



Case No. RCV 51010

Chino Basin Municipal Water District  
v.  
City of Chino, ET. AL

# Chino Basin Watermaster Twenty-Fifth Annual Report

Fiscal Year 2001-02





# Watermaster Mission

*To Manage the Chino Groundwater Basin in the Most Beneficial Manner and to Equitably Administer and Enforce the Provisions of the Chino Basin Watermaster Judgment*

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# Chino Basin Watermaster Background and History

*Chino Basin Watermaster is charged with administering adjudicated water rights and managing groundwater resources within the watershed and groundwater Basin known as the Chino Groundwater Basin. It serves over 700,000 people in a 220 square mile area.*

## Formed in 1978 By the Court

The Chino Basin Watermaster (Watermaster) was established under a Judgment entered in the Superior Court of the State of California for the County of San Bernardino, entitled “Chino Basin Municipal Water District v. City of Chino, et al.,” (originally Case No. SCV 164327, the file was transferred in August 1989, by order of the Court and assigned new Case No. RCV 51010). The Honorable Judge Howard B. Wiener signed the Judgment on January 27, 1978. The effective date of this Judgment for accounting and operations was July 1, 1977.

The Twenty-Fifth Annual Report (July 1, 2001 – June 30, 2002) presents an overview of Watermaster accomplishments, including the Pool Committees, Advisory Committee, and Watermaster activities.



## Basinwide Governing Body

Beginning in the early 1970's and continuing for several years, studies and discussions among concerned water producers resulted in the passage of a “Memorandum of Agreement on the Chino Basin Plan in 1974.” In January 1975, Senator Ruben S. Ayala introduced Senate Bill 222 (SB 222) in the California Legislature. This bill authorized a production assessment levy of \$2.00 per acre-foot per year, for a period of three years. The funds were utilized to finance the final effort to develop a management plan for the Chino Groundwater Basin. The effort included conducting essential studies and negotiations for implementing the water management program. SB 222

was chaptered as a part of the Municipal Water District Law at Section 72140 of the California Water Code, approved by Governor Ronald Reagan and filed with the Secretary of State on June 28, 1975.

Engineering, legal, and other working subcommittees were formed to analyze and define specific problem areas. Socio-economic, safe yield, and other studies were performed to provide the information necessary to reach an agreement regarding the allocation of producer water rights. Cost savings were achieved by terminating many of the studies as soon as the necessary information was compiled in draft form.

Three groups represented the majority of producer interests. These groups became active early in the negotiations under SB 222. The groups formalized into pool committees that became known as the:

- Overlying (Agricultural) Pool — representing dairymen and farmers (including minimal producers) and the State of California;
- Overlying (Non-Agricultural) Pool — representing industries; and
- Appropriative Pool — representing cities, water districts, and water companies.

Representatives of the three pool committees, acting together, became known as the Watermaster “Advisory Committee.”

### **Advisory Committee**

The Advisory Committee was established as the policy-setting body and charged with the oversight of Watermaster’s discretionary activities. Members of each of the three pool committees met regularly to transact the business concerns of their respective pools. Each pool committee acted upon decisions affecting more than one pool, and recommendations were then forwarded to the Watermaster Advisory Committee.

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*The Peace Agreement, approved in 2000, was executed by all major parties to the Judgment and each of the pools.*

*For a minimum of 30 years, it establishes the framework under which certain components of the Optimum Basin Management Program will be implemented.*

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### **Watermaster Board**

On February 19, 1998, the Court appointed a new nine-member Watermaster Board at the request of the Advisory Committee and ordered development and implementation of an Optimum Basin Management Program (OBMP). Progress on development and implementation of the OBMP is being reported on in the annual reports and in status reports submitted to the Court and the parties.

As part of implementing the OBMP, a “Peace Agreement” was approved through the Watermaster process on June 29, 2000. Additionally, an Optimum Basin Management Program Final Program Environmental Impact Report (PEIR) was prepared and certified by Inland Empire Utilities Agency as the lead agency on July 12, 2000. These documents were submitted to the Court for hearing on July 13, 2000. The Court approved the Peace Agreement and received and filed the PEIR.

The Peace Agreement is a very important document in the history of Watermaster. For a minimum 30-year period, it establishes the framework under which certain components of the OBMP will be implemented. It was developed to augment the Judgment with regard to the OBMP implementation. It was executed by all major parties to the Judgment and each of the Pools. The Watermaster adopted Resolution No. 2000-05 on June 29, 2000, approving the Peace Agreement. It is established for an initial 30-year period and could be renewed for an additional 30-year period.



# Responsibilities of Watermaster

*With dozens of public and private entities pumping, treating, buying, selling and delivering water in the Chino Basin, there is a need for coordinated management of the Basin, which is provided by Watermaster.*

## **Maintain and Improve Water Supply**

- Manage and control the replenishment of water supplies in the Basin. Acquire and spread replenishment water as needed. Approve and facilitate the storage of supplemental water in the Basin.

## **Ensure a Fair Share of Water**

- Determine the amount of groundwater that each producer is entitled to extract without incurring a replenishment obligation for the succeeding fiscal year.

## **Maintain and Improve Water Quality**

- Coordinate or participate in local efforts to preserve and restore the quality of groundwater in the Basin. Assist and encourage regulatory agencies to enforce water quality regulations affecting the Basin.

## **Monitor and Understand the Basin**

- Collect production, water quality, water level, and other relevant data from producers. Prepare an annual report of Watermaster activities, including financial activities and summary reports of pumping and diversion.

## **Provide Cooperative Leadership**

- Help develop and implement consensus plans regarding the management of the Basin.

## **GUIDED BY THE JUDGMENT**

Watermaster operates under a formal set of Rules and Regulations and the Judgment, which together establish the procedures by which Watermaster acts to administer the Judgment.

### **Watermaster Approval Required**

Under the Rules and Regulations, water producers in the Basin must obtain approval from or notify Watermaster for activities such as:

- Recharging or spreading water.
- Transferring or exchanging water.
- Storing local water.
- Recapturing local water from storage.
- Storage & Recovery of Supplemental Water.
- OBMP Credits or Reimbursements.

## **FUNDED BY ASSESSMENTS**

In order to fund its operation, Watermaster collects assessments from water producers primarily based upon their amount of production during the preceding fiscal year. These assessments are used to fund the purchase of replenishment water, and for administrative and special project costs.

## Watermaster Administration

*Administration relates to activities undertaken to administer the Judgment that are not specifically related to a Program Element in the Optimum Basin Management Program (OBMP). Watermaster started out primarily as an administrative agency that oversees the Basin on behalf of the Court – administering water rights and assessments. Since completion of the Optimum Basin Management Program, Watermaster’s role increasingly is to actively implement the OBMP, managing the Basin so as to protect and actually increase its water supply and water quality.*

### **Refining Administration and Management to Improve Efficiency and Effectiveness**

A significant amount of staff resources are applied to the day-to-day administration of the Judgment. This includes supporting the Watermaster Board, Advisory Committee, and Pools to study, weigh, deliberate, and make recommendations and decisions. This effort includes development and facilitation of agenda packets for numerous meetings of policy makers.

### **Extensive Communications Activities**

Watermaster’s success is built upon the cooperative agreement of a diverse and wide-ranging group of stakeholders across the region. Cooperation is accomplished through extensive communications among and between the stakeholders. Some of the communication efforts include:

- A regularly updated website that provides a library of resources available at all times.
- A newly developed quarterly status report developed to provide a relatively easy to understand summary of the many accomplishments of Watermaster and the complex issues being addressed, both for policymakers and the Court.
- The distribution of meeting agenda packets and other materials through e-mail, saving time and money.



*Watermaster staff conferring with the Recharge Facilities Improvement Project design engineers*



### **Meeting the Requirements of the Judgment and the Court**

Watermaster is required to report on its administration of the Judgment and progress on the Optimum Basin Management Program. This is a valuable but time-consuming effort. This year, Watermaster began analyzing the reporting requirements with the goal of providing the needed information in an easier to read format. The first step was development of a refined quarterly status report format that is easier to read and requires less effort to produce. This Annual Report is another result of updating the reporting requirements.

### **New Method of Collecting Water Quality Data to Save Time and Money**

Watermaster staff is always seeking to accomplish its work more efficiently. One improvement initiated was development of a new procedure to receive water quality data directly from testing laboratories at the same time the data is sent to state regulators. This approach will be implemented in 2002-03 and will be more efficient, less costly, and allow for a more rapid response to any problems.

### **Analysis of Staffing for Current and Future Needs**

Staff is analyzing current and anticipated staff requirements. This analysis will help develop more efficient staffing patterns and ensure that future needs are met.

### **Relocation of Watermaster Offices to Save Money**

To provide improved administrative services in a cost-effective way, Watermaster decided to pursue relocation of the Watermaster Offices to a site owned by Cucamonga County Water District. This will provide quarters large enough to meet administrative needs at a more reasonable cost.

### **Ensuring Continuity Through Long-Term Consultant Relationships**

Watermaster is ensuring continuity in two key administrative areas by continuing its association with the engineering firms of Wildermuth Environmental, Inc. and Black & Veatch, Inc., as well as General Legal Counsel services through the firm of Hatch & Parent. Watermaster also secured ongoing laboratory services for the Water Quality Monitoring Program through Montgomery Watson Harza Laboratories.

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*Watermaster continually seeks opportunities to increase efficiency and lower the cost of providing service*

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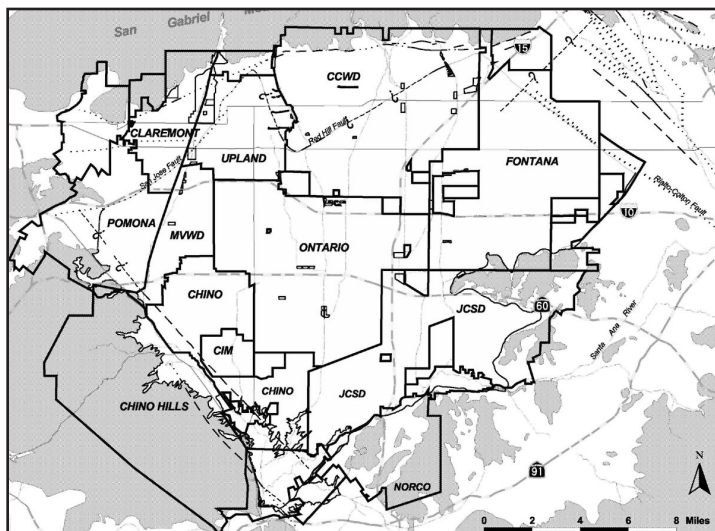
# Optimum Basin Management Program

*The goal of the Optimum Basin Management Program is to Manage the Basin to Protect and Improve Water Quality and Supply. This task encompasses general legal and engineering services requested by Watermaster to support implementation of the OBMP, and reflects Court oversight through the Court's Special Referee and its staff (including the Technical and Reference Experts).*

## OVERVIEW OF THE OPTIMUM BASIN MANAGEMENT PROGRAM

Nine program elements comprise the OBMP, covering a wide range of activities. The key elements include:

1. Comprehensive Monitoring.
2. Comprehensive Recharge.
3. Water Supply Plan for Impaired Areas.
4. Management Zone Strategies.
5. Regional Supplemental Water Program.
6. Cooperative Program.
7. Salt Management Program.
8. Groundwater Storage Management.
9. Conjunctive Use Programs.



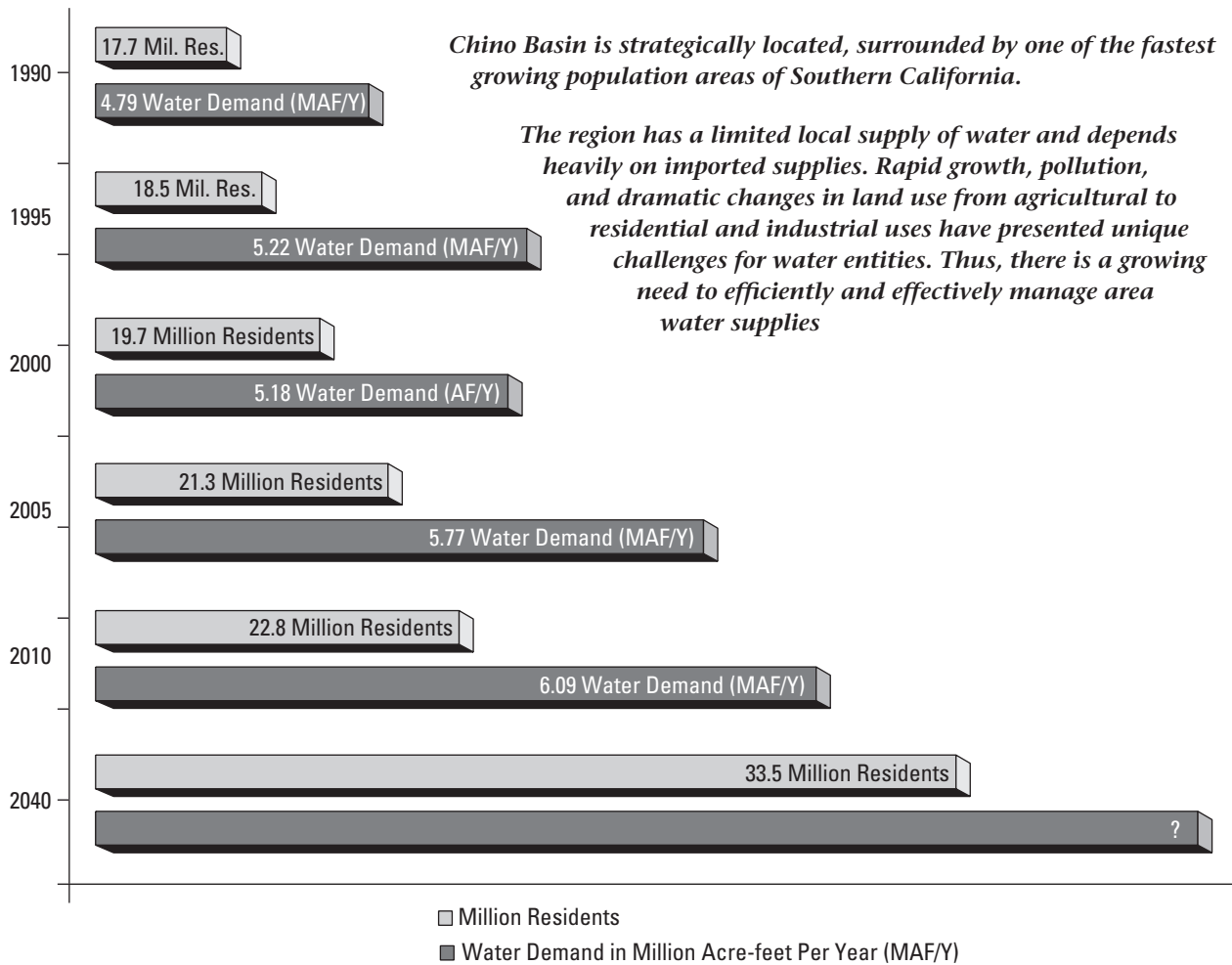
*Chino Basin covers over 220 square miles and provides water for over 700,000 residents*

*Basin storage capacity is between 5 and 7 million acre-feet, and the safe yield from over 600 active wells is more than 140,000 acre feet a year*

*The Basin is strategically located amid one of the population centers and major growth areas of Southern California*

## Southern California's Population is Growing Rapidly...

### ...And So Is Demand For Water



# Optimum Basin Management Program: Progress In Improving Water Supply and Water Quality

*The OBMP is designed to protect and manage the Chino Basin and carry out the physical solution: provide additional water supplies to meet the growth in the Basin, improve water quality, “drought proof” the region, enhance economic development opportunities, and improve environmental quality.*

*Because there are many and varied interests in the Basin, balancing the needs of stakeholders involves cooperation and dedication to achieve the goals of the OBMP. Watermaster is the focal point around which water suppliers and users gather to chart a course for the future. Progress continues to be made in a decades-long plan to accomplish the nine program elements of the OBMP. This annual report details progress made in 2001-02, achieved in a spirit of cooperation and with the support of solid planning.*

## PROGRAM ELEMENT 1

### DEVELOP AND IMPLEMENT COMPREHENSIVE MONITORING PROGRAM

*The monitoring program during the 2001-02 fiscal year involved production monitoring; in-line meter installation; groundwater level and quality monitoring; surface water quality and discharge and recharge monitoring; and ground level monitoring. Design and installation of piezometers and extensometers are planned for early 2002-03. The extensive and wide-ranging monitoring program ensures that proper water quality and quantity levels are maintained, and provides valuable data that allows Watermaster to effectively and efficiently manage the Basin. Here are monitoring program highlights:*



*The program to test, calibrate, replace or repair existing agriculture meters or install new meters on unmetered wells is underway and expected to be complete by July 2003.*

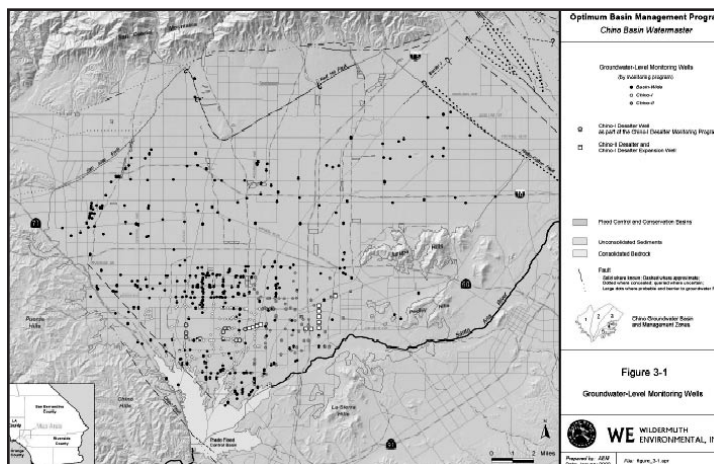
## Expanded Effort to Meter and Monitor Production From Agricultural Wells

Watermaster staff began reading in-line meters on all agricultural wells in the Chino Basin to assist in the production reporting process.

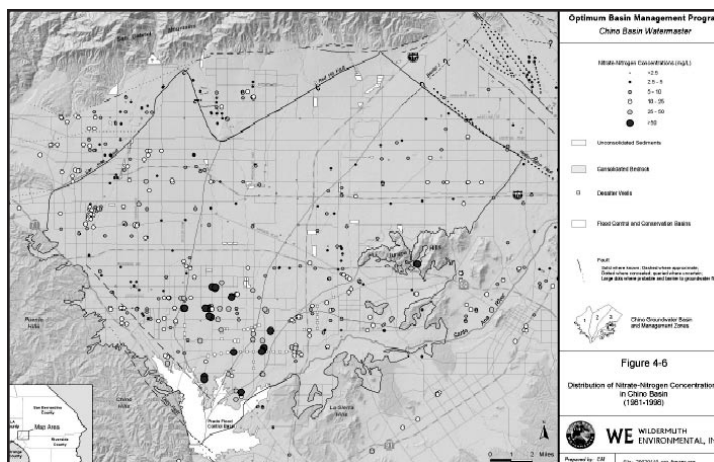
By the end of the 2001-02 fiscal year, 134 in-line meters had been installed or repaired as part of a program to test, calibrate, repair or replace existing meters and install meters on unmetered agricultural wells in the Chino Basin. The work was initially accomplished by two vendors. Watermaster anticipates retaining up to two more vendors in 2002-03 to complete the work by June 30, 2003.

## Groundwater Quality Monitoring Expanded Using Partial Grant Funding

With partial funding from a grant during 2001-02, Watermaster conducted a comprehensive groundwater quality monitoring program that included sampling of about 200 wells in the southern area of the Chino Basin from February to June of 2002. Water quality and water level contour maps were created to help locate future desalting and nitrate removal facilities, new recharge sites, and to develop pumping patterns.



*Watermaster monitors groundwater levels at over 100 locations across the Basin, as shown on this map. The monitoring wells are concentrated in the southern end of the Basin because groundwater from throughout the Basin flows south into that area. When groundwater levels rise, groundwater can “spill over” into the Santa Ana River – a water loss that Watermaster is seeking to avoid. The southern area is also the most water quality impaired area.*



*Nitrate levels shown for the Chino Basin are determined by Watermaster’s groundwater quality monitoring program. Note that the highest nitrate levels are in the southern end of the Basin, one reason the desalter treatment program is focused there.*



### **Three Active Groundwater Level Monitoring Programs**

Watermaster has three active groundwater level monitoring programs operating in the Chino Basin: a semiannual Basinwide program; and two semimonthly programs associated with the Chino-I and Chino-II desalter well fields. Watermaster began the program prior to the Peace Agreement.

**The semiannual water level monitoring program was initiated in 1999.** After completion of the fall 2001 testing round, Watermaster elected to continue taking semiannual groundwater level measurements at all measurable wells rather than adopt a key well program. This is because of the varying geology in the Basin and the wide range of constituents in the Basin. Watermaster has completed semiannual groundwater level surveys each year since 1999.

**The Chino-1 and Chino II Desalter Well Field Monitoring Program was added to Program Element 1 after completion of the Peace Agreement.** The purpose of this program is to characterize groundwater levels near the desalter wells and the groundwater level impact from the desalters on local private well owners. Watermaster staff collects groundwater level data at about 250 wells twice each month in the immediate areas of the Chino1 and Chino II Desalter well fields. An analysis of the data is expected in 2002-03. The results are needed before the projects can go forward.

### **Surface Water Quality Monitoring Expanded to Include New Stations on River**

The surface water quality monitoring program, involving measuring water quality at recharge and flood retention basins within the Chino Basin, was expanded in 2001-02 to include the collection of water quality samples at six stations on the Santa Ana River. This is being done to improve Watermaster's ability to monitor hydraulic control.

Flow and water quality data were also collected from other cooperating agencies, including Inland Empire Utilities Agency (IEUA), Jurupa Community Services District (JCSD), the cities of Corona and Riverside, the Regional Water Quality Control Board (RWQCB), U.S. Geological Survey (USGS), Orange County Water District (OCWD), and others. This information is used to estimate the induced recharge from the Santa Ana River and the rising water capture from the Chino Basin.

### **Surface Water Discharge and Recharge Monitoring Measure Stormwater Runoff**

Water level sensors were purchased in 2001-02 for the San Sevaine and Etiwanda Spreading Basins as part of the development of a surface water discharge and recharge-monitoring program. The sensors will be installed after environmental clearance is given.

The remainder of the spreading basins will be monitored as part of the Recharge Master Plan that is currently underway. The Watermaster staff will collect water level data, which will be used to help calculate new yield capture from stormwater runoff.

