



Chino Basin Watermaster THIRTY-SECOND ANNUAL REPORT



DEVELOPING INDEPENDENCE FROM IMPORTED WATER

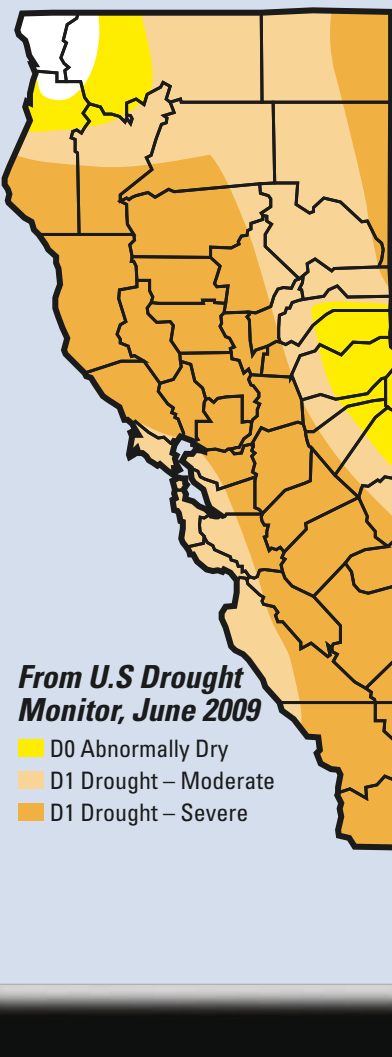
A Message From the Executive Director

State Water Crisis Impacts Southern California

An extended period of below-average rainfall, compounded by a court ruling on environmental problems in the Delta, has strangled the state's ability to move enough water from both Northern California and the Colorado River to Southern California. As a result, our Basin has received no wet water replenishment deliveries since 2007.

Watermaster and Partners Develop Solutions to Increase Regional Water Independence

Watermaster and its partners have been developing solutions to the serious water challenges facing our area. Of primary importance is the historic signing of the Peace II Agreement last fiscal year. This and other agreements established the financial, technical, and institutional



arrangements needed to further develop our local water supply, increase water independence, and help insulate our region from statewide water problems.

Notable progress was made this year towards developing a long-range Recharge Master Plan, finalizing an agreement to expand the Desalter II, and advancing groundwater cleanup progress in a number of areas of the Basin.

This Annual Report describes these projects in more detail. As always, none of this would be possible without the cooperative participation of the many Basin stakeholders, working together with the technically skilled and creative staff and consulting team. On behalf of Watermaster, I would like to thank all the many people and organizations that continue to work together and successfully develop cost-effective, practical solutions to our water supply and quality challenges.

From U.S Drought Monitor, June 2009

- D0 Abnormally Dry**
- D1 Drought – Moderate**
- D1 Drought – Severe**

*Kenneth R. Manning, CEO
Chino Basin Watermaster*

Ten below-average dry years, topped by record-low rainfall two years ago is challenge enough. However, the drought gripping California is different than any we have experienced before, made worse by a confluence of environmental problems in the Delta, an unprecedented eight-year drought along the Colorado River, and growing competition for shrinking water supplies. This is not a case of the common drought—and it cannot be ended by rainfall alone.

From its early days in the 1970s, when Watermaster struggled to referee ongoing disputes over water, to the historic signing of the Peace II Agreement last year, Watermaster and its partners have developed the political, financial, and technical tools to effectively manage the quality and quantity of the Basin's water supply.

A series of frameworks have gradually been put in place to achieve technical, management, and institutional cooperation and economic fairness, while meeting regulatory, legal, water quality, and water supply requirements.

Beginnings of a Collaborative Approach. Following decades of conflict over water in the Basin, the many water stakeholders made notable progress toward a more cooperative approach by signing a Memorandum of Agreement in 1974. A year later, the state gave support to this effort by authorizing a \$2 assessment per acre-foot of water for three years to pay for development of a water plan for the Chino Groundwater Basin.

Governance Framework: Watermaster Formed to Represent All Basin Stakeholders. But more leadership was needed, and in 1978, the San Bernardino County Superior Court created Chino Basin Watermaster to provide a permanent forum for all stakeholders to work together to manage the Chino Groundwater Basin.

Since then, an effective Basin governance structure, technical capabilities, and funding sources have been developed to manage the Basin and meet the water needs of the area's varied interests.

