



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, November 10, 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***



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Thursday, November 10, 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

AGENDA PACKAGES





CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Appropriative Pool Meeting held on October 13, 2011
2. Appropriative Pool Special Confidential Meeting held on November 2, 2011



Draft Minutes
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING
October 13, 2011

The Appropriative Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on October 13, 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
Dave Crosley	City of Chino
Rosemary Hoerning	City of Upland
Charles Moorrees	San Antonio Water Company

Watermaster Staff Present

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

Watermaster Consultants Present

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

Others Present Who Signed In

Scott Burton	City of Ontario
John Bosler	Cucamonga Valley Water District
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
Eunice Ulloa	Chino Basin Water Conservation District
Rick Hansen	Three Valleys Municipal Water District
Curtis Paxton	Chino Desalter Authority
John Schatz	Attorney at Law

Chair Mura called the Appropriative Pool Meeting to order at 9:00 a.m.

AGENDA - ADDITIONS/REORDER

Chair Mura noted there is a revised staff report on Item II B. the Deferment of Fiscal Year 2011/2012 Assessment Package on the back table. Mr. Alvarez stated the revised staff letter was also sent out via email.

I. CONSENT CALENDAR**A. MINUTES**

1. Revised Minutes of the Appropriative Pool Meeting held August 11, 2011
2. Minutes of the Appropriative Pool Meeting held September 8, 2011

B. FINANCIAL REPORTS

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

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

Motion by El-Amamy second by Garibay, and by unanimous vote – Hoerning abstained from Item A1. Minutes

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

II. BUSINESS ITEMS**A. 85/15 RULE POLICY**

Mr. Alvarez stated this item is being brought to this committee today as a formal Implementation Policy for approval. Mr. Alvarez stated the 85/15 Rule matter was thoroughly discussed last month and had been brought through the process at the request of one of the members of the Appropriative Pool. Mr. Alvarez stated in addition to this item being discussed at the Pool meetings, there was also a workshop held on the application of the 85/15 Rule. Mr. Alvarez stated at that September 20, 2011 workshop there was consensus and direction that Watermaster formalize a Policy and bring it back this month for formal Pool approval. Mr. Alvarez stated there is a formal Policy attached to the staff letter for your approval today. Mr. Alvarez gave the 85/15 Rule Implementation Policy presentation in detail, which included the purpose of the rule and how it applies to the preemptive replenishment water. Mr. El-Amamy stated for the record, there are issues regarding this matter that he brought up three or four months ago, and noted also for the record, the 85/15 Rule was never asked for a change to be made in the policy. Mr. El-Amamy stated what was asked for was: 1) To clarify the 85/15 Rule as it exists now, 2) Explain how it was applied in recent years, and 3) If there were errors; those errors should be corrected. Mr. El-Amamy stated the first two questions were answered and the Rule was clarified. We also got a list of the application in recent years; we know when and how it was applied and still remaining is the third question, which has not been answered. Mr. El-Amamy stated somehow the discussion shifted to a policy change, which requires either a Pooling Plan change or a Judgment amendment, which we are open to; however, rather than limiting the discussion on preemptive replenishment, perhaps the discussion should be opened to all other changes, including the ultimate change for the 85/15 Rule, which is doing away with it all together. Mr. El-Amamy stated we are open to these discussions; however, we don't know if this is the right place and time. Perhaps a committee should be formed to go back and study these issues, and then come back next month or the following month with a recommendation as far as the Policy is concerned. Mr. El-Amamy stated we are still waiting for the answer for our original question, which is if there were errors, should these errors be corrected, and to what extent. Mr. El-Amamy stated these decisions are up to this committee to decide. Mr. Kinsey stated Watermaster had a practice and uniformly applied the practice on transactions in terms of the application of the 85/15 Rule – the question is, is this practice or is this an error because Mr. El-Amamy suggested the practice was an incorrect interpretation of the rule. Mr. Kinsey stated this can be discussed in our sub-committee process, and if that committee does

determine there are errors associated with it, then we are really free, as a Pool, to determine how far back this Pool wants to go back to adjust that error. Mr. Kinsey stated he believes there is a pretty clear understanding that the four year look back period does not apply to this because we're saying it is a practice that Watermaster was doing was a mistake, rather than some sort of incorrect calculation or information being provided. Mr. Kinsey stated as this committee works through this process, it needs to be considered how we meet future replenishment obligations of the Appropriative Pool, given the change in the nature of availability of imported water supply. This is one way to address it which allows agencies to actively go out and purchase as much water as they can, when it is available. Mr. Kinsey stated another way to do this is to have the supplemental water providers in the Chino Basin enter into a Storage Agreement and have them purchase the water preemptively for this need, and hold it for the benefit of the Appropriators when they need it. Mr. Kinsey stated this practice is one of the more important concepts that need to be thoroughly discussed as well as how we manage the availability of the water supply because that has changed. Mr. Kinsey stated he is supportive of taking no action today and moving this forward to a sub-committee. Mr. Garibay stated he recently heard an update regarding the preemptive replenishment water and that Metropolitan Water District (MWD) is currently reviewing that Replenishment Policy and possibly the manner in which parties can use those replenishments; those replenishments could possibly be tied to some sort of conditions relative to what type of water is purchased, and inquired if this is being considered here and is this something new. Mr. Alvarez stated it is new in the sense that there is going to be from time to time, the possibility that there will be surplus water becoming available like there was this year at a discounted rate. Mr. Alvarez offered further comment on the MWD replenishment water and Policy, and noted he will be making a detailed presentation on the MWD replenishment water under the CEO Report today. Ms. Russo-Pereyra stated in reviewing her notes from the recent workshop, there was some consensus at the workshop; however, there were still a lot of questions including whether or not Watermaster still needed the 85/15 Rule. Ms. Russo-Pereyra stated Cucamonga Valley Water District's (CVWD) concern is that this item has made its way on the agenda as a recommendation for an actual Policy without any further discussion. Ms. Russo-Pereyra stated CVWD would like to have more discussion on this because there are still some outstanding issues that need to be clarified. Mr. Alvarez stated he agrees and one of the issues that did come up was the whole need for the 85/15 Rule today versus what the need was for it in 1978 when the Judgment was entered into; Watermaster feels this is something for the Pool to discuss and staff is willing to work with the Pool on this matter. Ms. Rojo stated Fontana Water Company (FWC) has benefited from the 85/15 Rule, as they don't have sufficient rights to satisfy and offset their production demand. Ms. Rojo stated part of the issue with this 85/15 Rule is if you go back through the history of Watermaster, because the 85/15 Rule is written into the Judgment, there was substantial dialog on this matter, possibly even prior to the Peace Agreement, and if we are taking the literal translation of what's in the Judgment of how Watermaster is going to apply the 85/15 Rule, she believes the comments from the Pool is that times have changed is maybe a valid point. However, she thinks the 85/15 Rule was put into place before water was even being transferred between the parties. Ms. Rojo stated if you look at the 85/15 Rule from the strictest of sense, that activity isn't even listed in the Judgment as being subject for the 85/15 Rule. There has been some tweaking to this plan as it has moved along through the years. Ms. Rojo stated several years ago when parties realized that some agencies would benefit from the 85/15 Rule more than others, there was substantial dialog, and maybe Watermaster staff can bring some of that history forward as this matter is being discussed, because this is part of the Judgment. Ms. Rojo noted this rule has pretty much been accepted as the way the Assessment Package has been brought forward and it has been voted on each time; the matter of practice which has been discussed today was thoroughly vetted through the process several years ago. The result of how it was applied in the Assessment Package was agreed to at the time and then it has continued through the years to be brought forward. Ms. Rojo stated FWC supports continued dialog on this matter. Mr. Garibay inquired of general counsel if what is being discussed with regard to applying the 85/15 Rule is in a different manner, that it is more of a change in the Pooling Plan. However, if the 85/15 Rule was totally eliminated, then that would require a Judgment amendment which is a whole different process. Counsel Fife stated that is correct; however, the interesting thing about this rule is that

there is a special paragraph in the Judgment about changing the 85/15 Rule, paragraph 15d, and that it specifically states that after the first ten years of the Judgment (after 1988) it can be changed on a 67% vote of the Pool, and then the court is given very little discretion about whether to approve it, kind of a fast tracked Judgment amendment for this particular paragraph. Chair Mura stated by the discussions today there seems to be much work to be done on this, topic and the Pool would benefit from at least one more workshop and asked Watermaster staff schedule an additional workshop as soon as possible. Mr. Alvarez stated staff would take care of that and noted that one of the items discussed today was that maybe a sub-committee be formed of the Pool which would be very appropriate in this case. A discussion took place regarding Mr. Alvarez's comments and it was noted that the Appropriative Pool wants to keep this matter open to all Appropriators and to have the workshop also open to all Appropriators who want to be a part of this process.

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

Moved by unanimous vote to defer this item until after a second workshop is scheduled in the near future, as presented

B. DEFERMENT OF 2011/2012 ASSESSMENT PACKAGE

Mr. Alvarez stated every year Watermaster issues assessments which is done normally in the month of November; however, due to several issues, staff is asking for an extension of time. Ms. Maurizio stated it has been the practice over the last few years to bring the Assessment Package forward in the month of October and then send out the invoices in November. Ms. Maurizio stated it appears it will take a couple more months for the issues to be resolved – the current issues are the 85/15 Rule and how Watermaster is going to handle preemptive replenishment. Those two items will affect the dollar side of the Assessment Package. Ms. Maurizio stated there are a couple other outstanding issues – Watermaster is taking a different detailed look at supplemental storage accounts to make sure we are within the 100,000 acre-foot cap, and then there is a new issue that has been raised between Aqua Capital Management and California Steel Industries water rights. Those don't affect the dollar amounts of the Assessment Package but they do affect what goes into the Assessment Package since staff tracks all storage accounts through the Assessment Package. Ms. Maurizio stated Watermaster is at a point where the Assessment Package needs to be deferred, and the past precedent that was set a few years ago was to collect 50% of last year's assessments now so that Watermaster has operating funds on hand. There are not a lot of reserves and money starts to run out around the 1st of January. Ms. Maurizio commented on a table in the corrected staff letter and offered further comment on this matter. Ms. Maurizio stated the good news is that based on the production numbers, now that its finalized, if you compare it to what was being estimated at the time of the budget process, production is almost exactly right on as to what was estimated. Mr. Kinsey stated he understands some of the outstanding issues as far as the application of the 85/15 Rule and offered further comment regarding past practices. Mr. Kinsey stated he thinks it is a good thing that Watermaster is going through and checking storage accounts and making sure there are valid storage accounts. Mr. Kinsey offered comment on past accounts and accounting practices. Mr. Kinsey reminded Watermaster staff that there is an interpretation that the 100,000 acre-foot cap applies to post Peace Agreement supplemental water deliveries and not pre Peace Agreement. Mr. Kinsey stated that he does not see that as a reason to delay an Assessment Package since it is something that is going to be worked on for a while. Mr. Kinsey stated the 85/15 Rule potentially affects cost allocation and the storage part is something that doesn't affect that; it's just reporting which can be changed at any time. Mr. Kinsey inquired about Watermaster's proposal for \$5M and explained his inquiries in detail. Ms. Maurizio stated she and Mr. Joswiak had discussions within the last few days and noted Watermaster could wait one more month on this deferral request. Ms. Maurizio stated when the meeting package was prepared there was no draft assessment numbers available; however, now that staff has production numbers she can start assigning some dollars and she can put together a very rough draft of what assessments would look like. Staff could then bill 50% on those next month which is another option to consider. Mr. Kinsey stated if Watermaster needs money for cash flow purposes then that is a possibility and noted he does not know if

Watermaster is buying replenishment water. If Watermaster is, the question is how. Mr. Kinsey stated a couple other options for the group to consider is Watermaster could start drawing down excess reserves that are held on behalf of the Appropriators by coming up with a number and sending out a preliminary assessment based on that number using last year's percentages to allocate amongst the parties. Mr. Kinsey stated the parties could provide funding for one half of the current fiscal year budget, which would be approximately \$2.9M. Mr. Kinsey stated his preference would be to give Watermaster what it needs and then, once all the issues are worked through, pay the rest. Mr. Alvarez stated those are all really good valid points; however, given that Watermaster has all the final production numbers now, staff can take these comments into consideration and come back next week at the Advisory Committee meeting and either report on whether staff can get a package completed next month and/or a revised estimate of what would be required to keep the operations cash flow going until January. That would provide enough time so people are not scrambling to give estimated numbers. Mr. Kinsey inquired if staff was proposing to come back and ask the Advisory Committee for action or is staff just going provide a report to the Advisory Committee. Mr. Alvarez stated it may be for action and/or report; the action would be that if staff still feels the need to defer the package to January, then that needs to be done and staff would like the approval of the Advisory Committee to formally defer the package. Mr. Alvarez stated if that is not the case, if at that time it's felt that it's not forthcoming, then that is fine too. Mr. Kinsey stated collectively Watermaster parties have always struggled to not use the Pool process sometimes out of convenience and offered further comment on the differences between the Appropriative Pool and the Advisory Committee. Mr. Kinsey stated he prefers that if Watermaster staff feels it needs more money that staff come back and ask for it at the next Appropriative Pool meeting rather than having action taken at the Advisory level. Mr. Joswiak stated with regard to Mr. Kinsey's question regarding cash flow, he stated on an average it runs about a half million dollars to operate Watermaster on any given month and that amount does not include replenishment. Ms. Maurizio stated maybe staff can just present a report at the Advisory Committee meeting. A discussion regarding the costs to run Watermaster, preemptive replenishment purchases, and Watermaster excess reserves ensued. Chair Mura stated he believes the suggestion for staff is the issues today be worked through and be brought back through the Pool process versus skipping the Pool and going right to the Advisory Committee.

Motion by Kinsey second by Russo-Pereyra, and by unanimous vote

Moved by unanimous vote to work through the issues brought up at the Appropriative Pool meeting today and bring this item through the Pool process next month versus taking this to the Advisory Committee on October 20, 2011, as presented

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

Mr. Joswiak referenced the staff report on page 89 of the meeting package. Mr. Joswiak stated this is a standard item that Watermaster has done each year for the past few years, and noted this is the third of the fourth payments due which is done for the Non-Agricultural Pool water purchased. Mr. Joswiak stated payment number three is going to be \$2,377,249.88 and referenced the chart on page 91 of the meeting package which shows how the calculation as it applies to the Appropriators. Mr. Joswiak noted per the Peace Agreement Attachment G, it states the first anniversary date of when the first payment was made locks in the payment date for all future payments on a going forward basis and then the payment needs to be made on or before that anniversary date. Mr. Joswiak reminded the parties that the money needs to be in the Watermaster account prior to the payment which is scheduled for January 13, 2011. Mr. Joswiak stated it was brought to staff's attention that Watermaster was using the incorrect production data and he explained this matter in detail. A discussion regarding this matter ensued. Mr. Crosley stated depending on whatever action the Pool might take with regard to this item, and in consideration of the additional time it might take to get the Assessment Package questions answered and the Assessment Package billed to the parties, the parties might be receiving a separate invoice specific to this item only before the assessments. Mr. Joswiak stated it will be dependent on how staff does the assessments. The difficulty is Watermaster's

cash flow is going to be very, very tight, if not impossible, to make this \$2.3M payment without some type of assessment. Mr. Crosley stated that would be a separate invoice and Mr. Joswiak acknowledged yes it would be. Mr. Joswiak offered further comment on this matter. Chair Mura stated given the sensitivity of this issue, it may behoove Watermaster to process an individual assessment for this purchase as to not create any more conflict or issues with this water purchase. Mr. Kinsey stated Monte Vista Water District is good with a special assessment now for this amount which ultimately reduces the amount of the assessment that the parties will have to pay at any one time and encouraged staff to pay this invoice two days early instead of one day early. Mr. Garibay with regard to this special assessment, if there is any transmittal of information on what has been paid in the past, he would like that information provided with the invoice. Mr. Alvarez stated a special assessment will be prepared in accordance with the information provided in the staff report in addition to adding the past last payment information.

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

Moved by unanimous vote to do an individual Special Assessment now and provide recognition of what has been paid in the past, as presented

D. METROPOLITAN WATER DISTRICT REPLENISHMENT WATER POLICY PRESENTATION

Mr. Alvarez gave the Metropolitan Water District (MWD) Replenishment Water Program presentation which included History, MWD's Administrative Code, Historical MWD Rates, Reversing a Commitment, MWD Proposal Key Principles, Key Development Principles, Where s MWD Replenishment is Headed, and the MWD Proposed Program in detail. A discussion regarding MWD's private meetings ensued. Ms. Rojo inquired about not having replenishment water and how the Desalters are going to be replenished. Mr. Alvarez discussed one of the MWD slides and discussed the possibility of purchasing replenishment water seven years in advance because water is going to be available three out of ten years, which is going to significantly affect cash flow here at Watermaster and the parties are going to have to come up with a way to finance that water. A lengthy discussion regarding a storage program for Chino Basin's needs, replenishment water, CBWM Judgment, and the 85/15 Rule ensued. Ms. Rojo stated MWD is going to do what MWD is going to do, and the parties can try and influence them. However, this topic calls in a lot bigger issues for all the parties as far as physical solution, the very foundation of the Judgment and the adjudication of this basin, and how the parties are going to be able to operate in light of this changing circumstance; this is a very significant impact. Mr. Kinsey inquired if Inland Empire Utilities Agency (IEUA) or Western Municipal Water District (WMWD) has any comments regarding this discussion. Mr. Hansen stated MWD will have water available, it is just what the parties will be willing to pay for it. Mr. Hansen made clear the different tiers in greater detail and how those tiers affect the parties. Mr. Hansen explained the possibility of the state saying in December that Article 21 water is available which means there will be more water available for MWD and noted MWD has no place to put that water. Mr. Hansen offered further comment regarding this item. A discussion regarding Mr. Hansen's comments ensued. Ms. Rojo offered comment on the wording in the Peace Agreement which references once the costs exceed what they are paying, they are going to step in and pick up part of the replenishment costs themselves. Mr. Kinsey stated there is a vague opportunity to relook at that. Ms. Rojo inquired how that will be monitored. Mr. Kinsey stated he believes we are a few years away from that and offered further comment on water suppliers versus other resources. A discussion regarding Mr. Hanson and Mr. Kinsey's comments ensued. Mr. Miller stated there is a lot of pressure on paying adequate rates and every one paying their fair share so MWD staff has been hearing a lot from San Diego and Los Angeles that it's unfair to all the groundwater agencies. Mr. Miller stated sub-groups have been meeting out of the MWD member agencies and have been trying to get the groundwater agencies together to come up with a unified voice to promote the continuation of the Replenishment Program, which is actually being called the Water Management Program now. Mr. Miller offered further comment on the issues with MWD with this regard including the tiers and storage programs. Mr. Kinsey inquired where Orange County Water District (OCWD) is in these discussions. Mr. Miller stated he has had some recent conversations with them and they have gone to one of their committees and received tentative support for this concept. They are a huge beneficiary for replenishment water.

Mr. Miller offered further comment on OCWD's position in this matter. A discussion regarding OCWD's view, water supply sources, Tier I pricing, and the 85/15 Rule ensued. Mr. Kinsey noted as Watermaster moves forward with the Recharge Master Plan, it needs to reflect upon the changed dynamic because the planning was for a large availability of water supply which may not be available any longer. Mr. Garibay inquired about the Levels and how they will be offered. Mr. Alvarez stated not all Levels will be offered at the same time and gave further comment on this matter and stated the details are still under discussion. Mr. Garibay noted his concern regarding preemptive replenishment water having constraints or contingencies on it. Mr. Garibay offered comment on MWD trying to obtain revenue and Level 1 overpricing. Mr. Alvarez stated all of those details are still to be worked out.

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

Mr. Alvarez introduced the State of the Basin Report – Water Quality Presentation. Mr. Kinsey inquired if this same presentation is going to be given at the upcoming Advisory Committee Meeting. Mr. Alvarez stated staff can defer this presentation to the Advisory Committee meeting if this Committee desires to do this. It was decided to hold off until the Advisory Committee meeting next week. Mr. Garibay recognized Mr. LeClaire's time and effort to bring this presentation to today's meeting.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. October 28 Hearing

Counsel Fife stated there is a hearing scheduled for October 28, 2011 at 10:30 a.m. and the main subject will be the CDA Resolution and the approval of that resolution. The pleading which was filed is available on the back table. Counsel Fife stated counsel is currently going through the preparation of testimony and a conference call is scheduled for Monday, October 17, 2011 at 10:00 a.m. to begin Mr. Malone's testimony presentation; if any party is interested they can join the call. Counsel Fife stated Mr. Malone will be Watermaster's only witness which will be an educational opportunity for the Judge. Counsel Fife stated all items are on track for this hearing.