### **Ground Level Monitoring Program to Assist With Resolution of Fissuring and Subsidence Challenges**

Work on the ground level monitoring program in 2001-02 included compiling, mapping, and reviewing historical survey data collected by federal, state, and local agencies to estimate total subsidence over as long a period as possible.



Synthetic aperture radar covering a portion of Chino Basin for the years 1992, 1994, 1996, 1998, and 2000 was used by Watermaster to research changes in benchmark data for the Chino Basin. The initial analysis was completed in May 2001, and a ground level survey plan has been developed primarily covering the southern end of Management Zone 1.

### **Network Of Piezometers and Extensometers Being Installed Using In-House and Contracted Resources**

A network of ground elevation stations, a multi-nested piezometer, and a dual bore hole extensometer will be installed and monitored in the subsidence-prone area. Watermaster will collect information from these meters periodically as part of implementing the Interim Management Plan. Watermaster decided that the work be done in-house, and that Wildermuth Environmental, Inc would manage the project utilizing staffing and resources already contracted to Watermaster.

**Watermaster staff has been working on determining locations for extensometers in the southwest Chino Basin.** Locations will be determined and the plans and specifications prepared early in 2002-03. It is anticipated the extensometers will be installed and operating by the end of 2002-03.

## **PROGRAM ELEMENT 2**

### **DEVELOP AND IMPLEMENT COMPREHENSIVE RECHARGE PLAN**

*The recharge element of the OBMP is one of the centerpieces of the OBMP since it is through increased recharge capacity of the Basin that greater quantities of water can be made available to producers and consumers. Watermaster has made significant strides in the implementation of the Recharge elements of the OBMP.*

### **Four Agencies Involved in Recharge Master Plan**

A coordinated effort to develop and implement high priority recharge projects, identified in the Recharge Master Plan, was begun among Watermaster, Inland Empire Utilities Agency, San Bernardino County Flood Control District (SBCFCD), and the Chino Basin Water Conservation District (CBWCD) in 2000-01 and continued into 2001-02.

### **Agreements Reached, Design Initiated, and Improvements Planned**

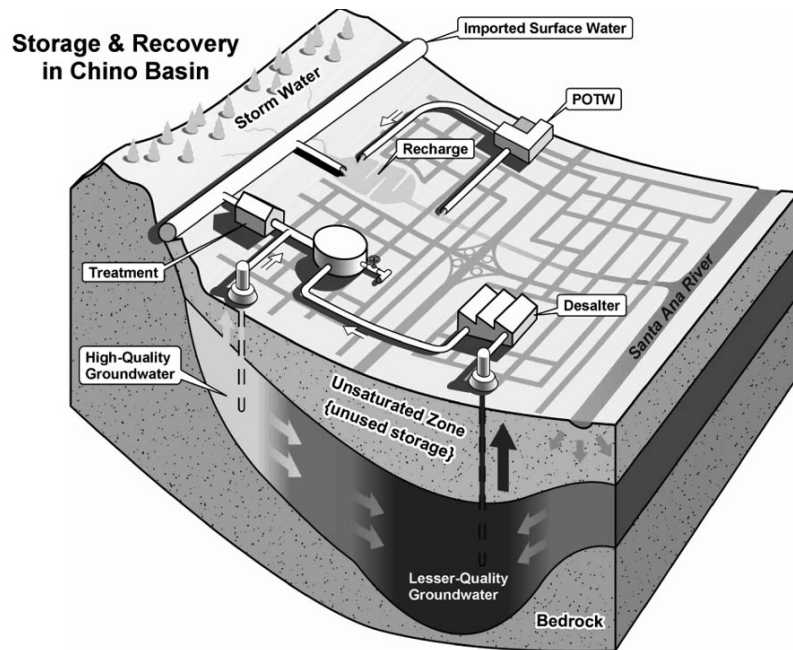
Funding and implementation of the Recharge Master Plan progressed through several steps during 2001-02. Agreements were reached, design elements moved forward, and financing arranged for the \$40 million Chino Basin Recharge Facilities Project.

### **\$40 Million Investment Creates Recharge Capacity of 150,000 Acre-Feet Per Year**

The Recharge Master Plan calls for an investment of \$40 million to create a recharge capacity of over 150,000 acre-feet of water per year to store excess water in normal/wet years and to capture high-quality stormwater for recharge.

## Recycled Water To Be Used For Some Recharge

Some of the supplemental water used for recharge will be recycled water. IEUA, in coordination with Watermaster, has been developing a large-scale recycled water reuse program that includes the use of recycled water for recharge in the Chino Basin. IEUA plans to recharge up to 30,000 acre-feet of recycled water by surface spreading in recharge facilities identified in the Recharge Master Plan. Preliminary work was completed during 2001-02, and Phase 1 construction is scheduled to begin in 2002-03. New recycled water recharge could occur late in 2004.



*This illustration shows how a recharge capacity of over 150,000 acre-feet of water per year would be achieved to store:*

- Excess imported water in wet years and replenishment of prior production
- High quality stormwater, and
- Recycled water

*All these high quality sources not only increase the water supply but also improve groundwater quality through dilution. Improvements in water quality through recharge also lower the cost of the desalter treatment process.*

### **PROGRAM ELEMENT 3**

#### **DEVELOP AND IMPLEMENT WATER SUPPLY PLAN FOR THE IMPAIRED AREAS OF THE BASIN, AND**

### **PROGRAM ELEMENT 5**

#### **DEVELOP AND IMPLEMENT REGIONAL SUPPLEMENTAL WATER PROGRAM**

*These program elements focus on the shift of production in the southern end of the Basin away from agricultural uses toward urban uses. Without the OBMP, this conversion would have resulted in a decrease in production in the southern end of the Basin, and rising water levels. If groundwater levels in the southern end of the Basin, rise too much, then water may “spill” out of the Basin and into the Santa Ana River. This uncontrolled spillage could reduce the overall Safe Yield of the Basin.*

*Rising water levels would also impair the ability of producers in the Southern Basin to pump water because the rising water would push contaminants into previously uncontaminated areas. The main solution to the high water and water quality challenges in the southern end of the Basin is through the Desalter program.*

#### **Desalter Projects Being Expanded Through Joint Program**

Watermaster is cooperating with SAWPA, IEUA, OCWD, WMWD, and Basin producers to expand the Chino I Desalter and to construct the Chino II Desalter as integral parts of the Integrated Chino/Arlington Desalination System (ICADS). Watermaster will provide engineering services to review technical and financial reports prepared by consultants for SAWPA to ensure that they are consistent with the OBMP and other Watermaster interests.

The Chino Basin Desalter Authority is the culmination of intense negotiations involving the Jurupa Community Services District, cities of Chino, Chino Hills, Ontario and Norco, the State of California, the Santa Ana River Water Company, and the Santa Ana Watershed Project Authority's PC14 Committee members.

#### **13 New Well Locations Approved**

During 2001-2002, Watermaster approved revised well locations proposed by the Chino Basin Desalter Authority for the Chino I Desalter Expansion Project and Chino II Desalter. Some 13 new wells will be constructed to supply groundwater to the treatment plants, including 4 new wells for the Chino I Desalter Expansion and 9 new wells for the Chino II Desalter.

An Emergency Response Plan will be developed, aimed at meeting the needs of agricultural producers whose wells would potentially be impacted by desalter production. This will avoid unexpected impacts from construction of the new facilities.

#### **\$64 Million Investment Will Yield 20 Million Gallons Per Day of Water**

The investment in the desalters is \$64 million. They will treat up to 20 million gallons a day of high TDS/nitrate water, removing salt and improving water quality in the lower end of the Basin.

## **50% of Desalter Production Will Be Counted as New Yield**

Watermaster decided that for the 2001-02 Assessment, 50% of the 2000-01 desalter production would be counted as new yield for the Chino Desalter. In 2001-02, a total of 9,457 acre-feet of water was produced. Based on analysis by Wildermuth Environmental, new yield of approximately 50% of the desalter production in the amount of 4,728 acre-feet was developed by capturing rising water and induced recharge.

The Chino Basin Recharge Improvement Project for the capture and recharge of additional storm water was scheduled to move forward in 2002-03 with the design and early implementation phase.



*Desalters will treat up to 20 million gallons a day of water with high total dissolved solids and nitrate levels. The desalters will increase local water supplies by making previously degraded water available for use, and will help lower groundwater levels, preventing water from rising and spilling into the Santa Ana River, where it would otherwise be lost to downstream communities.*

## **PROGRAM ELEMENT 4**

### **MANAGEMENT ZONE MANAGEMENT STRATEGIES**

*This element expressly states that “the occurrence of subsidence and fissuring in Management Zone 1 is not acceptable and should be reduced to tolerable levels or abated.” It also details the steps to be taken by Watermaster to fulfill this requirement.*

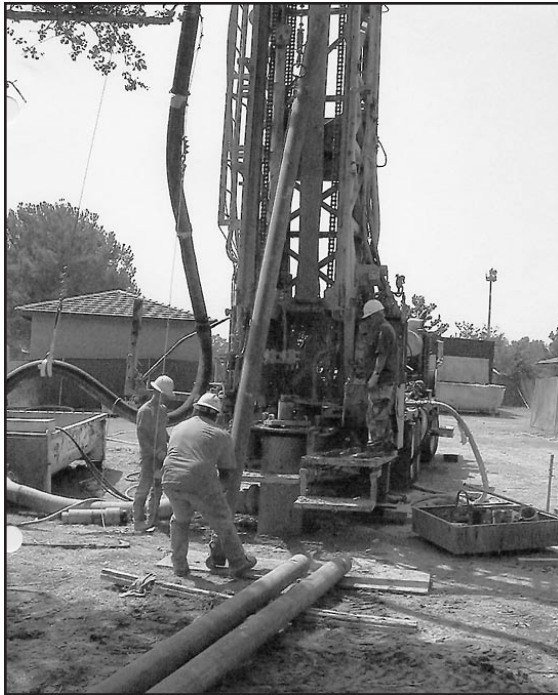
### **Chino Basin Watermaster MZ-1 Interim Plan Developed**

Following negotiation and development of the Interim Plan during 2001-02, the Cities of Chino and Chino Hills were expected to volunteer to participate in the forbearance portion of the Interim Plan during 2002-03. An evaluation of the production reduction capability of wells expected to be turned off in 2002-03 by the two cities indicates that the 3,000 acre-foot goal can be accomplished if these wells remain off for nine months, or if other wells are turned off in the event that the original wells must be turned on.

As part of the Interim Plan, meetings are expected to occur with the Cities of Chino and Chino Hills and with the California Institution for Men regarding the use of their wells to participate in an aquifer-system monitoring and testing program (See Program Element 1 – Land Surface Monitoring). The wells of these entities have been inspected, an initial recommendation regarding the equipment/method of monitoring production for each well has been developed. Some monitoring equipment has been installed or ordered, and discussion is occurring regarding options for the more challenging circumstances where monitoring is not as easy due to wellhead configuration.

### **MZ3/RP3 Management**

With regard to MZ3 (and IEUA's RP3), a stakeholder group met to discuss initial management strategies during the fiscal year. The OBMP investigations suggest that additional supplemental recharge capacity may be needed to balance recharge and discharge in the area.



*Drilling to install the piezometers.*

## PROGRAM ELEMENT 6

**DEVELOP AND IMPLEMENT COOPERATIVE PROGRAMS WITH THE REGIONAL BOARD AND OTHER AGENCIES TO IMPROVE BASIN MANAGEMENT, AND**

## PROGRAM ELEMENT 7

### **DEVELOP AND IMPLEMENT SALT MANAGEMENT PROGRAM**

*The “water quality committee” as envisioned in the OBMP Implementation Plan has not been formally constituted. Instead, since the development of the OBMP, Watermaster has worked closely with the RWQCB, Department of Toxic Substances Control, and others to define water quality challenges and to refine the water quality management criteria in the Chino Basin.*

*In response to results of Regional Board and Watermaster’s Program Element 1 groundwater quality monitoring programs, Watermaster has refined water quality monitoring to identify and characterize anomalies, such as the VOC anomaly north of the Chino I Desalter well field. Watermaster staff is participating in the process to develop Total Maximum Daily Loads (TMDLs for Reach 3 of the Santa Ana River and other water bodies in the Lower Chino Basin). TMDLs are the basis for revising current water quality regulations. Watermaster staff is coordinating with the RWQCB with regard to surface water quality and the Department of Toxic Substances Control (DTSC) regarding development of a monitoring program to track perchlorate in groundwater in the Glen Avon area.*

### **Watermaster and Regional Board Propose TDS and Nitrogen Objectives to Promote Maximum Benefit of Waters, Providing Water Quality and Supply Benefits Without Costly Mitigation Measures**

Watermaster staff is working with the Total Inorganic Nitrogen/Total Dissolved Solids (TIN/TDS) Task Force to revise the sub-basin boundaries, and TIN and TDS objectives for the Chino Basin, to promote maximum beneficial use of waters in the Basin (as opposed to antidegradation based objectives).

The new objectives will provide an opportunity to continue to utilize imported water and recycled water in the Basin without implementing costly mitigation measures that do not result in water significantly better than without mitigation.



### **RWQCB: Favorable Reaction to Watermaster Proposal**

The TIN/TDS Task Force and the RWQCB have reacted favorably to the Watermaster proposal, and have modified it slightly. It is likely that the modified Watermaster proposal will be included in the Basin Plan update that will occur in 2003. Acceptance of the Watermaster Beneficial Use approach will protect groundwater quality, and at the same time result in a significant savings in regulatory costs and also increase the water supply available to Basin water users.

### **Monitoring Plan Needed**

An outstanding issue to resolve regarding Basin Plan changes is to develop a monitoring plan to evaluate the state of hydraulic control in the southern end of the Basin. Hydraulic control is a tool that can be used to maximize the safe yield of the Basin.

OCWD and the Regional Board are very interested in the hydraulic control management concept as a means to protect water quality of the Santa Ana River.

### **Salt Budget Tool Being Used To Develop Total Dissolved Solids Objectives**

Watermaster has developed a salt budget tool (spreadsheet) to estimate the current and future salt loads to the Basin and the salt removal benefits of the OBMP.

The tool is now being used to establish TDS objectives for the northern part of the Basin based on the maximum beneficial use of water available to the region. Projections are based on the water supply plan in the Implementation Plan and include alternative recycled water and State Project water recharge scenarios.

## **PROGRAM ELEMENT 8**

### **DEVELOP AND IMPLEMENT GROUNDWATER STORAGE MANAGEMENT PROGRAM, AND**

## **PROGRAM ELEMENT 9**

### **DEVELOP AND IMPLEMENT CONJUNCTIVE USE PROGRAMS**

*Progress was made in 2001-02 for the Chino Basin Dry Year Yield Program (DYY) and Storage & Recovery (S&R) Program. The DYY Program involves development of a maximum of 100,000 acre-feet of storage. The S&R Program explores potential storage beyond the 100,000 acre-feet developed for the DYY Program with the Metropolitan Water District of Southern California.*

### **Flow Models Finalized**

Flow and cost models for the Storage and Recovery Program have been developed. The Dry Year Yield Program and the overall 500,000 acre-feet Storage and Recovery Program are running on a parallel track.

## **Dry Year Yield: First in a Series of Storage and Recovery Programs**

The Dry Year Yield Program is the first in a series of Storage and Recovery programs that will be implemented to use the estimated 500,000 acre-feet of Basin safe storage capacity, as identified in the OBMP Implementation Plan.

### **Existing Facilities Inventoried**

An asset inventory was conducted to obtain information on all existing groundwater production, water transmission, and imported water treatment facilities. The data include well locations, capacities, and water quality constraints; major water transmission pipeline locations and size; and available imported water treatment capacity. The information was used to determine the existing Chino Basin in-lieu storage capacity and required facilities for larger in-lieu exchange programs beyond existing capabilities.

### **Development of Storage & Recovery Facilities Model**

Black & Veatch developed a model to accurately and efficiently evaluate potential S&R scenarios. The model predicts water supply for each agency over the next 20 years and the additional facilities that would be needed along with the associated costs. The model was used to evaluate the 100,000 acre-feet Dry Year Yield Program and to determine the maximum potential in-lieu S&R Program.

The facilities required to implement the 100,000 acre-feet DYY Program will be financed by Metropolitan Water District of Southern California. These facilities may include three to six ion exchange (IX) facilities and up to eight new wells.

### **Investigation of Potential Facility Sites**

Black & Veatch conducted preliminary aerial photo and site investigations for potential IX and well facility locations around the Chino Basin. Preliminary facility locations were identified based on vacant land availability, distance from the NRW line, distance from source wells, and water quality.

### **\$1.6 Million Reimbursement for Development of Dry Year Yield Program**

To develop and implement the DYY Program, Watermaster through IEUA submitted a proposal to Metropolitan Water District of Southern California. Initial facilities to support 33,000 acre-feet per year of dry year yield (drought supply) include 5 new ion exchange plants for nitrate removal and 8 new wells. Metropolitan agreed to provide \$1.6 million for preliminary engineering and environmental work that was needed to implement the DYY Program.

### **Additional Information Available**

For additional OBMP information, please contact John V. Rossi, Chief Executive Officer, at the Watermaster office (909)484-3888, or visit the Watermaster website at [www.cbwm.org](http://www.cbwm.org).

**Appendices**  
**A - T**



## **Watermaster Activities FY 2001-02**

*This appendix of the Twenty Fifth Annual Report is divided into two major sections, Administration and Optimum Basin Management Program (OBMP) Activities. Items in the Administration section are listed alphabetically by subject, with significant activities for that subject shown chronologically under the subject heading. The OBMP section lists are by OBMP Program Element, with significant components for that Program Element shown in bold print and significant activities listed chronologically under the component.*

### **ADMINISTRATION**

#### **AB 599 Groundwater Contamination/ Monitoring Program Modified**

On July 19, 2001, the Watermaster Board voted to oppose Assembly Bill 599 as originally written and requested the Advisory Committee to reconsider this recommendation and come back with specific direction.

On August 23, 2001, staff reported on the progress of AB 599, and was asked to provide the Board members with a copy of the bill as amended, to continue monitoring the legislation and provide input into the process.

On November 15, 2001, it was reported that the Bill authorized by Carol Liu passed through committee the week prior with over 40 amendments. As a result of action by Watermaster and Inland Empire Utilities Agency (IEUA) some modifications were made to AB 599 regarding automatic implementation. A task force concept will be used, and a letter has been forwarded to the Committee Chairman, Art Baggett, indicating Watermaster's interest in sitting on the task force to help find a middle ground, specifically with regard to private well data ownership issues.

#### **AB 599 Public Advisory Committee Appointment Made**

On February 28, 2002, Watermaster Chief Executive Officer Rossi reported that he was pleased to be representing Watermaster on the AB 599 Advisory Committee. Watermaster continued this representation on the Committee through the end of the fiscal year.

#### **Annual Audit Report With Unqualified Audit Opinion**

On November 15, 2001, the Watermaster Board approved the Annual Audit Report prepared by Conrad & Associates, LLP.

#### **Assessments Determined By Formulas**

The Judgment and individual pooling plans provide for separate and distinct replenishment assessment formulas for each of the three pools. The administrative assessment formula for each pool is determined on a per acre-foot basis, and is billed to the respective parties based on the prior year's production. More detailed information is found later in the other appendices of this report.

### **Assignments Reported**

Pursuant to the Peace Agreement, Paragraphs 4.4 (a) and (b) and 5.3 (i) assignments totaling 3,734.578 acre-feet of water occurred during 2001-02 as shown in Appendix I-2.

### **Automation Of Water Quality Data Collection Planned**

On April 25, 2002, the Watermaster Board approved a recommendation forwarded from the Pools and Advisory Committee to develop a procedure to receive water quality data directly from testing laboratories as it is furnished to the state regulatory agencies. A letter to the Appropriative and Non-Agricultural Pool members requesting approval was sent, but as of the close of the fiscal year, data is not being furnished in this manner.

### **Basin Plan Update Approved**

On January 24, 2002, the Watermaster Board approved a recommendation forwarded from the Pools and Advisory Committee to send a letter to the Regional Water Quality Control Board regarding adoption of new TDS/TIN Water Quality Objectives for the Chino Basin; and TDS/TIN Credits from OBMP activities, as amended by the Advisory Committee.

### **Bay-Delta Public Advisory Committee Letter Of Support For Neufeld Nomination To Drinking Water Subcommittee Approved**

On March 28, 2002, the Watermaster Board approved sending a letter supporting Robert Neufeld to the Drinking Water Subcommittee. The Committee's mission is to provide policy advice and leadership to the newly formed Bay-Delta Public Advisory Committee on implementation of CALFED's Drinking Water Quality Program.

### **Board Member Rotation And Selection Of Officers Modified**

On December 13, 2001, the Agricultural Pool voted to modify the rotation schedule of their Board representatives. At the request of the State of California, the rotation sequence was shifted so that the current representatives from the dairy and crop industries would continue to serve on the Watermaster Board during 2002 instead of having a representative from the State of California rotating onto the Board.

### **Budget For 2002-03 Approved**

A summary of the Watermaster Budget for 2002-03 is included in the appendices of this Annual Report. The Draft 2002-03 Budget was originally presented to the Watermaster Board on April 25, 2002, after first being reviewed and revised by the Pool and Advisory Committees. It came forward to the Watermaster Board with revisions regarding staffing positions and contract issues.

On May 23, 2002, the Watermaster Board approved the budget, as revised, and directed staff to analyze current and anticipated staffing requirements.



## **California Energy Commission (CEC) AB 970 Grant Process Moves Forward**

In July 2001, the Watermaster Board authorized staff to work with the California Energy Commission to determine how best to move forward with processing projects that would be eligible for grant funding.

In August 2001, pre-award letters were received for applications from Monte Vista Water District, IEUA and the cities of Ontario and Chino Hills. Additionally, the deadline for project completion was extended to December 31, 2001.

## **CalPERS Resolution of Intention for 2% at 55 Approved**

On August 23, 2001, the Watermaster Board approved a recommendation forwarded from the Pools and Advisory Committee to approve a Resolution of Intention to amend Watermaster's contract to provide for a 2% formula at age 55. This began the process required by CalPERS to allow for the contract amendment.

On September 27, 2001, the Watermaster Board approved Resolution No, 01 -15 the "Final Contract Amendment and the Certification of Final Action of a Governing Body" and directed staff to forward the Resolution to CalPERS pursuant to Government Code Section 20471.

