

BEAUMONT BASIN WATERMASTER

For

SAN TIMOTEO WATERSHED MANAGEMENT AUTHORITY

V.

CITY OF BANNING, ET AL
(CASE NO. RIC 389197)

**DRAFT SECOND ANNUAL REPORT
OF THE
BEAUMONT BASIN WATERMASTER
FY 2004-05
(With Amended Appendix E-3 for FY 2003-04)**



December 2005

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OVERVIEW OF JUDGMENT AND WATERMASTER

Background and History

In January 2001, the San Timoteo Watershed Management Authority (STWMA), a joint powers agency (JPA), was formed by the Beaumont-Cherry Valley Water District, the City of Beaumont, South Mesa Water Company and the Yucaipa Valley Water District because of their common interest in the San Timoteo Watershed. Once formed, STWMA began a watershed-wide, multi-phase effort to develop and implement a comprehensive San Timoteo Watershed Management Program (STWMP). STWMA completed Phase 1 of this effort in March 2002 when it published the STWMP Phase 1 Report. The Phase 1 effort included a stakeholder process that addressed environmental, water purveyor, landowner, and other interests. Issues, needs and wants were identified in the process and, as a result, the following goals were incorporated into the STWMP Phase 1 Report:

- Enhance basin water supplies;
- Protect and enhance water quality;
- Optimize management of the STWMA area groundwater basins;
- Protect riparian habitat in San Timoteo Creek and protect/enhance habitat in the STWMA area;
- Equitably distribute the benefits and costs of developing a San Timoteo Watershed Management Program (STWMP).

During the process, the impediments to each goal and the actions required to remove the impediments were also developed. As a result, the Phase 1 Report established eight program elements to implement that will provide for the orderly, planned development of the STWMA area. STWMA began implementing the Program Elements upon completion of the Phase 1 Report.

Program Element 5 of the Phase 1 Report called for the STWMA members to establish a groundwater management entity for the Beaumont Basin. To implement this program element, two groups representing appropriator and overlying interests began negotiations in May 2002.

As a result of the negotiations, a stipulated Judgment was developed and submitted to the Court. The Honorable Judge Gary Tranbarger of the Superior Court of the State of California for the County of Riverside, signed the Judgment entitled "*San Timoteo Watershed Management Authority, vs. City of Banning, et al.*," Case No. RIC 389197, on February 4, 2004. Pursuant to the Judgment, the Court appointed a five-member Watermaster committee consisting of representatives from the Cities of Banning and Beaumont, the Beaumont-Cherry Valley Water District, the Yucaipa Valley Water District, and South Mesa Water Company. The effective date of the Judgment for accounting purposes is July 1, 2003. The Beaumont Basin encompasses approximately 26 square miles, has a safe yield of approximately 8,650 acre-feet, a total storage capacity of over a million acre-feet, and up to 200,000 acre-feet of storage capacity available for conjunctive use.

By approving the Stipulated Judgment, the Court extended much of the responsibility regarding management of the Beaumont Basin to the Watermaster. The Court retained its continuing jurisdiction should there be any need in the future to resolve difficult questions. The primary responsibilities of the Watermaster are outlined below. A copy of the Judgment and other information regarding the Watermaster is available at www.BeaumontWatermaster.org.

Responsibilities of Watermaster

The Beaumont Basin Watermaster is responsible to administer adjudicated water rights and manage groundwater resources for the Beaumont Groundwater Basin. With numerous Appropriators and Overlying producers relying on the Beaumont Groundwater Basin, there is a need for coordinated management of the Basin, which is provided by Watermaster as summarized below.

Administer the Beaumont Basin Judgment. Watermaster operates under the Judgment and a formal set of Rules and Regulations (and any revisions thereto), which were adopted on June 8, 2004. Together, the Judgment and the Rules and Regulations establish the procedures by which Watermaster acts to account for the water resources in the Beaumont Basin. In order to fund its operations, Watermaster collects both administrative and replenishment assessments from the parties to the Judgment.

Approve Producer Activities. Producers must notify and obtain approval, as necessary, from Watermaster for activities such as producing water; recharging or spreading water; transferring or exchanging water; storing local water; and storing or recovering supplemental water.

Maintain and Improve Water Supply. Watermaster determines the amount of groundwater that each producer is entitled to extract annually without incurring a replenishment obligation for the succeeding fiscal year. Watermaster manages and controls the replenishment of water supplies in the Basin. It acquires and spreads replenishment water as needed. It approves and facilitates the storage of supplemental water in the Basin.

Maintain and Improve Water Quality. Watermaster coordinates or participates in local efforts to preserve and restore the quality of groundwater in the Basin. It assists and encourages regulatory agencies to enforce water quality regulations affecting the Basin.

Monitor and Understand the Basin. Watermaster collects relevant data from producers including production, water level, water quality, and other data. Watermaster uses the data to expand its knowledge of how the basin works to more effectively manage the Basin. It prepares an annual report of Watermaster operations, including financial and engineering information summary reports for the Court and all interested parties.

Provide Cooperative Leadership. Watermaster helps develop and implement consensus plans regarding the management of the Basin.

Develop Contracts for Beneficial Programs and Services. Watermaster is responsible to develop and enter into contracts for programs and services that are beneficial to the Basin on behalf of the parties to the Judgment. This includes programs to conjunctively utilize the Basin for storage of supplemental water with other entities such as the Department of Water Resources or San Geronio Pass Water Agency, and the direct and indirect use of recycled water.

In summary, Watermaster in carrying out its duties is responsible to provide a legal and practical means for making the maximum reasonable beneficial use of the waters of the Beaumont Basin, to facilitate conjunctive utilization of surface, ground and supplemental waters, and to satisfy the requirements of water users having rights in or who are dependent upon the Beaumont Basin.

Watermaster Committee Representatives

Pursuant to Part VI, Paragraph 4 of the Judgment, (pg. 16 – 17), Watermaster Committee representatives were nominated by the Cities of Banning and Beaumont, the Beaumont-Cherry Valley and the Yucaipa Valley Water Districts, and the South Mesa Water Company. The Court received and approved the nominations on March 8, 2004. The Parties to the Judgment did not designate new representatives during the fiscal year.

The Committee Representatives, who are all employees or consultants of their nominating agency, are as follows:

Banning, City of	Paul Toor, Director of Public Works
Beaumont, City of	Deepak Moorjani, Director of Public Works
Beaumont-Cherry Valley Water District	Charles Butcher, General Manager
South Mesa Water Company	George Jorritsma, General Manager
Yucaipa Valley Water District	Joseph B. Zoba, General Manager

ACTIVITIES OF WATERMASTER

Meetings

Meetings of the Beaumont Watermaster are generally scheduled for the second Tuesday of each month and are held at the City of Banning City Hall located at 99 East Ramsey, Banning, California 92220, unless otherwise noticed.

During its second year of operation, the Watermaster Committee met monthly to transact Watermaster business. The Committee Officers continued to serve as they had in the previous year as follows:

Chairman	George Jorritsma
Vice Chairman	Deepak Moorjani
Secretary	Charles Butcher
Treasurer	Joseph B. Zoba

Mr. J. Andrew Schlange continued to serve as the Chief of Watermaster Services; Mr. Joseph S. Aklufi continued as the Watermaster's Legal Counsel; and Mr. Mark Wildermuth of Wildermuth Environmental, Inc (WEI) continued as the Watermaster Engineer. Meetings of the Watermaster Committee were held at the City of Banning offices referenced above on:

July 20, 2004
August 10, 2004
September 14, 2004
October 19, 2004
November 9, 2004
December 14, 2004
January 11, 2005
February 8, 2005
March 8, 2005
April 12, 2005
May 10, 2005
June 14, 2005

Second Annual Report of the Beaumont Basin Watermaster

During its second year of operation the Watermaster continued with administering and implementing the Judgment as discussed in more detail below by subject matter. Copies of the agendas and approved minutes of each of the above meetings can be viewed or downloaded on the Watermaster website (www.beaumontwatermaster.org).

In addition to the formal Watermaster Committee meetings listed above, informal meetings continued regarding potential cooperative efforts among the parties and others for use of the Beaumont Basin. These were held or attended by the Chief of Watermaster Services, members of the Watermaster Committee, the Watermaster Engineer and/or the Watermaster Legal Counsel and others (such as representatives from the Department of Water Resources, San Geronio Pass Water Agency, and other potential users of the Beaumont Basin Storage Capacity).

