



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, October 13, 2011

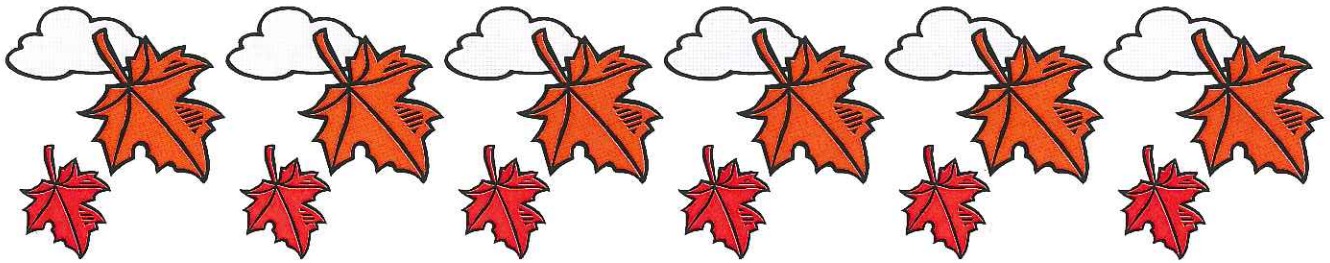
9:00 a.m. – Appropriative Pool Meeting

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

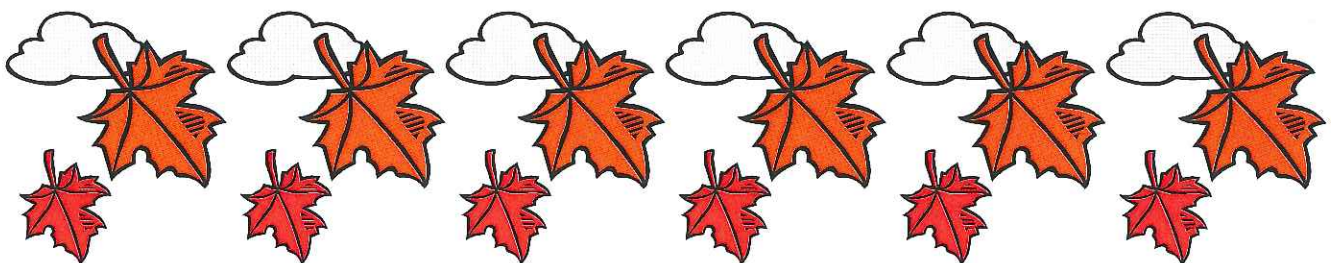
Thursday, October 13, 2011

9:00 a.m. – Appropriative Pool Meeting

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AGENDA PACKAGES



**CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING**

9:00 a.m. – October 13, 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. Revised Minutes of the Appropriative Pool Meeting held August 11, 2011 *(Page 1)*
2. Minutes of the Appropriative Pool Meeting held September 8, 2011 *(Page 11)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2011 *(Page 33)*
2. Watermaster VISA Check Detail for the month of August 2011 *(Page 45)*
3. Combining Schedule for the Period July 1, 2011a through August 31, 2011 *(Page 49)*
4. Treasurer's Report of Financial Affairs for the Period August 1, 2011 through August 31, 2011 *(Page 53)*
5. Budget vs. Actual July 2011 through August 31, 2011 *(Page 57)*

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 781.000 acre-feet of water from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net underproduction in Fiscal Year 2011-2012, with any remainder to be recaptured from storage. Date of Application: September 1, 2011 *(Page 63)*

II. BUSINESS ITEMS

A. 85/15 RULE POLICY

Consider Approval for the Appropriative Pool to Adopt a Policy for the Application of the 85/15 Rule (Exhibit H Section 7) Including Applications of the Rule to Preemptive Replenishment Water *(Page 75)*

B. DEFERMENT OF 2011/2012 ASSESSMENT PACKAGE

Consider Approval for Delaying the Fiscal Year 2010-2011 Assessment Package to January 2012 and Approve Watermaster to Issue Invoices in Early November in the Amount of 50-percent of Fiscal Year 2009-2010 Assessments so that Watermaster May Have Operating Funds *(Page 85)*

C. YEAR 3 PURCHASE OF NON-AGRICULTURAL POOL STORED WATER

Consider Approval to Assess the Appropriative Pool Members the Amount Necessary to Make Payment Number 3 from the Disposition of Water from the Non-Agricultural Pool Pursuant to the Peace II Purchase and Sale Agreement (*Page 89*)

D. METROPOLITAN WATER DISTRICT REPLENISHMENT WATER POLICY PRESENTATION

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

Presentation of the Water Quality Portion of the State of the Basin Report

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. October 28 Hearing
2. Paragraph 31 Appeal

B. WATERMASTER ENGINEERING REPORT

1. Chino Creek Well Field Extensometer Installation Update

C. CEO/STAFF REPORT

1. Recharge (Supplemental Water Purchase/Allocation/Storage Agreements) Update
2. Archibald South Plume Update

IV. INFORMATION

1. Cash Disbursements for September 2011 (*Page 97*)
2. Newspaper Articles (*Page 109*)

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.

VIII. FUTURE MEETINGS

Thursday, October 13, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, October 13, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, October 13, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, October 20, 2011	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, October 20, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, October 20, 2011	11:00 a.m.	Land Subsidence Committee Meeting @ CBWM
Thursday, October 27, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, October 27, 2011	2:00 p.m.	2012 Groundwater Model Workshop/Planning Assumptions @ CBWM
Friday, October 28, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court
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Thursday, November 10, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, November 17, 2011	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, November 17, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
* Thursday, November 17, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM

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

Meeting Adjourn

**CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL CONFERENCE CALL MEETING
11:00 a.m. – October 13, 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 ITEM:

A. MINUTES

1. Resubmitted Minutes of the Non-Agricultural Pool Meeting held August 11, 2011 *(Page 17)*
2. Minutes of the Non-Agricultural Pool Meeting held September 8, 2011 *(Page 21)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2011 *(Page 33)*
2. Watermaster VISA Check Detail for the month of August 2011 *(Page 45)*
3. Combining Schedule for the Period July 1, 201a through August 31, 2011 *(Page 49)*
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D. 85/15 RULE POLICY (Information Only) *(Page 75)*

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F. YEAR 3 PURCHASE OF NON-AGRICULTURAL POOL STORED WATER (Information Only) *(Page 89)*

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

Meeting Adjourn

**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

1:00 p.m. – October 13, 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

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CALL TO ORDER

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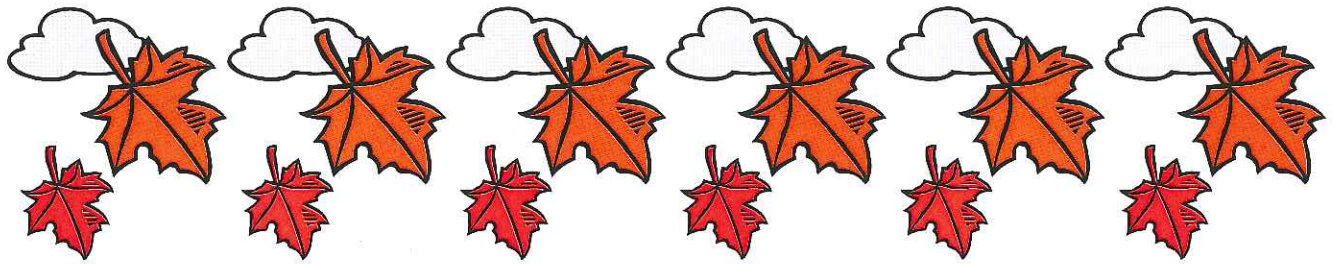
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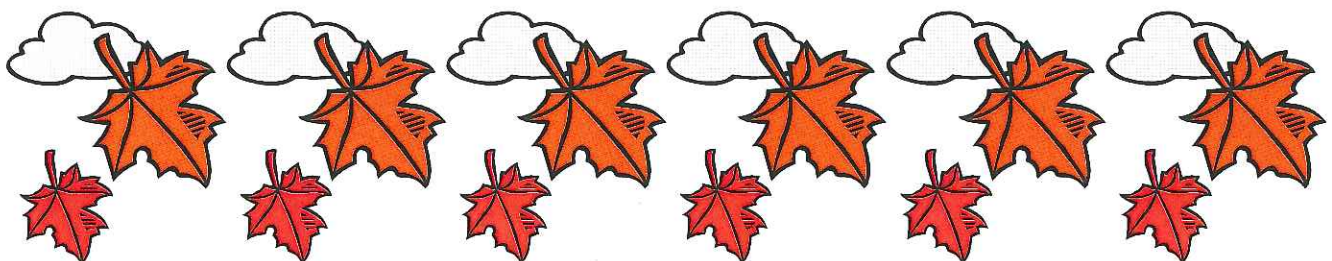


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Revised Appropriative Pool Meeting held on August 11, 2011
2. Appropriative Pool Meeting held on September 8, 2011



Revised Draft Minutes
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING

August 11, 2011

The Appropriative Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on August 11, 2011 at 9:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT WHO SIGNED IN

John Mura, Chair	City of Chino Hills
Mark Kinsey	Monte Vista Water District
Raul Garibay	City of Pomona
Mohamed El-Amamy	City of Ontario
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Sheri Rojo	Fontana Water Company
Seth Zielke	Fontana Union Water Company
Tom Harder	Jurupa Community Services District
Charles Moorrees	San Antonio Water Company
Dave Crosley	City of Chino
Shaun Stone	City of Upland
Ben Lewis	Golden State Water Company

Watermaster Board Members Present

Bob Kuhn	Three Valleys Municipal Water District
Paula Lantz	City of Pomona

Watermaster Staff Present

Desi Alvarez	Chief Executive Officer
Joe Joswiak	Chief Financial Officer
Sherri Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present Who Signed In

Scott Burton	City of Ontario
Justin Scott-Coe	Monte Vista Water District
Van Jew	Monte Vista Water District
Robert Tock	Jurupa Community Services District
Ryan Shaw	Inland Empire Utilities Agency
Geoff Kamansky	Niagara Bottling Company
David DeJesus	Three Valleys Municipal Water District
Rick Hansen	Three Valleys Municipal Water District
Eunice Ulloa	Chino Basin Water Conservation District

Chair Mura called the Appropriative Pool Meeting to order at 9:01 a.m.

AGENDA - ADDITIONS/REORDER

Chair Mura reordered Business Items 2B and 2C to take item 2C first.

Motion by El-Amamy second by Russo-Pereyra, and by unanimous vote
Moved to reorder Business Items 2B and 2C, as presented

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Appropriative Pool Meeting held July 14, 2011

B. FINANCIAL REPORTS

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

C. SEMI-ANNUAL STATUS REPORT 2011-1

Motion by El-Amamy second by Russo-Pereyra, and by unanimous vote

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

II. BUSINESS ITEMS**A. RESOLUTION 11-05 RESOLUTION TO TAX DEFER MEMBER PAID CONTRIBUTIONS AND RESOLUTION 11-06 RESOLUTION FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS**

Mr. Alvarez stated this is an item regarding CalPERS requirements and primarily relates to tax deferred contributions. The Chino Basin Watermaster pays for the contributions made on behalf of the employees for retirement benefits. What CalPERS is asking for is a resolution that recognizes the obligation. Mr. Alvarez stated staff had received a letter from CalPERS in 2008 regarding the resolution. A second letter was recently received reminding Watermaster again that this resolution was due; the resolutions are to that effect. The first resolution addresses an IRS ruling. The second resolution recognizes there are required contributions by members of either the Watermaster or by the employees and that these contributions are not subject to state and federal income taxes nor are they for social security/Medicare purposes. Mr. Alvarez stated the contributions being made are recognized as part of the whole salary compensation package. Mr. Alvarez stated these are basically administrative items to align Watermaster with CalPERS requirements. Mr. Garibay stated as he read these Resolutions they appear to be just a personnel issue and within the CEO's purview without the need to go through the Watermaster process. Mr. Alvarez stated these are Resolutions that need to be adopted by the Board through the process. Ms. Rojo asked for clarification as it was her recollection that in the past staff picked up a portion of their PERS, and inquired if this Resolution now says Watermaster is going to be picking up the full cost. Mr. Alvarez stated as of this fiscal year Watermaster is picking up the full cost of the PERS. Ms. Russo-Pereyra inquired what the employees picked up in the past. Mr. Alvarez stated 3%. Ms. Russo-Pereyra inquired when that change was made. Ms. Alvarez stated that was changed through the recent budget process. Mr. Alvarez stated it is his understanding that as of this fiscal year Watermaster pays 100% of the PERS contribution. Mr. Kuhn stated he is a Board member and on the Personnel Committee. Mr. Kuhn stated that this was an agreement which was made with staff a couple of years ago, that if the employees forgo their COLA the following year Watermaster would pick up the PERS. Ms. Russo-Pereyra asked if Watermaster employees were union or contracted employees. Mr. Kuhn stated they are not union or contracted employees. Ms. Russo-Pereyra asked for that agreement. Mr. Kuhn stated this was done by a handshake/gentlemen's agreement which was made with Watermaster employees and the CEO at that time. The Personnel Committee made the recommendation and it was approved by the Board. A lengthy discussion regarding this matter ensued. Mr. Alvarez stated staff is recommending approval for both Resolutions to be forwarded through the process, and ultimately to CalPERS. Ms. Russo-Pereyra stated it appears this was not clear when the budget process was going on and asked that in the future, if there are other changes like this, to make sure they are forwarded through the process for consideration. A discussion regarding staffs' increase in compensation ensued and it was noted Watermaster staff has not received a COLA in four years. Chair Mura stated he agreed with the Pool comments made today, including the need for transparency and having an active Personnel Committee looking at these types of transactions, which would then be put through

the entire Watermaster process. Ms. Russo-Pereyra offered final comments on what Cucamonga Valley Water District is doing for its employees presently.

Motion by Crosley second by Moorrees, and by unanimous vote

Moved to approve Resolution 11-05 to tax defer member paid contributions and Resolution 11-06 for paying and reporting the value of employer paid member contributions, as presented

Business Item IIB was reordered to take IIB after item IIC.

B. LOAN AGREEMENT WITH CHINO BASIN WATER CONSERVATION DISTRICT, CITY OF ONTARIO, AND JURUPA COMMUNITY SERVICES DISTRICT

Mr. Alvarez stated this item has to do with the financing of the replenishment water. Mr. Alvarez stated one of the items discussed was why Watermaster does not just purchase the water and noted that is a topic needs to be brought back at a future date. Mr. Alvarez stated it would be to discuss what Watermaster does when future opportunities present themselves like this. Mr. Alvarez stated since Watermaster was not set up for this purchase, one alternative is that Watermaster could acquire the funds through a loan arrangement. Mr. Alvarez stated in pursuing this option, the Chino Basin Water Conservation District (CBWCD) had stepped forward and stated they wanted to help in any way they could and informed Watermaster they had money available to loan. Mr. Alvarez stated the CBWCD board adopted specific terms for a loan for Watermaster. There have also been discussions with other parties who expressed their interest in purchasing the water now through a special assessment. Mr. Alvarez stated for those parties that would like to take care of their obligation now, the loan would be equivalent to the anticipated amount that they are going to be approximately assessed in three years. That would protect them from having to pay additional costs for this water. Mr. Alvarez stated the item before this Committee is to approve the generic terms of the Loan Agreement. This Loan Agreement would be the one Watermaster would enter into with CBWCD, JCSD, and the City of Ontario, which are the parties that expressed interest in loaning the money. Mr. Alvarez stated the terms of the Loan Agreement are that those parties are entitled to interest at a variable rate equal to LAIF plus 1.5%, and that interest payments would be made on a monthly basis. Mr. Alvarez stated funding for the interest would come out of the unrestricted reserves that Watermaster has and the interest would be recovered at the time of assessments to pay the loans. Mr. Alvarez stated staff is looking for direction on whether to move forward with the Loan Agreements or not. Mr. Alvarez stated the assessments will go out in 2014 and the payment is due in 2015, which is how the Loan Agreements will be structured. Mr. Alvarez stated another condition in these Loan Agreements is that once these Loan Agreements are approved through the Watermaster process, they will then be taken to the Judge for approval and acknowledgment that there will be a special assessment for the repayment of these loans. Mr. Alvarez stated the last caveat has to do with the priority of repayment of the loans, which is still in negotiations. Mr. Kinsey stated it appears that both JCSD and the City of Ontario are loaning Watermaster money equal to what they anticipate their obligation will be; it's a loan they don't anticipate getting repaid on with only small adjustments. Mr. El-Amamy stated that was his understanding. Mr. Kinsey stated this was mentioned during the last item in that all the parties agree that it is important to preserve individual agencies right to say, in lieu of money, here is water. A discussion regarding this matter ensued. Mr. Alvarez stated Watermaster is going to go to the court if these agreements go through the process, and then, there will be a priority and a commitment by Watermaster to do a special assessment to raise sufficient revenues to pay off the loans. Mr. Alvarez offered a worst case scenario as an example to this matter. Mr. El-Amamy stated a solution could be to extend the repayment date to 2016. Mr. Alvarez stated the only one that is set in stone is the loan agreement with CBWCD, who set very specific conditions. Mr. Kinsey stated it is his understanding that by approving this agreement, the parties are potentially waiving the ability to choose to provide either water or money. Mr. Alvarez stated that could potentially happen, and noted he had looked at all the numbers. A discussion regarding this matter ensued. Mr. Kinsey stated the cheapest way for Monte Vista Water District to secure water to meet its replenishment obligation, right now, is through in lieu replenishment. Mr. Kinsey offered further comments on this matter with regard to Monte Vista Water District. Mr. Kinsey stated the parties need to understand that if we move

forward with the agreement, it may limit the agencies flexibility until the terms of the agreement are paid off. Mr. Crosley questioned the ability of Watermaster to consider other Appropriators taking a similar action as the City of Ontario or JCSD. Mr. Alvarez stated that in the staff recommendation the parties recognize there may be other parties that might want to step forward and authorize Watermaster to negotiate that. Chair Mura inquired if the motion that was made on the previous action may eliminate the need to do this. Mr. Alvarez stated no, and the direction comes from how the parties direct staff. Ms. Russo-Pereyra stated she would make a motion to continue to proceed with the negotiations with the Muni's but also to direct staff to not proceed with the loan with CBWCD. A discussion regarding Ms. Russo-Pereyra's motion ensued. Mr. Alvarez inquired whether the parties were going to approve Watermaster entering into a Loan Agreements with CBWCD, the City of Ontario, JCSD, and possibly with other parties that may be interested in entering into a Loan Agreement. Mr. Alvarez offered comment on how this item would be dealt with by using both the Loan Agreements and the Storage Agreements. A lengthy discussion regarding agreements, scenarios, interest payments, the amount of water available, financing options, and a possible delta ensued. Mr. Alvarez stated the delta will be small and is very difficult to calculate. Mr. El-Amamy stated he will move the item as presented. Ms. Russo-Pereyra inquired as to why we are continuing with the CBWCD loan. Mr. El-Amamy stated we are pursuing all these options and are giving authorization to negotiate these agreements. Mr. Alvarez stated we are going through the process, all the parties understand what is going on and this will come back to the Advisory Committee, and then finally, the Board. A discussion regarding the loan with CBWCD and the costs of the loans ensued. Mr. Kinsey inquired if there was a second made to the motion. It was noted there was not a second. Mr. Kinsey stated it is obvious the parties have differences as to what the best deal is, and the best deal for the majority of the agencies is in lieu replenishment. Mr. Kinsey offered comment on his concerns and noted he does not want to approve this and preclude other options. Mr. Kinsey stated Watermaster needs to figure out how to prepare for these types of activities in the future. Mr. Alvarez offered further comment on the history of this item. Mr. Shaw inquired whether both Business Items B and C were approved, and if that means the parties are going to give direction as a priority list. Mr. Kinsey asked if the maker of the motion considered some conditionality of approval, which could possibly be to recommend finalization of the agreement for forwarding to the Advisory Committee with the understanding that Watermaster would come back and seek approval on actually beginning to recharge water under the terms of the agreement. Mr. El-Amamy stated he would amend his motion accordingly. Mr. Kinsey inquired if Watermaster would maintain first come, first served. Mr. Alvarez stated it is replenishment water and it is going to be done through a storage account for the Muni's and/or acquisitions on behalf of the greater good. Watermaster acquires the water and borrows the money, which allows all the parties to participate in the financing. Mr. Alvarez stated the recommendation before this Committee today is to also consider that these three agreements are not all exclusive, that there may be some additional parties that may want to enter into similar Loan Agreements. A lengthy discussion regarding this matter ensued. Mr. Alvarez stated nothing here precludes the in lieu acquisition of water and that is a separate entity. The commitment is that in 2014 there will be a repayment of the loan, or in 2015 in terms of the Storage Agreements. There needs to be a commitment that at some point in time Watermaster is going to call for the water, and this has been discussed with the Muni's. Mr. Alvarez stated there will be a commitment in those Storage Agreements that the water will be called for, and that it is not an indefinite period of time. Counsel Fife stated he wanted to clarify some things in terms of the responses to the questions and also with the priority. Counsel Fife stated it is his understanding if the parties approve this item, the overall structure for purchase of the 50,000 acre-feet is that FWC and Niagara have committed to purchasing 26,000 acre-feet of that. The next step will be a loan, which right now CBWCD, the City of Ontario, and JCSD have been identified as the loaning parties. There is a cap under the Judgment as to how much Watermaster can borrow so the loan can't be inflated indefinitely as more parties come in. The loan amount will purchase approximately the next 15,000 acre-feet of the water, and if there is remainder then that will be through the Storage Agreement with the Muni's. Mr. Kinsey inquired about individual agencies purchase of in lieu replenishment water. Counsel Fife stated that is separate, as Mr. Alvarez stated. Counsel Fife stated the Loan Agreements are for a certain amount of money which will enable the purchase of a certain amount of water, and there may be additional water that is recharged from MWD that goes beyond the FWC and Niagara purchase. A discussion

regarding Counsel Fife’s comments ensued. Mr. Alvarez stated nothing precludes the in lieu; Watermaster is trying to make the commitment to pay for the wet water recharge and the in lieu will be above and beyond that, and will be a separate agreement. Mr. Kinsey offered comment on storage losses. Mr. Kinsey stated he is concerned about incurring costs to meet his agencies replenishment obligation for the desalters now, and having to incur costs again because of revenue constraints. Mr. Crosley stated the unrestricted reserve has been mentioned a few times and those reserves are going to be used to make the interest payments on the loans. The parties are curious as to how much each of the parties has contributed over the years into those unrestricted reserves and how that compares with what the parties anticipated being their portion of the loan finance cost. Mr. Alvarez stated the computation of the individual contributions to the unrestricted reserves is more than a difficult task. It should be recognized that the unrestricted reserves are there in the aggregate and that everyone has made some contribution to it. Mr. Kinsey stated it would be easy to prorate percentage of production over the last five years and break up the shares accordingly. Mr. Alvarez offered comment on the reserve break down. Chair Mura stated there is a motion and a second and called for the question.

Motion by El-Amamy second by Rojo, and by majority vote – Mura, Kinsey, and Russo-Pereyra voted no

Moved by a majority vote to authorize staff to work on the loan agreements with the Chino Basin Water Conservation District in an amount not to exceed \$5,000,000.00, with the City of Ontario in an amount not to exceed \$2,125,000, with Jurupa Community Services District in an amount not to exceed \$1,000,000 and other interested Appropriators with the condition that Watermaster would obtain Advisory Committee approval before executing the agreements, as presented

Business Item IIC was reordered to take item IIC prior to item IIB.

C. STORAGE AGREEMENT WITH INLAND EMPIRE UTILITIES AGENCY AND THREE VALLEYS MUNICIPAL WATER DISTRICT

Mr. Alvarez stated this item is regarding the preemptive replenishment water which Watermaster began taking on May 16, 2011. Mr. Alvarez stated the availability of the replenishment water was unplanned. Therefore, when Watermaster decided it would be a worthwhile investment, it was not a previously budgeted item and now terms need to complete as to how the water is going to be paid for. Mr. Alvarez stated approximately 50% of the water has been paid for through preemptive replenishment purchases that is being done by Appropriators who need replenishment water, and that water is being put into storage accounts that are limited for replenishment purposes only. Mr. Alvarez stated in September Watermaster needs to start making provisions for how the remainder is going to be paid for. Mr. Alvarez stated there are two options available to accomplish that task; 1) For Watermaster to obtain financing and pay for the water directly through loans, or 2) The water would be acquired by other regional agencies and be put into storage accounts. Mr. Alvarez stated this item has to do with the potential storage accounts with Inland Empire Utilities Agency (IEUA) and Three Valleys Municipal Water District (TVMWD). Mr. Alvarez stated the proposal before this Committee is for extending a potential storage agreement to the regional agencies, and that the water put into storage would be for preemptive replenishment of the desalter obligations which start accruing in 2013. Mr. Alvarez stated the cost of the water would be \$409 an acre-foot, plus \$12 acre-foot for an IEUA surcharge for delivering water to the basin, and an additional cost of \$42 an acre-foot for that water that’s being recharged through direct injection. The actual acquisition cost is approximately \$420.34 per acre-foot. Mr. Alvarez stated once the storage agreements are entered into there would be a condition that the water would be called for desalter replenishment at such time as necessary, and the storage agreements would be subject to not only the limitation that the water is there for preemptive replenishment but that Watermaster would pay for the acquisition costs plus the carrying costs. The carrying costs would be the finance costs for the agencies as well as the annual losses and storage losses at 2%. The anticipated base price for the water in 2014 is \$473.62. Mr. Alvarez stated staff is suggesting that Watermaster pay no more than the anticipated MWD replenishment rate at that

point in time. Mr. Alvarez stated staff is recommending storage agreements with respective agencies that are interested, and to authorize negotiations with those agencies. Mr. Alvarez stated in the event that Watermaster pays more for the actual cost of the water, staff's recommendation is that a condition be put in to the agreement that the difference in revenue between the actual cost and the actual amount paid be reserved solely for investments in the Chino Basin to be mutually agreed to between the agency and Watermaster. Mr. Garibay stated this item has changed over the past few weeks from when it was first being discussed and offered comment on the participants to date. Mr. Garibay inquired about hitting the mark of 50,000 acre-feet and the possibility of falling short for the entities that purchased the water preemptively. Mr. Alvarez stated that originally the water was split into two portions, and because of the financing arrangement that 50% of the water would be available for preemptive replenishment for the accounts that truly has to acquire replenishment water every year. Then the other 50% was going to be preemptive replenishment for the desalter. The issue became how to finance that water, and Mr. Alvarez reviewed the history on the financing of this water further. Mr. Garibay stated he understands the process; however, there are more players now involved regarding the remainder of water after the purchase from Niagara Bottling Company and Fontana Water Company (FWC) and how will that play out if the 50,000 acre-feet is not accomplished - it's basically short on the spreading and how will that then be allocated amongst those parties. Mr. Alvarez stated that whatever amount is recharged, the idea is a 50/50 split, so 26,000 acre-feet may not be what Niagara and Fontana end up with. Mr. Alvarez stated the other 50% will go towards the desalter replenishment account, and what the actual amounts will be are dependent on the decisions that the parties agree to and the direction given to staff in how to proceed. Mr. Alvarez stated that if Watermaster has financing available then that is going to pay for a significant amount of water. That water would be purchased by Watermaster for an augmentation for the overdraft account. The remaining water would be purchased by IEUA, TVMWD, or whomever a Storage Agreement is entered into with. The actual numbers will be floating on what the total amounts are. Mr. Kinsey offered comments regarding options and issues, and noted the questions are how do we do this and how do we pay for it because there are several different approaches. Mr. Kinsey stated feedback needs to come from IEUA and TVMWD on the terms of the storage deal. Mr. Alvarez stated the proposal that is being recommended by staff is to go back and work with them on the structure the storage deal. A lengthy discussion regarding this matter ensued. Mr. Kinsey stated he is hesitant to having his hands tied as to how he can meet his replenishment obligation, offered further comment on this matter, and noted the parties want flexibility. Mr. Kinsey stated there is a difference of opinion whether the Non-Agricultural Pool has a desalter replenishment obligation. There is no question that the Agricultural Pool does not have any obligation, so as this moves forward the question would be is it appropriate for all three of the Pools to give an approval or not on an obligation that may vested with one or two Pools. Mr. Kinsey stated in going through the conditions for IEUA, they should be afforded more flexibility as to how the water would be used because they don't want to be stuck with this water in storage and be unable to recover their investment because everyone is using their own water in storage to do this. Mr. El-Amamy asked to clarify the City of Ontario's position. Ontario is trying to meet their obligation with minimal costs at whatever vehicle is available to them. Mr. El-Amamy offered comment on costs. A discussion regarding costs ensued. Mr. Tock offered comment on the CDA draw schedule, and noted it would be helpful if the parties had an actual year-to-date or year projection, which might be helpful to see the pace of production and when this assessment is going to happen. Mr. Tock stated one of the key items on the Chino Basin Water Conservation loan was no storage losses would be assessed and this would be directly add to the bucket of non-assessed production. To see a storage account with 2% losses is surprising to Jurupa Community Services District. Mr. Tock stated his most significant concern was the repayment plan. Mr. Alvarez stated the production schedules can be revisited. Mr. Alvarez explained the storage losses of 2% in detail. Mr. Crosley inquired as to the financing of the 24,000 acre-feet of water that the parties want to purchase. Mr. Alvarez stated the financing approach and the amount of water purchased are to be determined on the direction that is provided by the Pools, Advisory, and Board. Mr. Alvarez stated that 100% of that water could go into Storage Agreements because the decision could be parties are not interested in the financing mechanisms. Mr. Alvarez stated in the event there is financing, it is anticipated that it will be common across the board and that everyone will have the same terms with the exception of one, the Chino Basin Water Conservation District

(CBWCD) did ask that they take priority in the repayment of any money that is borrowed from them. Mr. Crosley stated there was a second part of his question which related to FWC and Niagara's amounts of water purchased regarding the possibility that it be prorated into some lesser number depending on what was actually purchased and put into the ground. Mr. Alvarez stated they can be prorated and the agreement with both of those agencies states that it is "up to" that amount. Ms. Russo-Pereyra inquired if IEUA and TVMWD are comfortable purchasing the remainder amount minus the 26,000 acre-feet. Mr. Shaw stated IEUA is comfortable with that, and IEUA needs to know sooner rather than later depending on the purchase amount. Mr. Hansen stated TVMWD is willing to help out and staff recognizes the flexibility that the parties need. However, TVMWD is looking at this as a business perspective financially. Ms. Russo-Pereyra stated both of those agencies are willing to help and noted she is not sure why Watermaster does not just go with this offer since they are providing some flexibility. A lengthy discussion regarding going with IEUA and TVMWD for the loans and the terms of the agreements ensued. Mr. Alvarez stated staff needs direction as to what the parties are comfortable with in terms of what should go into the Storage Agreements. The proposal is the total amount of water that is going to go into that agreement is to be determined depending on financing arrangements, and the terms which are being suggested is the replenishment rate as published by MWD and is subject to final negotiations. Mr. Kinsey stated what he is hearing is that Watermaster defined terms as of today. It is a good starting point but still needs refinement. Mr. Kinsey inquired if this can be moved forward now knowing that the final terms are going to be negotiated. Mr. Kinsey inquired from legal if this Committee can approve this subject to finalization of terms that could be brought back to the Advisory Committee. Counsel Fife stated that given there is no term sheet, and legal counsel has not been involved in this process so far, that would really be the only way at this point to move it forward. Counsel Fife stated since IEUA and TVMWD are already talking it should not be that difficult to put together a term sheet to be able to bring back to the Advisory Committee next week. Mr. Kinsey stated it is those who are actually obligated to acquire the water to offset the desalter replenishment obligations that are impacted by the storage losses. Mr. Kinsey also stated there has to be some mechanism where all or a portion can be stuffed into that same bucket that avoids storage losses. Ms. Rojo stated she agrees with Mr. Kinsey's comments and would agree if he made that into a motion. Ms. Russo-Pereyra inquired if a few Appropriators would sit in on those negotiations because if it is going to go straight to the Advisory Committee this will allow for input. Mr. Kinsey stated he has a recommendation for a motion which is to move staff recommendation, with additional items for consideration as to finalizing terms of the Storage Agreement, for consideration by the Advisory Committee at next week's meeting, and that FWC representatives and CVWD representatives participate in the negotiation process. Mr. Tock stated it looks like wherever it goes it is going to have a 2% storage loss. Mr. Tock stated that perhaps it would be cleaner if the Appropriators were asked if they want to purchase this for their storage account. Mr. Tock offered further comments on this matter. A discussion regarding Mr. Tock's comments ensued. Mr. Alvarez stated from the beginning one of the conditions that needed to be certified was that this is replenishment water that is being purchased for replenishment purposes, so all the restraints have always tried to adhere to that requirement. Ms. Russo-Pereyra asked that Mr. Kinsey repeat his proposed motion. Mr. Kinsey stated it is to move staff's recommendations, adding the conditions that Watermaster staff, TVMWD, and IEUA negotiate final terms of the Storage Agreement for consideration at the next Advisory Committee meeting, and that FWC and CVWD participate in that process on behalf of the Appropriative Pool. Mr. Crosley stated it is his understanding that the interests of the City of Ontario and Jurupa Community Services District to enter into this form of a loan agreement would then eliminate them from having to pay any of the financing costs that the Watermaster may incur as it purchases the remainder of water that's desired, and that would be known in approximately the year 2014, and inquired if his understanding was correct. Mr. Alvarez stated what they are trying to do is keep their costs to a bare-bone minimum, so they are anticipating what their assessment would be in 2014 and covering that assessment today by loaning Watermaster that money. Watermaster would still need to go through the assessment formula at the time this obligation is incurred, and then that assessment would be approximately equal to the loan amount that is there. Mr. Alvarez stated there is a specific formula for assessing for the desalter replenishment and the assessment is 50% of that incurred obligation, whatever that number is, spread out over the operating safe yield, and the other 50% of that obligation is

spread out over the previous year's production; all will be assessed. Mr. Crosley stated the numbers that are being described here are an attempt to estimate what that unknown future is. Mr. Alvarez stated that is correct. Mr. Crosley offered final comments on this matter and noted there might be Appropriators that want to transfer water instead of transferring money to pay for their share of the assessment. Ms. Rojo stated what she understands is there is a set formula to assess for the desalter over production and then if a party has water they want to contribute it needs to be kept separate. Watermaster could buy water out of storage at the same rate that Watermaster is assessing the party; effectively it would be a wash but in two separate transactions. Mr. Alvarez stated that is correct and the parties will be paying with water but will still be assessed, and then the two basically cancel each other out. Mr. Crosley stated the City of Chino would like to express appreciation to the municipal agencies and the Conservation District for stepping forward and lending a hand.

