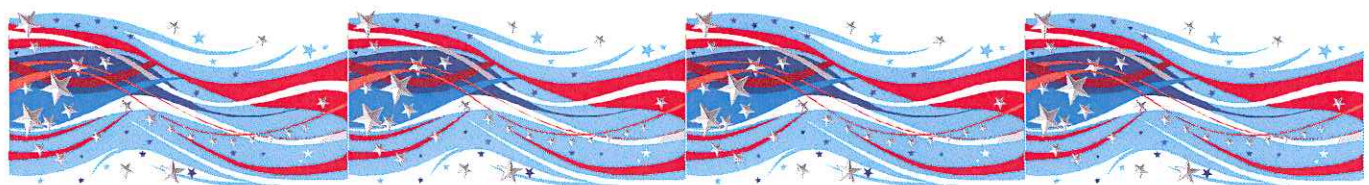
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AGENDA PACKAGES



**CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING**

9:00 a.m. – July 14, 2011

WITH

Mr. John Mura, Chair

Mr. Marty Zvirbulis, 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 be no separate discussion on these items prior to voting unless any members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES

1. Minutes of the Appropriative Pool Meeting held June 2, 2011 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2011 *(Page 23)*
2. Watermaster VISA Check Detail for the month of May 2011 *(Page 35)*
3. Combining Schedule for the Period July 1, 2010 through May 31, 2011 *(Page 39)*
4. Treasurer's Report of Financial Affairs for the Period May 1, 2011 through May 31, 2011 *(Page 41)*
5. Budget vs. Actual July through May 2011 *(Page 47)*

C. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company ("Company") has agreed to purchase from The Nicholson Trust annual production right in the amount of 7,000 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2010/2011. Date of Application: June 21, 2011, Date of Notice: July 7, 2011 *(Page 53)*

II. BUSINESS ITEMS

A. ACQUISITION OF RIGHT OF ENTRY AGREEMENT FOR HORIZONTAL EXTENSOMETER

Consider Approval for the Proposed Right of Entry Agreement for the Horizontal Extensometer and Payment of \$1,000 to the Land Owner *(Page 63)*

B. UPDATE OF CHINO BASIN GROUNDWATER MODEL

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Paragraph 31 Appeal
2. Restated Watermaster Judgment
3. September 30, 2011 Hearing

B. ENGINEERING REPORT

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

C. CEO/STAFF REPORT

- 1. Recharge Update
- 2. 85/15 Rule Review

D. INLAND EMPIRE UTILITIES AGENCY PRESENTATION

- 1. GWR Update – Andy Campbell

IV. INFORMATION

- 1. Cash Disbursements for June 2011 *(Page 69)*
- 2. Newspaper Articles *(Page 79)*

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

- 1. Paragraph 31 Motion

VIII. FUTURE MEETINGS

Thursday, July 14, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, July 14, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, July 14, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, July 21, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, July 21, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, July 21, 2011	10:30 a.m.	Land Subsidence Committee Meeting @ CBWM
Tuesday, July 26, 2011	9:00 a.m.	GRCC Meeting @ CBWM
Thursday, July 28, 2011	11:00 a.m.	Watermaster Public Hearing @ CBWM
Thursday, July 28, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Friday, September 30, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court

Meeting Adjourn

**CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL CONFERENCE CALL MEETING
11:00 a.m. – July 14, 2011**

WITH

*Mr. Bob Bowcock, Chair
Mr. Ken Jeske, Vice-Chair*

1-800-930-9525 PASS CODE: 917924

Conference call can be taken at

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

AGENDA

CALL TO ORDER

ROLL CALL

AGENDA - ADDITIONS/REORDER

I. BUSINESS ITEMS

A. MINUTES

1. Minutes of the Non-Agricultural Pool Conference Call Meeting held June 2, 2011 *(Page 7)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2011 *(Page 23)*
2. Watermaster VISA Check Detail for the month of May 2011 *(Page 35)*
3. Combining Schedule for the Period July 1, 2010 through May 31, 2011 *(Page 39)*
4. Treasurer's Report of Financial Affairs for the Period May 1, 2011 through May 31, 2011 *(Page 41)*
5. Budget vs. Actual July through May 2011 *(Page 47)*

C. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company ("Company") has agreed to purchase from The Nicholson Trust annual production right in the amount of 7.000 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2010/2011. Date of Application: June 21, 2011, Date of Notice: July 7, 2011 *(Page 53)*

D. ACQUISITION OF RIGHT OF ENTRY AGREEMENT FOR HORIZONTAL EXTENSOMETER

Consider Approval for the Proposed Easement Agreement for the Horizontal Extensometer and Consider Approval for the Payment of \$1,000 to the Land Owner for the Easement *(Page 63)*

E. UPDATE OF CHINO BASIN GROUNDWATER MODEL

II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Paragraph 31 Appeal
2. Restated Watermaster Judgment
3. September 30, 2011 Hearing

B. ENGINEERING REPORT

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

C. CEO/STAFF REPORT

- 1. Recharge Update

D. INLAND EMPIRE UTILITIES AGENCY PRESENTATION

- 1. GWR Update – Andy Campbell

III. INFORMATION

- 1. Cash Disbursements for June 2011 (*Page 69*)
- 2. Newspaper Articles (*Page 79*)

IV. POOL MEMBER COMMENTS

V. OTHER BUSINESS

VI. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

VII. FUTURE MEETINGS

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Thursday, July 28, 2011	11:00 a.m.	Watermaster Public Hearing @ CBWM
Thursday, July 28, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Friday, September 30, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court

Meeting Adjourn

**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

1:00 p.m. – July 14, 2011

WITH

Mr. Bob Feenstra, 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 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 Agricultural Pool Meeting held June 9, 2011 *(Page 13)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2011 *(Page 23)*
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5. Budget vs. Actual July through May 2011 *(Page 47)*

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II. BUSINESS ITEMS

A. ACQUISITION OF RIGHT OF ENTRY AGREEMENT FOR HORIZONTAL EXTENSOMETER

Consider Approval for the Proposed Right of Entry Agreement for the Horizontal Extensometer and Payment of \$1,000 to the Land Owner *(Page 63)*

B. UPDATE OF CHINO BASIN GROUNDWATER MODEL

C. AGRICULTURAL POOL LEGAL COUNSEL

Discussion and Possible Action for Agricultural Pool General Legal Counsel

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Paragraph 31 Appeal
2. Restated Watermaster Judgment
3. September 30, 2011 Hearing

B. ENGINEERING REPORT

1. Progress Report on the State of the Basin Report
2. Water Quality Report as Requested by the Ag Pool

C. CEO/STAFF REPORT

1. Recharge Update

D. INLAND EMPIRE UTILITIES AGENCY PRESENTATION

1. GWR Update – Andy Campbell

IV. INFORMATION

1. Cash Disbursements for June 2011 (*Page 69*)
2. Newspaper Articles (*Page 79*)

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

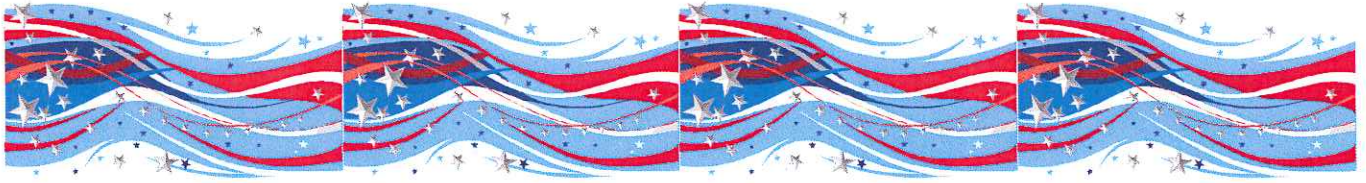
VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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VIII. FUTURE MEETINGS

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Meeting Adjourn

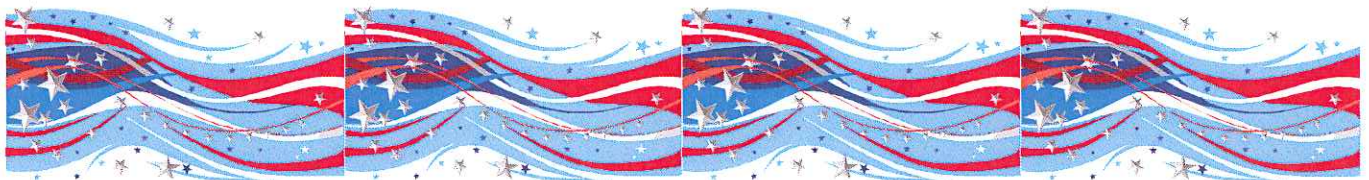


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Appropriative Pool Meeting held on June 2, 2011



Draft Minutes
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING

June 2, 2011

The Appropriative Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on June 2, 2011 at 1:00 p.m.

APPROPRIATIVE POOL MEMBERS PRESENT WHO SIGNED IN

John Mura, Chair	City of Chino Hills
Mark Kinsey	Monte Vista Water District
J. Arnold Rodriguez	Santa Ana River Water Company
Geoff Kamansky	Niagara Water Company
Mohamed El-Amamy	City of Ontario
Marty Zvirbulis	Cucamonga Valley Water District
Sheri Rojo	Fontana Water Company
Josh Swift	Fontana Union Water Company
Tom Harder	Jurupa Community Services District
Charles Moorrees	San Antonio Water Company
Dave Crosley	City of Chino
Anthony La	City of Upland
Ron Craig	City of Chino Hills

Watermaster Board Member Present

Bob Kuhn	Three Valleys Municipal Water District
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Watermaster Staff Present

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

Watermaster Consultants Present

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

Others Present Who Signed In

Ryan Shaw	Inland Empire Utilities Agency
David DeJesus	Three Valleys Municipal Water District
Eunice Ulloa	Chino Basin Water Conservation District
Ken Jeske	California Steel Industries
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Curtis Paxton	Chino Desalter Authority
John Schatz	Attorney at Law

Chair Mura called the Appropriative Pool Meeting to order at 1:00 p.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Appropriative Pool Meeting held May 5, 2011

B. FINANCIAL REPORTS

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

Motion by Zvirbulis second by El-Amamy, and by unanimous vote

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

II. BUSINESS ITEMS**A. DISCUSSION AND POSSIBLE ACTION – DATE AND TIME CHANGE FOR MEETINGS**

Mr. Alvarez introduced this item and explained the cost and time savings efforts that Watermaster staff is trying to come up with; this came up during the Watermaster budget process. Mr. Alvarez stated this change, by having all three Pools meet on the same day would show a significant cost savings to Watermaster. A lengthy discussion regarding this matter ensued. It was noted Mr. La and Chair Mura would make some inquiries and would then get back with Watermaster staff as to which Thursday would work best for this change. Mr. Alvarez stated Watermaster would like to make this change as early as July.

No motion was made.

B. WATERMASTER 2011-2012 BUDGET

Mr. Alvarez stated Mr. Joswiak is going to present this item with the latest version of the budget as it moves through the process for finalization. Mr. Joswiak noted there have been two changes to the budget and those changes do not affect the assessments. Mr. Joswiak gave the revised 2011-2012 Budget presentation. Mr. Joswiak reviewed the comments made at both the 1st and the 2nd Budget Workshops in detail. Mr. Kinsey inquired about reserves. Mr. Joswiak stated there is 30% for administration and 30% for OBMP, with approximately \$200,000 left from the funds this year. Mr. Kinsey inquired about excess reserves held. Mr. Joswiak stated that is correct, and the number being held in reserves is \$1.3 million dollars, which is in excess of the 30/30. Mr. Joswiak continued with his presentation. Mr. Joswiak noted the Appropriative, Non-Agricultural, and Agricultural Pools now have the actual costs of their legal expenses. Mr. Kinsey inquired into the Agricultural Pool accounts for \$358,000. Mr. Joswiak noted the \$358,000 includes the Agricultural Pool's normal legal expenses, plus the \$65,000 for Special Projects and the \$100,000 for the Restated Judgment. Mr. Kinsey stated, a few years ago the issue of how much funding the Appropriators could provide to the Agricultural Pool annually came up. It was discussed and it was his understanding the amount was \$225,000 per year on expenses; this would then eliminate the discussions on what constitutes as a Special Project. Counsel Fife stated he remembers those discussions; however, he did not remember what the specific outcome was and stated he would look into that. Ms. Rojo stated there was a Term Sheet that was agreed to. Mr. Kinsey inquired as to the amount decided. Ms. Rojo stated the Term Sheet states "all means all", which means the Appropriative Pool will pick up all of the Agricultural Pool expenses. Counsel Fife stated the actual paper needs to be reviewed first before any answers are provided. Mr. Kinsey stated he is uncomfortable approving a budget for the Agricultural Pool for \$358,000 at this time, and by approving that amount it will mean approving them to spend additional monies. Mr. Crosley stated he has heard that the Agricultural Pool has hired a second attorney specifically for the Restated Judgment. Ms. Rojo inquired into the \$100,000 additional monies for special attorney fees. Mr. Joswiak stated that is over their original amount for attorney fees. Ms. Rojo inquired if the Agricultural Pool still has an amount set aside for Special Projects. Mr. Joswiak stated they have money set aside for both the Restated Judgment and for legal costs. Ms. Rojo stated she

thought they would have enough money in their Special Projects category to cover an extra legal cost. Mr. Kinsey inquired about the Appropriative Pool legal serves for the Restated Judgment. Mr. Schatz stated his costs will be approximately \$1,000 for reviewing the Restated Judgment. Counsel Fife stated he found the Term Sheet and offered background on this matter. Counsel Fife noted that this was worked out with the chairs of each of the Pools and Mr. Willis who is the chairman for the Watermaster Board. Counsel Fife stated this came up in the context of the monies needed for the Regional Board to do a TMDL Study. Counsel Fife read the paragraph taken directly from the Memorandum dated April 11, 2009; there was no specific dollar limitation set, rather, the Agricultural Pool would submit a budget annually. Counsel Fife stated the Agricultural Pool would have to submit a budget and then live within that budget, and only after their budget was approved through the Watermaster process. A discussion regarding this issue ensued. Ms. Rojo inquired about meetings the Agricultural Pool is having regarding the Restated Judgment and asked if that is with themselves or with Watermaster staff also. Mr. Joswiak stated there were a few meetings with members of the Agricultural Pool and Watermaster staff to discuss well owner names and such. Mr. Joswiak noted the request for the \$100,000 came out of a closed session of the Agricultural Pool members. Mr. La inquired as to what the \$100,000 amount is for. Mr. Joswiak stated the \$100,000 is only for legal to review the Restated Judgment. Mr. Alvarez stated at the last Agricultural Pool meeting, the members did go into closed session and, subsequent to their closed session, the request was to include in their budget \$100,000 for special legal counsel for the Restated Judgment. Mr. Kinsey inquired if staff asked why it is such a high amount for this review. Mr. Kinsey also noted that he asked Monte Vista Water District's legal representative and they told him their review would be substantially lower than \$100,000. Mr. Alvarez stated the Agricultural Pool stated that is the number they are comfortable with budgeting. Mr. Zvirbulis stated through this entire budgeting process we have asked for justification from our consultants for monies to be spent. Mr. Zvirbulis stated if there was a request for this \$100,000 for legal fees associated with the Restated Judgment, there needs to be some sort of justification provided to those who pay those costs. Mr. Joswiak continued with the budget presentation. A discussion regarding taking out monies for the water auction ensued. Counsel Fife offered comment on this matter and referenced a handout presented at the Budget Workshop. Mr. Joswiak stated staff is seeking a motion to approve the presented 2011-2012 Budget. Mr. El-Amamy stated he would have a hard time voting for this item with the \$100,000 for the Agricultural Pool extra legal costs added without any type of justification. Mr. La inquired if this Pool can take an action on the presented budget with a condition that there needs to be clarification from the Agricultural Pool. Mr. Joswiak stated that is correct. Mr. La offered comment on this matter. Mr. Alvarez stated the motion could be to approve the budget with a condition that the request by the Agricultural Pool for supplemental legal services in support of the Restated Judgment be further clarified. A discussion regarding the motion and this matter ensued.