Watermaster Address

For purposes of conducting Watermaster business and maintenance of records, Watermaster's official address remains as follows:

Office of the Watermaster Secretary
C/O Beaumont-Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223

ADMINISTRATION OF THE JUDGMENT

Accounting for Production

One of the Watermaster's primary responsibilities is to account for production from the Beaumont Basin on a fiscal year basis. As part of its effort to better understand and manage the Beaumont Basin, the Watermaster completed a survey of the wells in the Basin during the fiscal year. The survey included locating the wells and recording other relevant information such as whether the well is metered, the well status (active, inactive, etc.), what water produced from the well is used for, how large the well is, etc. A location map of the wells in the Beaumont Basin is included as Appendix E-1.

Under the Judgment, producers who produce less than 10 acre-feet per year, otherwise known as minimal producers, are exempt from the provisions of the Judgment unless otherwise ordered by the Court (Part III, paragraph 4, pg. 12). Watermaster does not collect production information from minimal producers, other than those participating in the Judgment, and will complete a survey of the minimal producer wells during its third year of operation.

Producers who use water on the overlying land are called Overlying Producers. Under the Judgment, Overlying Producers are assigned a share of the Basin's safe yield and may not use more than five times their share of safe yield in any five year period (Part II, paragraph 1 A, pg. 6). Production for Overlying Producers can be found in Appendix E-3. Several of the Overlying Producers did not have meters on their wells during the current fiscal year. As a result, some of the production listed in Appendix E-3 was estimated by the Watermaster engineer based on a water duty method. An Amended Appendix E-3 for the 1st Annual Report for fiscal year 2003-04 is included in Appendix E-3 of this 2nd Annual Report. It has been amended to reflect production for the same Overlying Producers using the same water duty method.

Second Annual Report of the Beaumont Basin Watermaster

There are five Appropriator Producers participating in the Judgment: the City of Banning, the City of Beaumont, the Beaumont-Cherry Valley Water District, the South Mesa Water Company, and the Yucaipa Valley Water District. An Appropriator's annual production right consists of "the Appropriator's share of operating safe yield, plus (1) any water acquired by an Appropriator from an Overlying Producer or other Appropriator pursuant to the Judgment, (2) any water withdrawn from the Appropriator's storage account, and (3) New Yield created by the Appropriator" (Part I, paragraph 3 B, pg. 2). An Appropriator's share of operating yield represents the maximum quantity of water an Appropriator can produce annually from the Beaumont Basin and includes the Appropriator's share of the temporary surplus (Part I, paragraph 3 M, pg. 4). The temporary surplus is defined in the Judgment as "the amount of groundwater that can be pumped annually in excess of safe yield from a groundwater basin necessary to create enough additional storage capacity to prevent the waste of water" (Part I, paragraph 3 BB, pg. 6). Based on Exhibit C of the Judgment, the temporary surplus in the Beaumont Basin may not exceed 160,000 acre-feet over a 10 year period, or approximately 16,000 acre-feet per year.

Appendix E-2 shows the monthly production by each Appropriator Party, their total annual production, their projected share of the operating safe yield from Exhibit C, and the amount of unused water that is projected to be eligible for storage. Pursuant to the Judgment (Part I, paragraph 3 B, pg. 2), and a separate agreement (a copy of which is on file with the Watermaster), Beaumont-Cherry Valley Water District pumped water for the City of Banning during the fiscal year.

A summary of annual production from the Beaumont Basin by producer is tabulated below:

Table 1		
Summary of Beaumont Basin Production¹		
	2003-04	2004-05
Appropriator		
<i>Banning</i>	3,951	2,420
<i>Beaumont</i>	0	0
<i>Beaumont-Cherry Valley WD</i>	6,204	6,316
<i>South Mesa Water Co.</i>	420	558
<i>Yucaipa Valley WD</i>	2,034	1,285
	<u>12,609</u>	<u>10,579</u>
Overlying Producer		
<i>Beckman, Walter M.</i>	27	27
<i>California Oak Valley Golf & Resort LLC²</i>	1,227	396
<i>Merlin Properties</i>	6	6
<i>Oak Valley Partners, LP</i>	503	400
<i>Plantation on the Lake</i>	321	313
<i>Rancho Calimesa MHP</i>	59	59
<i>Roman Catholic Bishop</i>	78	72
<i>Sharondale Mesa Owners Assoc.</i>	167	163
<i>So. Calif. Prof. Golfer's Assoc.</i>	1,413	1,369
<i>Stearns, Leonard M. and Dorothy D.</i>	1	1
<i>Sunny-Cal Egg and Poultry Co.</i>	452	452
	<u>4,255</u>	<u>3,256</u>
	<u>16,864</u>	<u>13,835</u>

¹ Production values in italics are estimated

² Discrepancy between 03-04 and 04-05 production values being reviewed

After the first five years of operation under the Judgment, beginning in 2010, and each year thereafter, any water allocated as part of the safe yield to the Overlying Producers during the first five years that remains unused will be reallocated to the Appropriator Producers based on their percent share of operating safe yield as shown in Exhibit C of the Judgment.

Active Party List

Under Part VII, paragraph 1 of the Judgment, “the Watermaster shall maintain, at all times, a current list of Parties to whom notices are to be sent and their addresses for the purposes of service. The Watermaster shall also maintain a full current list of names and addresses of all Parties or their successors, as filed herein. Copies of such lists shall be available to any Person.” These lists are commonly referred to as the Watermaster’s “Active Party List”. A copy of the list is posted on the Watermaster website and included as Appendix A of this annual report. Under the Judgment, any Party desiring to be relieved of receiving notices of Watermaster activities can complete the Waiver of Notice and Designation of Address for Notice and Service portion of the form adopted by the Watermaster. Watermaster did not receive any Waiver of Notice requests during its second year of operation. The list in Appendix A also includes “interested parties” in addition to “active parties”. “Interested parties” are those persons or entities that are not parties to the Judgment, but that have requested Watermaster to include them on the Watermaster mailing list to remain current on Watermaster activities.

Annual Administrative Budget

Yucaipa Valley Water District staff serves as the Watermaster Treasurer. Watermaster adopted an administrative budget at its March 9, 2004 meeting. The budget was discussed at each of the two prior meetings. As adopted, the budget covered two accounting periods based on development of the Watermaster annual report. The first period was February 1, 2004 through August 31, 2004, and the second period was September 1, 2004 through August 31, 2005. Although the Watermaster adopted the budget based on projected expenses for the two respective periods, the budget was then spread on a monthly basis to develop an annual budget covering the two appropriate fiscal years. A copy of the Final Year End Report for the Beaumont Basin Watermaster FY 2004-2005 Budget Member Contributions and Expenses is included as Appendix B of this annual report.

Annual Audit

Under the Judgment, Part VI, paragraph 6(b), Watermaster’s annual report of operations shall include an audit of all assessments and Watermaster expenditures. The Watermaster assessments and expenditures are shown in Appendix B as part of the annual budget. An annual audit of Watermaster assessments and expenditures is conducted by Crabtree & Assoc. of Riverside, California each year. The letter received from them regarding the audit is included as Appendix C of this annual report.

Annual Assessments

The annual assessments are shown in Appendix B. One of the Committee members, South Mesa Mutual Water Company had not paid its assessments by the close of the fiscal year; however, discussions regarding the payment of assessments were occurring. It is anticipated that these discussions will be completed sometime during the next year of operations. It is also possible that South Mesa Mutual Water Company may pay their assessments by selling their unused portion of operating yield to another appropriator.

Employment of Experts and Agents

As indicated above, Watermaster continued the services of the Chief of Watermaster Services, Legal Counsel, and Wildermuth Environmental, Inc. Watermaster did not retain the services of any other experts or agents during the fiscal year.

Mission Statement

Watermaster adopted Resolution 2004-06 entitled "Resolution of the Beaumont Basin Watermaster Adopting a Watermaster Mission Statement and Supporting Principles" at its October 19, 2004 meeting. From that Resolution:

"Watermaster's mission is to manage the yield of and storage within the Beaumont Basin to provide maximum benefit to the people dependent on it".

Meter Installation

In an effort to better monitor production from the Beaumont Basin, Watermaster entered into contracts with Beaumont-Cherry Valley Water District and Yucaipa Valley Water District at the end of the fiscal year to install meters on un-metered wells in their respective spheres of influence. Meters will be installed on those wells producing more than 10 acre-feet per year during the third year of Watermaster operations.

Resolutions

Beaumont-Cherry Valley Water District serves as the Secretary of the Beaumont Watermaster. Copies of approved minutes and resolutions are maintained at its offices, and notices of Watermaster activities are prepared and distributed from there. During the fiscal year, Watermaster adopted five resolutions covering subjects ranging from support of grant applications to well standards. Copies of these resolutions are included as Appendix D and the resolutions are referred to in the relevant sections of this annual report by subject matter.

Rules and Regulations

During its first year of operations, Watermaster discussed draft rules and regulations, and forms, at all its meetings during the year. The rules and regulations, and forms, were adopted during the prior fiscal year at the June 8, 2004 meeting with an understanding that proposed modifications would be considered as necessary after experience is gained. During the second year of operation under the Judgment, there were no modifications proposed or made to the Rules and Regulations, or Forms.