2. Paragraph 31 Appeal

Counsel Fife stated California Steel Industries (CSI) asked for an extension of time to file their reply brief and it was granted by the court. Counsel Fife stated CSI now has until October 28th to file their reply brief. Counsel Fife stated there are settlement discussions taking place and noted more on this subject will be discussed during closed session.

Added: 3. Litigation between Aqua Capital Management and California Steel Industries

Counsel Fife stated this was not on the original agenda because staff and counsel were just made aware of this litigation yesterday. Counsel Fife stated Aqua Capital Management (ACM) has filed a lawsuit against CSI about the water rights agreement that they have. Counsel Fife stated ACM has filed this as a separate lawsuit and it has been filed in San Bernardino Superior Court and hopefully the presiding Judge will see the connection to the adjudication and assign it to Judge Reichert. If not, Watermaster might have to go through some process with this. Counsel Fife stated there has been no opportunity for discussion on the Board level yet on this matter. Counsel Fife stated there will be more information on this item at the Advisory Committee meeting next week. Mr. Kinsey stated part of the court submittal continually makes statements about reconfirming the parties' commitment to do the Recharge Master Plan (RMP) and noted he understands why that is in there.

Mr. Kinsey offered further comment on the RMP and noted his concerns with this regard. Counsel Fife stated one of the cornerstones of the RMP is that it is an adaptive management program; Watermaster is committed to moving forward with it. Mr. Harder stated there are obligations of the Judgment in terms of replenishing areas and sub-areas of the basin and he noted he is going to have to take this information back and then consideration will have to be given in light of this information going forward.

C. WATERMASTER ENGINEERING REPORT1. Chino Creek Well Field Extensometer Installation Update

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

D. CEO/STAFF REPORT1. Recharge (Supplemental Water Purchase/Allocation/Storage Agreements) Update

Mr. Alvarez presented the history of MWD making the replenishment water available for purchase recently and what has transpired at Watermaster since the availability of water was made in May. Mr. Alvarez stated Watermaster has received a total 33,175.5 acre-feet of the MWD replenishment water, which will be subject to adjustments, and the number will not be finalized for several weeks. Mr. Alvarez stated the breakdown for that water is as follows: through the recharge basins 32,105.5 acre-feet, through direct injection 1,074 acre-feet, and through in lieu 1,466.7 acre-feet were recharged. Mr. Alvarez offered comment on the payment of the MWD water and noted 26,000 acre-feet went through Preemptive Storage Agreements with Fontana Water Company (FWC) in the amount 20,000 acre-feet and Niagara Bottling Company (NBC) in the amount of 6,000 acre-feet. Mr. Alvarez stated the Preemptive Storage Agreements do limit the water for use only for replenishment purposes and cannot be traded or sold. Mr. Alvarez stated there are a series of Preemptive Replenishment Agreements that are separate and different from Storage Agreements. Mr. Alvarez stated one of these agreements has been finalized with the City of Chino for 1,420 acre-feet of water and two other agreements are pending with Jurupa Community Services District for 2,300 acre-feet of water and the remainder amount of water will be with an agreement with Inland Empire Utilities Agency (IEUA). Mr. Alvarez offered final comments regarding this matter and thanked IEUA staff for all their efforts on this endeavor. Mr. Kinsey stated Monte Vista Water District (MVWD) was glad to be able to use this as an ability to exercise MVWD's injection facilities. They worked very well and he offered further comment on injecting. Mr. Kinsey stated when this matter began there was an understanding that whatever was ultimately delivered would be allocated on a pro rata basis; the goal was to get 50,000 acre-feet with a 50/50 split between FWC and NBC, and preemptive for desalter replenishment, and it sounds like that is off the table for consideration, even though it was his understanding that everybody agreed to that arrangement. Mr. Alvarez stated the Preemptive Replenishment Agreement water is limited only to desalter use which is specifically spelled out in the agreements for the agencies stated previously. Mr. Kinsey stated this committee would encourage finalizing a Storage Agreement with IEUA and not a Preemptive Replenishment Agreement to allow us to be prepared for the future availability of water, should it become available. Mr. Kinsey stated with conversations between Watermaster and MVWD, MVWD thinks Watermaster is operating outside of its limitations under the Judgment, and are having legal counsel prepare a letter which will be sent out next week for the parties to review. Hopefully they will be able to discuss it with their attorneys; some of the issues brought up in the letter are relevant for this Pool to talk about before coming up a two tiered Storage Program in the Chino Basin.

2. Archibald South Plume Update

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

IV. INFORMATION

1. Cash Disbursements for September 2011

No comment was made.

2. Newspaper Articles

No comment was made.

V. POOL MEMBER COMMENTS

No comment was made.

VI. OTHER BUSINESS

Mr. Alvarez noted there has been a change made to the November Watermaster Board meeting date due to the upcoming Thanksgiving holiday schedule, and to please note the new date of November 17, 2011 which will be on the same day as the Advisory Committee meeting.

The regular open Appropriative Pool meeting was convened to hold its confidential session at 10:50 a.m. after a 5 minute break

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.

The confidential session concluded at 11:50 a.m.

No action was reported.

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
Thursday, November 10, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, November 10, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting

Thursday, November 10, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, November 17, 2011	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, November 17, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
* Thursday, November 17, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM

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

Chair Mura dismissed the Appropriative Pool meeting at 11:50 a.m.

Secretary: _____

Minutes Approved: _____

Draft Minutes
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL SPECIAL CONFIDENTIAL MEETING
November 2, 2011

The Appropriative Pool Special Confidential Meeting was held at the offices of the City of Ontario, 1425 Bon View, Ontario, CA, on November 2, 2011 at 1:30 p.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
Marty Zvirbulis	Cucamonga Valley Water District
Robert Young	Fontana Water Company
Josh Swift	Fontana Union Water Company
Terri Layton	San Antonio Water Company
Tom Harder	Jurupa Community Services District
Dave Crosley	City of Chino
Rosemary Hoerning	City of Upland

Others Present Who Signed In

Sheri Rojo	Fontana Water Company
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Justin Scott-Coe	Monte Vista Water District
Van Jew	Monte Vista Water District
Scott Burton	City of Ontario
Ron Craig	City of Chino Hills
John Schatz	Attorney at Law

Chair Mura called the Appropriative Pool Special Confidential Meeting to order at 1:33 p.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. BUSINESS ITEMS

A. 85/15 Rule

Motion by unanimous Appropriative Pool Committee Members present vote

Moved by unanimous vote of Appropriative Pool members present to approve the 85/15 Policy that applies subsidy only to annual over production including the 2010-2011 year, and requires Watermaster staff to include a summary table identifying the 85/15 Rule purchases annually as part of the Assessment Package, and commits Watermaster staff to working with the Appropriative Pool to explore changes to the Rule including but not limited to eliminating the Rule or keeping it as is or expanding it to include pre-emptive replenishment during the next 12 months, as presented

Note: This motion was presented to the recording secretary via email on 11-03-11 provided by Chairman John Mura

Chair Mura dismissed the Appropriative Pool Special Confidential meeting at 2:30 p.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. BUSINESS ITEM

A. MINUTES

1. Non-Agricultural Pool Conference Call Meeting held on October 13, 2011



Draft Minutes
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL CONFERENCE CALL MEETING
October 13, 2011

The Non-Agricultural Pool Conference Call Meeting was held via conference call using the Chino Basin Watermaster conference call number on October 13, 2011 at 11:00 a.m.

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Bob Bowcock, Chair	Vulcan Materials Company (Calmat Division)
Brian Geye	Auto Club Speedway
David Penrice	Aqua Capital Management LP
Lisa Hamilton	General Electric Company

NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER

Ken Jeske, Vice-Chair	California Steel Industries
Scott Burton	City of Ontario Non-Agricultural Pool

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

Michael Fife	Brownstein, Hyatt, Farber & Schreck
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Watermaster Consultants Present at Watermaster

Joe LeClaire	Wildermuth Environmental Inc.
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Non-Agricultural Pool Counsel Present on Call

Allen Hubsch	Hogan Lovells US LLP
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Chair Bowcock called the Non-Agricultural Pool Conference Call meeting to order at 11:26 a.m.

ROLL CALL

Janine Wilson called roll call.

Chair Bowcock reported out of the closed session which took place on October 13, 2011 at 10:00 a.m. and concluded at 11:22 a.m. and was adjourned to an additional closed session for 2:00 p.m. on Wednesday, October 19, 2011 – our attorney will provide the call in number for that call sometime mid-day that day. There is no further report out from the closed session.

I. BUSINESS ITEM:

A. MINUTES

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

Motion by Geye second by Hamilton, and by unanimous vote
Moved to approve the August 11, 2011 minutes

2. Minutes of the Non-Agricultural Pool Meeting held September 8, 2011

Motion by Geye second by Hamilton, and by unanimous vote
Moved to approve the September 8, 2011 minutes

B. FINANCIAL REPORTS

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

Motion by Jeske second by Geye, and by unanimous vote

Moved to receive and file the financial reports without approval

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

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

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

D. 85/15 RULE POLICY (Information Only)

Mr. Alvarez gave a report on this item.

E. DEFERMENT OF 2011/2012 ASSESSMENT PACKAGE

Ms. Maurizio gave a report on this item.

Motion by Jeske second by Geye, and by unanimous vote

Moved to continue this item until next month or presented by Watermaster staff

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

Mr. Joswiak gave a report on this item

G. METROPOLITAN WATER DISTRICT REPLENISHMENT WATER POLICY PRESENTATION

Mr. Alvarez gave a report on this item.

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

Mr. LeClaire gave a report on this item.

II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. October 28 Hearing
Counsel Fife gave a report on this item.
2. Paragraph 31 Appeal
Counsel Fife gave a report on this item.

Added: 3. Litigation between Aqua Capital Management and California Steel Industries
Counsel Fife gave a report on this item.

B. WATERMASTER ENGINEERING REPORT

1. Chino Creek Well Field Extensometer Installation Update
Mr. Alvarez gave a report on this item.

C. CEO/STAFF REPORT

- 1. Recharge (Supplemental Water Purchase/Allocation/Storage Agreements) Update
Mr. Alvarez gave a report on this item.
- 2. Archibald South Plume Update
Mr. Alvarez gave a report on this item.

III. INFORMATION

- 1. Cash Disbursements for September 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.

See report given after roll call regarding the closed session.

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
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Thursday, November 17, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
* Thursday, November 17, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM

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

Chair Bowcock dismissed the Non-Agricultural Pool meeting at 12:16 p.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool Meeting held on October 13, 2011



Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

October 13, 2011

The Agricultural Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on October 13, 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
Glen Durrington	Crops
Jeff Pierson	Crops
Jennifer Novak	State of California, Dept. of Justice, CIM

Watermaster Board Member Present

Paul Hofer	Crops
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
Sherri Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present Who Signed In

Tracy Egoscue	Paul Hastings
Dave Crosley	City of Chino
Gil Aldaco	City of Chino
Eunice Ulloa	Chino Basin Water Conservation District
Bob Gluck	City of Ontario
Scott Burton	City of Ontario
Marsha Westropp	Orange County Water District
Curtis Paxton	Chino Desalter Authority

Chair Feenstra called the Agricultural Pool meeting to order at 1:01 p.m.

AGENDA - ADDITIONS/REORDER

Chair Feenstra stated he and Curtis Paxton met yesterday about the operations of the Desalters and the concerns that the Agricultural Pool has over cooperation between them regarding water for the agricultural users. Chair Feenstra stated he and Mohamed El-Amamy and Scott Burton also met yesterday, it was a good meeting and many items were discussed. Chair Feenstra noted how encouraged he is with his dealings with the City of Ontario as they all work together with regard to the plume and other concerns of the Watermaster. Chair Feenstra thanked Director Vanden Heuvel and Director Hofer for attending the meeting today.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Agricultural Pool Meeting held September 8, 2011

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2011
2. Watermaster VISA Check Detail for the month of August 2011
3. Combining Schedule for the Period July 1, 2011a 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

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

A discussion regarding the presented Water Transaction ensued.

Motion by Pierson second by Durrington, and by unanimous vote

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

II. BUSINESS ITEMS**A. 85/15 RULE POLICY (Information Only)**

Mr. Alvarez offered a detailed history on the 85/15 Rule. Mr. Alvarez stated there was a workshop on the 85/15 Rule held in September, and at the workshop the Appropriative Pool members directed Watermaster staff to develop a specific formal policy for implementation of the 85/15 Rule; a draft copy of that policy is in the meeting package. Mr. Alvarez gave the 85/15 Rule Implementation Policy presentation in detail, which included the purpose of the rule and how it applies to the preemptive replenishment water. Mr. Alvarez stated this item was presented to the Appropriative Pool this morning and there was a great deal of discussion. However, there was no action taken on the formal policy. Mr. Alvarez noted there were other issues raised again such as if the 85/15 Rule should be done away with, as well as if this applies to the four year look back or on an ongoing basis should this rule be applied in terms of consistency with the Judgment. Mr. Alvarez stated the Appropriative Pool decided a second workshop needed to be scheduled as soon as possible. Mr. Geoffrey Vanden Heuvel inquired if the Appropriators were attempting to go back in time and trying to apply this new policy. Mr. Alvarez stated one of the parties raised that issue, and stated that issue still needed further discussion. Mr. Geoffrey Vanden Heuvel asked Watermaster staff at the last Watermaster Board meeting if that had been concluded and staff's response was that this was a policy on a go forward basis and not in arrears. Mr. Alvarez stated he thought that is where we are, and he was surprised by the Appropriative Pool comments because he thought at the workshop it was agreed to that it would be on a going forward basis. Mr. Geoffrey Vanden Heuvel asked the Agricultural Pool if they wanted to ask and/or inquire about setting precedent by changing rules or changing policies, and going backwards in time; this might be something the Agricultural Pool has an opinion on. Chair Feenstra stated he was assured by Mr. Koopman and Mr. Pierson that the 85/15 Rule does not affect the Agricultural Pool as it does the Appropriative Pool. Chair Feenstra stated he should have gone to the workshop, and noted the Agricultural Pool needs to pay attention to this matter closely. Mr. Pierson stated the 85/15 Rule is really just an accounting practice which was established by the Pool. However, the precedent that could be set by changing Pool matters and going backwards in time may have implications that this Pool may not really want to take place. Mr. Pierson stated in light of what Mr. Vanden Heuvel said, this Pool needs to be appraised of what is going on and to understand what, if anything, this has to do with the overall Judgment or the Restated Judgment, and the Appropriative Pool practices. Counsel Fife stated the legal basis for the suggestion of the go back was the Peace II Agreement section

concerning mistakes. Counsel Fife stated Watermaster is given a four year window when mistakes are made that they can go back and be corrected; the push back from other members of the Appropriative Pool during the meeting was to point out that this was not a mistake, this was a application of policy and Watermaster may be changing the Policy. Mr. Koopman stated the 85/15 Rule goes back to the original adjudication and offered further comment/history on that rule, and noted his concern is changing the original adjudication. Mr. Geoffrey Vanden Heuvel stated where the Agricultural Pool is interested is that people operated in good faith, there was a practice of how the 85/15 Rule was to be applied, and we have learned over the last several months is how this 85/15 Rule has been applied. Mr. Geoffrey Vanden Heuvel stated people operated their water agencies in light of the way it was being practically applied, and it just came to light that maybe it was being misapplied or applied differently than it should have been. Mr. Geoffrey Vanden Heuvel stated it seems reasonable to clarify that on a go forward basis. However, to go back in time when people acted in good faith on the rules, as they understood them, and nobody challenged them at that time, and then to go back and rewrite history, that starts to open up too much and it becomes a policy issue that the Agricultural Pool might want to get interested in at some point.

B. DEFERMENT OF 2011/2012 ASSESSMENT PACKAGE

Mr. Alvarez stated every year Watermaster issues assessments which are done normally in the month of November. However, due to several issues, staff is asking for an extension of time. Ms. Maurizio stated it has been the practice over the last few years to bring the Assessment Package forward in the month of October and then send out the invoices in November. However, there are a lot of outstanding issues right now and it wasn't possible to get it done in October. Ms. Maurizio stated it appears it will take a couple more months for the issues to be resolved – the current issues are the 85/15 Rule and how Watermaster is going to handle preemptive replenishment. Those two items will affect the dollar side of the Assessment Package. Ms. Maurizio stated there are a couple of other outstanding issues – Watermaster is taking a different detailed look at supplemental storage accounts to make sure we are within the 100,000 acre-foot cap, and then there is a new issue that has been raised between Aqua Capital Management and California Steel Industries water rights; those don't affect the dollars of the Assessment Package but they do affect what goes into the Assessment Package since staff does track all storage accounts through the Assessment Package. Ms. Maurizio stated Watermaster is at a point where the Assessment Package needs to be deferred. The past precedent that was set a few years ago was to collect 50% of last year's assessments now so that Watermaster has operating funds on hand because there are not a lot of reserves. Ms. Maurizio stated at the Appropriative Pool meeting which took place prior to this meeting, they decided to table the issue for a month and also asked staff for alternative suggestions. Ms. Maurizio stated the Appropriative Pool also asked staff to provide a report at the next Advisory Committee and then bring it back through the Watermaster process next month. Ms. Maurizio stated the Non-Agricultural Pool tabled the matter until next month. Mr. Koopman inquired if one of the problems with the assessments was because of the lawsuit between Aqua Capital Management and California Steel Industries. Ms. Maurizio stated that is a problem because of water rights. Mr. Koopman stated that could take years to resolve and Watermaster can't stall the Assessment Package until that matter is settled. Ms. Maurizio offered further comment with this regard. Mr. Pierson offered comment on this matter. Ms. Novak inquired as to the effect to Watermaster if the Assessment Package is delayed and offered further comment on this matter. Mr. Alvarez stated Watermaster has a couple months that we don't need the money, but it is not an indefinite period of time. This will be reviewed and brought back next week per the request of the Appropriative Pool. A discussion regarding Watermaster finances ensued.

C. YEAR 3 PURCHASE OF NON-AGRICULTURAL POOL STORED WATER (Information Only)

Mr. Joswiak referenced the staff report on page 89 of the meeting package. Mr. Joswiak stated this is a standard item that Watermaster has done each year for the past few years, and noted this is the third of the fourth payments due which is done for the Non-Agricultural Pool water purchased. Mr. Joswiak stated payment number three is going to be \$2,377,249.88 and referenced the chart on page 91 of the meeting package which shows how the calculation as it

applies to the Appropriators. Mr. Joswiak noted per the Peace Agreement Attachment G, it states the first anniversary date of when the first payment was made locks in the payment date for all future payments on a going forward basis and then the payment needs to be made on or before that anniversary date. Mr. Joswiak reminded the parties that the money needs to be in the Watermaster account prior to the payment which is scheduled for January 13, 2011. Mr. Joswiak stated it was brought to staff's attention that Watermaster was using the incorrect production data and he explained this matter in detail. Mr. Koopman inquired if the checks have been cashed for the other payments made. Mr. Joswiak stated all of the checks have been cashed with the exception of California Steel Industries (CSI), who cashed their check but gave Watermaster the money back. Mr. Joswiak noted CSI kept the funds from the first payment.