Revised: *Motion by Kinsey second by Russo-Pereyra, and by majority vote – Tock voted no*

Moved by a majority vote to move staff recommendations, adding the conditions that Watermaster staff, Three Valleys Municipal Water District, and Inland Empire Utilities District negotiate final terms of the Storage Agreement for consideration at the next Advisory Committee meeting, and that Fontana Water Company and Cucamonga Valley Water District participate in that process on behalf of the Appropriative Pool, as presented

D. PRESENTATION ON THE STATE OF THE BASIN REPORT (For Information Only)

Mr. Alvarez stated this is more than a five minute presentation and inquired if the parties want to take the time to see this presentation or hold off until next month. It was noted this presentation will be given at the next Appropriative Pool meeting in September.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. September 30, 2011 Hearing

Counsel Fife stated there is a hearing scheduled for September 30, 2011 for the CDA Resolution and the Restated Judgment. Counsel Fife stated counsel is in the process of preparing all those materials and there will also be witnesses at the hearing which will provide the Judge more information on the Desalters; like the hearings that were done for Judge Wade a few years ago. Counsel Fife stated as materials are presented they will be circulated.

2. Restated Judgment

Counsel Fife stated that Phase I has been posted to the Watermaster ftp site and the only comment received back so far was that there was an appendix to the land use conversion amendment which was supposed to be part of the Judgment. An electronic copy was created and posted on the ftp site. A database was also created of all of the prior orders of the court going back to 1978. Counsel Fife stated no other comments were received and a conference call or meeting will be scheduled to make sure all the parties are comfortable with the materials. If there is no objection that will be included as part of the agenda for the September 30th hearing which will conclude that part of the project.

B. CEO/STAFF REPORT

1. Recharge Update

Mr. Alvarez stated approximately 18,000 acre-feet has been recharged and water recharge has regained some of the capabilities. If we stay at this rate the goal of 50,000 acre-feet estimate might be accomplished.

2. Water Activity Reports (WAR) Reminder

Mr. Alvarez stated it is that time of the year when Water Activity Reports are sent out and due back to Watermaster as quickly as possible. After they are received the assessment process can begin.

Added Comment:

Mr. Alvarez stated this is a reminder of an upcoming activity in which Non-Agricultural Pool has the ability to make water available every year. They have indicated this year they will probably make water available. Mr. Alvarez stated how this normally proceeds is the Pool lets Watermaster know that water will be made available, including the amount, by December 31st Watermaster will then notify all the parties; the acquisition of that water is pegged to 92% of the MWD rate in 2012.

IV. INFORMATION

1. Cash Disbursements for July 2011
No comment was made.
2. Newspaper Articles
No comment was made.

V. POOL MEMBER COMMENTS

No comment was made.

VI. OTHER BUSINESS

No comment was made.

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.

No confidential session was called.

VIII. FUTURE MEETINGS

Thursday, August 11, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, August 11, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, August 11, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, August 18, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, August 18, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, August 18, 2011	10:30 a.m.	Land Subsidence Committee Meeting @ CBWM
Thursday, August 25, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Friday, September 30, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court

The Appropriative Pool Committee meeting was dismissed by Chair Mura at 11:04 a.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING
September 8, 2011

The Appropriative Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on September 8, 2011 at 9:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT WHO SIGNED IN

John Mura, Chair	City of Chino Hills
Mark Kinsey	Monte Vista Water District
Raul Garibay	City of Pomona
Mohamed El-Amamy	City of Ontario
J. Arnold Rodriguez	Santa Ana River Water Company
Marty Zvirbulis	Cucamonga Valley Water District
Sheri Rojo	Fontana Water Company
Josh Swift	Fontana Union Water Company
Tom Harder	Jurupa Community Services District
Dave Crosley	City of Chino
Rosemary Hoerning	City of Upland
Teri Layton	San Antonio Water Company
Geoff Kamansky	Niagara Bottling Company
Ben Lewis	Golden State Water Company

Watermaster Board Members Present

Bob Kuhn	Three Valleys Municipal Water District
Paula Lantz	City of Pomona

Watermaster Staff Present

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

Watermaster Consultants Present

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

Others Present Who Signed In

Scott Burton	City of Ontario
Bob Gluck	City of Ontario
Justin Scott-Coe	Monte Vista Water District
Van Jew	Monte Vista Water District
Craig Miller	Inland Empire Utilities Agency
Ryan Shaw	Inland Empire Utilities Agency
Ron Craig	City of Chino Hills
Eunice Ulloa	Chino Basin Water Conservation District
Seth Zielke	Fontana Water Company
Vera Weamer	Wildermuth Environmental Inc.
Curtis Paxton	Chino Desalter Authority
Paul Deutsch	Geomatrix

Chair Mura called the Appropriative Pool Meeting to order at 9:02 a.m.

AGENDA - ADDITIONS/REORDER

Mr. Alvarez pulled the Appropriative Pool August 11, 2011 minutes from the Consent Calendar and noted a change needs to be made to one of the motions. Mr. Alvarez noted the minutes will be resubmitted in the October 13, 2011 meeting package.

I. CONSENT CALENDAR**A. MINUTES (Pulled)**

1. Minutes of the Appropriative Pool Meeting held August 11, 2011

B. FINANCIAL REPORTS

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

Mr. Garibay inquired about Item B1 Cash Disbursements regarding the Pre-Paid Legal Service bill Mr. Joswiak stated this is a service that the employees pay for each month for a credit service that monitors employee's social security accounts. Money is deducted from the employee's payroll checks, and then Watermaster pays the actual bill from Pre-Paid Legal Services.

Motion by Garibay second by Zvirbulis, and by unanimous vote

Moved to approve Consent Calendar item B, as presented

II. BUSINESS ITEMS**A. APPLICATION OF THE 85/15 RULE (For Information and Discussion)**

Mr. Alvarez stated this item is before this Committee at the request of the Appropriative Pool and Advisory Committee for staff to make a presentation on the 85/15 Rule and its applicability. Mr. Alvarez gave the 85/15 Rule presentation which included topics on Background, Paying for Replenishment of Overproduction, Judgment Language, 85/15 Rule Participation, General Application, Replenishment Application, Application in Recent Assessment Packages, Future Application, and Water Transfer Example. Mr. Alvarez asked for any comments or questions. Ms. Hoerning inquired if this application of the 85/15 Rule will be on a go-forward basis as there are some transactions that have occurred that are not listed on the table in the staff report. Mr. Alvarez stated this is for Production Year 2010-2011, and the intent will be that staff will apply the 85/15 Rule consistent with the language in the Judgment so that only that portion of the transfer that makes up the overproduction for the previous year will be subject to the 85/15 Rule. Mr. Alvarez stated if there is a transfer that has gone the other way then staff will work with the parties to try and resolve any inconsistencies. Ms. Hoerning stated since this is an application that has been done over the years, and this has now come to light and staff wants to do a course correction, are those transfers that have already occurred under the past practice going to be considered. Mr. Alvarez stated staff is trying to be consistent with how the Judgment actually reads. Mr. Kinsey stated that is an interesting concept - changing the interpretation of the Pooling Plan, in terms of how the 85/15 Rule applies to preemptive replenishment water purchases. Mr. Kinsey offered further comment on this matter and noted it appears there is an interpretive change in a long-standing practice that the parties have. Mr. Kinsey stated if there have been any inconsistencies in the application of the 85/15 Rule in the past, then maybe that should be addressed. Mr. Kinsey stated since this is the Pooling Plan, it's an Appropriative Pool issue and a committee should be formed to talk about how this issue should be addressed. Mr. Kinsey offered further comment on a few questions which need to be addressed. Counsel Slater stated it is correct in terms of trying to group the activities into segments. Counsel Slater stated the Pooling Plan is part of the Judgment and it is intended to amend the 85/15 Rule and provide exact direction, which is in conflict with words that are on paper; a Judgment amendment is needed. Counsel Slater stated, on the other hand, the Appropriative Pool is free to interpret its own Pooling Plan by their own procedures and Watermaster will follow interpretative guidelines.

Counsel Slater stated whatever form the Appropriative Pool wants to take to formally adopt rules, procedures, or interpretative guidelines the Pool would then inform staff in terms of how to apply the rule. Counsel Slater stated if this Pool is trying to change the rule, then that takes a Judgment amendment. Counsel Slater stated the history is what the history is, and if there is conflict or concern over how it is applied the parties adopted a statute of limitations on its own actions. Counsel Slater stated if someone has a quarrel with how it was applied historically if it's beyond four years, its bygones be bygones. Ms. Rojo stated when the parties are talking about inconsistencies with how it's been handled in the past from the history that is presented, it seems to have been consistently applied throughout the past and inquired if the Pool has ever adopted a motion or taken action in the past. Counsel Slater stated it is what it is and it speaks for itself, and if somebody wants to argue that it is inconsistent – counsel is expressing no opinion. Counsel Slater inquired if a forensic exercise has been done to look at the Pool actions when they apply the rule. Mr. Alvarez stated a fairly exhaustive look up has been done and several discussions have taken place over this subject at several meetings which ended up contentious and parties just dropped the issue; no specific decision was found one way or the other. Ms. Rojo stated maybe Mr. Kinsey has a valid point to have the parties get together and revisit the topic. Mr. Kinsey stated what he is hearing from counsel is that there is a lot of latitude in providing the Pool with the ability to interpret the intent of the Pooling Plan; if the Pool decides what the intent of the Pooling Plan was, and then they will follow that interpretation. Counsel stated clear direction is needed. Chair Mura stated it was heard in these discussions that a working group of interested parties needs to be formed to work it out and frame it, then bring it back for discussion on how to take this forward. Chair Mura stated if the current plan is disincentive to the 85/15 Rule practice, then it is something that should be looked at and worked towards clearing up for all the parties' benefit. Mr. Kinsey inquired about the application date, which was asked earlier, and in putting together an Appropriative Pool committee to provide Watermaster with some guidance on how they want to apply the 85/15 Rule. Counsel Slater stated if the committee can develop a consensus on interpretation, and noted that would be strongly encouraged because if one party thinks it is an interpretation and another thinks is an amendment and this ends up in front of the judge arguing that point, and then it becomes a Watermaster issue. Mr. Alvarez noted Watermaster is not suggesting to change anything in the past but to move forward with this year's Assessment Package. A lengthy discussion regarding this matter ensued. Ms. Hoerning offered final comments and cautioned the parties who what to go back and fix things retroactively prior to today. Chair Mura concurred with Ms. Hoerning's comments and noted a working committee can address many of the topics discussed today prior to the next Assessment Package. A lengthy discussion regarding forming a committee and what the committee will be working on with this regard ensued. Chair Mura inquired if there were any volunteers for the working committee. Chair Mura noted the City of Ontario, City of Upland, Monte Vista Water District, and Fontana Water Company stated they would like to participate on this committee. Mr. Zvirbulis stated this group should be as inclusive as possible and more of a workshop instead of just certain parties attending. Mr. Alvarez stated a workshop will be scheduled in the near future for any member of the Appropriative Pool who wishes to attend.

B. PRESENTATION ON THE STATE OF THE BASIN REPORT (For Information Only)

Mr. Alvarez introduced the State of the Basin presentation and noted this will be the first in a series of several parts for this report. Mr. Wildermuth stated the State of the Basin Report is done every two years. Mr. Wildermuth stated this year Wildermuth Environmental prepared a coffee table book which has nothing but pictures, tables, and charts in it. Mr. Wildermuth stated embedded into the charts are text boxes filled with information, which will be helpful when reviewing this report. Mr. Wildermuth gave the Groundwater Levels and Storage 2000 to 2010 presentation which included maps and charts in detail. A discussion ensued after the presentation concluded regarding several of the slides and information presented.

C. GROUNDWATER MODEL UPDATE (For Information Only)

Mr. Wildermuth stated great progress is being made on the groundwater model. However, there are a couple of the water agencies who are not responding to the data requests which are hindering this project. Mr. Wildermuth stated it was Wildermuth Environmental's intention in the

October/November time frame to come to the Watermaster meetings and discuss planning scenarios, hopefully after those two agencies provide their future production estimates. Mr. Wildermuth stated that particular task is a requirement of the court to approve the Recharge Master Plan Update, in which new production and replenishment projections need to be formulated and provided to the court in December.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Next hearing Schedule and Preparation

Counsel Slater stated staff and counsel have been meeting with the various stakeholders with regard to presenting Watermaster Resolution 2010-04 to the court. This in connection with asking the court for direction to proceed with the Desalter Expansion, in clearing out the contingencies and providing relief for all of the parties on a go forward basis. Counsel Slater stated great progress is being made and Mr. Alvarez and Mark Wildermuth have done a great job interfacing with the Regional Board. It is expected to have a supportive declaration out of the Regional Board on the primary issue of whether Hydraulic Control has been achieved. Counsel Slater stated staff and counsel are extremely hopeful that that declaration will be executed, which should provide a context for the court to also make its findings. Counsel Slater stated counsel is planning on a hearing date of October 28, 2011, which is approximately 30 days beyond the prior expected date of September 30, 2011.

2. Restated Judgment Process

Counsel Slater stated the first part of the restated Judgment process was to produce a technically accurate form of the Judgment, inclusive of all orders and amendments, which has been on the Watermaster ftp site and has been circulated. Staff, counsel, and the parties now feel this is the completed and accurate form of the Judgment. Counsel Slater stated this portion was the scribes exercise and a secondary portion of the process has now begun. Counsel Slater stated that actually starts with counsel preparing a fully annotated Judgment, which takes the Judgment itself and then cross-references the Rules & Regulations, Optimum Basin Management Plan, and the Pooling Plans so that when any person or party opens a page, they will see not only the text in the Judgment but the related cross-references to that text in other documents. Counsel Slater stated it is anticipated to have something out on this regard within the next 30 days, which will then be sent out to smaller committees that will be comprised of stakeholders, lawyers, and their principals to review the document. Counsel Slater stated that consistent with the earlier direction from the stakeholders staff and counsel intends on this not being a negotiating exercise, but one that is more scholarly in its effort to pull together all the resources and put them in one place so that the Judge has a quick reference book with everything in it. A lengthy discussion regarding this item and the necessity of going to the second portion of this project ensued.

B. CEO/STAFF REPORT

1. Recharge Update

Mr. Alvarez stated, as of this past weekend, there has been approximately 25,000-26,000 acre-feet of water spread in the Chino Basin. Mr. Alvarez stated the MWD replenishment water project may end sooner than originally anticipated. MWD, through the end of August, had delivered 166,000 acre-feet of the 225,000 acre-feet which means that amount will be exhausted at the end of September or middle of October. Watermaster was planning on purchasing 50,000 acre-feet of that 225,000 acre-feet of water. However, it appears that amount will only be 30,000 to 34,000 acre-feet of total replenishment in the basin. Mr. Alvarez stated that final number will be clearer toward the end of the month. Ms. Rojo inquired of the 225,000 acre-feet of MWD water that has gone into the ground, do we know how all the other MWD agencies are getting the water in the ground – is it through replenishment or is it through in lieu as that is a lot of water to get in the ground really fast. Mr. Alvarez stated he does not know how all the water is getting into the ground, though it seems to be a combination of replenishment and in lieu.

2. GE Injection Wells

Mr. Alvarez stated the GE Injection Wells has been an item that previously was before the Watermaster parties but it had been put in abeyance. Mr. Alvarez stated General Electric and the City of Ontario have now worked out an arrangement where they are all satisfied on a moving forward basis as to how to operate that facility. Mr. Alvarez stated staff will be coming back through the Watermaster process for approval of a plan in November.

3. 85/15 Rule

Mr. Alvarez stated this item goes back to the Recharge Master Plan and the implementation of the Recharge Master Plan amongst all of the commitments that Watermaster has. One of them is moving forward with the implementation of the Recharge Master Plan. Mr. Alvarez stated in looking at some of what the court expectations are, staff will be putting together a committee to provide oversight and direction on that. The committee will consist of Inland Empire Utilities Agency, Chino Basin Water Conservation District, San Bernardino County Flood Control District, and three representatives from the Appropriative Pool to make a working committee to move forward with that regard. Mr. Kinsey stated Watermaster has an existing Recharge Master Plan and the parties have a lot of questions about the likelihood of actually producing as much as what was anticipated. The parties know Wildermuth Environmental is updating the model, which will ultimately change the Recharge Master Plan. Mr. Kinsey stated the hesitancy is moving forward with commitments which in the future may turn out to be unnecessary. Mr. Kinsey stated Desalter obligation does go away in the future, whether it's at the end of the Peace Agreement or if it's earlier through a negotiation process. A lot of those agencies that are pumping out of the Desalter will eventually start using production rights to offset that Desalter replenishment obligation.

IV. INFORMATION1. Cash Disbursements for August 2011

No comment was made.

2. Newspaper Articles

No comment was made.

V. POOL MEMBER COMMENTS

No comment was made.

VI. OTHER BUSINESS

No comment was made.

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.

No confidential session was held.

VIII. FUTURE MEETINGS

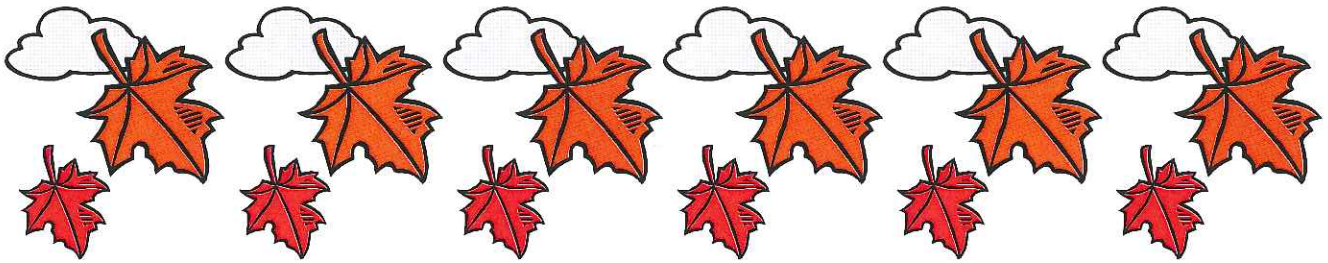
Thursday, September 8, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, September 8, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, September 8, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, September 15, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, September 15, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, September 15, 2011	10:30 a.m.	Land Subsidence Committee Meeting @ CBWM
Thursday, September 22, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
* Friday, October 28, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court

* **Note:** The court hearing has changed from September 30, 2011 to **October 28, 2011**

The Appropriative Pool Committee meeting was dismissed by Chair Mura at 10:24 a.m.

Secretary: _____

Minutes Approved: _____

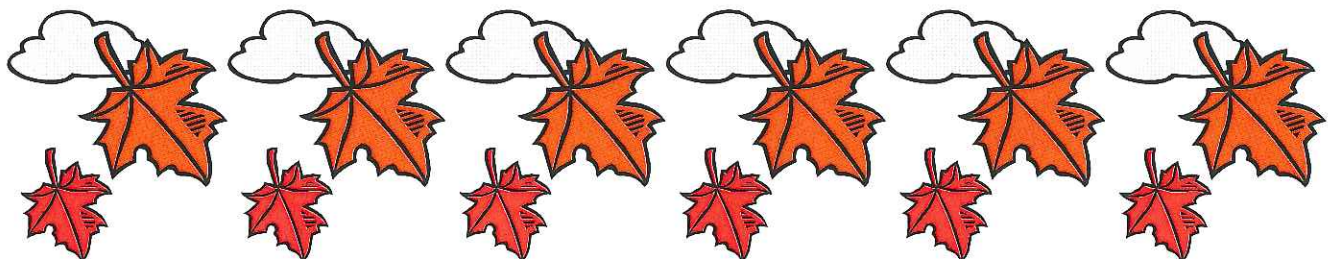


CHINO BASIN WATERMASTER

I. BUSINESS ITEM

A. MINUTES

1. Resubmitted Non-Agricultural Pool Conference Call Meeting held on August 11, 2011
2. Non-Agricultural Pool Conference Call Meeting held on September 8, 2011



Re-submitted Draft Minutes
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL CONFERENCE CALL MEETING
August 11, 2011

The Non-Agricultural Pool Conference Call Meeting was held via conference call using the Chino Basin Watermaster conference call number on August 11, 2011 at 11:00 a.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
Tom O'Neill, Alternate	City of Ontario Non-Agricultural Pool
David Penrice	Aqua Capital Management LP
Bob Lawhn	Genon Electric

NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER

Scott Burton	City of Ontario Non-Agricultural Pool
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WATERMASTER BOARD MEMBER PRESENT AT WATERMASTER

Bob Kuhn	Three Valleys Municipal Water District
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Watermaster Staff Present at Watermaster

Desi Alvarez	Chief Executive Officer
Joe Joswiak	Chief Financial Officer
Janine Wilson (first 12 minutes)	Recording Secretary
Sherri Molino	Recording Secretary

Watermaster Board Counsel Present at Watermaster

Michael Fife	Brownstein, Hyatt, Farber & Schreck
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Chair Bowcock called the Non-Agricultural Pool Conference Call meeting to order at 11:04 a.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 Conference Call Meeting held July 14, 2011

Motion by Jeske second by Geye, and by unanimous vote
Moved to approve July 14, 2011 minutes

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2011
2. Watermaster VISA Check Detail for the month of June 2011

3. Combining Schedule for the Period July 1, 2010 through June 30, 2011
4. Treasurer's Report of Financial Affairs for the Period June 1, 2011 through June 30, 2011
5. Budget vs. Actual July 2010 through June 2011

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

Moved to Receive and File Watermaster Financial Reports without approval

C. SEMI-ANNUAL STATUS REPORT 2011-1

Mr. Joswiak gave a report on this item.

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

Moved to Receive and File

D. RESOLUTION 11-05 RESOLUTION TO TAX DEFER MEMBER PAID CONTRIBUTIONS AND RESOLUTION 11-06 RESOLUTION FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS

Mr. Joswiak gave a report on this item.

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

E. LOAN AGREEMENT WITH CHINO BASIN WATER CONSERVATION DISTRICT, CITY OF ONTARIO, AND JURUPA COMMUNITY SERVICES DISTRICT

Mr. Alvarez gave a report on this item.

Motion by Burton, 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 if a satisfactory deal is presented

F. STORAGE AGREEMENT WITH INLAND EMPIRE UTILITIES AGENCY AND THREE VALLEYS MUNICIPAL WATER DISTRICT

Mr. Alvarez gave a report on this item.

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

Moved to approve staff recommendation and that the representative attending the Watermaster Board Meeting is directed to support the Executive Officer.

G. PRESENTATION ON THE STATE OF THE BASIN REPORT (For Information Only)

It was noted this presentation will be given at the next meeting in September.

H. REVIEW OF PHYSICAL SOLUTION TRANSFER PROCEDURES PURSUANT TO JUDGMENT EXHIBIT "G" PARAGRAPH 9(d) - (For Information Only)

Mr. Alvarez gave a report on this item.

II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. September 30, 2011 Hearing
Counsel Fife gave a report on this item.
2. Restated Judgment
Counsel Fife gave a report on this item.

B. CEO/STAFF REPORT

- 1. Recharge Update
Mr. Alvarez gave a report on this item.
- 2. Water Activity Reports (WAR) Reminder
Mr. Alvarez gave a report on this item.

III. INFORMATION

- 1. Cash Disbursements for July 2011
No comment was made.
- 2. Newspaper Articles
No comment was made.

IV. POOL MEMBER COMMENTS

No comment was made.

V. OTHER BUSINESS

No comment was made.

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.

No confidential session was called.

VII. FUTURE MEETINGS

Thursday, August 11, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, August 11, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, August 11, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, August 18, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, August 18, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, August 18, 2011	10:30 a.m.	Land Subsidence Committee Meeting @ CBWM
Thursday, August 25, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Friday, September 30, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court

The Non-Agricultural Pool Committee meeting was dismissed by Chair Bowcock at 11:50 a.m.

Secretary: _____

Minutes Approved: _____

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Draft Minutes
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL CONFERENCE CALL MEETING
September 8, 2011

The Non-Agricultural Pool Conference Call Meeting was held via conference call using the Chino Basin Watermaster conference call number on September 8, 2011 at 11:00 a.m.

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Bob Bowcock, Chair	Vulcan Materials Company (Calmat Division)
Ken Jeske, Vice-Chair	California Steel Industries
Lisa Hamilton	General Electric Company (Geomatrix)
Brian Geye	Auto Club Speedway
Tom O'Neill, Alternate	City of Ontario Non-Agricultural Pool
David Penrice	Aqua Capital Management LP
David Starnes	Swan Lake Mobile Home Park

WATERMASTER BOARD MEMBER PRESENT AT WATERMASTER

Bob Kuhn	Three Valleys Municipal Water District
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Watermaster Staff Present at Watermaster

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

Watermaster Board Counsel Present at Watermaster

Scott Slater	Brownstein, Hyatt, Farber & Schreck
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Watermaster Engineer Present at Watermaster

Mark Wildermuth	Wildermuth Environmental Inc.
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Present at Watermaster

Dave Crosley	City of Chino
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Chair Bowcock called the Non-Agricultural Pool Conference Call meeting to order at 11:02 a.m.

ROLL CALL

Janine Wilson called roll call.

AGENDA - ADDITIONS/REORDER

Mr. Alvarez pulled the August 11, 2011 minutes and noted a revision needs to be made to them and then they will be resubmitted next month.

I. BUSINESS ITEMS

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held August 11, 2011

Pulled for resubmission next month.

B. FINANCIAL REPORTS

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

Motion by Geye second by Jeske, and by unanimous vote

Moved to receive and file, without approval

C. APPLICATION OF THE 85/15 RULE (For Information and Discussion)

Mr. Alvarez gave a report on this item.

D. PRESENTATION ON THE STATE OF THE BASIN REPORT (For Information Only)

Mr. Wildermuth noted this report can't be given over the phone and has been put on the Watermaster ftp site for review.

E. GROUNDWATER MODEL UPDATE (For Information Only)

Mr. Wildermuth gave a report on this item.

II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Next hearing schedule and preparation
Counsel Slater reported on this item.
2. Restated Judgment Process
Counsel Slater reported on this item.

B. CEO/STAFF REPORT

1. Recharge Update
Mr. Alvarez reported on this item.
2. GE Injection Wells
Mr. Alvarez reported on this item.
3. 85/15 Rule
Mr. Alvarez reported on this item.

III. INFORMATION

1. Cash Disbursements for August 2011
No comment was made.
2. Newspaper Articles
No comment was made.

IV. POOL MEMBER COMMENTS

No comment was made.

V. OTHER BUSINESS

No comment was made.

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.

No confidential session was called.

VII. FUTURE MEETINGS

Thursday, September 8, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, September 8, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, September 8, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, September 15, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, September 15, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, September 15, 2011	10:30 a.m.	Land Subsidence Committee Meeting @ CBWM
Thursday, September 22, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
* Friday, October 28, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court

* **Note:** The court hearing has changed from September 30, 2011 to **October 28, 2011**

The Non-Agricultural Pool Committee meeting was dismissed by Chair Bowcock at 11:22 a.m.

Secretary: _____

Minutes Approved: _____

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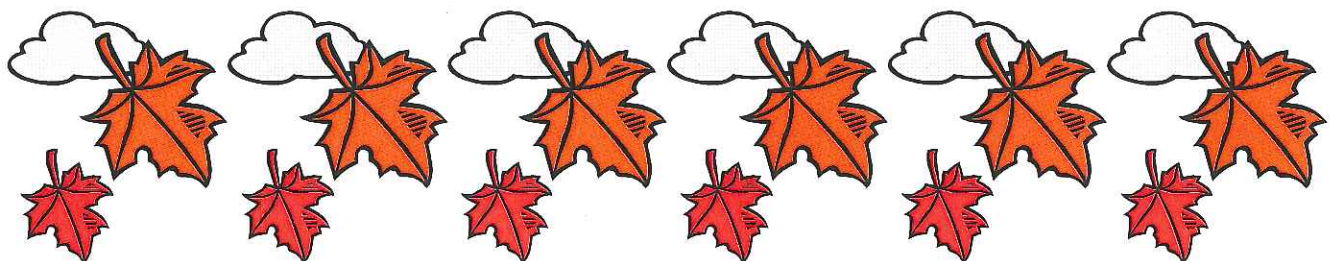


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool Meeting held on September 8, 2011



Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

September 8, 2011

The Agricultural Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on September 8, 2011 at 1:00 p.m.