Technical Framework: the Optimum Basin Management Program. In 1998, Watermaster was required by a court decree to develop a detailed plan outlining the issues facing the groundwater Basin along with detailed solutions to resolve them. The resulting Optimum Basin Management Program (OBMP) consists of literally hundreds of specific actions. It has remained one of the key planning tools that has guided Watermaster's activities ever since. Watermaster continues to systematically implement the activities called for in the Plan.

Institutional Framework: Massive Benefits From Peace Agreements. In 2000, the Basin stakeholders and the Court approved the Peace I Agreement, formalizing and making permanent the Watermaster governance structure, making possible a whole new level of cooperation and progress. Following years of negotiation, a more profound collaborative agreement, Peace II, was signed in 2007, making possible much greater water supply benefits from Basin reoperation and up to \$1 billion in cost savings.

The Board of Directors and Stakeholders (below).



Watermaster and Its Partners Build LOCAL SOLUTIONS TO STATE WATER CRISIS

STATEWIDE DROUGHT AND WATER CRISIS

A federal court has curtailed water deliveries from Northern California due to environmental factors in the Sacramento-San Joaquin Delta. This action follows a record dry spring that dramatically reduced snow runoff from the Sierra Nevada in 2008. Today, the state is enduring its third consecutive dry year. Furthermore, the Colorado River—another critical source of water to our region—is in its eighth year of drought.

The result is that major state reservoir levels dropped to near-historic lows this season, impacting supply, recreational uses, and hydropower generation.

Since mid-2007, Chino Basin has not received imported replenishment water. This important source of water has been halted indefinitely. If it is made available in the future, it can only be expected to be available in three out of ten years, rather than the former seven years in ten.

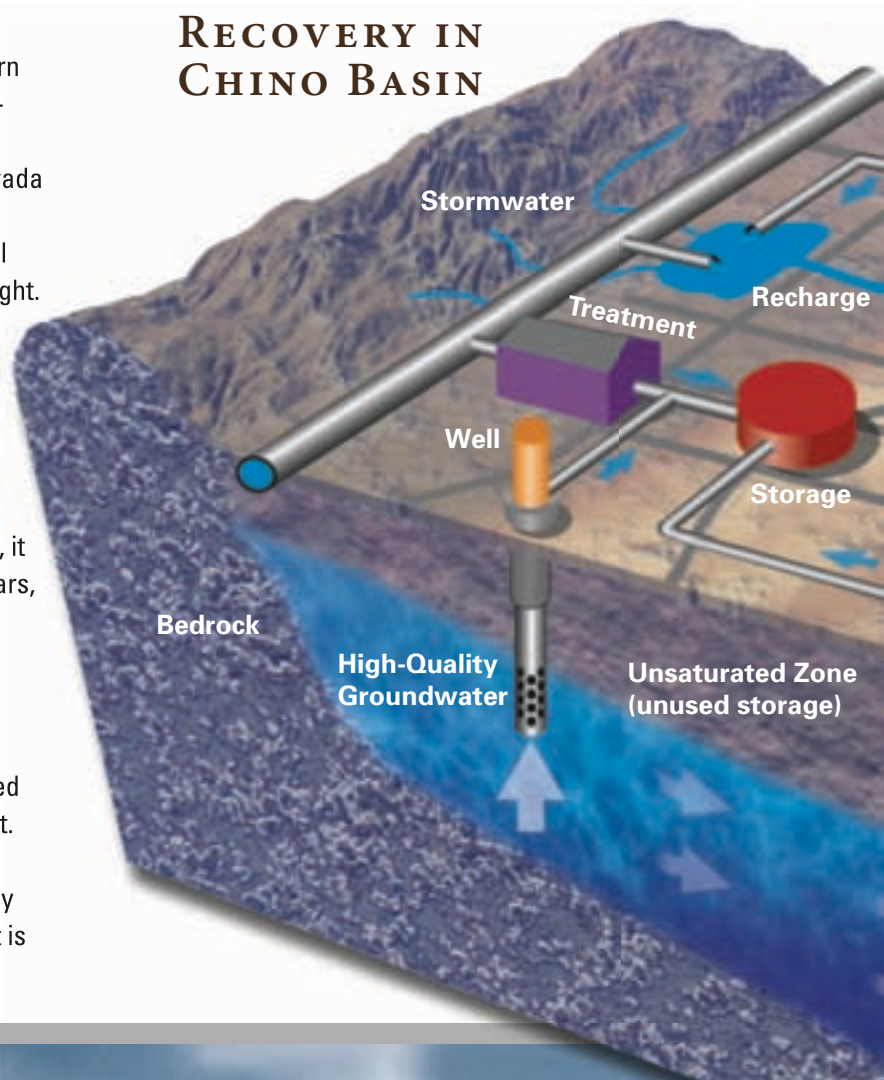
Cutoff in Imported Water Impacts Groundwater Recharge.