D. METROPOLITAN WATER DISTRICT REPLENISHMENT WATER POLICY PRESENTATION

Mr. Alvarez gave the Metropolitan Water District (MWD) Replenishment Water Program presentation which included History, MWD's Administrative Code, Historical MWD Rates, Reversing a Commitment, MWD Proposal Key Principles, Key Development Principles, Where MWD Replenishment is Headed, and MWD Proposed Program in detail. Mr. Alvarez discussed one of the MWD slides, and discussed the possibility of purchasing replenishment water seven years in advance as water is going to be available three out of ten years, which is going to significantly affect cash flow here at Watermaster. The parties are going to have to come up with a way to finance that water. Mr. Koopman asked how this new information is going to work in conjunction with the reoperation of the basin, and if it appears this is going to increase the future cost of water. Mr. Alvarez stated this is going to be a real challenge and staff is going to have to look at alternative supplies. Mr. Koopman inquired if Watermaster is going to re-look at reoperation if something like what was presented comes to pass. Mr. Alvarez stated Watermaster may have to look at reoperation and it is going to be tough to change course as there are a lot of implications; this is one of those things that requires a lot of thought. Mr. Alvarez stated once MWD finalizes this, Watermaster will have more information as to which way to go. Mr. Alvarez offered final comment on MWD's financial stability and noted he believes it would be worthwhile to try to get a quantitative estimate; it would behoove us to have a study done now. Mr. Alvarez stated he has been meeting with MWD staff and this has been pointed out to them, and they have said they think an economic study might be worthwhile. Mr. Alvarez stated he thinks we should all get together to help fund that study and that MWD be part of this endeavor; it is not a short term study, it may take may over a year to complete. Mr. Koopman inquired when MWD was going to finalize this. Mr. Alvarez stated the schedule right now is that this will be moving through the MWD process and be presented to the MWD board in December. Mr. Alvarez stated the Policy Principals suggested in the presentation today will be the ones the MWD board is going to adopt, and they are going to adopt this framework in a skeletal basis like this, with the details to be flushed out. A lengthy discussion regarding this matter ensued. Mr. Vanden Heuvel thanked Mr. Alvarez for the presentation. Mr. Vanden Heuvel stated it appears we have been operating and built this basin on a premise that we would have replenishment water available to us and MWD is making it pretty clear they are going to be going in a different direction. Mr. Vanden Heuvel inquired as the MWD member agencies react to this, has there been any discussion on this matter. Mr. Vanden Heuvel offered further comments on MWD and their supply, or lack of, economically supplied replenishment water. Mr. Hofer inquired about one of the MWD Principals page slides and offered his understanding of what equity means. Mr. Hofer asked that copies of this presentation be made available. Mr. Alvarez stated it is available on the Watermaster ftp site and hardcopies will be made available to any party that requests one. Mr. Koopman offered final comment on this matter and noted it appears Watermaster, on behalf of this Basin, is going to have to look at alternative water supply sources. Chair Feenstra offered comment on Mr. Kightlinger's attendance at a breakfast at IEUA. Chair Feenstra asked that Ms. Egoscue keep a close eye on this matter. Mr. Durrington offered final comments regarding obtaining needed water. Chair Feenstra offered final comments on this matter.

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

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

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**1. October 28 Hearing

Counsel Fife stated there is a hearing scheduled for October 28, 2011 at 10:30 a.m. The main subject will be the CDA Resolution and the approval of that resolution. The pleading which was filed is available on the back table without the exhibits because they are very lengthy; they are on the Watermaster ftp site if needed. Counsel Fife stated the main subject is going to be the CDA Desalter Resolution. Counsel Fife stated in preparation for this meeting, Watermaster took on the duty to notify the private well owners, in what is being called the Zone of Influence of the desalters, about the proceedings and Mitigation Plan. Counsel Fife stated counsel is currently going through the preparation of testimony and a conference call is scheduled for Monday, October 17, 2011 at 10:00 a.m.; if any party is interested they can join the call. Counsel Fife stated Mr. Malone will be Watermaster's only live witness, which will be an educational opportunity for the Judge. Counsel Fife stated all items are on track for this hearing. Counsel Fife stated last week letters went out to everyone that was identified as being within the Zone of Influence, which included the owners and the users of the active wells, inactive wells, and the abandoned wells, and notified them of this matter, a copy of the Mitigation Emergency Response Plan was also included. They were also given the phone numbers for Mr. Paxton, Mr. Alvarez, and Mr. Feenstra. Counsel Fife stated the letter encouraged them to call them if they had any questions, and the letter also suggested that they might consider consulting an attorney because this matter has legal consequences. Counsel Fife stated a special outreach by way of phone calls was made by Mr. Paxton for the people who appeared to own several wells. Counsel Fife stated there have been calls received from the letter sent out. Counsel Fife stated all of this information will be put into declarations which will be submitted to the court so that the court can see the efforts that were made to contact the private well owners. Chair Feenstra noted he received some phone calls with this regard. Chair Feenstra stated during his meeting this week with Mr. Paxton, he ensured him that there will be cooperation in every way possible as this moves forward. Chair Feenstra offered comment on the funding of this project and noted it has not been done so far. Mr. Paxton agreed that the funding has not been accomplished yet as far as the cleanup of the plumes; this is still going on through discussions.

2. Paragraph 31 Appeal

Counsel Fife stated California Steel Industries (CSI) asked for an extension of time to file their reply brief and it was granted by the court. Counsel Fife stated CSI now has until October 28th to file their reply brief. Counsel Fife stated there are settlement discussions taking place and noted more on this subject will be discussed during closed session.

Added: 3. Litigation between Aqua Capital Management and California Steel Industries

Counsel Fife stated this was not on the original agenda because staff and counsel were just made aware of this litigation yesterday. Counsel Fife stated Aqua Capital Management (ACM) has filed a lawsuit against CSI about the water rights agreement that they have. Counsel Fife stated ACM has filed this as a separate lawsuit and it has been filed in San Bernardino Superior Court. Hopefully the presiding Judge will see the connection to the adjudication and assign it to Judge Reichert. If not, Watermaster might have to go through some process with this. Counsel Fife noted there is a copy of the complaint on the back table for reference. Counsel Fife stated there will be more information on this item at the Advisory Committee meeting next week. A discussion regarding this matter ensued.

B. AGRICULTURAL POOL LEGAL COUNSEL UPDATE

Ms. Egoscue stated she will save the majority of her report for closed session. Ms. Egoscue stated she reviewed in consultation with Chair Feenstra the motion for approval on the CDA Resolution, and worked very cooperatively with Watermaster counsel on this matter. Ms. Egoscue stated she really appreciated both the Watermaster counsel and staff for the leadership that they showed in response to the Agricultural Pool's concerns regarding the legal report and the legal matter. Ms. Egoscue stated the October 6, 2011 letter was a direct result of

our work and contains some really good language that the Agricultural Pool feels has brought the notice to the community that this Pool expressed was so important at the last meeting. Ms. Egoscue stated this was the primary purpose of her report and the remainder will be discussed in closed session.

C. WATERMASTER ENGINEERING REPORT

1. Chino Creek Well Field Extensometer Installation Update

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

D. CEO/STAFF REPORT

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

Mr. Alvarez presented the history of MWD making the replenishment water available for purchase recently, and what has transpired at Watermaster since the availability of water was made in May. Mr. Alvarez stated Watermaster has received a total 33,175.5 acre-feet of the MWD replenishment water, which will be subject to adjustments and the number will not be finalized for several weeks. Mr. Alvarez stated the breakdown for that water is as follows: through the recharge basins 32,105.5 acre-feet, through direct injection 1,074 acre-feet, and through in lieu 1,466.7 acre-feet were recharged. Mr. Alvarez offered comment on the payment of the MWD water and noted 26,000 acre-feet went through Preemptive Storage Agreements with Fontana Water Company (FWC) in the amount 20,000 acre-feet and Niagara Bottling Company (NBC) in the amount of 6,000 acre-feet. Mr. Alvarez stated the Preemptive Storage Agreements limit the water for use only for replenishment purposes and it cannot be traded or sold. Mr. Alvarez stated there are a series of Preemptive Replenishment Agreements that are separate and different from Storage Agreements. Mr. Alvarez stated one of these agreements was finalized with the City of Chino for 1,420 acre-feet of water and two other agreements are pending with Jurupa Community Services District for 2,300 acre-feet of water, and the remainder amount of water will be with an agreement with Inland Empire Utilities Agency (IEUA). Mr. Alvarez offered final comments regarding this matter.

2. Archibald South Plume Update

Mr. Alvarez stated this was one of the items in the Watermaster work plan this year in terms of doing some better quantification. Mr. Alvarez stated staff been instructed to go out and do some additional water quality samples and some of those results are in; there is an exhibit map shown on the display screen. Mr. Alvarez reviewed the map where the testing locations were and gave the water quality test results, noting the results were provided to Kurt Berchtold at the Regional Water Quality Control Board. Mr. Geoffrey Vanden Heuvel asked for specific street names and Mr. Alvarez reviewed that request. A discussion regarding the location mentioned ensued. Mr. Alvarez stated as part of this program there are ten additional locations that were identified and are mostly on the westerly side of the plume, where most of the sampling was being performed. Mr. Alvarez commented on the locations that were non-accessible at the time of testing and noted staff is working with Chair Feenstra on some of these locations to obtain access, and with the residents at the locations that people were not available on that particular date and time. Chair Feenstra stated two of the last remaining five have already agreed to allow Watermaster staff to go in and sample;

this will be discussed in greater detail at the closed session today. Chair Feenstra stated the property owners are taking the testing on their properties very seriously. Mr. Koopman offered comment on the outfall of RP1 which is possibly close to the county line. Mr. Koopman stated it is very important to sample at the end of that outfall because if the source is truly RP1, TCE should be found in some kind of quantity. Chair Feenstra offered comment regarding Mr. Koopmans's comment and the history of this matter. Mr. Geoffrey Vanden Heuvel inquired to Mr. Burton about the pipe being at the county line. A lengthy discussion regarding where the pipe is located ensued. Mr. Feenstra offered further comment on this matter. Mr. Koopman inquired have all wells that have more than 5 ppb been identified that are being used for domestic use and is there a process started to make sure they are getting on potable water. Mr. Alvarez stated he is not positive all have been identified; however, there has been an effort to identify as many as possible. Mr. Koopman stated we owe that to them to make sure than anyone that's using water within that plume for domestic uses has an alternative supply. Ms. Maurizio stated the ABGL Group made an effort to supply tanks and/or bottled water to some of those people. Ms. Maurizio stated for as long as she has been here, staff has wanted to release water quality results to owners and users because they have asked for them, and our answer has always been that we can only provide to the owners because the Agricultural Pool will not allow us to release it to the users. Mr. Koopman stated it is the well sites for the plume area and the names of all the well users within that plume. Ms. Maurizio stated Watermaster is not allowed to notify them. Mr. Koopman inquired how ABGL Group decided which dairies or facilities got the alternative water supply. Ms. Maurizio stated the ABGL Group did their own testing. Mr. Koopman stated that is unacceptable. Chair Feenstra stated we are going to go into closed session with this regard. Chair Feenstra thanked Mr. El-Amamy and Mr. Burton for the meeting yesterday and noted that Mr. Feenstra is talking about is the same thing Mr. Burton is talking about. Chair Feenstra offered further comment on moving forward on the whole Archibald South Plume.

IV. INFORMATION

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

V. POOL MEMBER COMMENTS

No comment was made.

VI. OTHER BUSINESS

Mr. Alvarez noted there has been a change made to the November Watermaster Board meeting date due to the upcoming Thanksgiving holiday schedule, and to please note the new date of November 17, 2011 which will be on the same day as the Advisory Committee meeting.

The regular open Agricultural Pool meeting was convened to hold its confidential session at 2:30 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 3:15 p.m.

No action was reported.

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
Thursday, November 10, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, November 10, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, November 10, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, November 17, 2011	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, November 17, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
* Thursday, November 17, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM

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

Chair Feenstra dismissed the Agricultural Pool meeting at 3:15 p.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR (App & Ag Pool)

B. FINANCIAL REPORTS

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

I. BUSINESS ITEM (Non-Ag Pool)

B. FINANCIAL REPORTS

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CHINO BASIN WATERMASTER

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: November 10, 2011
TO: Pool Members
SUBJECT: Cash Disbursement Report – Financial Report B1

SUMMARY

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

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

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

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of September 2011 were \$7,266,066.37. The most significant expenditures during the month were to Inland Empire Utilities Agency in the amounts of \$3,631,870.37 and \$3,040,956.10 (check number 15398 dated September 7, 2011 and check number 15441 dated September 26, 2011) and Wildermuth Environmental, Inc. in the amount of \$155,577.77 (check number 15450 dated September 27, 2011).

Actions:

November 10, 2011 Appropriative Pool –
November 10, 2011 Non-Agricultural Pool –
November 10, 2011 Agricultural Pool –
November 17, 2011 Advisory Committee –
November 17, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
 Cash Disbursements For The Month of
 September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/07/2011	15369	A&R BRIDGESTONE FIRESTONE AUTO CARE	3-1629	1012 - Bank of America Gen'l Ckg	314.05
Bill	09/06/2011	3-1629		Field truck maintenance	6177 - Vehicle Repairs & Maintenance	314.05
TOTAL						
Bill Pmt -Check	09/07/2011	15370	BOWCOCK, ROBERT		1012 - Bank of America Gen'l Ckg	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 Personnel Comm		8/25/11 Personnel Committee Meeting	6311 - Board Member Compensation	250.00
TOTAL						
Bill Pmt -Check	09/07/2011	15371	CALPERS	1741	1012 - Bank of America Gen'l Ckg	5,429.59
Bill	08/22/2011	1741		Medical Insurance - September 2011	60182.1 - Medical Insurance	5,429.59
TOTAL						
Bill Pmt -Check	09/07/2011	15372	COMPUTER NETWORK	82236	1012 - Bank of America Gen'l Ckg	1,131.38
Bill	09/06/2011	82236		External hard drives, printer for reception area	6055 - Computer Hardware	1,131.38
TOTAL						
Bill Pmt -Check	09/07/2011	15373	GOLDEN METERS SERVICE	182	1012 - Bank of America Gen'l Ckg	1,050.00
Bill	08/31/2011	182			7102.8 - In-line Meter-Callib & Test	1,050.00
TOTAL						
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	125.00
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	875.00
TOTAL						
Bill Pmt -Check	09/07/2011	15376	LANTZ, PAULA		1012 - Bank of America Gen'l Ckg	125.00
Bill	08/11/2011	8/11 Appro Pool Mtg		8/11/11 Appropriative Pool Meeting	6311 - Board Member Compensation	125.00
Bill	08/25/2011	8/25 Board Mtg		8/25/11 Board Meeting	6311 - Board Member Compensation	250.00
TOTAL						
Bill Pmt -Check	09/07/2011	15377	MWH LABORATORIES		1012 - Bank of America Gen'l Ckg	748.00
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
TOTAL						

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/31/2011	L0065408		L0065408	7103.5 - Grdwtr Qual-Lab Svcs	1,066.00
Bill	08/31/2011	L0064933		L0064933	7103.5 - Grdwtr Qual-Lab Svcs	1,066.00
Bill	08/31/2011	L0064938		L0064938	7103.5 - Grdwtr Qual-Lab Svcs	1,992.00
Bill	08/31/2011	I0064939		L0064939	7103.5 - Grdwtr Qual-Lab Svcs	1,066.00
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 Solutn	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	1012 - Bank of America Gen'l Ckg	125.00
Bill	08/22/2011	8/22 Admin Mtg		8/22/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	08/25/2011	8/25 Personnel Comm		8/25/11 Personnel Committee Meeting	6311 - Board Member Compensation	250.00
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		1012 - Bank of America Gen'l Ckg	1,863.30
General Journal	08/26/2011	08/26/2011		Payroll and Taxes for 08/07/11-08/20/11	2000 - Accounts Payable	1,863.30
TOTAL						
Bill Pmt -Check	09/07/2011	15385	DURRINGTON, GLEN		1012 - Bank of America Gen'l Ckg	25.00
Bill	08/11/2011	8/11 Ag Pool Mtg		Ag Pool Member Compensation	8411 - Compensation	25.00
TOTAL						
Bill Pmt -Check	09/07/2011	15386	FEENSTRA, BOB		1012 - Bank of America Gen'l Ckg	125.00
Bill	08/11/2011	8/11 Ag Pool Mtg		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	125.00
Bill	08/18/2011	8/18 Advisory Comm		8/18/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/25/2011	8/25 Personnel Comm		8/25/11 Personnel Committee Meeting	8411 - Compensation	125.00
Bill	08/25/2011	8/25 Board Meeting		8/25/11 Board Meeting	8411 - Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	09/07/2011	15387	GRAINGER	9619891907	1012 - Bank of America Gen'l Ckg	10.95
Bill	08/31/2011	9619891907		GW quality supplies	7103.6 - Grdwtr Qual-Supplies	10.95
TOTAL						21.90
Bill Pmt -Check	09/07/2011	15388	HALL, PETE*	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	100.00
Bill	08/18/2011	8/18 Advisory Comm		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	25.00
Bill	08/18/2011	8/18 Advisory Comm		8/18/11 Advisory Committee Meeting	8411 - Compensation	100.00
Bill	08/25/2011	8/25 Board Mtg		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	125.00
Bill	08/25/2011	8/25 Board Mtg		8/25/11 Board Meeting	8470 - Ag Meeting Attend -Special	375.00
TOTAL						725.00
Bill Pmt -Check	09/07/2011	15389	HUITSING, JOHN	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	25.00
Bill	08/11/2011	8/11 Ag Pool Meeting		8/11/2011 Ag Pool Meeting	8411 - Compensation	100.00
Bill	08/11/2011	8/11 Ag Pool Meeting		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	125.00
TOTAL						275.00
Bill Pmt -Check	09/07/2011	15390	KOOPMAN, GENE	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	25.00
Bill	08/11/2011	8/11 Ag Pool Meeting		8/11/11 Ag Pool Meeting	8411 - Compensation	100.00
Bill	08/11/2011	8/11 Ag Pool Meeting		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	125.00
TOTAL						250.00
Bill Pmt -Check	09/07/2011	15391	PIERSON, JEFFREY	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	6311 - Board Member Compensation	125.00
Bill	08/18/2011	8/18 Advisory Comm		8/18/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	08/25/2011	8/25 Board Meeting		8/25/11 Board Meeting	6311 - Board Member Compensation	375.00
TOTAL						750.00
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						14,019.00
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	6022 - Telephone	125.00
Bill	08/31/2011	5402		Make changes to voice-mail system	6022 - Telephone	250.00
TOTAL						500.00
Bill Pmt -Check	09/07/2011	15394	VANDEN HEUVEL, ROB	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

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL				Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
						125.00
Bill Pmt -Check	09/07/2011	15395	MIJAC ALARM	305769	1012 - Bank of America Gen'l Ckg	396.00
Bill	09/01/2011	305769		Bldg. monitoring from 9/01/11 to 11/30/11	6026 - Security Services	396.00
TOTAL						28.44
Bill Pmt -Check	09/07/2011	15396	PRINTING RESOURCES	nameplate for Gerald Greene	1012 - Bank of America Gen'l Ckg	28.44
Bill	08/25/2011	57004		title plate for Senior Environmental Engineer	6031.7 - Other Office Supplies	28.44
Bill	08/25/2011	57005			6031.7 - Other Office Supplies	56.88
TOTAL						322.10
Bill Pmt -Check	09/07/2011	15397	STATE COMPENSATION INSURANCE FUND	1970970-11	1012 - Bank of America Gen'l Ckg	322.10
Bill	08/25/2011	1970970-11		Workers Compensation premium	60183 - Worker's Comp Insurance	322.10
TOTAL						540.25
Bill Pmt -Check	09/07/2011	15398	INLAND EMPIRE UTILITIES AGENCY	90008194	1012 - Bank of America Gen'l Ckg	540.25
Bill	08/18/2011	90008194			8456 - IEUA Readiness To Serve	3,505,874.96
					5011 - Replenishment Water	125,455.16
					1420 - Prepaid Injected Water Purchase	3,631,870.37
General Journal	09/09/2011	09/09/2011	Payroll and Tax 08/21/11-09/03/11	Payroll and Tax 08/21/11-09/03/11	1012 - Bank of America Gen'l Ckg	8,979.89
				Payroll Tax for 08/21/11-09/03/11	1014 - Bank of America P/R Ckg	20,344.13
				Direct Deposits for 08/21/11-09/03/11	1014 - Bank of America P/R Ckg	5,963.82
				Payroll Checks for 08/21/11-09/03/11	1014 - Bank of America P/R Ckg	35,287.84
TOTAL						54,188.86
Bill Pmt -Check	09/12/2011	15399	WILDERMUTH ENVIRONMENTAL INC	2011298 - OBMP - Watermaster Model Update	1012 - Bank of America Gen'l Ckg	54,188.86
Bill	07/31/2011	2011298			6906.1 - OBMP - Watermaster Model Update	2,955.00
Bill	07/31/2011	2011299			6906 - OBMP Engineering Services	881.25
Bill	07/31/2011	2011300			6906 - OBMP Engineering Services	281.25
Bill	07/31/2011	2011301			6906 - OBMP Engineering Services	9,170.00
Bill	07/31/2011	2011302			6906 - OBMP Engineering Services	16,803.60
Bill	07/31/2011	2011303			7104.3 - Grdwtr Level-Engineering	7,316.33
Bill	07/31/2011	2011304			7103.3 - Grdwtr Qual-Engineering	1,518.75
Bill	07/31/2011	2011305			7108.3 - Hydraulic Control-Engineering	1,316.12
Bill	07/31/2011	2011306			7108.3 - Hydraulic Control-Engineering	8,923.63
Bill	07/31/2011	2011307			7108.3 - Hydraulic Control-Engineering	10,282.50
Bill	07/31/2011	2011308			7107.2 - Grd Level-Engineering	11,341.25
Bill	07/31/2011	2011309			7303 - PE3&5-Engineering	3,661.34
Bill	07/31/2011	2011310			7402 - PE4-Engineering	625.00
Bill	07/31/2011	2011311			6906 - OBMP Engineering Services	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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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	08/07/2011	00198		Prepayment - October 2011	1409 - Prepaid Life, BAD&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	08/09/2011	09/08/2011	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	08/31/2011	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	785.00
Bill	08/31/2011	241		Website services - August 2011	6052.3 - Website Consulting	785.00
TOTAL						
Bill Pmt -Check	09/13/2011	15409	MWH LABORATORIES	L0063102	1012 - Bank of America Gen'l Ckg	615.00
Bill	08/31/2011	L0063102			7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	08/31/2011	L0063265			7108.4 - Hydraulic Control-Lab Svcs	1,532.00
Bill	08/31/2011	L0063266			7108.4 - Hydraulic Control-Lab Svcs	2,065.00
TOTAL						