Agricultural Pool Members Present Who Signed In

Bob Feenstra, Chair	Dairy
Nathan deBoom	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
Pete Hall	State of California, CIM

Watermaster Board Member Present

Bob Kuhn	Three Valleys Municipal Water District
Geoffrey Vanden Heuvel	Dairy

Watermaster Staff Present

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

Watermaster Consultants Present

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

Others Present Who Signed In

John Mura	City of Chino Hills
Tracy Egoscue	Paul Hastings
Dave Crosley	City of Chino
Richard Rees	State of California, Dept. of Justice, CIM
Eunice Ulloa	Chino Basin Water Conservation District
Paul Deutsch	Geomatrix
Bob Gluck	City of Ontario

Chair Feenstra called the Agricultural Pool meeting to order at 1:05 p.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held August 11, 2011

B. FINANCIAL REPORTS

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

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

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

II. BUSINESS ITEMS**A. APPLICATION OF THE 85/15 RULE (For Information and Discussion)**

Mr. Alvarez stated this item is an informational item regarding the 85/15 Rule. Mr. Alvarez stated this item was raised by the Appropriative Pool and asked staff to make a presentation on the application of the 85/15 Rule. Mr. Alvarez gave the 85/15 Rule presentation which included topics on Background, Paying for Replenishment of Overproduction, Judgment Language, 85/15 Rule Participation, General Application, Replenishment Application, Application in Recent Assessment Packages, Future Application, and Water Transfer Example. Mr. Alvarez stated, on a moving forward basis, the application of the 85/15 Rule would be consistent with the language in the Judgment and will only apply to replenishment water whether it is purchased or transferred. Mr. Alvarez stated it will be required to make up for the previous year's overproduction, and specifically in terms of the preemptive replenishment water. Mr. Alvarez stated the Appropriative Pool had discussion on this topic this morning and formed an ad-hoc committee. That committee will later provide direction to Watermaster to establish a process for moving forward in applying the 85/15 Rule. A workshop on this matter will also be scheduled in the near future. Chair Feenstra inquired if there were any questions on the presentation on the 85/15 Rule given by Mr. Alvarez. Mr. Koopman inquired as to why an ad-hoc committee was formed and exactly why they will be studying this rule. Mr. Alvarez stated a thorough analysis was done on the 85/15 Rule by staff and it has been the subject of periodic discussion amongst the Appropriative Pool members on how to apply it, when it should be applied, if it should be applied, etc. Mr. Alvarez stated right now there are two issues, one being should Watermaster do anything to make a correction on this previous application of the 85/15 Rule which is not consistent with the actual language in the Judgment. Staff's proposal was to leave it alone. The second one was how to apply it in the current year, which ended June 30, 2011, for which the Assessment Package is being applied now. Mr. Alvarez stated there is one party that has purchased water in excess of the amount of water required for their overproduction and staff feels there is a need for further discussion for the parties to provide direction on how to move forward in the future. Mr. Koopman inquired further into what the problem is with applying this rule. Mr. Feenstra inquired if this is a problem or a concern. Mr. Koopman offered comment on what the Judgment states regarding this matter. Mr. Alvarez stated the City of Pomona and Marygold Mutual Water chose to be exempted from the application of the 85/15 Rule and the other parties decided that the 85/15 Rule would be the appropriate way to assess for payment of the replenishment water for the preceding year overproduction. Mr. Koopman inquired about the people who are buying water for future replenishment and if all that water is subject to losses, at 2% per year. Mr. Alvarez stated the water that is being put in storage accounts, whether it's carry over storage or for preemptive storage, will be subject to 2% losses or whatever the current loss factor is; today it is 2%. Mr. Durrington inquired if this has anything to do with the Agricultural Pool. Mr. Alvarez stated this item does not have to do with the Agricultural Pool and noted this is just an item for information. However, it is pertinent to the Appropriative Pool for them for discussion and for them to provide staff with direction. Counsel Slater stated under the rules in the Judgment parties are entitled to cross notice of action being taken in the other Pools. Counsel Slater stated from counsel and staff's point, the Pooling Plan sets the rules within the Appropriative Pool for how they pay for replenishment, and what counsel and staff has right now is a lack of interpretive direction from the Appropriative Pool. Counsel Slater stated what the Appropriative Pool is intending to do is to go back with Watermaster's assistance and conduct a workshop, and out of that, provide Watermaster direction on how they wish to apply the 85/15 Rule. Counsel Slater

stated there is no aspect of the 85/15 Rule that pertains to the Agricultural Pool; it is exclusively confined to the Appropriative Pool's Pooling Plan. Counsel Slater stated if the Appropriative Pool decides to change the 85/15 Rule it would require a Judgment amendment. However, they are not proposing to change it – they are proposing interpretative guidelines. Mr. Mura stated he believes the Watermaster CEO and general counsel has done a good job of explaining the situation and where the Appropriative Pool plans on going with this currently. Mr. Mura stated, to give further comment, there was a little bit of inconsistency which was of no fault of Watermaster on how some purchases and transfers were subjected to the 85/15 Rule. Mr. Mura stated over the last several months Watermaster, on behalf of the appropriators, have been moving in a proactive role in acquiring water for future replenishment needs and, as it devised now, the current 85/15 Rule would only apply to overproduction in the current year. Mr. Mura stated the Appropriative Pool wants to look at other possible opportunities for the parties to take advantage of short term opportunities for water at low costs to meet future replenishment obligations that would benefit all of the basin. Mr. Mura stated the parties want to have a workshop, open to all, for discussions to find a better way for parties have rules, policies, and procedures that would facilitate individual responsibility for overproduction, while still keeping in mind the overall CURO in the basin. Mr. Mura stated this is a positive step for the basin and a positive step for the agencies. Mr. Koopman offered further comment on the current application of the 85/15 Rule. A discussion regarding Mr. Koopman's and Mr. Mura's comments ensued. Chair Feenstra inquired if the Appropriative Pool decided to make an amendment to the 85/15 Rule and not just an interpretative guideline, would that then come through the Watermaster process for all to vote on. Counsel Slater stated if the Appropriative Pool chooses to pursue a Judgment amendment, that becomes an issue for everyone, or if they choose an interpretative guidelines to provide instructions to Watermaster that would only be a rule matter with in the Pool. Ms. Novak stated because the 85/15 Rule really does not apply to the Agricultural Pool's water she does not pay particular close attention to it. However, this is part of Watermaster and how business is done and therefore something this Pool should be aware of. Ms. Novak stated in reviewing the agenda package, and in all the time she has been involved with Watermaster, this is the best staff report she has seen because it clearly stated what the issue was, gave the purpose behind the rule, discussed the rule, provided the actual language from the legal documents, then showed how it applies in the real world and to whom it applies, and how. This is information we all need to be aware of because if we later hear there is a dispute between members of the Watermaster family, it is nice to see where that dispute is coming from. Ms. Novak noted she greatly appreciated the information provided.

B. PRESENTATION ON THE STATE OF THE BASIN REPORT (For Information Only)

Mr. Alvarez introduced the State of the Basin presentation and noted this will be the first in a series of several parts for this report. Mr. Wildermuth stated the State of the Basin Report is done every two years. Mr. Wildermuth stated this year Wildermuth Environmental prepared a coffee table book which has nothing but pictures, tables, and charts in it. Mr. Wildermuth stated that embedded into the charts are text boxes filled with information, which will be helpful when reviewing this report. Mr. Wildermuth gave the Groundwater Levels and Storage 2000 to 2010 presentation which included maps and charts in detail. Mr. deBoom inquired as to the depth of the shallow zone. Mr. Wildermuth stated it is 150 feet. Mr. Wildermuth continued with his presentation. Chair Feenstra asked that Mr. Wildermuth point out the location of the prison. Chair Feenstra stated he has been getting reports that there are some water losses in the CIM area of farming. Mr. Wildermuth asked if it was that wells are not producing. Chair Feenstra stated that was correct, that it is that wells are not producing like they were in other years. Mr. Wildermuth stated he could not comment on that at this point in time and would have to research that, and noted sometimes perfectly good wells go through that because they are old. Ms. Novak stated the data used to derive the shown chart is only until about spring of 2010 so any changes to water levels that would have occurred after spring 2010 wouldn't be reflected in the shown map. Mr. Wildermuth stated that was correct, and if the parties are interested he could go through each of the management zones 1, 2, 3, 4, and 5 and explain what is going on. Mr. Wildermuth continued with his presentation and explanation of happenings in the management zones. Mr. Geoffrey Vanden Heuvel asked several technical questions and offered

concerns regarding the information being presented. Mr. Wildermuth answered Mr. Geoffrey Vanden Heuvel's questions and noted some of the questions are a look up. Mr. Wildermuth continued with his presentation. Mr. Koopman inquired about a chart being shown and asked how much our ability to capture that rain changed during that same period of time from 1978 to current. Mr. Wildermuth reviewed the timeline in detail and explained what has been happening in the basins to answer Mr. Koopmans question. Mr. Koopman inquired about the basins total physical capacity now on an annual basis. Mr. Wildermuth stated between 80,000 and 100,000 acre-feet depending on the state of the basin and the conditions of the individual basins. Mr. Wildermuth continued with his review of the management zones in detail. Mr. Geoffrey Vanden Heuvel offered comments on the Desalter Agreement, the Regional Board with regard to management zones and dairy areas, and Hydraulic Control. A discussion regarding management zones, the Regional Water Quality Control Board, and Mr. Vanden Heuvel's comments ensued. Mr. Koopman inquired if there is enough recharge capacity to meet the recharge requirements to keep the Chino Basin whole if MWD only has replenishment water available three out of ten years, or maybe even five out of ten years. Mr. Wildermuth stated in his opinion MWD does not have enough replenishment to meet our needs without the Desalters and will most likely have to purchase water at the Tier I rate, or whatever rate structure they have in place at the time in addition to whatever is available for a so called replenishment rate. This is stated in the Recharge Master Plan. Mr. Alvarez stated it is going to increase in the 24,000-25,000 acre-foot range. Additional recharge that will be required to make up the Desalter is the challenge for Watermaster as we look forward to meeting the recharge requirements in the basin. Mr. Wildermuth offered comments on the State Water Project. A lengthy discussion on recharge basins, price of water, and supply of water ensued.

C. GROUNDWATER MODEL UPDATE (For Information Only)

Mr. Wildermuth stated excellent progress is being made on building and recalibrating the groundwater model. However, there are a couple of the water agencies who are not responding to the data requests, which are hindering this project. Mr. Wildermuth stated it was Wildermuth Environmental's intention in the October/November time frame to come to the Watermaster meetings and discuss planning scenarios. There were no further questions or comments.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Next Hearing Schedule and Preparation

Counsel Slater stated staff and counsel have been meeting with the various stakeholders with regard to presenting Watermaster Resolution 2010-04 to the court. This is in connection with asking the court for direction to proceed with the Desalter Expansion, in clearing out the contingencies and providing relief for all of the parties on a go forward basis. Counsel Slater stated the Peace II Agreement came with a series of releases that are pertinent to the Agricultural Pool. During the Peace Agreement and Peace II Agreement process there was some give and take about residual liability associated with salt management. There are sections in those documents that have a blanket release to assure all the parties that we are done, and there is nothing further that is required, provided that the court buys into, approves, and directs Watermaster to proceed with the expansion. Counsel Slater stated there was an SEIR associated with the expansion project. This followed after the original mitigation program that as developed in connection with the original round of desalting that's been carried forward. Counsel Slater stated the mitigation program was presented to Watermaster when the process was gone through last fall. Those are the items wrapped up in the request to the court. Counsel Slater stated counsel has been working with the interested parties who are participating in the CDA to rough-out declarations; advanced declarations and testimony will be gone over thoroughly prior to the court date. Counsel Slater stated great progress is being made and Mr. Alvarez and Mark Wildermuth have done a great job interfacing with the Regional Board. Counsel Slater stated it is also expected to have a supportive declaration out of the Regional Board on the primary issue of whether Hydraulic Control has been achieved. Counsel Slater stated the subject of Master Planning does not go away as all of the benefits that are contained within the Hydraulic Control

package are dependent on having success on the Recharge Master Plan. Counsel Slater stated the filing dates have been met thus far and there is a big one coming in December. The 85/15 Rule discussion, among other things is representative of an important issue regarding replenishment. Counsel Slater stated that is what is imbedded in the now October 28th date and it should go well. A discussion regarding the court approving or not approving that Watermaster is "done" ensued. Chair Feenstra inquired if the Regional Board could influence the Judge. Counsel Slater stated that is something that Watermaster does worry about; however, we are anticipating an understanding with them in advance, in writing, which will be presented as part of the record. Ms. Novak stated she has spent a great deal of time this morning reviewing how we got to where we are today. Ms. Novak stated the Agricultural Pool had a lot of questions last month about what this resolution was, and the impact it would have on Agricultural Pool members, etc. and noted she does not see a staff report here today addressing those questions and concerns. Ms. Novak stated she has seen handouts on the back table that were not part of the meeting packages and now she is trying to locate a map that shows which eight wells, within the Agricultural Pool, fall within this Mitigation Zone. Ms. Novak stated it is her understanding that these people, should they have a problem with their water, that there is a procedure now that they been committed to by the court that they must go through the following steps to get any sort of relief from the CDA. Ms. Novak stated this was not before us last month and the mitigation plan itself is not part of her records on what things were voted on previously. Ms. Novak noted that this committee has stated month after month, including last month, that those eight well owners have contacted and given ample opportunities to understand what is going on as opposed to getting an email stating there is a meeting at Watermaster, while not knowing that their legal rights are being impacted. Ms. Novak noted Watermaster counsel and the Agricultural Pool's previous general counsel had several conversations on the impact on the CIM wells, but because the CIM is out of the Mitigation Zone, they are not bound to these procedures like everybody else is. Ms. Novak stated before she explains to her client exactly what is going on it would be nice to have some sort of summary as to how this affects the Agricultural Pool. Ms. Novak offered further comment regarding this matter. Counsel Slater stated there were at least six open public meetings between June of 2010 and October 2010, replete with staff reports and back up information. Counsel Slater stated there was an open environmental review process that was conducted by the CDA and not by Watermaster; However, Watermaster did comment into that process but that SEIR was not approved by Watermaster – it was approved by the CDA. Counsel Slater stated the proposed mitigation plan, adopted by the CDA, was an extension of the earlier plan which was approved by the CDA. Counsel Slater stated there is a plan in place, and it was intended to be expanded; the impacts were analyzed in the SEIR, and were later presented to Watermaster as an approved/certified environmental review. Counsel Slater stated Wildermuth Environmental was instrumental in examining the potential impact zones. The reason we are here is there is a hearing set up for October 28th in which there will be an order of the court, as opposed to a Watermaster unanimous resolution to approve it. There will be an opportunity to answer questions in the next six weeks to get to a position where the testimony is understood and what questions are going to be addressed. A lengthy discussion regarding Ms. Novak's and Counsel Slater's comments ensued. Ms. Novak noted it is important for this Committee to understand how we got to where we are at now, and most importantly right now is regarding those eight well owners. Counsel Slater stated it is his representation to this committee that, to the best of his knowledge, there was an effort to reach out and contact each of the eight well owners and that was being done in the time frame leading up to the adoption of the resolution. Counsel Slater stated there were inquires made by the CDA group and there was an ongoing process that they had gone through the first time around, and he believes there was some sort of an advisory committee meeting with this regard. Counsel Slater stated it is his belief that an effort was made to contact each of the individuals; although, he was not responsible for implementing that and cannot verify that it was done. Ms. Novak stated before those eight wells run dry and those well owners then turn to the people of this board who represent them as to what they can do, she wants to be sure they have some knowledge of what is going on. Mr. Koopman inquired of Geoffrey Vanden Heuvel about his

experience when his wells ran dry. Mr. Koopman inquired into the plans to assist people when their wells run dry and offered further comment on this matter. Counsel Slater stated he relies on confident and professional people to explain what the procedures are and how they plan on handling situations like this. However, it is his understanding that the CDA has an existing Emergency Response Plan. The EIR looked at that plan and said, it is a good plan and we are going to expand that plan; that plan is going to be presented at the hearing. Counsel Slater stated since Watermaster has already passed a resolution on the basis of a proposed plan, you may want to file your own declaration to discuss the importance of having an effective Emergency Response Plan. Counsel Slater stated those concerns can be expressed in the form of a declaration and can become part of the record. This committee controls its own declaration as to how it will be submitted into evidence. Counsel Slater offered further comment on the Emergency Response Plan. Mr. Koopman inquired of Geoffrey Vanden Heuvel, since this was approved by Watermaster, if he thinks the procedures that are in place are sufficient to protect the wells of those people who may be impacted. Mr. Geoffrey Vanden Heuvel, stated yes, and explained in detail why he felt that way, and included history on when he was impacted the last time the Desalter I came on line. Mr. Geoffrey Vanden Heuvel stated he feels quite confident that we will be able to get this thing done and that the mitigation plan will work adequately. Chair Feenstra offered closing comments on this matter. A discussion regarding this matter ensued.

2. Restated Judgment Process

Counsel Slater stated the first part of the restated Judgment process was to produce a technically accurate form of the Judgment, inclusive of all orders and amendments, which has been on the Watermaster ftp site and has been circulated. Staff, counsel, and the parties now feel this is the completed and accurate form of the Judgment. Counsel Slater stated this portion was the scriveners exercise and a secondary portion of the process has now begun. Counsel Slater stated that actually starts with counsel preparing a fully annotated Judgment, which takes the Judgment itself and then cross-references the Rules & Regulations, Optimum Basin Management Plan, and the Pooling Plans so that when any person or party opens a page, they will see not only the text in the Judgment but the related cross-references to that text in other documents. Counsel Slater stated it is anticipated to have something out on this regard within the next 30 days, which will then be sent out to smaller committees that will be comprised of stakeholders, lawyers, and their principals to review the document. Counsel Slater stated that consistent with the earlier direction from the stakeholders, staff and counsel intends on this not being a negotiating exercise, but one that is more scholarly in its effort to pull together all the resources and put them in one place so that the Judge has a quick reference book with everything in it. Chair Feenstra stated he speaks with Mr. Dan McKinney on a weekly basis and Dan stays in contact with Counsel Slater, and noted he is comfortable with this matter.

B. AGRICULTURAL POOL LEGAL COUNSEL UPDATE

Chair Feenstra noted there will be a closed session after the general meeting has concluded.

C. CEO/STAFF REPORT

1. Recharge Update

Mr. Alvarez stated, as of this past weekend, there has been approximately 25,000-26,000 acre-feet of water spread in the Chino Basin. Mr. Alvarez stated the MWD replenishment water project may end sooner than originally anticipated. MWD, through the end of August, had delivered 166,000 acre-feet of the 225,000 acre-feet, which means that amount will be exhausted at the end of September or middle of October. Watermaster was planning on purchasing 50,000 acre-feet of that 225,000 acre-feet of water. However, it appears that amount will only be 30,000 to 34,000 acre-feet of total replenishment in the basin. Mr. Alvarez stated that final number will be clearer toward the end of the month. A discussion regarding losses and the replenishment water ensued.

2. GE Injection Wells

Mr. Alvarez stated the GE Injection Wells has been an item that previously was before the Watermaster parties but it had been put in abeyance. Mr. Alvarez stated General Electric and the City of Ontario have now worked out an arrangement where they are all satisfied as to how to operate that facility. Mr. Alvarez stated staff will be coming back through the Watermaster process for approval of a plan in November.

3. 85/15 Rule

Mr. Alvarez stated this item goes back to the Recharge Master Plan and the implementation of the Plan amongst all of the commitments that Watermaster has. Mr. Alvarez stated in looking at some of what the court expectations are, staff will be putting together a committee to provide oversight and direction on that. The committee will consist of Inland Empire Utilities Agency, Chino Basin Water Conservation District, San Bernardino County Flood Control District, and three representatives from the Appropriative Pool to make a working committee to move forward with that regard. A lengthy discussion regarding this matter ensued.

IV. INFORMATION

1. Cash Disbursements for August 2011

No comment was made.

2. Newspaper Articles

No comment was made.

V. POOL MEMBER COMMENTS

Chair Feenstra stated he had an opportunity to meet with staff from the City of Ontario and those discussions will be discussed during the closed session.

Mr. Vanden Heuvel inquired about items that were moved from the agenda last month and if those items were going to be discussed during closed session. Mr. Vanden Heuvel stated one of the items was brought up by Mr. Durrington with regard to some pumpers pumping agricultural water but are not agricultural users. If this is not going to be discussed at this meeting then maybe it should be agendized for next month. Chair Feenstra stated he had a scheduled meeting with Mr. El-Amamy and Mr. Burton after the last month's meeting and that meeting did not take place because of timing. However, he believes they have answers to those questions and that will be addressed next month. Mr. Vanden Heuvel stated there was another item that he believed Mr. Joswiak was going to look into with regard to unidentified expenditure from the Agricultural Pool fund and he noted he does not know if any investigation has taken place on this request. Chair Feenstra stated he is anxious as the rest of this committee to see where this \$16,000 investigation takes us. Mr. Alvarez stated this will be presented next month. Mr. Pierson thanked Mr. Alvarez and Watermaster staff for that 85/15 Rule presentation; it was excellent. Mr. Pierson thanked Mr. Mura for coming and presenting his views on this matter.

VI. OTHER BUSINESS

No comment was made.

The regular open Agricultural Pool meeting was convened to hold its confidential session at 2:46 p.m.

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.

The confidential session concluded at 3:31 p.m.

No action was reported.

VIII. FUTURE MEETINGS

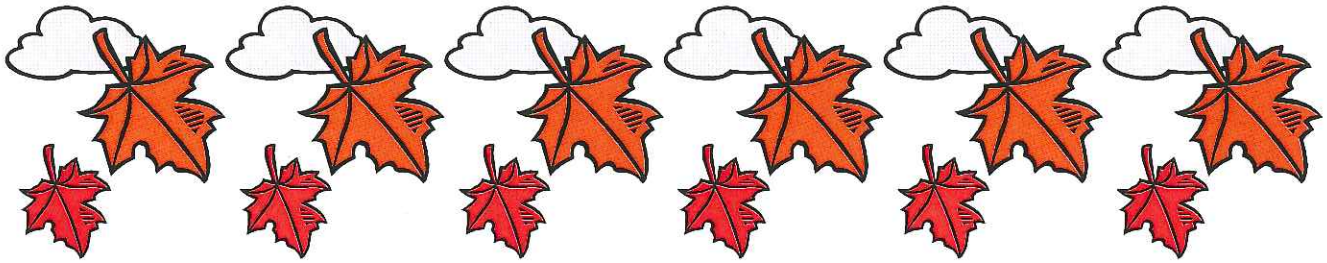
Thursday, September 8, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, September 8, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, September 8, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, September 15, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, September 15, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, September 15, 2011	10:30 a.m.	Land Subsidence Committee Meeting @ CBWM
Thursday, September 22, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
* Friday, October 28, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court

*** Note:** The court hearing has changed from September 30, 2011 to **October 28, 2011**

Chair Feenstra dismissed the Agricultural Pool Committee meeting at 3:32 p.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR (App & Ag Pool)

B. FINANCIAL REPORTS

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

I. BUSINESS ITEM (Non-Ag Pool)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2011
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3. Combining Schedule for the Period July 1, 2011 through August 31, 2011
4. Treasurer's Report of Financial Affairs for the Period August 1, 2011 through August 31, 2011
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CHINO BASIN WATERMASTER

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: October 13, 2011
TO: Committee Members
SUBJECT: Cash Disbursement Report – Financial Report B1

SUMMARY

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

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

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

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of August 2011 were \$3,486,045.43. The most significant expenditures during the month were to Inland Empire Utilities Agency in the amounts of \$2,289,733.18 and \$556,431.00 (check number 15292 dated August 2, 2011 and check number 15321 dated August 9, 2011) and Wildermuth Environmental, Inc. in the amount of \$267,950.10 (check number 15342 dated August 12, 2011).

Actions:

October 13, 2011 Appropriative Pool –
October 13, 2011 Non-Agricultural Pool –
October 13, 2011 Agricultural Pool –
October 20, 2011 Advisory Committee –
October 27, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/02/2011	15292	INLAND EMPIRE UTILITIES AGENCY	90008049	1012 - Bank of America Gen'l Ckg	
Bill	06/30/2011	90008049		90008049	8456 - IEUA Readiness To Serve	397.18
				90008049	5011.6 - MWD Replenishment-Direct Water	2,190,298.26
				Injection-WFA	1420 - Prepaid Injected Water Purchase	99,037.74
TOTAL						2,289,733.18
Bill	08/02/2011	15293	ACWA SERVICES CORPORATION	00198	1012 - Bank of America Gen'l Ckg	
Bill	07/29/2011	00198		Prepayment - August 2011	1409 - Prepaid Life, BAD&D & LTD	116.12
				July 2011	60191 - Life & Disab.Ins Benefits	118.96
TOTAL						235.08
Bill	08/02/2011	15294	DE BOOM, NATHAN	AG Pool Member Meeting Compensation	1012 - Bank of America Gen'l Ckg	
Bill	07/14/2011	7/14 Ag Pool Meeting		7/14/11 Ag Pool Meeting	8411 - Compensation	25.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill	08/02/2011	15295	DURRINGTON, GLEN	AG POOL MEMBER COMPENSATION	1012 - Bank of America Gen'l Ckg	
Bill	07/14/2011	7/14 Ag Pool Mtg		7/14/11 Ag Pool Meeting	8411 - Compensation	25.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill	08/02/2011	15296	FEENSTRA, BOB	7/07/11 Restated Judgment Meeting	1012 - Bank of America Gen'l Ckg	
Bill	07/07/2011	7/07 Restated Judgmnt		7/07/11 Restated Judgment Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	07/08/2011	7/08 Admin Mtg		7/08/11 Administrative Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	07/14/2011	7/14 Ag Pool Mtg		7/14/11 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	07/21/2011	7/21 Advisory Comm		7/21/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	07/27/2011	7/28/11 Board Mtg		7/28/11 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						625.00
Bill	08/02/2011	15297	HALL, PETE*	7/14/11 Ag Pool Meeting	1012 - Bank of America Gen'l Ckg	
Bill	07/14/2011	7/14 Ag Pool Mtg		7/14/11 Ag Pool Meeting	8411 - Compensation	25.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
Bill	07/21/2011	7/21 Advisory Comm		7/21/11 Advisory Committee Meeting	8411 - Compensation	25.00
Bill	07/28/2011	7/28 Board Mtg		7/28/11 Board Meeting	8470 - Ag Meeting Attend -Special	100.00
				AG Pool Member Meeting Compensation	8411 - Compensation	25.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						375.00
Bill	08/02/2011	15298	HUITSING, JOHN	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	07/14/2011	7/14 Ag Pool Mtg		7/14/2011 Ag Pool Meeting	8411 - Compensation	25.00
				Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00

P33

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/02/2011	15299	KOORMAN, GENE		1012 - Bank of America Gen'l Ckg	
Bill	07/08/2011	7/08 Admin Mtg		7/08/11 Administrative Meeting	8411 - Compensation	25.00
Bill	07/14/2011	7/14 Ag Pool Mtg		AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
				7/14/11 Ag Pool Meeting	8411 - Compensation	25.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	08/02/2011	15300	PIERSON, JEFFREY		1012 - Bank of America Gen'l Ckg	
Bill	07/07/2011	7/07 Restated Judgm		7/07/11 Restated Judgment Meeting	8411 - Compensation	25.00
Bill	07/14/2011	7/14 Ag Pool Mtg		7/07/11 Restated Judgment Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	07/21/2011	7/21 Advisory Comm		7/14/11 Ag Pool Meeting	8411 - Compensation	25.00
Bill	07/28/2011	7/28 Board Mtg		7/14/11 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	100.00
				7/21/11 Advisory Committee Meeting	8411 - Compensation	25.00
				7/21/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	100.00
				7/28/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	08/02/2011	15301	BOWCOCK, ROBERT		1012 - Bank of America Gen'l Ckg	
Bill	07/05/2011	7/05 Finance Wkshp		7/05/11 Financing Workshop	6311 - Board Member Compensation	125.00
Bill	07/13/2011	S. Ont Plume Mtg		7/13/11 S. Ontario Plume Meeting	6311 - Board Member Compensation	125.00
Bill	07/28/2011	7/28 Board Mtg		7/28/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	08/02/2011	15302	ELIE, STEVEN		1012 - Bank of America Gen'l Ckg	
Bill	07/28/2011	7/28 Board Mtg		7/28/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	08/02/2011	15303	HAUGHEY, TOM		1012 - Bank of America Gen'l Ckg	
Bill	07/28/2011	7/28 Board Mtg		7/28/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	08/02/2011	15304	KUHN, BOB		1012 - Bank of America Gen'l Ckg	
Bill	07/13/2011	7/13 S. Ontario Plur		7/13/11 S. Ontario Plume Meeting	6311 - Board Member Compensation	125.00
Bill	07/21/2011	7/21 Advisory Comm		7/21/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	07/27/2011	7/27 Admin Mtg		7/27/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	07/28/2011	7/28 Board Mtg		7/28/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	08/02/2011	15305	LANTZ, PAULA		1012 - Bank of America Gen'l Ckg	
Bill	07/07/2011	7/07 Restated Judg		7/07/11 Restated Judgment Meeting	6311 - Board Member Compensation	125.00
Bill	07/08/2011	7/08 Conference Call		7/08/11 Conference Call Meeting	6311 - Board Member Compensation	125.00
Bill	07/13/2011	7/13 S. Ontario Plur		7/13/11 S. Ontario Plume Meeting	6311 - Board Member Compensation	125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	07/28/2011	7/208 Board Mtg		7/28/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	08/02/2011	15306	VANDEN HEUVEL, GEOFFREY	6311	1012 - Bank of America Gen'l Ckg	125.00
Bill	07/13/2011	7/13 S. Ontario Plum		7/13/11 S. Ontario Plume Meeting	6311 - Board Member Compensation	125.00
Bill	07/14/2011	7/14 Ag Pool Mtg		7/14/11 Ag Pool Meeting	6311 - Board Member Compensation	125.00
Bill	07/28/2011	7/28 Board Mtg		7/28/11 Board Meeting	6311 - Board Member Compensation	375.00
TOTAL						
Bill Pmt -Check	08/02/2011	15307	WILLIS, KENNETH		1012 - Bank of America Gen'l Ckg	125.00
Bill	07/26/2011	7/26 Admin Mtg		7/26/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	07/28/2011	7/28 Board Mtg		7/28/11 Board Meeting	6311 - Board Member Compensation	250.00
TOTAL						
Bill Pmt -Check	08/02/2011	15308	R&D PEST SERVICES	0145597	1012 - Bank of America Gen'l Ckg	85.00
Bill	07/29/2011	0145597		Pest Control - July 2011	6024 - Building Repair & Maintenance	85.00
TOTAL						
Bill Pmt -Check	08/02/2011	15309	STANDARD INSURANCE CO.	Policy # 00-640888-0009	1012 - Bank of America Gen'l Ckg	503.24
Bill	07/29/2011	00640888-0009		Life & Disability Insurance Premium	60191 - Life & Disab. Ins Benefits	503.24
TOTAL						
Bill Pmt -Check	08/02/2011	15310	STATE COMPENSATION INSURANCE FUND	1970970-11	1012 - Bank of America Gen'l Ckg	1,341.68
Bill	07/29/2011	1970970-11		July 2011	60183 - Worker's Comp Insurance	1,341.68
TOTAL						
Bill Pmt -Check	08/02/2011	15311	VERIZON	012561121521714508	1012 - Bank of America Gen'l Ckg	171.50
Bill	07/29/2011	012561121521714508		012561121521714508	7405 - PE4-Other Expense	171.50
TOTAL						
Bill Pmt -Check	08/04/2011	16312	CHARLES Z. FEDAK & COMPANY	Audit Services - July 2011	1012 - Bank of America Gen'l Ckg	3,880.00
Bill	07/31/2011				6062 - Audit Services	3,880.00
TOTAL						
Bill Pmt -Check	08/04/2011	15313	HSBC BUSINESS SOLUTIONS	Miscellaneous office and meeting supplies	1012 - Bank of America Gen'l Ckg	2,239.74
Bill	07/31/2011	7003730910002744		Miscellaneous office and meeting supplies	6031.7 - Other Office Supplies	2,239.74
Bill	07/31/2011	7003730910002744		Miscellaneous office and meeting supplies	6031.7 - Other Office Supplies	293.40
TOTAL						2,533.14
Bill Pmt -Check	08/04/2011	15314	JAMES JOHNSTON	239	1012 - Bank of America Gen'l Ckg	900.00
Bill	07/31/2011	239		Website Services - July 2011	6052.3 - Website Consulting	900.00
TOTAL						