Motion by Kinsey second by El-Amamy, and by unanimous vote

Moved to approve the 2011-2012 Watermaster Budget, conditionally taking out the \$100,000 for the Agricultural Pool Legal Fees for the Restated Judgment, Subject to Clarification from the Agricultural Pool, as presented

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

Mr. Alvarez stated this is a continuation discussion regarding the purchase of replenishment water that became available recently when the Metropolitan Water District approved the replenishment rate for the first time since 2007. Mr. Alvarez stated at the last Appropriative Pool meeting, and subsequent to the Pool meeting, this item has been considered and a couple of decisions have been made with this regard. One decision was to move forward with the approval of applications for local storage agreements for the purposes of replenishment purposes; two applications are before this Pool for approval. The second request is to approve the 30 day notice and consider periods be waived in furtherance of moving this forward in a timely manner. Mr. Alvarez stated water has been spread now for three weeks. Mr. Alvarez stated staff is seeking approval for both items today. Mr. Alvarez stated there will be a third

item introduced after the discussion for the first two items, regarding the financing of the purchased water. Mr. Kinsey inquired if these were local storage agreements or supplemental storage agreements. Ms. Maurizio stated they were local storage agreements. Mr. Kinsey inquired about space in the post-Peace Agreement storage account. Ms. Maurizio stated that number is approximately 30,000, and the cap is 100,000. Ms. Rojo referenced the staff letter on page 74 of the meeting package and inquired about the 85/15 Rule not being applied to this replenishment water purchase. Mr. Alvarez stated if a party is purchasing the water preemptively that rule does not apply. Mr. El-Amamy stated he had the same situation with the City of Ontario, who had some stored water and then applied that stored water to their overproduction. That was not subject to the 85/15 Rule. Ms. Rojo stated that was water from storage that was not subject to the 85/15 Rule. Mr. Rojo offered history on the 85/15 Rule and comment on this matter. A discussion regarding the 85/15 Rule ensued. Ms. Maurizio offered comment on what the Judgment states and noted this situation is not the exact same as what is described in the Judgment. Ms. Maurizio offered comment to help the parties relate to this particular situation - the MZ1 supplemental water purchase in the past and the situation with the recycled water recharge that is being purchased through Inland Empire Utilities Agency and put into supplemental storage accounts; in these instances the 85/15 Rule does not apply. Ms. Rojo offered instances of water purchases and overproduction using the 85/15 Rule and noted the last paragraph in the staff report does not make any sense. A lengthy discussion regarding this matter ensued. A motion was made by Mr. La and a second by Mr. El-Amamy to approve the two staff recommendations. Ms. Rojo requested the parties reconsider this motion and offered comment on this matter. Mr. Kinsey asked that Ms. Rojo find examples to support her case to show that a mistake was made in the past or that a precedent was established. Mr. Crosley stated it might be wise to re-examine how the 85/15 Rule is implemented. A lengthy discussion regarding this matter ensued.

Motion by La second by El-Amamy, and by unanimous vote

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

Added Item:

Mr. Alvarez stated the second part of the replenishment water purchase deals with the financing aspect. Mr. Alvarez stated at the last meeting, the Pool directed staff to look at financing alternatives; this is a work in progress. Mr. Alvarez stated when this item first came to the committee the recommendation was to finance this endeavor through a Special Assessment. Mr. Alvarez gave the Replenishment Water Purchase Financing presentation. Mr. Alvarez discussed the Special Assessment, Watermaster Bank Financing, and Regional Agency Financing alternatives in detail. A lengthy discussion regarding this item, issues related to the presented numbers, and overall financing concerns ensued. Mr. Alvarez continued with his presentation. A lengthy discussion regarding financing options and funds that Watermaster has on hand ensued. Chair Mura stated Fontana brought up some good questions, and other questions continue to come up about the reserves and what is the appropriate amount of money Watermaster should have in reserve. Chair Mura stated the parties want to maximize as much financial clout as possible, and to only borrow what is actually needed. Chair Mura stated staff should have a definitive answer on the reserves question. Mr. Alvarez stated Mr. Joswiak did cover this question and Watermaster must carry in reserves enough cash to finance the operation from the beginning of the fiscal year through the time the assessments come in; basically six months of operating reserves. In addition to those operating reserves, there are permanent reserves which are the 30/30 reserves and those are set aside for a

rainy day. Chair Mura stated that is where the confusion lies; the 30/30 was set up to allow for those costs between the end of the fiscal year and when the assessments were collected. Mr. Alvarez offered further comment on the true reserves that need to be set aside. A discussion regarding reserves ensued. Chair Mura stated that maybe it would be a beneficial exercise to go back and have some thought put into it, and allows all the parties to fully understand exactly what it really is versus what parties think it is and if there are monies left over for us to use for reducing the amount that is needed to borrow. That will benefit everybody on a going forward basis. Mr. La stated whatever the left over reserve amount is, a hybrid version between that reserve number and borrowing money from Inland Empire Utilities Agency would be the preferred manner from the City of Upland rather than Watermaster going out and borrowing money.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Paragraph 31 Appeal

Counsel Fife stated there will be a closed session today regarding the Paragraph 31 appeal. Counsel Fife stated the Watermaster Board directed counsel to file Watermaster's reply brief by the deadline which is Tuesday, June 7, 2011. The brief has been completed and it will be mailed to the court tomorrow.

2. Restated Watermaster Judgment

Counsel Fife stated now, that the appeal brief is complete, counsel can focus more on the Restated Judgment matter. There is nothing more to report on this item other than it is going to be worked on and a more detailed report will come as progress is made.

3. July 8, 2011 Court Hearing

Counsel Fife stated, as reported at the Watermaster Board meeting last week, the CDA is not ready to go to court yet, and since the main reason to have the court hearing was to present the CDA Resolution, that court date will be moved out to the September time frame.

B. CEO/STAFF REPORT

1. Recharge Update

Mr. Alvarez stated the most recent spreadsheet is available on the back table. Mr. Alvarez reviewed the numbers in detail. Mr. Alvarez stated the recharge water that has been spread is at 3,646 acre-feet of the Metropolitan Water District's replenishment water.

2. Horizontal Extensometer Update

Mr. Alvarez stated this item was discussed during the budget presentation. Mr. Alvarez offered comment regarding this item. This item will come back through the Watermaster process.

IV. INFORMATION

1. Cash Disbursements for May 2011

No comment was made regarding this item.

2. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

The regular open Appropriative Pool meeting was convened to hold its confidential session at 2:40 p.m.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

- 1. Paragraph 31 Motion

The confidential session concluded at 3:04 p.m.

There was no reportable action from the confidential session.

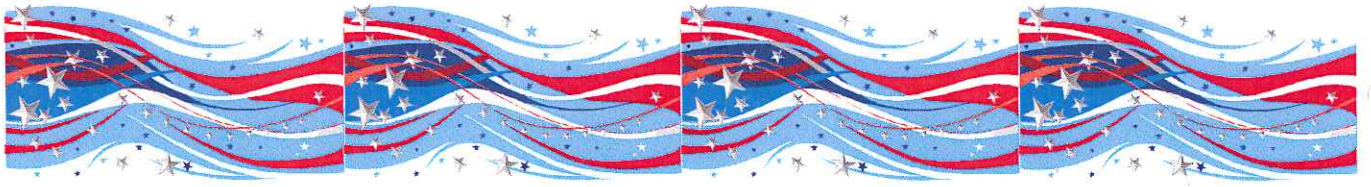
VIII. FUTURE MEETINGS

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

The Appropriative Pool Committee meeting was dismissed by Chair Mura at 3:05 p.m.

Secretary: _____

Minutes Approved: _____

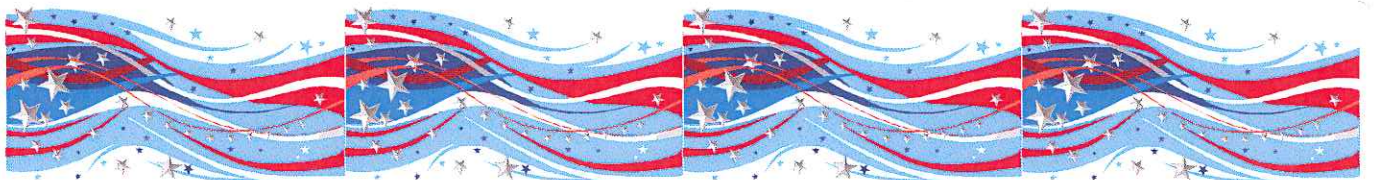


CHINO BASIN WATERMASTER

I. BUSINESS ITEM

A. MINUTES

1. Non-Agricultural Pool Meeting held on June 2, 2011



Draft Minutes
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL CONFERENCE CALL MEETING
June 2, 2011

The Non-Agricultural Pool Conference Call Meeting was held via conference call using the Chino Basin Watermaster conference call number on June 2, 2011 at 2:30 p.m.

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Bob Bowcock, Chair	Vulcan Materials Company (Calmat Division)
Ken Jeske, Vice-Chair	California Steel Industries
Dennis Poulsen, Alternate	California Steel Industries
Brian Geye	Auto Club Speedway
Curtis Stubbings	Praxair, Inc.
Scott Burton	City of Ontario Non-Agricultural Pool
Tom O'Neill, Alternate	City of Ontario Non-Agricultural Pool

Watermaster Staff Present at Watermaster

Danni Maurizio	Senior Engineer
Joe Joswiak	Chief Financial Officer
Ben Pak	Project Engineer
Janine Wilson	Recording Secretary

Watermaster Board Counsel Present at Watermaster

Michael Fife	Brownstein, Hyatt, Farber & Schreck
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Non-Agricultural Pool Counsel Present on Call

Allen Hubsch	Hogan Lovells US LLP
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Chair Bob Bowcock called the Non-Agricultural Pool Conference Call meeting to order at 2:32 p.m.

ROLL CALL

Janine Wilson called roll call.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. BUSINESS ITEMS

A. MINUTES

1. Minutes of the Non-Agricultural Pool Meeting held May 5, 2011

Motion by Jeske second by Geye, and by unanimous vote

Moved to approve May 5, 2011 minutes, as presented

B. FINANCIAL REPORTS

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

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

Receive and file Watermaster Financial Reports without approval

C. DISCUSSION AND POSSIBLE ACTION – DATE AND TIME CHANGE FOR MEETINGS
Consider Changing the Date and Time for the Non-Agricultural Pool Monthly Meeting to the Second Thursday of the Month.

No motion was made regarding this item.

D. WATERMASTER 2011-2012 BUDGET

Staff Recommends Approval of the 2011-2012 Watermaster Budget.

Motion by Jeske, second by Burton, and by unanimous vote

Moved to direct the chairs to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

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

1. Recommend Approval of the applications of Fontana Water Company and Niagara Water Company for Local Storage Agreements.
2. Request that the Watermaster Board waive the thirty day notice period (Watermaster Rules and Regulations Section 10.10) and the twenty-one day consideration period (Watermaster Rules and Regulations Section 10.11) for Applications for Local Storage Agreements, so that the Advisory Committee and Watermaster Board may approve the Local Storage Agreements in June. This request is sought with the express acknowledgment that it does not create precedent for future applications.

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

Moved to direct the chairs to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate with the caveat that the Non-Ag Pool has and will have no obligations with respect to desalter replenishment

II. REPORTS/UPDATES

1. Paragraph 31 Appeal
Counsel Fife gave a report on this item.
2. Restated Watermaster Judgment
Counsel Fife gave a report on this item.
3. July 8, 2011 Court Hearing
Counsel Fife gave a report on this item.

B. CEO/STAFF REPORT

1. Recharge Update
Ms. Maurizio gave a report on this item.
2. Horizontal Extensometer Update
Ms. Maurizio gave a report on this item.

III. INFORMATION

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

IV. POOL MEMBER COMMENTS

No comment was made regarding this item.

V. OTHER BUSINESS

Mr. Schatz offered comment on the Appropriative Pool closed session.

The regular open Non-Agricultural Pool meeting was convened to hold its confidential session at 3:10 p.m.

VI. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

- 1. Paragraph 31 Motion

The confidential session concluded at approximately 4:00 p.m.

The Pool directed the Chair and Pool counsel to continue to engage in settlement discussions with Bob Kuhn and other persons, with the understanding that no settlement would be binding without approval by affected members (see attached Confidential Session Public Report)

VII. FUTURE MEETINGS

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

The Non-Agricultural Pool Committee meeting was dismissed by Chair Bowcock at approximately 4:00 p.m.

Secretary: _____

Minutes Approved: _____

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

June 2, 2011

**CONFIDENTIAL SESSION
PUBLIC REPORT**

A telephonic confidential session of the Non-Agricultural (Overlying) Pool Committee was convened on June 2, 2011 at approximately 2:15 pm. Pool Counsel recorded attendance at the meeting.

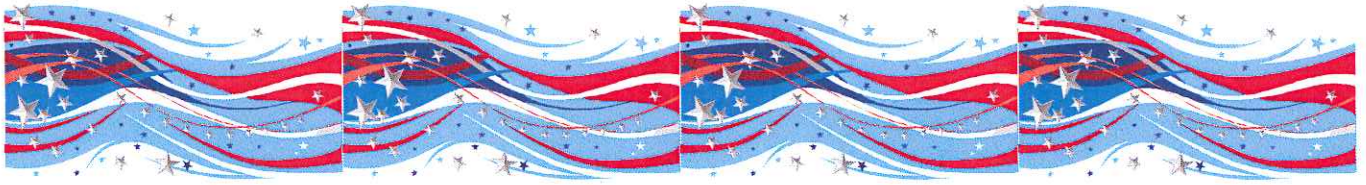
The Pool directed the Chair and Pool Counsel to continue to engage in settlement discussions with Bob Kuhn and other persons, with the understanding that no settlement would be binding without approval by affected members.

The session and meeting adjourned at approximately 4:00 pm.

By: _____


Allen W. Kubsch
Pool Counsel

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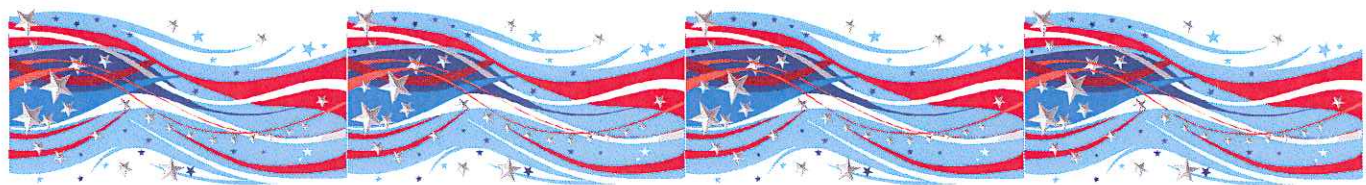


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool Meeting held on June 9, 2011



Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

June 9, 2011

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on June 9, 2011 at 9:00 a.m.

Agricultural Pool Members Present Who Signed In

Bob Feenstra, Chair	Dairy
John Huitsing	Dairy
Gene Koopman	Milk Producers Council
Rob Vanden Heuvel	Milk Producers Council
Glen Durrington	Crops
Jeff Pierson	Crops
Jennifer Novak	State of California, Dept. of Justice, CIM

Watermaster Board Member Present

Paul Hofer	Crops
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Watermaster Staff Present

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

Watermaster Consultants Present

Joe LeClaire	Wildermuth Environmental Inc.
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present Who Signed In

Dan McKinney	Ag Pool Special Counsel
Craig Stewart	Geomatrix
Paul Deutsch	Geomatrix
John Mura	City of Chino Hills
Marsha Westropp	Orange County Water District
Ryan Shaw	Inland Empire Utilities Agency
Gil Aldaco	City of Chino

Chair Feenstra called the Agricultural Pool meeting to order at 9:09 a.m.

AGENDA - ADDITIONS/REORDER

Chair Feenstra introduced Dan McKinney as the Agricultural Pool's special legal counsel.

Chair Feenstra stated John Mura, the Chairman of the Appropriative Pool, is present today to provide information regarding the pending Watermaster budget.

Chair Feenstra stated Joe LeClaire is here from Wildermuth Environmental to give a presentation on the plume and other aspects of water quality in the area.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Agricultural Pool Meeting held May 12, 2011

B. FINANCIAL REPORTS

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

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

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

Added Comment:

Chair Feenstra offered comment on the plumes which included concerns regarding contamination. Chair Feenstra stated this board has made a number of recommendations and motions regarding that plume. Chair Feenstra stated this board has also requested some sampling and tests to be conducted, as well as information requests; many of those never were done. Chair Feenstra offered some history on these requests and noted these concerns will be addressed today by Joe LeClaire.