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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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	288.14
Bill	08/31/2011	2011090100		August 2011	8012 - Payroll Services	288.14
TOTAL						288.14
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 F-150 field truck	6151 - Small Tools & Equipment	10.76
				Supplies for 7/21 and 8/18 DYY meetings	7604 - PE3&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, 8/16, 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						814.25
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

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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	824.00
Bill	08/31/2011	1VC070000017446		Week ending 8/28/11	6017 - Temporary Services	824.00
TOTAL						
Bill Pmt -Check	09/13/2011	15417	UNION 76	300-732-989	1012 - Bank of America Gen'l Ckg	275.86
Bill	08/31/2011	300732989		August 2011	6175 - Vehicle Fuel	275.86
TOTAL						
Bill Pmt -Check	09/13/2011	15418	UNITED PARCEL SERVICE	2x81x0	1012 - Bank of America Gen'l Ckg	12.48
Bill	08/31/2011	2X81X0		Postage	6042 - Postage - General	12.48
TOTAL						
Bill Pmt -Check	09/13/2011	15419	VERIZON		1012 - Bank of America Gen'l Ckg	166.41
Bill	08/31/2011	012561121521714508		Data lines	7405 - PE4-Other Expense	166.41
Bill	08/31/2011	012519116950792103		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	10,540.74
Bill	08/31/2011	12-16		WFA treatment charge	1420 - Prepaid Injected Water Purchase	10,540.74
TOTAL						
Bill Pmt -Check	09/13/2011	15421	WESTERN DENTAL SERVICES, INC.	002483	1012 - Bank of America Gen'l Ckg	28.88
Bill	09/07/2011	002483		Dental insurance - October 2011	60182.2 - Dental & Vision Ins	28.88
TOTAL						
Bill Pmt -Check	09/14/2011	15422	CORELOGIC INFORMATION SOLUTIONS	80282310	1012 - Bank of America Gen'l Ckg	62.50
Bill	08/31/2011	80282310		80282310	7108.7 - Grdwtr Qual-Computer Svc	62.50
Bill	08/31/2011	80282310		80282310	7101.4 - Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	09/14/2011	15423	GREAT AMERICA LEASING CORP.	11299710	1012 - Bank of America Gen'l Ckg	2,788.53
Bill	08/31/2011	11299710		Invoice - copier leases	6043.1 - Ricoh Lease Fee	2,788.53
Bill	08/31/2011	11299710		SB County property tax	6043.1 - Ricoh Lease Fee	617.10
Bill	08/31/2011	11299710		Usage for Black Copies	6043.2 - Ricoh Usage & Maintenance Fee	346.70
Bill	08/31/2011	11299710		Usage for Color Copies	6043.2 - Ricoh Usage & Maintenance Fee	316.25
TOTAL						4,068.58
Bill Pmt -Check	09/14/2011	15424	SAFEGUARD DENTAL & VISION	3922182	1012 - Bank of America Gen'l Ckg	7.91
Bill	09/13/2011	3922182		Dental insurance - September 2011	60182.2 - Dental & Vision Ins	7.91
TOTAL						
Bill Pmt -Check	09/14/2011	15425	STAPLES BUSINESS ADVANTAGE	8019574894	1012 - Bank of America Gen'l Ckg	7.91
Bill	09/14/2011	15425				7.91

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	09/03/2011	8019574884		Miscellaneous office supplies	6031.7 - Other Office Supplies	234.79
TOTAL						234.79
Bill Pmt -Check	09/14/2011	15426	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	824.00
Bill	09/13/2011	1CV070000017473		Week ending 9/04/11	6017 - Temporary Services	824.00
TOTAL						1,537.85
Bill Pmt -Check	09/14/2011	15427	VERIZON BUSINESS	66003717	1012 - Bank of America Gen'l Ckg	1,537.85
Bill	09/13/2011	66003717		Charges for service period 10/01/11 -10/31/11	6053 - Internet Expense	1,537.85
TOTAL						738.42
Bill Pmt -Check	09/14/2011	15428	VERIZON WIRELESS	1009830947	1012 - Bank of America Gen'l Ckg	738.42
Bill	09/13/2011	1009830947		Monthly service & G. Greene cell phone	6022 - Telephone	738.42
TOTAL						106.53
Bill Pmt -Check	09/14/2011	15429	YUKON DISPOSAL SERVICE	08-K2 213849	1012 - Bank of America Gen'l Ckg	106.53
Bill	09/13/2011	08-K2 213849		Service for September 2011	6024 - Building Repair & Maintenance	106.53
TOTAL						2,654.10
Bill Pmt -Check	09/15/2011	15430	APPLIED COMPUTER TECHNOLOGIES	2022	1012 - Bank of America Gen'l Ckg	2,654.10
Bill	08/31/2011	2022		Database serv ice - August 2011	6052.2 - Applied Computer Technol	2,654.10
TOTAL						2,488.41
Bill Pmt -Check	09/15/2011	15431	BROWNSTEIN HYATT FARBER SCHRECK	442318 - BHFS Legal - Appropriative Pool	8375 - BHFS Legal - Appropriative Pool	2,488.41
Bill	07/31/2011	442318		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	6907.31 - S. Archibald Plume-Formerly OIA	639.90
				442318 - BHFS Legal - Replenishmnt Water	6075 - BHFS Legal - Replenishmnt Water	8,871.30
				442318 - BHFS Legal - Restated Judgment	6072 - BHFS Legal - Restated Judgment	8,153.15
				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	

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CHINO BASIN WATERMASTER
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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						8,619.81
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	19,263.05
Bill	09/21/2011			Direct Deposits for 09/04/11-09/17/11	1014 - Bank of America P/R Ckg	5,963.82
				Payroll Checks for 09/04/11-09/17/11	1014 - Bank of America P/R Ckg	33,646.68
TOTAL						204.70
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	
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						136.61
Bill Pmt -Check	09/22/2011	15435	STAULA, MARY L	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	136.61
Bill	09/30/2011			D. Alvarez lunch w/John Rossi	60182.4 - Retiree Medical	
Bill Pmt -Check	09/26/2011	15436	BANK OF AMERICA	D. Alvarez lunch w/Chris Frahm	1012 - Bank of America Gen'l Ckg	17.50
Bill	08/30/2011	XXXX-XXXX-XXXX-9341		D. Alvarez administrative mtg w/Bob Kuhn	6909.1 - OBMP Meetings	21.65
				D. Alvarez administrative mtg w/Bob Kuhn	6909.1 - OBMP Meetings	27.88
				Lunch for in-lieu delivery meeting	6141.3 - Admin Meetings	19.13
				Miscellaneous meeting supplies	6141.3 - Admin Meetings	179.83
				Uniform shirts, jackets, hats for staff	6909.1 - OBMP Meetings	96.21
				Portable chairs for field staff	6031.7 - Other Office Supplies	724.60
				Rent road signs for water quality sampling	6154 - Uniforms	96.94
TOTAL						415.00
Bill Pmt -Check	09/26/2011	15437	CITISTREET	Payroll and Taxes for 09/04/11-09/17/11	1012 - Bank of America Gen'l Ckg	2,785.78
General Journal	09/21/2011	09/21/2011	CITISTREET	457 Deductions for 09/04/11-09/17/11	2000 - Accounts Payable	2,785.78
TOTAL						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	8055 - 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	08/30/2011	1995687		Non-Ag Pool legal service - August 2011	8567 - Non-Ag Legal Service	

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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						3,296.85
Bill Pmt -Check	09/26/2011	15440	INLAND EMPIRE UTILITIES AGENCY	90008374	1012 - Bank of America Gen'l Ckg	
Bill	09/19/2011	90008374		90008374	8456 - IEUA Readiness To Serve	552.90
				MWD Water	5011 - Replenishment Water	3,015,257.20
				Tier 2 Surcharge (FY2010 Deliveries)	5106 - Tier Adjustment-Delivered Water	25,146.00
TOTAL						3,040,956.10
Bill Pmt -Check	09/26/2011	15441	MCCALL'S METER SALES & SERVICE	21351	1012 - Bank of America Gen'l Ckg	1,096.56
Bill	09/06/2011	21351		21352	7102.7 - In-line Meter	1,114.09
Bill	09/06/2011	21352			7102.7 - In-line Meter	2,210.65
TOTAL						
Bill Pmt -Check	09/26/2011	15442	MWH LABORATORIES	L0067354	1012 - Bank of America Gen'l Ckg	1,236.00
Bill	08/30/2011	L0067354		L0066472	7103.5 - Grdwtr Qual-Lab Svcs	3,018.00
Bill	08/30/2011	L0066472		L0066473	7503 - PE6&7-Contract Svcs	1,652.00
Bill	08/30/2011	L0066473		L0067349	7503 - PE6&7-Contract Svcs	3,928.00
Bill	08/30/2011	L0067349		L0067350	7503 - PE6&7-Contract Svcs	3,310.00
Bill	08/30/2011	L0067350		L0066477	7503 - PE6&7-Contract Svcs	2,074.00
Bill	08/30/2011	L0066477		L0067353	7503 - PE6&7-Contract Svcs	2,692.00
Bill	08/30/2011	L0067353		L0067355	7503 - PE6&7-Contract Svcs	838.00
Bill	08/30/2011	L0067355		L0067403	7503 - PE6&7-Contract Svcs	4,546.00
Bill	08/30/2011	L0067403		L0067707	7503 - PE6&7-Contract Svcs	2,692.00
Bill	08/31/2011	L0067707				25,986.00
TOTAL						
Bill Pmt -Check	09/26/2011	15443	PRE-PAID LEGAL SERVICES, INC.	111802	1012 - Bank of America Gen'l Ckg	51.80
Bill	09/23/2011	111802			60184 - Other Employee Insurance	51.80
TOTAL						
Bill Pmt -Check	09/26/2011	15444	PRINTING RESOURCES	57002	1012 - Bank of America Gen'l Ckg	39.65
Bill	09/11/2011	57002			6031.7 - Other Office Supplies	39.65
TOTAL						
Bill Pmt -Check	09/26/2011	15445	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	8,054.01
General Journal	09/23/2011	09/23/2011	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS retirement for 09/04/11-09/17/11	2000 - Accounts Payable	8,054.01
TOTAL						
Bill Pmt -Check	09/26/2011	15446	STANDARD INSURANCE CO.	Policy # 00-640888-0009	1012 - Bank of America Gen'l Ckg	525.66
Bill	09/23/2011	006408880009		Policy # 00-640888-0009	60191 - Life & Disab.ins Benefits	525.66
TOTAL						
Bill Pmt -Check	09/26/2011	15447	STATE COMPENSATION INSURANCE FUND	1970970-11	1012 - Bank of America Gen'l Ckg	

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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL	08/23/2011	1970970-11		Workers Comp Insurance - September 2011	60183 - Worker's Comp Insurance	1,132.55
						1,132.55
Bill Pmt -Check	09/26/2011	15448	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	977.60
Bill	09/11/2011	1VC070000017506		Week ending 9/11/11	6017 - Temporary Services	824.00
Bill	09/23/2011	1cv070000017536		Week ending 9/18/11	6017 - Temporary Services	1,801.60
TOTAL						679.54
Bill Pmt -Check	09/26/2011	15449	UNITED HEALTHCARE	C0025358905	1012 - Bank of America Gen'l Ckg	679.54
Bill	09/14/2011	C0025358905		Dental Insurance for September 2011	60182.2 - Dental & Vision Ins	679.54
TOTAL						14,300.00
Bill Pmt -Check	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	38,123.52
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						8,519.19
General Journal	09/30/2011	09/30/2011	Payroll and taxes for 09/18/11-10/01/11	Payroll and taxes for 09/18/11-10/01/11	1012 - Bank of America Gen'l Ckg	26,406.37
				Payroll taxes for 09/18/11-10/01/11	1012 - Bank of America Gen'l Ckg	34,925.56
				Direct Deposits for 09/18/11-10/01/11	1012 - Bank of America Gen'l Ckg	
TOTAL						485.40
General Journal	09/30/2011	09/30/2011	Wage Works Direct Debits - August 2011	Wage Works Direct Debits - August 2011	1012 - Bank of America Gen'l Ckg	485.40
				Wage Works Direct Debits - August 2011	1012 - Bank of America Gen'l Ckg	485.40
				Wage Works Direct Debits - August 2011	1012 - Bank of America Gen'l Ckg	76.25
				Wage Works Direct Debits - August 2011	1012 - Bank of America Gen'l Ckg	1,087.05
TOTAL						7,266,066.37

Total Disbursements:

7,266,066.37

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CHINO BASIN WATERMASTER

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: November 10, 2011
TO: Pool Members
SUBJECT: VISA Check Detail Report – Financial Report B2

SUMMARY

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

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

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

BACKGROUND

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

DISCUSSION

Total cash disbursement during the month of September 2011 was \$1,598.74. The monthly charges for September 2011 were for routine and customary expenditures and properly documented with receipts.

Actions:

- November 10, 2011 Appropriative Pool –
- November 10, 2011 Non-Agricultural Pool –
- November 10, 2011 Agricultural Pool –
- November 17, 2011 Advisory Committee –
- November 17, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
 VISA Check Detail Report
 September 2011

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

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: November 10, 2011
TO: Pool Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2011 through September 30, 2011 - Financial Report B3

SUMMARY

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

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

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

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Working Capital for the period July 1, 2011 through September 30, 2011 is provided to keep all members apprised of the FY 2011/2012 cumulative Watermaster revenues, expenditures and changes in working capital for the period listed.

DISCUSSION

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

Actions:

November 10, 2011 Appropriative Pool –
November 10, 2011 Non-Agricultural Pool –
November 10, 2011 Agricultural Pool –
November 17, 2011 Advisory Committee –
November 17, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE PERIOD JULY 1, 2011 THROUGH SEPTEMBER 30, 2011

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS		GROUNDWATER OPERATIONS		EDUCATION FUNDS	GRAND TOTALS	BUDGET 2011-2012
			APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT			
Administrative Revenues:									
Administrative Assessments				456	182		1		\$6,097,177
Interest Revenue		4,820						5,458	150,010
Mutual Agency Project Revenue		405,777						405,777	411,000
Grant Income									0
Miscellaneous Income									0
Total Revenues		410,596	456	182			1	411,234	6,658,187
Administrative & Project Expenditures:									
Watermaster Administration	182,416							182,416	425,107
Watermaster Board-Advisory Committee	50,118							50,118	155,297
Pool Administration		12,000	23,736	18,877				54,613	503,822
Optimum Basin Mgmt Administration	398,000							398,000	1,161,401
OBMP Project Costs	713,817							713,817	4,166,221
Debt Service	471,400							471,400	450,964
Education Funds Use									375
Mutual Agency Project Costs									10,000
Total Administrative/OBMP Expenses	1,815,751	12,000	23,736	18,877				1,870,364	6,873,187
Net Administrative/OBMP Expenses	(1,815,751)								
Allocate Net Admin Expenses To Pools		1,248,603	505,174	61,974					
Allocate Net OBMP Expenses To Pools									
Allocate Debt Service to App Pool									
Agricultural Expense Transfer*			(528,910)						
Total Expenses	1,789,513		456	80,851				1,870,364	6,873,187
Net Administrative Income	(1,378,917)		456	(80,670)			1	(1,459,130)	(215,000)
Other Income/(Expense)									0
Replenishment Water Assessments									0
Non-Ag Stored Water Purchases									0
Interest Revenue					7			7	0
MWD Water Purchases				9,812,431				9,812,431	0
Non-Ag Stored Water Purchases									0
MWD Water Purchases				(9,812,431)				(9,812,431)	0
Groundwater Replenishment				(25,146)				(25,146)	0
Net Other Income				(25,139)				(25,139)	0
Net Transfers To/(From) Reserves	(1,484,269)	(1,378,917)	456	(80,670)			1	(1,484,269)	(215,000)
Working Capital, July 1, 2011		6,922,600	475,807	282,721			630	7,861,937	
Working Capital, End Of Period		5,543,684	476,262	202,051			630	6,377,668	
09/10 Assessable Production		78,733,238	31,854,766	3,907,911				114,495,915	
09/10 Production Percentages		68.765%	27.822%	3.413%				100.000%	

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

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: November 10, 2011
TO: Pool Members
SUBJECT: Treasurer's Report of Financial Affairs for the Period September 1, 2011 through September 30, 2011 - Financial Report B4

SUMMARY

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

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

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

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period September 1, 2011 through September 30, 2011 is provided to keep all members apprised of the total cash in banks (Bank of America and LAIF) and on hand at the Watermaster office (petty cash) at the end of the period stated. The Treasurer's Report details the change (increase or decrease) in the overall cash position of Watermaster, as well as the changes (increase or decrease) to the assets and liabilities section of the balance sheet. The report also provides a detailed listing of all deposits and/or withdrawals in the California State Treasurer's Local Agency Investment Fund (LAIF), the most current effective yield as of the last quarter, and the ending balance in LAIF as of the reporting date.

DISCUSSION

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

Actions:

November 10, 2011 Appropriative Pool –
November 10, 2011 Non-Agricultural Pool –
November 10, 2011 Agricultural Pool –
November 17, 2011 Advisory Committee –
November 17, 2011 Watermaster Board –

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

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

CHANGE IN CASH POSITION DUE TO:

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

SUMMARY OF FINANCIAL TRANSACTIONS:

Balances as of 8/31/2011								
Deposits	\$	2,198,399	\$	-	\$	4,846,495	\$	7,045,393
Transfers		8,882,733		-		3,300,000		12,182,733
Withdrawals/Checks		(3,369,135)		69,135		(5,000,000)		(8,300,000)
		(7,196,932)		(69,135)		-		(7,266,066)
Balances as of 9/30/2011	\$	515,064.96	\$	-	\$	3,146,495	\$	3,662,060
PERIOD INCREASE OR (DECREASE)	\$	(1,683,334)	\$	-	\$	(1,700,000)	\$	(3,383,334)

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

INVESTMENT TRANSACTIONS

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

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

**INVESTMENT STATUS
September 30, 2011**

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

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

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: November 10, 2011
TO: Pool Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2011 through September 30, 2011 - Financial Report - B5

SUMMARY

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

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

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

BACKGROUND:

A Budget vs. Actual Report for the period July 1, 2011 through September 30, 2011 is provided to keep all members apprised of the total revenues and expenses for the current fiscal year. The expense section is categorized into four distinct sections. Those sections are: General and Administrative Expenses; Optimal Basin Management Program Expenses; Project Expenses; and Other Income/Expenses.

DISCUSSION:

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

There were no budget transfers or budget amendments proposed for the month of September 2011.

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

During the Budget Workshops, the Watermaster legal expenses are being allocated to the specific areas of activity. For example, the legal meeting expenses related to the Appropriative, Agricultural, and Non-Agricultural Pools as well as the Advisory Committee and Board are shown in those specific areas.