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/04/2011	15315	PAYCHEX	2011072800	1012 - Bank of America Gen'l Ckg	403.34
Bill	07/31/2011	2011072800		July 2011	6012 - Payroll Services	403.34
TOTAL						
Bill Pmt -Check	08/04/2011	15316	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	7,425.07
General Journal	07/23/2011	07/23/2011	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 07/10/11-07/23/11	2000 - Accounts Payable	7,425.07
TOTAL						
Bill Pmt -Check	08/04/2011	15317	PURCHASE POWER	8000909000168851	1012 - Bank of America Gen'l Ckg	91.49
Bill	07/31/2011	8000909000168851		Fed ex shipments and postage	6042 - Postage - General	91.49
TOTAL						
Bill Pmt -Check	08/04/2011	15318	STATE COMPENSATION INSURANCE FUND	1970970-11	1012 - Bank of America Gen'l Ckg	3.83
Bill	07/31/2011	1970970-11		Deposit premium	60183 - Worker's Comp Insurance	3.83
TOTAL						
Bill Pmt -Check	08/04/2011	15319	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	824.00
Bill	07/31/2011	1VC070000017297		Week Ending 7/24/11	6017 - Temporary Services	824.00
TOTAL						
Bill Pmt -Check	08/04/2011	15320	VERIZON	012519116950792103	1012 - Bank of America Gen'l Ckg	496.47
Bill	07/31/2011	012519116950792103		012519116950792103	6022 - Telephone	496.47
TOTAL						
General Journal	08/06/2011	08/06/2011		Payroll and Taxes for 07/24/11-08/06/11	1012 - Bank of America Gen'l Ckg	7,351.61
				Payroll Taxes for 07/24/11-08/06/11	1012 - Bank of America Gen'l Ckg	17,015.49
				Direct Deposits for 07/24/11-08/06/11	1012 - Bank of America Gen'l Ckg	5,963.82
				Payroll Checks for 07/24/11-08/06/11	1012 - Bank of America Gen'l Ckg	30,330.92
TOTAL						
Bill Pmt -Check	08/09/2011	15321	INLAND EMPIRE UTILITIES AGENCY	90008143	1012 - Bank of America Gen'l Ckg	556,431.00
Bill	07/31/2011	90008143		GW Recharge Capital Cost Reimbursement	7690 - Recharge Improvement Debt Pymt	556,431.00
TOTAL						
Bill Pmt -Check	08/09/2011	15322	INLAND EMPIRE UTILITIES AGENCY	90008144	1012 - Bank of America Gen'l Ckg	180,656.82
Bill	07/31/2011	90008144		GW Recharge O&M Cost Reimbursement	7208 - Comp Recharge-O&M	180,656.82
TOTAL						
Bill Pmt -Check	08/11/2011	15323	ACWA SERVICES CORPORATION	00198	1012 - Bank of America Gen'l Ckg	156.90
Bill	08/09/2011	00198		Prepayment - September 2011	1409 - Prepaid Life, BAD&D & LTD	129.01
				Life Insurance - August 2011 Premium	60191 - Life & Disab. Ins Benefits	285.91
TOTAL						

P38

CHINO BASIN WATERMASTER
 Cash Disbursements For The Month of
 August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/11/2011	15324	APPLIED COMPUTER TECHNOLOGIES	2020	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2011	2020		Database Services - July 2011	6052.2 - Applied Computer Technol	2,530.00
TOTAL						2,530.00
Bill Pmt -Check	08/11/2011	15325	AWWA	7000374039	1012 - Bank of America Gen'l Ckg	
Bill	08/09/2011	7000374039		8/01/2011 - 8/31/2012 Dues	6111 - Membership Dues	1,270.00
TOTAL						1,270.00
Bill Pmt -Check	08/11/2011	15326	CORELOGIC INFORMATION SOLUTIONS	80266516	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2011	80266516		80266516	7103.7 - Grdwfr Quah-Computer Svc	62.50
				80266516	7101.4 - Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	08/11/2011	15327	DAN VASILE		1012 - Bank of America Gen'l Ckg	
Bill	07/29/2011			New employee physical for Gerry Greene	6016 - New Employee Search Costs	120.00
TOTAL						120.00
Bill Pmt -Check	08/11/2011	15328	GREAT AMERICA LEASING CORP.	11190871	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2011	11190871		Invoice for leased copiers	8043.1 - Ricoh Lease Fee	2,786.53
				Usage for Black Copies	6043.2 - Ricoh Usage & Maintenance Fee	131.77
				Usage for Color Copies	6043.2 - Ricoh Usage & Maintenance Fee	304.05
TOTAL						3,224.35
Bill Pmt -Check	08/11/2011	15329	GUARANTEED JANITORIAL SERVICE, INC.	28580	1012 - Bank of America Gen'l Ckg	
Bill	08/09/2011	28580		Janitorial Service - August 2011	6024 - Building Repair & Maintenance	865.00
TOTAL						865.00
Bill Pmt -Check	08/11/2011	15330	HOGAN LOVELLS	1984303	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2011	1984303		Non-Ag Legal Services - July 2011	8567 - Non-Ag Legal Service	4,603.32
TOTAL						4,603.32
Bill Pmt -Check	08/11/2011	15331	INLAND VALLEY DAILY BULLETIN		1012 - Bank of America Gen'l Ckg	
Bill	07/29/2011			Public Hearing Notice	6312 - Meeting Expenses	390.00
TOTAL						390.00
Bill Pmt -Check	08/11/2011	15332	J.R. OLSEN BONDS & INSURANCE BROKERS, IN	286906	1012 - Bank of America Gen'l Ckg	
Bill	07/29/2011	286906		286906	6086 - Position Bond Insurance	175.10
TOTAL						175.10
Bill Pmt -Check	08/11/2011	15333	PARK PLACE COMPUTER SOLUTIONS, INC.	453	1012 - Bank of America Gen'l Ckg	
Bill	07/29/2011	453		IT Services - July 2011	6052.1 - Park Place Comp Solutn	1,875.00
TOTAL						1,875.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/11/2011	15334	SAFEGUARD DENTAL & VISION	3869356	1012 - Bank of America Gen'l Ckg	7.91
Bill	08/01/2011	3869356		Dental Insurance - August 2011	60182.2 - Dental & Vision Ins	7.91
TOTAL						
Bill Pmt -Check	08/11/2011	15335	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	824.00
Bill	07/31/2011	1VC 70000017323		Week Ending 7/31/11	6017 - Temporary Services	824.00
TOTAL						
Bill Pmt -Check	08/11/2011	15336	UNION 76	300-732-989	1012 - Bank of America Gen'l Ckg	126.00
Bill	07/31/2011	300732989		July 2011	6175 - Vehicle Fuel	126.00
TOTAL						
Bill Pmt -Check	08/11/2011	15337	USA-FACT INC	1861960-IN	1012 - Bank of America Gen'l Ckg	224.26
Bill	08/05/2011	1861960-IN		Background/credit check for Gerry Greene	6016 - New Employee Search Costs	224.26
TOTAL						
Bill Pmt -Check	08/11/2011	15338	WATER FACILITIES AUTHORITY	11-98	1012 - Bank of America Gen'l Ckg	7,791.00
Bill	06/30/2011	11-98		WFA treatment charge	1420 - Prepaid Injected Water Purchase	7,791.00
TOTAL						
Bill Pmt -Check	08/11/2011	15339	WESTERN DENTAL SERVICES, INC.	002483	1012 - Bank of America Gen'l Ckg	28.88
Bill	08/09/2011	002483		Dental Insurance - September 2011	60182.2 - Dental & Vision Ins	28.88
TOTAL						
Bill Pmt -Check	08/11/2011	15340	YUKON DISPOSAL SERVICE	08-K2 213849	1012 - Bank of America Gen'l Ckg	142.88
Bill	08/09/2011	08-K2 213849		Service for Aug 2011	6024 - Building Repair & Maintenance	142.88
TOTAL						
Bill Pmt -Check	08/12/2011	15341	BROWNSTEIN HYATT FARBER SCHRECK	442047	1012 - Bank of America Gen'l Ckg	23,051.36
Bill	06/30/2011	442047			6907.3 - WM Legal Counsel	23,051.36
Bill	06/30/2011	442048			6907.34 - Santa Ana River Water Rights	54.90
Bill	06/30/2011	442049			6907.31 - S. Archibald Plume-Formerly OIA	2,106.00
Bill	06/30/2011	442050			6907.32 - Chino Airport Plume	1,633.09
Bill	06/30/2011	442051			6907.33 - Desalter Negotiations	3,948.75
Bill	06/30/2011	442052			6907.35 - Paragaph 31 Motion	7,359.96
Bill	06/30/2011	442053			6907.36 - Santa Ana River Habitat	213.30
TOTAL						38,367.36
Bill Pmt -Check	08/12/2011	15342	WILDERMUTH ENVIRONMENTAL INC	2011241	1012 - Bank of America Gen'l Ckg	5,358.99
Bill	06/30/2011	2011241			6906 - OBMP Engineering Services	5,358.99
Bill	06/30/2011	2011242			6906 - OBMP Engineering Services	2,960.00
Bill	06/30/2011	2011243			6906 - OBMP Engineering Services	375.00
Bill	06/30/2011	2011244			6906 - OBMP Engineering Services	37,216.25

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	06/30/2011	2011245		2011245	7103.3 · Grdwtr Qual-Engineering	645.00
Bill	06/30/2011	2011246		2011246	7103.3 · Grdwtr Qual-Engineering	675.00
Bill	06/30/2011	2011247		2011247	7103.3 · Grdwtr Qual-Engineering	18,731.25
Bill	06/30/2011	2011248		2011248	7104.3 · Grdwtr Level-Engineering	600.00
Bill	06/30/2011	2011249		2011249	7104.3 · Grdwtr Level-Engineering	7,808.44
Bill	06/30/2011	2011250		2011250	7104.3 · Grdwtr Level-Engineering	9,181.25
Bill	06/30/2011	2011251		2011251	7104.3 · Grdwtr Level-Engineering	24,225.00
Bill	06/30/2011	2011252		2011252	7104.8 · Grdwtr Level-Contracted Serv	2,810.00
Bill	06/30/2011	2011253		2011253	7107.2 · Grd Level-Engineering	150.00
Bill	06/30/2011	2011254		2011254	7107.2 · Grd Level-Engineering	5,871.30
Bill	06/30/2011	2011255		2011255	7107.8 · Grd Level-Cap Equip Exte	381.97
Bill	06/30/2011	2011256		2011256	7107.6 · Grd Level-Contract Svcs	6,696.25
Bill	06/30/2011	2011257		2011257	7107.6 · Grd Level-Contract Svcs	31,783.98
Bill	06/30/2011	2011258		2011258	7107.6 · Grd Level-Contract Svcs	15,500.00
Bill	06/30/2011	2011259		2011259	7107.6 · Grd Level-Contract Svcs	300.00
Bill	06/30/2011	2011260		2011260	7108.3 · Hydraulic Control-Engineering	13,621.21
Bill	06/30/2011	2011261		2011261	7108.3 · Hydraulic Control-Engineering	1,037.50
Bill	06/30/2011	2011262		2011262	7108.3 · Hydraulic Control-Engineering	1,843.75
Bill	06/30/2011	2011263		2011263	7108.3 · Hydraulic Control-Engineering	112.50
Bill	06/30/2011	2011264		2011264	7108.3 · Hydraulic Control-Engineering	1,666.72
Bill	06/30/2011	2011265		2011265	7108.3 · Hydraulic Control-Engineering	125.00
Bill	06/30/2011	2011266		2011266	7108.3 · Hydraulic Control-Engineering	31.25
Bill	06/30/2011	2011267		2011267	7108.3 · Hydraulic Control-Engineering	412.50
Bill	06/30/2011	2011268		2011268	7108.3 · Hydraulic Control-Engineering	276.05
Bill	06/30/2011	2011269		2011269	7303 · PE3&5-Engineering	4,870.00
Bill	06/30/2011	2011270		2011270	7403 · PE4-Contract Svcs	5,000.00
Bill	06/30/2011	2011271		2011271	7502 · PE6&7-Engineering	953.75
Bill	06/30/2011	2011272		2011272	6906.1 · OBMP - Watermaster Model Update	26,782.69
Bill	06/30/2011	2011273		2011273	6906.1 · OBMP - Watermaster Model Update	39,007.50
Bill	06/30/2011	2011274		2011274	6906.1 · OBMP - Watermaster Model Update	800.00
TOTAL						267,950.10
Bill	08/22/2011	15343	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	56.85
Bill	07/31/2011	XXXX-XXXX-XXXX-9341		CEO mtg w/Feenstra and Koopman	8412 · Meeting Expenses	414.03
				Registration-CEO to Water Reuse Symposium	6181 · Conferences - General	62.32
				Misc. office supplies	6031.7 · Other Office Supplies	29.70
				CEO mtg w/Ken Willis	6312 · Meeting Expenses	16.48
				CEO mtg w/Bob Kuhn	6312 · Meeting Expenses	66.85
				Public hearing notice in newspaper	6342 · Postage and Printing	228.64
				Lunch for July 28 Board mtg	6312 · Meeting Expenses	1,045.12
				Equipment for gw quality sampling	7103.6 · Grdwtr Qual-Supplies	81.16
				Lunch-July 14 water quality presentation meeting	7103.6 · Grdwtr Qual-Supplies	2,001.15

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/22/2011	15344	CHINO HILLS, CITY OF-	1	1012 - Bank of America Gen'l Ckg	
Bill	08/11/2011	1			7605 - PE888-Other Expenses	3,059.00
TOTAL						3,059.00
Bill Pmt -Check	08/22/2011	15345	CITISTREET	Payroll and Taxes for 07/24/11-08/06/11	1012 - Bank of America Gen'l Ckg	
General Journal	08/06/2011	08/06/11	CITISTREET	457 Employee deductions for 07/24/11-08/06/11	2000 - Accounts Payable	1,863.30
TOTAL						1,863.30
Bill Pmt -Check	08/22/2011	15346	CUCAMONGA VALLEY WATER DISTRICT	Lease Due September 1, 2011	1012 - Bank of America Gen'l Ckg	
Bill	08/16/2011			Lease Due September 1, 2011	1422 - Prepaid Rent	5,844.00
TOTAL						5,844.00
Bill Pmt -Check	08/22/2011	15347	DC LAW	13557	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2011	13557		13557 - Ag Pool Legal Services	8467 - Ag Legal & Technical Services	3,152.50
TOTAL						3,152.50
Bill Pmt -Check	08/22/2011	15348	DGO AUTO DETAILING	Wash 3 service trucks	1012 - Bank of America Gen'l Ckg	
Bill	07/28/2011			Wash 3 service trucks	6177 - Vehicle Repairs & Maintenance	75.00
Bill	08/11/2011			Wash 3 service trucks	6177 - Vehicle Repairs & Maintenance	75.00
TOTAL						150.00
Bill Pmt -Check	08/22/2011	15349	PRE-PAID LEGAL SERVICES, INC.	111802	1012 - Bank of America Gen'l Ckg	
Bill	08/15/2011	111802		August 2011	60194 - Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	08/22/2011	15350	PREMIERE GLOBAL SERVICES	08694770	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2011	08694770		7/06 Appropriative Pool Agenda call	8312 - Meeting Expenses	17.80
				7/06 Non Ag Pool Agenda call	8512 - Meeting Expense	17.78
				7/06 Ag Pool Agenda call	8412 - Meeting Expenses	17.78
				7/07 Restated Judgment call	69091 - OBMP Meetings	171.81
				7/08 South Ontario Plume call	7103.6 - Grdwtr Qual-Supplies	43.74
				7/13 South Ontario Plume call	7103.6 - Grdwtr Qual-Supplies	95.34
				7/14 Non Ag Pool Meeting call	8512 - Meeting Expense	126.98
				Monthly service fee	6022 - Telephone	14.95
				Moderator fee	6022 - Telephone	13.75
TOTAL						519.93
Bill Pmt -Check	08/22/2011	15351	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	08/06/2011	08/06/2011	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 07/24/11-08/06/11	2000 - Accounts Payable	7,054.35
TOTAL						7,054.35
Bill Pmt -Check	08/22/2011	15352	STAULA, MARY L		1012 - Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/31/2011				60182.4 · Retiree Medical	136.61
TOTAL						136.61
Bill Pmt -Check	08/22/2011	15355	THE LAWTON GROUP	6017 Week Ending 8/07/11	1012 · Bank of America Gen'l Ckg 6017 · Temporary Services	824.00
Bill	08/11/2011	1VC070000017354				824.00
TOTAL						824.00
Bill Pmt -Check	08/22/2011	15354	VERIZON BUSINESS	08076697 Charges for service period 9/01/11 - 9/30/11	1012 · Bank of America Gen'l Ckg 6053 · Internet Expense	1,537.85
Bill	08/11/2011	08076697				1,537.85
TOTAL						1,537.85
Bill Pmt -Check	08/22/2011	15355	VERIZON WIRELESS	0992015645 Monthly service	1012 · Bank of America Gen'l Ckg 6022 · Telephone	399.81
Bill	08/11/2011	1000928455				399.81
TOTAL						399.81
Bill Pmt -Check	08/22/2011	15356	WATER FACILITIES AUTHORITY	12-10 WFA treatment charge	1012 · Bank of America Gen'l Ckg 1420 · Prepaid Injected Water Purchase	12,808.74
Bill	08/11/2011	12-10				12,808.74
TOTAL						12,808.74
Bill Pmt -Check	08/25/2011	15357	EL TORITO	Lunch for 8/25/11 Watermaster Board Meeting	1012 · Bank of America Gen'l Ckg 6312 · Meeting Expenses	395.00
Bill	08/25/2011			Lunch for 8/25/11 Watermaster Board Meeting		395.00
TOTAL						395.00
General Journal	08/26/2011	08/26/2011	Payroll and Taxes for 08/07/11-08/20/11	Payroll and Taxes for 08/07/11-08/20/11	1012 · Bank of America Gen'l Ckg	7,489.97
				Payroll Taxes for 08/07/11-08/20/11	1012 · Bank of America Gen'l Ckg	5,963.82
				Payroll Checks for 08/07/11-08/20/11	1012 · Bank of America Gen'l Ckg	16,701.69
				Direct Deposits for 08/07/11-08/20/11	1012 · Bank of America Gen'l Ckg	30,155.48
TOTAL						51.15
Bill Pmt -Check	08/29/2011	15358	ARROWHEAD MOUNTAIN SPRING WATER	0023230253 Office Water Bottle - August 2011	1012 · Bank of America Gen'l Ckg 6031.7 · Other Office Supplies	51.15
Bill	08/26/2011	0023230253				51.15
TOTAL						51.15
Bill Pmt -Check	08/29/2011	15359	DIRECTV	019447404 Monthly Service for 8/19/11-8/18/11	1012 · Bank of America Gen'l Ckg 6031.7 · Other Office Supplies	86.99
Bill	08/26/2011	019447404				86.99
TOTAL						86.99
Bill Pmt -Check	08/29/2011	15360	GRAINGER	9609528782 Ground Water quality supplies	1012 · Bank of America Gen'l Ckg 7103.6 · Grdwtr Qual-Supplies	157.00
Bill	08/26/2011	9609528782				157.00
TOTAL						157.00
Bill Pmt -Check	08/29/2011	15361	LIATTI & ASSOCIATES	Broker fee for bond insurance	1012 · Bank of America Gen'l Ckg 6086 · Position Bond Insurance	30.90
Bill	08/26/2011					30.90
TOTAL						30.90

P43

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						30.90
Bill Pmt -Check	08/29/2011	15362	PRINTING RESOURCES	57003	1012 - Bank of America Gen'l Ckg	150.85
Bill	08/26/2011	57003		Business cards for Gerald Greene	6031.7 - Other Office Supplies	150.85
TOTAL						302.70
Bill Pmt -Check	08/29/2011	15363	STANDARD INSURANCE CO.	Policy # 00-640888-0009	1012 - Bank of America Gen'l Ckg	525.66
Bill	08/26/2011	006408880009		Policy # 00-640888-0009	60191 - Life & Disab. Ins Benefits	525.66
TOTAL						1051.32
Bill Pmt -Check	08/29/2011	15364	STATE COMPENSATION INSURANCE FUND	1970970-11	1012 - Bank of America Gen'l Ckg	987.53
Bill	08/26/2011	1970970-11		August 2011	60183 - Worker's Comp Insurance	987.53
TOTAL						1975.06
Bill Pmt -Check	08/29/2011	15365	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	494.40
Bill	08/14/2011	1VC070000017386		Week Ending 8/14/11	8017 - Temporary Services	494.40
TOTAL						988.80
Bill Pmt -Check	08/29/2011	15366	UNITED HEALTHCARE	C0025049180	1012 - Bank of America Gen'l Ckg	399.10
Bill	08/26/2011	C0025049180		Dental insurance for August 2011	60182.2 - Dental & Vision Ins	399.10
TOTAL						798.20
Bill Pmt -Check	08/29/2011	15367	VISION SERVICE PLAN	00-101789-0001	1012 - Bank of America Gen'l Ckg	55.05
Bill	08/26/2011	001017890001		September 2011	60182.2 - Dental & Vision Ins	55.05
TOTAL						110.10
Bill Pmt -Check	08/30/2011	15368	CALIF. UTILITY EXEC. MGMT FOUNDATION	Reg. Fee for CUEMF Leadership Summit	1012 - Bank of America Gen'l Ckg	250.00
Bill	08/30/2011			Desi. Alvarez-Sept. 7-9, 2011 Leadership Summit	6191 - Conferences - General	250.00
TOTAL						500.00
General Journal	08/31/2011	08/31/2011	Wage Works Direct Debits for Aug 2011	Wage Works Direct Debits for Aug 2011	1012 - Bank of America Gen'l Ckg	76.25
				Wage Works Direct Debits for Aug 2011	1012 - Bank of America Gen'l Ckg	495.40
				Wage Works Direct Debits for Aug 2011	1012 - Bank of America Gen'l Ckg	495.40
				Wage Works Direct Debits for Aug 2011	1012 - Bank of America Gen'l Ckg	495.40
				Wage Works Direct Debits for Aug 2011	1012 - Bank of America Gen'l Ckg	495.40
TOTAL						1,962.45
Total Disbursements:						3,486,045.43



CHINO BASIN WATERMASTER

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: October 13, 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 August 2011.

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

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

BACKGROUND

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

DISCUSSION

Total cash disbursement during the month of August 2011 was \$2,001.15. The monthly charges for August 2011 were for routine and customary expenditures and properly documented with receipts.

Actions:

- October 13, 2011 Appropriative Pool –
- October 13, 2011 Non-Agricultural Pool –
- October 13, 2011 Agricultural Pool –
- October 20, 2011 Advisory Committee –
- October 27, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
 VISA Check Detail Report
 August 2011

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	15343	08/22/2011	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	XXXX-XXXX-XXXX-9341	07/31/2011		CEO mtg with Feenstra and Koopman	8412 · Meeting Expenses	56.85
				Registration for CEO to Water Reuse Symposium	6191 · Conferences - General	414.03
				Misc. office supplies	6031.7 · Other Office Supplies	62.32
				CEO mtg w/Ken Willis	6312 · Meeting Expenses	29.70
				CEO mtg w/Bob Kuhn	6312 · Meeting Expenses	16.48
				Public hearing notice in newspaper	6342 · Postage and Printing	66.85
				Lunch for July 28 Board mtg	6312 · Meeting Expenses	228.64
				Equipment for ground water quality sampling	7103.6 · Grdwtr Qual-Supplies	1,045.12
				Lunch for July 14 water quality presentation meeting	7103.6 · Grdwtr Qual-Supplies	81.16
				Total Disbursements:		2,001.15

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CHINO BASIN WATERMASTER

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

DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: October 13, 2011
TO: Committee Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2011 through August 31, 2011 - Financial Report B3

SUMMARY

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

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

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

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Working Capital for the period July 1, 2011 through August 31, 2011 is provided to keep all members apprised of the FY 2011/2012 cumulative Watermaster revenues, expenditures and changes in working capital for the period listed.

DISCUSSION

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

Actions:

October 13, 2011 Appropriative Pool –
October 13, 2011 Non-Agricultural Pool –
October 13, 2011 Agricultural Pool –
October 20, 2011 Advisory Committee –
October 27, 2011 Watermaster Board –

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS		GROUNDWATER OPERATIONS		EDUCATION FUNDS	GRAND TOTALS	BUDGET 2011-2012
			APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT			
Administrative Revenues:									
Administrative Assessments									\$6,097,177
Interest Revenue									150,010
Mutual Agency Project Revenue		405,777						405,777	411,000
Grant Income									0
Miscellaneous Income									0
Total Revenues		405,777						405,777	6,658,187
Administrative & Project Expenditures:									
Watermaster Administration	137,817							137,817	425,107
Watermaster Board-Advisory Committee	35,024							35,024	155,297
Pool Administration		8,264	18,308	16,584				43,156	503,822
Optimum Basin Mgmt Administration	222,623							222,623	1,161,401
OBMP Project Costs	527,086							527,086	4,166,221
Debt Service	471,400							471,400	450,964
Education Funds Use									375
Mutual Agency Project Costs									10,000
Total Administrative/OBMP Expenses	1,393,950		18,308	16,584				1,437,106	6,873,187
Net Administrative/OBMP Expenses	(1,393,950)								
Allocate Net Admin Expenses To Pools		958,551	387,821	47,578					
Allocate Net OBMP Expenses To Pools									
Allocate Debt Service to App Pool									
Agricultural Expense Transfer*	406,129		(406,129)						
Total Expenses	1,372,944			64,162				1,437,106	6,873,187
Net Administrative Income	(967,168)			(64,162)				(1,031,329)	(215,000)
Other Income/(Expense)									0
Replenishment Water Assessments									0
Non-Ag Stored Water Purchases									0
Interest Revenue									0
MWD Water Purchases							3,587,956	3,587,956	0
Non-Ag Stored Water Purchases							(3,587,956)	(3,587,956)	0
MWD Water Purchases									0
Groundwater Replenishment									0
Net Other Income									0
Net Transfers To/(From) Reserves		(967,168)		(64,162)				(1,031,329)	(215,000)
Working Capital, July 1, 2011		6,922,600	475,807	282,721	21,928	155,251	630	7,861,937	
Working Capital, End Of Period		5,955,433	475,807	218,560	21,928	158,251	630	6,830,608	6,830,608
09/10 Assessable Production		78,733,238	31,854,766	3,907,911				114,495,915	
09/10 Production Percentages		68.765%	27.822%	3.413%				100.000%	

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

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CHINO BASIN WATERMASTER

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

DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: October 13, 2011
TO: Committee Members
SUBJECT: Treasurer's Report of Financial Affairs for the Period August 1, 2011 through August 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 August 1, 2011 through August 31, 2011.

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

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

BACKGROUND

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

October 13, 2011 Appropriative Pool –
October 13, 2011 Non-Agricultural Pool –
October 13, 2011 Agricultural Pool –
October 20, 2011 Advisory Committee –
October 27, 2011 Watermaster Board –

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

DEPOSITORIES:		
Cash on Hand - Petty Cash	\$	500
Bank of America		
Governmental Checking-Demand Deposits	\$	2,198,399
Zero Balance Account - Payroll	\$	-
Local Agency Investment Fund - Sacramento		
TOTAL CASH IN BANKS AND ON HAND		8/31/2011
TOTAL CASH IN BANKS AND ON HAND		7/31/2011
PERIOD INCREASE (DECREASE)		\$ (1,274,135)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:		
Accounts Receivable	\$	(1,671,496)
Assessments Receivable		-
Prepaid Expenses, Deposits & Other Current Assets	(152,450)	
Accounts Payable	550,953	
Accrued Payroll, Payroll Taxes & Other Current Liabilities	25,822	
Transfer to/(from) Reserves	(26,965)	
PERIOD INCREASE (DECREASE)		\$ (1,274,135)

SUMMARY OF FINANCIAL TRANSACTIONS:

Balances as of 7/31/2011						
Deposits	\$	500	\$	1,272,533	\$	-
Transfers		-		4,411,911		-
Withdrawals/Checks		-		(66,445)		66,445
		-		(3,419,601)		(66,445)
Balances as of 8/31/2011		\$	500	\$	2,198,398.61	\$
		-		-		-
PERIOD INCREASE OR (DECREASE)		\$	-	\$	925,865	\$
		-		-		-
		\$	-	\$	(2,200,000)	\$
		-		-		-
		\$	-	\$	4,846,495	\$
		-		-		-
		\$	-	\$	(2,200,000)	\$
		-		-		-
		\$	-	\$	(3,486,045)	\$
		-		-		-
		\$	-	\$	4,846,495	\$
		-		-		-
		\$	-	\$	(2,200,000)	\$
		-		-		-
		\$	-	\$	(1,274,135)	\$

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
8/10/2011	Withdrawal	L.A.I.F.	\$ (2,200,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ (2,200,000)				

* The earnings rate for L.A.I.F. is a daily variable rate; 0.48% was the effective yield rate at the Quarter ended June 30, 2011.

**INVESTMENT STATUS
August 31, 2011**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 4,846,495			
TOTAL INVESTMENTS	\$ 4,846,495			

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

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

Respectfully submitted,

Joseph S. Joswiak
Chief Financial Officer
Chino Basin Watermaster



CHINO BASIN WATERMASTER

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

DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: October 13, 2011
TO: Committee Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2011 through August 31, 2011 - Financial Report - B5

SUMMARY

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

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

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

BACKGROUND

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

Year-To-Date (YTD) for the two months ending August 31, 2011, all categories were at or below the projected budget, including category 6900 (Optimum Basin Mgmt Plan).

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

Also, a new category for Watermaster Legal Services (6070) was established for fiscal year 2011/2012. These expenses are associated with administrative legal services for Watermaster. The detail of account 6070 is listed below:

	<u>Jul '11 - Aug '11</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
6070 · Watermaster Legal Services				
6071 · BHFS Legal - Court Coordination	0.00	6,516.70	-6,516.70	0.0%
6072 · BHFS Legal - Restated Judgment	9,411.81	20,800.00	-11,388.19	45.25%
6073 · BHFS Legal - Personnel Matters	142.20	1,645.80	-1,503.60	8.64%
6074 · BHFS Legal - Interagency Issues	0.00	5,716.70	-5,716.70	0.0%
6075 · BHFS Legal - Replenishmnt Water	10,620.90	0.00	10,620.90	100.0%
6078 · BHFS Legal - Miscellaneous	9,166.58	9,480.00	-313.42	96.69%
Total 6070 · Watermaster Legal Services	29,341.49	44,159.20	-14,817.71	66.45%

OBMP Engineering Services and Legal Costs:

Within the category 6900 (Optimum Basin Mgmt Plan) are the remaining Watermaster's legal expenses. Within the legal expense category, some individual line item activities were above the budget \$15,841 while the majority of line item activities were below the budget (\$18,059). Above the budget line items were the Desalter Negotiations of \$15,523 and the Santa Ana River Habitat of \$318. The individual legal projects/activities that were below budget for the Y-T-D period were the South Archibald Plume (formerly the OIA plume) of (\$1,095), the Chino Airport Plume of (\$1,024), the Santa Ana River Water Rights Application of (\$3,830), the Paragraph 31 Motion of (\$5,591), the Regional Water Quality Control Board of (\$2,292) and the Recharge Master Plan of (\$4,227). For the two month period, the cumulative Y-T-D budget was \$43,393 and actual legal expenses totaled \$41,175 which resulted in an (Under) budget variance of (\$2,218) or (5.1%).