Added Comment:

Chair Feenstra asked Mr. Mura to provide comments regarding the pending Watermaster 2011-2012 budget. Chair Feenstra stated Mr. Mura has taken a look at the budget numbers and also looked at areas of concern over the past few years. Mr. Mura stated he is here today to offer comment and answer questions regarding the pending Watermaster budget. Mr. Mura thanked Chair Feenstra for the introduction and for making him feel welcome at his first Agricultural Pool meeting. Mr. Mura stated everyone is under pressure regarding their costs and demands, and costs incurred cannot always be passed on to the customer. Mr. Mura stated parties took the lead in putting in a lot more effort in trying to understand what the actual costs were in order to maximize every penny spent. Mr. Mura stated an enormous process was gone through with the engineering firms to see what actually is necessary to be done for this year due to various obligations, or to understand if the project(s) are something that can be put off for another year with no consequences. Mr. Mura stated he believes the work that was put into this budget was at a higher level than was ever done in the past. Mr. Mura stated the Appropriators understand their requirements for Agricultural Pool expenses and that is not being disputed. Mr. Mura stated drastic cuts were made to legal and engineering costs and yet the Appropriators are seeing an added expense this year for special legal counsel regarding the restated Judgment. Mr. Mura asked Chair Feenstra to take a hard look at costs and determine, within your Pool, what is the real and necessary cost. Mr. Mura stated Chair Feenstra explained in a recent phone conversation, that this is a worthy cost and it is something the Agricultural Pool wants to continue to do. Mr. Mura stated at the last Appropriative Pool meeting the latest revision of the Watermaster budget was presented for adoption and at that meeting, the Appropriative Pool was shocked to see an extra \$100,000 added at the last minute to the budget for additional Agricultural Pool legal services. Mr. Mura stated the parties went through a series of workshops and regular Pool meetings for several months, and then, at the eleventh hour, to have that dollar amount put into the budget on the day the Appropriative Pool was asked to approve it, threw people off guard. Mr. Mura stated the Appropriative Pool did not say it was not a worthy cost; however, the Pool did take an action to approve the budget minus that line item expense and to request the Agricultural Pool provide some sort of justification for that cost. Mr. Mura stated the Appropriative Pool had to go through and justify almost everything in the budget, and the parties are asking the Agricultural Pool to perform the same task of justification. Mr. Mura stated several parties have looked at the restated Judgment and understand it will be a major effort; however, the entire Appropriative Pool's legal expenses for last year totaled \$60,000 and we are the key players in the Paragraph 31 Motion appeal which involved a lot of legal work and two hearings. Mr. Mura stated

the Appropriative Pool budgeted \$1,000 for legal to review the work done on the restated Judgment; a quote was provided by legal counsel for 3 to 4 hours of work for review. Mr. Mura stated when a party puts \$100,000 in the budget, it may not get spent; however, the other parties get assessed on the full amount whether or not it is spent. Mr. Mura stated the Appropriative Pool wants to try and keep the assessments the same or less than last year and expenses must be justified. There are a lot of projects that are being deferred this year because of that burden, and then to add an additional \$100,000 for something that may or may not be necessary was a real surprise to the Appropriators. Chair Feenstra asked for thoughts from Mr. Pierson. Mr. Pierson stated since he made the motion to hire special counsel, and noted we are not all attorneys we are mainly private businessmen that operate farms and dairies within the Agricultural Pool, we don't have the legal understanding to know what this judicial rewrite will be. Mr. Pierson stated, through the Pool Chairman and Desi an appropriate amount was settled upon, and because of budgetary reasons, a budget and an allocation of costs was created. Mr. Pierson stated we, as a group, understand that we are part of a family and we need to make sure that whatever is rewritten in the Judgment does not jeopardize the Agricultural Pools' interests. Mr. Pierson stated the dollar amount is really unknown at this time. Mr. Pierson stated this Pool will judicially monitor dollars that are being spent, and is open to other suggestions. Mr. Pierson stated it was the Watermaster CEO and the Agricultural Pool chairman's best judgment in creating that allocation of cost; special counsel will be focused on specific issues. Mr. Pierson stated the Agricultural Pool is in the process of reviewing the role and responsibilities of general legal counsel, which was brought up at the last Advisory Committee meeting. Mr. Koopman stated the Agricultural Pool is very careful when it comes to spending money and offered comment on a matter that happened a few years ago regarding having to go through the Watermaster process for a budget amendment. He noted it was not granted when asked, and the matter was about to be taken to court because of what is written in the Peace Agreement. Mr. Koopman stated at that time that he would never let that happen again; that is one reason why the \$100,000 is being put into the budget. A discussion regarding what happens to monies that are not spent at the end of the fiscal year ensued. Mr. Koopman offered history on other past financial issues that the Agricultural Pool has had to go through. Ms. Novak offered comment on monies not spent in the budget. Ms. Novak stated she agrees with Mr. Koopman and disapproves of having to go through the Watermaster process to ask for money every time something is under-budgeted. Ms. Novak offered comment on the item. Mr. Koopman spoke of for a budget amendment and noted it almost had to come to a Paragraph 31 Motion threat to get the needed money. Ms. Novak stated she believes the Agricultural Pool does not incur the expenses that could be incurred, and offered comment on the State representatives choosing not to be paid a stipend. Ms. Novak stated the true cost of having the expertise of the right attorneys, is not rolled into a \$60,000 a year estimate. Ms. Novak stated the Judgment is a huge issue and that is where the Agricultural Pool rights flow from. It could take an hour to review the restated Judgment or it could take several hours; nobody knows. Ms. Novak stated it is important for all to pay close attention to what is being done with this regard. Ms. Novak stated this is not an ongoing expense that is going to be incurred, rather just a one-time effort, and stated the Agricultural Pool can work with the Appropriative Pool to save money. Chair Feenstra stated Mr. McKinney has been in contact with Scott Slater. Chair Feenstra stated he has personally gone over Mr. McKinney's contract and he will work closely with this Pool. Chair Feenstra offered comment on a recent project with Watermaster staff and explained how this saved Watermaster approximately \$25,000. Chair Feenstra stated this Pool is very careful on who should be attending meetings and who shouldn't. Chair Feenstra stated he can assure the Appropriative Pool and the Watermaster Board that he will be very aware of what is being spent and done. Mr. Pierson inquired about the Appropriative Pool's decision to go forward with the budget minus the \$100,000, and how is this going to be resolved. Chair Feenstra stated this is going to be resolved today. Mr. Alvarez stated the action taken by the Appropriative Pool is that the Pool has approved the budget conditionally upon receiving additional justification of the requested legal expenses. Once that is provided their need for justification is satisfied and the budget should be moved forward through the process. Mr. Koopman stated he does not ever remember questioning the Appropriative or Non-Agricultural Pools budgets. Mr. Koopman stated the budget is set, it is what it is, and the Pool will do its very best to stay within budget, or below. Mr. Pierson spoke on the accelerated unpumped water which is being given to the Appropriative Pool at a tremendous discount, and is part of the Peace Agreement. Ms. Novak offered comment on an item similar to this one in the past and noted at that time, discretion was

given to the Advisory Committee Agricultural Pool representatives as to how to vote at that meeting. Chair Feenstra thanked Mr. Mura for attending and asked for closing comments from Mr. McKinney. Mr. Mura thanked the committee for allowing him to come and present this position personally. Mr. Mura noted there is a lot of good, and bad, history with the various Pools; however, the past is the past and we need to move forward productively. Mr. Mura offered his closing comments. Chair Feenstra thanked the parties for being here and offering their comments, and inquired if the Pool wanted to change its position. Mr. Koopman offered closing comments. Mr. McKinney stated paragraph 5.4 in the Peace Agreement specifically confirms that Special Project expenses are to be paid by the Watermaster. Mr. McKinney stated he went through the original Peace Agreement negotiations and those costs were around \$100,000. He believes the judicial rewrite is not going to require that; however, in speaking with Scott Slater, even Scott does not really know what it is going to take to complete this task. Mr. McKinney stated this could go very easy or go on and on like the Peace Agreement; however, if it took 20 or 30 workshops it could cost that much – that is a realistic cost. Ms. Novak noted the official agenda item is not even up yet. Ms. Novak inquired about the unspent monies. A discussion regarding Ms. Novak's comments on unspent money ensued. Mr. Alvarez stated if there is money left over in the budget, it would either go into some type of reserve or it would be used to subsidize future years' budgets. Mr. Vanden Heuvel inquired if Business Items were being discussed yet, and if action is going to be taken today. Chair Feenstra stated yes, on any action that may be considered. Mr. Vanden Heuvel stated he really appreciates Mr. Mura coming today to discuss this matter with this Pool. Mr. Vanden Heuvel stated he recalls a conversation to hire special counsel, and that he fully supports that decision; however, he does not recall this committee taking any official action on a budget number. Mr. Vanden Heuvel stated, unless he missed that discussion, this is the first time he is hearing this \$100,000 special counsel budget amount, and stated these discussions may have happened among other members of the Pool since the last meeting. Mr. Vanden Heuvel stated that what Mr. Mura is asking for is justification and the best person to provide that justification is Mr. McKinney as he is the one that was hired to perform this task. Mr. Vanden Heuvel stated, as far as he understands there may be some workshops, but the main role of Mr. McKinney is to make sure the effort, as it moves along, is representing any special interest of the Agricultural Pool by representing the Peace Agreement, Peace II, and the original Judgment. We are not trying to create legislation but this is a paperwork exercise. Mr. Vanden Heuvel stated this exercise is taking three documents and turning them into one, and he completely understands where the Appropriative Pool is coming from in terms of their concerns for the \$100,000, they will, in turn, have to go to the rate payers to collect those monies. Mr. Vanden Heuvel stated he was on this committee when this Pool had to go and ask for more money and it was at first denied; however, he personally can't vote in favor of the \$100,000 budget at this point in time unless more justification is obtained from Mr. McKinney. Chair Feenstra stated at the last meeting he was asked by Mr. Alvarez to come forward with a number, and that number was provided. Chair Feenstra stated this Pool and counsel do not really know what is going to be involved in this entire project, and stated he wanted to make sure they did not find themselves in the awkward position this Pool was in the last time it needed money. Mr. Durrington stated he thinks it will be more than \$100,000 depending on the litigation that goes on with the rewrite, and stated care must be taken that no mistakes are made. Mr. Durrington stated he estimates the amount will be around \$150,000. Mr. Koopman stated people just have to look at past budgets, as far as legal counsel costs are concerned. Mr. Koopman stated he questions the Appropriative Pool's \$1,000 quote for approximately three hours of work. Chair Feenstra offered comment on money being moved around the in the budget, and how unhappy he has been with that process. Chair Feenstra stated he is pleased that Mr. Alvarez is here, and that it will be a new day and a new look. Chair Feenstra offered final comments and stated he will get back with Mr. Mura in the near future; however, he does not expect a change. Mr. Mura stated that in discussions within the Pool this needs to go through the process, and asked that the Agricultural Pool take a more conservative approach with a lower number. Then, if more money is needed, come back and ask for more money. Mr. Mura stated he understands there is a trust factor here but he suspects the Pool will not come up against the same barriers as in the past. Mr. Mura stated the Appropriative Pool is not just asking about the \$100,000, but focusing on the overall \$220,000 as a whole. Mr. Mura thanked the Agricultural Pool for their time.

Added Comment:

Chair Feenstra stated he and Mr. LeClaire have recently spoken on the phone, and the presentation that he is giving today has been put off several times; there are some major issues with water quality that need to be addressed. Chair Feenstra stated he wants to get through this agenda on the fast track to allow enough time for this important presentation.

II. BUSINESS ITEMS**A. DISCUSSION AND POSSIBLE ACTION – DATE, TIME, LOCATION CHANGE FOR MONTHLY MEETING**

Mr. Alvarez stated the first Business Item is for the consideration of rescheduling the Pool meetings. Mr. Alvarez offered comment on how the Pool committees, the Advisory Committee, and Watermaster Board work. Mr. Alvarez stated one of the things that has become apparent is that the agenda is basically the same with all three Pools. It makes sense to consider having all of the Pool meetings on the same day, as was done in the past, and it would be a more efficient way to conduct business. Staff recommends moving the meeting from Inland Empire Utilities Agency to Chino Basin Watermaster, still on the second Thursday of the month, but at 1:00 p.m. Mr. Alvarez stated the Appropriate and Non-Agricultural Pools discussed this at their meetings and are in consensus with this change. Chair Feenstra stated he has discussed this matter with Mr. Alvarez, Mr. Pierson, and others on this board, and 1:00 p.m. is the preferred time. Mr. Koopman stated this used to be the way the meetings were scheduled and there was a specific reason for that change. Mr. Koopman offered history regarding this item. Mr. Pierson offered comment on this matter and noted he does not care if a change is made. A brief discussion regarding this matter ensued. Chair Feenstra stated he is required to sign every invoice of counsel and he will do the same with the special counsel.

Motion by Novak second by Pierson, and by unanimous vote

Moved to approve moving the Agricultural Pool meetings to the second Thursday of the month at 1:00 p.m. and hold the meetings at Chino Basin Watermaster office, as presented

B. WATERMASTER 2011-2012 BUDGET

Mr. Alvarez stated this item is on the Watermaster 2011-2012 budget, and Mr. Joswiak will give a presentation on this item. Chair Feenstra stated the presentation can be given; however, asked that only the items that were changed be focused on to save time. Mr. Joswiak gave the budget presentation and highlighted all the changes made since the budget process started. Ms. Novak asked if this included the \$100,000 and Mr. Joswiak noted it does. Ms. Novak noted even with the \$100,000 in this budget the assessments have gone down, and now that meetings are being consolidated it should reduce costs even further. A discussion regarding the changes and cost savings ensued. Chair Feenstra offered comment on changes at Watermaster. Mr. Huitsing inquired about legal expenses for the Restated Judgment for the Appropriate Pool; three or four hours at \$1,000.00. However, in the budget it shows \$62,000. Mr. Joswiak stated the amount that Mr. Mura is talking about is for John Schatz costs, and the \$62,000 is for Brownstein costs. A discussion regarding the Restated Judgment costs ensued. Mr. Pierson inquired as to what has been spent to date on the Restated Judgment for legal costs. Counsel Fife stated he does not know the hours; however, there was a handout at the last Budget Workshop where it was broken down into each step and time. Counsel Fife stated since some of those costs would be for this month, which is outside of this budget period, 25% was taken off to figure for what was already done. Mr. Pierson stated it would be helpful to receive the total costs and hours for the actual Restated Judgment from start to finish. Counsel Fife stated the costs to date have been fairly nominal and the process has stopped and started several times. A lengthy discussion regarding carryover funds ensued. Mr. Alvarez stated some items are over budget, and some are under budget, and at the end of the day you want to balance the entire budget. If there is a surplus it goes to reserves or to offset future years' expenditures. Ms. Novak stated Mr. Vanden Heuvel is correct, we never did discuss an actual budget amount as part of this committee and, based on the comments received today, the chair

tried to come up with a number that could be used for the budget through a discussion with Mr. Alvarez and Mr. McKinney. Ms. Novak offered comment on costs savings provided to the budget. Mr. Vanden Heuvel stated he does not think it is unreasonable to ask the attorneys to provide some sort of reasonable estimate. Mr. Vanden Heuvel stated that this Pool is asking Mr. McKinney to review what is already done, and if it costs \$100,000 and an adequate explanation is provided as to why it costs that much, the motion will be supported. Chair Feenstra stated he appreciated the parties' comments today and offered closing comments. A lengthy discussion regarding the process taken for the Peace Agreement negotiations, and the hours and costs for the Restated Judgment, ensued. Mr. Vanden Heuvel offered final comments on the special counsel costs. Chair Feenstra stated he has looked at legal expenses and noted the Agricultural Pool must cover what is needed or possibly needed for this important assignment.

Motion by Novak, second by Koopman, and by majority vote, Vanden Heuvel voted no
Moved to approve the Watermaster 2011-2012 Budget with the \$100,000 in it, as presented

Added Comment:

Chair Feenstra stated he is going to make a change for the presentation by Wildermuth Environmental since there was a 45 minute discussion on one item earlier. Chair Feenstra stated he will be in contact with Joe LeClaire to fine tune the presentation, which was sent to him last night. Chair Feenstra stated this presentation will be given next month.

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

Mr. Alvarez stated Watermaster has been presented the opportunity to purchase some low cost water that Metropolitan Water District (MWD) has made available at the replenishment rate for the first time since 2007. Mr. Alvarez stated that because this opportunity has presented itself in a very short period of time Watermaster needs to take advantage of the water being made available between now and the end of this year at the rate of \$409 per acre-foot, plus subsequent mark up rates. Mr. Alvarez stated this item has been discussed at several meetings, including the Advisory Committee and the Watermaster Board last month. Mr. Alvarez stated Watermaster is moving forward and developing strategies; however, the commitment is to try and get 50,000 acre-feet of water into the ground. Mr. Alvarez stated that water purchase will be in two parts, subject to change, as this moves through the process, with 25,000 acre-feet of water being preemptive replenishment for Desalter obligations of which will start in 2013, and 25,000 acre-feet will also be preemptive replenishment for those agencies which need replenishment water. Mr. Alvarez stated the Advisory Committee and Watermaster Board previously approved taking action to expedite getting agreements in place for the purchase of the water by those agencies which need preemptive replenishment. Mr. Alvarez stated Watermaster has two applications right now, and there might be more forthcoming. The action staff is seeking today is to approve the applications of Fontana Water Company and Niagara Water Company for local storage agreements. Mr. Alvarez stated the second action staff is seeking is to waive the thirty day notice period so that Watermaster can move forward getting all the agreements executed expeditiously. Mr. Alvarez stated he has a third item to discuss, which would be the follow up on the 25,000 acre-feet of preemptive replenishment for the Desalter obligation. Watermaster was requested to look at various financing alternatives. Mr. Alvarez stated he has a presentation to give on some of those options. Mr. Alvarez stated Watermaster is first requesting action on the first two items. Ms. Novak stated the State of California has the right to have a storage program and she believes the other parties of the Agricultural Pool do not. Ms. Novak stated she thinks she remembers something controversial about applications for storage that came up about a year ago. There were some committee meetings on this, and in those meetings there were issues brought up, such as if different producers were situated differently based on whether they paid into some of the improvements in the basin for storage or not. Counsel Fife stated you are remembering a set of issues that does not have anything to do with this. The City of Fontana, who is not a producer, has no water

rights and hasn't paid into the OBMP, wanted a storage account; there were questions raised on how that would be accomplished. Counsel Fife stated that issue does not relate to this; both the parties for these applications have paid into the OBMP. Mr. Durrington inquired about the effect 50,000 acre-feet of water being put into the ground, along with all the snow melt, is going to have on Hydraulic Control along the basin. Mr. Alvarez stated it should not affect Hydraulic Control and offered comment on how Hydraulic Control works. A discussion regarding this matter ensued. Mr. Alvarez restated Watermaster recommendations for approval.