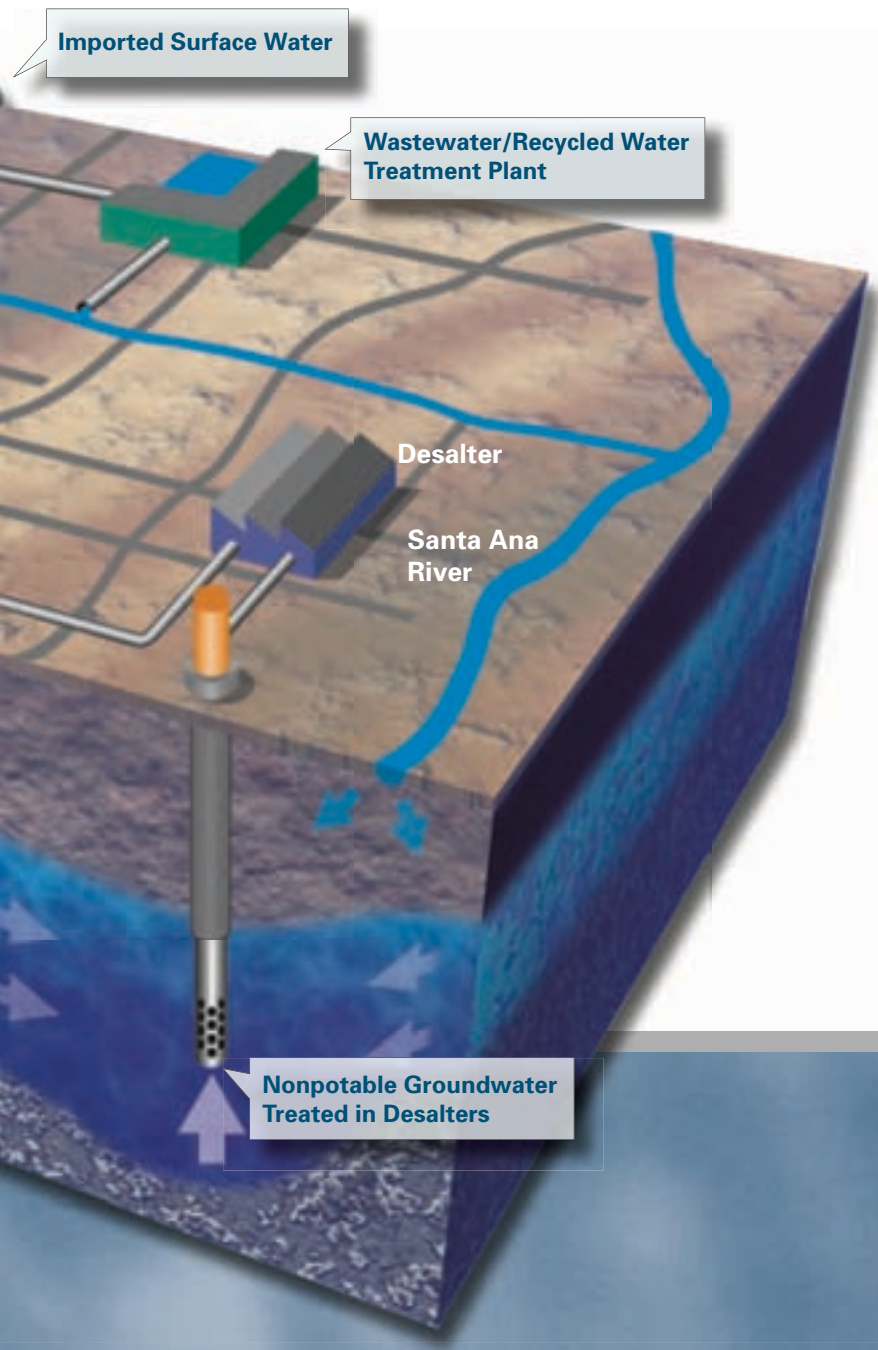
This situation greatly restricts Watermaster's ability to recharge the Basin with recycled water, since regulators require that two parts of imported or stormwater be blended with each part of recycled water to reduce the salt content. Watermaster and Inland Empire Utilities Agency are working closely with regulators to reduce the blend ratio by showing that the performance of the soil aquifer treatment is exceeding initial expectations.