## **Confidentiality Agreements - Desalters Authorized**

On November 15, 2001, the Watermaster Board authorized the Chief Executive Officer to enter into and execute Confidentiality Agreements with Geosciences and CH2M Hill. These agreements allowed for the sharing of specific data needed to develop baseline information in the agricultural area to determine the potential effects of bringing the Chino I Desalter Expansion and the Chino II Desalter online while protecting the interests of the well owners. A more extensive description of this program is located under the Program Element 3 and 5 section in this Appendix.

## **Chino Basin Desalter Authority Formed**

The Chino Basin Desalter Authority (CDA) was formed after intense negotiations involving the Jurupa Community Services District, cities of Chino, Chino Hills, Ontario and Norco, the State of California, the Santa Ana River Water Company and SAWPA Project Committee 14 members that occurred during the year. Once formed, the CDA became responsible for obligations of others that had been specified in Article VII of the Peace Agreement.

On January 24, 2002, the Watermaster Board forwarded a motion to the Court for a declaration regarding the Discharge of Obligations under Article VII of the Peace Agreement. Subsequently, the Court issued an Order on February 20, 2002, indicating compliance with the Article VII provisions. A more extensive description of this program is located under the Program Element 3 and 5 section in this Appendix.

## Court Hearings and Orders

During the FY 2001-02, several hearings were held related to implementation of the Optimum Basin Management Program (OBMP). Hearings were held as follows with the Honorable Judge J. Michael Gunn presiding:

Hearing Date	Primary Subject Matter
July 19, 2001	<ul style="list-style-type: none"> <li>• Watermaster Rules and Regulations</li> <li>• Catellus Commercial Group (CCG) Ontario, LLC Petition in Intervention</li> <li>• OBMP Implementation Status Report</li> <li>• Judgment Amendments</li> </ul>
Oct. 4, 2001	<ul style="list-style-type: none"> <li>• Continued to November 15, 2001</li> </ul>
Nov. 15, 2001	<ul style="list-style-type: none"> <li>• Conform Judgment Definition of Minimal Producer</li> <li>• Watermaster Request for Ratification and Confirmation of Authority to Prosecute a Water Rights Application to Appropriate and to Hold Water Rights in Trust was filed with the Court. Watermaster was also directed to provide a supplemental report on all water rights held in trust by Watermaster.</li> <li>• Special Referee's Report and Comments concerning OBMP Implementation Status Report No. 2</li> <li>• Special Referee's Report and Comments Concerning Desalter Status Report</li> <li>• Special Referee's Report and Recommendation Concerning Motion to Conform Minimal Producer Definition</li> <li>• Special Referee's Report and Recommendation Concerning Authority to Pursue Water Rights Petition</li> <li>• Special Referee's Report and Recommendation Concerning Transmittal of Updated Judgment</li> <li>• Transmittal of Watermaster Resolution No. 01-16, To Establish Terms and Conditions Under Which Watermaster May Hold Water Rights in Trust for the Parties to the Judgment Consistent with the Judgment and the Peace Agreement</li> </ul>
Dec. 19, 2001	<ul style="list-style-type: none"> <li>• Request for Special Assignment of Case No. RCV 59670 regarding City of Chino Hills vs. City of Chino brought under Public Utility Code sections 10101 through 10107 and assigned it to a regular civil department. The Court ruled that the first matter is a mandamus proceeding</li> <li>• On the second matter the Court ruled that the second matter was properly described as a motion brought under Paragraph 15 of the Judgment, and would be considered a part of the ongoing proceedings in the Chino Basin Case No. RCV 51010 assigned to Judge J. Michael Gunn.</li> </ul>
Feb. 20, 2002	<ul style="list-style-type: none"> <li>• Judge Gunn issued an Order indicating Watermaster compliance regarding its Discharge of Obligations under Article VII of the Peace Agreement.</li> </ul>

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Feb. 28, 2002	<ul style="list-style-type: none"> <li>• Twenty Fourth Annual Report</li> <li>• Annual Production Summary</li> <li>• Draft Initial State of the Basin Report</li> <li>• Report of Watermaster Activities Regarding Subsidence and Request for Finding and Further Order; Supplemental Desalter Status Report; Supplemental OBMP Report.</li> <li>• Court directed Watermaster to work with the cities and other parties to facilitate development of an Interim Management Plan for Management Zone 1.</li> </ul>
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June 19, 2002	<ul style="list-style-type: none"> <li>• Watermaster's Report on Interim Plan Stakeholder Process.</li> <li>• Court ordered a workshop be scheduled for August 29, 2002 with the Special Referee to discuss/report on the Interim Management Plan for Management Zone 1.</li> </ul>
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**Department of Toxic Substances Control  
(Stringfellow Program) Assumes Responsibility**

In November 1985, Watermaster petitioned the Court to allow the export of a maximum of 300 acre-feet per year from the Stringfellow Acid Pits. In 2001-02, 80.8 acre-feet of contaminated groundwater was exported from the Chino Basin, bringing the total to 841 acre-feet as of June 30, 2002. The California Department of Toxic Substances Control assumes direct responsibility for the Stringfellow program.

**Designation of Signatories for Accounting Purposes Approved**

On December 13, 2001, the Watermaster Board approved Resolution No. 01-18, "A Resolution of the Chino Basin Watermaster Authorizing And Designating Signatories" to address the rotation of Watermaster Board Officers and to increase the limit on the Watermaster credit cards.

**Engineering Services Continued**

During 2001-02, the engineering firms of Wildermuth Environmental, Inc. and Black & Veatch, Inc. continued their association with Watermaster in assisting with implementation of the OBMP and administration of the Judgment. Specific activities undertaken by these firms are included throughout this Annual Report.

**H.R.1985, Western Water Security Enhancement Act Supported**

On July 19, 2001, Watermaster took action to forward a letter of support for both Senator Feinstein's bill and Congressman Calvert's H.R.1985, Western Water Security Enhancement Act, to be signed by each Committee Chair and the Board Chair.

**Initial State Of The Basin Report Filed With Court**

On January 24, 2002, the Watermaster Board approved filing the Draft Initial State of the Basin Report (ISOB) with the Court, recognizing it had not been presented through the Watermaster process.

**On February 28, 2002**, it was reported that the Draft ISOB was originally submitted to the Court in January, prior to review by the Watermaster Committees and Board. Initially, comments were received from the Agricultural Pool, San Antonio Water Company and the City of Chino. Subsequently, the ISOB was presented to the Appropriative Pool and Non-Agricultural Pool on February 14, 2002, the Agricultural Pool on February 21, 2002, and the Advisory Committee on February 28, 2002, and they recommended approval. Responses to the comments and suggestions from the Special Referee's Report and Recommendation were to be developed for inclusion in the submittal of the Final ISOB.

**On June 17, 2002**, the Watermaster Board approved a recommendation forwarded from the Pools and Advisory Committee to approve the Final Initial State of the Basin Report and authorized it to be filed with the Court.

### **Insurance Coverage Obtained**

Chino Basin Watermaster insurance coverage was obtained from Kemper Insurance through Inland Counties Insurance Services Inc. The policy includes a Business Liability Package and includes coverage for general liability, auto liability, and public officials liability.

### **Judgment Amendment Approved**

**On September 27, 2001**, Watermaster took action to approve an amendment to Paragraph 4(j) of the Judgment. The amendment reconciles an historical discrepancy between the Rules and Regulations and the Judgment by changing the definition of a minimal producer to one who produces 10 acre-feet or less per year.

**On September 27, 2001**, it was determined that a version of the Judgment that staff had retyped which incorporated all amendments approved throughout the years would become a "desktop reference" for those requesting it. However, the original Judgment remains the "official copy." The Watermaster Board, the Parties and Attorneys of Record were provided with small notebooks containing copies of the Judgment, Peace Agreement with the OBMP Implementation Plan, and the Watermaster Rules and Regulations.

### **Laboratory Services Secured**

Laboratory Services for the Water Quality Monitoring Program were secured through Montgomery Watson Harza (MWH) Laboratories.

### **Legal Services Continued**

The Watermaster Board continued its General Legal Counsel services through the firm of Hatch & Parent. Hatch & Parent also represented Chino Basin Watermaster and IEUA on the Markot case. The Advisory Committee was not represented by specific legal counsel as a collective party, but individual members utilized their own legal counsel, as they deemed necessary. The firm of Reid & Hellyer continued to serve as Special Counsel to the Agricultural Pool during the fiscal year.

### **Post Office Mailing Lists Updated and Electronic Distribution Enhanced**

Mailing lists of the active parties are updated on a routine basis through the use of the U.S. Postal Services (USPS) "Address Correction Requested Service," in which any address change reported to the USPS is provided to Watermaster after each mailing. Databases are updated upon receipt of notice from the USPS and from other sources of address change. A current listing of active parties is available for review upon request.

In 2001-02, Watermaster enhanced its ability to provide information through the development of electronic mail distribution and expansion of the web site.

### **Metropolitan Water District of Southern California Activities Reported**

As of **June 30, 2002**, there is a total of 35,543.6 acre-feet of water in the Cyclic Storage Account and 4,739.5 acre-feet of water in the Trust Storage account (transferred from the Short Term Conjunctive Use account pursuant to the terms of that agreement). Information regarding Storage Account Activity during 2001-02 is summarized in appendices of this Annual Report.

### **New Party Interventions Processed**

New Party Interventions are accumulated on a regular basis as land ownership changes or new parties begin production. Parties who no longer own property with water production facilities are considered inactive and are accounted for as such. New party interventions processed in 2001-02 are shown below.

**On February 28, 2002**, the Watermaster Board approved a recommendation forwarded from the Pools and Advisory Committee to approve a Petition In Intervention by the Nicholson Trust and that they be assigned to the Appropriative Pool.

### **Newsletter Developed**

**On June 17, 2002**, it was reported that a newsletter was being developed by staff with assistance from an outside consultant to enhance communication and public awareness regarding Basin activities.

### **New Yield Approved**

**On October 25, 2001**, the Watermaster Board approved a recommendation that for the 2001-02 Assessment, 50% of the 2000-01 desalter production would be counted as new yield for the Chino Desalter. In 2001-02 a total of 9,457 acre-feet of water was produced. Based on analysis by Wildermuth Environmental, new yield of approximately 50% of the desalter production in the amount of 4,728 acre-feet was developed by the capture of rising water and induced recharge. No new yield was generated by the capture and recharge of additional storm water during the fiscal year.

### **Personnel Committee Formed**

On June 17, 2002, the Watermaster Board approved a recommendation from the Pools and Advisory Committee to form a Personnel Committee made up of three members of the Watermaster Board and one member from each of the Pools and Advisory Committee to discuss extension/ amendment to the employment contracts for Chief Executive Officer Rossi and the Chief of Watermaster Services. In addition action was taken to extend both contracts co-terminus for a period of sixty days. Chairman McGraw and Board Members Catlin and Yates were appointed to serve on the newly formed Personnel Committee. It was also reported that Mr. Nathan deBoom was appointed to represent the Agricultural Pool, Mr. Steve Arbelbide was appointed to represent the Non-Agricultural Pool, Mr. Ray Wellington was appointed to represent the Appropriative Pool and Mr. Ken Jeske was appointed to represent the Advisory Committee.

### **President's Council on Environmental Quality Holds Meeting**

In March 2002, Mr. Rossi met with the President's Council on Environmental Quality and with Commissioner John Key from the Bureau of Reclamation regarding the OBMP and its related issues.

### **Quarterly Accounting of Water Production Compiled**

Quarterly production reporting forms are mailed to users of all active wells in the Chino Groundwater Basin. The Agricultural Pool's quarterly production is compiled from meter readings taken on wells equipped with water measuring devices or estimated by a water duty method if the well currently has no meter. The water duty method relates the number of acres of crops grown or the number of animals maintained to water use in acre-feet.

### **Re-Determination of the Chino Groundwater Basin's Operating Safe Yield Considered**

The Chino Basin Watermaster ended its 25th year of operation under the Judgment on June 30, 2002. June 30, 1982 marked the date when re-determination of the Chino Groundwater Basin's operating safe yield could be considered. No changes were recommended in 2001-02.

Pursuant to the Judgment, Exhibit I, Page 80, Paragraph 2b," the operating safe yield of the Basin shall not be changed upon less than five years notice by Watermaster." Pursuant to this provision of the Judgment, Watermaster hereby posts its seventeenth "Notice of Intent to Change the Safe Yield in the Chino Groundwater Basin" as shown in the appendices of this Annual Report.

### **Relocation Of Watermaster Offices Approved**

On September 27, 2001, staff was directed to develop a list and prepare a cost analysis of potential office locations for discussion.

On October 25, 2001, Mr. Rossi reported on costs associated with the potential office relocation.

On November 15, 2001, the Watermaster Board approved a recommendation forwarded for the Pools and Advisory Committee to pursue relocation to the office site owned by Cucamonga County Water District and to enter into negotiations on lease terms.



### **Santa Ana River Accord Activities Reported**

During 2001-02, the Watermaster and Orange County Water District (OCWD) engaged in dialogue regarding the Santa Ana River Accord and entered into an agreement regarding Orange County's application to appropriate water on the Santa Ana River and Chino Basin Watermaster's petition. Further information is included in the "State Water Resources Control Board (SWRCB) Application And Petition to Appropriate Water, the Santa Ana River Accord And Watermaster" section that follows.

### **Shell Oil Attempts Intervention In Santa Monica Judgment.**

On October 25, 2001, the Watermaster Board approved a recommendation forwarded from the Pools and Advisory Committee to send a letter under signature from Watermaster Board Chairman Robert Neufeld, providing "amicus curiae" (friend of the Court) comments with respect to the motion regarding a request by Shell Oil to intervene into the Santa Monica Judgment.

On March 20, 2002, a seminar was held regarding water related product liability issues recently heard by the Supreme Court and in relation to the request for intervention by Shell Oil.

### **Special Projects Initiated**

Special projects are initiated by separate task orders (either verbal or written, as a result of committee actions) and approved by the Pool Committees, the Advisory Committee, and the Watermaster Board. Special projects as stated in the Judgment shall consist of special engineering, economic or other studies, litigation expense, meter testing, or other major operating expenses. Additional special project funds are designated and budgeted as required to carry out the OBMP. A description of the special projects that were initiated or continued during 2001-02 is shown under the OBMP Activities section included in this Appendix.

### **Standard Forms Ratified**

On July 19, 2001, Watermaster ratified the Advisory Committee approval and filing of the Standard Forms to the Watermaster Rules and Regulations with the Court.

### **State Water Resources Control Board Application And Petition to Appropriate Water, the Santa Ana River Accord And Watermaster Actions Reported**

In November 1992, OCWD filed an application with the SWRCB to appropriate stormflows and baseflow from the Santa Ana River below Prado Dam.

In September 2000, the Watermaster filed an application with the SWRCB regarding the use of surface flows in the Chino Basin.

In October 2000, several of the Chino Basin parties entered into a Santa Ana River Accord with the OCWD. The Accord allows for the resolution of protests filed by the Chino Basin parties to the OCWD application.

In December 2000, in fulfillment of the processing requirements of the application, Watermaster filed a petition for a limited revision of the declaration of fully appropriated stream status of the Santa Ana River.

**On September 27, 2001**, the Watermaster Board authorized staff to forward the “Watermaster Request for Ratification and Confirmation of Authority to Prosecute A Water Rights Petition, Water Rights Application To Appropriate And To Hold Water Rights In Trust”, to the Court.

**On October 25, 2001**, the Watermaster Board approved Resolution No. 01-16 “A Resolution of the Chino Basin Watermaster To Establish Terms And Conditions Under Which Watermaster May Hold Water Rights In Trust For The Parties To The Judgment Consistent With The Judgment And The Peace Agreement”.

**On January 24, 2002**, the Watermaster Board adopted a recommendation from the Advisory Committee that the Chino Basin parties refrain from filing a protest to the Notice of Application by OCWD for 30 days.

**On February 28, 2002**, the Watermaster Board authorized Watermaster General Legal Counsel to file a protest on the OCWD application if it became necessary.

**On March 28, 2002**, the Watermaster Board authorized Watermaster General Legal Counsel to begin negotiating a stipulation to fully protect the interests of the Watermaster Parties.

**On April 16, 2002**, the SWRCB held a pre-conference hearing. The hearing regarding Watermaster’s petition was held subsequent to the end of 2001-02 but is included herein.

**On July 2, 2002**, a hearing was held on the Petition filed by Watermaster. The Petition was granted by the SWRCB and Watermaster’s Application was accepted for filing. In addition, the protest period on OCWD’s application expired and pursuant to the Orange County Accord, Watermaster did not file a protest to this Application. In turn, OCWD has remained consistent in their representations that they do not seek to upset the 1969 Judgment.

### **State Water Resources Control Board – Studies Legal Classification of Groundwater**

Watermaster began discussion in August 2001, regarding a Policy Advisory Committee formed by the SWRCB to provide input on the Board’s role in the State with regard to management of groundwater. The Committee retained the services of Professor Joseph Sax to assist in developing a report and recommendation.

**On January 24, 2002**, Watermaster took action to forward a letter regarding the legal classification of groundwater to Professor Sax and members of the SWRCB Board indicating that the Board did not have a role in adjudicated basins, and should rely on the original definition/criteria to make any determinations regarding unadjudicated areas.

**On April 11, 2002**, Watermaster Counsel made a brief oral presentation at a public hearing held in Ontario. Counsel received strong indication at that time there was very little support for the position/opinion contained in Professor Sax’s report and that the SWRCB would most likely disregard it.

### **Storage Agreements Made**

Pursuant to the Peace Agreement and the Rules and Regulations, 92,812 acre-feet of water in storage was quantified as supplemental water in Appropriative Pool local storage accounts during 2001-02. There was a total of 33,727 acre-feet of water in storage for the Non-Agricultural Pool. In addition, 6,500 acre-feet of imported water is purchased annually for a five-year period by the Appropriators and distributed to them based on their percentage of safe yield. The water is being recharged at the Chino Basin Water Conservation District's Montclair Basins. A summary of individual storage accounts is shown in the appendices of this Annual Report.

### **Storm Water Policy For Chino Basin Discussed**

On September 27, 2001, a presentation was made to the Watermaster Board regarding the changes in the hydrology of the basin over the last 50 years as a result of urbanization and increased runoff. Also included in the presentation were CBWCD's efforts to capture new water and increase water conservation through zeriscaping.

IEUA also presented information regarding new ways of approaching storm water management to reduce flooding, improve water quality, restore natural hydrology, reduce development costs, and support habitat and recreational opportunities, and the collaborative efforts being undertaken in that regard. Through a collaborative process, staff was asked to develop a public outreach campaign for the Chino Basin and to identify storm water best management practices (BMP's) consistent with the goals of the OBMP.

### **Strategic Plan Explored**

On November 15, 2001, staff was requested to explore the benefits of developing a Strategic Planning process with the goal of compiling a list of tasks and projects that could be used to determine a baseline and a tool to report progress.

### **Supplemental Water and Spreading Credits Approved**

On October 25, 2001, the Watermaster Board approved a recommendation forwarded by the Advisory Committee to credit members of the Appropriative Pool with their representative quantities of the 6,500 acre-feet of supplemental water they are purchasing annually for a period of five years, to their local storage accounts (total of 32,500 acre-feet in five years) unless otherwise notified in writing by individual parties.

### **Watermaster Staff Changes**

- Chief Executive Officer – Watermaster's new Chief Executive Officer, Mr. John V. Rossi, began his employment with Watermaster on July 2, 2001.
- Office Manager/Accountant - On January 24, 2002, Ms. Sheri Rojo, CPA, was introduced to the Committees and Watermaster Board as the newly hired Accountant/Office Manager.

## **Water Transactions - Recapture/Sales/Transfers Reported**

Water transactions by the Appropriative and Non-Agricultural Pool members during 2001-02 are summarized below in this appendix and later in the appendices. Recaptures from storage included in the Appropriative Pool totaled 33,388 acre-feet of water. 9,457 acre-feet of water was used for the Desalter from the Watermaster Desalter account. 1,039.731 acre-feet of water was recaptured from storage in the Non-Agricultural Pool.

**On October 25, 2001**, the Watermaster Board approved the following water transaction:

- Notice Of Sale Or Transfer Of Right To Produce Water From Storage From The City Of Upland To The Monte Vista Water District, In The Amount Of 3,000 Acre-Feet.

**On November 15, 2001**, the Watermaster Board confirmed the following water transaction:

- The Permanent Transfer Of 525 Acre-Feet Of Safe Yield From CCG Ontario (Catellus) To The California Speedway.

**On February 28, 2002**, the Watermaster Board approved the following water transactions:

- Notice Of Sale Or Transfer Of Right To Produce Water From Storage From The San Antonio Water Company To Jurupa Community Services District In The Amount Of 650 Acre-Feet.
- Notice Of Permanent Transfer Of 5 Acre-Feet Of Operating Safe Yield From Fontana Union Water Company: 1 Acre-Foot To Fontana Water Company And 4 Acre-Feet To The Nicholson Trust.
- Notice Of MVWD Application To Recharge Up To 10,000 Acre-Feet Of Supplemental Water And Request For Waiver Of 21-Day Notification Provision Of Article 10 Process.

**On March 28, 2002**, the Watermaster Board approved the following water transactions:

- Notice Of Lease Of Water Rights From The City Of Pomona To The City Of Ontario In The Amount Of 2,500 Acre-Feet.
- Notice Of Lease Of Water Rights From The Santa Ana River Water Company To The Jurupa Community Services District In The Amount Of 2,000 Acre-Feet.

**On April 25, 2002**, the Watermaster Board approved the following water transactions:

- Notice Of Sale Of Right To Water In Storage From Marygold Mutual Water Company To Fontana Water Company In The Amount Of 1,200 Acre-Feet.
- Transfer Of Annual Safe Yield From California Steel Industries To Reliant Energy Etiwanda, LLC In The Amount Of 1,300 Acre-Feet Commencing July 1, 2001 And Terminating June 30, 2002.