Motion by Koopman second by Durrington, and by unanimous vote

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

Added Comment:

Mr. Alvarez stated the second part of the replenishment water purchase deals with the financing aspect. Mr. Alvarez stated at the last Appropriative Pool meeting, the Pool directed staff to look at financing alternatives; this is a work in progress. Mr. Alvarez stated when this item first came to the committee the recommendation was to finance this endeavor through a Special Assessment; however, in researching this option, it was made known that the Appropriative Pool parties had not previously budgeted for this expense so that option is out. Mr. Alvarez discussed the Special Assessment, Watermaster Bank Financing, and Regional Agency Financing alternatives in detail.

At 10:45 a.m. Chair Feenstra turned the Agricultural Pool meeting over to Vice-Chair Pierson.

Mr. Koopman spoke on Inland Empire Utilities Agency using Option "A", and that option will go to their Board. Mr. Koopman stated he had not heard some of the comments that Mr. Alvarez made today and there should be a fourth option, in that Watermaster finance it themselves. Mr. Koopman offered comment on the financial options. Mr. Alvarez stated one of the key points presented here is that we have been presented with an opportunity and a challenge. Staff is proceeding very judiciously, and at the same time taking advantage of the opportunity. Mr. Alvarez stated water started being put into the ground on May 16, 2011. Watermaster was the first agency to start taking water from MWD and that water is going in the ground as we speak. There are agreements with at least two member agencies to purchase some of that water because they are in an overdraft situation and they need replenishment water. Mr. Alvarez stated it is in the best interest of Watermaster to purchase this water in the future, and for Watermaster to have water in its own account for the benefit of everyone; however, financing mechanisms do need to be completed. Mr. Alvarez offered comment on the State water supply. Mr. Alvarez stated Watermaster needs to have reserves and to look at what those should be, and the policy discussions are something he is looking forward to. Mr. Koopman inquired about this water being subject to the 2% loss factor. Mr. Alvarez stated that it is a good question, and he prefers it not be. Mr. Koopman stated it would make a big difference if Watermaster did not subject itself to 2% losses; that changes the numbers quite a bit. A discussion regarding this matter and funding issues ensued.

D. SPECIAL PROJECT – TMDL STUDY (Discussion & Possible Action)

Mr. Vanden Heuvel stated he wants to remove this item. No further comment was made regarding this item.

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**1. Paragraph 31 Appeal

Counsel Fife stated Watermaster filed its reply brief late last week. Counsel Fife stated the Appropriative Pool has asked for a continuance. The court granted them a 45 day continuance because settlement discussions are taking place directly between the Appropriative Pool and the Non-Agricultural Pool. Counsel Fife stated he understands those discussions have been productive and it looks like this may get resolved before anything else needs to be filed. Mr. Koopman inquired about the price of the water which was previously set in Peace II. Counsel Fife stated it wasn't in the Peace II Agreement itself it was in one of the attachments, it is in the Purchase and Sale Agreement. Ms. Novak inquired if any settlement between the Appropriative Pool and the Non-Agricultural Pool has to go through the Watermaster approval process in order for Watermaster to withdraw its brief and drop out of the action. Counsel Fife stated he takes direction from the Board; however, it would probably be safe to say that if the Appropriative Pool and Non-Agricultural Pool settled Watermaster would not hesitate to do whatever needed to be done to end this. Counsel Fife stated since Watermaster did not file the appeal, if the Appellants dropped the appeal, he does not know if the appellees have anything to say about that. Ms. Novak offered comment on policy interpretations. A discussion regarding this matter ensued.

2. Restated Watermaster Judgment

Counsel Fife stated this item was already discussed at length.

3. July 8, 2011 Court Hearing

Counsel Fife stated the July 8, 2011 court hearing is going to be moved to the September timeframe. There are a number of things the parties were anticipating for that hearing; however, the main one was the CDA Resolution and they are still waiting on MWD approval for the LRP Funding. MWD has not done that yet so they are not ready to go to court. A discussion regarding this matter ensued.

B. ENGINEERING REPORT1. Presentation on Plume Contaminants

Vice-Chair Pierson stated Chair Feenstra moved this item to the next Agricultural Pool meeting in July.

C. CEO/STAFF REPORT1. Recharge Update

Mr. Alvarez stated the most recent spreadsheet is available on the back table. Mr. Alvarez reviewed the numbers in detail. Mr. Alvarez stated the recharge water that has been spread is at 4,700 acre-feet of the Metropolitan Water District's replenishment water.

2. Horizontal Extensometer Update

Mr. Alvarez stated the negotiations regarding this item are going on right now and as soon as an agreement is ready it will come back through the Watermaster process.

IV. INFORMATION1. Cash Disbursements for May 2011

No comment was made regarding this item.

2. Newspaper Articles

No comment was made regarding this item.

3. State Water Supply Conditions

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

Mr. Durrington stated there were guest speakers here today that were not on the agenda; agendas need to be correct as the meeting ran too long today.

A discussion regarding the new meeting schedule ensued.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

No confidential session was called.

VIII. FUTURE MEETINGS

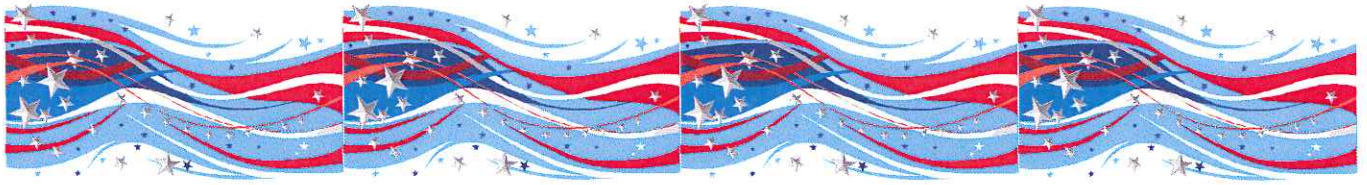
Thursday, June 9, 2011	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, June 16, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, June 16, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, June 16, 2011	10:30 a.m.	Land Subsidence Committee Meeting @ CBWM
Thursday, June 23, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM

The Agricultural Pool Committee meeting was dismissed by Vice-Chair Pierson at 11:10 p.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR (App & Ag Pool)

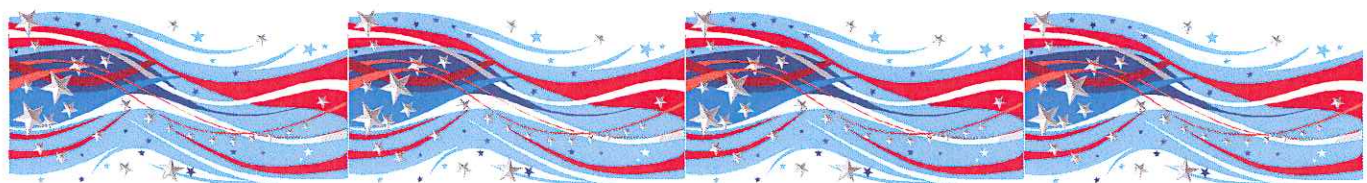
B. FINANCIAL REPORTS

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

I. BUSINESS ITEM (Non-Ag Pool)

B. FINANCIAL REPORTS

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





CHINO BASIN WATERMASTER

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

DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: July 14, 2011
TO: Committee Members
SUBJECT: Cash Disbursement Report – Financial Report B1

SUMMARY

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

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

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

BACKGROUND

A monthly cash disbursement report is provided to keep all members apprised of Watermaster expenditures.

DISCUSSION

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

Actions:

July 14, 2011 Appropriative Pool –
July 14, 2011 Non-Agricultural Pool –
July 14, 2011 Agricultural Pool –
July 21, 2011 Advisory Committee –
July 28, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/03/2011	15070	ARROWHEAD MOUNTAIN SPRING WATER		1012 - Bank of America Gen'l Ckg	38.95
Bill	04/30/2011	0023230253		Office Water Bottle - April 2011	6031.7 - Other Office Supplies	38.95
TOTAL						
Bill Pmt -Check	05/03/2011	15071	COMPUTER NETWORK		1012 - Bank of America Gen'l Ckg	527.13
Bill	04/30/2011	80333		Replacement monitor for Justin	6055 - Computer Hardware	1,631.25
Bill	04/30/2011	80994		Symantec backup	6054 - Computer Software	47.85
Bill	04/30/2011	80334		Cables	6055 - Computer Hardware	103.31
Bill	04/30/2011	80310		LCD stand, hard drive	6055 - Computer Hardware	2,309.54
TOTAL						
Bill Pmt -Check	05/03/2011	15072	COUNTY OF ORANGE		1012 - Bank of America Gen'l Ckg	86.99
Bill	05/02/2011	019447404		VOID: Flood Encroachment Permit Fee	1012 - Bank of America Gen'l Ckg	86.99
TOTAL						
Bill Pmt -Check	05/03/2011	15073	DIRECTV		1012 - Bank of America Gen'l Ckg	810.00
Bill	05/02/2011	019447404		Service for 4/19/11-5/18/11	6031.7 - Other Office Supplies	810.00
TOTAL						
Bill Pmt -Check	05/03/2011	15074	JAMES JOHNSTON		1012 - Bank of America Gen'l Ckg	298.00
Bill	04/30/2011	230		Website Services - April 2011	6052.3 - Website Consulting	298.00
TOTAL						
Bill Pmt -Check	05/03/2011	15075	ONTARIO, CITY OF		1012 - Bank of America Gen'l Ckg	4,150.00
Bill	04/30/2011	E201000585		traffic control permit-water quality sampling-Ontario	7103.6 - Gridwtr Qual-Supplies	4,150.00
TOTAL						
Bill Pmt -Check	05/03/2011	15076	PARK PLAGE COMPUTER SOLUTIONS, INC.		1012 - Bank of America Gen'l Ckg	2,660.00
Bill	04/30/2011	450		IT Services - April 2011	6052.1 - Park Place Comp Solutn	2,660.00
TOTAL						
Bill Pmt -Check	05/03/2011	15077	PUMP CHECK		1012 - Bank of America Gen'l Ckg	164.80
Bill	04/30/2011	4218			7102.8 - In-line Meter-Calib & Test	164.80
TOTAL						
Bill Pmt -Check	05/03/2011	15078	THE LAWTON GROUP		1012 - Bank of America Gen'l Ckg	52.93
Bill	04/30/2011	1vc070000016915		Scanning Services - Week ending 4/17/2011	6017 - Temporary Services	52.93
TOTAL						
Bill Pmt -Check	05/03/2011	15079	VISION SERVICE PLAN		1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	001017890001		Vision Insurance Premium - May 2011	60182.2 - Dental & Vision Ins	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						52.83
Bill Pmt -Check	05/09/2011	15080	BOWCOCK, ROBERT	4/12/2011 Budget Workshop	1012 · Bank of America Gen'l Ckg	125.00
Bill	04/12/2011	4/12 Budget Wkshp		4/12/2011 Budget Workshop	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	05/09/2011	15081	CITISTREET	Payroll and Taxes for 04/17/11-04/30/11	1012 · Bank of America Gen'l Ckg	1,460.54
General Journal	04/30/2011	04/30/11	CITISTREET	Employee 457 Deduction for 04/17/11-04/30/11	2000 · Accounts Payable	1,460.54
TOTAL						1,460.54
Bill Pmt -Check	05/09/2011	15082	COMPUTER NETWORK		1012 · Bank of America Gen'l Ckg	48.94
Bill	04/30/2011	81238		Replacement computer case - CEO	6055 · Computer Hardware	48.94
Bill	04/30/2011	81221		Workstation for senior engineer	6055 · Computer Hardware	1,522.50
Bill	05/03/2011	81267		Mouse for executive assistant, IT office	6055 · Computer Hardware	163.13
Bill	05/06/2011	81288		LCD monitor	6055 · Computer Hardware	559.75
TOTAL						2,294.32
Bill Pmt -Check	05/09/2011	15083	ELIE, STEVEN		1012 · Bank of America Gen'l Ckg	125.00
Bill	04/12/2011	4/12 Budget Wkshp		4/12/2011 Budget Workshop	6311 · Board Member Compensation	125.00
Bill	04/28/2011	4/28 Board Mtg		4/28/2011 Board Meeting	6311 · Board Member Compensation	250.00
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TOTAL						250.00
Bill Pmt -Check	05/09/2011	15084	HAUGHEY, TOM		1012 · Bank of America Gen'l Ckg	125.00
Bill	04/28/2011	4/28 Board Mtg		4/28/2011 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	05/09/2011	15085	JESKE, KEN		1012 · Bank of America Gen'l Ckg	125.00
Bill	04/28/2011	4/28 Board Meeting		4/28/2011 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	05/09/2011	15086	KUHN, BOB		1012 · Bank of America Gen'l Ckg	125.00
Bill	04/12/2011	4/12 Budget Wkshp		4/12/2011 Budget Workshop	6311 · Board Member Compensation	125.00
Bill	04/21/2011	4/21 Advisory Comm		4/21/2011 Advisory Committee Meeting	6311 · Board Member Compensation	125.00
Bill	04/28/2011	4/28 Board Meeting		4/28/2011 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	05/09/2011	15087	LANTZ, PAULA		1012 · Bank of America Gen'l Ckg	125.00
Bill	04/12/2011	4/12 Budget Wkshp		4/12/2011 Budget Workshop	6311 · Board Member Compensation	125.00
Bill	04/28/2011	4/28 Board Meeting		4/28/2011 Board Meeting	6311 · Board Member Compensation	250.00
TOTAL						250.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/09/2011	15088	PAYCHEX	2011042800	1012 - Bank of America Gen'l Ckg	234.76
Bill	04/28/2011	2011042800		Payroll Services - April 2011	6012 - Payroll Services	234.76
TOTAL						
Bill Pmt -Check	05/09/2011	15089	PRINTING RESOURCES		1012 - Bank of America Gen'l Ckg	28.70
Bill	04/28/2011	56465		Name plate for Desi Alvarez	6031.7 - Other Office Supplies	28.70
Bill	04/28/2011	56466		Name badge for Desi Alvarez	6031.7 - Other Office Supplies	40.02
Bill	04/28/2011	56463		Business cards for Desi Alvarez	6031.7 - Other Office Supplies	137.67
TOTAL						206.39
Bill Pmt -Check	05/09/2011	15090	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	5,519.39
General Journal	04/30/2011	04/30/11		CalPERS Employee Pymnts for 04/17/11-04/30/11	2000 - Accounts Payable	5,519.39
TOTAL						
Bill Pmt -Check	05/09/2011	15091	PURCHASE POWER	8000909000168851	1012 - Bank of America Gen'l Ckg	21.87
Bill	04/30/2011	8000909000168851		fed ex shipments-Alvarez; CBWM documents	6042 - Postage - General	21.87
TOTAL						
Bill Pmt -Check	05/09/2011	15092	REID & HELLYER	175052	1012 - Bank of America Gen'l Ckg	10,077.83
Bill	04/30/2011	175052		175052 - Ag Pool Legal Services	8467 - Ag Legal & Technical Services	10,077.83
				175052 - Ag Pool Legal Services	8467.1 - Frank B. & Associates	522.50
TOTAL						10,600.33
Bill Pmt -Check	05/09/2011	15093	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	865.20
Bill	04/30/2011	ICV070000016942		Scanning Services - Week ending 4/24/2011	6017 - Temporary Services	865.20
TOTAL						
Bill Pmt -Check	05/09/2011	15094	UNION 76	300-732-989	1012 - Bank of America Gen'l Ckg	210.94
Bill	04/28/2011	300732989		April 2011	6175 - Vehicle Fuel	210.94
TOTAL						
Bill Pmt -Check	05/09/2011	15095	VANDEN HEUVEL, GEOFFREY	6311	1012 - Bank of America Gen'l Ckg	125.00
Bill	04/28/2011	4/28 Board Meeting		4/28/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						
Bill Pmt -Check	05/09/2011	15096	VERIZON	012519116950792103	1012 - Bank of America Gen'l Ckg	427.08
Bill	04/30/2011	012519116950792103		012519116950792103	6022 - Telephone	427.08
Bill	04/30/2011	012561121521714508		012561121521714508	7405 - PE4-Other Expense	162.84
TOTAL						589.92
Bill Pmt -Check	05/09/2011	15097	W.C. DISCOUNT MOBILE AUTO DETAILING		1012 - Bank of America Gen'l Ckg	
				Truck washing service		