General ledger accounts have been created and the expenses are appropriately categorized. This provides a clearer picture of the actual costs associated with each individual group. Also, a new category for Watermaster Legal Services (6070) was established for fiscal year 2011/2012. These expenses are associated with administrative legal services for Watermaster.

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

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

OBMP Engineering Services and Legal Costs:

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

of (\$3,437) and the Recharge Master Plan of (\$7,608). For the three month period, the cumulative Y-T-D budget was \$89,957 and actual legal expenses totaled \$89,552 which resulted in an (Under) budget variance of (\$405) or (0.5%).

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

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

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

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

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

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

Other Income and Expense:

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

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

Actions:

- November 10, 2011 Appropriative Pool –
- November 10, 2011 Non-Agricultural Pool –
- November 10, 2011 Agricultural Pool –
- November 17, 2011 Advisory Committee –
- November 17, 2011 Watermaster Board –

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100% of the Total Budget

3/12th (25%) of the Total Budget

1/12th of the Total Budget

	For The Month of September 2011			Year-To-Date as of September 30, 2011			Fiscal Year End as of June 30, 2012					
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
Income												
4010 · Local Agency Subsidies	0.00	0.00	0.00	0.0%	405,776.62	111,000.00	294,776.62	365.57%	411,000.00	411,000.00	0.00	100.0%
4110 · Admin Asmnts-Approp Pool	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	5,840,178.00	5,840,178.00	0.00	100.0%
4120 · Admin Asmnts-Non-Agri Pool	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	256,999.00	256,999.00	0.00	100.0%
4700 · Non Operating Revenues	5,457.68	37,502.50	-32,044.82	14.55%	5,457.68	37,502.50	-32,044.82	14.55%	150,010.00	150,010.00	0.00	100.0%
4900 · Miscellaneous Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Income	5,457.68	37,502.50	-32,044.82	14.55%	411,234.30	148,502.50	262,731.80	276.92%	6,658,187.00	6,658,187.00	0.00	100.0%
Gross Profit	5,457.68	37,502.50	-32,044.82	14.55%	411,234.30	148,502.50	262,731.80	276.92%	6,658,187.00	6,658,187.00	0.00	100.0%
Expense												
6010 · Salary Costs	29,893.89	38,664.66	-8,770.77	77.32%	115,633.51	125,805.12	-10,171.61	91.92%	472,976.00	472,976.00	0.00	100.0%
6020 · Office Building Expense	8,712.71	8,214.00	498.71	106.07%	24,692.17	25,579.00	-886.83	96.53%	103,369.00	103,369.00	0.00	100.0%
6030 · Office Supplies & Equip.	941.99	2,125.00	-1,183.01	44.33%	5,026.44	6,375.00	-1,348.56	78.85%	25,500.00	25,500.00	0.00	100.0%
6040 · Postage & Printing Costs	3,292.09	6,731.66	-3,439.57	48.91%	11,315.76	16,961.66	-5,645.90	66.71%	66,180.00	66,180.00	0.00	100.0%
6050 · Information Services	13,248.07	13,585.00	-336.93	97.52%	31,813.24	38,255.00	-6,441.76	83.16%	148,020.00	148,020.00	0.00	100.0%
6060 · Contract Services	1,200.00	6,000.00	-4,800.00	20.0%	7,560.00	14,000.00	-6,420.00	54.14%	34,000.00	34,000.00	0.00	100.0%
6070 · Watermaster Legal Services	26,398.88	22,079.58	4,319.30	119.56%	55,740.37	66,238.78	-10,498.41	84.15%	202,555.00	202,555.00	0.00	100.0%
6080 · Insurance	0.00	0.00	0.00	0.0%	17,740.87	19,036.00	-1,295.13	93.2%	19,036.00	19,036.00	0.00	100.0%
6110 · Dues and Subscriptions	0.00	0.00	0.00	0.0%	14,111.00	15,010.00	-899.00	94.01%	30,000.00	30,000.00	0.00	100.0%
6140 · Wtr Admin Expenses	196.01	250.00	-53.99	78.4%	243.02	750.00	-506.98	32.4%	3,000.00	3,000.00	0.00	100.0%
6150 · Field Supplies	64.64	0.00	64.64	100.0%	228.99	250.00	-21.01	91.6%	1,600.00	1,600.00	0.00	100.0%
6170 · Travel & Transportation	1,889.69	2,212.50	-322.81	85.41%	4,186.55	5,492.50	-1,305.95	76.22%	21,970.00	21,970.00	0.00	100.0%
6190 · Conferences & Seminars	1,028.21	2,000.00	-971.79	51.41%	1,878.21	4,375.00	-2,496.79	42.93%	17,500.00	17,500.00	0.00	100.0%
6200 · Advisory Comm - Wtr Board	4,646.44	4,504.25	142.19	103.16%	13,417.83	13,512.75	-94.92	99.3%	54,051.00	54,051.00	0.00	100.0%
6300 · Watermaster Board Expenses	10,447.63	10,437.17	10.46	100.1%	36,700.36	36,811.47	-111.11	99.7%	101,246.00	101,246.00	0.00	100.0%
8300 · Appr Pl-WM & Pool Admin	3,735.60	4,190.00	-454.40	89.16%	11,999.52	12,570.00	-570.48	95.46%	50,280.00	50,280.00	0.00	100.0%
8400 · Agri Pool-WM & Pool Admin	3,728.39	5,319.09	-1,590.70	70.1%	12,683.35	15,957.19	-3,273.84	79.48%	63,829.00	63,829.00	0.00	100.0%
8467 · Ag Legal & Technical Services	0.00	17,583.33	-17,583.33	0.0%	6,653.01	52,750.03	-46,097.02	12.61%	211,000.00	211,000.00	0.00	100.0%
8470 · Ag Meeting Attend -Special	1,700.00	1,000.00	700.00	170.0%	4,400.00	3,000.00	1,400.00	146.67%	12,000.00	12,000.00	0.00	100.0%
8471 · Ag Pool Expense	0.00	16,250.00	-16,250.00	0.0%	0.00	16,250.00	-16,250.00	0.0%	65,000.00	65,000.00	0.00	100.0%
8500 · Non-Ag Pl-WM & Pool Admin	2,292.95	8,476.08	-6,183.13	27.05%	18,877.10	25,428.28	-6,551.18	74.24%	101,713.00	101,713.00	0.00	100.0%
6500 · Education Funds Use Expns	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	375.00	375.00	0.00	100.0%
9400 · Depreciation Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9500 · Allocated G&A Expenditures	-42,266.96	-60,049.92	17,782.96	70.39%	-107,773.91	-180,149.72	72,375.81	59.83%	-720,599.00	-720,599.00	0.00	100.0%
6900 · Optimum Basin Mgmt Plan	156,683.08	124,588.14	32,094.94	125.76%	363,311.81	364,252.11	-940.30	99.74%	995,026.00	995,026.00	0.00	100.0%
6950 · Mutual Agency Projects	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	10,000.00	10,000.00	0.00	100.0%
9501 · G&A Expenses Allocated-OBMP	18,694.10	18,031.25	662.85	103.68%	34,688.46	54,093.75	-19,405.29	64.13%	216,375.00	216,375.00	0.00	100.0%
7101 · Production Monitoring	10,060.88	11,741.67	-1,680.79	85.69%	29,869.05	35,224.97	-5,355.92	84.77%	104,900.00	104,900.00	0.00	100.0%
7102 · In-line Meter Installation	3,757.39	5,530.25	-1,772.86	67.94%	8,827.89	16,590.75	-7,762.86	53.21%	66,363.00	66,363.00	0.00	100.0%
7103 · Grdwtr Quality Monitoring	10,329.28	19,996.67	-9,667.39	51.66%	62,445.11	78,989.97	-16,544.86	79.05%	203,960.00	203,960.00	0.00	100.0%
7104 · Gdwtr Level Monitoring	27,418.46	27,042.24	376.22	101.39%	84,758.72	87,108.09	-2,349.37	97.3%	276,432.00	276,432.00	0.00	100.0%
7105 · Sur Wtr Qual Monitoring	0.00	291.00	-291.00	0.0%	0.00	698.00	-698.00	0.0%	3,592.00	3,592.00	0.00	100.0%

	1/12th of the Total Budget			3/12th (25%) of the Total Budget			100% of the Total Budget		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Projected	Budget	% of Budget
7107 · Ground Level Monitoring	45,530.56	179,214.25	25.41%	95,724.66	284,083.25	33.7%	904,443.00	904,443.00	100.0%
7108 · Hydraulic Control Monitoring	34,419.04	38,315.34	89.83%	69,895.35	114,945.94	60.81%	459,784.00	459,784.00	100.0%
7109 · Recharge & Well Monitoring Prog	0.00	5,580.00	0.0%	0.00	11,160.00	0.0%	11,160.00	11,160.00	100.0%
7200 · PE2- Comp Recharge Pgm	10,588.28	76,658.92	13.81%	209,043.54	400,633.70	52.18%	1,341,765.00	1,341,765.00	100.0%
7300 · PE3&5-Water Supply/Desalte	6,136.57	19,741.92	31.08%	25,420.56	59,225.75	42.92%	93,383.00	93,383.00	100.0%
7400 · PE4- Mgmt Plan	2,702.12	5,663.91	47.71%	9,239.39	17,516.81	52.75%	70,067.00	70,067.00	100.0%
7500 · PE6&7-CoopEfforts/SalMgmt	6,576.25	13,859.34	47.45%	36,716.62	37,683.04	97.44%	88,942.00	88,942.00	100.0%
7600 · PE8&9-StorageMgmt/Conj Use	5,639.29	3,785.25	148.98%	8,800.44	11,443.25	76.91%	45,773.00	45,773.00	100.0%
7690 · Recharge Improvement Debt Pymt	0.00	0.00	0.0%	471,400.00	600,964.00	78.44%	450,964.00	450,964.00	100.0%
7700 · Inactive Well Protection Prgm	0.00	0.00	0.0%	0.00	353.25	0.0%	1,413.00	1,413.00	100.0%
9502 · G&A Expenses Allocated-Projects	23,572.88	42,018.67	56.1%	73,065.48	126,055.97	57.98%	504,224.00	504,224.00	100.0%
Total Expense	433,258.41	701,631.22	61.75%	1,870,364.47	2,635,480.66	70.97%	6,873,187.00	6,873,187.00	100.0%
Net Ordinary Income	-427,800.73	-664,128.72	64.42%	-1,459,130.17	-2,486,978.16	58.67%	-215,000.00	-215,000.00	100.0%
Other Income									
4225 · Interest Income	7.01	0.00	100.0%	7.01	0.00	100.0%	0.00	0.00	0.0%
4210 · Approp Pool-Replenishment	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
4220 · Non-Ag Pool-Replenishment	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
4600 · Groundwater Sales	6,224,475.30	0.00	100.0%	9,812,431.40	0.00	100.0%	0.00	0.00	0.0%
Total Other Income	6,224,482.31	0.00	100.0%	9,812,438.41	0.00	100.0%	0.00	0.00	0.0%
Other Expense									
5010 · Groundwater Replenishment	6,224,475.30	0.00	100.0%	9,812,431.40	0.00	100.0%	0.00	0.00	0.0%
5100 · Other Water Purchases	25,146.00	0.00	100.0%	25,146.00	0.00	100.0%	0.00	0.00	0.0%
9999 · Tol(From) Reserves	-452,939.72	-664,128.72	68.2%	-1,484,259.16	-2,486,978.16	59.68%	-215,000.00	-215,000.00	100.0%
Total Other Expense	5,796,681.58	-664,128.72	-87.283%	8,353,308.24	-2,486,978.16	-335.88%	-215,000.00	-215,000.00	100.0%
Net Other Income	427,800.73	664,128.72	64.42%	1,459,130.17	2,486,978.16	58.67%	215,000.00	215,000.00	100.0%
Net Income	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%

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



CHINO BASIN WATERMASTER

II. BUSINESS ITEM (App & Ag Pool)

A. 85/15 RULE POLICY

I. BUSINESS ITEM (Non-Ag Pool)

C. 85/15 RULE POLICY





CHINO BASIN WATERMASTER

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DESI ALVAREZ, P.E.
Chief Executive Officer

STAFF REPORT

DATE: November 10, 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).

BACKGROUND

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

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

85/15 Rule Policy:

A draft Policy for Appropriative Pool consideration and approval is attached. The draft policy was prepared by the Appropriative Pool at its Closed Session meeting of November 2, 2011. In summary the draft policy calls for the 85/15 Rule to apply to replenishment water acquired through a purchase by Watermaster or through a water transfer from either unused operating safe yield or from stored water only to the exact quantity required to satisfy the amount of water overproduced.

Attachment:
Draft 85/15 Rule Policy

Actions:

- November 10, 2011 Appropriative Pool –
- November 10, 2011 Non-Agricultural Pool –
- November 10, 2011 Agricultural Pool –
- November 17, 2011 Advisory Committee –
- November 17, 2011 Watermaster Board –

Chino Basin Watermaster			
WATERMASTER POLICY			
Subject	Policy Number	Date Adopted	Date Revised
85/15 RULE	5.1 (tentative)	11-10-11 (tentative)	

DRAFT APPROPRIATIVE POOL REVISIONS

Purpose

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

Background

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

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

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

Policy

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

85/15 Rule Participation

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

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

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

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

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

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

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

DRAFT



CHINO BASIN WATERMASTER

II. BUSINESS ITEM (App & Ag Pool)

B. CHINO BASIN WATERMASTER RESERVES

I. BUSINESS ITEM (Non-Ag Pool)

D. CHINO BASIN WATERMASTER RESERVES





CHINO BASIN WATERMASTER

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: November 10, 2011
TO: Pool Members
SUBJECT: Chino Basin Watermaster Cash Reserves

SUMMARY

Recommendation – That the Pools receive a report and provide comment on the Chino Basin Watermaster Reserve.

Background:

Watermaster assessments are collected annually to fund Watermaster operations for the entire year. The assessment consists of two parts: one to fund the annual Operating Budget which is approved in June; and the second to finance water purchases required to acquire replenishment water. The Operating Budget consists of General Administrative (GA) expenses and Optimum Basin Management Plan (OBMP) expenses. Because the Operating Budget cannot be predicted with total accuracy, Watermaster historically has maintained reserves to cover unexpected expenses. During the FY 2011/2012 budget workshops there were numerous discussions regarding the cash reserves held by Watermaster. The purpose of this report is to provide an update on the current balance in the reserve account and a summary of the practices followed in establishing the reserves.

The practice of establishing an Operating Reserve started in FY 1980/1981 with the establishment of a 25% Operating Reserve. In FY 1993/1994, the Operating Reserve was increased to 33%. In FY 2001/2002 the Operating Reserve was changed to include a 33% reserve for budgeted General Administrative expenses and 15% for budgeted OBMP expenses. In FY 2006/2007 the percentages were changed to 30% for both the General Administrative and OBMP budgeted expenses.

Current Practice:

Watermaster attempts to maintain operating reserves equal to 30% of the Administrative Budget and 30% of the OBMP Budget referred to as the 30/30 Operating Reserve. Once the operating reserves calculation is determined, any available Funds on Hand are used to reduce the operating reserve. Funds on Hand is defined as the June 30 fund balance (estimated) less funds required for Agricultural Pool Reserves, carryover replenishment obligations, SB 22 funds and Educational funds. By utilizing the Funds on Hand to offset the operating reserve calculation, the total assessment amount paid by the Appropriative Pool and Non-Agricultural Pool members is reduced.

In fact, until the FY 2011/2012 budget was approved the 30/30 Operating Reserve was applied only once in FY 2006/2007. When considering the FY 2007/2008 Assessment it was noticed that, "Based on discussions following the prior year's assessment package workshop and appropriative pool discussions, WM will not assess or give credit for the following: Reserves or Cash on Hand". As of June 30, 2006, the "Funds on Hand" was \$1,571,249. Each year, the "Funds on Hand" increase or decrease based upon the ongoing activities of Watermaster and the timing of receipts versus payments.

The cash reserve practice has been discussed with Watermaster's current audit firm of Charles Z. Fedak & Company and they have stated that there is currently no GASB requirement to maintain a set amount, percentage or period of time for cash reserves. The auditors are of the opinion, the policy and practice of cash reserves and level of cash to operate is for Watermaster to determine. The auditors do recommend that Watermaster should maintain some level of cash reserves, but they are leaving the details of the level of cash reserves up to Watermaster.

Operating Reserves:

At the Pools request, the Fiscal Year 2011/2012 Operating Budget includes an accounting for the 30/30 Reserve. Employing the 30/30 Operating Reserve, the FY 2011/2012 Administrative Reserve is \$302,880 and the OBMP Reserve is \$1,601,286 for a total Operating Reserve of \$1,904,166. Watermaster staff estimated that there would be approximately \$2,104,167 of Funds On Hand leaving an excess amount of \$200,000 in the Operating Reserve. This excess amount was used to reduce the overall assessment calculation (See Table A).

Table A

**CHINO BASIN WATERMASTER
ASSESSMENT CALCULATION
FISCAL YEAR 2011-2012
INCLUDES "30% OPERATING RESERVES" AND "FUNDS ON HAND UTILIZED FOR ASSESSMENTS"**

	FY 2010-2011 BUDGET	FY 2011-2012 BUDGET	ASSESSMENT	APPROPRIATIVE POOL		AGRICULTURAL POOL		NON-AG POOL	
PRODUCTION BASIS									
2009-10 Production & Exchanges in Acre-Feet (Actuals)			114,495,915	78,733,238	68.765%	31,854,766	27.822%	3,907,911	3.413%
2010-11 Production & Exchanges in Acre-Feet (Projected Estimate)			113,426,601	76,426,601	67.380%	33,000,000	29.094%	4,000,000	3.527%
BUDGET									
				General Administration	OBMP	General Administration	OBMP	General Administration	OBMP
Administration, Advisory Committee & Watermaster Board (1)	584,518	51,009,601	\$1,009,601	5680,267		5293,730		535,604	
OBMP & Implementation Projects (1)	5,133,009	5,337,622	5,337,622		3,596,478		1,552,912		188,232
General Admin & OBMP Assessments	55,980,527	56,347,223	6,347,223	680,267	3,596,478	293,730	1,552,912	35,604	188,232
TOTAL BUDGET			6,347,223	680,267	3,596,478	293,730	1,552,912	35,604	188,232
Less Budgeted Interest Income	(175,010)	(150,010)	(150,009)		(101,076)		(43,643)		(5,290)
Contributions from Outside Agencies	(148,410)	(411,000)	(411,000)		(276,931)		(119,575)		(14,494)
CASH DEMAND			5,786,214	680,267	3,218,471	293,730	1,389,694	35,604	168,448
OPERATING RESERVE (Estimated)									
Administrative (30%)	30%	302,880	\$302,880	5204,080		588,119		\$10,681	
OBMP (30%)	30%	1,601,286	1,601,286		1,078,943		465,874		56,470
Less: Funds On Hand Utilized for Assessments (2)		(2,104,167)	(2,104,167)	(225,515)	(1,192,268)	(97,375)	(514,806)	(11,803)	(62,401)
FUNDS REQUIRED TO BE ASSESSED			55,586,213	5658,832	53,105,147	5284,474	51,340,762	534,482	5162,517
Proposed Assessments									
General Administration Assessments	A	Per Acre-Foot		\$8.62	\$40.63	\$8.62	\$40.63	\$8.62	\$40.63
Minimum Assessments		Per Producer		\$5.00			\$5.00		
Prior Year Assessments (Actuals)									
	B	Per Acre-Foot		\$7.40	\$42.01	\$7.40	\$42.01	\$7.40	\$42.01
	A - B			\$1.22	(\$1.38)		(\$1.38)		(\$1.38)

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

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

As of October 31, 2011, based upon the Watermaster book cash balance (which assumes all checks issued have cleared the Bank of America checking account), the available cash reserve was \$2,464,829 (see Table B). This amount includes the 30/30 Operating Reserve mentioned above and additional funds that have accumulated due to savings.