Storage Management and Use

During the fiscal year, discussions and meetings regarding the management and use of the Beaumont Basin Storage Capacity continued to occur as indicated above. The Watermaster adopted Resolution 2004-05 entitled "A Resolution of the Beaumont Basin Watermaster Adopting an Inventory of Water Demands and Water Supplies in the San Geronio Pass Region" at its August 10, 2004 meeting. This resolution identifies the projected sources of water and the projected demands for water through the year 2025 in the San Geronio Pass area. The Beaumont Basin is the largest single source of water available for the retailers relying on it, and to ensure that the benefits derived from their investments to construct facilities to conserve and increase available supplies are maximized, the Watermaster concurred with the findings of the STWMA's comprehensive inventory of present and future water demands and water supplies by adopting this resolution. Later during the fiscal year, the Watermaster adopted Resolution 2005-01 entitled "A Resolution of the Beaumont Basin Watermaster Establishing Principles of Groundwater Storage in the Beaumont Basin by Non-Appropriators" at its April 12, 2005 meeting. This Resolution establishes the fundamental principles governing the future use

of the storage capacity of the Beaumont Basin by Non-Appropriators. By adopting these principles, the Watermaster established the framework under the Judgment necessary to develop conjunctive use programs involving the use of the Beaumont Basin. The Watermaster can now continue meaningful discussions with persons or entities interested in developing storage programs that can be beneficial to the Beaumont Basin Producers as well as to the Southern California region, the State of California and the West.

Subsidence Monitoring

Watermaster adopted Resolution 2004-07 entitled "A Resolution of the Beaumont Basin Watermaster in Support of AB303 Grant Applications That Further the Management of the Beaumont Basin" on November 4, 2004. As indicated in the Background and History section above, the Beaumont Basin Watermaster was created as part of implementing Program Element 5 of the San Timoteo Integrated Regional Water Management Program. Program Element 1 of the Program calls for development and implementation of a comprehensive monitoring program for the STWMA area, including the Beaumont Basin. The Judgment established a Temporary Surplus in the Beaumont Basin of 160,000 acre-ft over a 10 year period, and Watermaster and others are concerned about the future potential for subsidence that may occur as a result of past and future groundwater pumping from the Basin. At the request of Watermaster, the STWMA developed a monitoring program to assess the occurrence of subsidence from past groundwater pumping and future pumping pursuant to the Judgment. To implement the subsidence monitoring program, STWMA applied for an AB303 Grant from the Department of Water Resources and Watermaster agreed to provide the local matching funds if the application was successful. The application was successful, and Watermaster budgeted to provide approximately one-half of the local matching funds in FY 2005-06 and will provide for the remaining one-half during the FY 2006-07 budget process.

Watermaster Website

In an effort to communicate the activities of Watermaster to producers and interested parties, Watermaster established a website in February of 2004. Presently, the website is a place where interested parties can obtain or review copies of the Judgment, Rules and Regulations, meeting agendas, and meeting minutes. As Watermaster continues to manage the Beaumont Basin and administer the Judgment, the website will evolve to include other relevant information.

Well Standards

Watermaster adopted Resolution 2004-04 entitled "A Resolution of the Beaumont Basin Watermaster Adopting Minimum Standards for the Construction, Reconstruction, Abandonment and Destruction of Groundwater Extraction Wells" at its July 20, 2004 meeting. After discussion, by adopting this resolution, the Watermaster Committee adopted the existing Riverside County Ordinance No. 682.3, an ordinance which establishes minimum well standards for areas of Riverside County that are not covered by an adjudication as the Beaumont Basin Well Policy. The Watermaster Committee expanded the County minimum standards by requiring the installation of a "sounding tube", to facilitate the measurement of water levels, on all wells constructed after July 20, 2004 in the Beaumont Basin.

APPENDIX A
ACTIVE PARTY LIST

Active & Interested Party List

Mr. Paul Toor
Public Works Director/Assistant City Manager
City of Banning
Post Office Box 998
Banning, CA 92220

Mr. Chuck Butcher
General Manager
Beaumont Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223

Mr. Joe Zoba
General Manager
Yucaipa Valley Water District
Post Office Box 730
Yucaipa, CA 92399

Mr. George Jorritsma,
General Manager
South Mesa Mutual Water Company
Post Office Box 458
Calimesa, CA 92320

Mr. J. Andrew Schlange
General Manager
San Timoteo Watershed Management Authority
4 Crown Court
Rancho Mirage, CA 92270

Mr. Dave Dillon
Mr. Dee Moorjani
Urban Logic Consultants
43517 Ridge Park Drive, Suite 200
Temecula, CA 92590

Mr. Gerry Shoaf, Esq.
Redwine and Sherrill
1950 Market Street
Riverside, Ca 92501

Mr. James Krueger
Plantation on the Lake
PO Box 1960,
Newport Beach, CA 92658-8932
jimk@mrc1.com

Mr. Robert Hawkins, Esq.
110 Newport Center Dr., Ste. 200
Newport Beach, CA 92660

Sharondale Mesa Owners Association
9525 Sharon Way
Calimesa, CA 92320

Mr. Ron Sullivan
California Oak Valley Golf & Resort LLC
27710 Jefferson Ave #301
Temecula, CA 92590

Mark Knorrington
Oak Valley Partners LP
Post Office Box 645
Calimesa, CA 92320

Mr. Paul Singarella, Esq.
Latham & Watkins, LLP
650 Town Center Drive, 20th Floor
Costa Mesa, CA 92626-1925

Mr. Roger Billings
So Cal Professional Golfers Association of America
36211 Champions Drive
Calimesa, CA 92320

Mr. Greg Wilkinson, Esq.
Best, Best & Krieger
3750 University Avenue, Suite 400
Riverside, CA 92501

Mr. Steve Anderson, Esq.
Manheim, Manheim & Berman and Sunny Cal Egg and Poultry Company
Best, Best & Krieger
3750 University Avenue, Suite 400
Riverside, CA 92501

June 30, 2005

Mr. Walter M. Beckman
38201 Cherry Valley Boulevard
Cherry Valley, CA 92223

Mr. Fred Reidman and Mr. Richard Reidman
Merlin Properties, LLC
6475 East Pacific Coast Highway, No. 399
Long Beach, CA 90803
riedman@gte.net

Mr. Leonard Stearns
Post Office Box 141
Calimesa, CA 92320

Mr. Randy Van Gelder
San Bernardino Valley Municipal Water District
1350 South "E" Street
San Bernardino, CA 92412-5906

Mr. Robert Reiter
San Bernardino Valley Municipal Water District
1350 South E Street
San Bernardino, CA 92412-5906

Mr. Steve Stockton¹
General Manager & Chief Engineer
San Gorgonio Pass Water Agency
1210 Beaumont, Avenue
Beaumont, CA 92223

Mr. Mark J. Wildermuth
President/CEO
Wildermuth Environmental, Inc.
23692 Birtcher Drive
Lake Forest, CA 92630-1790

Ms. Traci Stewart
Wildermuth Environmental, Inc.
23692 Birtcher Drive
Lake Forest, CA 92630-1790

Ms. Maria Mendoza
Wildermuth Environmental, Inc.
23692 Birtcher Drive
Lake Forest, CA 92630-1790

¹ Mr. Jeff Davis became General Manager of SGPWA in July 2005.

Ms. Julie Salinas
Beaumont Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223

Mr. Joe Aklufi, Esq.
Aklufi and Wysocki
3403 Tenth Street, Suite 610
Riverside, CA 92501

Ms. Barbara Voigt
Director
San Gorgonio Pass Water Agency
1210 Beaumont Ave
Beaumont, CA 92223

Mr. Dick Larsen
Director
San Gorgonio Pass Water Agency
1210 Beaumont Ave
Beaumont, CA 92223

Mr. Ray Morris
Board President
San Gorgonio Pass Water Agency
1210 Beaumont Ave
Beaumont, CA 92223

Mr. Ray Lewis
Director
San Gorgonio Pass Water Agency
1210 Beaumont Ave
Beaumont, CA 92223

Ms. Patsy Reeley
10096 Live Oak Avenue
Cherry Valley, CA 92223

Ms. Luwana Ryan
9574 Mountain View Ave.
Cherry Valley, CA 92223

**APPENDIX B
ADOPTED BUDGET**

Beaumont Basin Watermaster FY 2004-2005 Budget

	Original Budget	TRF # 1001	Tentative TRF #1002-04	Revised Budget	Rev Received Exp Paid	Remaining to Receive or Pay
	(31,100.00)			(31,100.00)	16,001.84	0.00
	(31,100.00)			(31,100.00)	31,100.00	0.00
	(31,100.00)			(31,100.00)	31,100.00	0.00
	(31,100.00)			(31,100.00)	31,100.00	0.00
	(31,100.00)			(31,100.00)	0.00	(31,100.00)
	(155,500.00)			(155,500.00)	140,401.84	(31,100.00)