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	04/27/2011			Truck washing 4 trucks	6177 · Vehicle Repairs & Maintenance	100.00
TOTAL						100.00
Bill Pmt -Check	05/09/2011	15098	WILLIS, KENNETH		1012 · Bank of America Gen'l Ckg	
Bill	04/15/2011	4/15 Admin Mtg		4/15/2011 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	04/28/2011	4/28 Board Mtg		4/28/2011 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	05/09/2011	15099	YUKON DISPOSAL SERVICE		1012 · Bank of America Gen'l Ckg	
Bill	05/09/2011	08-K2 213849		Disposal Service for May 2011	6024 · Building Repair & Maintenance	142.88
TOTAL						142.88
Bill Pmt -Check	05/09/2011	15100	APPLIED COMPUTER TECHNOLOGIES		1012 · Bank of America Gen'l Ckg	
Bill	04/30/2011	2007		Database Services - April 2011	6052.2 · Applied Computer Technol	2,611.20
TOTAL						2,611.20
Bill Pmt -Check	05/10/2011	15101	HSBC BUSINESS SOLUTIONS		1012 · Bank of America Gen'l Ckg	
Bill	04/30/2011	7003730970002744		Carpet cleaner, misc, meeting and office supplies	6031.7 · Other Office Supplies	547.39
TOTAL						547.39
Bill Pmt -Check	05/10/2011	15102	MWH LABORATORIES		1012 · Bank of America Gen'l Ckg	
Bill	04/30/2011	L0052938		L0052938 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	2,065.00
Bill	04/30/2011	L0052937		L0052937 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	2,360.00
Bill	04/30/2011	L0052936		L0052936 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	1,532.00
Bill	04/30/2011	L0053692		L0053692 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	2,065.00
Bill	04/30/2011	L0053428		L0053428 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	615.00
Bill	04/30/2011	L0053308		L0053308 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	2,360.00
Bill	04/30/2011	L0052939		L0052939 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	615.00
TOTAL						11,612.00
Check	05/16/2011	05/16/2011	Service Charge	Service Charge	1012 · Bank of America Gen'l Ckg	151.41
TOTAL						151.41
General Journal	05/20/2011	05/20/11	Payroll and Taxes for 05/01/11-05/14/11	Payroll and Taxes for 05/01/11-05/14/11	1012 · Bank of America Gen'l Ckg	18,021.32
				Direct Deposits for 05/01/11-05/14/11	1012 · Bank of America Gen'l Ckg	7,897.32
				Payroll Taxes for 05/01/11-05/14/11	1012 · Bank of America Gen'l Ckg	5,818.08
				Checks for 05/01/11-05/14/11	1014 · Bank of America P/R Ckg	32,736.72
TOTAL						
Bill Pmt -Check	05/24/2011	15103	ACWA SERVICES CORPORATION		1012 · Bank of America Gen'l Ckg	
TOTAL						

TOTAL

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

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

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/24/2011	15109	COUNTY OF ORANGE	Flood Encroachment Permit Fee	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	Encroachment permit		Fee-Permit extension to gain access to wells	7103.6 - Grdwtr Qual-Supplies	258.00
TOTAL						258.00
Bill Pmt -Check	05/24/2011	15110	CUCAMONGA VALLEY WATER DISTRICT	Lease Due June 1, 2011	1012 - Bank of America Gen'l Ckg	
Bill	05/16/2011			Lease Due June 1, 2011	1422 - Prepaid Rent	5,844.00
TOTAL						5,844.00
Bill Pmt -Check	05/24/2011	15111	GREAT AMERICA LEASING CORP.	10867878	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	10867878		Copier lease invoice	6043.1 - Ricoh Lease Fee	2,814.41
TOTAL				Usage for Black Copies - amount is for 2 months	6043.2 - Ricoh Usage & Maintenance Fee	220.50
Bill Pmt -Check	05/24/2011	15112	GUARANTEED JANITORIAL SERVICE, INC.	28497	1012 - Bank of America Gen'l Ckg	
Bill	05/16/2011	28497		Janitorial Service - May 2011	6024 - Building Repair & Maintenance	865.00
TOTAL						865.00
Bill Pmt -Check	05/24/2011	15113	HOGAN LOVELLS	1966080	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	1966080		Non-Ag Legal Services - April 2011	8567 - Non-Ag Legal Service	17,240.84
TOTAL						17,240.84
Bill Pmt -Check	05/24/2011	15114	INLAND EMPIRE UTILITIES AGENCY	90007634	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	90007634			8456 - IEUA Readiness To Serve	400.98
TOTAL						400.98
Bill Pmt -Check	05/24/2011	15115	PRE-PAID LEGAL SERVICES, INC.	111802	1012 - Bank of America Gen'l Ckg	
Bill	05/18/2011	111802		May 2011	60194 - Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	05/24/2011	15116	PREMIERE GLOBAL SERVICES	07179334	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	07179334		4/01/11 Board Ad Hoc Committee Call	6312 - Meeting Expenses	1.42
TOTAL				4/04/11 EPA Request for GW Modeling	7104.1 - Grdwtr Level-WM Staff	27.49
Bill Pmt -Check	05/24/2011	15117	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011			4/05/11 GE Application for Recharge Call	7205 - Comp Recharge-Other Expense	69.68
TOTAL				4/07/11 Non Ag Pool Meeting Call	8512 - Meeting Expense	138.26
Bill Pmt -Check	05/24/2011	15118	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011			4/11/11 GE Application for Recharge Call	7205 - Comp Recharge-Other Expense	53.97
TOTAL				4/19/11 Appropriative Pool Special Meeting Call	8312 - Meeting Expenses	135.81
Bill Pmt -Check	05/24/2011	15119	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011			3/31/11 Follow up call to MZ1 Tech Meeting Call	7405 - PE4-Other Expense	106.11
TOTAL				Monthly Fee	6022 - Telephone	14.95
TOTAL						547.69

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
General Journal	05/14/2011	05/14/2011	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 05/01/11-05/14/11	2000 · Accounts Payable	7,125.96
TOTAL						7,125.96
Bill Pmt -Check	05/24/2011	15118	SAFEGUARD DENTAL & VISION	3709550 Dental Insurance Premium - May 2011	1012 · Bank of America Gen'l Ckg 60182.2 · Dental & Vision Ins	7.91
Bill	05/16/2011	3709550				7.91
TOTAL						
Bill Pmt -Check	05/24/2011	15119	SOUTHERN CALIFORNIA WATER COMMITTEE	679 Membership for 2011/2012	1012 · Bank of America Gen'l Ckg 1433 · Prepaid Membership Dues	850.00
Bill	05/09/2011	679				850.00
TOTAL						
Bill Pmt -Check	05/24/2011	15120	STAPLES BUSINESS ADVANTAGE	8018539962 bottled water	1012 · Bank of America Gen'l Ckg 6031.7 · Other Office Supplies	37.34
Bill	05/07/2011	8018539962		copy paper	6031.1 · Copy Paper	263.94
TOTAL						301.28
Bill Pmt -Check	05/24/2011	15121	STATE COMPENSATION INSURANCE FUND	1615535-11 deposit premium	1012 · Bank of America Gen'l Ckg 60183 · Worker's Comp Insurance	216.61
Bill	05/16/2011	1615535-11				216.61
TOTAL						
Bill Pmt -Check	05/24/2011	15122	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg 60182.4 · Retiree Medical	136.61
Bill	05/03/2011					136.61
TOTAL						
Bill Pmt -Check	05/24/2011	15123	TELECOM SERVICES	5364 make changes to voice-mail system	1012 · Bank of America Gen'l Ckg 6022 · Telephone	125.00
Bill	05/04/2011	5364				125.00
TOTAL						
Bill Pmt -Check	05/24/2011	15124	THE LAWTON GROUP	6017 Week Ending 5/01/2011	1012 · Bank of America Gen'l Ckg 6017 · Temporary Services	267.80
Bill	05/12/2011	IVC070000016969		Week Ending 5/08/2011	6017 · Temporary Services	813.70
Bill	05/16/2011	IVC070000016999				1,081.50
TOTAL						
Bill Pmt -Check	05/24/2011	15125	UNITED PARCEL SERVICE	2x81x0 Contract to Desi Alvarez	1012 · Bank of America Gen'l Ckg 6042 · Postage - General	39.04
Bill	04/30/2011	2x81x0				39.04
TOTAL						
Bill Pmt -Check	05/24/2011	15126	VERIZON WIRELESS	0974209445 Monthly service + equip. charge-\$256.86-phone	1012 · Bank of America Gen'l Ckg 6022 · Telephone	687.55
Bill	05/16/2011	0974209445				687.55
TOTAL						
Bill Pmt -Check	05/24/2011	15127	W.C. DISCOUNT MOBILE AUTO DETAILING	Truck washing service	1012 · Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

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

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	04/30/2011	2011168		2011168 - PE&E-Engineering	7502 · PE&E-Engineering	2,150.00
Bill	04/30/2011	2011169		2011169 - OBMP - Watermaster Model Update	6906.1 · OBMP - Watermaster Model Update	10,412.50
Bill	04/30/2011	2011170		2011170 - OBMP - Watermaster Model Update	6906.1 · OBMP - Watermaster Model Update	4,800.00
TOTAL						133,289.76
Bill Pmt -Check	05/24/2011	15130	INLAND EMPIRE UTILITIES AGENCY	1800001883	1012 · Bank of America Gen'l Ckg	9,793.15
Bill	04/30/2011	1800001883		Support Serv.-Turner Basin/Guasti Park per agreeer 7202	· Comp Recharge-Engineering	9,793.15
Bill Pmt -Check	05/26/2011	15131	EL TORITO	Lunch for 5/26/11 Watermaster Board Meeting	1012 · Bank of America Gen'l Ckg	459.69
Bill	05/26/2011			Lunch for 5/26/11 Watermaster Board Meeting	6312 · Meeting Expenses	459.69
TOTAL						
General Journal	05/28/2011	05/28/2011	Payroll and Taxes for 05/15/11-05/28-11	Payroll and Taxes for 05/15/11-05/28-11	1012 · Bank of America Gen'l Ckg	19,283.90
				Direct Debits for 05/15/11-05/28-11	1014 · Bank of America P/R Ckg	6,235.79
				Payroll Checks for 05/15/11-05/28-11	1012 · Bank of America Gen'l Ckg	7,562.17
				Payroll Taxes for 05/15/11-05/28-11	1014 · Bank of America P/R Ckg	33,081.86
TOTAL						
General Journal	05/31/2011	05/31/2011	Wage Works Direct Debits - May 2011	Wage Works Direct Debits - May 2011	1012 · Bank of America Gen'l Ckg	839.24
				Wage Works Direct Debits - May 2011	1012 · Bank of America Gen'l Ckg	839.24
				Wage Works Direct Debits - May 2011	1012 · Bank of America Gen'l Ckg	86.75
				Wage Works Direct Debits - May 2011	1012 · Bank of America Gen'l Ckg	1,765.23
TOTAL						
Total Disbursements:						365,297.11

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CHINO BASIN WATERMASTER

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: July 14, 2011
TO: Committee Members
SUBJECT: VISA Check Detail Report – Financial Report B2

SUMMARY

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

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

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

BACKGROUND

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

DISCUSSION

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

Actions:

July 14, 2011 Appropriative Pool –
July 14, 2011 Non-Agricultural Pool –
July 14, 2011 Agricultural Pool –
July 21, 2011 Advisory Committee –
July 28, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
 VISA Check Detail Report
 May 2011

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

TOTAL

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: July 14, 2011
TO: Committee Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2010 through May 31, 2011 - Financial Report B3

SUMMARY

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

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

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

BACKGROUND

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

DISCUSSION

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

Actions:

July 14, 2011 Appropriative Pool –
July 14, 2011 Non-Agricultural Pool –
July 14, 2011 Agricultural Pool –
July 21, 2011 Advisory Committee –
July 28, 2011 Watermaster Board –

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: July 14, 2011
TO: Committee Members
SUBJECT: Treasurer's Report of Financial Affairs for the Period May 1, 2011 through May 31, 2011 - Financial Report B4

SUMMARY

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

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

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

BACKGROUND

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

DISCUSSION

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

Actions:

July 14, 2011 Appropriative Pool –
July 14, 2011 Non-Agricultural Pool –
July 14, 2011 Agricultural Pool –
July 21, 2011 Advisory Committee –
July 28, 2011 Watermaster Board –

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

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

CHANGE IN CASH POSITION DUE TO:

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

SUMMARY OF FINANCIAL TRANSACTIONS:

	4/30/2011	5/31/2011	Period Increase or (Decrease)
Balances as of	\$ 14,031,766	\$ 13,531,766	\$ (500,000)
Deposits	-	(500,000)	-
Transfers	56,740	56,740	-
Withdrawals/Checks	(308,557)	(56,740)	(365,297)
Balances as of	\$ 13,661,810	\$ 13,661,810	\$ -
PERIOD INCREASE OR (DECREASE)	\$ (500,000)	\$ (500,000)	\$ (365,297)

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS		GROUNDWATER OPERATIONS		GROUNDWATER REPLENISHMENT	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2010-2011
			APPROPRIATIVE POOL	AG POOL	NON-AG POOL	SB222 FUNDS				
Administrative Revenues:										
Administrative Assessments			6,165,079	1,755	343,090				6,508,169	\$6,508,070
Interest Revenue	(272)		23,043		888			3	25,417	175,010
Mutual Agency Project Revenue	111,000								111,000	148,410
Grant Income										0
Miscellaneous Income										0
Total Revenues	110,729		6,188,122	1,755	343,978			3	6,644,587	6,831,490
Administrative & Project Expenditures:										
Watermaster Administration	478,481								478,481	512,546
Watermaster Board-Advisory Committee	62,406								62,406	73,073
Pool Administration		1,420,748	49,279	162,556	139,450				351,285	474,856
Optimum Basin Mgmt Administration		2,649,180							1,420,748	1,350,390
OBMP Project Costs		366,790							2,649,180	3,772,619
Debt Service									366,790	700,964
Education Funds Use								375	375	375
Mutual Agency Project Costs										10,000
Total Administrative/OBMP Expenses	540,886	4,436,717	49,279	162,556	139,450			375	5,329,263	6,894,823
Net Administrative/OBMP Expenses	(430,158)	(4,436,717)								
Allocate Net Admin Expenses To Pools		4,069,927	295,799	119,677	14,682					
Allocate Net OBMP Expenses To Pools		366,790	2,798,690	1,132,325	138,912					
Allocate Debt Service to App Pool			1,414,558	(1,414,558)						
Agricultural Expense Transfer*			4,925,115		293,045			375	5,329,263	6,894,823
Total Expenses			1,263,007	1,755	50,933			(372)	1,315,323	(63,333)
Net Administrative Income										
Other Income/(Expense)										
Replenishment Water Assessments						5,866,500			5,866,500	0
Interest Revenue						11,490			11,490	0
Water Purchases										0
Balance Adjustment										0
Other Water Purchases										0
Groundwater Replenishment									(2,255,436)	0
Net Other Income									(300,634)	0
Net Transfers To/(From) Reserves	4,637,244		1,263,007	1,755	50,933			(372)	4,637,244	(63,333)
Working Capital, July 1, 2010			6,219,006	473,483	256,632			1,001	8,478,365	
Working Capital, End Of Period			7,482,013	475,238	307,566			629	13,115,608	13,115,608
09/10 Assessable Production			78,733,238	31,854,766	3,907,911				114,495,915	
09/10 Production Percentages			68.765%	27.822%	3.413%				100.000%	

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

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: July 14, 2011
TO: Committee Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2010 through May 31, 2011 - Financial Report - B5

SUMMARY

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

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

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

BACKGROUND

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

DISCUSSION

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

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

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

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

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

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

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

Actions:

- July 14, 2011 Appropriative Pool –
- July 14, 2011 Non-Agricultural Pool –
- July 14, 2011 Agricultural Pool –
- July 21, 2011 Advisory Committee –
- July 28, 2011 Watermaster Board –