Table B
Chino Basin Watermaster Cash Analysis

Book Cash Balance	\$	1,230,741	
Unrestricted LAIF	\$	4,970,891	*
Subtotal Available Cash:	\$	6,201,632	
Accounts Receivable to be recv'd within the next 30 days	\$	671,973	Schedule A
Replenishment Contracts expected to be signed within the next 30 days	\$	2,451,285	Schedule B
Subtotal Cash:	\$	9,324,890	
Less:			
IEUA Pymnt (MWD Water)	\$	(1,225,687)	Paid before due date of 11/09/11
IEUA Balance (MWD Water)	\$	(2,229,778)	Paid after due date of 11/09/11
IEUA Late Fee	\$	(44,596)	Paid after due date of 11/09/11
November payments (Oct. bills)	\$	(680,000)	} 6 months of operating cash to cover normal expenses
December payments (Nov. bills)	\$	(500,000)	
January payments (Dec. bills)	\$	(500,000)	
February payments (Jan. bills)	\$	(680,000)	
March payments (Feb. bills)	\$	(500,000)	
April payments (Mar. bills)	\$	(500,000)	
Subtotal Cash Reductions	\$	(6,860,061)	
Cash Balance 04/30/2012:	\$	2,464,829	Operating Reserve
* Excludes Ag Pool of \$476,262, Non-Ag Pool of \$202,051, SB222 of \$158,251 and Education of \$630			
<i>Schedule A</i>			
Fontana Water Company	\$	480,173	
Niagara Bottling Company	\$	144,961	
Lewis Brisbois Bisgaard & Smith	\$	31,078	
Sher Leff	\$	15,761	
Total Schedule A	\$	671,973	
<i>Schedule B</i>			
JCSD @ 2,300 AF x \$423 (estimated)	\$	972,900	
IEUA @ 3,495 AF x \$423 (estimated)	\$	1,478,385	
Total Schedule B	\$	2,451,285	

The data provided in Table B assumes several key points as follows:

1. No other sizeable invoices (greater than \$25K) will be received for MWD water purchases from IEUA.
2. All injected water invoices from WFA have been paid.
3. The 3rd payment of \$2,377,249.88 to the Non-Ag Pool members in January 2012 is funded and paid (no change in cash balances).
4. Watermaster maintains the historical practice of keeping six months of operating cash on hand.
5. The anticipated monthly expenses will be \$500,000 with the additional Basin O&M payments of \$180,000 occurring in November 2011 and February 2012.
6. The FY 2011/2012 Assessment invoices will be issued in January 2012 and payments received in February/March 2012. For purposes of the Operating Reserves, the assessment cash is not included in the calculation since it is assumed not to increase or decrease the overall Operating Reserves.
7. The IEUA invoice for \$3,455,466.60 due on November 9, 2011 has not been paid in full. Based upon current signed replenishment agreements between Niagara Bottling, Fontana Water Company and the City of Chino, \$1,225,687.42 will be paid by November 9, 2011. The outstanding amount of \$2,229,779.18 will not be paid on the due date and IEUA will assess Watermaster a 2% penalty of \$44,595.58 on the unpaid amount. If the outstanding amount of \$2,229,778.18 remains unpaid past 30 days, IEUA will assess Watermaster a 0.05% interest fee per month on the balance due.

CONCLUSION

Some questions for discussion and consideration are:

1. How does Watermaster fund unforeseen expenditures in the future?
2. Should there be a separate reserve for the purpose of purchasing Replenishment Water when there are significantly attractive opportunities?
3. What options are available for the current Operating Reserve funds (i.e. kept by Watermaster for future emergency uses, returned to Pool Members based upon some rationale, reduce future assessments, etc.)?
4. Does Watermaster need a formal written Operating Reserve Policy?
5. Should Watermaster continue to build an Operating Reserve and to what level?

Actions:

November 10, 2011 Appropriative Pool –
November 10, 2011 Non-Agricultural Pool –
November 10, 2011 Agricultural Pool –
November 17, 2011 Advisory Committee –
November 17, 2011 Watermaster Board –



CHINO BASIN WATERMASTER

II. BUSINESS ITEM (App & Ag Pool)

C. TURNER BASIN IMPROVEMENT PROJECT

I. BUSINESS ITEM (Non-Ag Pool)

E. TURNER BASIN IMPROVEMENT PROJECT





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DESI ALVAREZ, P.E.
Chief Executive Officer

STAFF REPORT

DATE: November 10, 2011
TO: Appropriative Pool Members
SUBJECT: Turner Basin/Guasti Park Recharge Project

SUMMARY

Recommendation – That the Pools receive this report on the Turner Basin Recharge Project and consider a cost sharing agreement with IEUA that commits unanticipated FY 2011-12 expenditures up to \$16,000 and a maximum of \$162,236 to be expended by FY 2013-14.

Background

With the excavation of the Milliken Avenue Grade Separation borrow pit, Watermaster needs to plan for integration of the resultant pit into the larger Turner Basins/ Guasti Park Recharge Project. During FY 2010-2011, the Turner Basins recharged approximately 2,308 acre feet of runoff, which amounted to 29% of the total MZ-2 runoff recharge and 13.5% of the total Chino Basin storm runoff recharge. The June 2010 Chino Basin Recharge Master Plan suggested that an additional 1,300 acre feet of runoff per year could be recharged at the Turner Basins through the addition of appropriately designed and constructed facilities. The recharge capacity of the greater Turner Basins/Guasti Park facility could be substantially increased by incorporating the borrow pit resulting from the excavation of 170,000 to 200,000 cubic yards of soil to construct the City of Ontario Milliken Avenue Grade Separation Project, the cost of that road project being substantially supported by funding from other sources.

IEUA is also the recipient of a \$407,000 United States Bureau of Reclamation grant that will finance approximately two thirds of the fine grading and structures needed to integrate the expanded Turner Basin 4B borrow pit into the greater Turner Basins Recharge Project. IEUA also anticipates directing approximately \$800,000 in recycled water recharge conveyance improvements to the project in support of further recycled water recharge in the Turner Basins facility. Other recharge improvements, primarily in and adjacent to Guasti Park, have been previously proposed by various Watermaster supported studies, but would need to be coordinated with San Bernardino County Regional Agencies and require substantial additional support, beyond that anticipated by the planned cost sharing agreement.

Confirmation of Watermaster support for funding previously identified future improvements would facilitate staff review of this Agreement and design of the immediately needed appurtenances.

Discussion

As noted in past studies and the 2010 Chino Basin Recharge Master Plan, the Turner Basins and Guasti Park are unique Chino Basin resources, directly responsible for a significant share of the existing Chino Basin recharge capacity, but with the potential to infiltrate even more supplemental water than appears contemplated by the proposed draft Cost Sharing Agreement. While there is little doubt regarding the ability to deliver and recharge more recycled water within the Turner Basins and Guasti Park, the ability to accept imported water (e.g. from the CB-11 turnout) and storm runoff was not fully realized during the past year. Further optimization of the facility might require construction of additional basins, pretreatment wetlands or spreading grounds, and upstream diversion structures to accept and deliver runoff flows at the higher elevations present in the eastern portions of Guasti Park. Much of the County owned park area lies relatively unimproved, minimally used for the public good and, given budget shortfalls, is likely to remain so for the foreseeable future. However, to affect these objectives, would result in a substantial concentration of our recharge resources in very small, though centralized portion of the larger Chino Basin jurisdiction.

Watermaster has been requested by IEUA staff to review and comment on a *Request for Proposal for Design of the Turner Basin Recharge Improvements* and to participate in an equal portion cost sharing agreement for this and future related work. It is expected that this agreement will require the encumbrance of approximately \$16,000 by June 2012, \$86,000 during FY 2012-13, and approximately \$60,000 during FY 2013-14. The FY 2011-12 expenditures was not anticipated within the approved Watermaster budget, but could be addressed through a budget amendment or other action. Recognizing the implied need for additional significant future financial commitments, the design effort with IEUA could reflect a Master Development Plan phased implementation proposal upon which to seek additional support and better achieve the objectives of the Recharge Master Plan. Watermaster will review the Request for Proposal and Cost Sharing Agreement, as requested by IEUA, then return to the Pools for consideration, authorization, and approval.

Actions:

- November 10, 2011 Appropriative Pool –
- November 10, 2011 Non-Agricultural Pool –
- November 10, 2011 Agricultural Pool –
- November 17, 2011 Advisory Committee –
- November 17, 2011 Watermaster Board –



CHINO BASIN WATERMASTER

II. BUSINESS ITEM (App & Ag Pool)

D. PREEMPTIVE REPLENISHMENT AGREEMENTS

I. BUSINESS ITEM (Non-Ag Pool)

F. PREEMPTIVE REPLENISHMENT AGREEMENTS





CHINO BASIN WATERMASTER

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DESI ALVAREZ, P.E.
Chief Executive Officer

STAFF REPORT

DATE: November 10, 2011
TO: Appropriative Pool Members
SUBJECT: Preemptive Replenishment Agreements

SUMMARY

Recommendation – That the Appropriative Pool review and comment on the Preemptive Replenishment Agreements.

Background:

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

Acquisition of Replenishment Water:

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

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

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

Preemptive Replenishment Agreement:

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

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

Status of Agreements:

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

Actions:

November 10, 2011 Appropriative Pool –
November 10, 2011 Non-Agricultural Pool –
November 10, 2011 Agricultural Pool –
November 17, 2011 Advisory Committee –
November 17, 2011 Watermaster Board –

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

A. Introduction

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

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

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

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

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

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

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

B. Watermaster's Replenishment Authority and Responsibility

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

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

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

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

C. The Appropriative Pool Pooling Plan

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

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

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

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

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

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

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

E. IEUA Preemptive Replenishment Agreement

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

F. Comparison to Local Storage Agreement.

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

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

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EXHIBIT B
CHINO BASIN WATERMASTER

PREEMPTIVE REPLENISHMENT AGREEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

WATERMASTER

INLAND EMPIRE UTILITIES AGENCY

Watermaster

Inland Empire Utilities Agency

Date

Date

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EXHIBIT B
CHINO BASIN WATERMASTER

PREEMPTIVE REPLENISHMENT AGREEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Replenishing Party Jurupa Community Services District
11201 Harrell Street
Mira Loma, CA 91752

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

WATERMASTER

REPLENISHING PARTY

Watermaster

Jurupa Community Services District

Date

Date

EXHIBIT B

CHINO BASIN WATERMASTER

PREEMPTIVE REPLENISHMENT AGREEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

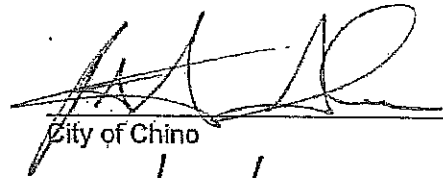
WATERMASTER



Watermaster

10-10-2011
Date

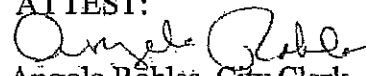
REPLENISHING PARTY



City of Chino

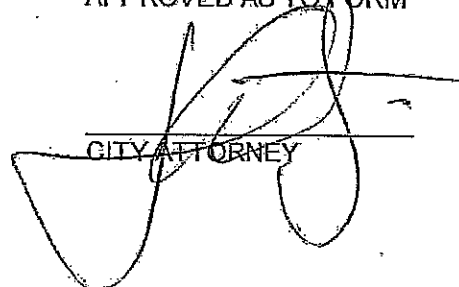
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Date

ATTEST:


Angela Robles, City Clerk

Date 10-6-11

APPROVED AS TO FORM



CITY ATTORNEY

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM (App & Ag Pool)

E. WEST VENTURE DEVELOPMENT WATER RIGHTS

I. BUSINESS ITEM (Non-Ag Pool)

G. WEST VENTURE DEVELOPMENT WATER RIGHTS





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: November 10, 2011
TO: Committee Members
SUBJECT: Re-Allocation of West Venture Development Company's Safe Yield

Recommendations – West Venture Development Company's Safe Yield of 15.657 Acre-Feet Shall Be Re-Allocated to the Current Parties of the Non-Agricultural Pool Pro-Rata to Their Respective Safe Yield.

SUMMARY

Red Star Fertilizer was an original Non-Agricultural Pool Party to the Judgment with 15.657 acre-feet of safe yield in 1978. Red Star Fertilizer was acquired by Anaheim Citrus who was subsequently acquired by West Venture Development Company in 1987. West Venture Development subdivided the land into approximately 33 lots and subsequently sold those lots in the following years. Upon completion of the subdivision improvements and sale of the lots, West Venture Development capped the well on that site, ceased operations, and abandoned its rights to production in Fiscal Year 1991/1992. Copies of the abandonment correspondence are attached.

The abandonment of adjudicated rights results in those rights returning to the pool from which they originate for the benefit of the Pool. It is recommended that West Venture Development's safe yield of 15.657 acre-feet be re-allocated to the current parties of the Non-Agricultural Pool pro-rata to their respective safe yield. The following table demonstrates the re-allocation of West Venture Development's safe yield right.

**NON-AGRICULTURAL POOL RIGHTS
 (Acre-Feet)**

Non-Agricultural Party	Share of Safe Yield as of June 30, 2011	Percent of Safe Yield as of June 30, 2011	Re-Allocated Share of West Venture's Safe Yield	Re-Allocated Share of Safe Yield as of November 17, 2011
Ameron Steel Producers, Inc.	97.858	1.331%	0.208	98.066
Angelica Rental Service	18.789	0.256%	0.040	18.829
Aqua Capital Management	948.118	12.899%	2.020	950.138
Auto Club Speedway	1,000.000	13.605%	2.130	1,002.130
California Steel Industries	1,300.000	17.686%	2.769	1,302.769
CCG Ontario LLC	-	0.000%	-	-
County of San Bernardino (Airport)	133.870	1.821%	0.285	134.155
General Electric Company	-	0.000%	-	-
GenOn West, LP	954.540	12.986%	2.033	956.573
Kaiser Steel Corporation	-	0.000%	-	-
KCO, LLC/The Koll Company	-	0.000%	-	-
Loving Savior of the Hills Lutheran Church	-	0.000%	-	-
Ontario City Non-Ag	2,327.807	31.669%	4.958	2,332.765
Praxair	1.000	0.014%	0.002	1.002
Quaker Chemical Company	-	0.000%	-	-
San Antonio Winery	-	0.000%	-	-
Southern California Edison Co.	-	0.000%	-	-
Space Center, Mira Loma	104.121	1.417%	0.222	104.343
Sunkist Growers, Inc.	-	0.000%	-	-
Swan Lake Mobile Home Park	464.240	6.316%	0.989	465.229
Vulcan Materials Company	-	0.000%	-	-
West Venture Development Co.	-	0.000%	-	-
Total	7,350.343	100.000%	15.657	7,366.000

ACTIONS:

- November 10, 2011 Appropriative Pool –
- November 10, 2011 Non-Agricultural Pool –
- November 10, 2011 Agricultural Pool –
- November 17, 2011 Advisory Committee –
- November 17, 2011 Watermaster Board –

November 10, 2011

WATERMASTER

DWIGHT F. FRENCH, Chairman
GEORGE A. BORBA, Vice-Chairman
JOHN L. ANDERSON, Secretary/Treasurer
ANNE W. DUNIHUE, Member
BILL HILL, Member



DONALD R. PETERS, Chief
Watermaster Services

Telephone (714) 987-1712



July 30, 1991

Mr. Jim Sorensen, President
West Venture Development
6345 Balboa Boulevard, #225
Encino, CA 91316-1501

SUBJECT: ABANDON PUMPING RIGHTS

Dear Mr. Sorensen:

This letter will confirm our telephone conversation this date regarding subject. As we discussed, you indicated that West Venture Development Company has no further use of its 15.657 acre feet of annual shares of safe yield in as much as a home has been constructed over the well site, and as such, are willing to abandon these rights for distribution to the remaining members of the Overlying (Non-Agricultural) Pool.

Therefore, to this end, please execute this letter on the space provided and return the original letter using the envelope provided.

Sincerely,

Donald R. Peters, Chief
Watermaster Services

DRP/ces

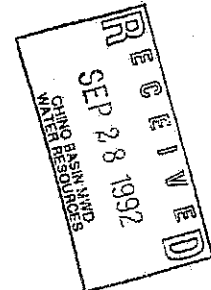
I hereby abandon my pumping rights of 15.657 acre feet of shares of allocated, safe yield to be re-allocated to the remaining Pool members in proportion to their decreed rights.

West Venture Development

by
Mr. Jim Sorensen, President

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November 10, 2011



September 25, 1992

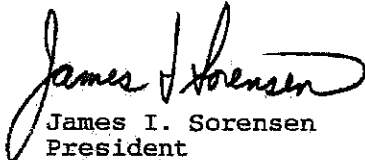
Mr. Edwin James
Chief of Water Master Services
P.O. Box 697
Rancho Cucamonga, California 91729

Re: Recorded Well #600240

Dear Mr. James:

The subject well and the attached water rights have been abandoned.

Yours truly,


James I. Sorensen
President

JIS/jt

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WEST VENTURE

P.02



Watermaster

October 9, 1992

Mr. Edwin D. James
Water Resources Director
Chino Basin Municipal Water District
8555 Archibald Avenue
P.O. Box 697
Rancho Cucamonga, CA 91730-0697

Re: Chino Basin Overlying Water Rights

Dear Mr. James:

By prior letter I evidenced the intent of West Venture to abandon its overlying water rights in Chino Basin. After a review of the facts relevant to the ownership of those water rights by the company I must amend the prior letter.

West Venture acquired 8.44 acres from Anaheim Citrus Products in 1987. I am advised that this property was apparently owned by the Red Star Fertilizer some time prior to the ownership of Anaheim Citrus Products. I understand that Red Star Fertilizer was one of the parties to the 1978 Judgment in the case of Chino Basin Municipal Water District v. City of Chino, et al. - Case number 164327 (1978). As such some part of 15,657 acre feet of water was made appurtenant to the 8.44 acres of overlying land and was made non-assignable and non-severable from that land.

West Venture subdivided the land into approximately 33 lots and subsequently sold all of those lots in the ensuing years. West Venture capped the well on the 8.44 acres.

Consequently, West Venture abandoned any interest it may have had or now has to the appurtenant overlying water rights. The company will cooperate with the district in any formal steps which must be taken to effectuate this abandonment. However, in view of the fact that the overlying water rights are appurtenant to the lots sold to others, this agreement by the company should not be read in any way as adversely impacting the rights of those lot purchasers.

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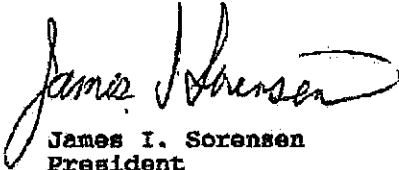
WEST VENTURE

P.03

Mr. Edwin James
October 9, 1992
Page 2

Therefore, the company specifically requests that any abandonment of the overlying water rights of the lot owners only occur in accordance with an order of the court in an appropriate proceeding commenced by the district in which the company incurs no obligation to participate and no liability to the purchasers of the lots.