**On May 23, 2002,** the Watermaster Board approved the following water transactions:

- Lease Of Water Production Right From City Of Pomona To Fontana Water Company In The Amount of 2,000 Acre-Feet.
- Notice Of Sale Of Right To Water In Storage From San Antonio Water Company To The City Of Ontario In The Amount Of 2,500 Acre-Feet.
- Notice Of Sale Of Right To Water In Storage From Jurupa Community Services District To The City Of Ontario In The Amount Of 2,500 Acre-Feet.
- Notice Of Sale Of Right To Water In Storage From San Antonio Water Company To Fontana Water Company In The Amount Of 1,500 Acre-Feet.
- Transfer Of Annual Production Right From The Nicholson Trust To Fontana Water Company In The Amount Of 4 Acre-Feet.
- Notice Of Sale Of Right To Water In Storage From Cucamonga County Water District To Fontana Water Company In The Amount Of 10,000 Acre-Feet.
- Lease Of Annual Production Right In The Amount Of Approximately 1,700 Acre-Feet; And
- Sale Or Transfer Of Water In Storage From Monte Vista Irrigation Company To Monte Vista Water District In The Amount Of 800 Acre-Feet.
- Notice Of Sale Of Right To Water In Storage From City Of Upland To City Of Ontario In The Amount Of 5,000 Acre-Feet.

**On June 17, 2002,** the Watermaster Board approved the following water transaction:

- Notice Of Sale/Transfer Of Water In Storage In The Amount Of 500 Acre-Feet From West San Bernardino County Water District to Cucamonga County Water District.
- IEUA Application To Recharge Recycled Water In Chino Basin In An Amount Up To 30,000 Acre-Feet.





## HISTORY OF RESOLUTIONS

RESOLUTION	PURPOSE	ADOPTED
78-1	adopting their Regular Meeting Schedule	2-15-78
78-2	adopting a Facilities and Services Contract	2-15-78
78-3	establishing In Lieu Area No. 2	2-15-78
78-4	establishing and maintaining Security Cash Accounts	2-22-78 <b>(Rescinded by 94-5)</b>
79-1	extending the effective period of In Lieu Area No. 2 established by Resolution 78-3	5-29-79
79-2	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1979-80</b>	9-12-79 <b>(Rescinded by 81-3)</b>
80-1	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1980-81</b>	9-10-80
81-1	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1981-82</b>	9-30-81 <b>(Rescinded by 81-2)</b>
81-2	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1981-82</b>	12-30-81
81-3	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1979-80</b>	12-30-81
81-4	establishing a Zero Base Appropriations Limit for Fiscal Year 1981-82	4-29-81
82-3	establishing a Zero Base Appropriations Limit for Fiscal Year 1982-83	6-30-82
82-4	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1982-83</b>	9-29-82
83-1	establishing a Zero Base Appropriations Limit for Fiscal Year 1983-84	6-29-83
83-2	levying Replenishment and Administrative Assessments for Fiscal Year 1983-84	8-31-83
84-1	establishing a Zero Base Appropriations Limit for Fiscal Year 1984-85	5-30-84
84-2	establishing a Procedure for Calculating and Transferring Unallocated Safe Yield Water	5-30-84 <b>(Rescinded by 88-3)</b>
84-3	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1984-85</b>	8-22-84 <b>(Rescinded by 84-4)</b>
84-4	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1984-85</b>	10-31-84
85-1	establishing a Zero Base Appropriations Limit for Fiscal Year 1985-86	6/5/85
85-2	establishing Time and Place of Regular Meetings	11/6/85 <b>(Rescinded by 96-6)</b>

85-3	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1985-86</b>	11/6/85
86-1	establishing a Zero Base Appropriations Limit for Fiscal Year 1986-87	5/7/86
86-2	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1986-87</b>	11/5/86 <b>(Rescinded by 87-1)</b>
87-1	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1986-87</b>	1/7/87
87-2	establishing a Zero Base Appropriations Limit for Fiscal Year 1987-88	5/6/87
87-3	authorizing Watermaster Attorney to take such Action as may be Necessary to Ensure Compliance with the Chino Basin Adjudication Judgment and Preserve the Safe Yield of the Chino Groundwater Basin	5/6/87
87-4	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1987-88</b>	10/7/87 <b>(Rescinded by 88-1)</b>
88-1	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1987-88</b>	1/6/88
88-2	establishing a Zero Base Appropriations Limit for Fiscal Year 1988-89	4/6/88
88-3	establishing the Procedure for Transferring Unallocated Safe Yield Water from the Overlying (Agricultural) Pool	4/6/88
88-4	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1988-89</b>	9/28/88 <b>(Rescinded by 88-5)</b>
88-5	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1988-89</b>	12/7/88
89-1	establishing a Zero Base Appropriations Limit for Fiscal Year 1989-90	4/5/89
89-1	setting forth procedure and accepting the Offer of Assistance from Attorney General of the State of California to use its good offices to ensure compliance with those terms of the Chino Basin Adjudicated Judgment and Watermaster Rules & Regulations requiring Installation, Maintenance, and Repair or replacement of Water Measuring Devices	5/11/89
89-2	commending Edwin J. Dubiel for exceptional dedication and service	9/6/89
89-3	commending Alice W. Lichti for exceptional dedication and service	9/6/89
89-4	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1989-90</b>	12/6/89
90-1	establishing a Zero Base Appropriations Limit for Fiscal Year 1990-91	2/7/90

90-2	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1990-91</b>	11/7/90
91-1	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1991-1992</b>	11/6/91 <b>(Rescinded by 92-3)</b>
91-2	levying a Special Assessment for Chino Basin Water Resources Study for <b>Fiscal Year 1991-1992</b>	11/6/91
92-1	establishing a Zero Base Appropriations Limit for Fiscal Year 1992-1993	2/5/92
92-2	commending Donald R. Peters for exceptional dedication and service	2/5/92
92-3	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1991-1992</b>	2/5/92
92-4	amending Watermaster Rules and Regulations @ Section 3.14, 2.18 & adding 2.20, 3.22	8/5/92 <b>(Stayed by Court)</b>
92-5	adopting & implementing a special program for abandonment of water in storage by members of the Non-Agricultural Pool; establishing a special account for retention of such abandoned water by Watermaster; establishing funding for, and establishing guidelines for application of any surplus funds that may be generated by operation of the program	8/5/92 <b>(Stayed by Court)</b>
92-6	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1992-1993</b>	11/4/92 <b>(Rescinded by 93-1)</b>
92-7	authorizing participation in the Local Agency Investment Fund	11/4/92 <b>(Rescinded by 94-6)</b>
93-1	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1992-1993</b>	1/20/93
93-2	establishing a Zero Base Appropriations Limit for Fiscal Year 1993-1994	4/7/93
93-3	of the Advisory Committee commending Anthony Skvarek for outstanding public service	6/24/93
93-10-1	establishing an Alternative Water Supply Source for the Replenishment Obligation of the Chino Basin Desalters	10/7/93
93-10-2	of the Agricultural Pool establishing support for an Alternative Method to Mitigate the existing practice of spreading manure in the Chino Groundwater Basin	10/7/93
93-10-3	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1993-1994</b>	10/7/93
94-1	establishing a Zero Base Appropriations Limit for Fiscal Year 1994-1995	4/6/94
94-2	approving the formation of AGWA and authorizing participation	4/6/94
94-3	accepting abandonment of water by Kaiser Resources, Inc.	11/2/94
94-4	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1994-1995</b>	12/7/94

94-5	authorizing and designating signatories of depository agreements, depository cards and deposits, transfers and withdrawals of funds	12/7/94 <b>(Rescinded by 96-2)</b>
94-6	authorizing participation in the LAIF	12/7/94
94-7	resolution of the Appropriative Pool regarding the pre-purchase of Replenishment Water	11/10/94
95-1	establishing a Zero Base Appropriations Limit for Fiscal Year 1995-1996	4/5/95
95-2	Not used.	N/A
95-3	approving settlement between Kaiser Ventures, Inc. & California Steel Industries, Inc. and accepting abandonment of water by Kaiser	10/18/95
95-4	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1995-1996</b>	12/20/95
96-1	establishing a Zero Base Appropriations Limit for Fiscal Year 1996-1997	3/20/96
96-2	authorizing and designating signatories of depository agreements, depository cards and deposits, transfers and withdrawals of funds	7/10/96 <b>(Rescinded by 97-6)</b>
96-3	financially supporting development of additional desalting in Chino Basin to protect the safe yield of the Basin	7/10/96
96-4	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1996-1997</b>	11/6/96
96-5	establishing an investment policy	<b>(Superseded by 97-1)</b>
96-6	establishing time and place of regular meetings	11/6/96 <b>(Rescinded by 98-7)</b>
97-1	establishing a Watermaster Investment Policy	<b>(Superseded by 98-3)</b>
97-2	authorizing adoption & implementation Section 457 Deferred Comp Plan (Lincoln National)	<b>(Superseded by 98-4)</b>
97-3	authorizing adoption & implementation Section 457 Deferred Comp Plan (Great Western Bank)	<b>(Superseded by 98-5)</b>
97-4	authorizing adoption & implementation Section 457 Deferred Compensation Plan (ICMA/RC)	<b>(Superseded by 98-6)</b>
97-5	intention to approve contract between the Board of Administration of the PERS and CBWM	<b>(Superseded by 99-4)</b>
97-6	designating signatories of depository agreements, depository cards and deposits, transfers and withdrawals of funds	2/27/97 <b>(Rescinded by 98-1)</b>
97-7	resolution commending Roger Larkin	6/5/97
97-8	establishing a Zero Base Appropriations Limit for Fiscal Year 1997-1998	6/5/97

97-9	levying Replenishment and Administrative Assessments for <b>Fiscal Year 1997-1998</b>	9/4/97
97-10	regarding zero balance accounts	9/4/97 <b>(Rescinded by 98-2)</b>
98-1	designating signatories of depository agreements, depository cards and deposits, transfers and withdrawals of fund	3/5/98 <b>(Rescinded by 99-12)</b>
98-2	regarding zero balance accounts.	3/5/98
98-3	establishing a Watermaster Investment Policy	3/5/98 <b>(Rescinded by 99-11)</b>
98-4	authorizing adoption & implementation of Section 457 Deferred Compensation Plan (Lincoln National)	3/5/98
98-5	authorizing adoption & implementation Section 457 Deferred Comp Plan (Great Western Bank)	3/5/98
98-6	authorizing adoption & implementation Section 457 Deferred Comp Plan (ICMA/RC)	3/5/98
98-7	establishing Time and Place of Regular Meetings	3/5/98 <b>(Rescinded by 00-07)</b>
98-8	providing for increase in Watermaster Board Compensation Rate	<b>(Rescinded by Court amending Judgment 10/29/98)</b>
98-9	approving adoption of California Public Employees' Deferred Compensation Plan	5/14/98
98-10	supporting CalFed Bay-Delta Program Alternative No. 3	6/11/98
09-11	levying Replenishment & Administrative Assessments for <b>FY 1998-1999</b>	11/12/98
98-12	commending Edwin James	7/23/98
99-01	adopting procedures for Release of Documents & Information	1/14/99 <b>(Rescinded by 01-03)</b>
99-02	providing for Attendance at Meetings by Board Members and/or Alternates	2/25/99
99-03	concerning Watermaster public meetings, hearings and confidential sessions	5/13/99
99-04	intent to approve a contract between the Board of Administration of the Public Employees' Retirement System and the Chino Basin Watermaster	4/29/99
99-05	encouraging renewal and completion of the short-term demonstration conjunctive-use project agreement	5/27/99
99-06	supporting March 2000 Water Bond Initiative, including projects in SAR Watershed	5/27/99
99-07	supporting the Preservation of Publicly-Owned Water Basins in the Chino Basin	8/26/99

99-08	electing to be subject to Public Employees' Medical and Hospital Care Act and Fixing the Employer's Contribution at an Amount at or Greater than that Prescribed by Section 22825 of the Government Code	8/26/99
99-09	adopting procedures for Employee Personal Computer Purchase Assistance Program	4/26/99
99-10	levying Replenishment and Administrative Assessment for <b>Fiscal Year 1999-2000</b>	11/18/99
99-11	establishing a Watermaster Investment Policy	11/18/99 <b>(Rescinded by 00-09)</b>
99-12	Authorizing and designating signatories of Depository Agreements, Depository Cards and Deposits, Transfers and Withdrawals of Funds	11/18/99 <b>(Rescinded by 01-08)</b>
01-01	Supporting the passage of Water Bond Proposition 13	2/10/00
01-02	Ag Pool approve Peace Agreement	7/20/00
01-03	Appropriative Pool approve Peace Agreement	7/20/00
01-04	Non-Ag Pool Approve Peace Agreement	7/27/00
01-05	Board approve Peace Agreement; adopt Goals & Plans of Phase 1 Report for OBMP & Adopt Requisite Policies & Procedures to Implement Provisions set forth in Article of Peace Agmt on or before December 31, 2000	6/29/00
01-06	levying Replenishment & Administrative Assessments for <b>1st 6-months FY 2000-2001</b>	8/28/00
01-07	establishing Time & Place of Regular and Annual Meetings resolution	10/26/00
01-08	commending Alice Lichti	10/16/00
01-09	establishing and adopting a Watermaster Investment Policy	12/22/00
01-01	levying Replenishment & Administrative Assessments for <b>2nd 6-months FY 2000-2001</b>	1/25/01
01-02	designating a representative to file application with DWR for Feasibility Study or Pilot Project Grant for Groundwater Storage Facilities	1/25/01
01-03	revising Procedure for Release of Information	2/15/01
01-04	Waiver of Compensation by the Appropriative Pool	2/15/01
01-05	amending the Overlying (Non-Agricultural) Pool Rules & Regulations in regard to what constitutes a quorum for the transaction of pool affairs	3/21/01
01-06	designating a representative to file an application with DWR for AB303 Local Groundwater Assistance Funding	4/19/01
01-07	approving and authorizing execution of a contract with SWRCB for 205(j) Water Quality Planning Grant for Water Quality Monitoring Program	4/19/01



01-08	authorizing and designating signatories of Depository Agreements, Depository Cards & Deposits, Transfers and Withdrawals of Funds	6/28/01
01-09	support by Overlying (Non-Agricultural) Pool for H.R. 1985 – “Western Water Enhancement Security Act”	7/12/01
01-10	support by Appropriative Pool for H.R. 1985 – “Western Water Enhancement Security Act”	7/12/01
01-11	support by Overlying (Agricultural) Pool for H.R. 1985 – “Western Water Enhancement Security Act”	7/12/01
01-12	support by Advisory Committee for H.R. 1985 – “Western Water Enhancement Security Act”	7/19/01
01-13	support H.R.1985 - “Western Water Enhancement Security Act”	7/19/01
01-14	support nomination of Robert Neufeld to NWRA	8/23/01
01-15	authorize amendment to CalPERS contract	9/27/01
01-16	Establish terms & conditions for which Watermaster may hold Water Rights in Trust	10/25/01
01-17	levying assessments for FY 2001-2002	12/13/01
01-18	authorizing and designating signatories of Depository Agreements, Depository Cards and Deposits, Transfers and Withdrawals of Funds	12/13/01



# RESOLUTION 01-17

## **A Resolution of The Chino Basin Watermaster Levying Assessments For Fiscal Year 2001 – 2002**

WHEREAS, the Chino Basin Watermaster was appointed on January 27, 1978, under Case No. RCV 51010 (formerly case No. SCV 164327) entitled Chino Basin Municipal Water District v. City of Chino, et al., with powers to levy and collect administrative and replenishment assessments necessary to maintain water levels and to cover the cost of administering the Chino Basin Judgment; and

WHEREAS, the Chino Basin Watermaster adopted a Budget for Fiscal Year 2001-2002 on December 13, 2001, which was approved by the Watermaster Advisory Committee on December 13, 2001, in the amounts of \$4,804,237 for General Administration and Optimum Basin Management Program expenses necessary to carry out the Watermaster functions under the Judgment; and

WHEREAS, the parties named in this Judgment have pumped 198.658 acre-feet of water in excess of the operating safe yield, which at a budgeted cost of \$48,273.85 is required to be replaced at the expense of the parties in accordance with the assessment formulas for the respective pools.

WHEREAS, under the Peace Agreement, the Appropriative Pool members have committed to purchase 6500 acre-feet of supplemental water for recharge in Management Zone 1, which will cost \$243.00 per acre-foot.

NOW, THEREFORE, BE IT RESOLVED that the Chino Basin Watermaster levies the respective assessments for each pool covering Fiscal Year 2001-2002 as shown on Exhibit "A" attached hereto.

BE IT FURTHER RESOLVED, that pursuant to the Judgment, each party has thirty (30) days from the date of invoice to remit the amount of payment for assessments due. After that date, interest will accrue on that portion which was due as provided for in Paragraph 55 (c) of the Judgment.

THE FOREGOING RESOLUTION was approved, as amended, by the Advisory Committee on the 13th day of December, 2001 and adopted by the Watermaster Board on the 13th day of December 2001.

/s/ M. J. McGraw  
**Michael J. McGraw Chairman,  
Watermaster Board**

APPROVED: /s/ K. Jeske  
**Ken Jeske Chairman,  
Advisory Committee**

ATTEST: /s/ Dennis Yates  
**Dennis Yates, Secretary**

# Exhibit "A"

## Resolution 01-17

### Summary of Assessments per Acre-foot Fiscal Year 2001-2002 Production Year 2000-2001

#### 1. OVERLYING (NON-AGRICULTURAL) POOL

a. 2001-2002 Administrative Budget	\$ <u>8.3807</u>	Per AF/Production Admin.
	\$ <u>21.5509</u>	Per AF/Production OBMP
	\$ <u>5.00</u>	Minimum
b. Replenishment	\$ <u>243.00</u>	Per AF

#### 2. APPROPRIATIVE POOL

a. Administration		
1. 2001-2002 Administrative Budget	\$ <u>7.4261</u>	Per AF/Production Admin.
	\$ <u>17.9922</u>	Per AF/Production OBMP
	\$ <u>5.00</u>	Minimum
2. 2000-2001 Ag Pool Unallocated		
Safe Yield Water Transfers	\$ <u>11.3382</u>	Per AF Reallocated Admin.
	\$ <u>23.0332</u>	Per AF Reallocated OBMP
b. Replenishment or Supplemental Water		
1. 100% Gross Assessments	\$ <u>243.00</u>	Per AF.
2. 15%/85% Group Assessments		
Gross - 15%	\$ <u>0.0066</u>	Per AF
Net - 85%	\$ <u>206.5503</u>	Per AF

## HISTORIC ASSESSMENTS\*

<b>Fiscal Year</b>	<b>AG POOL** Admin + Spec Proj S/AF</b>	<b>Non-Ag Pool Admin + Spec Proj S/AF</b>	<b>Appr Pool Admin + Spec Proj S/AF</b>	<b>Gross Repl* Water Rates S/AF</b>
<b>1977-78</b>	0.29	0.32	0.42	
<b>1978-79</b>	0.65	1.29	0.77	51.00
<b>1979-80</b>	0.54	0.20	0.51	56.20
<b>1980-81</b>	0.32	0.00	0.00	62.51
<b>1981-82</b>	0.10	0.00	0.00	63.78
<b>1982-83</b>	0.10	0.00	0.00	81.46
<b>1983-84</b>	0.10	0.00	0.00	102.18
<b>1984-85</b>	0.10	0.00	0.10	154.00
<b>1985-86</b>	0.10	0.00	0.45	149.39
<b>1986-87</b>	0.10	0.00	0.41	155.10
<b>1987-88</b>	0.10	0.00	0.25	155.42
<b>1988-89</b>	0.09	0.00	0.67	155.33
<b>1989-90</b>	3.27	0.00	0.48	115.00
<b>1990-91</b>	2.31	0.00	0.43	117.55
<b>1991-92</b>	3.53	0.12	0.11	132.55
<b>1992-93</b>	7.03	4.07	3.41	169.89
<b>1993-94</b>	12.37	6.67	2.51	210.69
<b>1994-95</b>	9.86	3.24	2.06	222.00
<b>1995-96</b>	11.68	3.43	1.57	233.15
<b>1996-97</b>	19.70	7.55	3.69	233.15
<b>1997-98</b>	15.19	6.56	2.73	237.15
<b>1998-99</b>	19.04	9.85	7.77	243.00
<b>1999-00</b>	26.30	14.12	11.75	243.00
<b>2000-01</b>	18.15	25.79	24.74	242.00
<b>2001-02</b>	34.37	29.93	25.42	243.00
<b>2002-03</b>	35.81	26.86	21.41	244.00

\* Based on pool production, does not include replenishment

\*\* \$/AF of water reallocated to the Appropriative Pool

\*\*\* 2002-2003 Assessments based on Budget follows in this appendix

# CURRENT YEAR ASSESSMENTS

Final FY 01-02 Assessment  
Based on Oct Revised Budget - FY 01/02  
Adopted 12-13-01

PRODUCTION BASIS	MEMO ONLY 2001/2002 BUDGET TOTALS	ASSESSMENT TOTALS		APPROPRIATIVE POOL		AGRICULTURAL POOL		NON-AGRICULTURAL POOL	
		Amount (Acre-Feet)	Rates & Rates (\$/Acre-Feet)	Amount (Acre-Feet)	Rates & Rates (\$/Acre-Feet)	Amount (Acre-Feet)	Rates & Rates (\$/Acre-Feet)	Amount (Acre-Feet)	Rates & Rates (\$/Acre-Feet)
1998-00		178,820,383	70.822%	126,845,398	44,400,900	44,400,900	77,740,74	77,740,74	3,442%
2000-01		161,475,486	70.251%	113,437,249	39,354,460	39,354,460	24,743%	8,093,777	5,006%
<b>BUDGET</b>									
Administration, Advisory Committee & Watermaster Board (1)	\$1,065,600	\$1,065,600		\$748,395	\$263,861	\$263,861		\$53,344	
OBMP	3,595,579	3,595,579		\$2,525,931	\$889,654	\$889,654			\$179,995
Pool Administration	128,858	128,858		24,138	92,735	92,735		11,985	
AG Pool Special Compensation	14,200	14,200			14,200	14,200			
Expenses funded by General Admin & OBMP Assessments	4,804,237	4,804,237		772,733	370,596	370,596		889,654	179,995
Set-Aside for Reserves - General Administration	398,868	398,868	33%	295,002	122,297	122,297			
Set-Aside for Reserves - OBMP	539,337	539,337	15%	378,890	133,448	133,448			26,599
TOTAL 01/02 BUDGET & OPERATING RESERVE	5,742,432	5,742,432		1,027,735	2,904,821	2,904,821		492,893	206,594
Plus or (Minus)									
Contributions from Outside Agencies	(146,437)	(146,437)		(102,873)	(86,233)	(86,233)			(7,331)
00/01 Appropriative Pool Interest Revenue	(114,514)	(114,514)		(27,972)	(86,542)	(86,542)			
CASH DEMAND for FY 2001/2002	4,543,286	4,543,286		997,763	2,715,406	2,715,406		965,869	199,663
Less: Funds on hand	(883,474)	(883,474)		(157,366)	(7,100)	(7,100)		(19,140)	(25,450)
FUNDS ASSESSED FY 2001/2002 OVER PRODUCTION	(\$4,598,007)	(\$4,598,007)		\$842,397	\$486,793	\$486,793		\$87,748	\$174,213
MEMO: Net increase due to Set-Asides for Reserves	(\$938,195)	(\$938,195)							
2001-02									
General Administration Assessments				\$7,426	\$17,922	\$17,922		\$8,367	\$21,550
Minimum Assessments				5,000				5,000	
Water Reallocation Costs (Revenues) (3)					\$11,382	\$11,382		\$23,032	
2000/2001 Assessments (For Information Only)				\$7,595	\$17,146	\$17,146		\$7,813	\$17,146
Per Acre-Foot									
Per Acre-Foot									