	Jul '11 - Aug '11	Budget	\$ Over Budget	% of Budget
6900 · Optimum Basin Mgmt Plan				
6901 · WM Staff Salaries	39,063.55	36,165.30	2,898.25	108.01%
6903 · OBMP SAWPA Group	11,655.00	11,655.00	0.00	100.0%
6906 · OBMP Engineering Services				
6906.1 · OBMP - Watermaster Model Update	90,312.38	85,004.19	5,308.19	106.25%
6906 · OBMP Engineering Services - Other	24,031.43	42,701.50	-18,670.07	56.28%
Total 6906 · OBMP Engineering Services	114,343.81	127,705.69	-13,361.88	89.54%
6907 · OBMP Legal Fees				
6907.3 · WM Legal Counsel				
6907.30 · Peace II - CEQA	0.00	0.00	0.00	0.0%
6907.31 · S. Archibald Plume-Formerly OIA	3,009.15	4,104.20	-1,095.05	73.32%
6907.32 · Chino Airport Plume	3,254.85	4,279.20	-1,024.35	76.06%
6907.33 · Desalter Negotiations	26,760.15	11,237.50	15,522.65	238.13%
6907.34 · Santa Ana River Water Rights	357.88	4,187.50	-3,829.62	8.55%
6907.35 · Paragraph 31 Motion	7,475.40	13,066.68	-5,591.28	57.21%
6907.36 · Santa Ana River Habitat	318.15	0.00	318.15	100.0%
6907.37 · Water Auction	0.00	0.00	0.00	0.0%
6907.38 · Reg. Water Quality Cntrl Board	0.00	2,291.70	-2,291.70	0.0%
6907.39 · Recharge Master Plan	0.00	4,226.70	-4,226.70	0.0%
6907.3 · WM Legal Counsel - Other	0.00	0.00	0.00	0.0%
Total 6907.3 · WM Legal Counsel	41,175.58	43,393.48	-2,217.90	94.89%
Total 6907 · OBMP Legal Fees	41,175.58	43,393.48	-2,217.90	94.89%
6909 · OBMP Other Expenses				
6909.1 · OBMP Meetings	390.79	0.00	390.79	100.0%
6909.4 · Printing	0.00	0.00	0.00	0.0%
6909.5 · Ad Hoc Litigation Committee	0.00	0.00	0.00	0.0%
6909 · OBMP Other Expenses - Other	0.00	4,166.70	-4,166.70	0.0%
Total 6909 · OBMP Other Expenses	390.79	4,166.70	-3,775.91	9.38%
Total 6900 · Optimum Basin Mgmt Plan	206,628.73	223,086.17	-16,457.44	92.62%

The OBMP Implementation Projects (accounts 7100's – 7700's) were all under budget as of August 31, 2011. Category 7200 (Comprehensive Recharge Program) contains the budgeted cost of \$245,750 for the San Sevaire channel repair. The budget of \$245,750 for this project was front-loaded for the first six months of the fiscal year. To date, we have not received any progress repair billings and we expect that this positive variance will continue until progress billings are received. The Recharge Improvement Debt Payment (Category 7690) is another category which the budget and expense fluctuate due to the timing of expense receipts. Watermaster expects that a credit from IEUA in the amount of \$100,000+ will be forthcoming in the months of December 2011 or January 2012. Currently, this category is below the budgeted amount by \$130,000.

Other Income and Expense:

During the August accounting period, the July 2011 invoicing for the MWD replenishment water from the Inland Empire Utilities Agency was received by Watermaster. The invoice in the amount of \$3,587,956.10 or 8,497.30 AF of replenishment water was received and billings to Niagara Bottling and

Fontana Water Company were issued. The charges from IEUA and invoices to Niagara Bottling and Fontana Water Company were reflected in the August 2011 financials. To date, Niagara Bottling has been billed for 4,000.72 AF for a total amount of \$1,689,098.96 and Fontana Water Company has been billed for 13,381.08 AF for a total amount of \$5,649,484.64. Please note that the dollars and AF amounts are from invoices received from IEUA, which are usually 30+ days delayed from actual results.

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

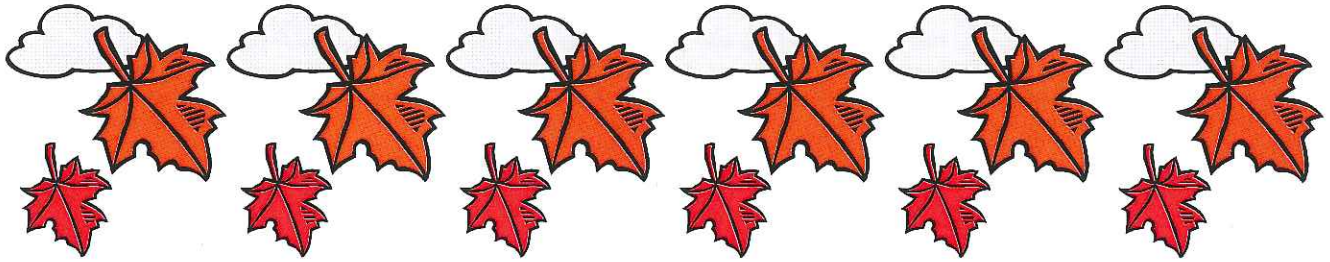
Actions:

- October 13, 2011 Appropriative Pool –
- October 13, 2011 Non-Agricultural Pool –
- October 13, 2011 Agricultural Pool –
- October 20, 2011 Advisory Committee –
- October 27, 2011 Watermaster Board –

	1/12th of the Total Budget			2/12th (17%) of the Total Budget			100% of the Total Budget		
	For The Month of August 2011			Year-To-Date as of August 31, 2011			Fiscal Year End as of June 30, 2012		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Projected	Budget	% of Budget
Income									
4010 - Local Agency Subsidies	294,776.62	0.00	100.0%	405,776.62	111,000.00	365.57%	411,000.00	411,000.00	100.0%
4110 - Admin Asmnts-Approp Pool	0.00	0.00	0.0%	0.00	0.00	0.0%	5,840,178.00	5,840,178.00	100.0%
4120 - Admin Asmnts-Non-Agri Pool	0.00	0.00	0.0%	0.00	0.00	0.0%	256,999.00	256,999.00	100.0%
4700 - Non Operating Revenues	0.00	0.00	0.0%	0.00	0.00	0.0%	150,010.00	150,010.00	100.0%
4900 - Miscellaneous Income	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
Total Income	294,776.62	0.00	100.0%	405,776.62	111,000.00	365.57%	6,658,187.00	6,658,187.00	100.0%
Gross Profit	294,776.62	0.00	100.0%	405,776.62	111,000.00	365.57%	6,658,187.00	6,658,187.00	100.0%
Expense									
6010 - Salary Costs	48,850.45	45,319.54	107.79%	85,739.62	87,140.46	98.39%	472,976.00	472,976.00	100.0%
6020 - Office Building Expense	8,075.87	8,214.00	98.32%	15,979.46	17,365.00	92.02%	103,369.00	103,369.00	100.0%
6030 - Office Supplies & Equip.	1,369.58	1,125.00	121.74%	4,084.45	4,250.00	96.11%	25,500.00	25,500.00	100.0%
6040 - Postage & Printing Costs	4,156.46	5,865.00	70.87%	8,023.67	10,230.00	78.43%	66,180.00	66,180.00	100.0%
6050 - Information Services	8,106.95	10,835.00	74.82%	18,585.17	24,670.00	75.25%	148,020.00	148,020.00	100.0%
6060 - Contract Services	2,500.00	4,000.00	62.5%	6,380.00	8,000.00	79.75%	34,000.00	34,000.00	100.0%
6070 - Watermaster Legal Services	8,009.53	22,079.58	36.28%	29,341.49	44,159.20	66.45%	202,555.00	202,555.00	100.0%
6080 - Insurance	30.90	0.00	100.0%	17,740.87	19,036.00	93.2%	19,036.00	19,036.00	100.0%
6110 - Dues and Subscriptions	1,270.00	1,500.00	84.67%	14,111.00	15,010.00	94.01%	30,000.00	30,000.00	100.0%
6140 - WM Admin Expenses	47.01	250.00	18.8%	47.01	500.00	9.4%	3,000.00	3,000.00	100.0%
6150 - Field Supplies	164.35	150.00	109.57%	164.35	250.00	65.74%	1,600.00	1,600.00	100.0%
6170 - Travel & Transportation	1,580.96	1,680.00	94.1%	2,296.86	3,280.00	70.03%	21,970.00	21,970.00	100.0%
6190 - Conferences & Seminars	250.00	1,000.00	25.0%	850.00	2,375.00	35.79%	17,500.00	17,500.00	100.0%
6200 - Advisory Comm - WM Board	4,339.92	4,504.25	96.35%	8,771.39	9,008.50	97.37%	54,051.00	54,051.00	100.0%
6300 - Watermaster Board Expenses	12,917.41	12,937.17	99.85%	26,252.73	26,374.30	99.54%	101,246.00	101,246.00	100.0%
8300 - Appr PH-WM & Pool Admin	4,238.24	4,190.00	101.15%	8,263.92	8,388.00	98.62%	50,280.00	50,280.00	100.0%
8400 - Agri Pool-WM & Pool Admin	3,806.55	5,319.09	71.56%	8,954.96	10,638.10	84.18%	69,829.00	69,829.00	100.0%
8467 - Ag Legal & Technical Services	3,500.51	17,583.33	19.91%	6,653.01	35,166.70	18.92%	211,000.00	211,000.00	100.0%
8470 - Ag Meeting Attend-Special	975.00	1,000.00	97.5%	2,700.00	2,000.00	135.0%	12,000.00	12,000.00	100.0%
8471 - Ag Pool Expense	0.00	0.00	0.0%	0.00	0.00	0.0%	65,000.00	65,000.00	100.0%
8500 - Non-Ag PH-WM & Pool Admin	9,917.89	8,476.08	117.01%	16,584.15	16,952.20	97.83%	101,713.00	101,713.00	100.0%
6500 - Education Funds Use Expns	0.00	0.00	0.0%	0.00	0.00	0.0%	375.00	375.00	100.0%
9400 - Depreciation Expense	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
9500 - Allocated G&A Expenditures	-34,588.93	-60,049.92	57.57%	-65,505.95	-120,099.80	54.54%	-720,599.00	-720,599.00	100.0%
6900 - Optimum Basin Mgmt Plan	93,410.59	97,215.06	96.09%	206,628.73	223,086.17	92.62%	935,026.00	935,026.00	100.0%
6950 - Mutual Agency Projects	0.00	0.00	0.0%	0.00	0.00	0.0%	10,000.00	10,000.00	100.0%
9501 - G&A Expenses Allocated-OBMP	8,823.98	18,031.25	48.94%	15,994.36	36,062.50	44.35%	216,375.00	216,375.00	100.0%
7101 - Production Monitoring	8,654.91	11,741.67	73.71%	19,798.17	23,483.30	84.31%	104,900.00	104,900.00	100.0%
7102 - In-line Meter Installation	2,129.99	5,530.25	38.52%	5,070.50	11,050.50	45.84%	66,363.00	66,363.00	100.0%
7103 - Grdwtr Quality Monitoring	42,452.69	38,986.67	108.86%	58,760.25	58,993.30	99.61%	203,960.00	203,960.00	100.0%
7104 - Gdwtr Level Monitoring	33,773.33	33,042.24	102.21%	57,340.26	60,065.85	95.46%	276,432.00	276,432.00	100.0%
7105 - Sur Wtr Qual Monitoring	0.00	291.00	0.0%	607.00	607.00	0.0%	3,592.00	3,592.00	100.0%

	1/12th of the Total Budget For The Month of August 2011				2/12th (17%) of the Total Budget Year-To-Date as of August 31, 2011				100% of the Total Budget Fiscal Year End as of June 30, 2012			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
	7107 · Ground Level Monitoring	36,872.60	55,654.75	-18,782.15	66.25%	47,135.10	104,869.00	-57,733.90	44.95%	904,443.00	904,443.00	0.00
7108 · Hydraulic Control Monitoring	23,540.16	38,315.34	-14,775.18	61.44%	35,476.31	76,630.60	-41,154.29	46.3%	459,784.00	459,784.00	0.00	100.0%
7109 · Recharge & Well Monitoring Prog	0.00	0.00	0.00	0.0%	0.00	5,580.00	-5,580.00	0.0%	11,160.00	11,160.00	0.00	100.0%
7200 · PE2- Comp Recharge Pgm	7,997.09	72,075.59	-64,078.50	11.1%	198,455.26	324,808.08	-126,352.82	61.1%	1,341,785.00	1,341,785.00	0.00	100.0%
7300 · PE3&5-Water Supply/Desalte	4,683.15	19,741.92	-15,058.77	23.72%	19,283.99	39,463.83	-20,199.84	48.64%	93,383.00	93,383.00	0.00	100.0%
7400 · PE4- Mgmt Plan	2,177.75	5,683.91	-3,486.16	38.45%	6,537.27	11,852.90	-5,315.63	55.15%	70,067.00	70,067.00	0.00	100.0%
7500 · PE6&7-CoopEfforts/SaltMgmt	21,732.00	16,411.83	5,320.17	132.42%	23,495.95	23,823.70	-327.75	98.62%	88,942.00	88,942.00	0.00	100.0%
7600 · PE8&9-StorageMgmt/Conj Use	5,240.22	3,785.25	1,454.97	138.44%	6,220.15	7,668.00	-1,437.85	81.22%	45,773.00	45,773.00	0.00	100.0%
7690 · Recharge Improvement Debt Pymt	-85,031.00	0.00	-85,031.00	100.0%	471,400.00	600,964.00	-129,564.00	78.44%	450,964.00	450,964.00	0.00	100.0%
7700 · Inactive Well Protection Pgm	0.00	0.00	0.00	0.0%	0.00	353.25	-353.25	0.0%	1,413.00	1,413.00	0.00	100.0%
9502 · G&A Expenses Allocated-Projects	25,744.94	42,018.67	-16,273.73	61.27%	49,512.60	84,037.30	-34,524.70	58.92%	504,224.00	504,224.00	0.00	100.0%
Total Expense	321,741.15	554,493.52	-232,752.37	58.02%	1,437,106.06	1,918,104.94	-480,998.88	74.92%	6,873,187.00	6,873,187.00	0.00	100.0%
Net Ordinary Income	-26,964.53	-554,493.52	527,528.99	4.86%	-1,031,329.44	-1,807,104.94	775,775.50	57.07%	-215,000.00	-215,000.00	0.00	100.0%
Other Income												
4225 · Interest 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%
4210 · Approp Pool-Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4220 · Non-Ag Pool-Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4600 · Groundwater Sales	3,587,956.10	0.00	3,587,956.10	100.0%	3,587,956.10	0.00	3,587,956.10	100.0%	0.00	0.00	0.00	0.0%
Total Other Income	3,587,956.10	0.00	3,587,956.10	100.0%	3,587,956.10	0.00	3,587,956.10	100.0%	0.00	0.00	0.00	0.0%
Other Expense												
5010 · Groundwater Replenishment	3,587,956.10	0.00	3,587,956.10	100.0%	3,587,956.10	0.00	3,587,956.10	100.0%	0.00	0.00	0.00	0.0%
5100 · Other Water Purchases	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9999 · To/(From) Reserves	-26,964.53	-554,493.52	527,528.99	4.86%	-1,031,329.44	-1,807,104.94	775,775.50	57.07%	-215,000.00	-215,000.00	0.00	100.0%
Total Other Expense	3,560,991.57	-554,493.52	4,115,485.09	-642.21%	2,556,626.66	-1,807,104.94	4,363,731.60	-141.48%	-215,000.00	-215,000.00	0.00	100.0%
Net Other Income	26,964.53	554,493.52	-527,528.99	4.86%	1,031,329.44	1,807,104.94	-775,775.50	57.07%	215,000.00	215,000.00	0.00	100.0%
Net Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%

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



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR (App & Ag Pool)

C. WATER TRANSACTION

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

I. BUSINESS ITEM (Non-Ag Pool)

C. WATER TRANSACTION

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



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

October 4, 2011

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

NOTICE OF APPLICATION(S) RECEIVED

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

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

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

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

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

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: October 4, 2011

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

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

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

Summary –

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

Issue –

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

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

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

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

DISCUSSION

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

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

CITY OF



ONTARIO

ONTARIO MUNICIPAL UTILITIES COMPANY

PAUL S. LEON
MAYOR

CHRIS HUGHES
CITY MANAGER

DEBRA DORST-PORADA
MAYOR PRO TEM

SEP 12 2011

MARY E. WIRTES, MMC
CITY CLERK

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

CHINO BASIN WATERMASTER

JAMES R. MILHISER
TREASURER

MOHAMED EL-AMAMY
UTILITIES GENERAL MANAGER

September 1, 2011

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

Attn: Desi Alvarez

Subject: Annual Lease of Water Rights

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

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

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

Sincerely,

Tom O'Neill
Utilities Operations Division Manager

Enclosures

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

FISCAL YEAR 2011 - 2012

DATE REQUESTED: August 22, 2011

AMOUNT REQUESTED: 781 Acre-Feet

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

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

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

Is the Buyer an 85/15 Party? Yes No

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

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

Varies	July 1, 2011 to June 30, 2012
Projected Rate of Recapture	Projected Duration of Recapture

METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):
 Recapture by Ontario will be accomplished by pumping 24 wells.

PLACE OF USE OF WATER TO BE RECAPTURED:
 Management zones 1, 2, & 3.

LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES):

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

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

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

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

MATERIAL PHYSICAL INJURY

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

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

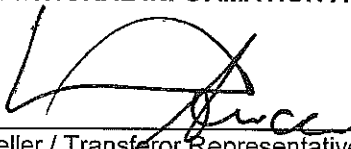
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

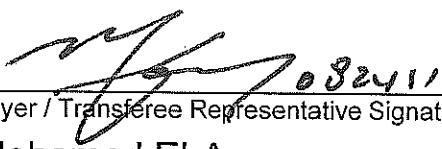
ADDITIONAL INFORMATION ATTACHED

Yes No



Seller / Transferor Representative Signature
Charles Moorrees

Seller / Transferor Representative Name (Printed)



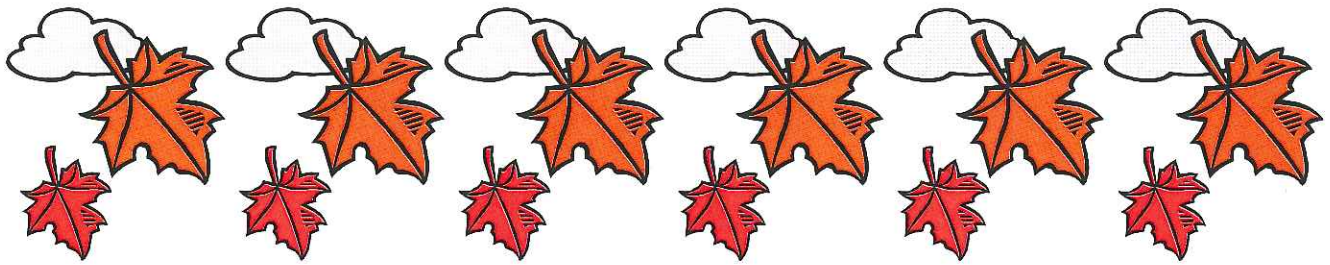
Buyer / Transferee Representative Signature
Mohamed El-Amamy

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____
DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____
DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____
HEARING DATE, IF ANY: _____
DATE OF ADVISORY COMMITTEE APPROVAL: _____
DATE OF BOARD APPROVAL: _____

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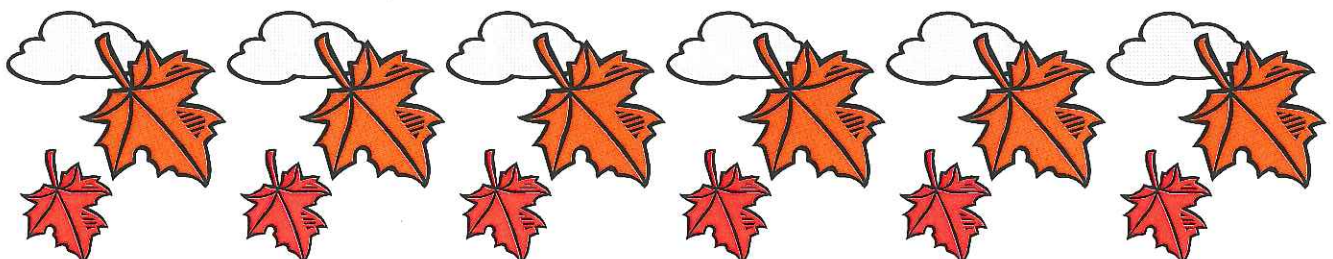
CHINO BASIN WATERMASTER

II. BUSINESS ITEM (App & Ag Pool)

A. 85/15 RULE POLICY

I. BUSINESS ITEM (Non-Ag Pool)

D. 85/15 RULE POLICY





CHINO BASIN WATERMASTER

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

DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: October 13, 2011
TO: Appropriative Pool Members
SUBJECT: 85/15 Rule Policy

SUMMARY

Recommendation – That the Appropriative Pool approve Watermaster Policy No. 5.1 on the Application of the 85/15 Rule (Exhibit H Section 7) Including Applications of the Rule to Preemptive Replenishment Water

BACKGROUND

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

In 1978 when the Judgment was entered, overproducing parties could either acquire unused operating safe yield from an under producing party to meet their overproduction or through the purchase of replenishment water. Watermaster was responsible for acquiring replenishment water in the amount necessary to make up for the previous year's overproduction. Watermaster paid for the water through an assessment levied in accordance with the 85/15 Rule. With the passage of time and the development of stored water in the basin, parties could extract water in excess of their allocated safe yield without incurring a replenishment obligation if they had sufficient stored water to make up the overproduction. However since stored water could be traded or sold Watermaster allowed overproducing parties to purchase either unused operating safe yield or stored water from another party to satisfy the replenishment obligation. The party acquiring water through a transfer was responsible for paying for the water and Watermaster would assess all members of the Pool for 15% of the certified acquisition cost and reimburse the acquiring party.

Although the intent of the 85/15 Rule appears straight forward enough, a review of its recent application found that it was being applied in a manner inconsistent with the intent of the Judgment. The inconsistent application of the 85/15 Rule was discussed at the Appropriative Pool, Advisory Committee, and Watermaster Board meetings in September, 2011 (see attachment). Watermaster was requested to have a workshop on its future application which was held on September 20, 2011. At the workshop there was a consensus on application of the 85/15 Rule to replenishment water acquired by overproducers. In addition, with the advent of preemptive replenishment water, the workshop participants determined that a policy should be developed for it to qualify for the 85/15 Rule. Watermaster was directed to develop a formal policy addressing application of the 85/15 Rule.

85/15 Rule Policy:

A draft Policy for Appropriative Pool consideration and approval is attached. For replenishment water acquired through a purchase by Watermaster or through a water transfer from either unused operating safe yield or stored water the 85/15 Rule shall be applied only to the exact quantity required to satisfy the amount of water overproduced.

In the case of preemptive replenishment, the acquiring party shall be responsible for paying for the water at the time of acquisition. Watermaster will verify the price paid for preemptive replenishment water at the time of acquisition. When preemptive replenishment water is used to offset an overproduction obligation the party using replenishment water will be able to receive the benefit of the 85/15 Rule on the price of the preemptive replenishment water at the time of acquisition. This procedure will require a party acquiring preemptive replenishment water to be responsible for all carrying cost associated with the acquisition and holding of the water.

*Attachments:**Draft 85/15 Rule Policy**September 22, 2011 Watermaster Board Application of the 85/15 Rule Staff Letter***Action:**

October 13, 2011 Appropriative Pool –

**Chino Basin Watermaster
WATERMASTER POLICY**

Subject	Policy Number	Date Adopted	Date Revised
85/15 RULE	5.1 (tentative)	10-27-11 (tentative)	

Purpose

5.1.1 To document the application of the 85/15 Rule to replenishment water acquired by Watermaster or by an Appropriative Pool party through a transfer of Operating Safe Yield or stored water or for a preemptive replenishment account to satisfy overproduction within the Appropriative Pool.

Background

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

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

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

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

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

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

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

5.1.3 Watermaster receives water transfer applications throughout the fiscal year. As part of the water transfer process, Watermaster must evaluate and document if the

85/15 Rule will potentially apply to the transfer. After the close of the fiscal year, when the Assessment Package is prepared, the transfer will be thoroughly evaluated to see if the 85/15 Rule applies to any portion of it.

Policy

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

85/15 Rule Participation

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

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

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

5.1.7 Preemptive Replenishment – When the 85/15 Rule is applied toward preemptive replenishment, it will be applied to only that portion used to offset overproduction for the previous year. Preemptive replenishment water must be certified as such by Watermaster and held in a preemptive replenishment account. The value of the preemptive replenishment water in the year the preemptive replenishment water is used to satisfy overproduction shall be equal to the price paid at the time of acquisition of the preemptive replenishment water.

5.1.8 Assessment Package Procedure – The 85/15 Rule needs to be applied to all overproduction replenishment, water transfers, and preemptive replenishment, when applicable.

- a. The necessary accounting for overproduction replenishment, CURO, and preemptive replenishment will be documented within the Assessment Package.
 1. All overproduction replenishment qualifies for the 85/15 Rule, as long as the Buyer is subject to the 85/15 Rule.
 2. Any CURO also qualifies for the 85/15 Rule, as long the obligation was initially subject to the 85/15 Rule.
 3. Preemptive replenishment is to be applied in this same manner as overproduction replenishment, as long as the Buyer is subject to the 85/15 Rule. It is only to be applied to that portion purchased to offset overproduction for the year in which the water is used to satisfy overproduction.
- b. Water transfers will be evaluated individually as follows.
 1. Determine if the Buyer is a Party that is subject to the 85/15 Rule.
 2. If the Buyer is subject to the 85/15 Rule, determine if the water transfer qualifies for the 85/15 Rule. In order to qualify for the Rule, the Buyer must have otherwise been an overproducer and must be purchasing the water to offset overproduction. (The 85/15 Rule does not apply if the Buyer is an underproducer or if an overproducer that wants to put the water into storage.) An overproducer is defined as a party that would have otherwise had greater “Total

Production and Exchanges” than their “Annual Production Right” had it not been for the water transaction(s).

3. The 85/15 Rule will only be applied to the portion of a water transfer required to offset overproduction. The 85/15 Rule will not be applied to the portion of water acquired through a transfer in excess of the amount required to offset overproduction.
4. If the 85/15 Rule applies to a transfer, the monetary amount that is applied to the water transfer in the Assessment Package is the precise amount (per acre-foot) of the transaction, as agreed to by the Buyer and Seller reported and certified by Watermaster. The Party acquiring water through a transfer (Buyer) shall be responsible for paying the full cost of the water. The 15-percent is to be credited to the Buyer through the Assessment process.
5. In the case of Aquifer Storage and Recovery (ASR), the monetary amount applied to the 85/15 transaction (if the 85/15 Rule applies) is the total monetary amount that the Party paid to purchase the water. (Operational, including electrical and treatment, costs do not apply.)



CHINO BASIN WATERMASTER

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: September 22, 2011
TO: Watermaster Board Members
SUBJECT: Application of the 85/15 Rule

SUMMARY

Issue – Historical and future application of the 85/15 Rule within the Assessment Package.

Fiscal Impact – None to Watermaster's budget, but individual Appropriative Pool Parties that are subject to the 85/15 Rule are affected.

BACKGROUND

The adjudication of the Chino Basin resulted in a judgment which allocated water rights amongst three distinct classes of pumpers; the Agricultural, Non-Agricultural, and Appropriative Pools. Although the judgment allocated specific water rights amongst the pools and to all parties within the pools it recognized that the parties may require more water than their water rights allowed and made provisions to allow all parties to rely on the basin regardless of the total extraction allowed. The judgment clearly provided much flexibility in allowing overproduction from the basin as long as the amount of overproduction is made up through replenishment on a one for one basis the year following overproduction.

Given this framework, the question arises as to who pays for the replenishment water to make up for the overproduction, the party responsible for the over production or all the parties. The judgment addresses this differently for each of the three pools. In the case of the Agricultural Pool, replenishment water is paid for through a gross pump tax levied equally amongst all the pool members. In the case of the Non-Agricultural pool, replenishment water is paid through a net pump tax assessed on each member of the pool based on the member's overproduction. In the case of the Appropriative pool, there were arguments for both a gross and a net pump tax.

At the time the judgment was entered into, there were more parties in the Appropriative Pool that overproduced than not. The overproducers argued that since the individual amounts of overproduction varied from year to year, it was best that the cost of replenishment water purchased the following year be equally divided amongst all parties, ie. a gross pump tax. The rationale being that all the parties enjoy the benefit of overproduction and all should participate in remediating the effects of overproduction. The parties that did not overproduce felt that they should not be responsible for paying for replenishment water that was not required by their behavior. They argued for a net pump tax so that in effect an overproducing party would pay the cost of the replenishment water they caused to be purchased and in so doing would minimize the amount of overproduction and the stress it caused to the basin. In the end this disagreement in approach resulted in a hybrid assessment methodology and creation of the 85/15 Rule. The 85/15 Rule provides that a net pump tax be born by each overproducer to pay for 85% of its costs of replenishment water and that a gross pump tax be paid by all appropriators to cover 15% of the cost of replenishment water.

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

7. Replenishment Assessment. *The cost of replenishment water required to replace production from Chino Basin in excess of Operating Safe Yield in the preceding year shall be allocated and recovered as follows:*
- (a) *For production, other than for increased export, within CBMWD or WMWD:*
 - (1) Gross Assessment. *15% of such replenishment water costs shall be recovered by a uniform assessment against all production of each appropriator producing in said area during the preceding year.*
 - (2) Net Assessment. *The remaining 85% of said costs shall be recovered by a uniform assessment on each acre-foot of production from said area by each such appropriator in excess of his allocated share of Operating Safe Yield during said preceding year.*
 - (b) *For production which is exported for use outside Chino Basin in excess of maximum export in any year through 1976, such increased export production shall be assessed against the exporting appropriator in an amount sufficient to purchase replenishment water from CBMWD or WMWD in the amount of such excess.*
 - (c) *For production within SBVMWD or PVMWD:*
By an assessment on all production in excess of an appropriator's share of Operating Safe Yield in an amount sufficient to purchase replenishment water through SBVMWD or MWD in the amount of such excess.

The Judgment excludes certain Parties from the requirements of the 85/15 Rule, namely Marygold Mutual Water Company and the City of Pomona. They will not ever receive a benefit of the 85/15 Rule, nor will they ever pay into it. In addition, Appropriators that are not original Parties to the Judgment, but intervened without water rights, are excluded from the 85/15 Rule provisions and therefore pay 100-percent of their water transfers and replenishment obligation. The current list of the Parties who are and are not subject to the 85/15 Rule is provided in the Table 1.

TABLE 1
85/15 Rule Participation

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

Application of the 85/15 Rule

The 85/15 Rule applies to any overproducer that is a Party subject to the 85/15 Rule. The rule applies to both water transfers, if done to prevent or minimize overproduction, and to the replenishment assessment charged by Watermaster through the Assessment Package. In either case, 85-percent of the cost of the water is paid by the overproducer and the remaining 15-percent of the cost is paid by all Parties subject to the 85/15 Rule (including the overproducer itself).

When the 85/15 Rule is applied toward a replenishment obligation, it is straightforward. It is applied to that exact amount which a Party overproduced, and the 15-percent of the cost of the replenishment water is allocated to the Parties that are subject to the 85/15 Rule.

In the case of water transfers, the Rule has been applied to the entire water transfer if any portion of the water transfer is used to offset a replenishment obligation. A summary of the application of the 85/15 Rule to water transfers that were made to offset overproduction is provided in Table 2 of water transfers in which the 85/15 Rule was applied are shown below.

TABLE 2
Application of the 85/15 Rule in Recent Assessment Packages

Assessment Year	Production Year	To	From	Date of Submittal	Transfer Amount (Acre-Feet)	\$/AF	Overproduction After Transfer(s) (AF)	Underproduction After Transfer(s) (AF)	
2010/2011	2009/2010	FWC	Nicholson Trust	06/23/10	6.082	\$400.00	2,787.571		
			Upland, City of	06/29/10	10,000.000	\$400.00			
		MVWD	MVIC	04/05/10	2,000.000	\$390.00			1,406.635
	Upland, City of	06/15/10	1,000.000	\$390.00					
2009/2010	2008/2009	FWC	CVWD	10/06/08	4,265.000	\$214.61	8,168.866		
			Nicholson Trust	05/21/09	5.619	\$295.00			
		JCSD	SARWC	02/02/09	1,000.000	\$244.00			
		MVWD	Pomona, City of	05/11/09	3,500.000	\$295.00			2,358.607
2008/2009	2007/2008	FWC	Nicholson Trust	04/30/08	8.185	\$222.30	18,277.293	672.155	
		MVWD	SAWCO	03/24/08	2,000.000	\$245.00			
2007/2008	2006/2007	FWC	CVWD	01/22/07	2,500.000	\$222.30	1,924.016		
			Nicholson Trust	03/15/07	7.694	\$222.30			
			Upland, City of	05/07/07	10,000.000	\$225.00			
			WVWD	02/12/07	1,000.000	\$210.00			
		JCSD	SARWC	06/28/07	2,000.000	\$233.00			2,343.538
		MVWD	MVIC	08/14/06	1,300.000	\$225.00			7,421.339
			Injection Surcharge	06/30/07	98.011	\$340.00			
	WVWD	10/31/06	500.000	\$220.00					
2006/2007	2005/2006	FWC	CVWD	05/11/06	2,500.000	\$217.80	4,792.806		
			Nicholson Trust	04/14/06	8.623	\$217.80			
			SAWCO	06/26/06	5,000.000	\$225.00			
			WVWD	04/07/06	2,000.000	\$210.00			
		JCSD	SARWC	06/30/06	2,000.000	\$233.00			1,103.848
		MVWD	Chino Hills, City of	10/18/05	5,000.000	\$214.20			2,288.671
			MVIC	07/20/05	1,050.000	\$238.00			
	Ontario, City of	Upland, City of	08/01/05	16,000.000	\$222.50	7,859.429			
2005/2006	2004/2005	FWC	CVWD	05/27/05	2,500.000	\$217.80	17,617.291		
			Nicholson Trust	06/09/05	5.458	\$217.80			
			WVWD	05/27/11	1,000.000	\$210.00			
		JCSD	SARWC	03/11/05	1,600.000	\$233.00			1,073.356
		MVWD	MVIC	07/26/04	1,100.000	\$225.00			4,973.737
			Pomona	09/01/04	2,500.000	\$212.00			
			Ontario	Chino	4/20/2005	5,350.000			\$220.00

NOTE: The only transfers that are listed are those which the 85/15 Rule was applied to.