TOTAL BUDGET CONTRIBUTION (REVENUE)

EXPENSES:

Administration

5000	Interest Earned	0.00		0.00	21.86	21.86
5001	JAS General Manager's Salary	34,500.00		34,500.00	(30,000.00)	4,500.00
5010	Meetings	19,800.00		24,700.00	(24,113.06)	586.94
5020	WEI Acq/Computation of Prod Data & Coordination of Replenishment Activities	16,800.00	(1,712.25)	18,087.75	(15,970.36)	2,117.39
5030	WEI Budgeting & Assessments	9,800.00	(9,800.00)	0.00	0.00	0.00
5040	WEI Annual Audit	5,000.00		5,000.00	(1,724.00)	3,276.00
5050	WEI Annual Report	6,100.00	1,712.25	7,812.25	(7,812.25)	0.00
5060	WEI General Engineering	17,700.00		22,600.00	(16,901.38)	5,698.62
5070	A&W General Legal	25,000.00	(3,000.00)	22,000.00	(16,920.00)	5,080.00
5080	Reserve	0.00		0.00	0.00	0.00
	TOTAL BUDGET EXPENSES	134,700.00	0.00	134,700.00	(113,419.19)	21,280.81

NET INCOME (LOSS) carry forward to next year

	20,800.00			20,800.00	26,982.65	
						Cash fund Balance

**Beaumont Basin Watermaster FY 2004-2005
Budget Member Contributions and Expenses**

Watermaster FY 2005
FINAL YEAR END REPORT

MEMBER CONTRIBUTIONS

FY 2004 Fund Bal Carryover

3125 FY 2004 South Mesa	16,001.84
3105 City Beaumont Funds	DUE 19,360.00
3110 BCWWD Funds	31,100.00
3115 YWWD Funds	31,100.00
3120 City Beaumont Funds	DUE 31,100.00
3125 South Mesa	DUE 140,401.84

Sept 04 thru August 05

Invoice Date	Invoice Number	Date Paid	Check #	Ck Amount	Savings Interest Earned	5001 General Manager Salary	5010 Misc & Meetings	5020 Acq/Com- pition of Food Data	5030 Budgeting & Asmnts	5040 Annual Audit	5050 Annual Report	5060 General Engineering	5070 General Legal	5080 Reserves	5090 Suspense (non-budget)	Budget Total
09/30/04	Bank Charge	09/30/04	1017	(22.13)	0.00	(3,000.00)	(22.13)		0.00	5,000.00	7,812.25	22,600.00	22,000.00	0.00	0.00	(22.13)
09/24/04	Sept 2004 - JAS	10/12/04	1018	(1,980.00)									(1,980.00)			(1,980.00)
09/26/04	Sept 2004 - ASW	10/12/04	1019	(25.36)			(25.36)						(1,200.00)			(1,225.36)
10/26/04	Oct 2004 - ASW	11/05/04	1020	(1,200.00)		(3,000.00)										(1,200.00)
10/26/04	Oct 2004 - JAS	11/05/04	1021	(5,832.61)				(5,832.61)								(5,832.61)
09/26/04	2004552 - WEI	11/05/04	1022	(9,879.72)				(9,879.72)								(9,879.72)
09/16/04	2004350 - WEI	11/15/04	1022	(9,905.94)				(9,905.94)								(9,905.94)
10/11/04	2004345 - WEI	11/15/04	1022	(10,093.93)				(10,093.93)								(10,093.93)
11/09/04	2004389 - WEI	11/17/04	1023	(5,000.00)												(5,000.00)
ck req	Relates in error	11/23/04	1024	(26.06)		(3,000.00)										(26.06)
11/24/04	Nov 2004 - JAS	11/23/04	1025	(27.81)												(27.81)
11/30/04	Bank Charge	11/30/04	1026	(993.00)												(993.00)
11/30/04	Nov 2004 - ASW	12/06/04	1026	(2,578.85)												(2,578.85)
12/24/04	Dec 2004 - JAS	01/06/05	1027	(6.65)	0.00											(6.65)
12/24/04	Cabtree CPAs, Dec	01/06/05	1028	(2,420.42)												(2,420.42)
12/23/04	Dec 2004 - ASW	01/06/05	1029	(90.77)												(90.77)
12/14/04	2004454 - WEI	01/06/05	1030	(5,000.00)												(5,000.00)
09/30/04	Savings Interest	09/30/04	1031	(3,917.42)												(3,917.42)
01/25/05	Jan 2005 - ASW	01/31/05	1031	(5,000.00)												(5,000.00)
01/25/05	Jan 2005 - JAS	02/08/05	1032	(90.77)												(90.77)
01/14/05	2005053 - WEI	02/08/05	1033	(5,000.00)												(5,000.00)
12/31/04	O'Reilly Pub Relations	02/08/05	1034	(5,000.00)												(5,000.00)
01/19/05	B of A ck order	02/08/05	1035	(5,000.00)												(5,000.00)
02/25/05	Feb 2005 - ASW	03/04/05	1037	(4,952.61)												(4,952.61)
02/24/05	Feb 2005 - JAS	03/04/05	1038	(4,354.50)												(4,354.50)
02/28/05	Cabtree CPAs, Feb	03/04/05	1039	(10,120.98)												(10,120.98)
02/13/05	2005108 - WEI	03/04/05	1041	(19,745.48)												(19,745.48)
11/30/04	O'Reilly Public Relations	03/11/05	1042	(3,000.00)												(3,000.00)
12/31/04	O'Reilly Public Relations	03/11/05	1042	(3,000.00)												(3,000.00)
03/23/05	Mar 2005 - JAS	03/31/05	1043	(900.00)												(900.00)
03/24/05	Mar 2005 - ASW	03/31/05	1044	(6,284.72)												(6,284.72)
03/11/05	2005163 - WEI	03/31/05	1045	(11.23)												(11.23)
03/31/05	Savings Interest	03/31/05	1046	(10.52)	20.96											(10.52)
04/26/05	Apr 2005 - ASW	04/29/05	1046	(3,000.00)												(3,000.00)
04/26/05	Apr 2005 - JAS	04/29/05	1047	(3,585.13)												(3,585.13)
04/21/05	2005228 - WEI	04/29/05	1048	(16.87)												(16.87)
05/19/05	May 2005 - ASW	05/19/05	1049	(3,000.00)												(3,000.00)
05/24/05	May 2005 - JAS	05/31/05	1050	(405.00)												(405.00)
05/11/05	Cabtree CPAs progress	05/31/05	1051	(12.36)												(12.36)
06/26/05	June 2005 - ASW	06/30/05	1052	(660.00)												(660.00)
06/21/05	June 2005 - JAS	06/30/05	1053	(3,000.00)												(3,000.00)
06/10/05	2005293 - WEI	06/30/05	1054	(2,715.26)												(2,715.26)
06/22/05	2005351 - WEI	06/30/05	1055	(1,981.38)												(1,981.38)
06/30/05	2005357 - WEI	06/30/05	1056	(2,816.70)												(2,816.70)
BCWWD #6-111 overpaid		06/30/05		(270.00)												(270.00)
Sept 04 thru August 05				26,982.65	21.86	4,500.00	586.94	2,117.39	0.00	3,275.00	0.00	5,696.62	5,080.00	0.00	0.00	21,238.95

Fund Resp	
Checking Account Balance	20,860.79
Savings Interest Balance	6,121.86
Total Fund Balance	26,982.65

APPENDIX C
LETTER – ANNUAL AUDIT

PLACEHOLDER
FOR
ANNUAL AUDIT LETTER

**APPENDIX D
RESOLUTIONS**

RESOLUTIONS OF THE BEAUMONT BASIN WATERMASTER

Number	Title	Date
2004-01	A Resolution of the Beaumont Basin Watermaster Approving an Investment Policy	March 9, 2004
2004-02	A Resolution of the Beaumont Basin Watermaster Adopting Rules and Regulations	June 8, 2004
2004-03	A Resolution of the Beaumont Basin Watermaster Establishing Guidelines for the Beaumont Basin Watermaster Treasurer	May 18, 2004
2004-04	¹ A Resolution of the Beaumont Basin Watermaster Adopting Minimum Standards for the Construction, Reconstruction, Abandonment and Destruction of Groundwater Extraction Wells	July 20, 2004
2004-05	¹ A Resolution of the Beaumont Basin Watermaster Adopting an Inventory of Water Demands and Water Supplies in the San Geronio Pass Region	August 10, 2004
2004-06	¹ A Resolution of the Beaumont Basin Watermaster Adopting a Watermaster Mission Statement and Supporting Principles	October 19, 2004
2004-07	¹ A Resolution of the Beaumont Basin Watermaster in Support of AB303 Grant Applications that Further the Management of the Beaumont Basin	November 9, 2004
2005-01	¹ A Resolution of the Beaumont Basin Watermaster Establishing Principles of Groundwater Storage in the Beaumont Basin by Non-Appropriators	April 12, 2005

¹ Resolutions adopted during the period covered by this Annual Report follow.