**Footnotes:**

- (1) Total Costs have been allocated to Pools by actual production percentages.
- (2) Cash on Hand for Appropriative Pool is prior year June 30 Working Capital less interest revenue and less funds shown as Cash on Hand for the Appropriative Pool and Ag Pool for Carryover Projects.
- Cash on Hand for Agricultural Pool is the balance of funds assessed in 99/00 for Special Projects carried over to 00/01.
- Cash on Hand for Non-Ag Pool is June 30, 2001 Working Capital.
- (3) Appropriative Pool members have agreed to assume the Ag Pool's 2000-2001 administrative assessments in exchange for unpumped Ag water reallocated to the Appropriative Pool following the 99/99 production year.  
(Per Minute a action by the Appropriative Pool at their meeting of June 7, 1998.)
- Costs have been allocated to each Appropriative Pool member based on its assigned share (percent of Operating Sale Yield

**HISTORY OF ANNUAL TOTAL PRODUCTION  
BY POOL (ACRE-FEET)**

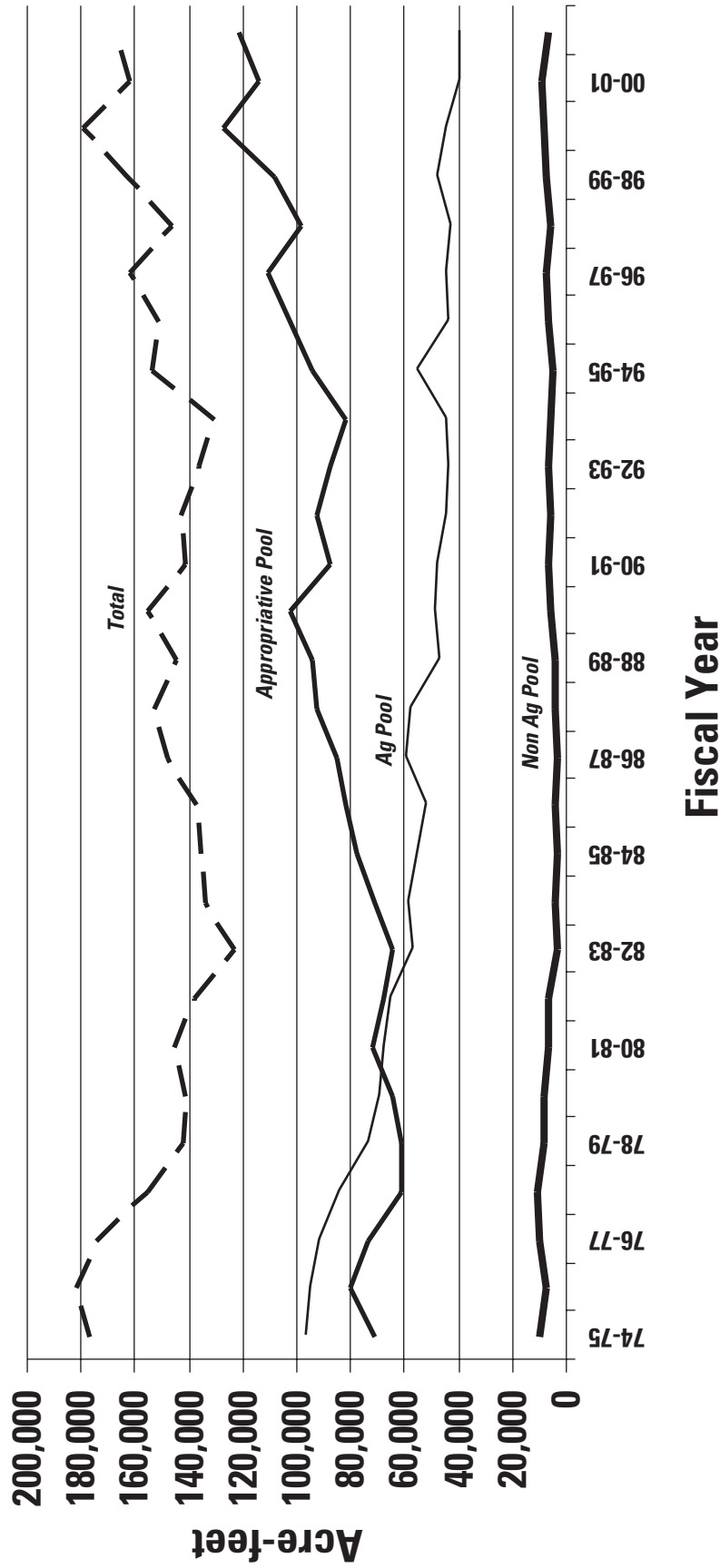
<b>Fiscal Year</b>	<b>Appropriative Pool</b>	<b>AG Pool</b>	<b>Non Ag Pool</b>	<b>Total</b>
<b>1974-75</b>	70,312	96,567	8,878	175,757
<b>1975-76</b>	79,312	95,349	6,356	181,017
<b>1976-77</b>	72,707	91,450	9,198	173,355
<b>1977-78</b>	60,659	83,934	10,082 <sup>2</sup>	154,675
<b>1978-79</b>	60,597	73,688	7,127	141,412
<b>1979-80</b>	63,834	69,369	7,363	140,566
<b>1980-81</b>	70,727	68,040	5,650	144,416
<b>1981-82</b>	66,731	65,117	5,684	137,532
<b>1982-83</b>	63,481	56,759	2,395	122,635
<b>1983-84</b>	70,558	59,033	3,208	132,799
<b>1984-85</b>	76,912	55,543	2,415	134,870
<b>1985-86</b>	80,859	52,061	3,193	136,113
<b>1986-87</b>	84,662	59,847	2,559	147,068
<b>1987-88</b>	91,579 <sup>3</sup>	57,865	2,958	152,042
<b>1988-89</b>	93,617 <sup>4</sup>	46,762	3,619	143,998
<b>1989-90</b>	101,344 <sup>5</sup>	48,420	4,856	154,620
<b>1990-91</b>	86,658 <sup>6</sup>	48,085	5,407	140,150
<b>1991-92</b>	91,982 <sup>7</sup>	44,682	5,240	141,904
<b>1992-93</b>	86,367 <sup>8</sup>	44,092	5,464	135,923
<b>1993-94</b>	80,798 <sup>9</sup>	44,298	4,586	129,682
<b>1994-95</b>	93,419 <sup>10</sup>	55,022	4,327	152,768
<b>1995-96</b>	101,606 <sup>11</sup>	43,639	5,424	150,669
<b>1996-97</b>	110,163 <sup>12</sup>	44,809	6,309	161,281
<b>1997-98</b>	97,435 <sup>13</sup>	43,345	4,955 <sup>14</sup>	145,735
<b>1998-99</b>	107,723	47,538	7,006	162,267
<b>1999-00</b>	126,645	44,401	7,774	178,820
<b>2000-01</b>	113,437 <sup>15, 16</sup>	39,954	8,084	161,475
<b>2001-02</b>	120,856 <sup>17</sup>	39,495	5,548	165,899



## NOTES

1	Assessed production or production reported in Annual Reports.
2	Includes 3,945 AF of mined water pumped by Edison as agent for IEUA.
3	Does not include 7,674.3 AF exchanged with MWDSC.
4	Does not include 6,423.6 AF exchanged with MWDSC.
5	Does not include 16,377.1 AF exchanged with MWDSC.
6	Does not include 14,929.1 AF exchanged with MWDSC.
7	Does not include 12,202.4 AF exchanged with MWDSC.
8	Does not include 13,657.3 AF exchanged with MWDSC.
9	Does not include 20,194.7 AF exchanged with MWDSC.
10	Does not include 4,221.9 AF exchanged with MWDSC.
11	Does not include 6,167.2 AF exchanged with MWDSC and reflects corrected production after reporting errors accounted for.
12	There were no MWDSC exchanges in FY 96-97 and reflects corrected production after reporting errors were accounted for.
13	Does not include 4,275.4 AF exchanged with MWDSC.
14	Does not include 216.5 AF exchanged with MWDSC.
15	Reflects corrected production after reporting errors accounted for.
16	Does not include 7,989 AF desalter production or 99.8 AF Dept. of Toxic Substances Control (DTSC) production.
17	Does not include 9,458 AF desalter production.

HISTORY OF ANNUAL TOTAL PRODUCTION BY POOL





**HISTORY OF REALLOCATION OF  
UNPRODUCED AG POOL SAFE YIELD<sup>1</sup> (ACRE-FEET)**

<b>Fiscal Year</b>	<b>Land Use Conversions</b>	<b>Remaining 50% Allocated</b>	<b>Balance Available</b>	<b>Total AG Pool Reallocated SY to Appr</b>
1974-75				
1975-76				
1976-77				
1977-78				
1978-79				
1979-80				
1980-81				
1981-82				
1982-83				
1983-84	297	297	25,762	26,355 <sup>2</sup>
1984-85	297	297	18,543	19,136
1985-86	406	406	21,091	21,902
1986-87	406	406	36,348	37,159
1987-88	2,028	2,028	74,433	78,489 <sup>3</sup>
1988-89	406	406	24,124	24,935
1989-90	406	406	35,227	36,038
1990-91	406	406	33,569	34,380
1991-92	406	406	33,904	34,715
1992-93	406	406	37,307	38,118
1993-94	406	406	37,897	38,708
1994-95	3,246	406	34,850	38,502
1995-96	5,855	5,855	16,067	27,778
1996-97	6,310	6,310	26,541	39,161
1997-98	7,213	7,213	23,565	37,991
1998-99	8,511	8,511	22,433	39,455
1999-00	10,471	N/A	63,191	73,662 <sup>4</sup>
2000-01	13,920	N/A	28,926	42,846
2001-02	14,133	N/A	29,173	43,306

1. Source: Watermaster Annual Reports and Assessment Packages
2. First year reallocation occurred under the Judgment
3. Appropriators agree to pay Ag Pool assessments, reallocation procedure changed by agreement
4. Peace Agreement signed, Appropriators agree to pay Ag Pool assessments for life of Peace Agreement, procedure changed by agreement.

**REALLOCATION OF  
AGRICULTURAL POOL SAFE YIELD  
2001-02 Production Year**

Agricultural Pool Production		Acre Feet	Agric. Water Available for Reallocation		Acre Feet
Agricultural Pool Annual Safe Yield		82,800.000			
2001-02	Less Early Transfer:	32,800.000	2001-02	Early Transfer	32,800.000
2001-02	Less Pool Production:	39,494.349	2001-02	Under(Over) Production:	10,505.651
	Under(Over) Production:	<u>10,505.651</u>	Total Available for Reallocation		<u>43,305.651</u>

Required Allocation per Peace Agreement:		
2001-02	Early Transfer	32,800.000
Total Land Use Conversions		<u>14,132.902</u>
Total Required Reallocations		46,932.902
Less: Acre Feet Available for Reallocation		<u>43,305.651</u>
Difference (shortage)		<u>3,627.251</u>

Producers	Prior Converted (AF)	Acres Converted @ 1.3 af/ac (Acres)	(Acre-Feet)	Total Prior to Peace Agrmt Converted(AF)	Post Peace Agreement Acres Converted @ 2.0af/ac (Acres)	(Acre-Feet)	Total Land Use Conversions (AF)
Chino	196.235	1,454.750	1,891.175	2,087.410	482.750	965.500	3,052.910
Chino Hills		670.266	871.346	871.346	22.700	45.400	916.746
Fontana Water Co		0.000	0.000	0.000	417.000	834.000	834.000
Cucamonga County WD		460.280	598.364	598.364	0.000	0.000	598.364
Jurupa CSD		3,094.500	4,022.850	4,022.850	1,840.110	3,680.220	7,703.070
Monte Vista WD		28.150	36.595	36.595	9.240	18.480	55.075
Ontario	209.400	527.044	685.157	894.557	39.090	78.180	972.737
<b>Totals</b>	<u>405.635</u>	<u>6,234.990</u>	<u>8,105.487</u>	<u>8,511.122</u>	<u>2,810.890</u>	<u>5,621.780</u>	<u>14,132.902</u>

## REALLOCATION OF AGRICULTURAL POOL SAFE YIELD

Appropriative Pool Party	Share of Operating Safe Yield (Percent)	Assigned Share of Operating Safe Yield (Acre-Feet)	32,800 AF Annual Early Transfer	Total Land Use Conversions	Total Required Reallocation	Diff. Btwn. Total Req. & Total Avail. (Acre-Feet)	Total Available for Reallocation (Acre-Feet)	Administration \$9,2520	Assessments OBMP \$26,5578	Total \$	Based on % of Total Converted
Inland Empire Utilities Agency	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	\$0	\$0	\$0	0.000
City of Chino	7.357%	4,033.857	2,413.096	3,052.910	5,466.006	-266.857	5,199.149	48,102.53	138,077.96	186,180.49	-783.538
Cucamonga County Water District	6.601%	3,619.454	2,165.128	598.364	2,763.492	-239.435	2,524.057	23,352.58	67,033.41	90,385.99	-153.572
Fontana Union Water Company	11.657%	6,391.736	3,823.496	0.000	3,823.496	-422.829	3,400.667	31,462.97	90,314.24	121,777.21	0.000
Fontana Water Company	0.002%	1.000	0.656	834.000	834.656	-0.073	834.583	7,721.57	22,164.70	29,886.27	-214.049
Junipa Community Services	3.759%	2,061.118	1,232.952	7,703.070	8,936.022	-136.348	8,799.674	81,414.58	233,699.97	315,114.55	-1,977.016
Marygold Mutual Water Co	1.195%	655.317	391.960	0.000	391.960	-43.346	348.614	3,225.38	9,258.43	12,483.81	0.000
Monte Vista Water District	8.797%	4,823.954	2,885.416	55.075	2,940.491	-319.089	2,621.402	24,253.21	69,618.66	93,871.87	-14.135
Monte Vista Irrigation Co	1.234%	676.759	404.752	0.000	404.752	-44.760	359.992	3,330.64	9,560.59	12,891.23	0.000
Nicholson Trust	0.007%	4.000	2.296	0.000	2.296	-0.254	2.042	18.89	54.23	73.12	0.000
City of Norco	0.368%	201.545	120.704	0.000	120.704	-13.348	107.356	993.26	2,851.13	3,844.39	0.000
City of Ontario	20.742%	11,373.816	6,803.376	972.737	7,776.113	-752.364	7,023.749	64,983.72	186,535.31	251,519.03	-249.656
City of Pomona	20.454%	11,215.852	6,708.912	0.000	6,708.912	-741.918	5,966.994	55,206.63	158,470.24	213,676.87	0.000
San Antonio Water Co	2.748%	1,506.888	901.344	0.000	901.344	-99.677	801.667	7,417.02	21,290.52	28,707.54	0.000
S.B. County (Olympic +)	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	-	-	0.00	0.000
City of Chino Hills	3.851%	2,111.422	1,263.128	916.746	2,179.874	-139.685	2,040.189	18,875.82	54,182.92	73,058.74	-235.286
Santa Ana River Water Co	2.373%	1,301.374	778.344	0.000	778.344	-86.075	692.269	6,404.88	18,385.15	24,790.03	0.000
Southern California Water Co	0.750%	411.476	246.000	0.000	246.000	-27.204	218.796	2,024.30	5,810.73	7,835.03	0.000
City of Upland	5.202%	2,852.401	1,706.256	0.000	1,706.256	-188.690	1,517.566	14,040.52	40,303.23	54,343.75	0.000
West End Consolidated Water Co	1.728%	947.714	566.784	0.000	566.784	-62.679	504.105	4,663.98	13,387.92	18,051.90	0.000
West San Bernardino CWD	1.175%	644.317	385.400	0.000	385.400	-42.620	342.780	3,171.40	9,103.48	12,274.88	0.000
<b>TOTALS</b>	<b>100.000%</b>	<b>54,834.000</b>	<b>32,800.000</b>	<b>14,132.902</b>	<b>46,932.902</b>	<b>-3,627.251</b>	<b>43,305.651</b>	<b>\$400,663.88</b>	<b>\$1,150,102.82</b>	<b>\$1,550,766.70</b>	<b>-3,627.251</b>
check figures			<b>32,800.000</b>		<b>46,932.902</b>	<b>-3,627.251</b>					





**SUMMARY OF MWDSC DELIVERIES<sup>1</sup>  
FISCAL YEAR 2001 – 2002 (ACRE – FEET)**

<b>Water Facilities Authority CB – 12</b>						
<b>Month</b>	<b>Upland</b>	<b>MVWD<sup>4</sup></b>	<b>Ontario<sup>3</sup></b>	<b>Chino</b>	<b>Chino Hills</b>	<b>Total</b>
<b>July</b>	1,083.1	1,273.2	1,458.3	787.2	20.5	4,622.4
<b>Aug</b>	1,212.6	1,740.7	1,810.2	794.0	224.9	5,782.4
<b>Sept</b>	1,112.4	1,280.7	1,282.7	585.8	42.1	4,303.7
<b>Oct</b>	889.3	910.9	654.6	502.1	–	2,956.8
<b>Nov</b>	309.8	373.0	96.6	494.3	–	1,273.6
<b>Dec</b>	193.5	408.6	102.8	525.5	–	1,230.5
<b>Jan</b>	192.6	401.7	101.8	504.1	–	1,200.2
<b>Feb</b>	174.3	327.4	176.7	492.2	–	1,170.6
<b>Mar</b>	460.0	350.4	1,092.4	515.7	–	2,418.5
<b>Apr</b>	382.8	518.7	1,138.9	493.8	–	2,534.2
<b>May</b>	886.6	887.0	1,304.9	511.2	–	3,589.8
<b>Jun</b>	1,100.8	1,205.8	1,416.4	487.2	–	4,210.3
<b>Total</b>	<b>7,997.9</b>	<b>9,677.9</b>	<b>1,273.2</b>	<b>6,693.2</b>	<b>287.5</b>	<b>35,292.9</b>

<b>Month</b>	<b>Reliant</b>	<b>Cucamonga County Water District</b>			<b>Pomona</b>	<b>Total</b>
	<b>CB-01</b>	<b>CB-07</b>	<b>CB-16</b>	<b>Total</b>	<b>PM15A&amp;B</b>	
<b>July</b>	149.9	1,458.3	2,836.3	3,247.5	297.4	8,317.2
<b>Aug</b>	203.5	1,810.2	2,874.9	3,385.3	391.8	9,762.9
<b>Sept</b>	91.6	1,282.7	2,523.2	2,950.5	328.6	7,674.4
<b>Oct</b>	20.2	654.6	2,156.4	2,523.3	249.3	5,749.6
<b>Nov</b>	5.0	96.6	1,901.5	2,154.1	115.9	3,548.7
<b>Dec</b>	5.5	102.8	1,891.9	2,032.4	329.0	3,597.4
<b>Jan</b>	8.8	101.8	2,347.6	2,494.9	21.3	3,725.2
<b>Feb</b>	8.1	176.7	2,161.2	2,376.6	55.6	3,610.9
<b>Mar</b>	91.4	1,092.4	2,109.3	2,349.2	149.4	5,008.5
<b>Apr</b>	2.1	1,138.9	2,133.3	2,414.0	339.9	5,290.2
<b>May</b>	9.0	1,304.9	2,332.9	2,588.5	254.9	6,442.1
<b>Jun</b>	94.1	1,416.4	2,601.2	3,049.0	412.0	7,766.4
<b>Total</b>	<b>689.2</b>	<b>3,695.6</b>	<b>27,869.7</b>	<b>31,565.3</b>	<b>2,946.0</b>	<b>70,493.4</b>

Total Metropolitan Water District of Southern California (MWDSC) direct deliveries used in Chino Basin including Pomona equals 67,547 AF + 2,946 AF = 70,493 AF.

1. A breakdown of categories of water is available upon request. Watermaster replenishment is not included. Includes water exchanged with MWDSC (none in FY 01-02)
2. Figures reflect 37.8% of the total MWDSC water delivered that was used over the Chino Basin (based on estimated land use area physically located within the Chino Basin adjudicated boundary).
3. During FY 2001-02 Ontario did not take any deliveries through the CB-2 connection.
4. MVWD deliveries includes water that was served to Chino Hills.

NOTE: Rounding may have an insignificant impact.