Preemptive replenishment water that was bought this year to be used in the future will not be subject to the 85/15 Rule. And consistent with the language and intent of the judgment, the 85/15 Rule will only apply to water transfers purchased to make up overproduction for the previous year.

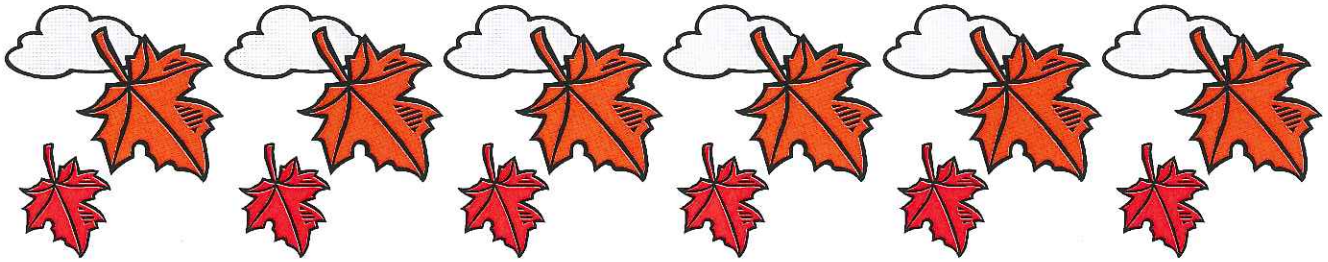
Actions:

September 8, 2011 Appropriative Pool – Watermaster will convene a workshop for further discussion

September 8, 2011 Non-Agricultural Pool – Watermaster will convene a workshop for further discussion

September 15, 2011 Advisory Committee – Watermaster will convene a workshop for further discussion

September 22, 2011 Watermaster Board – Watermaster will convene a workshop for further discussion



CHINO BASIN WATERMASTER

II. BUSINESS ITEM (Appropriative Pool)

B. DEFERMENT OF 2011-2012 ASSESSMENT PACKAGE

I. BUSINESS ITEM (Non-Ag Pool)

E. DEFERMENT OF 2011-2012 ASSESSMENT PACKAGE





CHINO BASIN WATERMASTER

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: October 13, 2011
TO: Committee Members
SUBJECT: Deferment of Fiscal Year 2011/2012 Assessment Package

Recommendations – Approve Delaying the Fiscal Year 2010-2011 Assessment Package to January 2012 and Approve Watermaster to Issue Invoices in Early November in the Amount of 50-percent of Fiscal Year 2009-2010 Assessments Funding Watermaster Through January 2012.

SUMMARY

Watermaster annually prepares an Assessment Package to facilitate invoicing the Appropriative and Non-Agricultural Pool for assessments to fund both Watermaster administrative and OBMP functions and the purchase replenishment water to make up for the prior year's overproduction. However, in compiling this year's Assessment Package, it has become apparent that several issues need resolution. There are three key issues Watermaster is currently working on. One is finalizing an approval of the Implementation Policy for the 85/15 Rule in accordance with discussions and directions provided at a workshop held on September 20, 2011. Since the 85/15 Rule applies to replenishment water there is the additional consideration of the preemptive replenishment that is to be addressed. Finally there is a need to complete a reconciliation of the stored water in the basin. Detailed analyses need to be performed to determine whether supplemental storage is truly within its allowance of 100,000 acre-feet, and also to determine if all of the proper storage agreements have been issued.

The Assessment Package is usually completed in early October and brought through the Watermaster process for approval during the month of October. Assessments are invoiced in early November, due 30 days later. This year Watermaster with the consent of the Pools, Advisory Committee, and Board will not be issuing the Assessment Package for the water year ending June 30, 2011 until January 2012. To cover ongoing expenses through that time, Watermaster will issue invoices in early November in the amount of 50-percent of last year's assessments to all Parties of the Appropriative and Non-Agricultural Pools. Following finalization of the Assessment Package, the assessment balances will be invoiced.

It should be noted there is precedent for delaying the Assessment Package in this manner. Most recently during the 2006/2007 Fiscal Year, there were several outstanding issues affecting the Assessment Package as late as November 2006 due to the Peace II process. Consequently, the final Assessment Package was deferred until February 2007. In the interim to fund operations pending completion of the Assessment Package invoices were issued for 50-percent of the previous year's assessments.

A summary of the proposed portion of the assessment to be invoiced in early November is provided the table below. Also included in the table are last year's assessments, as well as a calculation of 50-percent of them. Note that last year there two Parties (one Appropriative Pool Party and one Non-Agricultural Pool Party) that each had a credit due to them rather than an assessment due to Watermaster. In the case of each of these, they will not be invoiced or credited in this portion of the assessment collection process, as reflected on the table.

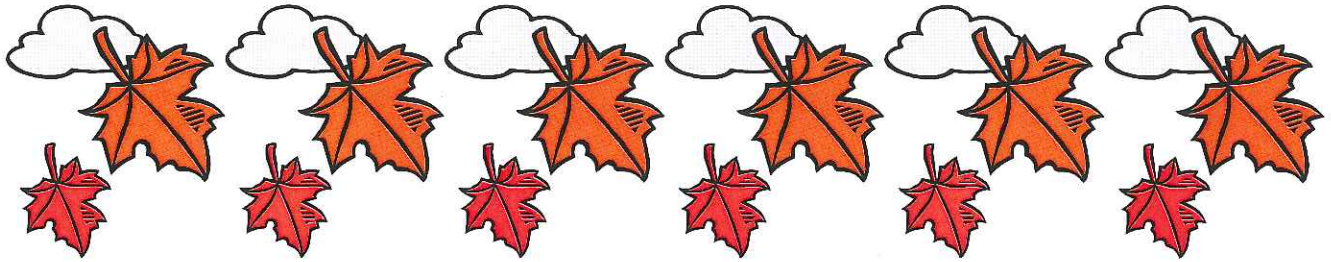
Proposed FY 2011/2012 Assessment Collection 1 of 2
To Be Invoiced in Early November
(Based on 50-Percent of FY 2010/2011 Assessments)

Appropriative Pool Party	Prior Year Assessment	50-Percent
Arrowhead Mtn Spring Water Co	\$ 292,084.57	\$ 146,042.29
Chino Hills, City Of	\$ 155,014.84	\$ 77,507.42
Chino, City Of	\$ 274,138.82	\$ 137,069.41
Cucamonga Valley Water District	\$ 654,334.51	\$ 327,167.26
Desalter Authority	\$ -	\$ -
Fontana Union Water Company	\$ 189,667.92	\$ 94,833.96
Fontana Water Company	\$ 2,163,055.66	\$ 1,081,527.83
Fontana, City Of	\$ -	\$ -
Golden State Water Company	\$ 36,004.95	\$ 18,002.48
Jurupa Community Services District	\$ 1,495,794.50	\$ 747,897.25
Marygold Mutual Water Company	\$ 36,546.35	\$ 18,273.18
Monte Vista Irrigation Company	\$ (96,921.92)	\$ -
Monte Vista Water District	\$ 916,485.28	\$ 458,242.64
Niagara Water Company	\$ 1,004,792.61	\$ 502,396.31
Nicholson Trust	\$ 113.88	\$ 56.94
Norco, City Of	\$ 5,987.63	\$ 2,993.82
Ontario, City Of	\$ 1,535,314.10	\$ 767,657.05
Pomona, City Of	\$ 795,346.25	\$ 397,673.13
San Antonio Water Company	\$ 108,704.93	\$ 54,352.47
San Bernardino County Shtg Prk	\$ 12,067.77	\$ 6,033.89
Santa Ana River Water Company	\$ 38,610.44	\$ 19,305.22
Upland, City Of	\$ 95,160.29	\$ 47,580.15
West End Consolidated Water Company	\$ 28,116.28	\$ 14,058.14
West Valley Water District	\$ 19,118.12	\$ 9,559.06
Total	\$ 9,759,537.78	\$ 4,928,229.85

Non-Ag Pool Party	Prior Year Assessment	50-Percent
Ameron Inc	\$ 224.72	\$ 112.36
Angelica Textile Service	\$ 16,709.51	\$ 8,354.76
Aqua Capital Management	\$ -	\$ -
Auto Club Speedway	\$ 24,504.49	\$ 12,252.25
California Steel Industries Inc	\$ 52,336.21	\$ 26,168.11
CCG Ontario, Llc	\$ -	\$ -
General Electric Company	\$ 6,339.16	\$ 3,169.58
GenOn West, LP	\$ (861.12)	\$ -
Kaiser Ventures Inc	\$ -	\$ -
KCO, LLC / The Koll Company	\$ -	\$ -
Loving Savior Of The Hills	\$ -	\$ -
Ontario City Non-Ag	\$ 83,115.03	\$ -
Praxair Inc	\$ -	\$ -
San Antonio Winery	\$ 7,571.92	\$ 3,785.96
San Bernardino Cty (Chino Airport)	\$ 7,239.65	\$ 3,619.83
Southern California Edison Company	\$ -	\$ -
Space Center Mira Loma Inc.	\$ 4,630.06	\$ 2,315.03
Sunkist Growers Inc	\$ -	\$ -
Swan Lake Mobile Home Park	\$ 18,810.93	\$ 9,405.47
Vulcan Materials Company	\$ 15.17	\$ 7.59
West Venture Development	\$ -	\$ -
Total	\$ 220,635.73	\$ 69,190.91

ACTIONS:

- October 13, 2011 Appropriative Pool –
- October 13, 2011 Non-Agricultural Pool –
- October 13, 2011 Agricultural Pool –
- October 20, 2011 Advisory Committee –
- October 27, 2011 Watermaster Board –



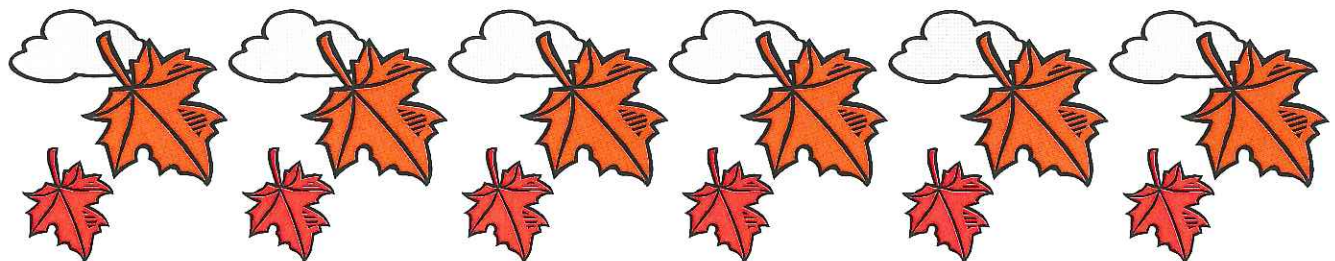
CHINO BASIN WATERMASTER

II. BUSINESS ITEM (Appropriative Pool)

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

I. BUSINESS ITEM (Non-Ag Pool)

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





CHINO BASIN WATERMASTER

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: October 13, 2011
TO: Appropriative Pool
SUBJECT: Assessment for Water Purchased from the Non-Agricultural Pool pursuant to the Peace II Purchase and Sale Agreement.

SUMMARY

Recommendation – Staff recommends the Appropriative Pool; (1) approve to assess the Appropriative Pool members the amount necessary to make payment number 3 from the disposition of water purchased from the Non-Agricultural Pool pursuant to the Peace II Purchase and Sale Agreement and (2) approve to adjust Year 2 billing amounts to reflect the correct FY 2008-2009 production amounts per the memorandum dated November 5, 2009 and provided at the Board meeting of November 19, 2009 (Attachment B).

DISCUSSION

Assessment of Appropriative Pool for Payment 3:

The *Purchase and Sale Agreement for the Purchase of Water by Watermaster from Overlying (Non-Agricultural) Pool* (Attachment C) identifies the "Storage Transfer Quantity" as that amount held in storage by the members of the Non-Agricultural Pool as of June 30, 2007 less a ten percent dedication for the purpose of Desalter Replenishment. (Purchase and Sale Agreement Section B.) Under the Purchase and Sale Agreement, Watermaster, at the direction of the Appropriative Pool, is to issue a Notice of Intent to Purchase to the Non-Agricultural Pool within 24 months after Court approval of the Peace II Documents. The Notice of Intent to Purchase was issued on December 18, 2009.

The four annual payments to the Non-Agricultural Pool are scheduled in accordance to Attachment G, Section D of the Peace II Agreement. Per the document, the purchase price listed will be "...adjusted for inflation by the consumers price index ("cpi") for San Bernardino County from May 31, 2006 until the Payment Date,:"

1. \$215 times 1/4 of the Storage Transfer Quantity on the Payment Date.
2. \$220 times 1/4 of the Storage Transfer Quantity on the first anniversary of the Payment Date.
3. \$225 times 1/4 of the Storage Transfer Quantity on the second anniversary of the Payment Date.
4. \$230 times 1/4 of the Storage Transfer Quantity on the third anniversary of the Payment Date.

The previous years "cpi" adjustments have been as follows:

CPI 2006-2007: 2.90%
CPI 2007-2008: 3.70%
CPI 2008-2009: (1.80%)
CPI 2009-2010: 1.76%
CPI 2010-2011: 3.06%

This year's "cpi" increase as of May 2011 was 3.06% which calculated a purchase price of \$247.26 AF ($\$225.00 \times 2.90\% \times 3.70\% \times (1.80\%) \times 1.76\% \times 3.06\% = \247.26).

Per Section D, there is also an express price cap as follows: "However, all payments provided for herein, including inflation adjustments, are subject to an express price cap and will not exceed ninety-two (92) percent of the then prevailing MWD replenishment rate in any year." For this proposed assessment, the \$247.26 AF has not exceeded the price cap.

Per Attachment G of the Peace II Agreement, payments to the Non-Agricultural Pool must be completed on the anniversary of the original payment date, which was January 14, 2010. All future payments must be made on or before January 14th. Watermaster intends to issue the third annual installment payment on or before January 13, 2012.

The Purchase of Non-Ag Pool Water worksheet (Attachment A) details the total storage amount of 38,457.492 AF x 25% at a CPI adjusted price of \$247.26 which equals \$2,377,249.88 which is the proposed assessment amount.

Adjustment of Year Two Billing:

The first year's assessment calculation used the FY 2008-2009 actual production data in determining the individual assessment amount for each Appropriator. When calculating the second year's assessment, the FY 2009-2010 actual production data was used in determining the individual assessment amount for each Appropriator. It has been determined that the second year's production numbers for calculating the assessment should have been the FY 2008-2009 production information, not the FY 2009-2010 production information. For this reason, an adjustment to the prior year's billing must be completed.

According to section (2) of the document labeled "*Plan Regarding Disposition of Water Purchased from the Non-Agricultural Pool Pursuant to the Peace II Purchase and Sale Agreement*" (Attachment B) dated November 5, 2009 and presented at the Board meeting of November 19, 2009 states that "The assessment allocation used for the first installment of the purchase price shall also be used for the subsequent three installments". The first installment payment used the production information from FY 2008-2009. Therefore, all subsequent worksheets should use the production information from FY 2008-2009.

FINANCIAL IMPACT

The financial impact is an assessment to the Appropriative Pool members of \$2,377,249.88 for Payment Number 3 (Attachment A). There is no fiscal impact with regards to the Prior Year billing adjustment from Year 2 since the production amount correction (using FY 2008-2009 instead of FY 2009-2010) does not change the overall assessment amount charged to the Appropriators. The correction only adjusts how much each Appropriator paid based upon their FY 2008-2009 production amounts.

Attachment B:

Plan Regarding Disposition of Water Purchased from the Non-Agricultural Pool Pursuant to the Peace II Purchase and Sale Agreement

November 5, 2009

- (1) By December 21, 2009, Watermaster, under the direction of the Appropriative Pool, will send the Notice of Intent to Purchase pursuant to the Purchase and Sale Agreement.
- (2) A Special Assessment will be levied by Watermaster on the Appropriative Pool in an amount necessary to fund the purchase of the water. This assessment shall be levied according to a 50/50 split between shares of Operating Safe Yield and the previous year's production. The previous year's production shall be calculated as the average of columns 2L and 2J from the Pool 3 Water Production Summary in the 2008-2009 Watermaster Assessment Package. The assessment allocation used for the first installment of the purchase price shall also be used for the subsequent three installments.
- (3) All purchased water shall be placed into a Watermaster storage account called the Purchased Water Account.
- (4) Watermaster shall hold the Purchased Water Account in trust for the members of the Appropriative Pool, and shall allocate the water held in the Purchased Water Account according to direction from the Appropriative Pool. However, pursuant to the Purchase and Sale Agreement and the Peace II Agreement, the water may only be used pursuant to a Storage and Recovery Program or for use as Desalter Replenishment.
- (5) Watermaster shall assess losses against the Purchased Water Account at the same rate as losses are assigned against all other Local Storage accounts.
- (6) The water held in the Purchased Water Account shall remain exportable pursuant to the Court's August 11, 2009 Order. As exportable water, the water in the Purchased Water Account shall be designated as Supplemental Water.
- (7) If the water in the Purchased Water Account is sold pursuant to a Storage and Recovery Program, at auction or otherwise, then each Appropriator shall be reimbursed from the sale proceeds in an amount equal to the amount assessed to purchase the water, without interest.
- (8) If the water in the Purchased Water Account has not been utilized in a Storage and Recovery Program or Desalter Replenishment within 3 years from the date it is placed into the storage account, then the Appropriative Pool may elect to distribute the water according to the same formula used to allocate the cost of purchasing the water from the Non-Agricultural Pool.

Attachment C:

September 21, 2007

Attachment "G"

PURCHASE AND SALE AGREEMENT FOR
THE PURCHASE OF
WATER BY WATERMASTER
FROM OVERLYING (NON-AGRICULTURAL) POOL

THIS AGREEMENT (Agreement) is dated 27th day of September, 2007, regarding the Chino Groundwater Basin.

RECITALS

WHEREAS, the Peace Agreement expressly authorized a transfer of water from the Overlying (Non-Agricultural) Pool to Watermaster for use as replenishment for the Desalters and for use in connection with a Storage and Recovery Program;

WHEREAS, Watermaster is evaluating its replenishment needs under the Judgment and several Storage and Recovery opportunities;

WHEREAS, Watermaster desires to purchase and the Overlying (Non-Agricultural) Pool desires to sell, all of the Non-Agricultural Pool water held in storage as of June 30, 2007;

WHEREAS, Watermaster is proposing an amendment to the Overlying (Non-Agricultural) Pool Pooling Plan set forth in Exhibit "G" to the Judgment whereby members of the Pool may offer water for purchase by Watermaster and thence the members of the Appropriative Pool under the process set forth therein;

NOW THEREFORE, in consideration of the mutual promises specified herein and by conditioning their performance under this Agreement upon the conditions precedent set forth herein, and for other good and valuable consideration, the Parties agree as follows:

A. Peace Agreement Transfer. This purchase and sale agreement is in accordance with Section 5.3(e) of the Peace Agreement that provides that "parties to the Judgment with rights within the Non-Agricultural (Overlying) Pool shall have the additional rights to Transfer their rights to Watermaster for the purposes of Replenishment for a Desalter or for a Storage and Recovery Program."

B. Quantity. The quantity of water being made available to Watermaster by the Non-Agricultural (Overlying) Pool on a one-time basis ("Storage Transfer Quantity") is equivalent to the total quantity of water held in storage by the members of the Overlying (Non-Agricultural) Pool held in storage on June 30, 2007 ("Storage Quantity"), less a ten percent dedication for the purpose of Desalter Replenishment, less the quantity of water transferred pursuant to paragraph I below ("Special Transfer Quantity").

September 21, 2007

C. Notice. Within twenty-four months of the final Court approval of this Agreement (“Effective Date”), and only with the prior approval of the Appropriate Pool, Watermaster will provide written **Notice of Intent to Purchase** the Non-Agricultural (Overlying) Pool water pursuant to Section 5.3(a) of the Peace Agreement, which therein identifies whether such payment will be in connection with Desalter Replenishment or a Storage and Recovery Program.

D. Payment. Commencing thirty (30) calendar days from the Notice of Intent to Purchase (“Payment Date”) Watermaster will pay to the Non-Agricultural Overlying Pool for each acre-foot of the Storage Transfer Quantity in accordance with the following schedule as the schedule is adjusted for inflation by the consumers price index (“cpi”) for San Bernardino County from May 31, 2006 until the Payment Date.:

1. \$215 times 1/4 of the Storage Transfer Quantity on the Payment Date.
2. \$220 times 1/4 of the Storage Transfer Quantity on the first anniversary of the Payment Date.
3. \$225 times 1/4 of the Storage Transfer Quantity on the second anniversary of the Payment Date
4. \$230 time 1/4 of the Storage Transfer Quantity on the third anniversary of the Payment Date.

However, all payments provided for herein, including inflation adjustments, are subject to an express price cap and will not exceed ninety-two (92) percent of the then prevailing MWD replenishment rate in any year.

E. Dedication to Desalter Replenishment. Upon Watermaster’s issuance of its written **Notice of Intent to Purchase**, and Watermaster’s tender of its initial payment on the Payment Date, ten (10) percent of the Storage Quantity will be dedicated for replenishment of Desalter production without compensation. Watermaster will receive but will not pay for this dedication.

F. Use and Distribution. Watermaster will take possession of the water made available pursuant to this Agreement and make use of and distribute the water made available in a manner consistent with Section 5.3(e) of the Peace Agreement.

G. Condition Precedent. This Agreement and the Parties performance hereunder are expressly conditioned upon Court approval of this Agreement.

H. Early Termination. This Agreement will expire and be of no further force and effect if: Watermaster does not issue its **Notice of Intent to Purchase** in accordance with Paragraph D above within twenty-four (24) months of Court approval. Upon Watermaster’s failure to satisfy the condition subsequent, the rights of the Non-Agricultural (Overlying) Pool will remain unaffected and without prejudice as result of their having executed this Agreement except that in the event of Early Termination, the Storage Transfer Quantity, will then be made available for purchase by Watermaster and thence the members of the Appropriate Pool in accordance with Paragraph 9.(iv) of Amended Exhibit G, the Overlying (Non-Agricultural) Pool,

September 21, 2007

Pooling Plan, including the requirement of a ten percent dedication towards Desalter replenishment.

I. One Time Transfer in Furtherance of the Physical Solution and in Aid of Desalter Replenishment ("Special Transfer Quantity"). In consideration of the Overlying (Non-Agricultural) Pool members' irrevocable commitment made herein and it the Peace II Measures Watermaster will purchase and immediately make available the quantity of 8,530 acre-feet (less a ten percent dedication to Watermaster for Desalter Production) to the San Antonio Water Company (SAWCO) and Vulcan Materials, a member of the Overlying (Non-Agricultural) Pool under terms established as between those parties. This One Time Transfer is in addition to and without prejudice to the discretionary rights of the members of the Overlying (Non-Agricultural) Pool to make available and Watermaster and members of the Appropriative Pool to purchase water as Physical Solution transfers. No member of the Appropriative Pool, other than SAWCO assumes any responsibility for the purchase of this Special Transfer Quantity from Vulcan.

IN WITNESS THEREOF, the Parties hereto have set forth their signatures as of the date written below:

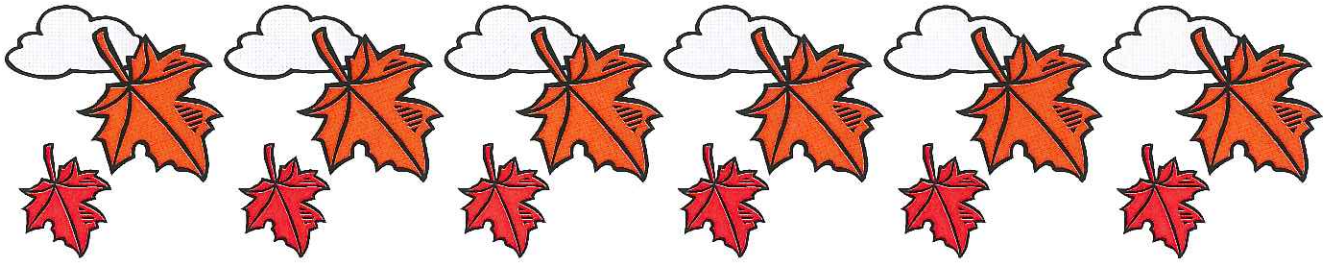
Dated:

NON-AGRICULTURAL OVERLYING POOL

By _____

ACTIONS:

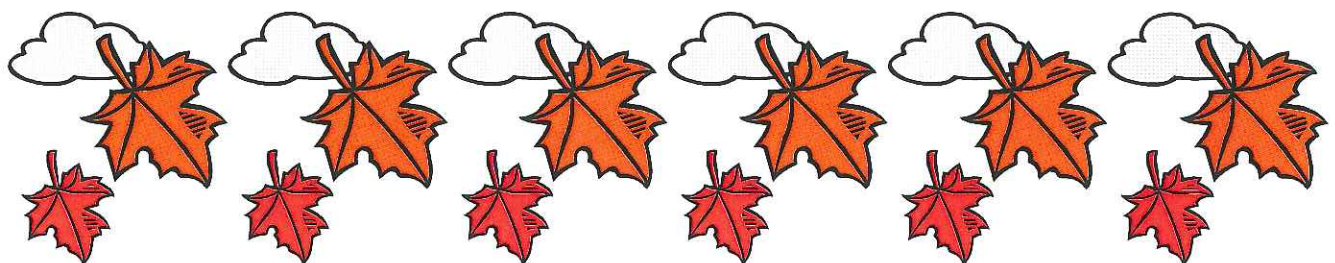
- October 13, 2011 Appropriative Pool –**
- October 13, 2011 Non-Agricultural Pool –**
- October 13, 2011 Agricultural Pool –**
- October 20, 2011 Advisory Committee –**
- October 27, 2011 Watermaster Board –**



CHINO BASIN WATERMASTER

III. / IV. INFORMATION

1. Cash Disbursements for September 2011



CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2011

For Informational Purposes Only

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

97

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/31/2011	L0065408		L0065408	7103.5 - Grdwtr Quah-Lab Svcs	1,086.00
Bill	08/31/2011	L0064933		L0064933	7103.5 - Grdwtr Quah-Lab Svcs	1,086.00
Bill	08/31/2011	L0064938		L0064938	7103.5 - Grdwtr Quah-Lab Svcs	1,982.00
Bill	08/31/2011	I0064939		L0064939	7103.5 - Grdwtr Quah-Lab Svcs	1,086.00
TOTAL						8,032.00
Bill Pmt -Check	09/07/2011	15378	PARK PLACE COMPUTER SOLUTIONS, INC.	454	1012 - Bank of America Gen'l Ckg	3,150.00
Bill	08/31/2011	454		IT Services - August 2011	6052.1 - Park Place Comp Soluion	3,150.00
TOTAL						
Bill Pmt -Check	09/07/2011	15379	PURCHASE POWER	8000909000168851	1012 - Bank of America Gen'l Ckg	75.40
Bill	08/31/2011	8000909000168851		fed ex shipments	6042 - Postage - General	75.40
TOTAL						
Bill Pmt -Check	09/07/2011	15380	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	824.00
Bill	08/31/2011	1VC070000017418		Week ending 8/21/11	6017 - Temporary Services	824.00
TOTAL						
Bill Pmt -Check	09/07/2011	15381	VANDEN HEUVEL, GEOFFREY	6311	1012 - Bank of America Gen'l Ckg	125.00
Bill	08/25/2011	8/25 Board Mtg		8/25/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						
Bill Pmt -Check	09/07/2011	15382	WILLIS, KENNETH	8/22/11 Administrative Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	08/22/2011	8/22 Admin Mtg		8/25/11 Personnel Committee Meeting	6311 - Board Member Compensation	125.00
Bill	08/25/2011	8/25 Personnel Comm			6311 - Board Member Compensation	250.00
TOTAL						
Bill Pmt -Check	09/07/2011	15383	CALPERS	1741	1012 - Bank of America Gen'l Ckg	5,430.70
Bill	09/06/2011	1741		Medical Insurance - October 2011	60182.1 - Medical Insurance	5,430.70
TOTAL						
Bill Pmt -Check	09/07/2011	15384	CITISTREET	Payroll and Taxes for 08/07/11-08/20/11	1012 - Bank of America Gen'l Ckg	1,863.30
General Journal	08/26/2011	08/26/2011	CITISTREET	457 Employee Deductions for 08/07/11-08/20/11	2000 - Accounts Payable	1,863.30
TOTAL						
Bill Pmt -Check	09/07/2011	15385	DURRINGTON, GLEN	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	25.00
Bill	08/11/2011	8/11 Ag Pool Mtg		8/11/11 Ag Pool Meeting	8411 - Compensation	25.00
Bill	08/11/2011			Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						
Bill Pmt -Check	09/07/2011	15386	FEENSTRA, BOB	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	125.00
Bill	08/11/2011	8/11 Ag Pool Mtg		8/11/11 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	08/18/2011	8/18 Advisory Comm		8/18/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/25/2011	8/25 Personnel Comm		8/25/11 Personnel Committee Meeting	8411 - Compensation	125.00
Bill	08/25/2011	8/25 Board Meeting		8/25/11 Board Meeting	8411 - Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	09/07/2011	15387	GRAINGER	9619891907 GW quality supplies	1012 - Bank of America Gen'l Ckg 7103.6 - Grdwtr Qual-Supplies	10.95
Bill	08/31/2011	9619891907				10.95
TOTAL						
Bill Pmt -Check	09/07/2011	15388	HALL, PETE*	Ag Pool Member Compensation 8/11/11 Ag Pool Meeting	1012 - Bank of America Gen'l Ckg 8411 - Compensation	25.00
Bill	08/11/2011	8/11 Ag Pool Mtg				100.00
Bill	08/18/2011	8/18 Advisory Comm		Ag Pool Member Compensation 8/18/11 Advisory Committee Meeting	8411 - Compensation	25.00
Bill	08/25/2011	8/25 Board Mtg		Ag Pool Member Compensation 8/25/11 Board Meeting	8470 - Ag Meeting Attend -Special	100.00
TOTAL						375.00
Bill Pmt -Check	09/07/2011	15389	HUITSING, JOHN	Ag Pool Member Compensation 8/11/2011 Ag Pool Meeting	1012 - Bank of America Gen'l Ckg 8411 - Compensation	25.00
Bill	08/11/2011	8/11 Ag Pool Meeting				100.00
TOTAL						125.00
Bill Pmt -Check	09/07/2011	15390	KOOPMAN, GENE	Ag Pool Member Compensation 8/11/11 Ag Pool Meeting	1012 - Bank of America Gen'l Ckg 8411 - Compensation	25.00
Bill	08/11/2011	8/11 Ag Pool Meeting				100.00
TOTAL						125.00
Bill Pmt -Check	09/07/2011	15391	PIERSON, JEFFREY	Ag Pool Member Compensation 8/11/11 Ag Pool Meeting	1012 - Bank of America Gen'l Ckg 6311 - Board Member Compensation	125.00
Bill	08/11/2011	8/11 Ag Pool Mtg				125.00
Bill	08/18/2011	8/18 Advisory Comm		8/18/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	08/25/2011	8/25 Board Meeting		8/25/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	09/07/2011	15392	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	7,009.50
General Journal	08/20/2011	08/20/2011	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 08/07/11-08/20/11	2000 - Accounts Payable	7,009.50
TOTAL						
Bill Pmt -Check	09/07/2011	15393	TELECOM SERVICES	Make changes to voice-mail system	1012 - Bank of America Gen'l Ckg	125.00
Bill	08/31/2011	5422		Make changes to voice-mail system	8022 - Telephone	125.00
Bill	08/31/2011	5402		Make changes to voice-mail system	8022 - Telephone	250.00
TOTAL						
Bill Pmt -Check	09/07/2011	15394	VANDEN HEUVEL, ROB	Ag Pool Member Compensation 8/11/11 Ag Pool Meeting	1012 - Bank of America Gen'l Ckg 8411 - Compensation	25.00
Bill	08/11/2011	8/11 Ag Pool Mtg				