RESOLUTION NO. 2004-04

A RESOLUTION OF THE BEAUMONT BASIN WATERMASTER ADOPTING MINIMUM STANDARDS FOR THE CONSTRUCTION, RECONSTRUCTION, ABANDONMENT AND DESTRUCTION OF GROUNDWATER EXTRACTION WELLS

WHEREAS, the Beaumont Basin Watermaster, pursuant to that certain judgment adjudicating groundwater rights in the Beaumont Basin (Riverside County Superior Court Case No. 389197, filed on February 4, 2004) authorizes the Watermaster to develop and administer a program for the construction, reconstruction, abandonment and destruction of groundwater extraction wells, and the permitting thereof;

WHEREAS, the Board of Supervisors of the County of Riverside enacted Riverside County Ordinance No. 682.3, which Ordinance is entitled "Riverside County Ordinance Regulating the Construction, Reconstruction, Abandonment and Destruction of Wells" (hereafter referred to as the "Riverside County Policy");

WHEREAS, the Watermaster has reviewed the Riverside County Policy and has determined that, with minor modifications, we are satisfactorily served as appropriate regulations governing the construction, reconstruction, abandonment and destruction of groundwater extraction wells, and the permitting thereof, in the Beaumont Basin.

NOW, THEREFORE, the Beaumont Basin Watermaster hereby resolves as follows:

Section 1. Adoption of Standards

Subject to all of the provisions of this Resolution, the Watermaster hereby adopts, by this reference, Riverside County Ordinance No. 682.3, An Ordinance Regulating the Construction, Reconstruction, Abandonment and Destruction of Wells in the Beaumont Basin (hereafter referred to as the "Beaumont Basin Wells Policy").

Section 2. Adoption of Regulation Re: "Sounding Tubes"

There is hereby adopted the following well construction policy which shall apply to all new wells constructed after July 20, 2004, which policy shall be incorporated into, and made a part of, the Beaumont Basin Well Policy:

"All wells shall be provided with a one (1) inch access pipe, capped at the bottom and perforated with at least three (3) holes per foot of no less than 1/20th of a square inch each and free from burrs, over the lower 40 feet. (Each hole is approximately equivalent to a ¼ inch drilled hole or two hack saw cuts ½ inch long.) This pipe will extend from above the pump to the surface and may be secured to the discharge pipe and well cap. The top of the pipe shall be kept sealed by a threaded or equivalently secure cap or plug. The purpose of this pipe is for measuring water levels."

Section 3. Exempt Provisions of the Riverside County Policy

The following provisions of the Riverside County Policy (Ordinance No. 682.3) shall not be enforced by the Watermaster:

- a. Section 23, "Public Nuisance Abatement".
- b. Section 26, "Violations and Penalties".

Section 4. Notice

Notice of the adoption of this Resolution shall be mailed to all Parties to the Judgment, and to any other person who requests such notice. The notice shall specify that a copy of the Beaumont Basin Well Policy may be obtained upon request and upon payment of a fee sufficient to recoup the cost of printing.

MOVED, PASSED AND ADOPTED this 20th day of July, 2004, upon the following vote:

City of Banning: aye
City of Beaumont: aye
Beaumont-Cherry Valley Water District: aye
South Mesa Mutual Water Company: aye
Yucaipa Valley Water District: aye

Dated: July 20, 2004

BEAUMONT BASIN WATERMASTER

By /s/ George Jorritsma

GEORGE JORRITSMA, Chairman of the
BEAUMONT BASIN WATERMASTER

RESOLUTION NO. 2004-05

**A RESOLUTION OF THE
BEAUMONT BASIN WATERMASTER
ADOPTING AN INVENTORY OF WATER DEMANDS AND
WATER SUPPLIES IN THE SAN GORGONIO PASS REGION**

RECITALS

WHEREAS, the Beaumont Basin Watermaster, pursuant to that certain judgment adjudicating groundwater rights in the Beaumont Basin (Riverside County Superior Court Case No. 389197, filed on February 4, 2004) is authorized to administer adjudicated water rights and manager groundwater resources in the Beaumont Basin; and

WHEREAS, the communities of the San Gorgonio Pass Region depend almost exclusively on naturally-occurring groundwater and surface water supplies, including such supplies in the Beaumont Basin, which will, in time, be insufficient to meet future demand; and

WHEREAS, much of the land area within and adjacent to the San Gorgonio Pass and the Beaumont Basin is proposed to be intensively developed with residential, commercial and industrial uses, which place additional demands on local water resources.

WHEREAS, the member agencies of the Watermaster propose to invest substantial public funds to construct facilities that will conserve and increase available water supplies; and

WHEREAS, in order to ensure that the benefits derived from the said investment are maximized, the Board of Directors of the San Timoteo Watershed Management Authority ("STWMA") authorized the preparation of a comprehensive inventory of present and future water demands and water supplies in the San Gorgonio Pass Region; and

WHEREAS, the Watermaster concurs with the findings of STWMA's comprehensive inventory of present and future water demands and water supplies in the San Gorgonio Region as adopted by the STWMA Board of Directors.

NOW, THEREFORE, the Watermaster of the Beaumont Basin hereby resolves as follows:

Section 1. Adoption of Inventory.

There is hereby adopted the following inventory of water demands and water supplies in the San Gorgonio Pass Region:

Table 1: Water Demand and Water Supply Plan for the Beaumont-Cherry Valley Water District (BCVWD) Service Area.

Table 2: Water Demand and Water Supply Plan for the City of Banning Service Area.

Table 3: Water Demand and Water Supply Plan for the South Mesa Water Company (SMWC) and the Yucaipa Valley Water District (YVWD) Service Area in Riverside County.

Table 4: Summary of Water Demand and Water Supply.

Figure 1: Map of Service Areas.

Figure 2: Recent Historic and Projected Water Demands for the City of Banning, the Beaumont-Cherry Valley Water District, the South Mesa Water Company and the Yucaipa Valley Water District Service Area in Riverside County.

Figure 3: Projected Water Supply Plan and Demand for the City of Banning, the Beaumont-Cherry Valley Water District, the South Mesa Water Company and the Yucaipa Valley Water District Service Area in Riverside County.

Section 2. Findings Re: Water Demands and Water Supplies

The Watermaster hereby makes the following findings regarding water demands and water supplies in the San Gorgonio Pass Region:

a. The projected water demands of the San Gorgonio Pass water retailers, in acre-feet per year, through 2025 are:

<u>Year</u>	<u>BCVWD</u>	<u>Banning</u>	<u>YVWD and SMWC</u>	<u>Total</u>
2000	10,200	9,500	2,200	21,900
2005	11,900	10,600	2,700	25,200
2010	14,600	12,000	4,600	31,200
2015	18,100	13,500	6,200	37,800
2020	20,600	15,300	7,800	43,700
2025	23,400	17,300	8,900	49,600

b. Each of the said retailers have a number of water sources available to it, including surface water and ground water. The largest single source is the Beaumont Groundwater Basin.

c. Table 1 identifies the water demands and sources of supply for BCVWD. Total water demand, including potable water demand, is expected to increase from 11,100 acre feet in 2003 to about 23,400 acre feet in 2025.

d. Presently, BCVWD is developing new water sources, including Noble Creek recharge, urban stormwater recharge, direct use and recharge of recycled and imported water.

e. Table 2 identifies the water demands and sources of supply for the Banning service area. Total water demand, including potable water, is projected to grow from about 10,000 acre feet in 2003 to about 17,300 acre feet in 2025.

f. Presently, Banning is developing new water sources, including improvements in the Beaumont Basin, the Banning Canyon Basin, the Banning-East Basin and the Cabazon Basin, and the delivery of imported water.

g. Table 3 identifies the water demands and sources of supply within the service areas of YVWD and SMWC. Total water demand, including potable water, is projected to increase from 2,400 acre feet in 2003 to about 8,900 acre feet in 2025.

h. Presently, YVWD is developing new water sources for its service area, including recycled and imported water from the San Gorgonio Pass Water Agency. SMWC proposes to purchase imported water from the San Bernardino Valley Municipal Water District.

i. Table 4 lists the aggregate water demands and the water supplies for BCVWD, Banning, SMWC and the portion of YVWD located in Riverside County, the west end of the San Gorgonio Pass Water Agency service area and nearly all of the water demands of the San Gorgonio Pass Water Agency service area. Total demand is projected to increase from about 23,600 acre feet in 2003 to about 49,600 acre feet in 2025, and total supplies will increase from about 26,000 acre feet in 2003 to about 54,000 acre feet in 2025.

j. As the various water supply projects of the member agencies of STWMA are implemented, a gradual surplus of water in the San Gorgonio Pass region will accumulate such that by 2025, there will be available for local use approximately 275,000 acre feet of surplus water in storage, which will be accounted for by the Beaumont Basin Watermaster.