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	1/12th of the Total Budget For The Month of May 2011			11/12th (92%) of the Total Budget Year-To-Date as of May 31, 2011			100% of the Total Budget Fiscal Year End as of June 30, 2011					
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
Income												
4010 - Local Agency Subsidies	0.00	0.00	0.00	0.0%	111,000.00	148,410.00	-37,410.00	74.79%	111,000.00	148,410.00	-37,410.00	74.79%
4110 - Admin Asmnts-Approp Pool	0.00	0.00	0.00	0.0%	6,165,079.40	6,153,067.00	12,012.40	100.2%	6,165,079.40	6,153,067.00	12,012.40	100.2%
4120 - Admin Asmnts-Non-Agri Pool	0.00	0.00	0.00	0.0%	343,089.90	355,003.00	-11,913.10	96.64%	343,089.90	355,003.00	-11,913.10	96.64%
4700 - Non Operating Revenues	0.00	0.00	0.00	0.0%	25,417.28	140,008.00	-114,590.72	18.15%	28,929.02	175,010.00	-146,080.98	16.53%
4900 - Miscellaneous Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Income	0.00	0.00	0.00	0.0%	6,644,586.58	6,736,488.00	-151,901.42	97.77%	6,648,098.32	6,831,490.00	-183,391.68	97.32%
Gross Profit	0.00	0.00	0.00	0.0%	6,644,586.58	6,736,488.00	-151,901.42	97.77%	6,648,098.32	6,831,490.00	-183,391.68	97.32%
Expense												
6010 - Salary Costs	43,066.64	46,486.00	-3,419.36	92.64%	401,493.09	446,057.00	-44,563.91	90.01%	492,544.00	492,544.00	0.00	100.0%
6020 - Office Building Expense	8,203.35	8,493.00	-229.65	97.28%	90,096.81	92,763.00	-2,666.19	97.13%	101,196.00	101,196.00	0.00	100.0%
6030 - Office Supplies & Equip.	1,167.47	2,541.67	-1,374.20	45.93%	23,086.63	27,956.33	-4,871.50	82.56%	30,500.00	30,500.00	0.00	100.0%
6040 - Postage & Printing Costs	3,746.62	5,000.00	-1,251.38	74.97%	55,560.44	73,300.00	-17,739.56	75.8%	78,300.00	78,300.00	0.00	100.0%
6050 - Information Services	10,298.68	11,766.66	-1,467.98	87.52%	146,354.67	148,433.34	-2,078.67	98.6%	160,200.00	160,200.00	0.00	100.0%
6060 - Contract Services	0.00	0.00	0.00	0.0%	34,957.50	35,000.00	-42.50	99.88%	35,000.00	35,000.00	0.00	100.0%
6080 - Insurance	0.00	0.00	0.00	0.0%	15,863.00	17,575.00	-1,712.00	90.26%	17,575.00	17,575.00	0.00	100.0%
6110 - Dues and Subscriptions	7,135.00	0.00	7,135.00	100.0%	29,520.13	30,000.00	-479.87	98.4%	30,000.00	30,000.00	0.00	100.0%
6140 - WM Admin Expenses	0.00	250.00	-250.00	0.0%	1,285.65	2,750.00	-1,464.35	46.75%	3,000.00	3,000.00	0.00	100.0%
6150 - Field Supplies	0.00	500.00	-500.00	0.0%	201.76	1,800.00	-1,598.24	11.21%	1,800.00	1,800.00	0.00	100.0%
6170 - Travel & Transportation	1,395.00	2,730.00	-1,335.00	51.1%	23,988.17	30,430.00	-6,431.83	78.86%	33,160.00	33,160.00	0.00	100.0%
6190 - Conferences & Seminars	0.00	0.00	0.00	0.0%	16,394.85	23,000.00	-6,605.15	71.28%	23,000.00	23,000.00	0.00	100.0%
6200 - Advisory Comm - WM Board	2,164.11	1,872.50	291.61	115.57%	16,272.45	20,597.50	-4,325.05	79.0%	22,470.00	22,470.00	0.00	100.0%
6300 - Watermaster Board Expenses	5,347.94	4,216.92	1,131.02	126.82%	46,133.40	46,386.08	-252.68	99.46%	50,603.00	50,603.00	0.00	100.0%
8300 - Appr Pl-WM & Pool Admin	3,029.50	7,982.84	-4,953.34	37.95%	49,279.08	82,059.16	-32,780.08	60.05%	90,043.00	90,043.00	0.00	100.0%
8400 - Agri Pool-WM & Pool Admin	1,830.19	2,345.59	-515.40	78.03%	28,257.46	25,801.41	2,456.05	109.52%	28,147.00	28,147.00	0.00	100.0%
8467 - Ag Legat & Technical Services	8,914.56	9,833.33	-918.77	90.66%	123,173.33	108,186.67	15,006.66	113.87%	118,000.00	118,000.00	0.00	100.0%
8470 - Ag Meeting Attend -Special	0.00	1,000.00	-1,000.00	0.0%	11,125.00	11,000.00	125.00	101.14%	12,000.00	12,000.00	0.00	100.0%
8471 - Ag Pool Expense	0.00	0.00	0.00	0.0%	0.00	48,750.00	-48,750.00	0.0%	65,000.00	65,000.00	0.00	100.0%
8500 - Non-Ag Pl-WM & Pool Admin	899.34	13,472.17	-12,572.83	6.68%	139,450.34	148,193.83	-8,743.49	94.1%	161,666.00	161,666.00	0.00	100.0%
8600 - Education Funds Use Exps	0.00	0.00	0.00	0.0%	375.00	375.00	0.00	100.0%	375.00	375.00	0.00	100.0%
9400 - Depreciation Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9500 - Allocated G&A Expenditures	-37,234.92	-40,677.42	3,442.50	91.54%	-360,332.33	-453,451.58	93,119.25	79.46%	-494,129.00	-494,129.00	0.00	100.0%
6900 - Optimum Basin Mgmt Plan	179,300.25	134,912.99	44,387.26	132.9%	1,325,948.24	1,420,620.98	-94,672.74	93.34%	1,586,534.00	1,586,534.00	0.00	100.0%
6950 - Mutual Agency Projects	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	10,000.00	10,000.00	0.00	100.0%
9501 - G&A Expenses Allocated-OBMP	13,126.41	11,888.00	1,238.41	110.42%	94,799.32	130,788.00	-35,988.68	72.49%	142,656.00	142,656.00	0.00	100.0%
7101 - Production Monitoring	7,200.81	5,879.31	1,321.50	122.48%	78,245.05	96,939.69	-18,694.64	80.72%	102,819.00	102,819.00	0.00	100.0%
7102 - In-line Meter Installation	3,056.63	5,556.59	-1,949.96	64.91%	16,059.60	61,122.41	-45,062.81	26.28%	66,679.00	66,679.00	0.00	100.0%
7103 - Grdwtr Quality Monitoring	9,280.53	13,916.34	-4,635.81	66.54%	169,489.63	186,079.66	-16,589.63	91.09%	202,966.00	202,966.00	0.00	100.0%
7104 - Gdwtr Level Monitoring	34,238.10	21,779.74	12,458.36	157.2%	210,185.74	265,502.26	-55,316.52	79.17%	287,282.00	287,282.00	0.00	100.0%
7105 - Sur Wtr Qual Monitoring	0.00	315.00	-315.00	0.0%	771.23	3,965.00	-3,193.77	19.45%	4,280.00	4,280.00	0.00	100.0%
7107 - Ground Level Monitoring	35,599.36	46,885.01	-11,285.65	75.93%	415,831.60	586,984.99	-171,153.39	70.84%	657,620.00	657,620.00	0.00	100.0%
7108 - Hydraulic Control Monitoring	43,685.86	34,391.67	9,294.19	127.03%	345,980.41	378,308.33	-32,327.92	91.46%	412,700.00	412,700.00	0.00	100.0%
7109 - Recharge & Well Monitoring Prog	0.00	0.00	0.00	0.0%	9,428.75	9,440.00	-11.25	99.88%	9,440.00	9,440.00	0.00	100.0%

P51

100% of the Total Budget

	Fiscal Year End as of June 30, 2011			% of Budget
	Projected	Budget	\$ Over(Under)	
7200 - PE2- Comp Recharge Pgm	946,022.00	946,022.00	0.00	100.0%
7300 - PE3&5-Water Supply/Dessite	124,111.00	124,111.00	0.00	100.0%
7400 - PE4- Mgmt Plan	91,955.00	91,955.00	0.00	100.0%
7500 - PE&7-CoopEfforts/SaltMgmt	126,180.00	126,180.00	0.00	100.0%
7600 - PE&8-StoragesMgmt/Conj Use	45,250.00	45,250.00	0.00	100.0%
7690 - Recharge Improvement Debt Pymt	700,964.00	700,964.00	0.00	100.0%
7700 - Inactive Well Protection Prgm	1,412.00	1,412.00	0.00	100.0%
9502 - G&A Expenses Allocated-Projects	345,473.00	345,473.00	0.00	100.0%
Total Expense	6,894,823.00	6,894,823.00	0.00	100.0%
Net Ordinary Income	-246,724.68	-63,333.00	-183,391.68	389.57%

11/12th (92%) of the Total Budget

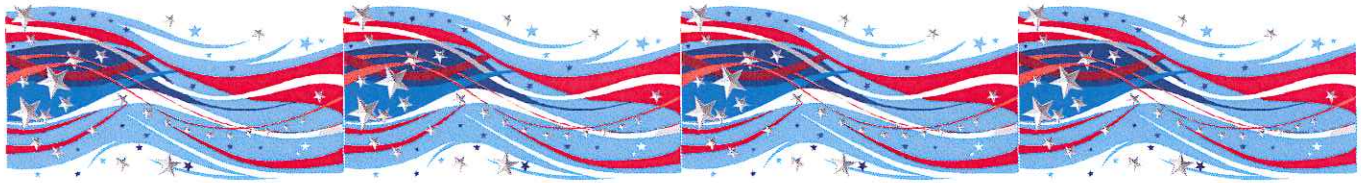
	Year-To-Date as of May 31, 2011			% of Budget
	Actual	Budget	\$ Over(Under)	
7200 - PE2- Comp Recharge Pgm	898,617.40	927,603.50	-58,986.10	93.64%
7300 - PE3&5-Water Supply/Dessite	93,223.91	110,088.42	-16,864.51	84.68%
7400 - PE4- Mgmt Plan	51,285.47	84,382.08	-33,116.61	60.75%
7500 - PE&7-CoopEfforts/SaltMgmt	96,939.71	115,665.00	-18,725.29	85.54%
7600 - PE&8-StoragesMgmt/Conj Use	25,532.80	41,175.00	-15,642.20	62.01%
7690 - Recharge Improvement Debt Pymt	366,789.50	700,964.00	-334,174.50	52.33%
7700 - Inactive Well Protection Prgm	75.00	1,412.00	-1,337.00	5.31%
9502 - G&A Expenses Allocated-Projects	265,533.02	316,683.58	-51,150.56	83.85%
Total Expense	5,329,283.41	6,404,649.64	-1,075,366.23	83.21%
Net Ordinary Income	1,315,323.17	391,838.36	923,484.81	335.68%

1/12th of the Total Budget

	For The Month of May 2011			% of Budget
	Actual	Budget	\$ Over(Under)	
7200 - PE2- Comp Recharge Pgm	10,906.22	18,418.49	-7,512.27	59.21%
7300 - PE3&5-Water Supply/Dessite	1,854.54	14,022.59	-12,168.05	13.23%
7400 - PE4- Mgmt Plan	4,963.26	7,572.92	-2,609.66	65.54%
7500 - PE&7-CoopEfforts/SaltMgmt	2,388.68	10,515.00	-8,126.32	22.72%
7600 - PE&8-StoragesMgmt/Conj Use	1,317.89	4,075.00	-2,757.11	32.34%
7690 - Recharge Improvement Debt Pymt	0.00	0.00	0.00	0.0%
7700 - Inactive Well Protection Prgm	75.00	0.00	75.00	100.0%
9502 - G&A Expenses Allocated-Projects	24,106.51	28,789.42	-4,682.91	83.74%
Total Expense	431,597.53	436,671.33	-5,073.80	98.84%
Net Ordinary Income	-431,597.53	-436,671.33	5,073.80	98.84%

Other Income				
4225 - Interest Income	0.00	0.00	0.00	0.0%
4210 - Approp Pool-Replenishment	0.00	0.00	0.00	0.0%
4220 - Non-Ag Pool-Replenishment	0.00	0.00	0.00	0.0%
4800 - Groundwater Sales	0.00	0.00	0.00	0.0%
Total Other Income	0.00	0.00	0.00	0.0%
Other Expense				
5010 - Groundwater Replenishment	0.00	0.00	0.00	0.0%
5100 - Other Water Purchases	0.00	0.00	0.00	0.0%
9999 - To/(From) Reserves	-431,597.53	-436,671.33	5,073.80	98.84%
Total Other Expense	-431,597.53	-436,671.33	5,073.80	98.84%
Net Other Income	431,597.53	436,671.33	-5,073.80	98.84%
Net Income	0.00	0.00	0.00	0.0%

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



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR (App & Ag Pool)

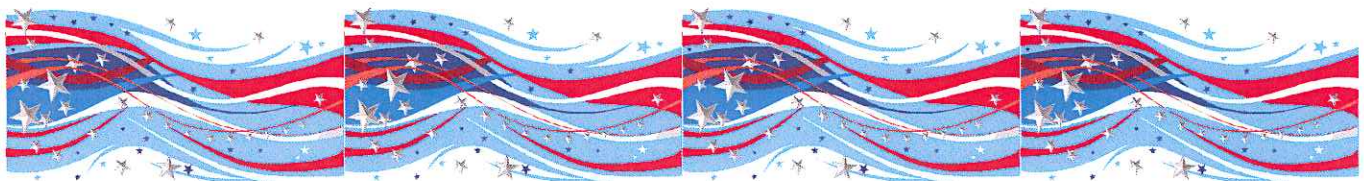
C. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company (“Company”) has agreed to purchase from The Nicholson Trust annual production right in the amount of 7.000 acre-feet to satisfy a portion of the Company’s anticipated Chino Basin replenishment obligation for Fiscal Year 2010/2011. Date of Application: June 21, 2011, Date of Notice: July 7, 2011

I. BUSINESS ITEM (Non-Ag Pool)

C. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company (“Company”) has agreed to purchase from The Nicholson Trust annual production right in the amount of 7.000 acre-feet to satisfy a portion of the Company’s anticipated Chino Basin replenishment obligation for Fiscal Year 2010/2011. Date of Application: June 21, 2011, Date of Notice: July 7, 2011



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

July 7, 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: **June 21, 2011**

Date of this notice: **July 7, 2011**

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

- A. Notice of Sale or Transfer – Fontana Water Company (“Company”) has agreed to purchase from The Nicholson Trust annual production right in the amount of 7.000 acre-feet to satisfy a portion of the Company’s anticipated Chino Basin replenishment obligation for Fiscal Year 2010/2011.

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

Appropriative Pool: July 14, 2011

Non-Agricultural Pool: July 14, 2011

Agricultural Pool: July 14, 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: July 7, 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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: July 7, 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 – Fontana Water Company (“Company”) has agreed to purchase from The Nicholson Trust annual production right in the amount of 7.000 acre-feet to satisfy a portion of the Company’s anticipated Chino Basin replenishment obligation for Fiscal Year 2010/2011.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Fontana Water Company (“Company”) has agreed to purchase from The Nicholson Trust annual production right in the amount of 7.000 acre-feet to satisfy a portion of the Company’s anticipated Chino Basin replenishment obligation for Fiscal Year 2010/2011.

Notice of the water transaction identified above was mailed on July 7, 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.