Imported replenishment supplies will probably be available again in the future—but sporadically. Watermaster is helping develop the ability to rapidly accept large amounts of imported and stormwater when they are available to take best advantage of wet years.

The Chino Groundwater Basin is a principal source of water for nearly one million people, extensive agriculture, businesses, and recreational facilities. The Basin itself stretches across 220 square miles, and stores an estimated six million acre-feet of water (about two trillion gallons). The Basin's safe yield is 140,000 acre-feet per year. Last year, about 150,000 acre-feet of water were pumped from it.

STORAGE AND RECOVERY IN CHINO BASIN





California Is Facing the Most Significant Water Crisis in History

A 10-year-long period of below-average rainfall, combined with a statewide drought and legal cutbacks on use of water from the Delta caused serious water supply impacts for the Chino Basin water community, residents, and businesses.

Oroville Lake Feb. 2008

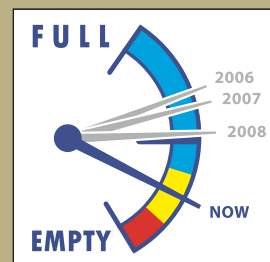


Oroville Lake Feb. 2009



The impact of the drought lake levels in the state water system is apparent from these two photos.

Photos courtesy of California Department of Water Resources.



Southern California Reservoir Storage Nears Empty

Provided courtesy of Metropolitan Water District of Southern California.

New Goal: Independence From Imported Water WATER SUPPLY PROGRAMS ADVANCE

In past decades, a relatively predictable supply of imported water could be counted on. But that is no longer true; today, imported water supplies are no longer adequate to meet current or future water needs. Watermaster is working with its partners on developing local and regional water supply solutions as a path to greater independence from imported water supplies.

TOP PRIORITY: DEVELOPMENT OF RECHARGE MASTER PLAN

The Phase II Facilities Improvement Project is expected to be completed by October 2009. This caps a multi-year, \$40-million program of recharge facility improvements that dramatically increased recharge capacity and lowered long-term maintenance costs. With these recent improvements, recharge capacity was increased from roughly 13,000 acre-feet per year to about 91,000 acre-feet per year. In addition, most of the area's recharge basins are able to operate on a 12-month basis with only occasional downtime for silt and organics removal. The Chino Basin Facilities Improvement Project, Phase II is a joint project of Watermaster, Chino Basin Water Conservation District, Inland Empire Utilities Agency, and San Bernardino County Flood Control District.

Developing an Increased Recharge Capability.

Replenishment water deliveries are currently suspended, but when they do become available, a statewide competition for the water is anticipated, making future reliability of this source more problematic. It is expected that replenishment water will only be available during very wet years and even then for shorter periods of time.

In the past, recharge-related facilities were designed and sized to sip replenishment water at predictable times and amounts. In the future, these facilities will need to be sized and designed to gulp large amounts of water for brief periods during wet years and store it in the Basin.

Progress on Recharge Master Plan. The Recharge Master Plan (RMP) update moved forward rapidly, with great progress being made this fiscal year. There are two parallel initiatives in the Plan: improved stormwater recharge to maximize yield, and improved supplemental water recharge to meet future replenishment needs.

Development of a Recharge Master Plan was the primary focus of the Strategic Planning Conference held in September 2008. This was followed by a November 2008 workshop and formation of a working group to coordinate the multi-agency effort. All the information required to understand, manage, and develop stormwater recharge improvement plans were collected in this fiscal year. Watermaster's recharge model was updated and calibrated. A website has been developed to post the progress and to share the data. The RMP update is on schedule and will be completed by July 1, 2010.



Installing a data-logging pressure transducer in a well.

In light of these water supply challenges: developing increased local supply independence will require increased ability to recharge recycled water, stormwater, and replenishment water into the Basin.

Promising new replenishment strategies are being developed to ensure that Watermaster has the resources to meet all future replenishment obligations.