Section 3. Conclusions

Based upon the foregoing findings, the Watermaster hereby concludes as follows:

a. That the water supply plans of BCVWD will satisfy future water demands through 2025, and that its plans will generate a surplus of water such that BCVWD is expected to have over 90,000 acre feet of water in storage in the Beaumont Basin for future use.

b. That the water supply plans of Banning will meet its future water demands through 2025. In most years, Banning will have a substantial surplus of water that will allow it to store water in the Beaumont Basin. By 2025, Banning is expected to have over 51,000 acre feet of water stored in the Beaumont Basin for future use.

c. That the water supply plans and programs of YVWD and SMWC will meet future demands through 2025. In many years, YVWD and SMWC will each have a substantial surplus of water that will allow them to store water in the Beaumont Basin. By 2025, YVWD and SMWC are expected to have over 45,000 acre feet of water stored in the Beaumont Basin for future use.

d. That the total water supply available to the San Gorgonio Pass water retailers ranges from about 26,000 acre feet in 2003 to about 53,700 acre feet in 2025. In total, the water supply exceeds demands by about 275,000 acre feet in the aggregate during the period 2004-2005 as shown graphically in Figure 3.

PASSED AND ADOPTED this 10th day of August, 2004.

BEAUMONT BASIN WATERMASTER

By /s/ George Jorritsma
Chairman of the Watermaster

Resolution No. 2004-06

A RESOLUTION OF THE BEAUMONT BASIN WATERMASTER ADOPTING A WATERMASTER MISSION STATEMENT AND SUPPORTING PRINCIPLES

Section 1. Adoption of Mission Statement

The Beaumont Basin Watermaster hereby resolves as follows:

Watermaster's mission is to manage the yield of and storage within the Beaumont Basin to provide maximum benefit to people dependent on it.

Section 2. Adoption of Supporting Principles:

The following supporting principles are hereby adopted in support of the Mission Statement:

Basin Management. All producers desire a long term, stable planning environment to develop local water resources management projects. The producers, independently and through Watermaster, will strive to take the long view in their planning assumptions and decisions to ensure a stable and robust management program.

Water Quality. All producers desire to produce water of a quality that is safe and suitable for the intended beneficial use.

Water Quantity. All producers desire to protect and enhance basin supplies when economically justified.

Groundwater Storage. All producers desire to manage the unused storage capacity in the Basin to maximize the water quality and reliability and minimize the cost of water. All producers desire to encourage the development of regional conjunctive use programs.

Storm Water Recharge. The producers desire to maximize stormwater recharge and thereby enhance yield and water quality.

Recycled Water. The producers desire to maximize the use of recycled water in the Basin and thereby enhance the Basin yield and reduce dependence on other supplemental sources of water.

PASSED AND ADOPTED this 19th day of October, 2004.

BEAUMONT BASIN WATERMASTER

By /s/ George Jorritsma
Chairman of the Watermaster

Resolution No. 2004-07

**A RESOLUTION OF THE BEAUMONT BASIN WATERMASTER
IN SUPPORT OF AB303 GRANT APPLICATIONS THAT FURTHER
THE MANAGEMENT OF THE BEAUMONT BASIN**

Recitals

WHEREAS,

- A. The Beaumont Basin Watermaster (Watermaster) was created on February 4th, 2004 pursuant to the stipulated judgment in San Timoteo Watershed Management Authority versus City of Banning, et. al; the Watermaster consists of representatives of the Cities of Banning and Beaumont, Beaumont-Cherry Valley Water District (BCVWD), South Mesa Water Company (SMWC) and the Yucaipa Valley Water District (YVWD).
- B. The Watermaster has, among other responsibilities, the responsibility to monitor groundwater production and to replenish overproduction by parties to the Judgment;
- C. The Beaumont Basin (Basin) is about 24 square miles in area and the effective depth of the aquifer is unknown; the total storage in the basin likely exceeds 2 million acre-ft; the Basin is believed to be in overdraft;
- D. The Judgment provides for the pumping of a temporary surplus of 160,000 acre-ft; the parties to the Judgment and other agencies are concerned about the future potential for subsidence that may occur as a result of past and future groundwater pumping from the Basin;
- E. BCVWD and Banning are: responsible for the supply and delivery of potable and non potable water within their service area; the major groundwater pumpers in the Beaumont Basin and; developing new deep groundwater wells and large recharge facilities;
- F. BCVWD and Banning have plans to develop several deep wells in the Beaumont Basin that will tap deep water bearing sediments in the San Timoteo formation whose characteristics are not well understood; the parties to the Judgment and other agencies are interested in assessing these characteristics and determining the feasibility of using the deep aquifer for a water supply;
- G. The San Gorgonio Pass Water Agency is a State Water Project Contractor and is responsible for acquiring and delivering imported water from the State Water Project and other sources; the San Gorgonio Pass Water

**A RESOLUTION OF THE BEAUMONT BASIN WATERMASTER
IN SUPPORT OF AB303 GRANT APPLICATIONS THAT FURTHER THE MANAGEMENT OF THE
BEAUMONT BASIN**

Agency is not a member of the Watermaster nor is it a party to the Judgment; that said, the San Geronio Pass Water Agency is interested in developing a supplemental water and conjunctive-use master plan that will benefit Watermaster and the water users in its service area.

- H. The San Timoteo Watershed Management Authority is a joint powers agency that has developed a watershed management program for a portion of the San Timoteo watershed that includes the Beaumont Basin; the San Timoteo Watershed Management Authority, as part of the implementation of the San Timoteo Watershed Management Program started the litigation that resulted in the Judgment;
- I. The San Timoteo Watershed Management Authority, in conjunction with its member entities and other agencies, has developed detailed monitoring programs, some of which are being implemented; the San Timoteo Watershed Management Authority, at the request of the Watermaster has developed a monitoring program to assess the occurrence of subsidence from past groundwater pumping and future pumping pursuant to the Judgment;
- J. The San Timoteo Watershed Management Authority has also prepared a work plan to develop a supplemental water and conjunctive-use master plan that will benefit Watermaster and the water users in its service area; the San Timoteo Watershed Management Authority has also budgeted and authorized the engineering and scientific investigations to develop the supplemental water and conjunctive-use master plan;
- K. The San Timoteo Watershed Management Authority and the San Geronio Pass Water Agency are interested in working together to develop the supplemental water and conjunctive-use master plan.

NOW, THEREFORE, the Beaumont Basin Watermaster hereby resolves as follows:

Section 1. Support the subsidence monitoring efforts of the San Timoteo Watershed Management Authority and the related 2004 AB303 Grant Application submitted by the San Timoteo Watershed Management Authority on behalf of all producers in the Basin, as a means to understanding the relationship of groundwater pumping to subsidence and fissuring in the Basin; that the knowledge gained from this monitoring program will be used to refine the groundwater pumping and storage programs in the Basin leading to a sustainable supply for the area's pumpers and the people of California;

**A RESOLUTION OF THE BEAUMONT BASIN WATERMASTER
IN SUPPORT OF AB303 GRANT APPLICATIONS THAT FURTHER THE MANAGEMENT OF THE
BEAUMONT BASIN**

Section 2. Support the deep aquifer research efforts of the Beaumont-Cherry Valley Water District and Banning and the related 2004 AB303 Grant Application submitted by BCVWD on behalf of all the producers in the Basin, as a means to understanding the production characteristics and hydrology of the deep aquifers in the Basin; that the knowledge gained from this research will be used to site wells and operate the Basin in a sustainable way for the area's pumpers and the people of California;

Section 3. Support the development of a supplemental water and conjunctive-use master plan and the related 2004 AB303 Grant Application submitted by the San Geronio Pass Water Agency on behalf of all pumpers in the Basin, as a means to implement the most reliable and cost efficient supplemental water supply system; that the resulting plan, when implemented, will benefit Watermaster, the parties to the Judgment, the area's pumpers, and the people of California.

PASSED AND ADOPTED this 9th day of November, 2004.