**SUMMARY OF REPLENISHMENT,  
SUPPLEMENTAL AND CYCLIC ACTIVITIES  
FISCAL YEAR 2001 - 2002 (ACRE - FEET)**

<b>Month</b>	<b>REPLENISHMENT WATER Purchased from Cyclic<sup>1</sup> CB59T</b>	<b>SUPPLEMENTAL WATER Deliveries<sup>2</sup> OC59</b>	<b>Total</b>
<b>July</b>	0	0	
<b>Aug</b>	0	0	
<b>Sept</b>	0	0	
<b>Oct</b>	0	1106.2	
<b>Nov</b>	0	1478.8	
<b>Dec</b>	0	1361.7	
<b>Jan</b>	0	1450.6	
<b>Feb</b>	0	1102.8	
<b>Mar</b>	0	0	
<b>Apr</b>	0	0	
<b>May</b>	0	0	
<b>Jun</b>	0	0	
<b>Total</b>	<b>0</b>	<b>6500.1</b>	

- 1. A breakdown of categories of water is available upon request. Watermaster replenishment is not included. Includes water exchanged with MWDSC (none in FY 01-02)*
- 2. Figures reflect 37.8% of the total MWDSC water delivered that was used over the Chino Basin (based on estimated land use area physically located within the Chino Basin adjudicated boundary).*



**SUMMARY OF SUPPLEMENTAL SUPPLIES  
FISCAL YEAR 2001 - 2002 (ACRE - FEET)**

<b>Member Agency</b>	<b>Other Basins</b>	<b>Surface Diversions</b>	<b>SBVMWD MWDSC Imported Deliveries</b>	<b>Recycled Water</b>	<b>Total</b>
Chino, City of	0	0		51.5	<b>51.5</b>
Chino Hills, City of	0	0		49.8	<b>49.8</b>
Cucamonga County Water District <sup>1</sup>	7,461.1	3,360.5		101.5	<b>10,923.1</b>
Inland Empire Utilities Agency <sup>2</sup>	0	0		3,937.9	<b>3,937.9</b>
Fontana Water Company <sup>3</sup>	15,870.6	2,889.3	15.2		<b>18,775.1</b>
Marygold Mutual Water Company <sup>4</sup>	1,526.6	0	0	0	<b>1,526.6</b>
MWDSC <sup>5</sup>			67,547.4		<b>67,547.4</b>
Monte Vista Water District	0	0		25.6	<b>25.6</b>
Ontario, City of	0	0		219.3	<b>219.3</b>
Pomona, City of <sup>6</sup>	2,971.9	2,011.5	2,616.9		<b>7,600.3</b>
San Antonio Water Company <sup>7</sup>	6,022.6	1,138.4	0	0	<b>7,161.0</b>
San Bernardino, County of	0	0	0		–
State of California, CIM <sup>8</sup>	0	0	0	880.9	<b>880.9</b>
Upland, City of <sup>9</sup>	10,609.0	1,499.3		57.2	<b>12,165.5</b>
West End Consolidated Water Company	2,472.5				<b>2,472.5</b>
West San Bernardino County Water District <sup>10</sup>	7,570.7				<b>7,570.7</b>
<b>Total</b>	<b>54,505.0</b>	<b>10,899.0</b>	<b>70,179.5</b>	<b>5,323.7</b>	<b>140,907.2</b>

1. *Includes groundwater produced from Cucamonga Basin & surface water from Lloyd Michaels, WTP's and Deer Canyon.*
2. *IEUA provided 4,442.5 AF of recycled water as follows: 1,438.6 AF to San Bernardino County; 1,231.7 AF to Ontario; 367.8 AF to the City of Chino and 798.1 to the City of Chino Hills. Ely Basin Groundwater Recharge in the amount of 504.9 is shown as allocated to the individual participants.*
3. *Imported groundwater produced from Colton/Rialto and "unnamed" basin. Surface water deliveries are from Lytle Creek.*
4. *Imported groundwater produced from wells located in the Rialto Basin.*
5. *MWDSC/SBVMWD deliveries (See Appendix E-1 for individual agencies breakdown).*
6. *Includes 1,870.6 AF of groundwater from Six Basins and 1.101.3 AF of groundwater from Spadra Basin. Imported water was delivered through TVMWD.*
7. *An amount of 1138.4 AF was treated local canyon flow used in the overlying Chino Basin. The imported groundwater was 399.2 AF from San Antonio Tunnel, 4,514.3 AF from Cucamonga Basin and 1,109 AF from Six Basins.*
8. *Recycled wastewater that was applied to fields, including water held in storage ponds.*
9. *Includes 4,563.9 AF from Claremont Heights Basin and 6,045.0 from Cucamonga Basin. Surface water deliveries are from the San Antonio Canyon WTP.*
10. *Listed amount was delivered to "meter book" service area.*



**TOTAL WATER CONSUMPTION  
WITHIN CHINO BASIN<sup>1</sup> (ACRE - FEET)**

<b>Fiscal Year</b>	<b>Chino Basin Extractions<sup>2</sup></b>	<b>Other Imported Supplies<sup>3</sup></b>	<b>Total</b>
1974-75	175,757	49,383	225,140
1975-76	181,017	57,686	238,703
1976-77	173,355	55,765	229,120
1977-78	154,675	61,567	216,242
1978-79	142,412 <sup>4</sup>	75,864	218,276
1979-80	140,566	70,727	211,293
1980-81	144,416	77,765	222,181
1981-82	137,532	67,491	205,023
1982-83	122,635	76,000	198,635
1983-84	132,799	99,257	232,056
1984-85	134,870	92,952	227,822
1985-86	136,113	114,624	250,737
1986-87	147,068	126,493	273,561
1987-88	152,402	116,175	268,577
1988-89	143,998	128,167	272,165
1989-90	154,620	139,004	293,624
1990-91	140,151	116,493	256,644
1991-92	141,904	104,480	246,384
1992-93	135,923	117,205	253,128
1993-94	129,682	136,038	265,720
1994-95	152,768	116,797	269,565
1995-96	150,669 <sup>4</sup>	130,494	281,163
1996-97	161,281 <sup>4</sup>	115,031	276,312
1997-98	145,735	106,360	252,095
1998-99	162,267	113,040	275,307
1999-00	178,820	129,208	308,028
2000-01	161,475 <sup>4</sup>	128,596	290,071
2001-02	165,898	140,907	306,805

1. *Total includes water used over Cucamonga Basin.*
2. *See Appendix B.*
3. *Total does not include recycled water, cyclic deliveries, water delivered by exchange, or water from direct spreading that was used for replenishment*
4. *Reflects corrected production after reporting errors were accounted for.*





**2001-02 APPROPRIATIVE POOL LOCAL STORAGE ACTIVITY**

PRODUCER	NOTES*	Amount In		Excess Carry Over Water Activity				Local Supplemental Water Activity (B)			
		Storage From July 1, 2005	Storage In 2001-02	Transfer To/(From)	From Suppl Water	Excess CO Yr End 2001-02	Local Suppl Water July 2, 2005	Local Supplemental Water Activity (B) MZ1 6,500 (C)	Eligible for Storage In 2001-02	To Excess Carry Over	Local Suppl Yr End 2001-02
Inland Empire Utilities Agency		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
City of Chino		3,633.215	3,671.575	0.00	0.00	7,304.790	1,784.718	478.205	2,262.923	2,262.923	
Cucamonga CWD	13,21	0.00	0.00	(2,248.685)	2,248.685	0.00	23,814.894	1,186.762	(1,748.685)	23,252.971	
Fontana Union Water Company	22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Fontana Water Company		0.00	0.00	0.00	0.00	0.00	244.335	0.119	0.119	0.119	
Jurupa Community Services	2	8,529.158	924.403	(2,500.000)	0.00	6,953.561	1,974.196	77.675	2,051.871	488.670	
Marygold M/W Co.		0.00	0.00	0.00	0.00	0.00	4,539.164	571.805	5,110.969	5,110.969	
Monte Vista WD		0.00	0.00	0.00	0.00	0.00	7,095.523	80.210	7,175.733	7,175.733	
Monte Vista Irrigation Co.	6	1,033.703	0.00	(800.000)	0.00	233.703	0.00	0.474	0.474	0.474	
Nicholson Trust		0.00	0.00	0.00	0.00	0.00	23.920	23.920	47.840	47.840	
City of Norco		447.082	0.00	0.00	0.00	447.082	11,205.223	1,348.230	12,553.453	12,553.453	
City of Ontario		0.00	0.00	0.00	0.00	0.00	20,697.951	1,329.510	(4,988.211)	17,039.250	
City of Pomona	21	0.00	0.00	(4,988.211)	4,988.211	0.00	178.620	178.620	357.240	357.240	
San Antonio Water Co.	4,12,14	12,508.910	0.00	(4,650.000)	0.00	7,858.910	0.00	0.00	0.00	0.00	
S. B. Co. (Olympic +)		0.00	0.00	0.00	0.00	0.00	7,453.708	250.315	7,704.023	7,704.023	
City of Chino Hills		0.00	0.00	0.00	0.00	0.00	154.245	154.245	308.490	308.490	
Santa Ana River Water Co.	15	538.389	0.00	(243.596)	0.00	294.793	2,147.575	48.750	2,196.325	2,196.325	
Southern Cal. Water Co.		256.392	405.426	0.00	0.00	661.818	11,309.918	338.130	(4,141.436)	7,506.612	
City of Upland	3,5,21	1,822.787	2,037.016	(8,000.000)	4,141.436	1,239	112.320	112.320	224.640	152.750	
West End Consol. Water Co.		11,934.686	1,451.819	0.00	0.00	13,386.505	76.375	76.375	0.00	0.00	
West San Bernardino CWD	13	4,576.223	987.097	(500.000)	0.00	5,063.320	0.00	0.00	0.00	0.00	
Arrowhead MTN. Spring Water Co.		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Los Serranos Country Club		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Dept of Toxic Substances		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Desalter Account (A)	18,19	32,626.446	4,728.890	(9,457.780)	0.00	27,897.556	0.00	0.00	0.00	0.00	
<b>TOTALS</b>		<b>77,906.991</b>	<b>14,206.226</b>	<b>(33,388.272)</b>	<b>11,378.332</b>	<b>70,103.277</b>	<b>92,812.685</b>	<b>6,500.000</b>	<b>(10,878.332)</b>	<b>88,434.353</b>	

\* see corresponding notes on Page 6.  
 (A) Account reduced by 50% of desalter production of 9,457.78 af.  
 (B) 93,862.143 af quantified as supplemental water on 5/24/01 pursuant to Peace Agreement & Watermaster Rules & Regulations.  
 (C) 6,500 af of supplemental water purchased and recharged in MZ1 pursuant to Peace Agreement & Watermaster Rules & Regulations.



## 2001-2002 OVERLYING (NON-AGRICULTURAL) POOL PRODUCTION

PRODUCER	NOTES	Carry-Over		Share of Operating Safe Yield	Transfers	2001-02 Production & Exchange	Net Over Production	Net Carry-Over		Amount In Storage From 2000-01	Storage Transfer	Local Storage At Yr End 2001-02
		From 00-01	To 2001-02					2001-02 Local Storage	To 2001-02			
Ameron Steel		97,858	97,858	0.000	0.000	0.000	0.000	97,858	97,858	1,462,421	0.000	1,560,279
Vulcan Materials Co.(Calmat)(1)	1	317,844	317,844	0.000	0.000	6,514	0.000	317,844	311,330	7,255,076	0.000	7,566,406
CCG Ontario LLC	6, 9,10	630,274	630,274	0.000	0.000	0.000	0.000	630,274	630,274	5,702,318	0.000	6,332,592
S. B. County, Chino Airport	8	64,540	133,870	0.000	0.000	132,900	0.000	65,510	0.000	0.000	0.000	0.000
Southern Calif Edison Company		27,959	27,959	0.000	0.000	0.000	0.000	27,959	27,959	55,918	0.000	83,877
Reliant Energy, Etwanda	4	0.000	954,540	2,600,000	2,280,367	0.000	0.000	954,540	319,633	5,247,310	-1,039,731	4,527,212
Angelica Rental Service	2	0.000	18,789	0.000	35,824	17,035	0.000	0.000	0.000	0.000	0.000	0.000
Space Center-Mira Loma		82,057	104,121	0.000	183,340	0.000	0.000	2,838	0.000	467,240	0.000	467,240
California Speedway	9	14,920	1,000,000	0.000	591,475	0.000	0.000	423,445	0.000	0.000	0.000	0.000
Sunkist	7	1,873,402	1,873,402	0.000	0.000	1,169,851	0.000	1,873,402	703,551	7,342,216	0.000	8,045,767
Swan Lake		464,240	464,240	0.000	0.000	372,385	0.000	464,240	91,855	1,797,420	0.000	1,889,275
Praxair Inc.	3	427,446	427,446	0.000	0.000	173,255	0.000	427,446	254,191	3,000,266	0.000	3,254,457
California Steel Industries (CSI)	3, 6	1,300,000	1,300,000	-2,600,000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
West Venture Development		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
General Electric - Geomatrix	5	0.000	0.000	0.000	602,570	18,077	0.000	0.000	0.000	0.000	0.000	0.000
<b>TOTALS</b>		<b>5,300,540</b>	<b>7,350,343</b>	<b>0.000</b>	<b>5,548,481</b>	<b>35,112</b>	<b>5,285,356</b>	<b>2,436,651</b>	<b>32,330,185</b>	<b>(1,039,731)</b>	<b>33,727,105</b>	

**FOOTNOTES:**

- (1) Calmat Properties, formerly Conrock, became Vulcan Materials in 99-00.
- (2) Southern Service Company became Angelica Rental Service in FY 94-95.
- (3) Union Carbide Corp. became Praxair Inc. in FY 94-95. Fontana Water Company entered into two agency agreements with Praxair & CSI in calendar year 1996. Praxair assigned 173,255 af. CSI did not assign water to FWC for service it provided to them in this FY.
- (4) Reliant Energy leased 2,600,000 af from CSI to offset FY 01-02 production.
- (5) GE pumped and recharged after treatment, 602,570 af. By agreement, they are assessed 3% losses due to spreading.
- (6) Kaiser/CSI received court approval on settlement Dec 20, 1995. CSI was assigned 1300,000 af permanent right as of July 1, 1995, Kaiser 1000 af & 630,274 af of Joint Water Rights per Water Rights Agreement and Water Rights Acknowledgement dated in October 1995. The agreement allows for removal of water from storage to satisfy the assignment.
- (7) Sunkist and Ontario entered into an Agency Agreement for the assignment of water provided by Ontario to Sunkist, which was 536,127 af in this FY.
- (8) San Bernardino County Department of Airports production has been increased by 132.9 af from the City of Chino, whose production was decreased the same, under an Agency agreement approved by Watermaster.
- (9) Kaiser/SDC entered into a Water Rights agreement similar to Kaiser/CSI's on November 21, 1995. The agreement provides for 475 af to be held as "tenants in common", with SDC having the first priority for use of the rights, but no carryover or storage rights for unused water. CCG Ontario LLP transferred an additional 525 af to SDC effective 8/16/00.
- (10) Kaiser Ventures sold its last property holdings & all water rights to CCG Ontario LLP on August 16, 2000. [(CCG - 630,274) + (Calif Speedway - 1000) + (CSI - 1300) = (Original Kaiser - 2,930,274 af)]



**APPROPRIATIVE RIGHTS  
(JUDGMENT - ORIGINAL EXHIBIT E)**

<b>Party</b>	<b>Appropriative Right (Acre Feet)</b>	<b>Share of Initial Operating Safe Yield (Acre-Feet)</b>	<b>Share of Operating Safe Yield (Percent)</b>
City of Chino	5,271.7	3,670.067	6.693
City of Norco	289.5	201.545	0.368
City of Ontario	16,337.4	11,373.816	20.742
City of Pomona	16,110.5	11,215.852	20.454
City of Upland	4,097.2	2,852.401	5.202
Cucamonga County Water District	4,431.0	3,084.786	5.626
Jurupa Community Services District	1,104.1	768.655	1.402
Monte Vista County Water District	5,958.7	4,148.344	7.565
West San Bernardino County Water District	925.5	644.317	1.175
Etiwanda Water Company	768.0	534.668	0.975
Feldspar Gardens Mutual Water Company	68.3	47.549	0.087
Fontana Union Water Company	9,188.3	6,396.736	11.666
Marygold Mutual Water Company	941.3	655.317	1.195
Mira Loma Water Company	1,116.0	776.940	1.417
Monte Vista Irrigation Company	972.1	676.759	1.234
Mutual Water Company of Glen Avon Heights	672.2	467.974	0.853
Park Water Company	236.1	164.369	0.300
Pomona Valley Water Company	3,106.3	2,162.553	3.944
San Antonio Water Company	2,164.5	2,506.888	2.748
Santa Ana River Water Company	1,869.3	1,301.374	2.373
Southern California Water Company	1,774.5	1,235.376	2.253
West End Consolidated Water Company	1,361.3	947.714	1.728
<b>TOTAL</b>	<b>78,763.8</b>	<b>55,834.000</b>	<b>100.000</b>

**APPROPRIATIVE RIGHTS  
(AS OF JUNE 30, 2002)**

Party	Appropriative Right (Acre Feet)	Share of Initial Operating Safe Yield (OSY) (Acre-Feet)	Share of Operating Safe Yield (Percent)
City of Chino <sup>1</sup>	5,794.6	4,033.857	7.357
City of Chino Hills <sup>2</sup>	3,033.2	2,111.422	3.851
City of Norco	289.5	201.545	0.368
City of Ontario	16,337.4	11,373.816	20.742
City of Pomona	16,110.5	11,215.852	20.454
City of Upland	4,097.2	2,852.401	5.202
Cucamonga County Water District <sup>3</sup>	5,199.2	3,619.454	6.601
Jurupa Community Services District <sup>4</sup>	2,960.7	2,061.118	3.759
Monte Vista Water District <sup>5</sup>	6,928.8	4,823.954	8.797
West San Bernardino County Water District	925.5	644.317	1.175
Fontana Union Water Company <sup>6</sup>	9,188.3	6,391.736	11.657
Fontana Water Company <sup>7</sup>	0.0	1.000	0.002
Los Serranos Country Club <sup>8</sup>	0.0	0.0	0.0
Marygold Mutual Water Company	941.3	655.317	1.195
Monte Vista Irrigation Company	972.1	676.759	1.234
Nicholson Trust <sup>9</sup>		4.000	0.007
San Antonio Water Company	2,164.5	1,506.888	2.748
Santa Ana River Water Company	1,869.3	1,301.374	2.373
Southern California Water Company <sup>10</sup>	590.7	411.476	0.750
West End Consolidated Water Company	1,361.3	947.714	1.728
San Bernardino County (Shooting Park) <sup>11</sup>	0.0	0.0	0.0
Arrowhead Mountain Springs Water Company <sup>12</sup>	0.0	0.0	0.0
City of Fontana <sup>13</sup>	0.0	0.0	0.0
<b>TOTAL</b>	<b>78,763.8</b>	<b>54,834.000</b>	<b>100.000</b>

- In 1990 Chino received a portion of San Bernardino County Water Works #8 (WW#8) OSY (363.790 AF) as a result of a permanent transfer.*
- City of Chino Hills incorporated in 1991 and assumed the responsibility for providing the public services formerly provided by WW#8. WW#8 acquired a portion of the rights of Park and Pomona Valley Water Companies in 1983.*
- CCWD acquired the rights to Etiwanda Water Company (upon dissolution) in 1986.*
- JCSD acquired the rights of Mira Loma Water Company (776.940 AF), Feldspar Gardens (47.549AF) and Mutual Water Company of Glen Avon Heights (467.974 AF)*
- In 1990, MVWD received 675.610 AF of WW#8 OSY as a result of a permanent transfer.*
- In FY 2001-02 5 AF of OSY was reassigned. 1AF to FWC and 4AF to the Nicholson Trust.*
- FWC intervened in FY 91-92 and was assigned 1AF of OSY as a result of a permanent transfer of water rights from FUWC.*
- Los Serranos intervened in FY83-84.*
- Nicholson Trust intervened in FY 2001-02.*
- SCWC permanently transferred 823.900 AF of OSY to Park Water Company in 1980. Park Water Co was acquired by WW#8 which was subsequently acquired by the City of Chino Hills.*
- San Bernardino County Prado Tiro (now known as Prado Shooting Park) was involuntarily reassigned to the Appropriative Pool from the Ag Pool in 1985.*
- Arrowhead intervened in FY 92-93.*
- Fontana intervened in FY 98-99.*

**OVERLYING NON-AGRICULTURAL RIGHTS  
(JUDGMENT - ORIGINAL EXHIBIT D)**

<b>Party</b>	<b>Total Overlying Share of Non-Agricultural Safe Yield Rights (Acre-Feet)</b>	<b>Acre-Feet</b>
Ameron Steel Producers, Inc.	125	97.858
County of San Bernardino (Airport)	171	133.870
Conrock Company	406	317.844
Kaiser Steel Corporation	3,743	2,930.274
Red Star Fertilizer	20	15.657
Southern California Edison Co.	1,255	982.499
Space Center, Mira Loma	133	104.121
Southern Service Co. dba Blue Seal Linen	24	18.789
Sunkist Growers, Inc.	2,393	1,873.402
Carlsberg Mobile Home Properties, Ltd '73	593	464.240
Union Carbide Corporation	546	427.446
Quaker Chemical Co.	0	0.000
<b>Totals</b>	<b>9,409</b>	<b>7,366.000</b>



**OVERLYING NON-AGRICULTURAL RIGHTS  
(AS OF JUNE 30, 2002)**

<b>Party</b>	<b>Total Overlying Share of Non-Agricultural Safe Yield Rights (Acre-Feet)</b>	<b>Acre-Feet</b>
Ameron Steel Producers, Inc.	125	97.858
County of San Bernardino (Airport)	171	133.870
Vulcan Materials Company <sup>1</sup>	406	317.844
CCG Ontario LLC <sup>2</sup>	805	630.274
West Venture Development Co. <sup>3</sup>	20	15.657
Southern California Edison Co. <sup>4</sup>	37	27.959
Reliant Energy, Etiwanda <sup>5</sup>	1,219	954.540
Space Center, Mira Loma	133	104.121
Angelica Rental Service <sup>6</sup>	24	18.789
Sunkist Growers, Inc	2,393	1,873.402
Swan Lake Mobile Home Park <sup>7</sup>	593	464.240
California Steel Industries <sup>8</sup>	1,660	1,300.000
Praxair <sup>9</sup>	546	427.446
General Electric Corporation <sup>10</sup>	0	0.000
California Speedway <sup>11</sup>	1,277	1,000.000
Loving Savior of the Hills Lutheran Church <sup>12</sup>	0	0.000
<b>Totals</b>	<b>9,409</b>	<b>7,366.000</b>

1. Conrock became calmat and in fy 99-00 became vulcan materials co.
2. Kaiser steel corporation became kaiser resources and then kaiser venture, inc. Kaiser sold portions of its property to csi & speedway and its last property holdings and all its remaining water rights to ccg ontario llp on 8-16-00.
3. Anaheim citrus became red star fertilizer, then west venture development. West venture went out of business in 91-92.
4. A portion of sce was sold in fy 98-99. Sce retained 27.959 Af osy.
5. Mountain vista power generating company (mvpvg) purchased the etiwanda generating facility owned by sce in fy 98-99. Mvpvg became reliant energy, etiwanda with 954.540 Af osy.
6. Southern service company became angelica rental service.
7. Carlsberg mobile home properties became mobile community management and is known as swan lake mobile home park.
8. California steel industries (csi) intervened in fy 91-92 after purchasing land from kaiser.
9. Union carbide corp. Became praxair, inc.
10. General electric company intervened in fy 95-96.
11. California speedway intervened in fy 96-97 after purchasing land from kaiser. On august 16, 2000 catellus permanently transferred 525 af osy to speedway.
12. Loving savior of the hills lutheran church intervened in fy 00-01.