DRY YEAR YIELD PROGRAM EXPANSION UNDER REVIEW

Delivering Dry Year Yield Water. Metropolitan Water District of Southern California has not provided water for the Dry Year Yield Account since April 2007. In May 2008, Metropolitan called for local agencies to begin withdrawing a total of 33,000 acre-feet over a 12-month period, leaving about 56,000 acre-feet in storage. As part of the Dry Year Yield Program, local agencies received funding to build facilities to pump groundwater faster and to treat contaminated groundwater. These facilities are being used now.

Study to Evaluate Increasing the Dry Year Yield Storage Account. It is proposed that the Dry Year Program could store up to 150,000 acre-feet, with the ability to pump out up to 50,000 acre-feet per year. The recovered water would be used during dry years in lieu of imported water. Technical and environmental studies for the proposed program expansion were completed in December 2008, and negotiations related to development of projects and the amount of expansion are ongoing.

Views of two treatment plants that were funded by the Dry Year Yield Program: City of Upland's Ion Exchange Treatment Plant 6 (below), and Jurupa Community Services District's Roger D. Teargarden Ion Exchange Treatment Plant (right).

DESALTER PROGRAM EXPANSION LEADS TO WIN-WIN

Negotiations and a preliminary engineering design were completed by the Chino Desalter Authority and Western Municipal Water District, allowing the District to join the Authority and expand the Chino II Desalter by 11,800 acre-feet per year. Western Municipal brings outside financial resources to help pay for the Desalter expansion. In return, Western Municipal receives much needed reliable new water supplies. The Desalter II Expansion will be complete in 2013. Included within this expansion is the new Chino Creek Well Field, required for hydraulic control.



Extensive Monitoring Provides Foundation for **BETTER BASIN MANAGEMENT**

Watermaster and its partners have developed innovative and cost-saving management tools, including proprietary computer software, custom databases, and customized monitoring programs.

ACTIVE MONITORING PROGRAMS SUPPORT WATER SUPPLY AND QUALITY PROGRAMS

Extensive groundwater and surface water monitoring programs were carried out this fiscal year, including:

- **New pressure transducers/data loggers were installed at key wells**—principally in the northern portions of the Basin where more detailed groundwater level data are needed.
- **Carried out groundwater and surface water monitoring.** Fiscal year 2008-09 achievements include: collecting over 1,300 manual water level measurements, quarterly data downloads from 130 wells with pressure transducers, 169 groundwater quality samples, 430 surface water quality samples, 489 lysimeter samples in and around recharge basins that are actively recharging recycled water, and 170 samples from monitoring wells located down-gradient from recharge basins that are actively recharging recycled water.

- **Collected weekly and bi-weekly water quality samples from recharge basins that are actively recharging recycled water.** Watermaster also measures the quantity and quality of storm and supplemental water entering the recharge basins.
- **Completed Extensive Management Zone 1 (MZ-1) Activities.** Watermaster monitored wells within the area; replaced five failing water-level-recording transducers and installed two transducers at newly-discovered wells; monitored and maintained the Ayala Park Extensometer Facility; continued planning with the City of Chino Hills on the aquifer injection and recovery (ASR) pilot test well; and worked with Chino Hills to increase a state grant for the project to \$250,000.

Installing SCADA system components for monitoring recharge basin water supplies.



All data collected were compiled, analyzed, and incorporated into databases for easy retrieval and analysis.

ADVANCED SOFTWARE IMPROVES GROUNDWATER MANAGEMENT

The many sophisticated software tools used by Watermaster were key elements in the development and implementation of recent initiatives, including: Basin Reoperation; potential Dry Year Yield Program Expansion; Peace II Agreement implementation; compliance with the Physical Solution; and compliance with the Maximum Benefit obligations.