**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 2010 - 2011

DATE REQUESTED: June 21, 2011

AMOUNT REQUESTED: 7.000 Acre-Feet

<p>TRANSFER FROM (SELLER / TRANSFEROR):</p> <p><u>The Nicholson Trust</u> Name of Party</p> <p><u>Post Office Box 6010</u> Street Address</p> <p><u>EI Monte</u> <u>CA</u> <u>91734</u> City State Zip Code</p> <p><u>(626) 448-6183</u> Telephone</p> <p><u>(626) 448-5530</u> Facsimile</p>	<p>TRANSFER TO (BUYER / TRANSFEREE):</p> <p><u>Fontana Water Company</u> Name of Party</p> <p><u>Post Office Box 987</u> Street Address</p> <p><u>Fontana</u> <u>CA</u> <u>92334</u> City State Zip Code</p> <p><u>(909) 822-2201</u> Telephone</p> <p><u>(909) 823-5046</u> Facsimile</p>
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Have any other transfers been approved by Watermaster between these parties covering the same fiscal year? Yes No

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

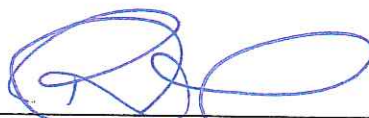
ADDITIONAL INFORMATION ATTACHED

Yes No



 Seller / Transferor Representative Signature

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



 Buyer / Transferee Representative Signature

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

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

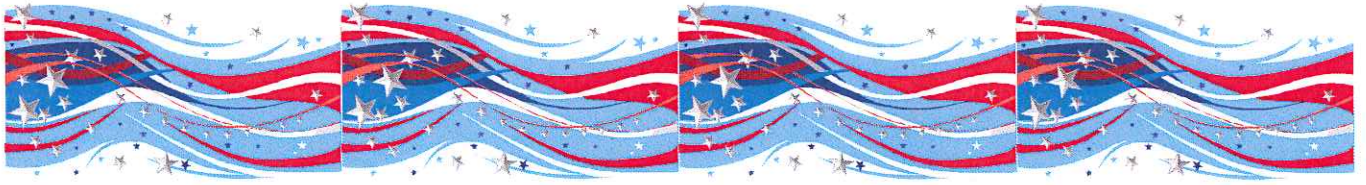
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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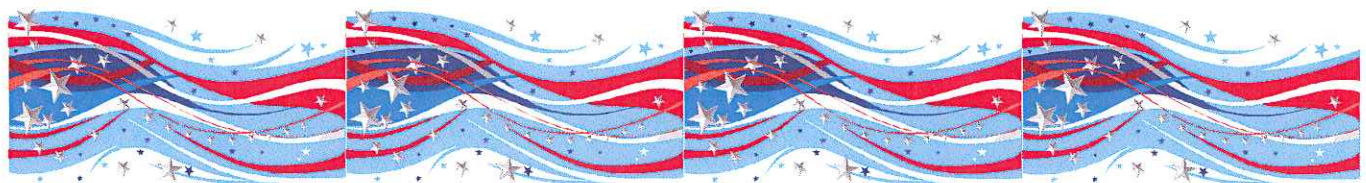
CHINO BASIN WATERMASTER

II. BUSINESS ITEM (App & Ag Pool)

A. ACQUISITION OF RIGHT OF ENTRY AGREEMENT FOR HORIZONTAL EXTENSOMETER

I. BUSINESS ITEM (Non-Ag Pool)

D. ACQUISITION OF RIGHT OF ENTRY AGREEMENT FOR HORIZONTAL EXTENSOMETER





CHINO BASIN WATERMASTER

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

DESI ALVAREZ
Chief Executive Officer

STAFF REPORT

DATE: July 14, 2011
TO: Committee Members
SUBJECT: RIGHT OF ENTRY AGREEMENT FOR HORIZONTAL EXTENSOMETER

SUMMARY

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

Recommendation — Approve the Right of Entry Agreement.

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

BACKGROUND

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

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

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

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

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

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

ACTIONS:

- July 14, 2011 Appropriative Pool –
- July 14, 2011 Non-Agricultural Pool –
- July 14, 2011 Agricultural Pool –
- July 21, 2011 Advisory Committee –
- July 28, 2011 Watermaster Board –

RIGHT OF ENTRY AGREEMENT

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

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

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

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

AGREEMENT

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

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

6. Watermaster Obligations. Watermaster further agrees:

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

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

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

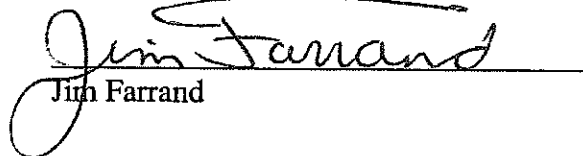
7. Successors and Assigns. This Agreement shall be binding upon and benefit any successors or assigns of the Parties, including any future purchasers of the Property.

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

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

Dated: July ____, 2011

Desi Alvarez, Chino Basin Watermaster



Jim Farrand

EXHIBIT:

A – Proposed Location of the Horizontal Extensometer

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

Right of Entry Area
(20' x 200')

Benson Ave

12th St

5500 Daniels Street

Daniels St



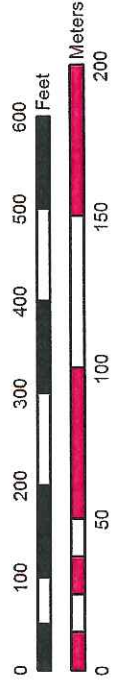
Proposed Location of the Horizontal Extensometer
5500 Daniels St, Chino CA 91710

Exhibit - A

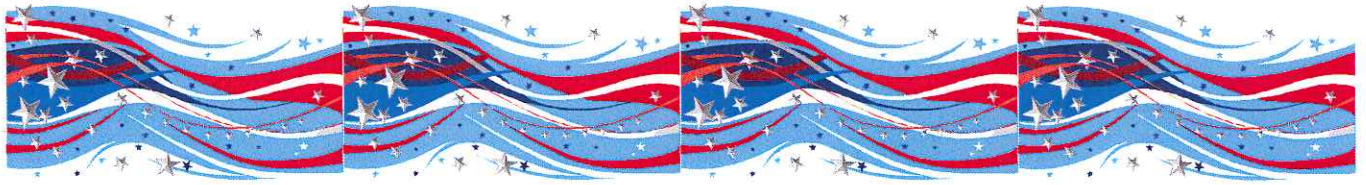


WILDERMUTH
ENVIRONMENTAL INC.

23892 Blucher Drive
Chino, CA 91710
949.420.3030
www.wildermuthenvironmental.com



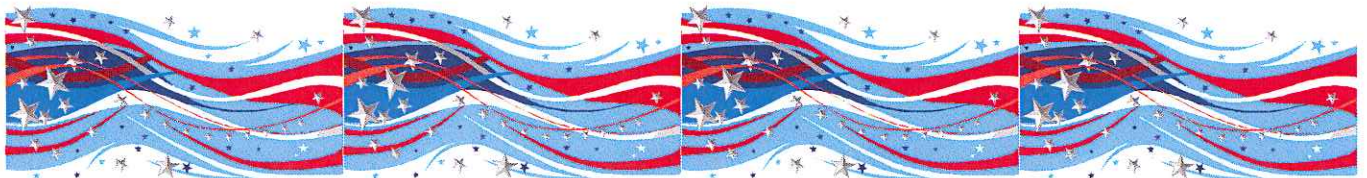
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CHINO BASIN WATERMASTER

III. / IV. INFORMATION

1. Cash Disbursements for June 2011



CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

For Informational Purposes Only

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

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	05/31/2011	L0055301		L0055301 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	05/31/2011	L0055300		L0055300 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	05/31/2011	L0054371		L0054371 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,360.00
TOTAL						11,317.00
Bill Pmt -Check	06/02/2011	15140	PARK PLACE COMPUTER SOLUTIONS, INC.	451	1012 - Bank of America Gen'l Ckg	4,575.00
Bill	05/31/2011	451		IT Service - May 2011	6052.1 - Park Place Comp Solutn	4,575.00
TOTAL						
Bill Pmt -Check	06/02/2011	15141	PURCHASE POWER	8000909000168851	1012 - Bank of America Gen'l Ckg	20.73
Bill	05/31/2011	8000909000168851		fed ex shipments to: Jennifer Novak	6042 - Postage - General	20.73
TOTAL						
Bill Pmt -Check	06/02/2011	15142	R&D PEST SERVICES	0143748	1012 - Bank of America Gen'l Ckg	85.00
Bill	05/31/2011	0143748		Pest and bug services	6024 - Building Repair & Maintenance	85.00
TOTAL						
Bill Pmt -Check	06/02/2011	15143	STANDARD INSURANCE CO.	Policy # 00-640888-0009	1012 - Bank of America Gen'l Ckg	502.20
Bill	05/31/2011	006408880009		Life and AD&D Policy # 00-640888-0009	60191 - Life & Disab.ins Benefits	502.20
TOTAL						
Bill Pmt -Check	06/02/2011	15144	STAPLES BUSINESS ADVANTAGE	8018598067	1012 - Bank of America Gen'l Ckg	185.64
Bill	05/14/2011	8018598067		toner, mounting squares, first aid supplies	6031.7 - Other Office Supplies	185.64
TOTAL						
Bill Pmt -Check	06/02/2011	15145	STATE COMPENSATION INSURANCE FUND	1615535-11	1012 - Bank of America Gen'l Ckg	719.01
Bill	05/31/2011	1615535-11		Workers Comp Premium - 1615535-11	60183 - Worker's Comp Insurance	719.01
TOTAL						
Bill Pmt -Check	06/02/2011	15146	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	824.00
Bill	05/31/2011	1VC070000017054		Week Ending 5/22/2011	6017 - Temporary Services	824.00
Bill	05/31/2011	1VC070000017027		Week Ending 5/15/2011	6017 - Temporary Services	799.00
TOTAL						1,593.00
Bill Pmt -Check	06/02/2011	15147	UNITED HEALTHCARE	0024191572	1012 - Bank of America Gen'l Ckg	311.31
Bill	05/31/2011	0024191572		Dental Insurance Premium	60182.2 - Dental & Vision Ins	311.31
TOTAL						
Bill Pmt -Check	06/02/2011	15148	VANDEN HEUVEL, GEOFFREY	6311	1012 - Bank of America Gen'l Ckg	125.00
Bill	05/09/2011	5/09 Ad Hoc Comm Mtg		5/09/11 Ad Hoc Committee Meeting	6311 - Board Member Compensation	125.00
Bill	05/12/2011	5/12 Admin Mtg		5/12/11 Administrative Meeting	6311 - Board Member Compensation	125.00
TOTAL						

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CHINO BASIN WATERMASTER
 Cash Disbursements For The Month of
 June 2011

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	05/23/2011	5/23 P 31 Mot Mtg		5/23/11 Paragraph 31 Motion Meeting	6311 - Board Member Compensation	125.00
Bill	05/26/2011	5/26 Board Mtg		5/26/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						
Bill Pmt -Check	06/02/2011	15149	VERIZON		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	012561121521714508		012561121521714508	7405 - PE4-Other Expense	163.26
Bill	05/31/2011	012519116950792103		012519116950792103	6022 - Telephone	453.92
TOTAL						
Bill Pmt -Check	06/02/2011	15150	VISION SERVICE PLAN		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	001017890001		00-101789-0001 Vision Insurance Premium - June 2011	60182.2 - Dental & Vision Ins	52.93
TOTAL						
Bill Pmt -Check	06/02/2011	15151	WILLIS, KENNETH		1012 - Bank of America Gen'l Ckg	
Bill	05/04/2011	5/14 Admin Mtg		5/04/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	05/09/2011	5/09 Ad Hoc Comm		5/09/11 Ad Hoc Committee Meeting	6311 - Board Member Compensation	125.00
Bill	05/23/2011	5/23 P 31 Motion		5/23/11 Paragraph 31 Motion Meeting	6311 - Board Member Compensation	125.00
Bill	05/26/2011	5/26 Board Mtg		5/26/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						
Bill Pmt -Check	06/06/2011	15152	CHINO, CITY OF - FINANCE DEPT		1012 - Bank of America Gen'l Ckg	
Bill	06/01/2011			FY 10-11 Replenishment Water	5011 - Replenishment Water	2,137,364.44
TOTAL						
Bill Pmt -Check	06/06/2011	15153	CITY OF POMONA		1012 - Bank of America Gen'l Ckg	
Bill	06/01/2011			FY 10-11 Replenishment Water	5011 - Replenishment Water	840,654.59
TOTAL						
Bill Pmt -Check	06/06/2011	15154	INLAND EMPIRE UTILITIES AGENCY		1012 - Bank of America Gen'l Ckg	
TOTAL						
Bill Pmt -Check	06/06/2011	15155	ONTARIO, CITY OF*		1012 - Bank of America Gen'l Ckg	
Bill	06/01/2011			FY 10-11 Replenishment Water	5011 - Replenishment Water	25,219.59
TOTAL						
Bill Pmt -Check	06/06/2011	15156	SANTA ANA RIVER WATER COMPANY		1012 - Bank of America Gen'l Ckg	
Bill	06/01/2011			FY 10-11 Replenishment Water	5011 - Replenishment Water	504,392.75
TOTAL						
Bill Pmt -Check	06/06/2011	15157	STATE OF CA - DEPT OF CONSUMER AFFAIRS 61463		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011			Renew Civil Engineer Certificate - D. Maurizio	6111 - Membership Dues	125.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						125.00
Bill	06/06/2011	15158	UPLAND, CITY OF	FY 10-11 Replenishment Water	1012 - Bank of America Gen'l Ckg 5011 - Replenishment Water	1,176,916.43
TOTAL						1,176,916.43
Bill	06/06/2011	15159	INLAND EMPIRE UTILITIES AGENCY	1800001887	1012 - Bank of America Gen'l Ckg 6909 - O&M/ Other Expenses	5,159.96
TOTAL						5,159.96
Bill	06/07/2011	15160	CITISTREET	Payroll and Taxes for 05/15/11-05/28/11	1012 - Bank of America Gen'l Ckg	1,385.66
General Journal	05/28/2011		CITISTREET	457 Employee Deductions for 05/15/11-05/28/11	2000 - Accounts Payable	1,385.66
TOTAL						1,385.66
Bill	06/07/2011	15161	GEOTECHNICAL SERVICES	13191	1012 - Bank of America Gen'l Ckg	9,248.56
Bill	05/31/2011	13191			7104.7 - Grdwtr Level-WM Staff-Cap Equip	9,248.56
TOTAL						9,248.56
Bill	06/07/2011	15162	GRAINGER	9552585839	1012 - Bank of America Gen'l Ckg	39.54
Bill	06/06/2011	9552585839		measuring tape	7104.6 - Grdwtr Level-Supplies	39.54
TOTAL						39.54
Bill	06/07/2011	15163	GREAT AMERICA LEASING CORP.	10971041	1012 - Bank of America Gen'l Ckg	2,814.41
Bill	05/31/2011	10971041		Invoice - Lease Fees	6043.1 - Ricoh Lease Fee	2,814.41
TOTAL						2,814.41
Bill	06/07/2011	15164	HSBC BUSINESS SOLUTIONS	70037309-1000-2744	1012 - Bank of America Gen'l Ckg	284.86
Bill	05/31/2011	7003730910002744		Miscellaneous office and meeting supplies	6043.2 - Ricoh Usage & Maintenance Fee	284.86
TOTAL						284.86
Bill	06/07/2011	15165	JAMES JOHNSTON	232	1012 - Bank of America Gen'l Ckg	628.82
Bill	05/31/2011	232		Website Services - May 2011	6031.7 - Other Office Supplies	628.82
TOTAL						3,727.89
Bill	06/07/2011	15166	MIJAC ALARM	301328	1012 - Bank of America Gen'l Ckg	396.00
Bill	06/01/2011	301328		Fire monitoring from 6/01/11-8/31/11	6026 - Security services	396.00
TOTAL						396.00
Bill	06/07/2011	15167	PAYCHEX	2011052600	1012 - Bank of America Gen'l Ckg	396.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	05/31/2011	2011052600		Payroll Services - May 2011	6012 - Payroll Services	315.71
TOTAL						315.71
Bill Pmt -Check General Journal	06/07/2011	15168	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493 CalPERS Payment for 05/15/11-05/28-11	1012 - Bank of America Gen'l Ckg 2000 - Accounts Payable	7,091.03
TOTAL						7,091.03
Bill Pmt -Check Bill	06/07/2011	15169	PUMP CHECK		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	4150		4150	7103.4 - Grdwtr Qual-Contract Svc	450.00
Bill	05/31/2011	4236		4150	7703 - Inactive Well-Contract Svcs	75.00
Bill	05/31/2011	4236		4236	7102.8 - In-line Meter-Callib & Test	3,040.00
Bill	05/31/2011	4236		4236	7102.5 - In-line Meter-Computer	225.00
TOTAL						3,790.00
Bill Pmt -Check Bill	06/07/2011	15170	SAFEGUARD DENTAL & VISION		1012 - Bank of America Gen'l Ckg	
Bill	06/06/2011	3763215		Dental Insurance Premium - June,2011	60182.2 - Dental & Vision Ins	7.91
TOTAL						7.91
Bill Pmt -Check Bill	06/07/2011	15171	THE LAWTON GROUP		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	1VC07000017082		Week Ending 5/29/2011	6017 - Temporary Services	824.00
TOTAL						824.00
Bill Pmt -Check Bill	06/07/2011	15172	WESTERN DENTAL SERVICES, INC.		1012 - Bank of America Gen'l Ckg	
Bill	06/06/2011	002483		Dental Insurance Premium - July 2011	60182.2 - Dental & Vision Ins	28.88
TOTAL						28.88
Bill Pmt -Check Bill	06/07/2011	15173	YUKON DISPOSAL SERVICE		1012 - Bank of America Gen'l Ckg	
Bill	06/06/2011	08-K2 213849		Disposal Service for June 2011	6024 - Building Repair & Maintenance	142.88
TOTAL						142.88
General Journal	06/11/2011	06/11/2011	Payroll and Taxes for 05/29/11-06/11/11	Payroll and Taxes for 05/29/11-06/11/11	1012 - Bank of America Gen'l Ckg	
Bill Pmt -Check Bill	06/14/2011	15174	APPLIED COMPUTER TECHNOLOGIES		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	2012		Database Services - May 2011	6052.2 - Applied Computer Technol	2,361.20
TOTAL						2,361.20