BEAUMONT BASIN WATERMASTER

By */s/ George Jorritsma*

Chairman of the Watermaster

Attest:

/s/ C.J. Butcher

Secretary of the Watermaster

RESOLUTION NO. 2005-01
A RESOLUTION OF THE BEAUMONT BASIN WATERMASTER
ESTABLISHING PRINCIPLES OF GROUNDWATER STORAGE IN THE
BEAUMONT BASIN BY NON-APPROPRIATORS

WHEREAS, there exists in the Beaumont Basin a substantial amount of available groundwater storage capacity; and

WHEREAS, such capacity can be reasonably used for storing supplemental water; and

WHEREAS, the Watermaster desires to establish by this Resolution certain fundamental principles governing the future use of such capacity by non-Appropriators.

NOW, THEREFORE, the Beaumont Basin Watermaster hereby resolves as follows:

Section 1. Definitions

As used herein, these terms shall have the following definitions:

- a. **Groundwater Storage Agreement:** a standard form of written agreement between the Watermaster and any Person requesting the storage of Supplemental Water.
- b. **Groundwater Storage Capacity:** the space available in the Beaumont Basin that is not utilized for storage or regulation of Safe Yield and is reasonably available for Stored Water and Conjunctive Use.
- c. **Person:** any non-appropriator individual, partnership, association, corporation, governmental entity or agency, or other organization.
- d. **Storage Program:** Supplemental Water stored in the Beaumont Basin for later use, or the sale of Temporary Surplus.
- e. **Stored Water:** Supplemental Water stored in the Beaumont Basin pursuant to a Groundwater Storage Agreement with the Watermaster.
- f. **Supplemental Water:** water imported into the Beaumont Basin from outside the Beaumont Basin including, without limitation, water diverted from creeks upstream and tributary to the Beaumont Basin and water which is recycled and useable within the Beaumont Basin.
- g. **Temporary Surplus:** the amount of groundwater that can be pumped annually in excess of the Safe Yield of the Beaumont Basin necessary to create enough additional storage capacity to prevent the waste of water.

Section 2. Preferred Groundwater Storage Projects

Preference shall be given to groundwater storage projects that:

- a. Increase the reliability of water supplies;
- b. Reduce the cost of enhancing the reliability of water supplies;
- c. Is proposed by, or is conducted for the benefit of, ratepayers;
- d. Financially benefit ratepayers;
- e. Will not injure existing Overlying and Appropriative Water Rights;
- f. Will not waste water;
- g. Will generate revenue to purchase rights to additional Supplemental Water and/or construct facilities for direct delivery of Supplemental Water or the percolation of Supplemental Water into the Beaumont Basin; and
- h. Will not impair future opportunities to store water in the Beaumont Basin.

Section 3. Types of Groundwater Storage Programs

The Watermaster shall consider two types of Storage Programs:

- a. Projects which propose to rent Groundwater Storage Capacity in the Beaumont Basin: revenue generated thereby shall be used to fund capital facilities; and
- b. Projects which propose the sale of Temporary Surplus: revenue generated thereby shall be used to purchase the rights to additional Supplemental Water supplies.

Section 4. Groundwater Storage Agreement

In order to prevent injury to existing water rights, to prevent the waste of water, and to protect the use of Supplemental Water in storage and the Safe Yield of the Beaumont Basin, no Person may make reasonable beneficial use of the Groundwater Storage Capacity except pursuant to a written Groundwater Storage Agreement with the Watermaster. Without limitation, such Agreements shall include:

- a. The payment of administrative and storage fees to the Watermaster;
- b. The payment of fees for the use of Temporary Surplus;
- c. Accounting for Supplemental Water losses while in storage;
- d. Term limit;

- e. Reasonable limitations on the rates of storage and recovery of Stored Water;
- f. Protection of water quality in the Beaumont Basin.

MOVED, PASSED AND ADOPTED this 12th day of April, 2005, upon the following vote:

City of Banning: Yes
City of Beaumont: Absent
Beaumont-Cherry Valley Water District: Yes
South Mesa Mutual Water Company: Yes
Yucaipa Valley Water District: Yes

Dated: April 12, 2005

BEAUMONT BASIN WATERMASTER

By /s/ George Jorritsma
Chair

**APPENDIX E-1
LOCATION MAP OF
WELLS IN THE
BEAUMONT BASIN**



San Timoteo Watershed Management Authority

- Overlying Producers
- ▲ Appropriators
- ▬ Beaumont Basin Boundary (based on faults of Bloyd (1970))
- ▬ Fault by Bunham and Dutcher (1960)
- ▬ Fault by Bloyd (1971)

Generalized Geology

- ▬ Unconsolidated Sediments
- ▬ Consolidated Bedrock
- ▬ Semi-Consolidated Sediments

▬ Streams

0 1 2
Miles

Appendix E-1

Location Map of Wells in Beaumont Basin

Map prepared by: **WE Environmental**

File: 20041012 App E-1.mxd
Author: KD
Date: 10/12/2004

APPENDIX E-2
APPROPRIATOR PRODUCER
SUMMARY OF PRODUCTION

**APPENDIX E-2
APPROPRIATOR PRODUCER SUMMARY OF PRODUCTION**

Well Name	Station ID	Jul 2004	Aug 2004	Sep 2004	Oct 2004	Nov 2004	Dec 2004	Jan 2005	Feb 2005	Mar 2005	Apr 2005	May 2005	Jun 2005	Total Production	Projected Op Safe Yield	Projected Eligible for Storage
Banning, City of																
Well C2	1004340	86.2	69.6	73.1	36.3	22.6	23.9	0.4	0.0	0.0	0.0	0.0	0.0	0.0	312.0	
Well C3	1004377	120.4	117.4	106.0	89.3	53.0	57.9	45.0	57.1	10.3	48.2	46.7	40.0	40.0	791.2	
Well C4	1206706	136.8	157.7	154.8	135.2	91.2	81.2	89.6	7.5	6.1	28.8	8.5	20.9	20.9	918.3	
Well M3	1206700	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	34.8	39.8	39.8	74.6	
Well M9	1206834	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Production from BCVWD ²															324.2	
Total		343.4	344.6	334.0	260.7	166.7	163.1	135.0	64.6	16.4	76.9	90.0	100.7	2,420.3	5,029.0	2,608.7
Beaumont-Cherry Valley Water District¹																
Well 1	1004351	156.6	134.4	125.4	9.3	0.0		55.3	10.1	19.3	67.9	122.2	164.2	864.7		
Well 2	1004349	144.6	138.1	137.4	97.4	55.4		108.7	36.1	36.9	0.0	0.0	0.0	754.7		
Well 3	1004350	145.8	164.1	111.5	80.4	45.6		71.7	30.7	40.7	79.7	30.7	135.0	936.0		
Well 16	1002938	133.8	113.5	83.2	52.2	53.3		86.9	0.0	0.0	40.2	60.2	110.8	734.2		
Well 21	1201487	211.7	259.9	258.1	188.0	159.1		228.0	104.1	106.8	181.5	154.7	224.7	2,076.5		
Well 22	1002966	151.3	151.1	122.2	65.6	4.2		2.8	5.8	13.7	57.9	73.0	69.0	716.8		
Well 23	1207328	0.0	41.9	85.1	52.3	14.6		60.1	25.0	29.5	63.9	58.5	126.6	557.6		
Production for Banning ²														-324.2		
Total		943.9	1,003.0	923.0	545.3	332.3		613.5	211.8	247.0	491.2	499.2	830.4	6,316.2	6,802.0	485.8
South Mesa Water Company																
3rd No. 4 Well	1003035	51.6	82.4	74.2	54.7	12.1	10.9	29.7	16.7	39.2	51.3	65.4	70.0	558.0	1,996.0	1,438.0
Yucaipa Valley Water District																
Well 35	1003058	63.9	76.8	70.9	1.4	1.4	0.8	0.2	0.7	0.7	24.7	30.1	0.6	272.4		
Well 48	1003063	177.9	218.9	186.5	123.8	18.9	20.6	13.6	11.4	21.2	14.8	51.9	152.6	1,012.1		
Total		241.9	295.6	257.5	125.2	20.3	21.4	13.8	12.1	21.9	39.5	82.0	153.1	1,284.5	2,173.0	888.5
Total Appropriator Production		1,580.7	1,725.7	1,588.6	985.9	531.4	195.4	792.0	305.1	324.5	659.0	736.6	1,154.2	10,579.1	16,000.0	5,420.9

¹ All values rounded & subject to revision based on receipt of more accurate information

² Pursuant to Part I, Paragraph 3 B of the Judgment, and a separate Agreement (a copy of which is on file with the Watermaster).