## HISTORY OF INTERVENTIONS AFTER JUDGMENT

FY	Appropriative	Non-Agricultural	Agricultural
01-02	Nicholson Trust		
00-01		Loving Savior of the Hills Lutheran Church CCG Ontario, LLC (Catellus Commercial Group)	
99-00			None
98-99			None
97-98			Louis Badders
		Mountain Vista Power Generation Company, LLC	Paul Russavage
96-97		California Speedway Corporation	Ambrosia Farms, Chin T. Lee
95-96	City of Fontana	General Electric Company	Elizabeth H. Rohrs
			Richard Van Loon
			S.N.S. Dairy
			Wineside 45
			Frank Lizzaraga
94-95			None
93-94			None
92-93			None
91-92	Arrowhead Mountain Springs Water Co	California Steel Industries, Inc.	
90-91			
89-90	Fontana Water Company		Gary Teed
88-89			
87-88			Que Fullmer
86-87		American Diversified Capital Corporation	Robert Barth
			Richard Lambeth
			Jim Nace
			Lemon D and Louise Thrall
			Whispering Lakes Community Church
85-86			Carlos Palacio
			Jay Park
			Andy Sytsma
			Fred Scane
			Bob DeJager
			Chino Valley Investment
			John Vander Poel
84-85			Eric Daale
			James Idsinga
83-84			Marvin H. Belville
			Los Serranos Golf Club, Inc.
			Rick and Debbie Mouw
			Geoffrey Vanden Heuvel
82-83			Manual Moreno
			Ronald C. and Kristine Pietersma
			Francisco Islas
			Gene and Geneva Burbridge
			Dick Bosma
			Richard Lorenz

## HISTORY OF INTERVENTIONS AFTER JUDGMENT

FY	Appropriative	Non-Agricultural	Agricultural
81-82		Anaheim Citrus Products	Joe Heim
			Louis Struikman
			George Noble
			Everett/Charles, Inc.
			Abel Villalpando
			Ontario Planned Residential Joint Venture
80-81			Pete Boersma
			David Chez
			Judith Collins
			Sharon Schact
			Andy Dyt
			J.D. Smith
			Charlie Tadema
			Maynard Troost
			Ralph D. Wenger
			Walter W. Wurster
			Jeannette Wurster
			Theodore Zwicker
79-80			Ray Albers
			Intex Corporation
			Dutchmen Properties
			Frank Jacques
			Mobile Home Partners of California
			Alfred B. and Sandra Tourigny
			Leon Weaver
78-79			Jim and Linda Carroll
			Richard Haagsma
			John R and Claudell Moore
			Jack Pinheiro
			A.C. Pinheiro
			Mary Pinheiro
			August Vandenberg
			Andrew W. Vandenberg
			Ben Vandenberg
			Turn Key Associates, Inc.
			Albert Levinson, Tomlev, Inc.
			R.C. Land Company
			Frans and Cornelia Aardema
			Sylvester and Arlene Vander Tuig
77-78			Mira Loma Thoroughbred Farm
			Sky Country Development Co., Magnolia Farms
			George Yamamoto
			Carol A. Larsen and Mary L. Rawitser
			Tex L. and Phyllis T. Rexius
			Paul C and Linda E. Sackin
			Chino Grain and Mill, Inc.
			Amil and Helen Steiner
			Anthony H and Darlene Olive Osterkamp
			Pete Borba and Sons

# APPROPRIATIVE POOL SUMMARY OF WATER TRANSACTIONS & NOTES

\* NOTES: Pages 3,7:  
Regarding FY 01-02 Production

Note Number	To	From	Quantity	Date of Watermaster Approved	\$/AF	Total \$	Financial Impact on		Watermaster Pays 15% To
							85%	15%	
1	Ontario	Pomona	2,500.000	03/28/02	202.00	505,000.00	429,250.00	75,750.00	Pomona
2	JCSD	JCSD	2,500.000	5/24/06	201.00	502,500.00	427,125.00	75,375.00	JCSD
3	Upland	Upland	5,000.000	5/24/06	205.00	1,025,000.00	871,250.00	153,750.00	Upland
4	San Antonio	San Antonio	2,500.000	5/24/06	201.00	502,500.00	427,125.00	75,375.00	SAWCO
5	MVWD	Upland	3,000.000	10/26/05	205.00	615,000.00	522,750.00	92,250.00	Upland
6	MVIC	MVIC	2,500.000	5/24/06	212.00	530,000.00	450,500.00	79,500.00	MVIC
7	Fontana Water Co	Pomona	2,000.000	5/24/06	202.00	404,000.00	343,400.00	60,600.00	Pomona
8	CCWD	CCWD	10,000.000	5/24/06	214.20	2,142,000.00	1,820,700.00	321,300.00	CCWD
9	Marygold	Marygold	1,200.000	4/26/06	214.20	257,040.00	218,484.00	38,556.00	Marygold
10	Nicholson Tr	Nicholson Tr	4.000	5/24/06	214.20	856.80	728.28	128.52	Nicholson Trust
11	FLWC	FLWC	1.000	3/1/06	N/A				
12	San Antonio	San Antonio	1,500.000	5/24/06	201.00	301,500.00	256,275.00	45,225.00	SAWCO
13	West San Ber	CCWD	500.000	7/26/06	N/A				
14	JCSD	San Antonio	650.000	02/28/02	N/A				
15	San Antonio	San Antonio	2,000.000	03/28/02	N/A				
16	Reliant Energy	CSI	1,300.000	02/15/01	N/A				
17	Reliant Energy	CSI	1,300.000	04/25/02	N/A				
<b>Total</b>						<b>\$6,785,396.80</b>	<b>\$5,767,587.28</b>	<b>\$1,017,809.52</b>	

### ASSIGNMENTS (A)

Norco			314.188		N/A				
Santa Ana	JCSD		758.295		N/A				
Space Center			183.340		N/A				
Swan Lake			372.385		N/A				
Praxair			173.295		85.00	20,825.12	17,701.35	3,123.77	FWC
Sunkist	FWC(B)	Ontario	536.127		200.00	107,225.40	91,141.59	16,083.81	Ontario
Ag Pool Assign		Chino	176.903		N/A				
Chino Airport			132.900		N/A				
Ag Pool Assign			33.785		N/A				
El Prado Golf			409.000		N/A				
Ag Pool Assign		MVWD	437.000		N/A				
Los Serranos		Chino Hills	207.400		N/A				
<b>Total Assignments</b>						<b>\$128,050.52</b>	<b>\$108,842.94</b>	<b>19,207.577</b>	

(A) Assignment of equivalent production based on metered service in net production shown by entity/pool. Reflected here for assessment adjustment page.  
(B) FWC also paid prior year assessments of \$6,098.44 for Praxair

**Total Credits** \$1,037,017.10

### OTHER NOTES

- 18 Desalter Prodroduction Desalter Acct #REF! Acre Feet
- 19 Desalter Acct Rising Water #REF! 50%
- 20 Stringfellow/DTSC 1/10/86 Cr Order
- 21 Some water transferred from storage to eliminate a potential replenishment obligation due to water transactions & supplemental water designations. Included in Ag Pool Prod



# Watermaster's "Notice Of Intent" to Change the Operating Safe Yield of the Chino Groundwater Basin

PLEASE TAKE NOTICE that on this 24th day of January 2002, Chino Basin Watermaster hereby files this 'NOTICE OF INTENT' to change the operating safe yield of the Chino Groundwater Basin pursuant to the Judgment entered in Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino Superior Court, Case No. RCV 51010 (formerly Case No. 164327) (Exhibit I, Paragraph 2b, Page 80).

**Approved by**  
**CHINO BASIN WATERMASTER**  
**ADVISORY COMMITTEE**

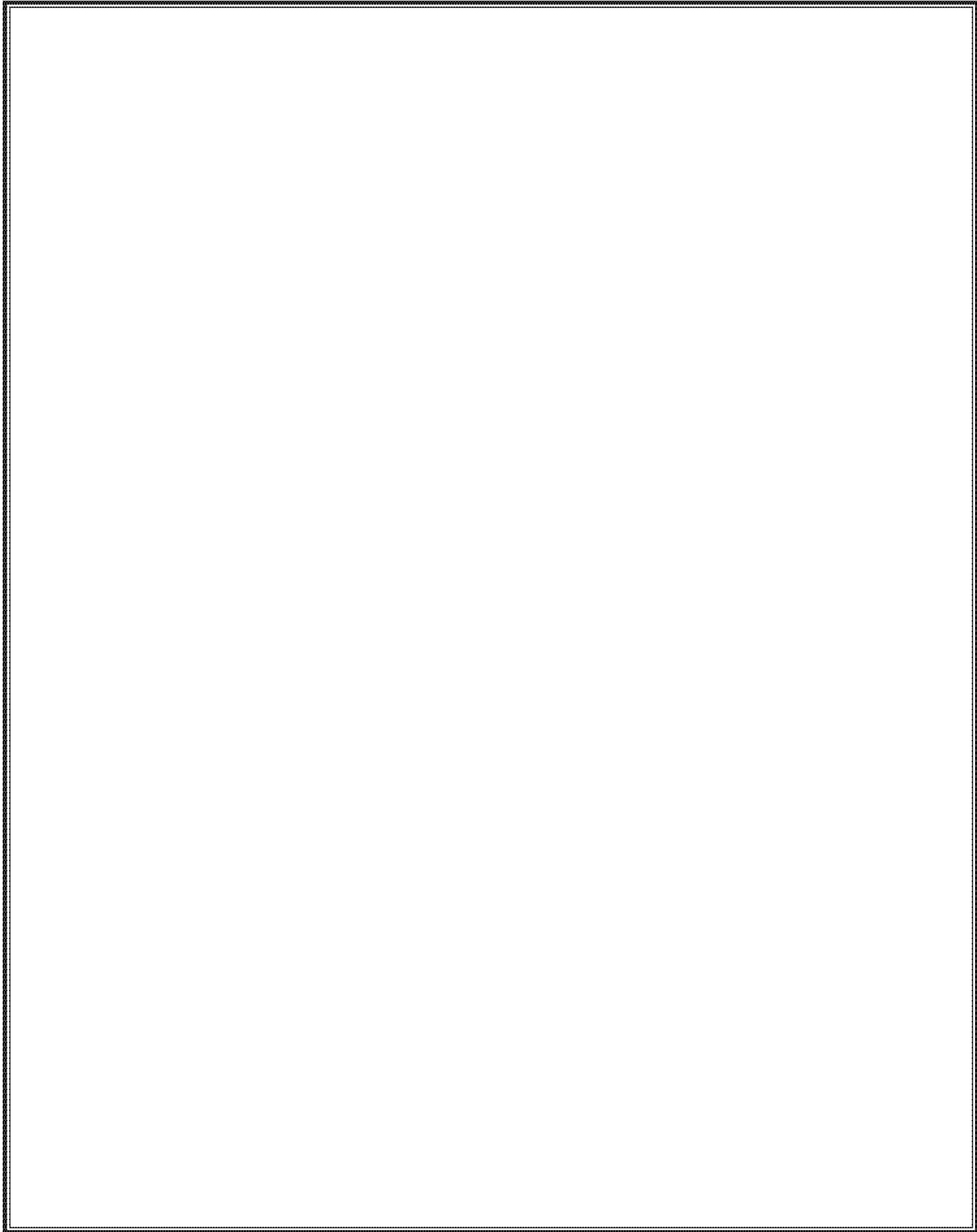
**CHINO BASIN WATERMASTER**  
**BOARD OF DIRECTORS**

By: /s/ K. Jeske  
**Ken Jeske, Chair**

By: /s/ M. J. McGraw  
**Michael J. McGraw, Chair**

**ATTEST:**

By: /s/ Dennis Yates  
**Dennis Yates, Secretary**



**SUMMARY BUDGET  
FY 2002/2003**

	<b>FY 00-01 June Actual</b>	<b>FY 01-02 Dec Actual</b>	<b>FY 01-02 Current Budget</b>	<b>FY 02-03 Proposed Budget</b>	<b>Current vs. Proposed</b>
<b>Ordinary Income/Expense</b>					
4000 Mutual Agency Revenue	\$23,439	\$0	\$146,437	\$20,000	-\$126,437
4110 Admin Asmnts-Approp Pool	4,403,154	4,241,553	3,402,676	3,580,590	177,914
4120 Admin Asmnts-Non-Agri Pool	200,908	241,961	197,374	196,982	-392
4730 Prorated Interest Income	150,533	54,134	117,225	132,889	15,664
<b>Total Income</b>	<b>4,778,034</b>	<b>4,537,648</b>	<b>3,863,712</b>	<b>3,930,462</b>	<b>66,750</b>
<b>Administrative Expenses</b>					
6010 Salary Costs	366,865	234,246	369,587	414,173	44,586
6020 Office Building Expense	59,140	34,467	73,500	123,845	50,345
6030 Office Supplies & Equip.	17,415	16,806	26,500	27,500	1,000
6040 Postage & Printing Costs	54,771	35,549	61,800	72,450	10,650
6050 Information Services	116,736	58,261	111,500	101,800	-9,700
6060 WM Special Contract Services	286,016	137,606	259,600	227,600	-32,000
6080 Insurance Expense	12,682	5,344	11,230	11,210	-20
6110 Dues and Subscriptions	12,025	11,573	13,600	13,500	-100
6140 Other WM Administrative Expenses	3,435	1,136	8,500	2,300	-6,200
6150 Field Supplies & Equipment	3,122	1,050	4,000	3,950	-50
6170 Travel & Transportation	58,133	11,374	27,925	25,500	-2,425
6190 Conferences & Seminars	4,427	5,425	14,000	14,500	500
6200 Advisory Committee Expenses	19,677	9,085	26,748	17,870	-8,878
6300 Watermaster Board Expenses	42,036	20,648	57,110	42,522	-14,588
6500 Education Fund Expenditures	375	375	0	375	375
8300 Appropriative Pool Administration	5,796	6,241	24,138	16,310	-7,828
8400 Agricultural Pool Administration	125,857	58,492	106,935	119,010	12,075
8500 Non-Agricultural Pool Administration	4,880	3,263	11,985	4,462	-7,523
9500 Allocated G&A Expenditures	0	0	-358,578	-316,931	41,647
<b>Total Administrative Expenses</b>	<b>1,193,389</b>	<b>650,941</b>	<b>850,080</b>	<b>921,946</b>	<b>71,866</b>
<b>General OBMP Expenditures</b>					
6900 Optimum Basin Mgmt Program	998,582	345,052	802,131	810,777	8,646
6950 Cooperative Efforts	18,334	40,002	108,504	2,500	-106,004
9501 Allocated G&A Expenditures	0	0	150,173	89,564	-60,608
<b>Total General OBMP Expenditures</b>	<b>1,016,916</b>	<b>385,054</b>	<b>1,060,808</b>	<b>902,841</b>	<b>-157,966</b>



**SUMMARY BUDGET  
FY 2002/2003**

	<b>FY 00-01 June Actual</b>	<b>FY 01-02 Dec Actual</b>	<b>FY 01-02 Current Budget</b>	<b>FY 02-03 Proposed Budget</b>	<b>Current vs. Proposed</b>
<b>7000 OBMP Implementation Projects</b>					
7101 Production Monitoring	31,857	19,883	58,577	61,062	2,485
7102 In-Line Meter Installation	20,461	60,920	338,227	439,399	101,172
7103 Groundwater Quality Monitoring	321,275	54,995	171,293	321,829	150,536
7104 Groundwater Level Monitoring	144,341	72,636	123,909	205,916	82,007
7105 Surface Water Quality Monitoring	21,743	4,673	40,196	85,161	44,965
7106 Water Level Sensors Install	0	16,459	131,050	34,501	-96,549
7107 Ground Level Monitoring	14,678	30,672	766,031	801,070	35,039
7200 OBMP Pgm Element 2 - Comp Recharge Program	278,292	137,927	481,706	184,168	-297,538
7300 OBMP Program Element 3 & 5 - Water Supply Plan - Desalter	152,421	82,845	89,584	123,587	34,003
7400 OBMP Pgm Element 4 - Mgmt Zone Mgmt Strategies	19,302	0	174,765	81,172	-93,593
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt	601	12,142	41,008	58,299	17,291
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use	4,795	45,952	268,598	102,830	-165,768
7690 Recharge Improvement Debt Payment Reserve	0	0	0	620,000	620,000
9502 Allocated G&A Expenditures	0	0	208,405	227,367	18,962
<b>Total OBMP Implementation Projects</b>	<b>1,009,765</b>	<b>539,104</b>	<b>2,893,349</b>	<b>3,346,361</b>	<b>453,012</b>
<b>Total Expenses</b>	<b>3,220,071</b>	<b>1,575,099</b>	<b>4,804,237</b>	<b>5,171,148</b>	<b>366,911</b>
<b>Net Ordinary Income</b>	<b>1,557,964</b>	<b>2,962,549</b>	<b>-940,525</b>	<b>-1,240,686</b>	<b>-300,161</b>
<b>Other Income</b>					
4210 Approp Pool-Replenishment	30,176	38,947	38,947	0	-38,947
4220 Non-Ag Pool-Replenishment	110,016	9,329	9,329	0	-9,329
4230 Groundwater Recharge Activity	1,573,000	1,579,500	1,579,500	2,285,049	705,549
<b>Total Other Income</b>	<b>1,713,192</b>	<b>1,627,776</b>	<b>1,627,776</b>	<b>2,285,049</b>	<b>657,273</b>
<b>Other Expense</b>					
5010 Groundwater Recharge	1,710,682	951,155	1,627,768	2,285,049	657,281
5050 SB222 Cyclic Storage Program	-168	0	-50	0	50
<b>Total Other Expense</b>	<b>1,710,514</b>	<b>951,155</b>	<b>1,627,718</b>	<b>2,285,049</b>	<b>657,331</b>
<b>Net Other Income</b>	<b>2,679</b>	<b>676,621</b>	<b>58</b>	<b>0</b>	<b>-58</b>
<b>9800 From / (To) Reserves</b>	<b>0</b>	<b>0</b>	<b>940,467</b>	<b>1,240,686</b>	<b>300,219</b>
<b>Net Income</b>	<b>\$1,560,642</b>	<b>\$3,639,170</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

# Chino Basin Watermaster

## Financial Statements

Year Ended June 30, 2002

(With Independent Auditor's Report Thereon)

**CONRAD** AND  
**ASSOCIATES**, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

1100 MAIN STREET, SUITE C  
IRVINE, CALIFORNIA 92614  
(949) 474-2020  
Fax (949) 263-5520

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Board of Directors  
Chino Basin Watermaster  
Rancho Cucamonga, California

Independent Auditors' Report

We have audited the accompanying financial statements of the Chino Basin Watermaster as of and for the year ended June 30, 2002, as listed in the accompanying table of contents. These financial statements are the responsibility of the Chino Basin Watermaster's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chino Basin Watermaster as of June 30, 2002 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Conrad and Associates, L.L.P.*

September 11, 2002

**BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 2002**

<b>Assets</b>	<b>General Fixed Assets</b>		<b>Totals (Memorandum Only)</b>	
	<b>General Fund</b>	<b>Assets Account Group</b>	<b>2002</b>	<b>2001</b>
Cash (note 2)	\$ 85,082		\$ 85,082	\$ 47,538
Short-term investments (note 2)	4,045,244		4,045,244	2,931,513
Accounts receivable	108,905		108,905	49,125
Prepaid expenses	30,976		30,976	26,614
Property and equipment, at cost (note 3)		\$ 237,434	237,434	237,434
<b>Total assets</b>	<b>\$ 4,270,207</b>	<b>\$ 237,434</b>	<b>\$ 4,507,641</b>	<b>\$ 3,292,224</b>
<b>Liabilities and Fund Equity</b>				
Accounts payable and accrued liabilities	\$ 261,958		\$ 261,958	\$ 313,435
Compensated absences payable (Note 4)	82,248		82,248	72,561
<b>Total liabilities</b>	<b>344,206</b>	<b>0</b>	<b>344,206</b>	<b>385,996</b>
<b>Fund Equity</b>				
Investment in general fixed assets		\$ 237,434	237,434	237,434
Fund balance:				
Reserved for:				
SB222 expenditures (Note 6)	158,251		158,251	158,251
Groundwater replenishment	204,948		204,948	192,972
Appropriative pool	2,936,186		2,936,186	1,778,081
Agricultural pool (Note 7)	448,150		448,150	447,193
Non-agricultural pool	175,621		175,621	89,179
Educational programs	2,845		2,845	3,118
<b>Total fund equity</b>	<b>3,926,001</b>	<b>237,434</b>	<b>4,163,435</b>	<b>2,906,228</b>
<b>Total liabilities and fund equity</b>	<b>\$ 4,270,207</b>	<b>\$ 237,434</b>	<b>\$ 4,507,641</b>	<b>\$ 3,292,224</b>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
YEAR ENDED JUNE 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
<b>Revenues:</b>				
Assessment revenue:				
Replenishment water assessments	\$ 48,276	\$ 48,276	\$ -	\$ 140,193
MZ1 supplemental water assessments	1,579,550	1,579,500	(50.00)	1,573,000.00
Administrative assessments (Note 8)	3,746,487	4,483,514	737,027	4,604,063
Interest	117,225	118,608	1,383	150,533
Grant revenue	-	76,151	76,151	-
Miscellaneous revenue	-	9,017	9,017	23,439
<b>Total revenues</b>	<b>5,491,538</b>	<b>6,315,066</b>	<b>823,528</b>	<b>6,491,228</b>
<b>Expenditures:</b>				
Replenishment water purchases	48,276	-	48,276	138,041
Pre-purchased replenishment water	-	-	-	7,128
MZ1 supplemental water	1,579,492	1,567,524	11,968	1,565,345
Watermaster administration	1,065,600	999,104	66,496	1,055,532
Pool administration	143,058	142,214	844	136,533
Education funds expenditures	-	375	(375)	375
Optimum Basin Management Plan	3,487,075	2,245,137	1,241,938	2,005,221
Mutual agency project costs	108,504	103,504	5,000	18,334
<b>Total expenditures</b>	<b>6,432,005</b>	<b>5,057,858</b>	<b>1,374,147</b>	<b>4,926,509</b>
<b>Excess of revenues over/(under) expenditures</b>	<b>(940,467)</b>	<b>1,257,208</b>	<b>2,197,675</b>	<b>1,388,557</b>
<b>Fund balance at beginning of year</b>	<b>2,668,793</b>	<b>2,668,793</b>	<b>-</b>	<b>1,290,341</b>
<b>Fund balance at end of year</b>	<b>\$ 1,728,326</b>	<b>\$ 3,926,001</b>	<b>\$ 2,197,675</b>	<b>\$ 2,678,898</b>

# Chino Basin Watermaster

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2002

### NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Description of Reporting Entity

The Chino Basin Watermaster (“Watermaster”) was established under a judgment entered in Superior Court of the State of California for the County of San Bernardino as a result of Case No. RCV 51010 (formerly Case No. SCV 164327) entitled “Chino Basin Municipal Water District v. City of Chino et al”, signed by the Honorable Judge Howard B. Wiener on January 27, 1978. The effective date of this Judgment for accounting and operations was July 1, 1977.