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						100.00
Bill Pmt -Check	09/07/2011	15395	MIJAC ALARM	Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	125.00
Bill	09/01/2011	305769				
TOTAL						396.00
Bill Pmt -Check	09/07/2011	15396	PRINTING RESOURCES		1012 - Bank of America Gen'l Ckg	396.00
Bill	08/25/2011	57004		nameplate for Gerald Greene	6031.7 - Other Office Supplies	28.44
Bill	08/25/2011	57005		title plate for Senior Environmental Engineer	6031.7 - Other Office Supplies	28.44
TOTAL						56.88
Bill Pmt -Check	09/07/2011	15397	STATE COMPENSATION INSURANCE FUND		1012 - Bank of America Gen'l Ckg	322.10
Bill	08/25/2011	1970870-11		Workers Compensation premium	60183 - Worker's Comp Insurance	322.10
TOTAL						322.10
Bill Pmt -Check	09/07/2011	15398	INLAND EMPIRE UTILITIES AGENCY		1012 - Bank of America Gen'l Ckg	540.25
Bill	08/18/2011	90008194			8456 - IEUA Readiness To Serve	540.25
					5011 - Replenishment Water	3,505,874.96
				Injection-WFA	1420 - Prepaid Injected Water Purchase	125,455.16
TOTAL						3,631,870.37
General Journal	09/09/2011	09/09/2011	Payroll and Tax 08/21/11-09/03/11		1012 - Bank of America Gen'l Ckg	8,979.89
			Payroll Tax for 08/21/11-09/03/11		1014 - Bank of America P/R Ckg	20,344.13
			Direct Deposits for 08/21/11-09/03/11		1014 - Bank of America P/R Ckg	5,963.82
			Payroll Checks for 08/21/11-09/03/11		1014 - Bank of America P/R Ckg	35,287.84
TOTAL						60,575.68
Bill Pmt -Check	09/12/2011	15399	WILDERMUTH ENVIRONMENTAL INC		1012 - Bank of America Gen'l Ckg	54,188.86
Bill	07/31/2011	2011298		2011298 - OBMP - Watermaster Model Update	6906.1 - OBMP - Watermaster Model Update	54,188.86
Bill	07/31/2011	2011299		2011299 - OBMP Engineering Services	6906 - OBMP Engineering Services	2,955.00
Bill	07/31/2011	2011300		2011300 - OBMP Engineering Services	6906 - OBMP Engineering Services	881.25
Bill	07/31/2011	2011301		2011301 - OBMP Engineering Services	6906 - OBMP Engineering Services	281.25
Bill	07/31/2011	2011302		2011302 - OBMP Engineering Services	6906 - OBMP Engineering Services	9,170.00
Bill	07/31/2011	2011303		2011303 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	16,803.60
Bill	07/31/2011	2011304		2011304 - Grdwtr Qual-Engineering	7103.3 - Grdwtr Qual-Engineering	7,316.33
Bill	07/31/2011	2011305		2011305 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	1,518.75
Bill	07/31/2011	2011306		2011306 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	1,316.12
Bill	07/31/2011	2011307		2011307 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	8,923.63
Bill	07/31/2011	2011308		2011308 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	10,262.50
Bill	07/31/2011	2011309		2011309 - PE3&5-Engineering	7303 - PE3&5-Engineering	11,341.25
Bill	07/31/2011	2011310		2011310 - PE4-Engineering	7402 - PE4-Engineering	3,661.34
Bill	07/31/2011	2011311		2011311 - OBMP Engineering Services	6906 - OBMP Engineering Services	625.00

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

P10 TOTAL

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/31/2011	L0063859		L0063859	7108.4 - Hydraulic Control-Lab Svcs	1,770.00
Bill	08/31/2011	L0065166		L0065166	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	08/31/2011	L0065167		L0065167	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	08/31/2011	L0065952		L0065952	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
TOTAL						10,727.00
Bill Pmt -Check	09/13/2011	15410	PAUL HASTINGS LLP	1895234	1012 - Bank of America Gen'l Ckg	1,778.01
Bill	08/31/2011	1895234		Ag Pool Legal Services	8467 - Ag Legal & Technical Services	1,778.01
TOTAL						1,778.01
Bill Pmt -Check	09/13/2011	15411	PAYCHEX	2011090100	1012 - Bank of America Gen'l Ckg	268.14
Bill	08/31/2011	2011090100		August 2011	8012 - Payroll Services	268.14
TOTAL						268.14
Bill Pmt -Check	09/13/2011	15412	PETTY CASH	2367-2377	1012 - Bank of America Gen'l Ckg	57.95
Bill	09/13/2011			Gas for field truck	6175 - Vehicle Fuel	57.95
				Gas for generator-supplies for water sampling	7103.6 - Grdwtr Qual-Supplies	118.12
				Purchase ball hitch for F150 field truck	6151 - Small Tools & Equipment	10.76
				Supplies for 7/21 and 8/18 DYY meetings	7604 - PE8&9-Supplies	20.08
				Supplies for 7/21 and 8/18 Adv. Comm. meetings	6212 - Meeting Expense	20.08
				Misc. office supplies	6031.7 - Other Office Supplies	41.43
				Supplies for 7/14 Appropriative Pool Meeting	8312 - Meeting Expenses	6.98
				Supplies for 7/14 Non Ag Pool Meeting	8512 - Meeting Expense	6.99
				Supplies for 8/25 Personnel Committee Meeting	6141.2 - Committee Meetings	12.47
				MetroLink fare-Maurizio-attend 9/09 MWD mtg	6174 - Transportation	16.50
TOTAL						311.36
Bill Pmt -Check	09/13/2011	15413	PREMIERE GLOBAL SERVICES	09119827	1012 - Bank of America Gen'l Ckg	9.60
Bill	08/31/2011	09119827		8/03 agenda call	8312 - Meeting Expenses	9.60
				8/03 agenda call	8412 - Meeting Expenses	9.61
				8/03 agenda call	8512 - Meeting Expense	522.48
				CDA calls on 8/04, 8/18, and 8/24	7305 - PE3&5-Supplies	170.78
				Non-Ag pool meeting call 8/11	8512 - Meeting Expense	35.18
				Monthly service and moderator fees	6022 - Telephone	757.25
TOTAL						8,134.25
Bill Pmt -Check	09/13/2011	15414	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	8,134.25
General Journal	09/09/2011	09/09/2011		CalPERS retirement for 08/21/11-09/03/11	2000 - Accounts Payable	8,134.25
TOTAL						8,134.25
Bill Pmt -Check	09/13/2011	15415	SOUTHERN CALIFORNIA WATER COMMITTEE	679	1012 - Bank of America Gen'l Ckg	850.00
Bill	05/09/2011	679		Membership for 2011/2012	1433 - Prepaid Membership Dues	850.00
TOTAL						850.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/13/2011	15416	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	1VC070000017446		Week ending 8/28/11	6017 - Temporary Services	824.00
TOTAL						824.00
Bill Pmt -Check	09/13/2011	15417	UNION 76	300-732-989	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	300732989		August 2011	6175 - Vehicle Fuel	275.86
TOTAL						275.86
Bill Pmt -Check	09/13/2011	15418	UNITED PARCEL SERVICE	2x81x0	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	2X81X0		Postage	6042 - Postage - General	12.48
TOTAL						12.48
Bill Pmt -Check	09/13/2011	15419	VERIZON		1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	012561121521714508		Data lines	7405 - PE4-Other Expense	166.41
Bill	08/31/2011	012519116950792703		General telephone lines	6022 - Telephone	539.00
TOTAL						705.41
Bill Pmt -Check	09/13/2011	15420	WATER FACILITIES AUTHORITY	12-16	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	12-16		WFA treatment charge	1420 - Prepaid Injected Water Purchase	10,540.74
TOTAL						10,540.74
Bill Pmt -Check	09/13/2011	15421	WESTERN DENTAL SERVICES, INC.	002483	1012 - Bank of America Gen'l Ckg	
Bill	09/07/2011	002483		Dental insurance - October 2011	60182.2 - Dental & Vision Ins	28.88
TOTAL						28.88
Bill Pmt -Check	09/14/2011	15422	CORELOGIC INFORMATION SOLUTIONS	80282310	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	80282310			7103.7 - Grdwtr Qual-Computer Svc	62.50
TOTAL					7101.4 - Prod Monitor-Computer	62.50
Bill Pmt -Check	09/14/2011	15423	GREAT AMERICA LEASING CORP.	11299710	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	11299710		Invoice - copier leases	6043.1 - Ricoh Lease Fee	2,788.53
TOTAL					6043.1 - Ricoh Lease Fee	617.10
Bill Pmt -Check	09/14/2011	15424	SAFEGUARD DENTAL & VISION	3922182	1012 - Bank of America Gen'l Ckg	
Bill	09/13/2011	3922182		Dental insurance - September 2011	60182.2 - Dental & Vision Ins	7.91
TOTAL						7.91
Bill Pmt -Check	09/14/2011	15425	STAPLES BUSINESS ADVANTAGE	8019574894	1012 - Bank of America Gen'l Ckg	
Bill	09/13/2011	8019574894				

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	09/03/2011	8019574894		Miscellaneous office supplies	6031.7 - Other Office Supplies	234.79
TOTAL						234.79
Bill Pmt -Check	09/14/2011	15426	THE LAWTON GROUP		1012 - Bank of America Gen'l Ckg	824.00
Bill	09/13/2011	1CV070000017473		Week ending 9/04/11	6017 - Temporary Services	824.00
TOTAL						824.00
Bill Pmt -Check	09/14/2011	15427	VERIZON BUSINESS		1012 - Bank of America Gen'l Ckg	1,537.85
Bill	09/13/2011	66003717		Charges for service period 10/01/11 -10/31/11	6053 - Internet Expense	1,537.85
TOTAL						1,537.85
Bill Pmt -Check	09/14/2011	15428	VERIZON WIRELESS		1012 - Bank of America Gen'l Ckg	738.42
Bill	09/13/2011	1009830947		Monthly service & G. Greene cell phone	6022 - Telephone	738.42
TOTAL						738.42
Bill Pmt -Check	09/14/2011	15429	YUKON DISPOSAL SERVICE		1012 - Bank of America Gen'l Ckg	106.53
Bill	09/13/2011	08-K2 213849		Service for September 2011	6024 - Building Repair & Maintenance	106.53
TOTAL						106.53
Bill Pmt -Check	09/15/2011	15430	APPLIED COMPUTER TECHNOLOGIES		1012 - Bank of America Gen'l Ckg	2,854.10
Bill	08/31/2011	2022		Database serv ice - August 2011	6052.2 - Applied Computer Technol	2,854.10
TOTAL						2,854.10
Bill Pmt -Check	09/15/2011	15431	BROWNSTEIN HYATT FARBER SCHRECK		1012 - Bank of America Gen'l Ckg	2,488.41
Bill	07/31/2011	442318		442318 - BHFS Legal - Appropriative Pool	8375 - BHFS Legal - Appropriative Pool	2,488.41
				442318 - BHFS Legal - Agricultural Pool	8475 - BHFS Legal - Agricultural Pool	1,623.41
				442318 - BHFS Legal - Non-Ag Pool	8575 - BHFS Legal - Non-Ag Pool	1,191.53
				442318 - BHFS Legal - Advisory Committee	6275 - BHFS Legal - Advisory Committee	2,767.24
				442318 - BHFS Legal - Board Meeting	6375 - BHFS Legal - Board Meeting	8,106.05
				442318 - Paragraph 31 Motion	6907.35 - Paragraph 31 Motion	248.85
				442318 - S. Archibald Plume-Formerly OIA	9907.31 - S. Archibald Plume-Formerly OIA	639.90
				442318 - BHFS Legal - Replenishmnt Water	6075 - BHFS Legal - Replenishmnt Water	8,871.30
				442318 - BHFS Legal - Restated Judgment	6072 - BHFS Legal - Restated Judgment	8,153.16
				442318 - BHFS Legal - Miscellaneous	6078 - BHFS Legal - Miscellaneous	4,307.50
				442318 - Desalter Negotiations	6907.33 - Desalter Negotiations	1,066.50
				442319 - Santa Ana River Water Rights	6907.34 - Santa Ana River Water Rights	357.88
				442320 - S. Archibald Plume-Formerly OIA	6907.31 - S. Archibald Plume-Formerly OIA	2,369.25
				442322 - Desalter Negotiations	6907.33 - Desalter Negotiations	1,790.10
				442323 - Desalter Negotiations	6907.35 - Desalter Negotiations	4,153.05
				442323 - Chino Airport Plume	6907.32 - Chino Airport Plume	1,366.20
TOTAL						49,500.33
General Journal	09/21/2011	09/21/2011	Payroll and Taxes for 09/04/11-09/17/11		1012 - Bank of America Gen'l Ckg	
			Payroll and Taxes for 09/04/11-09/17/11			

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						
Bill Pmt -Check	09/21/2011	15432	JUAN POLLO	Payroll Taxes for 09/04/11-09/17/11	1014 · Bank of America P/R Ckg	8,619.81
Bill	09/21/2011			Direct Deposits for 09/04/11-09/17/11	1014 · Bank of America P/R Ckg	19,263.05
				Payroll Checks for 09/04/11-09/17/11	1014 · Bank of America P/R Ckg	5,963.82
TOTAL						33,846.68
Bill Pmt -Check	09/22/2011	15433	CUCAMONGA VALLEY WATER DISTRICT	Lunch for Sept. 22, 2011 Board Meeting	1012 · Bank of America Gen'l Ckg	204.70
Bill	09/15/2011			Lunch for 9/22/11 Board Meeting	6312 · Meeting Expenses	204.70
TOTAL						5,984.00
Bill Pmt -Check	09/22/2011	15434	GUARANTEED JANITORIAL SERVICE, INC.	Lease Due October 1, 2011	1012 · Bank of America Gen'l Ckg	865.00
Bill	09/15/2011	28639		Lease Due October 1, 2011	1422 · Prepaid Rent	865.00
TOTAL						5,984.00
Bill Pmt -Check	09/22/2011	15435	STAULA, MARY L	28639	1012 · Bank of America Gen'l Ckg	865.00
Bill	09/30/2011			Janitorial Service - September 2011	6024 · Building Repair & Maintenance	865.00
TOTAL						136.61
Bill Pmt -Check	09/26/2011	15436	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	17.50
Bill	09/30/2011	XXXX-XXXX-XXXX-9341		D. Alvarez lunch w/John Rossi	6909.1 · OBMP Meetings	21.85
				D. Alvarez lunch w/Chris Frahm	6909.1 · OBMP Meetings	27.88
				D. Alvarez administrative mtg w/Bob Kuhn	6141.3 · Admin Meetings	19.13
				D. Alvarez administrative mtg w/Bob Kuhn	6141.3 · Admin Meetings	179.83
				Lunch for in-lieu delivery meeting	6909.1 · OBMP Meetings	96.21
				Miscellaneous meeting supplies	5031.7 · Other Office Supplies	724.80
				Uniform shirts, jackets, hats for staff	6154 · Uniforms	96.84
				Portable chairs for field staff	6151 · Small Tools & Equipment	415.00
				Rent road signs for water quality sampling	7103.6 · Grdwtr Qual-Supplies	1,598.74
TOTAL						2,785.78
Bill Pmt -Check	09/26/2011	15437	CITISTREET	Payroll and Taxes for 09/04/11-09/17/11	1012 · Bank of America Gen'l Ckg	2,785.78
General Journal	09/21/2011	09/21/2011	CITISTREET	457 Dedicutions for 09/04/11-09/17/11	2000 · Accounts Payable	2,785.78
TOTAL						215.50
Bill Pmt -Check	09/26/2011	15438	COMPUTER NETWORK	82352	1012 · Bank of America Gen'l Ckg	215.50
Bill	09/21/2011	82352		Backup tapes for system	6055 · Computer Hardware	215.50
TOTAL						3,296.85
Bill Pmt -Check	09/26/2011	15439	HOGAN LOVELLS	1995687	1012 · Bank of America Gen'l Ckg	3,296.85
Bill	09/30/2011	1995687		Non-Ag Pool legal service - August 2011	8567 · Non-Ag Legal Service	3,296.85

Type	Date	Numb	Name	Memo	Account	Paid Amount
TOTAL						3,296.85
Bill Pmt -Check	09/26/2011	15440	INLAND EMPIRE UTILITIES AGENCY	90008374	1012 - Bank of America Gen'l Ckg	
Bill	09/19/2011	90008374		90008374	8456 - IEUA Readness To Serve	552.90
				MWD Water	5011 - Replenishment Water	3,015,257.20
				Tier 2 Surcharge (FY2010 Deliveries)	5106 - Tier Adjustment-Delivered Water	25,146.00
TOTAL						3,040,956.10
Bill Pmt -Check	09/26/2011	15441	MCCALL'S METER SALES & SERVICE	21351	1012 - Bank of America Gen'l Ckg	
Bill	09/06/2011	21351		21351	7102.7 - In-line Meter	1,096.58
Bill	09/06/2011	21352		21352	7102.7 - In-line Meter	1,114.09
TOTAL						2,210.65
Bill Pmt -Check	09/26/2011	15442	MWH LABORATORIES	L0067354 - Growtr Quali-Lab Svcs	1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	L0067354		L0067354 - Growtr Quali-Lab Svcs	7103.5 - Grdwtr Quali-Lab Svcs	1,236.00
Bill	09/30/2011	L0066472		L0066472 - Growtr Quali-Lab Svcs	7103.5 - Grdwtr Quali-Lab Svcs	3,018.00
Bill	09/30/2011	L0066473		L0066473 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	1,652.00
Bill	09/30/2011	L0067349		L0067349 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	3,928.00
Bill	09/30/2011	L0067350		L0067350 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	3,310.00
Bill	09/30/2011	L0066477		L0066477 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	2,074.00
Bill	09/30/2011	L0067353		L0067353 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	2,692.00
Bill	09/30/2011	L0067355		L0067355 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	838.00
Bill	09/30/2011	L0067403		L0067403 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	4,546.00
Bill	09/31/2011	L0067707		L0067707 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	2,692.00
TOTAL						25,996.00
Bill Pmt -Check	09/26/2011	15443	PRE-PAID LEGAL SERVICES, INC.	111802	1012 - Bank of America Gen'l Ckg	
Bill	09/23/2011	111802		Employee deductions - September 2011	60194 - Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	09/26/2011	15444	PRINTING RESOURCES	57002	1012 - Bank of America Gen'l Ckg	
Bill	09/11/2011	57002		Name badge for Gerald Greene	6031.7 - Other Office Supplies	39.65
TOTAL						39.65
Bill Pmt -Check	09/26/2011	15445	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	09/23/2011	09/23/2011		CalPERS retirement for 09/04/11-09/17/11	2000 - Accounts Payable	8,054.01
TOTAL						8,054.01
Bill Pmt -Check	09/26/2011	15446	STANDARD INSURANCE CO.	Policy # 00-640888-0009	1012 - Bank of America Gen'l Ckg	
Bill	09/23/2011	006408880009		Policy # 00-640888-0009	60191 - Life & Disab. Ins Benefits	525.86
TOTAL						525.86
Bill Pmt -Check	09/26/2011	15447	STATE COMPENSATION INSURANCE FUND	1970970-11	1012 - Bank of America Gen'l Ckg	

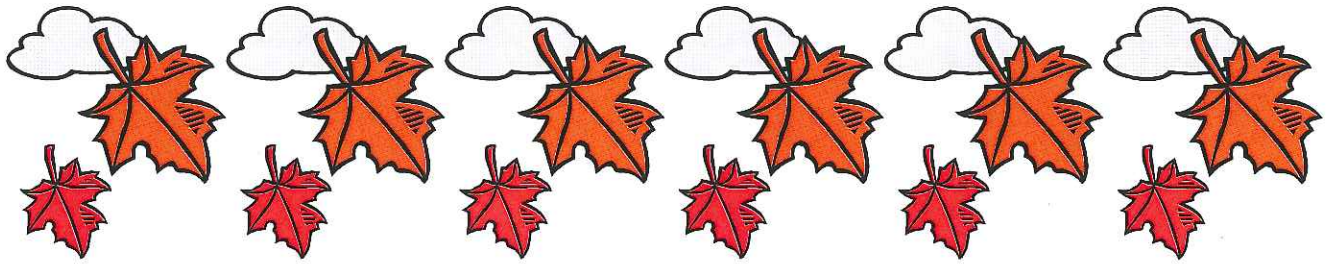
CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2011

Bill	Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL		09/23/2011	1970970-11		Workers Comp Insurance - September 2011	60183 · Worker's Comp Insurance	1,132.55
	Bill	09/23/2011	15448	THE LAWTON GROUP	6017	1012 · Bank of America Gen'l Ckg	977.60
	Bill	09/11/2011	1VC070000017506		Week ending 9/11/11	6017 · Temporary Services	824.00
	Bill	09/23/2011	1cv070000017536		Week ending 9/18/11	6017 · Temporary Services	1,801.60
TOTAL							
	Bill	09/26/2011	15449	UNITED HEALTHCARE	C0025358905	1012 · Bank of America Gen'l Ckg	679.54
	Bill	09/14/2011	C0025358905		Dental Insurance for September 2011	60182.2 · Dental & Vision Ins	679.54
TOTAL							
	Bill	09/27/2011	15450	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	14,300.00
	Bill	08/30/2011	2011330		20113300 - Grd Level-Engineering	7107.2 · Grd Level-Engineering	36,123.52
	Bill	08/30/2011	2011331		2011331 - OBMP - Watermaster Model Update	6906.1 · OBMP - Watermaster Model Update	6,325.09
	Bill	08/30/2011	2011332		2011332 - OBMP Engineering Services	6906 · OBMP Engineering Services	2,306.34
	Bill	08/30/2011	2011333		2011333 - OBMP Engineering Services	6906 · OBMP Engineering Services	31,407.75
	Bill	08/30/2011	2011334		2011334 - Grdwtr Level-Engineering	7104.3 · Grdwtr Level-Engineering	14,253.00
	Bill	08/30/2011	2011335		2011335 - Grdwtr Qual-Engineering	7103.3 · Grdwtr Qual-Engineering	20.53
	Bill	08/30/2011	2011336		2011336 - Hydraulic Control-Engineering	7108.3 · Hydraulic Control-Engineering	4,933.24
	Bill	08/30/2011	2011337		2011337 - Hydraulic Control-Engineering	7108.3 · Hydraulic Control-Engineering	7,681.74
	Bill	08/30/2011	2011338		2011338 - Hydraulic Control-Engineering	7108.3 · Hydraulic Control-Engineering	22,572.60
	Bill	08/30/2011	2011339		2011339 - Grd Level-Engineering	7107.2 · Grd Level-Engineering	2,486.48
	Bill	08/30/2011	2011340		2011340 - PE3&5-Engineering	7303 · PE3&5-Engineering	2,011.34
	Bill	08/30/2011	2011341		2011341 - PE4-Engineering	7402 · PE4-Engineering	1,000.00
	Bill	08/30/2011	2011342		2011342 - OBMP Engineering Services	6906 · OBMP Engineering Services	487.50
	Bill	08/30/2011	2011343		2011343 - OBMP Engineering Services	6906 · OBMP Engineering Services	9,658.64
	Bill	09/01/2011	2011344		2011344 - OBMP Engineering Services	6906 · OBMP Engineering Services	155,577.77
TOTAL							

Total Disbursements:

7,230,973.76

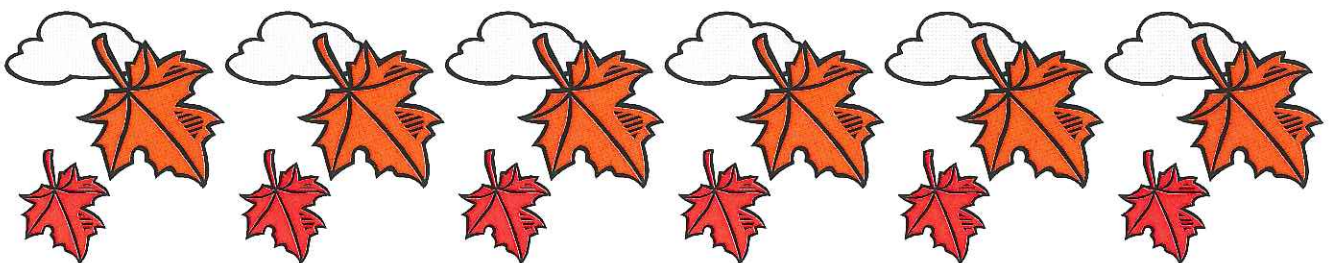
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CHINO BASIN WATERMASTER

III. / IV. INFORMATION

2. Newspaper Articles



Fontana Herald News

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NEWS

Recycled water project is expected to save 600 million gallons of water per year in Fontana

Print Page

Published: Thursday, September 22, 2011 9:40 AM PDT

The City of Fontana and the Fontana Water Company have signed a groundbreaking joint recycled water project agreement that will take highly treated wastewater and use it on landscaped areas around the city, saving more than 600 million gallons of fresh drinking water each year.

The company estimates that nearly 2,000 acre-feet of recycled water per year will be used for landscaping at schools, parks, for local commercial customers, and landscape irrigation locations in the southern portion of the city. An acre-foot of water is approximately 326,000 gallons.

"Water is the lifeblood of any community, but it is particularly important here in Fontana's arid climate. Taking advantage of this recycled water means we will have that much more fresh drinking water when we need it," said Fontana Mayor Acquanetta Warren. "This is a great example of the city and Fontana Water Company working together to ensure that the people and the business of our city have what they need to be prosperous."

The recycled water will be supplied by the Inland Empire Utilities Agency's (IEUA) RP-4 regional wastewater treatment plant.

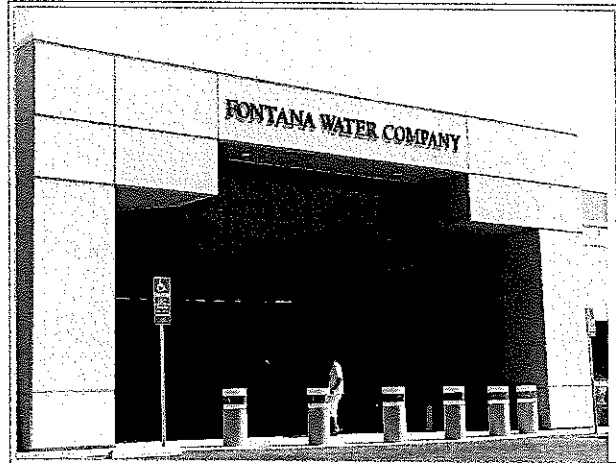
Fontana Water Company will design and build the distribution system. Recycled water requires an entirely separate pipeline system so that it is not mixed with drinking water.

"Fontana Water Company has been providing the community with safe, reliable drinking water for many decades and water recycling and conservation have become a very important resource for us," said Robert K. Young, general manager of the Fontana Water Company. "It's time that we use high quality recycled water for irrigating parks, schools, and green belts instead of using precious drinking water resources. Every drop of water we save through recycling saves money for our customers and helps us make the most of the fresh local drinking water that we have available."

The cost to design and construct the project will be financed through facilities fees, and the city and Fontana Water Company are jointly seeking grants to cover as much of the cost as possible from a variety of government agencies, including the U.S. Bureau of Reclamation, State Water Bond Funding Grants, the Metropolitan Water District of Southern California, and IEUA.

The cost of the project will not be included in customer water rates.

In fact, the project agreement provides the City of Fontana and school district will receive more than a 50 percent discount for the recycled water it uses for landscape irrigation.



The City of Fontana and the Fontana Water Company have signed a joint recycled water project agreement that will take highly treated wastewater and use it on landscaped areas around the city, a move which is expected to save more than 600 million gallons of fresh drinking water each year.

The project is scheduled to be constructed over an 18-month period, with construction starting upon approval by the California Public Utilities Commission.

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EPA orders 13 Chino dairies to clean up act

Sept. 26, 2011 | Steven Cuevas | KPCC & wires

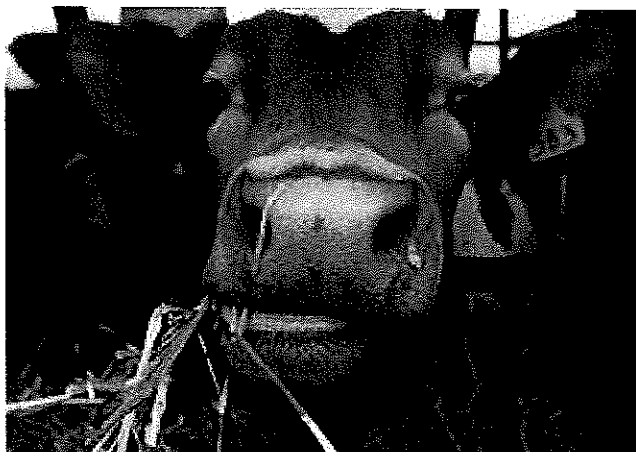
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The federal Environmental Protection Agency is ordering 13 Inland Empire dairies to clean up their act.

Federal regulators say the Chino area dairies have not taken adequate steps to prevent manure and other pollutants from flowing into tributaries of the Santa Ana River.

The dairies, says the EPA, have failed to take what it calls reasonable action to minimize discharges, put in place proper waste management plans and conduct routine inspections that could prevent contaminants from running into nearby creeks and streams.



Justin Sullivan/Getty Images

Requests by the EPA follow about six months after Santa Ana Regional Water Quality Control Board inspectors discovered the alleged violations. These inspections take place during rainy months when contamination problems are most visible.

The federal EPA has ordered 13 Inland Empire dairies to clean up their act.

EPA officials say the dairies contacted this week are among dozens inspected between November 2010 and February 2011.

The federal agency delivered a similar warning to one of the dairies three years ago. The EPA's Regional Administrator for the Pacific Southwest says the agency is evaluating whether it will impose fines on all or some of the dairies. A worker at one of the dairies told the San Bernardino Sun newspaper that it could cost tens of thousands of dollars to make the upgrades and avoid future penalties.

Dairy owners contacted by the EPA have until Dec. 31 to make improvements.

If dairies fail to comply, new orders can be issued, fines up to \$37,500 a day can be levied and civil lawsuits can be filed.

Michael Marsh of Western United Dairyman in Modesto says none of those cited were members, but he notes last winter brought record rain to the whole state.

The Associated Press contributed to this report.

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sbsun.com

EPA requires area dairies to control manure runoff

By Canan Tasci

Posted: 09/26/2011 12:48:15 PM PDT

The U.S. Environmental Protection Agency is requiring 13 Chino dairies to control their manure runoff before the winter rains start pouring.

The agency is ordering the dairies to comply with the Clean Water Act requirements to prevent the waste and other pollutants from reaching local waterways.

"To protect the Santa Ana River watershed, we're taking action to ensure these dairies are prepared for the upcoming winter rains, when animal waste could flow from their dairies into nearby creeks and streams," said Jared Blumenfeld, EPA's regional administrator for the Pacific Southwest.

"We will also be evaluating whether monetary penalties are appropriate, pursuant to our authority under the federal Clean Water Act."

A long-time employee at Koot Dairy is saying the changes are going to make a difference in the company's pocket book.

"These are expensive changes, just to dig out dirt and make our berms higher will cost \$40,000," said Nick Koot, who has worked at Koot for more than a decade.