Very truly yours,



James I. Sorensen
President

JIS/jt

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CHINO BASIN WATERMASTER

IV. INFORMATION (App & Ag Pool)

1. Cash Disbursements for October 2011

III. INFORMATION (Non-Ag Pool)

2. Cash Disbursements for October 2011



CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
October 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	10/03/2011	15451	AFS ASSOCIATES, INC.	Software lease for GASB 45 compliance	1012 - Bank of America Gen'l Ckg	1,200.00
Bill	09/29/2011	Lease-ACOPEB 2011		Lease of ACOPEB - GASB 45	6054 - Computer Software	1,200.00
TOTAL						
Bill Pmt -Check	10/05/2011	15452	A&R BRIDGESTONE FIRESTONE AUTO CARE	3-1952	1012 - Bank of America Gen'l Ckg	37.88
Bill	09/24/2011	3-1952		Field truck maintenance	6177 - Vehicle Repairs & Maintenance	37.88
TOTAL						
Bill Pmt -Check	10/05/2011	15453	ARROWHEAD MOUNTAIN SPRING WATER	0023230253	1012 - Bank of America Gen'l Ckg	38.94
Bill	09/27/2011	0023230253		Office Water Bottle - September 2011	6031.7 - Other Office Supplies	38.94
TOTAL						
Bill Pmt -Check	10/05/2011	15454	CHARLES Z. FEDAK & COMPANY		1012 - Bank of America Gen'l Ckg	1,200.00
Bill	09/30/2011			Progress Billing - September 2011	6062 - Audit Services	1,200.00
TOTAL						
Bill Pmt -Check	10/05/2011	15455	COMPUTER NETWORK	82431	1012 - Bank of America Gen'l Ckg	3,541.74
Bill	09/30/2011	82431		Backup Exec Software for servers	6054 - Computer Software	3,541.74
TOTAL						
Bill Pmt -Check	10/05/2011	15456	CORO SOUTHERN CALIFORNIA		1012 - Bank of America Gen'l Ckg	1,500.00
Bill	10/03/2011			Sponsorship-Oct. 18, 2011 Luncheon & Prgm	6191 - Conferences - General	1,500.00
TOTAL						
Bill Pmt -Check	10/05/2011	15457	DAILY BULLETIN	18069340	1012 - Bank of America Gen'l Ckg	233.00
Bill	10/04/2011	18069340		10/19/11-9/19/12	6112 - Subscriptions/Publications	233.00
TOTAL						
Bill Pmt -Check	10/05/2011	15458	DE BOOM, NATHAN		1012 - Bank of America Gen'l Ckg	25.00
Bill	09/08/2011	9/08 Ag Pool Mtg		AG Pool Member Meeting Compensation	8411 - Compensation	25.00
TOTAL						
Bill Pmt -Check	10/05/2011	15459	DIRECTV	019447404	1012 - Bank of America Gen'l Ckg	86.99
Bill	09/27/2011	019447404		Monthly Service for office (9/19/11-10/18/11)	6031.7 - Other Office Supplies	86.99
TOTAL						
Bill Pmt -Check	10/05/2011	15460	DURRINGTON, GLEN		1012 - Bank of America Gen'l Ckg	25.00
Bill	09/08/2011	9/08 Ag Pool Meeting		AG POOL MEMBER COMPENSATION	8411 - Compensation	25.00
TOTAL						
Bill Pmt -Check	10/05/2011	15461			1012 - Bank of America Gen'l Ckg	100.00
Bill	09/08/2011	9/08 Ag Pool Meeting		AG POOL MEMBER COMPENSATION	8470 - Ag Meeting Attend -Special	100.00
TOTAL						

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
October 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	10/05/2011	15461	FEENSTRA, BOB		1012 - Bank of America Gen'l Ckg	
Bill	09/09/2011	9/08 Ag Pool Mtg		9/09/11 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	09/15/2011	9/15 Advisory Comm		9/15/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	09/22/2011	9/22 Board Mtg		9/22/11 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						375.00
Bill Pmt -Check	10/05/2011	15462	GREAT AMERICA LEASING CORP.		1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	11410365		11410365 Copier lease invoice	6043.1 - Ricoh Lease Fee	2,788.53
				Usage for Black Copies	6043.2 - Ricoh Usage & Maintenance Fee	184.51
				Usage for Color Copies	6043.2 - Ricoh Usage & Maintenance Fee	236.26
TOTAL						3,211.30
Bill Pmt -Check	10/05/2011	15463	GROOMAN'S PUMP & WELL DRILLING, INC.		1012 - Bank of America Gen'l Ckg	
Bill	09/26/2011	12860		12860 12860	7102.7 - In-line Meter	340.00
TOTAL						340.00
Bill Pmt -Check	10/05/2011	15464	HALL, PETE*		1012 - Bank of America Gen'l Ckg	
Bill	09/09/2011	9/15 Advisory Comm		9/15/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	09/22/2011	9/22 Board Mtg		9/22/11 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						250.00
Bill Pmt -Check	10/05/2011	15465	HUITSING, JOHN		1012 - Bank of America Gen'l Ckg	
Bill	09/08/2011	9/08 Ag Pool mtg		Ag Pool Member Compensation 9/08/2011 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						125.00
Bill Pmt -Check	10/05/2011	15466	KOOPMAN, GENE		1012 - Bank of America Gen'l Ckg	
Bill	09/09/2011	9/08 Ag Pool Mtg		AG Pool Member Meeting Compensation 9/08/11 Ag Pool Meeting	8411 - Compensation	25.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	10/05/2011	15467	MIJAC ALARM		1012 - Bank of America Gen'l Ckg	
Bill	10/01/2011	307316		307316 Bldg. monitoring from 10/01/11 to 12/31/11	6026 - Security Services	147.00
TOTAL						147.00
Bill Pmt -Check	10/05/2011	15468	PARK PLACE COMPUTER SOLUTIONS, INC.		1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	455		455 IT Services - September 2011	6052.1 - Park Place Comp Solutn	2,400.00
TOTAL						2,400.00
Bill Pmt -Check	10/05/2011	15469	PURCHASE POWER		1012 - Bank of America Gen'l Ckg	
Bill	09/27/2011	8000909000168851		8000909000168851 fed ex shipments for the month	6042 - Postage - General	62.57
TOTAL						62.57

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	10/05/2011	15470	R&D PEST SERVICES	0147550	1012 - Bank of America Gen'l Ckg	85.00
Bill	09/27/2011	0147550		Continuing preventative treatment	6024 - Building Repair & Maintenance	85.00
TOTAL						
Bill Pmt -Check	10/05/2011	15471	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	824.00
Bill	09/25/2011	1vc070000017569		Week ending 9/25/11	6017 - Temporary Services	824.00
TOTAL						
Bill Pmt -Check	10/05/2011	15472	VANDEN HEUVEL, ROB	AG POOL MEMBER COMPENSATION	1012 - Bank of America Gen'l Ckg	25.00
Bill	09/09/2011	9/08 Ag Pool Mtg		9/08/11 Ag Pool Meeting	8411 - Compensation	100.00
TOTAL						125.00
Bill Pmt -Check	10/05/2011	15473	VERIZON		1012 - Bank of America Gen'l Ckg	546.03
Bill	09/30/2011	012519116950792103		012519116950792103	6022 - Telephone	166.53
Bill	09/30/2011	012561121521714508		012561121521714508	7405 - PE4-Other Expense	712.56
TOTAL						
Bill Pmt -Check	10/05/2011	15474	VISION SERVICE PLAN	00-101789-0001	1012 - Bank of America Gen'l Ckg	55.05
Bill	09/27/2011	001017890001		Vision Insurance - October 2011	60182.2 - Dental & Vision Ins	55.05
TOTAL						
Bill Pmt -Check	10/05/2011	15475	YUKON DISPOSAL SERVICE	08-K2 213849	1012 - Bank of America Gen'l Ckg	106.53
Bill	10/01/2011	08-K2 213849		Disposal service - October 2011	6024 - Building Repair & Maintenance	106.53
TOTAL						
Bill Pmt -Check	10/13/2011	15476	ACWA SERVICES CORPORATION	00198	1012 - Bank of America Gen'l Ckg	102.78
Bill	10/11/2011	00198		Prepayment - November 2011	1409 - Prepaid Life, BAD&D & LTD	127.57
TOTAL						230.35
Bill Pmt -Check	10/13/2011	15477	CITISTREET	Payroll and taxes for 09/18/11-10/01/11	1012 - Bank of America Gen'l Ckg	2,785.78
General Journal	09/30/2011	09/30/2011	CITISTREET	457 Employee deductions - 09/18/11-10/01/11	2000 - Accounts Payable	2,785.78
TOTAL						
Bill Pmt -Check	10/13/2011	15478	COMPUTER NETWORK	82545	1012 - Bank of America Gen'l Ckg	91.59
Bill	10/01/2011	82545		Backup battery	6055 - Computer Hardware	91.59
TOTAL						
Bill Pmt -Check	10/13/2011	15479	GUARANTEED JANITORIAL SERVICE, INC.	28696	1012 - Bank of America Gen'l Ckg	865.00
Bill	10/01/2011	28696		Janitorial service - October 2011	6024 - Building Repair & Maintenance	865.00
TOTAL						

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
October 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	10/13/2011	15480	HALL, PETE*	AG POOL MEMBER COMPENSATION	1012 - Bank of America Gen'l Ckg	
Bill	09/08/2011	9/08 Ag Pool Mtg		9/08/11 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						125.00
Bill Pmt -Check	10/13/2011	15481	HSBC BUSINESS SOLUTIONS	7003-7309-1000-2744	1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	7003730910002744		Miscellaneous office supplies	6031.7 - Other Office Supplies	295.23
TOTAL						295.23
Bill Pmt -Check	10/13/2011	15482	JAMES JOHNSTON	243	1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	243		Website services - September 2011	6052.3 - Website Consulting	855.00
TOTAL						855.00
Bill Pmt -Check	10/13/2011	15483	MWH LABORATORIES	L0069057 - PE6&7-Contract Svcs (Plume)	1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	L0069057		L0068376 - PE6&7-Contract Svcs (Plume)	7503 - PE6&7-Contract Svcs (Plume)	838.00
Bill	09/30/2011	L0068376			7503 - PE6&7-Contract Svcs (Plume)	838.00
TOTAL						1,676.00
Bill Pmt -Check	10/13/2011	15484	PAYCHEX	2011092900	1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	2011092900		Payroll processing - September 2011	6012 - Payroll Services	246.12
TOTAL						246.12
Bill Pmt -Check	10/13/2011	15485	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	09/30/2011	09/30/2011		CalPERS retirement for 09/18/11-10/01/11	2000 - Accounts Payable	8,110.17
TOTAL						8,110.17
Bill Pmt -Check	10/13/2011	15486	SAFEGUARD DENTAL & VISION	3975365	1012 - Bank of America Gen'l Ckg	
Bill	10/10/2011	3975365		Dental insurance - October 2011	60182.2 - Dental & Vision Ins	7.91
TOTAL						7.91
Bill Pmt -Check	10/13/2011	15487	SAN BERNARDINO COUNTY FLOOD CONTROL I FC 053/12	Annual lease-Eliwanda Conservation Basins	1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	FC 053/12			7205 - Comp Recharge-Other Expense	5,000.00
TOTAL						5,000.00
Bill Pmt -Check	10/13/2011	15488	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	1VC070000017603		Week ending 10/02/11	6017 - Temporary Services	659.20
TOTAL						659.20
Bill Pmt -Check	10/13/2011	15489	UNION 76	300-732-989	1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	300732989		Fuel - September 2011	6175 - Vehicle Fuel	113.31
TOTAL						113.31
Bill Pmt -Check	10/13/2011	15490	UNITED PARCEL SERVICE	2x81x0	1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	2x81x0		Packages to GeoTech from Jim Theirl	6042 - Postage - General	18.22
TOTAL						18.22

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						18.22
Bill Pmt -Check	10/13/2011	15491	WESTERN DENTAL SERVICES, INC.	002483	1012 - Bank of America Gen'l Ckg	
Bill	10/10/2011	002483		Dental insurance - November 2011	60182.2 - Dental & Vision Ins	28.88
TOTAL						28.88
Bill Pmt -Check	10/19/2011	15492	BROWNSTEIN HYATT FARBEN SCHRECK		1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	442849		442849 - BHFS Legal - Appropriative Pool	8375 - BHFS Legal - Appropriative Pool	1,312.65
				442849 - BHFS Legal - Agricultural Pool	8475 - BHFS Legal - Agricultural Pool	1,442.25
				442849 - BHFS Legal - Non-Ag Pool	8575 - BHFS Legal - Non-Ag Pool	1,312.65
				442849 - BHFS Legal - Advisory Committee	6275 - BHFS Legal - Advisory Committee	2,521.35
				442849 - BHFS Legal - Board Meeting	6375 - BHFS Legal - Board Meeting	7,766.10
				442849 - BHFS Legal - Restated Judgment	6072 - BHFS Legal - Restated Judgment	1,258.65
				442849 - BHFS Legal - Personnel Matters	6073 - BHFS Legal - Personnel Matters	142.20
				442849 - BHFS Legal - Replenishmnt Water	6075 - BHFS Legal - Replenishmnt Water	1,749.60
				442849 - BHFS Legal - Miscellaneous	6078 - BHFS Legal - Miscellaneous	4,859.08
				442849 - Desalter Negotiations	6907.33 - Desalter Negotiations	2,097.45
				442850 - Chino Airport Plume	6907.32 - Chino Airport Plume	1,888.65
Bill	08/31/2011	442850		442851 - Desalter Negotiations	6907.33 - Desalter Negotiations	21,806.10
Bill	08/31/2011	442851		442852 - Paragraph 31 Motion	6907.35 - Paragraph 31 Motion	3,073.50
Bill	08/31/2011	442852		442853 - Santa Ana River Habitat	6907.36 - Santa Ana River Habitat	318.15
Bill	08/31/2011	442853				51,548.38
TOTAL						51,548.38
Bill Pmt -Check	10/19/2011	15493	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	xxxx-xxxx-xxxx-9341		D. Alvarez-26th Annual Wateruse Symposium	6191 - Conferences - General	989.25
				D. Alvarez breakfast meeting	6909.1 - OBMP Meetings	20.48
				Purchase shirts/jackets for field staff	6154 - Uniforms	115.81
				Fastrack replenishment	6174 - Transportation	28.28
TOTAL						1,133.82
Bill Pmt -Check	10/19/2011	15494	DE BOOM, NATHAN		1012 - Bank of America Gen'l Ckg	
Bill	09/12/2011	9/12 WEI Mtg		AG Pool Member Meeting Compensation	8411 - Compensation	25.00
TOTAL						100.00
Bill Pmt -Check	10/19/2011	15495	DURRINGTON, GLEN		1012 - Bank of America Gen'l Ckg	
Bill	09/12/2011	9/12 WEI Meeting		AG Pool Member Meeting Compensation	8411 - Compensation	25.00
TOTAL						100.00
Bill Pmt -Check	10/19/2011	15496	INLAND EMPIRE UTILITIES AGENCY	90008524	1012 - Bank of America Gen'l Ckg	
Bill	10/13/2011	90008524		Quarterly GW Recharge O&M Costs	7206 - Comp Recharge-O&M	180,656.82
TOTAL						180,656.82

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	10/19/2011	15487	MUNICIPAL WATER DISTRICT OF OC	MWDOC Water Policy Forum Oct. 20, 2011	1012 - Bank of America Gen'l Ckg	
Bill	10/12/2011			Registration fee for D. Alvarez	6191 - Conferences - General	75.00
TOTAL						75.00
Bill Pmt -Check	10/19/2011	15498	VANDEN HEUVEL, ROB	AG POOL MEMBER COMPENSATION	1012 - Bank of America Gen'l Ckg	
Bill	09/12/2011	9/12 WEI Mtg		9/12/11 Wildermuth meeting at MPC	8411 - Compensation	25.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	10/19/2011	15499	WATER FACILITIES AUTHORITY	12-22	1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	12-22		WFA treatment charge	1420 - Prepaid Injected Water Purchase	14,173.32
TOTAL						14,173.32
Bill Pmt -Check	10/19/2011	15500	GEOSCIENCE SUPPORT SERVICES, INC.	4555-11-01	1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	4555-11-01			7107.6 - Grd Level-Contract Svcs	14,117.00
TOTAL						14,117.00
Bill Pmt -Check	10/19/2011	15501	MWH LABORATORIES		1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	L0065953		L0065953 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	3,928.00
Bill	09/30/2011	L0065955		L0065955 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	3,310.00
Bill	09/30/2011	L0067496		L0067496 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	4,515.00
Bill	09/30/2011	L0066827		L0066827 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	3,936.00
Bill	09/30/2011	L0065958		L0065958 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,532.00
Bill	09/30/2011	L0065959		L0065959 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	09/30/2011	L0065960		L0065960 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	09/30/2011	L0065963		L0065963 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	09/30/2011	L0067501		L0067501 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	09/30/2011	L0067502		L0067502 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	09/30/2011	L0067616		L0067616 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
TOTAL						26,711.00
Bill Pmt -Check	10/19/2011	15502	WILDERMUTH ENVIRONMENTAL INC		1012 - Bank of America Gen'l Ckg	
Bill	09/29/2011	2011364		2011364 - OBMP Engineering Services	6906 - OBMP Engineering Services	8,083.10
Bill	09/29/2011	2011365		2011365 - OBMP Engineering Services	6906 - OBMP Engineering Services	2,838.68
Bill	09/30/2011	2011366		2011366 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	4,400.00
Bill	09/30/2011	2011367		2011367 - OBMP - Watermaster Model Update	6906.1 - OBMP - Watermaster Model Update	40,079.99
Bill	09/30/2011	2011368		2011368 - OBMP Engineering Services	6906 - OBMP Engineering Services	11,245.00
Bill	09/30/2011	2011369		2011369 - OBMP Engineering Services	6906 - OBMP Engineering Services	1,150.00
Bill	09/30/2011	2011370		2011370 - OBMP Engineering Services	6906 - OBMP Engineering Services	3,000.00
Bill	09/30/2011	2011371		2011371 - OBMP Engineering Services	6906 - OBMP Engineering Services	3,933.23
Bill	09/30/2011	2011372		2011372 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	24,054.12
Bill	09/30/2011	2011373		2011373 - Grdwtr Qual-Engineering	7103.3 - Grdwtr Qual-Engineering	7,425.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
October 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	09/30/2011	2011374		2011374 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	1,249.85
Bill	09/30/2011	2011375		2011375 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	6,458.19
Bill	09/30/2011	2011376		2011376 - Grid Level-Engineering	7107.2 - Grid Level-Engineering	27,013.56
Bill	09/30/2011	2011377		2011377 - PE3&5-Engineering	7303 - PE3&5-Engineering	3,334.26
Bill	09/30/2011	2011378		2011378 - PE4-Engineering	7402 - PE4-Engineering	1,825.00
Bill	09/30/2011	2011379		2011379 - OBMP Engineering Services	6906 - OBMP Engineering Services	687.50
Bill	09/30/2011	2011380		2011380 - OBMP Engineering Services	6906 - OBMP Engineering Services	28,200.00
Bill	10/01/2011	2011398		2011398 - OBMP Engineering Services	6906 - OBMP Engineering Services	2,880.68
Bill	10/01/2011	2011399		2011399 - OBMP Engineering Services	6906 - OBMP Engineering Services	18,580.56
TOTAL						196,438.72
Bill Pmt -Check	10/20/2011	15503	COMPUTER NETWORK	82581	1012 - Bank of America Gen'l Ckg	91.59
Bill	10/19/2011	82581		Replacement laptop battery	6055 - Computer Hardware	91.59
TOTAL						
Bill Pmt -Check	10/20/2011	15504	CORELOGIC INFORMATION SOLUTIONS	80324415	1012 - Bank of America Gen'l Ckg	62.50
Bill	09/30/2011	80324415		80324415	7103.7 - Grdwtr Qual-Computer Svc	62.50
Bill				80324415	7101.4 - Prod Monitor-Computer	125.00
TOTAL						
Bill Pmt -Check	10/20/2011	15505	CUCAMONGA VALLEY WATER DISTRICT	Lease Due November 1, 2011	1012 - Bank of America Gen'l Ckg	5,984.00
Bill	10/18/2011			Lease Due November 1, 2011	1422 - Prepaid Rent	5,984.00
TOTAL						
Bill Pmt -Check	10/20/2011	15506	INLAND EMPIRE UTILITIES AGENCY	Labor charges for Turner Basin/ Guasti Park	1012 - Bank of America Gen'l Ckg	4,697.50
Bill	10/19/2011	1800001955		Support services for Turner Basin/ Guasti Park	7202 - Comp Recharge-Engineering	1,179.00
Bill	10/19/2011	1800001956			7202 - Comp Recharge-Engineering	5,876.50
TOTAL						
Bill Pmt -Check	10/20/2011	15507	PITNEY BOWES CREDIT CORPORATION	Property tax on postage machine	1012 - Bank of America Gen'l Ckg	56.19
Bill	10/19/2011	6684246		Monthly leasing charge	6044 - Postage Meter Lease	541.22
Bill	10/19/2011	6684246			6044 - Postage Meter Lease	597.41
TOTAL						
Bill Pmt -Check	10/20/2011	15508	PRE-PAID LEGAL SERVICES, INC.	111802	1012 - Bank of America Gen'l Ckg	51.80
Bill	10/19/2011	111802		Employee deduction - October 2011	60194 - Other Employee Insurance	51.80
TOTAL						
Bill Pmt -Check	10/20/2011	15509	STAULA, MARY L	Retiree Medical	1012 - Bank of America Gen'l Ckg	136.61
Bill	10/31/2011				60182.4 - Retiree Medical	136.61
TOTAL						
Bill Pmt -Check	10/20/2011	15510	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	10/19/2011	1VC070000017635		Week ending 10/09/11	6017 - Temporary Services	824.00
TOTAL						824.00
Bill Pmt -Check	10/20/2011	15511	VERIZON BUSINESS	66929768	1012 - Bank of America Gen'l Ckg	1,545.23
Bill	10/19/2011	66929768		Charge for service period 11/01/11 -11/30/11	6053 - Internet Expense	1,545.23
TOTAL						385.84
Bill Pmt -Check	10/20/2011	15512	VERIZON WIRELESS	1016695634	1012 - Bank of America Gen'l Ckg	385.84
Bill	10/19/2011	1016695634		Monthly wireless service	6022 - Telephone	385.84
TOTAL						8,322.14
General Journal	10/21/2011	10/21/2011	Payroll and Taxes for 10/02/11-10/15/11	Payroll and Taxes for 10/02/11-10/15/11	1012 - Bank of America Gen'l Ckg	8,322.14
				Payroll Taxes for 10/02/11-10/15/11	1012 - Bank of America Gen'l Ckg	25,826.22
				Direct Deposits for 10/02/11-10/15/11	1012 - Bank of America Gen'l Ckg	34,148.36
TOTAL						125.00
Bill Pmt -Check	10/25/2011	15513	BOWCOCK, ROBERT	9/15/11 Advisory Committee Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/15/2011	9/15 Advisory Comm		9/15/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	10/25/2011	15514	ELIE, STEVEN	9/22/11 Board Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/22/2011	9/22 Board Mtg		9/22/11 Board Meeting	6311 - Board Member Compensation	125.00
Bill	09/30/2011	8/25 Board Mtg		8/25/11 Board Meeting	6311 - Board Member Compensation	250.00
TOTAL						125.00
Bill Pmt -Check	10/25/2011	15515	ELROD, EARL	9/22/2011 Board Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/22/2011	9/22 Board Mtg		9/22/11 Board Meeting	6311 - Board Member Compensation	125.00
Bill	09/30/2011	8/25 Board Mtg		8/25/11 Board Meeting	6311 - Board Member Compensation	250.00
TOTAL						125.00
Bill Pmt -Check	10/25/2011	15516	JESKE, KEN	9/22/2011 Board Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/22/2011	9/22 Board Mtg		9/22/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	10/25/2011	15517	KUHN, BOB	9/07/11 Administrative Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/07/2011	9/07 Admin Mtg		9/07/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	09/08/2011	9/08 Appro Pool Mtg		9/08/11 Appropriative Pool Meeting	6311 - Board Member Compensation	125.00
Bill	09/11/2011	9/11 Advisory Comm		9/11/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	09/22/2011	9/22 Board Mtg		9/22/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	10/25/2011	15518	LANTZ, PAULA	9/08/11 Appropriative Pool Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	09/08/2011	9/08 Appro Pool Mtg		9/08/11 Appropriative Pool Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	10/25/2011	15519	PIERSON, JEFFREY		1012 - Bank of America Gen'l Ckg	
Bill	09/08/2011	9/08 Ag Pool Mtg		9/08/11 Ag Pool Meeting	6311 - Board Member Compensation	125.00
Bill	09/15/2011	9/15 Advisory Comm		9/08/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	09/22/2011	9/22 Board Mtg		9/22/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	10/25/2011	15520	VANDEN HEUVEL, GEOFFREY		1012 - Bank of America Gen'l Ckg	
Bill	09/08/2011	9/08 Appro Pool Mtg		9/08/11 Appropriative Pool Meeting	6311 - Board Member Compensation	125.00
Bill	09/22/2011	9/22 Board Mtg		9/22/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	10/25/2011	15521	WILLIS, KENNETH		1012 - Bank of America Gen'l Ckg	
Bill	09/22/2011	9/22 Board Mtg		9/22/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	10/25/2011	15522	ALVAREZ, DESI		1012 - Bank of America Gen'l Ckg	
Bill	10/24/2011			Travel Expense Reimbursement	1012 - Bank of America Gen'l Ckg	4.00
				Parking for RWCCB Meeting	6174 - Transportation	4.00
				Taxi fare to airport	6191 - Conferences - General	40.00
				Parking for MWD Replenishment Workgroup	6174 - Transportation	14.00
TOTAL						58.00
Bill Pmt -Check	10/25/2011	15523	APPLIED COMPUTER TECHNOLOGIES		1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	2025		2025 Database services - September 2011	6052.2 - Applied Computer Technol	2,366.60
TOTAL						2,366.60
Bill Pmt -Check	10/25/2011	15524	BROWNSTEIN HYATT FARBEN SCHRECK		1012 - Bank of America Gen'l Ckg	
Bill	09/30/2011	443253		443253 - BHFS Legal - Appropriative Pool	8375 - BHFS Legal - Appropriative Pool	1,277.50
				443253 - BHFS Legal - Agricultural Pool	8475 - BHFS Legal - Agricultural Pool	1,277.50
				443253 - BHFS Legal - Non-Ag Pool	8575 - BHFS Legal - Non-Ag Pool	1,279.50
				443253 - BHFS Legal - Advisory Committee	6275 - BHFS Legal - Advisory Committee	2,666.25
				443253 - BHFS Legal - Board Meeting	6375 - BHFS Legal - Board Meeting	6,806.45
				443253 - BHFS Legal - Restated Judgment	6072 - BHFS Legal - Restated Judgment	7,014.60
				443253 - BHFS Legal - Replenishment Water	6075 - BHFS Legal - Replenishment Water	11,746.35
				443253 - BHFS Legal - Miscellaneous	6078 - BHFS Legal - Miscellaneous	11,612.70
				443253 - BHFS Legal - Miscellaneous	6078 - BHFS Legal - Miscellaneous	821.78
				443253 - Santa Ana River Habitat	6907.36 - Santa Ana River Habitat	355.50
				443248 - Santa Ana River Water Rights	6907.34 - Santa Ana River Water Rights	1,601.63
				443249 - Chino Airport Plume	6907.32 - Chino Airport Plume	5,612.10
				443250 - Desalter Negotiations	6907.33 - Desalter Negotiations	31,762.57
				443251 - Paragraph 31 Motion	6907.35 - Paragraph 31 Motion	1,842.75
				443252 - Santa Ana River Habitat	6907.36 - Santa Ana River Habitat	7,181.60
TOTAL						92,878.78