Pursuant to the Judgment, the Chino Basin Municipal Water District (CBMWD) five (5) member Board of Directors was initially appointed “Watermaster”. Their term of appointment as Watermaster was for five (5) years, and the Court, by subsequent orders, provides for successive terms or for a successor Watermaster. Pursuant to a recommendation of the Advisory Committee, the Honorable J. Michael Gunn appointed a nine-member board as Watermaster on September 28, 2000.

Under the Judgment, three (3) Pool committees were formed: (1) Overlying (Agricultural) Pool which includes the State of California and all producers of water for overlying uses other than industrial or commercial purposes; (2) Overlying (Non-Agricultural) Pool which represents producers of water for overlying industrial or commercial (non-agricultural) purposes; and (3) Appropriative Pool which represents cities, districts, other public or private entities and utilities. The three Pools act together to form the “Advisory Committee”.

The Watermaster provides the Chino Groundwater Basin service area with services which primarily include: accounting for water appropriations and components of acre-footage of stored water by agency, purchase of replenishment water, groundwater monitoring and implementation of special projects.

Watermaster expenditures are allocated to the Pools based on the prior year’s production volume (or the same percentage used to set the annual assessments). Allocations for fiscal year 2001-02 expenses are based on the 2000-01 production volume.

	2000-01	
	Acre Feet	%
Appropriative Pool	113,437	70.251
Agricultural Pool	39,954	24.743
Non-Agricultural Pool	8,084	5.006
<b>Total Production</b>	<b>161,475</b>	<b>100.000</b>

The Agricultural Pool members ratified an agreement with the Appropriative Pool at their meeting of June 16, 1988, wherein the Appropriative Pool assumes Agricultural Pool administrative expenses and special project cost allocations in exchange for an accelerated transfer of unpumped agricultural water to the Appropriative Pool. In addition the Agricultural Pool transferred all pool administrative reserves at June 30, 1988 to the Appropriative Pool effective July 1, 1988.

In July of 2000, the principal parties in the Basin signed an agreement, known as the Peace Agreement, which among other things formalized the commitment of the Basin parties to implement an Optimum Basin Management Program. The Peace Agreement was signed by all of the parties, and the Court has approved the agreement and ordered the Watermaster to proceed in accordance with the terms of the agreement. The Court has approved revisions to the Chino Basin Watermaster Rules and Regulations.

The accounting policies of the Watermaster conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies.

### **Description of Fund and Account Group**

#### **General Fund**

The General Fund is used to account for all revenues and activities financed by the Watermaster except those required to be accounted for in another fund.

#### **General Fixed Asset Account Group**

The General Fixed Asset Account Group is used to account for the cost of fixed assets required to perform general governmental functions.

#### **Cash and investments**

Investments are reported in the accompanying balance sheet at fair value. Changes in fair value that occur during a fiscal year are recognized as interest income reported for that fiscal.

Watermaster pools cash and investments of all fund balance reserves. Investment income earned by the pooled investments is allocated quarterly to the various reserves based on each reserve's average cash and investments balance.

#### **Basis of Accounting**

The Watermaster financial statements are prepared on the modified accrual basis of accounting. Revenues are accrued when they become both measurable and available. "Available" means collected in the current period or soon enough thereafter to pay for the expenditures incurred during the current period. Expenditures are recorded when the related liability for goods or services received is incurred.

#### **General Fixed Assets**

General fixed assets are recorded as expenditures of the General Fund at the time of purchase and are subsequently capitalized for memorandum purposes in the General Fixed Assets Account Group. No depreciation is provided on general fixed assets.



**NOTE 2 – CASH, DEPOSITS,  
SHORT-TERM AND POOLED INVESTMENTS**

State statutes and the Watermaster’s investment policy authorize the Watermaster to invest in certificates of deposit with financial institutions having an operating branch within the Watermaster geographic area and the State of California Treasurer’s Investment pool (L.A.I.F).

The Watermaster’s deposits and investments are categorized to give an indication of the level of risk assumed at year-end by the following three categories:

**Category 1**

- Includes deposits insured or collateralized with securities held by the Watermaster or its agent in the Watermaster’s name.
- Includes investments that are insured or registered or for which the securities are held by the Watermaster or its agent in the Watermaster’s name.

**Category 2**

- Includes deposits with collateralized securities held by the pledging financial institution’s trust department or agent in the Watermaster’s name and deposits collateralized by an interest in an undivided collateral pool held by an authorized Agent or Depository and subject to certain regulatory requirements under State law.
- Includes uninsured and unregistered investments for which the securities are held by the broker’s or dealer’s trust department or agent in the Watermaster’s name.

**Category 3**

- Includes uncollateralized deposits or deposits with collateralized securities held by the pledging financial institution or by its trust department or agent, but not in the Watermaster’s name.
- Includes uninsured and unregistered investments for which securities are held by the broker or dealer or by its trust department or agent but not in the Watermaster’s name.

In accordance with Government Accounting Standards Board Statement Number 3 (“GASB 3”) criteria, the Watermaster’s deposits and investments are categorized as follows for the year ended June 30, 2002:

	Categories			Bank Balance	Carrying Amount
	1	2	3		
<b>DEPOSITS</b>					
Demand deposits	\$179,494	\$0	\$0	\$179,494	\$84,582
<b>INVESTMENTS</b>					
Pooled funds:					
Local Agency Investment Funds (LAIF)*	0	0	0	4,045,244	4,045,244
Total deposits and investments	\$179,494	\$0	\$0	\$4,224,738	\$4,129,826

*\*Monies pooled with the State Treasurer in the Local Agency Investment Fund (LAIF) are not subject to risk categorization.*

The bank balance reflects the amount credited by a financial institution to the Watermaster's account as opposed to the Watermaster's own ledger balance for the account. The carrying value reflects the ledger value, which includes checks written by the Watermaster, which have not cleared the bank as of June 30, 2002.

The Watermaster is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of Watermaster's investment in this pool is reported in the accompanying financial statements at amounts based upon Watermaster's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the investment accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises and corporations.

**NOTE 3 – CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets for the year ended June 30, 2002 is as follows:

General fixed assets at June 30, 2001, as previously reported	\$237,434
Additions	0
Deletions	<u>(0)</u>
General fixed assets at June 30, 2002	<u><u>\$237,434</u></u>

**NOTE 4 – COMPENSATED ABSENCES PAYABLE**

Permanent Watermaster employees earn from 10 to 20 days vacation days a year, depending upon their length of employment, and 12 sick days a year. Employees may carry vacation days forward up to the equivalent number of days earned in the immediately preceding twenty-four (24) month period. There is no maximum accumulation of sick leave; and upon retirement or resignation at age 55 or greater, employees with continuous employment for a minimum of twenty (20) years are compensated for all accumulated sick leave at their rate of pay at termination. Other employees are paid based upon length of employment and age at time of retirement or resignation.

**NOTE 5 – DEFERRED COMPENSATION PLAN**

The Watermaster has established deferred compensation plans for all employees of Watermaster in accordance with Internal Revenue Code Section 457, whereby employees authorize the Watermaster to defer a portion of their salary to be deposited in individual investment accounts. Participation in the plans is voluntary and may be revoked at any time upon advance written notice. Generally, the amount of compensation subject to deferral until retirement, disability, or other termination by a participant may not exceed the lesser of \$8,500 or 33.33% of includible compensation, or 25% of gross compensation. Amounts withheld by Watermaster under this plan are deposited regularly with ICMA Retirement Corp. The Watermaster makes no contribution under the plan. As of June 30, 2002 the deferred compensation plan assets were held in trust accounts for the sole benefit of the employees and their beneficiaries, and accordingly have been excluded from the Watermaster's reported assets.

## **NOTE 6 – SB 222 FUNDS**

On November 21, 1978, the Chino Basin Watermaster unanimously approved that remaining SB222 funds be utilized primarily to deliver and spread cyclic water and secondarily to purchase and spread replenishment water.

## **NOTE 7 – AGRICULTURAL POOL SALE OF WATER**

In June 1988, the Agricultural Pool sold 2,000 acre feet of water in storage to Cucamonga County Water District. Funds from this sale are held and invested by the Watermaster for future use as determined by the Agricultural Pool members. At June 30, 2002, the proceeds from the sale and related interest earned thereon totaled \$448,151.

## **NOTE 8 – APPROPRIATIVE POOL INTEREST REVENUE ALLOCATION**

On August 30, 1979, the Appropriative Pool unanimously approved assessment procedures whereby any interest earned from the Watermaster assessments paid by Appropriative Pool members would reduce the total current assessment due from those members. Fiscal year 2000-01 interest revenue was allocated to the Appropriative Pool, resulting in a reduction of the 2001-02 assessments.

## **NOTE 9 – OPERATING LEASE**

The Watermaster currently has a lease agreement for office space expiring March 31, 2004. The amount paid under this lease was \$42,895 for the year ended June 30, 2002. The future minimum lease payments for this lease are as follows:

Year Ending June, 30	Amount
2003	52,767
2004	40,365
<b>Total</b>	<b>\$ 93,132</b>

## **NOTE 10 – EMPLOYEE RETIREMENT PLAN**

### **Plan Description and Provision**

The Watermaster contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and Watermaster resolutions. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

## Funding Policy

Participants are required to contribute 7% of their annual covered salary. The Watermaster makes the contribution required by the employees on their behalf and for their account. The Watermaster is required to contribute at an actuarially determined rate. The current rate is 12.754% of annual covered payroll. The contribution requirements of plan members and the Watermaster are established and may be amended by PERS.

## Annual Pension Cost

For the fiscal year ended June 30, 2002, Watermaster's annual pension cost (APC) of \$96,279 was equal to the Watermaster's required and actual contributions. The required contribution was determined as part of the June 30, 2001 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 2% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.5%.

The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smoothed market value). PERS' unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis with an average remaining amortization period of 19 years as of June 30, 2001.

## Three-Year Trend Information for PERS

### Three-Year Trend Information

<u>Fiscal</u> <u>Year</u>	<u>Annual Pension Cost (APC)</u> <u>(Employer Contribution)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
6/30/00	\$ 65,493	100%	-0-
6/30/01	58,089	100%	-0-
6/30/02	96,279	100%	-0-

### Required Supplementary Information

<u>Valuation</u> <u>Date</u>	<u>Entry Age Normal</u> <u>Accrued Liability</u>	<u>Actuarial Value</u> <u>of Assets</u>	<u>Unfunded</u> <u>Liability</u>	<u>Funded</u> <u>Status</u>	<u>Annual</u> <u>Covered</u> <u>Payroll</u>	<u>*UAAL</u> <u>As a % of</u> <u>Payroll</u>
6/30/99	\$ 42,110	41,962	148	99.6%	258,820	(0.1%)
6/30/00	124,832	116,301	8,531	93.2%	333,316	(2.6%)
6/30/01	192,890	178,838	14,052	92.7%	291,502	(4.8%)

\*UAAL refers to unfunded actuarial accrued liability.

### **NOTE 11 – LEGAL MATTERS**

The Watermaster is involved in other pending litigation for which a final outcome is not known at this time.

### **NOTE 12 – PROJECT COMMITMENTS**

Under a financing agreement developed pursuant to the OBMP Recharge Master Plan, the Watermaster is obligated to pay for one-half of the fixed project costs for certain recharge facilities in the Chino Basin area that are being constructed to increase the recharge of imported water, storm water, and recycled water to the Chino Groundwater Basin. The recharge facilities being constructed will be owned by the Inland Empire Utilities Agency pursuant to a Recharge Operations Agreement. When complete, the recharge project will enable the Watermaster to increase annual recharge to approximately 80,000 acre-feet of supplemental water to the Chino Groundwater Basin. In addition, stormwater and recycled water recharge could be increased by as much as 20,000 acre-feet each. Fixed project costs include construction costs, debt service on the related bond financing and reserves for repair, replacement, improvement and debt service.

## COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL FOR THE PERIOD JULY 1, 2001 THROUGH JUNE 30, 2002

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL-ADMINISTRATION AND SPECIAL PROJECTS AGRICULTURAL POOL	POOL APPROPRIATIVE	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	Amended BUDGET 2001-02
<b>Administrative Revenues</b>										
Administrative Assessments			\$4,241,553.41	\$15,982.97	\$241,960.96			\$101.31	\$4,483,514.37	\$3,746,487
Interest Revenue			97,379.97		5,143.87				118,608.12	117,225
Mutual Agency Project Revenue	\$8,374.13								8,374.13	
Grant Income	76,150.87								76,150.87	
Miscellaneous Income	43.45								43.45	0
<b>Total Revenues</b>	85,166.45	\$0.00	4,338,933.38	15,982.97	247,104.83	\$0.00	\$0.00	101.31	4,687,290.94	3,863,712
<b>Administrative &amp; Project Expenditures</b>										
Watermaster Administration	936,650.25								936,650.25	981,742
Watermaster Board-Advisory Committee	62,453.89				6,666.40				62,453.89	83,858
Pool Administration			15,236.27	120,311.10					142,213.77	143,058
Optimum Basin Mgmt Administration		806,674.88							806,674.88	802,131
OBMP Project Costs		1,438,462.28							1,438,462.28	2,684,944
Education Funds Use								375.00	375.00	0
Mutual Agency Project Costs	103,504.00								103,504.00	108,504
Total Administrative/OBMP Expenses	1,102,608.14	2,245,137.16	15,236.27	120,311.10	6,666.40			375.00	3,490,334.07	4,804,237
Net Administrative/OBMP Income	(1,017,439.69)	(2,245,137.16)								
Allocate Net Admin Income To Pools		2,245,137.16	714,761.56	251,745.10	50,933.03				0.00	0.00
Allocate Net OBMP Income To Pools			1,577,231.31	555,514.29	112,391.57				0.00	0.00
Agricultural Expense Transfer			912,545.49	(912,545.49)					0.00	0.00
Total Expenses	3,219,774.62	15,025.00	15,025.00	169,991.00			0.00	375.00	3,490,334.07	4,804,237
Net Administrative Income	1,119,158.76		957.97	77,113.83				(273.69)	1,196,956.87	(940,525)
<b>Other Income/Expense</b>										
Replenishment Water Assessments			38,946.40		9,329.20	0.00			48,275.60	48,276.00
MZ1 Supplemental Water Assessments						1,579,500.04			1,579,500.04	1,579,500
Water Purchases						0.00			0.00	50
SB222 Cyclic Storage Program						0.00			0.00	0.00
Pre-purchased Replenishment Water			0.00			(1,567,524.10)			(1,567,524.10)	(1,627,768)
MZ1 Supplemental Water						0.00			0.00	0.00
Net Other Income	38,946.40		0.00	0.00	9,329.20	11,975.94		0.00	60,251.54	58
Net Income	1,158,105.16		957.97	86,443.03		11,975.94		(273.69)	1,257,208.41	(940,467)
Working Capital, July 1, 2001	1,778,081.21		447,192.34	89,178.30		192,972.01	158,250.86	3,118.76	2,668,793.48	
Working Capital, June 30, 2002	\$ 2,936,186.37		\$ 448,150.31	\$ 175,621.33		\$ 204,947.95	\$ 188,250.86	\$ 2,845.07	\$ 3,926,001.89	
<b>00/01 Production</b>	113,437,249		39,954,460	8,083,777					161,475,486	
<b>00/01 Production Percentages</b>	70.251%		24.743%	5.006%					100.000%	



## Chino Basin Watermaster Calendar Year 2002

### Overlying (Agricultural) Pool Committee

#### Regular Members

Robert DeBerard, Chairman  
Robert Feenstra  
Jack Hagerman  
Patsy Hamilton  
Gene Koopman  
Ron LaBrucherie  
Marilyn Levin  
Carlos Lozano  
Dana Oldenkamp, Vice-Chair  
Jeff Pierson

#### Representing

Crops  
Dairy  
State of California  
State of California  
Dairy  
Dairy  
State of California  
State of California  
Dairy  
Crops

#### Alternates

Jenny DeBoer  
Nathan deBoom  
Dick Dykstra  
Glen Durrington  
Pete Hall  
Rob Kettle  
Peter Van Haam  
Mary Parente  
Robb Quincey  
Frank Warren

#### Representing

Dairy  
Dairy  
Dairy  
Crops  
State of California  
State of California  
State of California  
Dairy  
Dairy  
State of California

### Overlying (Non-Agricultural) Pool Committee

#### Member Entity

Ameron  
Angelica Rental Service  
California Steel Industries (CSI)  
Vulcan Materials Company  
(Calmat Division)  
CCG Ontario, LLC (Catellus)  
General Electric Company  
Mobile Community Management  
(Swan Lake Mobile Home Park)  
Praxair  
San Bernardino County  
Department of Airports  
Sunkist Growers Incorporated  
Reliant Energy, Etiwanda LLC  
Space Center Mira Loma  
California Speedway

#### Representative

Mark Ward  
Eric Vaughn  
Steve Arbelbide, Chairman  
George Cosby  
  
Mike Del Santo  
Mark Gage/David Thompson  
David Starnes  
  
Robert Thrash III  
  
James Jenkins  
David Cooper  
Vic Barrion, Vice-Chair  
Michael Thies  
Les Richter

### Appropriative Pool Committee

#### Member Entity

Arrowhead Mountain Springs Water Company  
Chino, City of  
Chino Hills, City of  
Cucamonga County Water District  
Fontana, City of  
Fontana Union Water Company  
Fontana Water Company  
Inland Empire Utilities Agency  
Jurupa Community Services District  
Los Serranos Country Club  
Marygold Mutual Water Company  
Monte Vista Irrigation Company  
Monte Vista Water District  
Norco, City of  
Ontario, City of  
Pomona, City of  
San Antonio Water Company  
Santa Ana River Water Company  
San Bernardino, County of  
Southern California Water Company  
Upland, City of  
West End Consolidated Water Company  
West San Bernardino County Water District

#### Representative

Laura Coombs  
Dave Crosley  
Mike Maestas  
Robert DeLoach  
Curtis Aaron  
Gerald Black  
Jim Bryson  
Rich Atwater  
Carole McGreevy  
Kevin Sullivan  
Bill Stafford  
Mark Kinsey  
Mark Kinsey, Vice-Chair  
Joe Schenk  
Ken Jeske  
Henry Pepper  
Ray Wellington, Chairman  
Arnold Rodriguez  
Phil Krause  
Kyle Snay  
Jim Moody  
Jim Moody  
Anthony Araiza



**Chino Basin Watermaster Advisory Committee  
Calendar Year 2002  
Overlying (Agricultural) Pool**

<b>Regular Member</b>	<b>Alternate Member</b>	<b>Affiliation</b>
Robert DeBerard	Glen Durrington	Crops
Robert Feenstra	Nathan deBoom	Dairy
Jack Hagerman	Pete Hall	State
Patsy Hamilton	Frank Warren	State
Gene Koopman	Jenny DeBoer	Dairy
Ron LaBrucherie	Dick Dykstra	Dairy
Marilyn Levin	Peter Van Haam	State
Carlos Lozano	Rob Kettle	State
Dana Oldenkamp, 1st Vice-Chair	Robb Quincey	Dairy
Jeff Pierson	Mary Parente	Crops

**Overlying (Non-Agricultural) Pool**

<b>Member Entity</b>	<b>Representative</b>
California Steel Industries	Steve Arbelbide
Reliant Energy, Etiwanda	Vic Barrion, 2nd Vice-Chair
CCG Ontario, LLC (Catellus)	Mike Del Santo

**Appropriative Pool**

<b>Member Entity</b>	<b>Representative</b>
City of Chino	Dave Crosley
City of Chino Hills	Mike Maestas
City of Ontario	Ken Jeske, Chairman
City of Pomona	Henry Pepper
City of Upland	Jim Moody
Cucamonga County Water District	Robert DeLoach
Fontana Union Water Company	Gerald Black
Fontana Water Company	Jim Bryson
Monte Vista Water District	Mark Kinsey
Jurupa Community Services District	Carole McGreevy
San Antonio Water Company	Ray Wellington
Santa Ana River Water Company	J. Arnold Rodriguez

**Watermaster Board  
Calendar Year 2002  
Agricultural Pool Representatives**

Paul Hofer	Crops
Geoffrey Vanden Heuvel	Dairy

**Non-Agricultural Pool Representative**

Steve Arbelbide	California Steel Industries
Alternate: Vic Barrion	Reliant Energy Etiwanda, LLC

**Appropriative Pool Representatives**

Dennis Yates	City of Chino
Alternate: Glenn Duncan	
Gerald DuBois	City of Ontario
Alternate: Paul Leon	
Mike McGraw	Fontana Water Company
Alternate: Robert Nicholson	

**Municipal Water District Representatives**

Terry Catlin	Inland Empire Utilities Agency
Alternate: John L. Anderson	
David DeJesus	Three Valleys Municipal Water District
Alternate: Paula Lantz	
Donald Schroeder	Western Municipal Water District
Alternate: Donald Harriger	

**Staff**

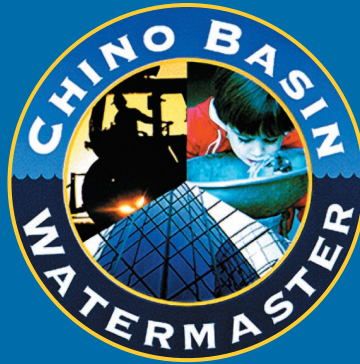
Watermaster retains a staff of seven employees, headed by the Chief Executive Officer, to conduct the day-to-day business and technical activities of Watermaster.

John V. Rossi, Chief Executive Officer  
Traci Stewart, Chief of Watermaster Services  
Sheri Rojo, Accountant/Office Manager  
Michelle Lauffer, Water Resources Specialist  
Mary Staula, Administrative Assistant  
Jim Theirl, Engineering Associate  
Janine Wilson, Secretary

Watermaster also engages the services of consultants for special projects and in areas where specialized expertise is necessary.







Chino Basin Watermaster  
**Twenty-Fifth Annual Report**  
Fiscal Year 2001-02

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[www.cbwm.com](http://www.cbwm.com)

*Note: Add spine text if there is room,  
center on spine*

**Chino Basin Watermaster**

**Twenty-Fifth Annual Report**

**2001-02**