Inspections between November 2010 and February were conducted by water board representatives to evaluate permit compliance.

The compliances are an ongoing focus of the EPA and the Regional Water Quality Control Board.



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Perchlorate no threat to residents of Rialto, Colton and Grand Terrace, state health department officials say

Jim Steinberg, Staff Writer

Posted: 09/26/2011 07:47:46 PM PDT

RIALTO - One well serving residents more than a decade ago might have delivered concentrations of perchlorate high enough to affect the development of fetuses, infants and children, state officials say.

But a new study says that drinking water supplied to residents currently by the Rialto-based West Valley Water District, the city of Rialto, the city of Colton and the Colton-based Terrace Water Co. is safe to drink and doesn't put people at risk for health problems.

The study, a draft report open for public comment, is called "Evaluation of Exposure to Contamination at the BF Goodrich Superfund Site" in Rialto. It will be discussed by California public health officials at a public hearing at 6:30 p.m. Wednesday in the Rialto Senior Center, 1411 S. Riverside Ave.

The BF Goodrich site is a one-quarter mile area north of Rialto, where from 1952 to the mid-1980s, several companies made fireworks and different explosive devices, using among other chemicals, perchlorate and trichloroethylene.

Over time, these chemicals leaked out of pits where they had been dumped and into the groundwater of the Rialto-Colton basin, which serves a portion of the water needs of five water agencies.

Monitoring water supplies for perchlorate began in 1997.

The draft of the state Public Health Department study said that some drinking water supplied by the West Valley Water District's Well No. 22, when it was used in the years 1981, 1982, 1985, 1987 and

1988, may have had amounts of perchlorate that could have been high enough to modestly impair iodine absorption by the thyroid gland.

This could potentially have lowered the levels of thyroid hormones in fetuses, infants and children below the amounts necessary for healthy development.

But state officials no longer believe that is the case.

On learning of the report, Anthony Araiza, general manager of the West Valley Water District, wrote state health officials that Well No. 22 was blended with water from other sources, including Lytle Creek.

With documents supporting that assertion, the findings reported in the draft document will change, Tracy Darreau, acting chief of the site assessment section, said Monday

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Additionally, Araiza said, Well No. 22 "was a peaking well that was used only in the middle of summer."

The well was not part of the system's water supply since 1997, he said.

Water from the well has been used to test perchlorate decontamination systems being pioneered by various companies, he said.

Similarly, water from No. 2, operated by the city of Rialto, from 1979 to 1997, could have lowered thyroid hormone levels below amounts necessary for healthy development, the draft report says.

But that water was blended with other sources, and not sent directly to customer's homes, said Ed Scott, a Rialto City Council member who has immersed himself in his city's perchlorate issues.

Darreau said the state has not received documentation from Rialto showing the water from Well No. 2 was blended.

The health department takes a conservative stance to protect the public and assumes the worst case - that the water was unblended - until contrary information is given, she said.

Rialto has until Oct. 5 to provide additional information before the document becomes final.

Scott said he has long wondered why neither the state nor federal government has done a study to determine if there has been an inordinate number of people in Rialto who have had medical problems related to the perchlorate in the water.

Darreau said a valid, scientific study researching that question is not possible because the levels of perchlorate in the water system during the years prior to 1997 can never be known.

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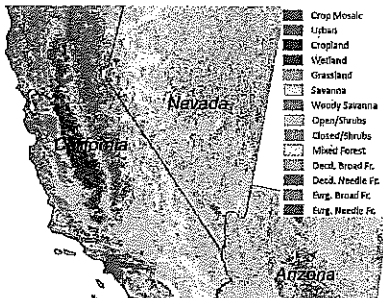
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THE ORANGE COUNTY REGISTER

Will climate change alter state's farming?

By PAT BRENNAN

2011-09-23 13:14:33



Scientists at [Chapman University](#) will use an \$848,000 federal grant to try to answer a difficult question: how a changing climate might affect farm production, one of California's major economic engines.

The grant will allow Chapman's [Schmid College of Science and Technology](#) to try to forecast how changes in temperature and precipitation could alter crop yields in the West over the next 20 years.

They'll focus much of their work on California, said Menas Kafatos, the Schmid College's founding dean.

"It's quite an ambitious project," Kafatos said. "Of course I feel it is very important because of the huge impact of agriculture on the economy of California."

The Chapman group, which uses powerful computers and satellite data to forecast everything from wind and surf patterns -- even the spread of wildfire -- will use the same techniques to try to estimate how patterns of crop growth could change in response to a changing climate.

The study will not assume in advance that there will be any temperature trend, either higher or lower, he said.

"It may turn out we don't find strong effects," Kafatos said. "That would be interesting in itself. We could say, over 20 years, 'Don't worry about it.'"

They will use three different computer models of regional climate, adding weather data such as maximum and minimum temperatures to see how crops react to the changes.

Precipitation also will be a factor, Kafatos said, although in California, irrigation means mountain snow pack is far more important than rainfall on the cropland itself.

The scientists also will gather satellite data using an on-campus antenna set up for the purpose.

And they will examine effects on both natural and agricultural vegetation, though focusing on cropland because the three-year project is being funded by the [U.S. Department of Agriculture's National Institute of Food and Agriculture](#).

The project began April 1 with a kind of warmup: a "hindcast," or an attempt to use known data fed into the computer models to produce the present-day crop outlook.

That will help ensure the reliability of the models before they plunge into the forecasting phase.

A big challenge will be down-scaling global climate models to reveal regional effects, which will require intricate statistical calculations.

Kafatos said his group is ready to take it on.

"Just because it's a challenging problem does not mean it should not be done," he said.

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Water Environment Federation To Create 'Walkway To Wetlands' In Downtown Los Angeles

September 20, 2011

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Fourth annual community service event will be held as part of WEFTEC 2011

To promote environmental stewardship and leave a positive imprint on this year's host city, the Water Environment Federation's (WEF) Students and Young Professionals Committee (SYPC) has organized its fourth annual community service project, "Walkway to Wetlands". Organized as a part of WEFTEC 2011—WEF's 84th Annual Technical Exhibition and Conference—the event is scheduled for Saturday, October 15 from 8:00 a.m. – 4:30 p.m. in Los Angeles, Calif.

During the event, conference volunteers will plant trees along the perimeter of a constructed wetland located in the 5400 block of South Avalon Boulevard, a formerly industrial area of downtown Los Angeles. Held in coordination with the City of Los Angeles, the service project will provide a grand entrance to the city's wetlands project that is located directly across the street of a brand new high school.

The annual community service program supports grassroots solutions and environmental stewardship on a local level while promoting WEF's overall mission to preserve and enhance the global water environment. Local and WEF leadership will attend the opening ceremony to share their vision for environmental protection and community involvement and service.

The service project sponsors include Black & Veatch, Brown and Caldwell, Carollo, CDM, CH2M HILL, Environmental Dynamics International, Freese and Nichols, Greeley and Hansen, Hazen and Sawyer, HDR Engineering, and Wigen Water Technologies. The service project donors include Advanced Engineering and Environmental Services, Bentley Systems, Inc., Duperon Corporation, Engineering America, Stantec, Coombs-Hopkins Company, Vaughn Co. Inc, Veolia Water, and Wigen Water Technologies.

Please contact Haley Falconer, WEF Service Project Chair, for more event details (haley.falconer@hdrinc.com, 208-387-7022).

WEFTEC 2011 will be held at the Los Angeles Convention Center from October 15-19, 2011. As the largest annual water quality conference and exhibition in the world, the event will feature the latest in water research, training, solutions and cutting-edge technologies available today.

Visit www.weftec.org for the latest conference details.

The SYPC event is open to the media and does not require registration. Credentialed media representatives interested in covering the conference may register for WEFTEC 2011 in Room 513 West of the L.A. Convention beginning Sunday, October 16 at 8:30 a.m. Please visit the online press room at www.weftec.org or contact Lori Harrison at lharrison@wef.org for details.

About WEF

Formed in 1928, the Water Environment Federation (WEF) is a not-for-profit technical and educational organization with 36,000 individual members and 75 affiliated Member Associations representing water quality professionals around the world. WEF and its Member Associations proudly work to achieve our mission of preserving and enhancing the global water environment. For more information, visit www.wef.org.

SOURCE: [Water Environment Federation \(WEF\) – WEFTEC 2011](#)

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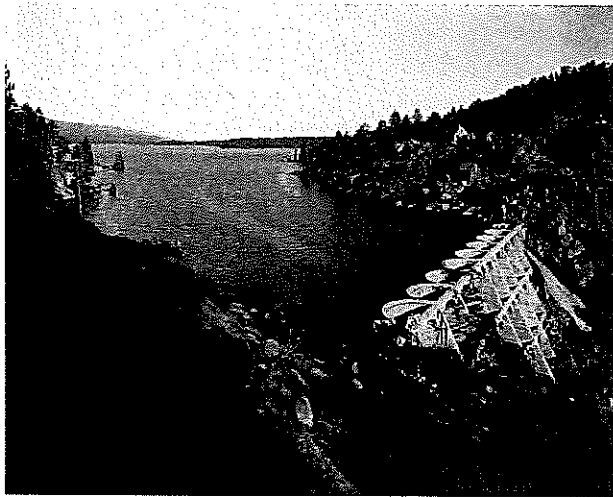
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Big Bear Lake Dam was built by the best

Mark Landis, Correspondent

Posted: 09/20/2011 10:28:47 AM PDT



Undated photo of Big Bear Lake at Eastwood Dam. Photo taken prior to construction of the road over the dam. (Obtained from Library of Congress)

One hundred years ago, John Eastwood, one of the West's most innovative civil engineers, left his mark in the San Bernardino Mountains with one of his trademark multiple-arch dams at Big Bear Lake.

Born in 1857 near Minneapolis, Eastwood showed an early proclivity for mathematics and physics. He attended the University of Minnesota, where he studied the technical arts. In 1880 he traveled west and began working as a surveyor and construction engineer in the Pacific Northwest. In 1883, he moved to Fresno where he opened a small office and began laying out roads as a deputy county engineer.

Fresno became Eastwood's hometown, and in 1885, he married Ella Tabor, a youth program

organizer at the Baptist church he attended.

Dissatisfied with government work, Eastwood struck out on his own and took a number of jobs in the mining and logging industries in the western Sierra Nevada Mountains. He became fascinated with the intricacies of the mountain streams and rivers, and he began doing surveys and engineering work for irrigation projects.

In 1895, Eastwood became the vice president and chief engineer of the San Joaquin Electric Co., where he developed groundbreaking designs for harnessing hydroelectric power in the Sierra Nevadas.

In 1902, railroad tycoon Henry P. Huntington and a group of investors formed the Pacific Light and Power Co. Its primary mission was to provide inexpensive, reliable hydroelectric power to Huntington's extensive

electric rail system in Southern California. That same year, the Pacific Light enlisted Eastwood to lay out the largest hydroelectric power generation project ever conceived.

Eastwood was given 10percent of the newly formed company that would harness the flow of the upper San Joaquin River into the hydroelectric system known as the Big Creek Project.




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In 1906, at the age of 49, Eastwood came up with his concept of the multiple-arch dam. He believed that the traditional rockfill and concrete dams wasted tremendous amounts of material.

Eastwood's multiple-arch design was not enthusiastically accepted by Pacific Light or the dam engineering community at large. The graceful buttressed arches were mockingly referred to as a "lace curtain design."

Fortunately, Eastwood was able to sell his design to the Hume-Bennett Lumber Co., and the first multiple-arch dam was built in 1908 at Hume Lake Reservoir in the Sequoia National Forest.

In the fall of 1909, the Bear Valley Mutual Water Co., based in Redlands, began soliciting bids to build a higher dam at the Bear Valley Reservoir and increase the lake's storage capacity. The company wanted to raise the lake's level 12 feet above the arched-masonry dam built in 1884.

Hearing of his success at Hume Lake, the water company enlisted Eastwood to bid on a multiple-arch dam at Bear Valley. Eastwood provided a winning estimate of \$80,000 for the dam, and he took a \$6,000 fee for his engineering work.

The dam's height was raised an additional 7 feet over the originally proposed 12 feet, bringing the total increase to 20 feet. The cost increased to \$137,000. Opened in 1911, the new dam more than tripled the reservoir's capacity from 22,550 acre-feet to 70,000 acre-feet.

Eastwood's design has withstood the test of time. In 1916, the dam stood up to heavy storms and flooding that caused water to spill over its crest.

The dam easily rode out a magnitude 6.8 earthquake in 1918, and survived the magnitude 6.5 Big Bear quake in 1992 with minimal damage.

Eastwood went on to build a number of multiple-

arch dams across the West. One was built at the Littlerock Reservoir in the San Gabriel Mountains in 1924.

At the height of his success, Eastwood died on Aug. 10, 1924, at the age of 67. He drowned after suffering a heart attack while swimming in the Kings River at his small ranch east of Fresno.

Eastwood was a determined, pioneering engineer who took tremendous pride in the grace and efficiency of his designs. His favorite slogan about his trademark multiple-arch was: "Bulk does not mean strength."

Contact Mark Landis at historyinca@yahoo.com.



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Judge orders U.S. to revise salmon safeguards

Jurist also rules that a federal agency was justified in finding that exporting water from the Sacramento-San Joaquin River Delta jeopardizes endangered species.

By Bettina Boxall, Los Angeles Times

September 21, 2011

A judge ordered a federal agency Tuesday to rewrite protections for migrating salmon that have reduced water shipments from Northern California, concluding that some of the pumping curbs were based on "equivocal or bad science."

But in a mixed ruling, U.S. District Judge Oliver Wanger also said that the National Marine Fisheries Service was justified in finding that government water operations that export supplies from the Sacramento-San Joaquin River Delta jeopardize dwindling populations of chinook salmon and several other fish on the endangered species list.

"Project operations negatively impact the listed species and adversely modify their critical habitat in various ways that remain incompletely described and quantified," Wanger wrote in a detailed 279-page decision replete with scientific graphs.

He added that some of the agency's "analyses rely upon equivocal or bad science" to impose pumping limits "without clearly explaining or otherwise demonstrating why" they are necessary. "The agency must do more to comply with the law."

The decision, which echoed one Wanger issued last year involving delta smelt protections, means federal biologists will have to reconsider restrictions they issued in 2009 to protect chinook salmon, steelhead and green sturgeon.

Central Valley irrigation districts, the Metropolitan Water District of Southern California and other water users affected by the pumping curbs have repeatedly challenged them in lawsuits that Wanger has presided over for years.

"The court got it right again," Tom Birmingham, general manager of Westlands Water District, said in a statement. "Those agencies now have an opportunity to make fundamental changes in the way they implement this law, and it is our hope that they take advantage of that opportunity."

Natural Resources Defense Council attorney Kate Poole, who represents environmental and fishing

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groups in the case, said it could be several more years before the fisheries agency issues new salmon protections. "That part of it is very disappointing to us" because the judge "has confirmed that the water projects jeopardize the existence of the species."

Tuesday's ruling will be Wanger's last major one in the delta wars. He is stepping down from the bench at the end of the month, leaving a record of increasing frustration in the matter. At a hearing last week in the smelt case, Wanger lashed out at two federal biologists for what he called their inconsistent testimony.

betina.boxall@latimes.com

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REGION: Agencies fight over documents in lawsuit

10:00 PM PDT on Tuesday, September 27, 2011

BY JANET ZIMMERMAN
STAFF WRITER
jzimmerman@pe.com

A dozen Inland water districts fighting protections for an imperiled fish found in the Santa Ana River said they have gone back to court because a federal agency did not respond to their request for information.

The water agencies -- from Riverside, San Bernardino, Redlands and elsewhere in the San Bernardino Valley -- filed a Freedom of Information Act request on Dec. 15, seeking emails, memos and other information on why the U.S. Fish and Wildlife Service has designated 9,331 acres as critical habitat for the Santa Ana sucker.

The agencies already had sued Fish and Wildlife over the habitat decision, arguing it was not based on scientific evidence and threatens area water supplies. The documents request sought information for that lawsuit.



Contributed Image

Water agencies are seeking information on why the U.S. Fish and Wildlife Service has designated 9,331 acres as critical habitat for the Santa Ana sucker.

Under the Freedom of Information Act, which allows for disclosure of government documents to the public, a complete response is due within 20 working days. On Sept. 29, Fish and Wildlife said it was withholding about 140 documents and would provide a final response after they were reviewed, water district lawyers said.

On Monday, the districts amended their lawsuit, alleging Fish and Wildlife violated the Freedom of Information Act.

"They're not meeting the requirements of the law," said Doug Headrick, general manager of San Bernardino Valley Municipal Water District. "The agency is less than forthcoming."

But Jane Hendron, spokeswoman for Fish and Wildlife, said some information has been released and attorneys are reviewing a final set of documents.

"We have already to date provided hundreds of responsive documents in response to the FOIA request that we received," she said. "We are doing our utmost to ensure that we finish all this out as appropriate."

The sucker, a gray, algae-eating fish, was first declared threatened under the Endangered Species Act in 2000, about the time several environmental groups sued Fish and Wildlife and won a court order mandating a protection plan.

Fish and Wildlife designated 21,000 acres in 2004 as critical habitat necessary for the recovery of the species. Critical habitat doesn't affect land ownership or create a new land use but it does require federal agencies that fund or permit activities on the land to consult with Fish and Wildlife to ensure critical habitat is not destroyed or adversely modified.

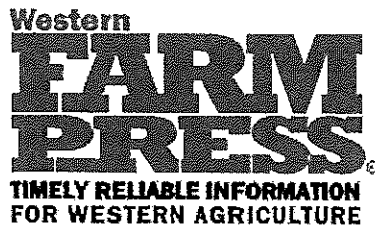
In 2005, Fish and Wildlife cut back the designation to 8,305 acres, none of which was in the Santa Ana basin. That prompted another lawsuit, by the Tucson-based Center for Biological Diversity. As part of the settlement, Fish and Wildlife last year issued a final critical habitat designation of 9,331 acres in San Bernardino, Riverside and San Diego counties.

The area includes the upper Santa Ana River from below Seven Oaks Dam to Highland to Tippecanoe Avenue, parts of Mill Creek and City Creek; the middle section of the river from Tippecanoe Avenue in San Bernardino to Prado Dam near Corona; and portions of the Rialto Drain and Sunnyslope Creek in the Rubidoux Nature Preserve and the lower river below Prado Dam.

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Salazar urged to reverse Final Rule on Santa Ana Sucker

Tue, 2011-09-27 11:37

Eight congressional representatives from San Bernardino, Riverside, Los Angeles and Orange counties have co-signed a letter to Interior Secretary Ken Salazar asking him to withdraw the U.S. Fish and Wildlife Service's Final Rule for the Santa Ana Sucker.

"We are concerned that the USFWS cannot scientifically justify how the expanded habitat designation will add any protection for the species," said the Aug. 26 letter, which was co-signed by Reps. Joe Baca, David Dreier, Ken Calvert, John Campbell, Jerry Lewis, Mary Bono-Mack, Gary Miller and Dana Rohrbacher.

"The agency has not produced any research on the Santa Ana Sucker, nor has it produced a recovery plan for the species."

The congressional representatives also warned that the Service's Final Rule poses a serious threat to local water supplies.

"Specifically at risk is the ability of some agencies to capture almost 200,000 acre feet annually of the runoff from the Santa Ana River and the San Gabriel River," the congressional representatives wrote. "Moreover, local leaders believe that their flood control and transportation projects, as well as many other local initiatives, are not being taken into consideration."

The congressional representatives also reminded Secretary Salazar that Congress directed the Service "to consider the potential economic and environmental effects of designating critical habitat and gave the USFWS the discretion to exclude lands from the designation if the economic and other effects of such designation would outweigh the benefits.

"Highly competent local analyses calculate the economic effect of the designation at a more than \$4 billion loss to the region. This enormous number is the product of lost development, lost jobs and lost water resources – all in a region that is among the hardest hit by the recession. The designation of critical habitat for the Santa Ana Sucker is not an action that will help our area recover."

To receive a copy of the letter, please contact San Bernardino Valley Municipal Water District at (909) 387-9220 or visit the agency's website at www.sbvwmwd.com.

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UCLA researchers combine techniques into new technology to create drinking water from the sea

By ALESSANDRA DASKALAKIS

Published September 29, 2011, 12:40 am in News

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Sitting on Yoram Cohen's desk is a bottle filled with water that once belonged in the ocean.

"It tastes great," said Cohen, a professor of chemical and biomolecular engineering at the UCLA Henry Samueli School of Engineering and Applied Science. "It's the best-tasting water ever."

He said it with a chuckle. That water bottle, however, represents years of research by Cohen and his colleagues in transforming dirty, salty or otherwise contaminated water into a drinkable liquid.

The team has developed technology called compact modular reverse osmosis technology. The system combines two water technology techniques, ultrafiltration and secondary reverse osmosis, to create 18,000 gallons of drinking water from the sea per day. That amount of water is roughly enough to provide for the population of UCLA, Cohen said.

Still in testing, the system could ultimately allow Southern California to reduce its reliance on imported water, Cohen said. He said the system is in some ways cheaper than bottled water, as it may cost only \$1.50 for 1,000 liters of water, compared to \$3 for 1 liter of bottled water.

Cohen said he is planning to work with the UCLA cogeneration plant to develop a similar system that would decrease water waste and increase water availability on campus.

During the past two years, the team has pushed to move its work from the laboratory to real-life applications, Cohen said. The second generation of the technology is currently being tested in coordination with the U.S. Navy to turn sea water into drinkable water.

When he arrived at UCLA 20 years ago, Cohen's office was one door away from the faculty who revolutionized water technology in the 1960s by creating the first reverse osmosis membranes for desalination, he said.

The experience of working one door away from these scientists influenced his research, but Cohen said the push to get involved in this area of study did not occur until California began experiencing more global climate change and water problems.

They are also working to create a simplified, commercial model of the water cleaning technology that will work with various salinity levels and needs, said Larry Gao, a second-year chemical engineering graduate student in charge of the electrical aspects of the project. The system will be tested in the San Joaquin Valley.

"The most rewarding aspect (of the project) is that all this theoretical work has found its way into application," said Panagiotis Christoffides, a professor of chemical and biomolecular engineering at the School of Engineering.

Christoffides is responsible for the development of the controls to ensure the system can function without much oversight.

Cohen gave high praise to the students involved in the project. The work is an opportunity for practical application of research, said postdoctoral student Andi Rahardianto.

"It's very rewarding and very rare when you get this opportunity where what you do in the lab works in the field and people can see it," Rahardianto said.

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Posted on: September 29, 2011

Western's Water Efficiency Garden to Feature UC Master Gardeners

RIVERSIDE, CA – Sept. 29, 2011 – Western Municipal Water District is growing efforts to help customers cultivate beautiful, climate-appropriate and water-efficient landscaping through collaboration with the UC Master Gardeners, a University of California program providing research and support to amateur and commercial gardeners in California. Western will provide the Riverside County chapter of Master Gardeners monthly meeting space for free at the District offices. In exchange for meeting space, Master Gardeners will serve as docents and host free educational workshops on designated Saturdays at Western's Landscapes Southern California Style SM water efficiency garden. The goal is to not only provide a place to inspire visitors with new landscaping ideas and techniques, but to also provide onsite experts to demonstrate how to help implement these ideas at home.

"Landscapes Southern California Style demonstrates a world of possibilities for those interested in creating landscapes that are both lovely to look at and friendly to the environment," said Pam Pavela, water use efficiency specialist at Western, who worked with Master Gardener Lucy Heyming to make the community-benefiting barter a realization. "Having Master Gardeners on-hand to share their expertise with our guests will enhance the garden's impact on the community."

Master Gardeners were instrumental in the creation of Western's efficiency garden, a water-use education center that showcases examples of California native and climate-appropriate plants, as well as the irrigation systems and soils that improve a landscape's water-saving ability. The garden is located at the corner of Alessandro Boulevard and Mission Grove Parkway, and is open seven days a week from 10 a.m. to 4 p.m. Beginning in October, Riverside County Master Gardeners will spend designated Saturdays at the garden, both as docents and hosting educational workshops for interested community members. Workshops will cover diverse topics ranging from rose gardening, vegetables and California native plants to pests and beneficial insects. Water saving techniques will be a theme woven into the presentations.

Master Gardener volunteers are trained by the University of California Cooperative Extension to provide Riverside County's gardening community with research-based information to promote environmentally responsible and sustainable horticultural practices.

"By partnering with these experts, Western is expanding our outreach to help demonstrate to our customers that a beautiful garden need not come at the

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expense of a high water bill,” explained Board President Brenda Dennstedt.

Landscapes Southern California Style SM is also the site of Earth Night in the Garden, a community celebration of water and the environment held in the Spring; the 2012 date is April 19 from 3-7:30 p.m.

Free Saturday Workshops:

October 8

11 a.m. – Irrigation

1 p.m. – Turf Management

November 12

11 a.m. – Plant Selection & Care

December 10

11 a.m. – Climate-appropriate Roses

1 p.m. – Integrated Pest Management

* Beginning in 2012, Master Gardener docents will be present two Saturdays per month including their monthly workshops.

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Western Refinances Bond Debt in Murrieta Division to Assist Customers and Improve Infrastructure

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Western Refinances Bond Debt in Murrieta Division to Assist Customers and Improve Infrastructure

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Western’s Plan to Form Assessment District Paves Way for New Sewer Service

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press release

Sept. 30, 2011, 2:01 p.m. EDT

No Health Hazard from Tap Water with Unpleasant Taste and Odor

Earthy, musty taste and smell in drinking water in four Southland counties could persist for weeks



LOS ANGELES, Sep 30, 2011 (BUSINESS WIRE) -- Consumers in portions of four Southern California counties may notice a musty taste and odor in their tap water, but it is an aesthetic problem and not a health hazard, according to water quality experts.

Officials at the Metropolitan Water District of Southern California said the taste-and-odor event is affecting tap water in eastern Los Angeles County communities, as well as Orange, western San Bernardino and southwest Riverside counties. The impacts may vary from region to region, as local agencies blend imported Metropolitan water with local supplies. "The earthy taste and smell stem from an especially large and persistent algae bloom in the east branch of the State Water Project," said Jim Green, Metropolitan's manager of water system operations.

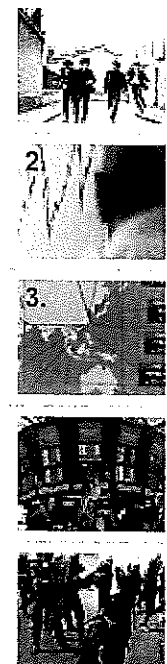
"Metropolitan receives a major portion of its water through the SWP's east branch, which includes Silverwood Lake in the San Bernardino Mountains, and we are working with the state Department of Water Resources -- which owns and operates the state system -- to address the situation," Green said.

"Consumers, however, can be assured that the taste-and-odor issues they may be experiencing in their tap water do not pose any health risks," he said.

Green suggested consumers may consider refrigerating drinking water to help improve its taste until the problem diminishes. He cautioned, however, that the problem may persist for a few more weeks.

For the third time in three weeks, DWR water quality experts Thursday applied copper sulfate to control the algae bloom. Officials stressed that the treated water will be safe for

Most Po



consumers as well as boaters and swimmers at Silverwood and downstream at the state's Lake Perris. Fish and wildlife also will not be impacted.

In response, Metropolitan also has reduced deliveries from Silverwood Lake, which supplies the district's F.E. Weymouth Water Treatment Plant in La Verne and Robert B. Diemer plant in Yorba Linda. The two plants provide treated drinking water to about 7 million people in the affected areas.

The cause has been identified as 2-methylisoborneol, or MIB. The nuisance compound MIB is produced from the growth of certain algae in freshwaters throughout the world. Typically, MIB levels increase when warmer weather accelerates the growth of algae, Green said.

"Unfortunately, MIB is a noticeable needle in the haystack," he added. "People with sensitive taste and smell can detect the compound in water levels as low as 5 parts-per-trillion.

However, water from two treatment plants have experienced MIB concentrations as high as 20 parts-per-trillion.

"By comparison, one part-per-trillion is equivalent to just 10 drops of MIB in enough water to fill the Rose Bowl," Green said.

Metropolitan member and retail agencies impacted by the problem include the city of Pasadena, Foothill Municipal Water District, Upper San Gabriel Valley Municipal Water District, Three Valleys Municipal Water District in eastern Los Angeles County; Inland Valley Utilities Agency and Cucamonga Valley Water District in western San Bernardino County; Eastern Municipal Water District in western Riverside County; and the city of Huntington Beach, the Municipal Water District of Orange County and Irvine Ranch Water District.

Consumers interested in receiving additional information about the quality of Metropolitan's drinking water supplies can visit the district's website, www.mwdh2o.com, for the district's annual water quality report and other related materials.

The Metropolitan Water District of Southern California is a cooperative of 26 cities and water agencies serving nearly 19 million people in six counties. The district imports water from the Colorado River and Northern California to supplement local supplies, and helps its members to develop increased water conservation, recycling, storage and other resource-management programs.

SOURCE: Metropolitan Water District of Southern California

Metropolitan Water District of Southern California
 Bob Muir, 213-217-6930
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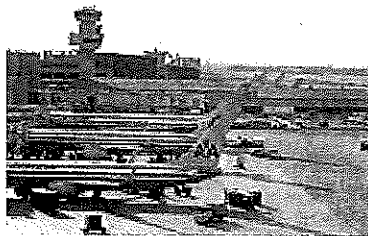
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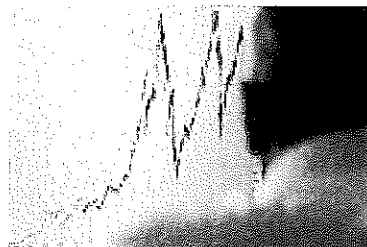
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Some water in Delta to be diverted to help salmon

SACRAMENTO

October 3, 2011 9:15pm

- **Ten days to let the fish move upstream to spawn**
- **'We'll likely see tens of thousands of additional salmon'**

The federal Bureau of Reclamation is closing the Sacramento-San Joaquin Delta's Cross Channel Gates for ten days beginning Tuesday Oct. 4 during the peak migration for returning adult salmon to the Delta.

The gate closing is expected to help king salmon migrate to the Mokelumne River Hatchery.

"What this means is we'll likely see tens of thousands of additional salmon in our coastal waters three years from now because of this action," says Golden Gate Salmon Association Director Dick Pool. "The Bureau of Reclamation is allowing more natural flows through the Delta for this ten day period which will greatly help adult salmon find their way home to reproduce."

The association says the Cross Channel Gates reroute Sacramento River water to the south Delta, which throws Mokelumne River salmon off their historic migration track. Because of this, there has been only limited successful salmon production from the Mokelumne in recent years, the association says.

Last year, closing the Cross Channel Gates for two days resulted in a large number of salmon successfully finding their way to the Mokelumne, it says.

Federal water managers purposely force cleaner Sacramento River water off its natural course and into the south Delta at this time of year to dilute polluted San Joaquin River water flowing into the Delta, the association says.

The proposal to allow a more natural flow pattern in the Delta was put forth earlier this year by East Bay Municipal Utility District (EBMUD), which owns the hatchery and the Pardee Reservoir on the upper part of the Mokelumne River. The proposal was also supported by California Fish and Game, the U.S. Fish and Wildlife Service and the National Marine Fisheries Service. Last year EBMUD offered to release some of its water to dilute the polluted agricultural runoff in the San Joaquin River.

"Salmon fishermen and industries that rely on salmon have something to be very thankful for," says GGSA president Victor Gonella. "We've got a long way to go to restore our rivers, the Delta and our salmon fishery to more natural conditions and abundant levels but this is a big step in the right direction."

The Mokelumne River salmon hatchery, operated by the California Fish and Game Department, is the most modern hatchery in the state. It was built to mitigate for the loss of natural salmon spawning runs of the river. The hatchery trucks its juvenile salmon from the hatchery to a release site near Antioch, safely beyond the point where they would be sucked into Delta pumps near Tracy.

When the Mokelumne River is functioning more naturally, without large volumes of Sacramento River water artificially routed across its Delta, 2,000 to 4,000 salmon naturally spawn in the river. In 2005, the last such good year, 10,400 salmon spawned naturally in the Mokelumne River, the association says.

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