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	10/25/2011	15525	CALPERS	1741	1012 - Bank of America Gen'l Ckg	8,313.55
Bill	10/24/2011	1741		Medical insurance - November 2011	60182.1 - Medical Insurance	8,313.55
TOTAL						
Bill Pmt -Check	10/25/2011	15526	CITISTREET	Payroll and Taxes for 10/02/11-10/15/11	1012 - Bank of America Gen'l Ckg	2,785.78
General Journal	10/21/2011	10/21/2011	CITISTREET	457 Employee deductions for 10/02/11-10/15/11	2000 - Accounts Payable	2,785.78
TOTAL						
Bill Pmt -Check	10/25/2011	15527	CUCAMONGA VALLEY IAAP	10/26/11 Cucamonga Valley IAAP Meeting	1012 - Bank of America Gen'l Ckg	50.00
Bill	10/19/2011			Fee for Wilson & Molino to attend meeting	6192 - Training & Seminars	50.00
TOTAL						
Bill Pmt -Check	10/25/2011	15528	DGO AUTO DETAILING	Wash 4 trucks on 9/21/11, 2 trucks on 10/20/11	1012 - Bank of America Gen'l Ckg	150.00
Bill	10/24/2011				6177 - Vehicle Repairs & Maintenance	150.00
TOTAL						
Bill Pmt -Check	10/25/2011	15529	INLAND EMPIRE UTILITIES AGENCY	VOID: 90008537	1012 - Bank of America Gen'l Ckg	
TOTAL						
Bill Pmt -Check	10/25/2011	15530	MWH LABORATORIES	L0070648 - PE6&7-Contract Svcs (Plume)	1012 - Bank of America Gen'l Ckg	2,692.00
Bill	10/19/2011	L0070648			7503 - PE6&7-Contract Svcs (Plume)	
Bill	10/19/2011	L0070650			7503 - PE6&7-Contract Svcs (Plume)	3,310.00
Bill	10/19/2011	L0070651			7503 - PE6&7-Contract Svcs (Plume)	838.00
TOTAL						6,840.00
Bill Pmt -Check	10/25/2011	15531	PETTY CASH	2376-2385	1012 - Bank of America Gen'l Ckg	27.93
Bill	10/24/2011			Supplies for 9/20/2011 85/15 workshop	6141.2 - Committee Meetings	56.56
				Supplies to celebrate office birthdays	6141.3 - Admin Meetings	33.00
				MetroLink fare-Maurizio-9/23, 9/29 MWD	6174 - Transportation	55.52
				Gas for field truck	6175 - Vehicle Fuel	48.00
				To renew AAA membership	6177 - Vehicle Repairs & Maintenance	11.23
				Supplies for 10/22 Water Fair at CBWCD	6191 - Conferences - General	49.41
				Supplies for 10/20 Advisory Committee Meeting	6212 - Meeting Expense	13.98
				Supplies for 10/13 Appropriative Pool Meeting	8312 - Meeting Expenses	295.63
TOTAL						
Bill Pmt -Check	10/25/2011	15532	PREMIERE GLOBAL SERVICES	09405011	1012 - Bank of America Gen'l Ckg	15.53
Bill	09/30/2011	09405011		Agenda call on 8/31	8312 - Meeting Expenses	15.52
				Agenda call on 8/31	8412 - Meeting Expenses	15.52
				Agenda call on 8/31	8512 - Meeting Expense	494.68
				CDA Resolution calls on 9/01, 9/07 and 9/21	7305 - PE3&5-Supplies	64.03
				Annual Report call on 9/06	6909.1 - OBMP Meetings	

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Cash Disbursements For The Month of
October 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						
Bill Pmt -Check	10/25/2011	15533	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Non-Ag Pool Conference call on 9/08	8512 - Meeting Expense	87.15
General Journal	10/15/2011	10/15/2011	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Conference call on 9/14	6022 - Telephone	82.57
				85/15 Workshop call on 9/20	6141.2 - Committee Meetings	183.54
				Monthly service and moderator fees	6022 - Telephone	37.74
						<u>986.28</u>
TOTAL						
Bill Pmt -Check	10/25/2011	15534	STATE COMPENSATION INSURANCE FUND	Payor #3493	1012 - Bank of America Gen'l Ckg	8,134.25
Bill	10/24/2011			CalPERS Employee deductions 10/02/11-10/15/11	2000 - Accounts Payable	8,134.25
						<u>1,125.84</u>
						<u>1,125.84</u>
TOTAL						
Bill Pmt -Check	10/25/2011	15535	THE LAWTON GROUP	WC Premium for October 2011	1012 - Bank of America Gen'l Ckg	824.00
Bill	10/24/2011	1VC070000017667		Week ending 10/16/11	6017 - Temporary Services	824.00
						<u>824.00</u>
TOTAL						
Bill Pmt -Check	10/26/2011	15536	SOUTHERN CALIFORNIA EDISON COMPANY	To replace check #13866 lost in mail	1012 - Bank of America Gen'l Ckg	10,775.13
Bill	02/09/2011			To replace check #13868 lost in mail	5105 - Purchase of Non-Ag Pool Water	10,775.13
						<u>710,729.56</u>
						<u>710,729.56</u>

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CHINO BASIN WATERMASTER

IV. INFORMATION (App & Ag Pool)

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2. Newspaper Articles



Calif. farmers face off on new delta water system

By GOSIA WOZNIACKA, Associated Press – 14 hours ago

0

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Water users would finance the project through higher rates.

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

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

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

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

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

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

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

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

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

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

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

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

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

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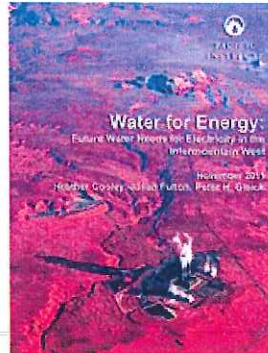
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Case Studies

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

The production of electricity, from fuel extraction to generation, has growing impacts on both water availability and quality. The [new analysis](#) from the Pacific Institute evaluates future water needs for different energy futures and identifies a growing risk of conflicts between electricity production and water availability in the U.S.

Intermountain West. The new report also identifies strategies to ensure the long-term sustainable use of both resources.



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

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

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

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

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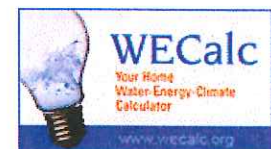
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systems; (4) establish cooling technology requirements that limit water use; and (5) promote switching to alternative water sources (such as wastewater and industrial water).

Read the [full report](#).

Read the [summary and conclusions](#).

Read the full [press release](#).

Govt. Study Affirms Delta Fears, Water Risks for California



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

“Today’s extremes could become tomorrow’s norms”

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

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

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

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

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

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

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

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

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Meme Mine says:

November 2, 2011 at 9:10 pm

Detailed prediction? Ha ha

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California water plight gets lifeline from technology

Mon, 2011-10-31 14:56

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

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

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

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

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

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

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

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

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Source URL: <http://westernfarmpress.com/government/california-water-plight-gets-lifeline-technology>

 The North County Times - Californian

REGION: Riverside County to discuss irrigating citrus with recycled water

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

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

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

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

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

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

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

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

He said the county could provide that objective forum.

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

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

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

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

Western officials say they were being careful.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Water agencies extend lifeline to endangered sucker fish

Mon, 2011-10-31 12:39

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

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

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

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

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

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

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

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

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

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

A copy of the complete letter from local water agencies to Jeff Brandt of the California Department of Fish and Game is available at www.sbvmd.com.

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Source URL: <http://westernfarmpress.com/government/water-agencies-extend-lifeline-endangered-sucker-fish>

sbsun.com

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

Jim Steinberg, The (San Bernardino County) Sun

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

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

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

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

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

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

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Jacobs wrote.

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

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

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

Jacobs

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

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

vertically.

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Kemper said that if the well

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

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

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

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

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 The North County Times - Californian

Water Authority expands scope of lawsuit against Metropolitan

By BRADLEY J. FIKES bfikes@nctimes.com | Posted: Friday, October 28, 2011 4:00 pm

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

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

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

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

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

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

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

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

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

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

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PG&E appeals water board order for Hinkley

Joe Nelson, The (San Bernardino County) Sun

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Longtime Hinkley resident and activist Roberta Walker said a replacement water

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

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

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

[View Larger Map](#)

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

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

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

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

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

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CONTRA COSTA TIMES

ContraCostaTimes.com

IEUA stands by water softener law

By Andrew Edwards, Staff Writer

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

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

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

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

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

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

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

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

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

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

cost \$20 to \$30 per month.

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

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

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

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

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

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

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

If too much salt dissolves into water stored in the



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

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

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

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

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

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

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

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

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

andrew.edwards@inlandnewspapers.com

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

Raw sewage: Biologists gush over world of undiscovered viruses

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

1:31 PM PDT, October 6, 2011

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

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

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

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

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

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

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

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

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Brown signs slate of clean drinking water bills

October 10, 2011 | [Bernice Yeung](#)



Joe Shlabotnik/ Flickr

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

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

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

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

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

The bills signed into law are:

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

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

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

Topics: Home, Health & Welfare, K-12, Higher Ed, Money & Politics, Environment, Public Safety. Our Content: Spotlight, Daily Report, React & Act, Help Us Report, Salary Center. Who We Are: About, Our Team, Our Funders, Press Room, Privacy Policy. Partner With Us: California Watch Media Network, Use Our Content / Logo, Employment / Internships, Donate, Advertise. In combination, the package of legislation will be a boon to public health, advocates and legislators say. Assemblyman Jose Solorio, D-Anaheim, introduced legislation that would improve water quality served by small community-run water districts after learning that a 90-family community in his district was relying on a deteriorating system with unhealthy levels of nitrates. "Santa Ana is a modern, urban city in Orange County, one of the wealthiest in the country, and we always thought everyone received water from the city, but unbeknownst to me, there was a problem with a mutual water district," he said. "I was hearing from educators that the water was so bad that some kids weren't brushing their teeth and some were not attending school because they didn't want to take baths, the fear was so great."

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

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

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

Matt Conens, spokesman for the state public health department, wrote in an e-mail that the legislation signed by Brown "will help ensure that every Californian has access to clean and safe sources of water. Protecting the water we drink is an absolutely crucial duty of state government."

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Posted on: [October 10, 2011](#)

Western GM John V. Rossi Elected to Help Lead ACWA's Region 9

RIVERSIDE, CA; Oct. 10, 2011 – Contributing to regional and statewide water solutions will be a high priority for Western General Manager John V. Rossi as the newly-elected Vice Chair of the Association of California Water Agencies (ACWA) Region 9 Board for the 2012-13 term of office.

"Working with fellow agency leaders to provide guidance and direction at ACWA is a tremendous opportunity and honor for me in representing the interests of our region," Rossi explained. Board President Brenda Dennstedt summed up the election by stating, "Western's GM has helped transform the District to a water resource planning agency in his tenure here. His expertise paired with the Region 9 chair and his fellow ACWA board members will provide a unique perspective and injection of strategic planning to the Regional Board."

The official term of office begins Jan. 1, 2012. The full Region 9 Board consists of:

Chair Craig A. Ewing, Desert Water Agency

Vice Chair John V. Rossi, Western Municipal Water District

- Board Members Art Bishop, Mojave Water Agency
- Joseph J. Kuebler, Eastern Municipal Water District
- Steve Robbins, Coachella Valley Water District
- Harvey R. Ryan, Elsinore Valley Municipal Water District
- Kathleen J. Tiegs, Cucamonga Valley Water District

As GM of Western, Rossi manages the 527-square mile district and his duties include responsibility for the planning, direction and management of the water, wastewater, and nonpotable water activities and operations of the District. Marking his seventh year leading Western, Rossi is also a court-appointed Watermaster for the Santa Ana River and Western judgments. Western is a member agency of the Metropolitan Water District of Southern California, the Santa Ana Watershed Project Authority (SAWPA) and the Western Riverside Council of Governments (WRCOG). Rossi is the chairperson for the Riverside County Water Taskforce. He's an alternate Board Member for the Board of Directors to the Chino Basin Watermaster, Vice Chair of the Association of California Water Agencies Ground Water Committee and a board member of the National WaterReuse Board.

Rossi is also on the board of the American Ground Water Trust.

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Water agency order requires new water source for Hinkley residents with contaminated wells

Jim Steinberg, Staff Writer

Posted: 10/12/2011 01:03:21 AM PDT

HINKLEY - The water agency overseeing the cleanup of Hinkley's contaminated groundwater ordered Pacific Gas and Electric Co. on Tuesday to provide a new permanent water source to affected users.

PG&E has been providing bottled water to replace tap water for drinking purposes at more than 80 Hinkley locations, including residences, a school and a senior center.

But Lahontan Water Board's order said that's not good enough for the long term.

The agency was motivated by water users' need to get quality drinking water out of their own taps, something many Hinkley residents couldn't do.

"Replacement water service should have the comparable quality to the water pumped prior to the well being affected by the discharge of the waste," the order said.

"This is a major shift, moving from intermediate replacement water to something more permanent," said Harold J. Singer, the executive officer of the Lahontan Water Board said in a telephone interview Tuesday.

During the early 1950s and 1960s, PG&E used chromium 6 at its natural-gas-pumping station in Hinkley to control algae and protect metal

against rust, a practice common in that era before cancer-causing side effects of that chemical were known.

Over the years, the plume contaminated by the chromium 6 has grown, forcing more residents to use bottled water.

But the board said whole-house replacement water was needed to meet users' demands for water to prepare

foods, shower and other uses, said Lauri Kemper, the board's assistant executive officer.

The board has also required PG&E to demonstrate that the replacement water - both the current bottled water it supplies residents and the longer-term household replacement water it will provide - contain less than 0.02 parts per billion of chromium 6, also called hexavalent chromium.

The current state requirements for such water are no more than 50 parts per billion of total chromium.

"This is a significant step," Singer said of the order. "I deliberated long and hard and did some additional investigation. We took this very seriously. The end result is an order that makes

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sense. It is looking out for the people of Hinkley from the long-term perspective."

The order gave PG&E 180 days to submit a feasibility study on methods to provide permanent replacement water supply for all indoor domestic uses and 120 days after that to provide a permanent water replacement source.

Such methods could include filtering devices put at a site where well water enters a home through pipes, or in which several homes could be hooked up to a common water tank.

Carmela Spasojevich, who for many years has been involved in the community movement to get chromium 6 out of the groundwater, said that the timeline is too long.

"These people have to bathe in water with a known carcinogen," she said.

PG&E must also develop a process to fund an independent consultant that can advise the community on matters subject to the regulation by the water board.

Hinkley residents are expected to address the Lahontan Water Board at 7 p.m. Wednesday inside the Mojave Water Agency headquarters, 13846 Conference Center Drive, Apple Valley.

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