16,000.0

**APPENDIX E-3
OVERLYING PRODUCER
SUMMARY OF PRODUCTION**

**APPENDIX E-3
2ND ANNUAL REPORT - FISCAL YEAR 2004-05
OVERLYING PRODUCER SUMMARY OF PRODUCTION¹**

Well Name	Station ID	Metered	Jul 2004	Aug 2004	Sep 2004	Oct 2004	Nov 2004	Dec 2004	Jan 2005	Feb 2005	Mar 2005	Apr 2005	May 2005	Jun 2005	Total ³ Reported Production	Projected ² Maximum Production	Estimated ⁴ Production FY 2004-05
Beckman, Walter M. ⁵		No													NR	75	27.1
California Oak Valley Golf and Resort LLC ⁶																	
Oak Valley #1	1007025	Yes								164.6	6.1	150.2			320.9		
OVGC Comfort Str	1206848	Yes								164.6	14.0	61.5			75.5		
											20.1	211.7			396.4	950	396.4
Martin Properties ⁷		No													NR	550	5.6
Oak Valley Partners, LP ⁸																	
Haskell Ranch-Main ⁹	1003078	N/A													--		
Singleton Ranch #5	1003075	Yes													300.0		
Singleton Ranch #7	1201574	No													89.8		
Irigation Stakes	1201567	No													10.0		
Total															399.8	1,806	399.8
Plantation on the Lake LLC		Yes	35.9	41.4	40.7	37.8	21.8	20.5	23.0	11.9	8.3	16.8	20.2	34.3	312.7	581	312.7
Rancho Calimesa Mobile Home Park ⁹		No													150.0	150	58.5
Roman Catholic Bishop of San Bernardino ¹⁰																	
Irr-Gas	1201556	No															
Pressure	1201557	No															
Total															NR	154	71.8
Sharonale Mesa Owners Association																	
Well No.1	1206844	Yes	19.4	12.0	9.2	8.0	8.5	7.9	5.2	5.9	2.5	8.8	9.2	13.3	109.9		
Well No.2	1206845	Yes	7.7	9.6	6.5	4.2	0.0	0.0	0.0	0.0	4.3	5.2	7.2	8.1	52.9		
Total			27.1	21.6	15.8	12.3	8.5	7.9	5.2	5.9	6.8	13.9	16.4	21.4	162.8	200	162.8
So Calif Section of the Professional Goller's Association of America ¹¹																	
Well A	1206995	Yes													196.3		
Well B	1206998	No													62.4		
Well C	1206997	Yes													1110.3		
Well D	1206996	Yes													1,369.0	2,200	1,369.0
Total																200	0.9
Stearns, Leonard M. and Dorothy D. ⁹		No															
Sunny-Cal Egg and Poultry Company ¹²																	
Well No. 1	1206854	N/A															
Well No. 2	1002950	N/A															
Well No. 3		N/A															
Well No. 4		N/A															
Well No. 5	1201480	N/A															
Well No. 6		N/A															
Total Estimated Overlying Production															NR	1,784	451.7
															2,842.7	8,650	3,256.3

¹ All values rounded & subject to revision based on receipt of more accurate information

² Blank or NR - no information reported

³ Column 3 Projected Maximum Production

⁴ All production estimates where irrigation occurs use 70% irrigation efficiency for sprinkler irrigation

⁵ Production estimated: well has no meter, but supplies water for 2 residences & sprinkler irrigates approximately 4.5 acres of land

⁶ Oak Valley #1: 164.6 af for Sep 2004 - Jan 2005; 6.1 af for Feb & Mar 2005; 150.2 af for Apr - Jun 2005; OVGC Comfort Station: reported 14.0 af for Feb & Mar 2005; 61.5 af for Apr - Jun 2005

⁷ Production estimated: well supplies 3 residences, and approximately 0.8 acres of landscape irrigation

⁸ Per written correspondence from Gary Parker at Sun Cal received 12/16/04 - well destroyed and capped.

⁹ Production estimated: Rancho Calimesa has approximately 195 mobile homes from aerial photo - 0.3 af/yr per dwelling unit indoor use estimated. Three other residences on other parcels - all owned by Stearns.

¹⁰ Production estimated: Wells have no meters, but supply water for 2 residences & sprinkler irrigates approximately 12 acres of land

¹¹ Provided copies of state filing with annual calendar year estimates only - SCPGA Well B (1206998 destroyed and capped).

¹² Well Nos. 5 & 6 are production for Mannheim, Mannheim & Berman who share in aggregate right with Sunny-Cal

Production estimated: 6 gal/100 chickens/day for 1.2 million chickens and approximately 63.1 acres irrigated with process water.

AMENDED APPENDIX E-3
1ST ANNUAL REPORT - FISCAL YEAR 2005-04
OVERLYING PRODUCER SUMMARY OF PRODUCTION¹

Well Name	Station ID	Metered	Jul 2004	Aug 2004	Sep 2004	Oct 2004	Nov 2004	Dec 2004	Jan 2005	Feb 2005	Mar 2005	Apr 2005	May 2005	Jun 2005	Total ² Reported Production	Projected ³ Maximum Production	Estimated ⁴ Production FY 2004-05
Beckman, Walter M. ⁵		No													NR	75	27.1
California Oak Valley Golf and Resort LLC ⁶		Yes															
Oak Valley #1	1007025	Yes															
OVGC Comfort Sin	1206848	Yes															
Merlin Properties ⁷		No													NR	950	1227.4
Oak Valley Partners, LP ⁸																	
Haskell Ranch-Main ⁹	1003078	N/A															
Singleton Ranch #5	1003075	Yes															
Singleton Ranch #7	1201574	No															
Irrigation Stokes	1201567	No															
Total															502.7	1,806	502.7
Plantation on the Lake LLC		Yes	26.8	38	38.1	31.6	25.5	18.7	18.3	21.7	13.2	24.1	30.3	35.1	321.4	581	321.4
Rancho Calimesa Mobile Home Park ⁹		No															
Roman Catholic Bishop of San Bernardino ¹⁰																	
Irr-Gas	1201556	No															
Pressure	1201557	No															
Total															154	78.4	
Sharondale Mesa Owners Association																	
Well No. 1	1206844	Yes	24.2	20.9	27.3	15.6	5.1	5.5	5.0	3.4	5.9	7.4	10.0	14.4	144.5		
Well No. 2	1206845	Yes	0.0		0.0		5.7						12.0	5.2	23.0		
Total			24.2	20.9	27.3	15.6	5.1	11.2	5.0	3.4	5.9	7.4	22.0	19.6	167.4	200	167.4
So Calif Section of the Professional Golfers Association of America ¹¹																	
Well A	1206995	Yes	35.8	38.6	25.8	18.4	7.7	4.6	6.4	0.7	35.9	25.6	43.1	45.3	287.7		
Well B	1206998	No															
Well C	1206997	Yes															
Well D	1206996	Yes	174.7	159.8	133.7	115.3	43.8	34.3	36.5	14.1	56.4	64.9	113.7	148.0	1094.2		
Total			210.5	197.4	159.5	133.7	51.4	38.9	42.9	14.8	92.3	90.5	156.8	193.3	1,413.4	2,200	1,413.4
Stearns, Leonard M. and Dorothy D. ⁹		No															
Sunny-Cal Egg and Poultry Company ¹²																	
Well No. 1	1206854	N/A															
Well No. 2	1002950	N/A															
Well No. 3		N/A															
Well No. 4		N/A															
Well No. 5	1201480	N/A															
Well No. 6		N/A															
Total Estimated Overlying Production															1,699.0	1,784	451.7
															4,384.4	8,650	4,254.6

¹ All values rounded & subject to revision based on receipt of more accurate information

² Blank or NR, no information reported or production estimated

³ Column 3 Projected Maximum Production

⁴ All production estimates where irrigation occurs use 70% irrigation efficiency for sprinkler irrigation

⁵ Production estimated: well has no meter, but supplies water for 2 residences & sprinkler irrigates approximately 4.5 acres of land

⁶ Production estimated: approximately 208.7 acres golf course

⁷ Production estimated: well supplies 3 residences with approximately 0.8 acres of landscape irrigation

⁸ Oak Valley #1: 164.6 af for Sep 2004 - Jan 2005; 61.1 af for Feb & Mar 2005; 150.2 af for Apr - Jun 2005; OVGC Comfort Station: reported 14.0 af for Feb & Mar 2005; 61.5 af for Apr - Jun 2005

⁹ Production estimated: Rancho Calimesa has approximately 195 mobile homes from aerial photo - 0.3 af/yr per dwelling unit indoor use estimated. Three other residences on other parcels - all owned by Stearns.

¹⁰ Production estimated: Wells have no meters, but supply water for 2 residences & sprinkler irrigates approximately 12 acres of land

¹¹ Provided copies of state filing with annual calendar year estimates only - SCPGA Well B (1206998 destroyed and capped)

¹² Well Nos. 5 & 6 are production for Manheim, Manheim & Berman who share in aggregate right with Sunny-Cal

Production estimated: 6 gal/100 chickens/day for 1.2 million chickens and approximately 63.1 acres irrigated with process water.