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/14/2011	15175	COMPUTER NETWORK	81531	1012 - Bank of America Gen'l Ckg	
Bill	06/07/2011	81531		Adobe Acrobat software	6054 - Computer Software	1,952.06
TOTAL						1,952.06
Bill Pmt -Check	06/14/2011	15176	REID & HELLYER	17550	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	17550		17550 - Ag Pool Legal Services	8467 - Ag Legal & Technical Services	7,848.18
				17550 - Ag Pool Legal Services	8467.1 - Frank B. & Associates	1,066.38
TOTAL						8,914.56
Bill Pmt -Check	06/17/2011	15177	ACWA SERVICES CORPORATION	00198	1012 - Bank of America Gen'l Ckg	
Bill	06/14/2011	00198		Prepayment - July 2011	1409 - Prepaid Life, BAD&D & LTD	122.62
				June 2011	60191 - Life & Disab.ins Benefits	118.22
TOTAL						240.84
Bill Pmt -Check	06/17/2011	15178	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	XXXX-XXXX-XXXX-9341		Thomas Guide	6031.7 - Other Office Supplies	39.73
				Microsoft Technical Support	6057 - Computer Maintenance	259.00
TOTAL						298.73
Bill Pmt -Check	06/17/2011	15179	BROWNSTEIN HYATT FARBER SCHRECK		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	441119		441119 - WM Legal Counsel	6907.3 - WM Legal Counsel	17,347.40
				441119 - Desalter Negotiations	6907.33 - Desalter Negotiations	1,919.70
Bill	05/31/2011	441120		441120 - Santa Ana River Water Rights	6907.34 - Santa Ana River Water Rights	2,189.85
Bill	05/31/2011	441121		441121 - S. Archibald Plume-Formerly OIA	6907.31 - S. Archibald Plume-Formerly OIA	2,415.15
Bill	05/31/2011	441122		441122 - Chino Airport Plume	6907.32 - Chino Airport Plume	367.20
Bill	05/31/2011	441123		441123 - Desalter Negotiations	6907.33 - Desalter Negotiations	1,948.05
Bill	05/31/2011	441124		441124 - Paragraph 31 Motion	6907.35 - Paragraph 31 Motion	42,084.44
TOTAL						68,271.79
Bill Pmt -Check	06/17/2011	15180	CORELOGIC INFORMATION SOLUTIONS	80221400	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	80221400		80221400	7103.7 - Grdwtr Qual-Computer Svc	62.50
				80221400	7101.4 - Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	06/17/2011	15181	CUCAMONGA VALLEY WATER DISTRICT	Lease Due July 1, 2011	1012 - Bank of America Gen'l Ckg	
Bill	06/15/2011			Lease Due July 1, 2011	1422 - Prepaid Rent	5,844.00
TOTAL						5,844.00
Bill Pmt -Check	06/17/2011	15182	PUMP CHECK	4280	1012 - Bank of America Gen'l Ckg	
Bill	06/02/2011	4280			7102.8 - In-line Meter-Callio & Test	950.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

For Informational Purposes Only

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

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

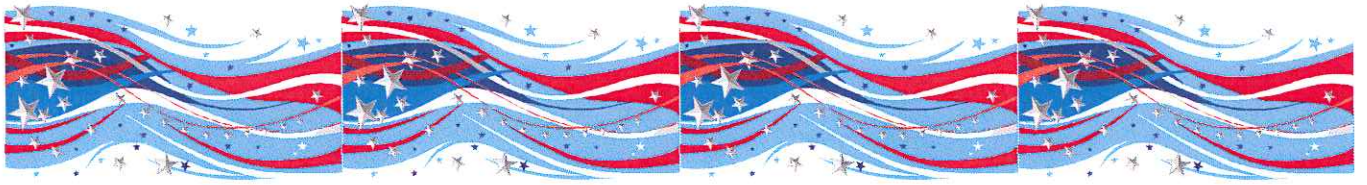
Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/28/2011	15190	DGO AUTO DETAILING	wash 4 trucks	1012 - Bank of America Gen'l Ckg	100.00
Bill	06/22/2011				6177 - Vehicle Repairs & Maintenance	100.00
TOTAL						
Bill Pmt -Check	06/28/2011	15191	GLOBAL PRESENTER.COM	Service and shipping for Polycom Vortex repair	1012 - Bank of America Gen'l Ckg	564.00
Bill	05/31/2011	52517			6055 - Computer Hardware	564.00
TOTAL						
Bill Pmt -Check	06/28/2011	15192	HIGHWAY SAFETY CO	Purchase reflective cones for traffic control	1012 - Bank of America Gen'l Ckg	259.17
Bill	06/23/2011				7103.6 - Growtr Qual-Supplies	259.17
TOTAL						
Bill Pmt -Check	06/28/2011	15193	INLAND EMPIRE UTILITIES AGENCY		1012 - Bank of America Gen'l Ckg	400.98
Bill	06/22/2011	90007834			8456 - IEUA Readiness To Serve	400.98
TOTAL						
Bill Pmt -Check	06/28/2011	15194	PRE-PAID LEGAL SERVICES, INC.		1012 - Bank of America Gen'l Ckg	51.80
Bill	06/22/2011	111802		June 2011	60194 - Other Employee Insurance	51.80
TOTAL						
Bill Pmt -Check	06/28/2011	15195	PREMIERE GLOBAL SERVICES		1012 - Bank of America Gen'l Ckg	14.95
Bill	05/31/2011	07619078		Monthly fee	6022 - Telephone	14.95
TOTAL						
Bill Pmt -Check	06/28/2011	15196	PUBLIC EMPLOYEES' RETIREMENT SYSTEM		1012 - Bank of America Gen'l Ckg	7,098.02
General Journal	06/11/2011	06/11/2011		Payor #3493 CalPERS for 05/29/11-06/11/11	2000 - Accounts Payable	7,098.02
TOTAL						
Bill Pmt -Check	06/28/2011	15197	STANDARD INSURANCE CO.		1012 - Bank of America Gen'l Ckg	503.24
Bill	06/22/2011	640888-0009		Policy # 00-640888-0009 Life/Disability Insurance Premiums	60191 - Life & Disab.Ins Benefits	503.24
TOTAL						
Bill Pmt -Check	06/28/2011	15198	STATE COMPENSATION INSURANCE FUND		1012 - Bank of America Gen'l Ckg	788.67
Bill	06/23/2011	1615535-11		Workers Comp Premium	60183 - Worker's Comp Insurance	788.67
TOTAL						

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/28/2011	15199	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	824.00
Bill	06/22/2011	ICV0700000017137		Week Ending 6/12/2011	6017 - Temporary Services	824.00
TOTAL						
Bill Pmt -Check	06/29/2011	15200	LIATTI & ASSOCIATES	429	1012 - Bank of America Gen'l Ckg	243.55
Bill	06/29/2011	429		June 26, 2011 - June 30, 2011	6085 - Business Insurance Package	17,534.87
				July 1, 2011 - June 25, 2012	1405 - Prepaid Ins-Bus Pkg Policy	17,778.42
TOTAL						
					Total Disbursements:	<u>6,486,993.47</u>

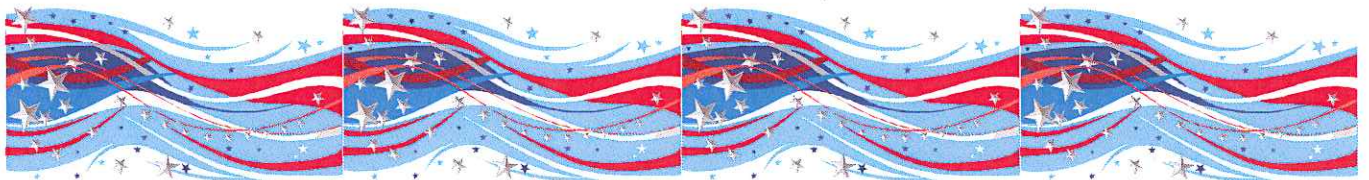
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CHINO BASIN WATERMASTER

III. / IV. INFORMATION

2. Newspaper Articles



Bloomberg

Orszag: Why We Care About Price of Water in China

By Peter Orszag - Jul 6, 2011

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

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

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

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

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

Pollution Hurts

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

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

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

So what can be done? Broadly, three things.

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

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

Raise the Price

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

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

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

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

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

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

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

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

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

For more [Bloomberg View columns](#).

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INLAND: Water conservation outpacing growth study finds

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

By JANET ZIMMERMAN
The Press-Enterprise

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

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



Special to The Press-Enterprise

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

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

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

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

Other factors were the recession, climate and drought restrictions.

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

Among the three Inland municipal water districts -- Eastern in Perris, Western **Riverside** and Inland Empire Utilities Agency in Chino -- water deliveries increased during that period. They also increased among districts in the Coachella Valley. Eastern spokesman Peter Odencrans said the area's rapid growth during the study period could have played a role in the increase.

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

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

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

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

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

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

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

sbsun.com

Water surplus generates steep discount for city agencies

Mediha Fejzagic DiMartino, Staff Writer

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

When it rains, it pours.

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

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

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

But no one will stay thirsty.

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

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

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

the \$21 million bill.

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

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

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

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

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

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

In fiscal year 2012-13 the watermaster expects

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

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

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

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

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

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



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MERCURY-REGISTER

Water groups turn in rewrite of Delta Plan

By HEATHER HACKING - Staff Writer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On the Internet:

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

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

Signatories of the plan

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

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

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

Delta plan tackles big water issues

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

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

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

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

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

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

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

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PG&E required to supply water to Hinkley residents

Jim Steinberg, Staff Writer

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

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

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

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

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

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

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

That could mean the program won't be fully

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

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

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

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

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

Levels below that amount are considered to be naturally occurring.

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

Use of chromium 6 for controlling algae and

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

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

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

"It is definitely not contained," she said.

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

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

Meanwhile, nearby residents are worried.

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

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

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

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

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

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

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

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

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

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



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3, Sullivan said.



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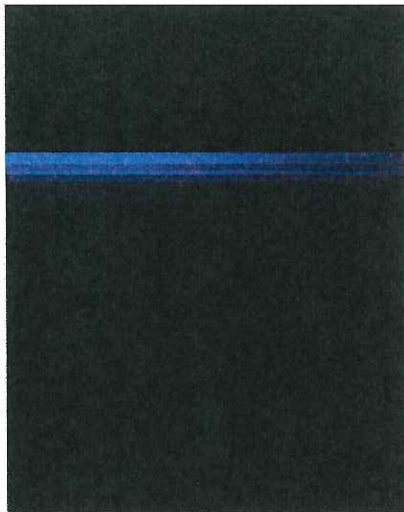
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Rockies snow decline bad sign for water supply

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Reporting by Timothy Gardner; Editing by Eric Walsh)

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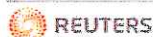


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California water wars: DOI's pumping cutbacks prompt lawsuit

Jun. 10, 2011 9:38am

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

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

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

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

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

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

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

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

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

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

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

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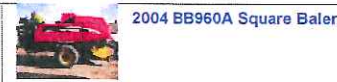
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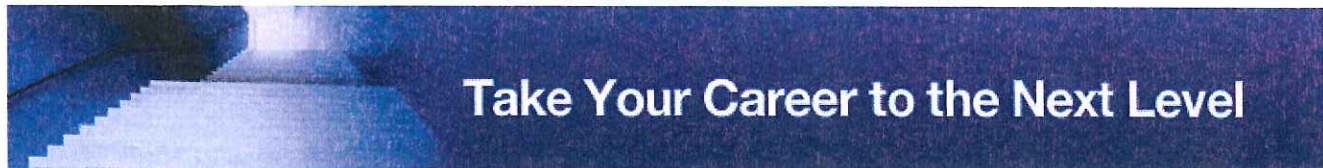
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Water worries grow on Colorado River

By Mike Lee /h5>

5 p.m., June 6, 2011

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

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

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

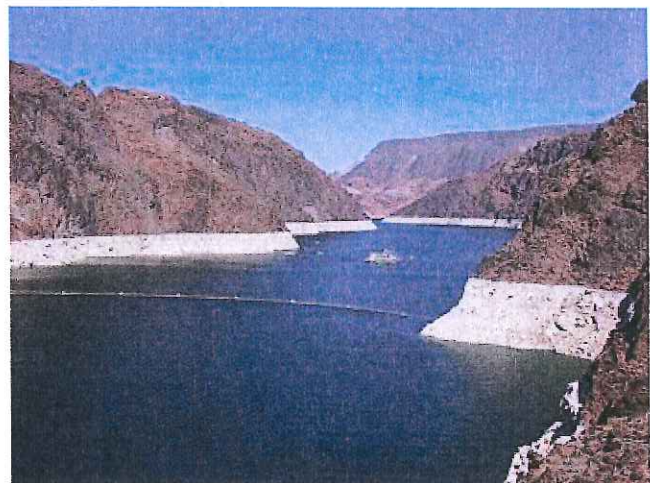
After a long line of dreary forecasts for the Colorado River Basin, no one expected the bureau's projections to be rosy -- and they weren't. The study anticipates roughly a 9 percent decrease in flows on the river over the next 50 years, along with increased drought periods. Projections are based on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

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

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

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

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



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

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

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

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

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

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

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

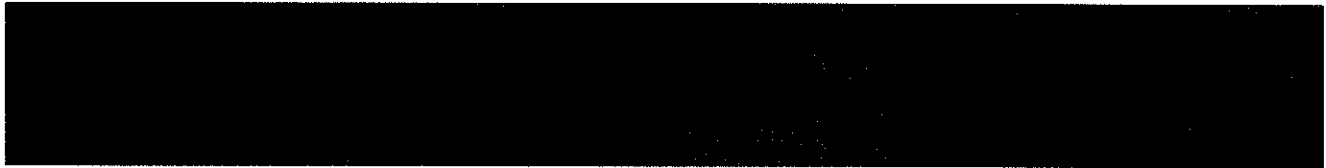
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Sherri Molino

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

June 7, 2011

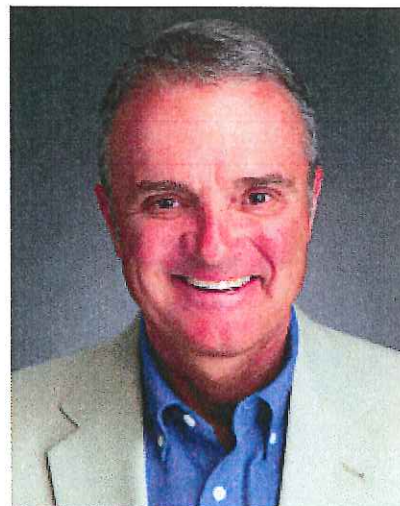
10 Minutes With ...

Steve Maxwell

What are the biggest challenges facing the water industry?

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

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



Name: Steve Maxwell

Title: Founder of TechKNOWLEDGEy Strategic Group

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

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

What are the greatest opportunities?

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

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

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

It means the rapidly increasing interest in

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

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

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

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

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

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

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

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

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

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

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

How has the recession affected the water industry?

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

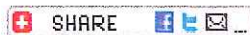
consumption. How many of us think, “Gee, let’s don’t flush the toilet as often, until the economy gets better, or until Mom gets a new job?”

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

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

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

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



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Water district gives millions in contracts to politically connected recipients

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

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

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

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

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

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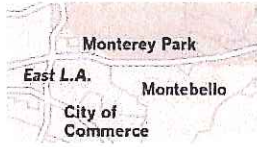
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Graphic: Who's who regarding water board contracts



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

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

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

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

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

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

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

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portion of its service area.

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

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

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

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

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

[Read more](#)

Key Players

Click for a description of each person's role.



George Cole

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

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

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

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

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

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ManuelDelgadillo at 2:32 AM June 05, 2011

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

elmoro at 9:45 AM June 04, 2011

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



News Release

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

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

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

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

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

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

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

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

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

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

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

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Bill to stop river project draws powerful foes

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

By Michael Doyle / Bee Washington Bureau

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Obama administration moves to cut unneeded regulations

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

By Jim Puzzanghera, Los Angeles Times

May 27, 2011

Reporting from Washington

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

to make it easier to challenge rules in court.

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

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

jim.puzzanghera@latimes.com

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

Mike Taugher, Contra Costa Times

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

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

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

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

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

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

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

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



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

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

storage banks were taking water as fast as they could.

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

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

version.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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Point of View

Water: Get involved in big picture, small picture

Ruby Simpson

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

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

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

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



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

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

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

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

environmental concerns. Water is nonpartisan.

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

Small-picture changes can make big picture differences.

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

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when it is raining.

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

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

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

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

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

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



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

Ruby Simpson is president of Simpson Commercial Properties. She is a board member and was founding president of Commercial Real Estate Women, or CREW, Inland Empire Chapter. She is a reader member of the Daily Bulletin editorial board and lives in Upland.

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California's Draft Bay Delta Conservation Plan Needs Better Integration to Be More Scientifically Credible, Report Finds

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

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

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

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

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

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

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

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Time to get ready for the runoff

By editor

Created 06/06/2011 - 5:59pm

By Mike Gervais/Register Staff

mgervais@inyoregister.com [1]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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For Immediate Release

Eastern Municipal Water District announces new General Manager

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

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

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

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

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

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

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

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

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

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

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

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



Securing Your Water Supply

News Release

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

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

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

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

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

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

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

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