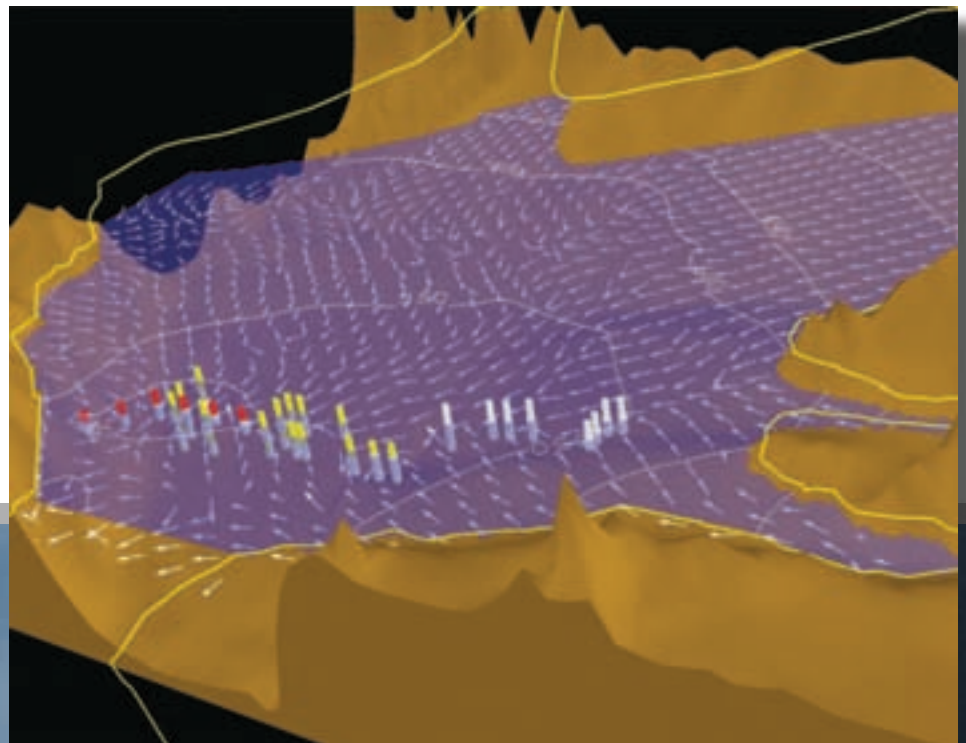
Groundwater Model. High-resolution, three-dimensional groundwater flow and transport models are used to estimate the response of the groundwater levels, stream discharge, and water quality from historical basin operations and future planned operations. The groundwater model incorporates all the significant hydrologic and geologic features in the Basin. It incorporates information from

numerous sources, including: over 1,000 wells, satellite imagery, Doppler radar, groundwater production statistics, and other data to drive the hydrologic process in the model.

SEER-3D™. A three-dimensional viewing tool called Seer-3D™ is used to analyze and report the simulation results from the model; for example, how the Chino Basin works and how groundwater conditions will change in the future with implementation of the physical solutions and the Peace II Agreement.

HYDRODAVE™. The groundwater databases are linked to a comprehensive software program that incorporates all available well construction data, groundwater production, water level, water quality, stream discharge and quality data, and historical documents related to wells and surface water stations, such as construction documents, photographs, and documents of interest.

Example of three-dimensional graphical output that helps Chino Basin Watermaster understand and better manage the Basin. This image shows Desalter wells in and around the proposed Chino Creek well field—with the groundwater flow vectors (arrows) demonstrating hydraulic control.



Advanced software tools speed up the process of understanding the Basin, reduce the cost of acquiring and managing knowledge, and make more information available to more stakeholders than was ever before possible. They have inspired management concepts such as Basin Reoperation and the establishment of the Maximum Benefit water quality objectives—two groundwater management tools that were invented in the Chino Basin.

Programs to Protect and **IMPROVE QUALITY**

All contaminant plumes in the Basin are under active remediation or investigation. Watermaster has pressed for groundwater cleanup, working closely with the Regional Water Quality Control Board and other stakeholders. Watermaster is providing technical information from its vast groundwater database and models, and proposing cost-effective solutions to contamination challenges.

Active Role in the South of Ontario International Airport Plume Cleanup. In the current year, Watermaster was active in the investigation of the trichloroethene (TCE) plume. Actions included: coordinating the drilling schedule for monitoring wells; providing technical input on well design; reviewing the proposed wells plans and specifications; working with stakeholders to delineate the source of the plume; reviewing monthly reports; and receiving electronic data deliveries that were uploaded into Watermaster's database.

Developing Multi-Purpose Cleanup At Chino Airport. Working closely with the San Bernardino County Department of Airports, Watermaster exchanged well water level and water quality data for wells installed by the County. Watermaster also developed a map showing all existing and proposed monitoring wells that may be used to locate one of their proposed nest of monitoring wells to a location that addresses the County's needs and also is beneficial to Watermaster's Hydraulic Control Monitoring Program (HCMP).



Watermaster is an active leader in groundwater cleanup throughout the Basin, including at airports.

MZ-3 Investigations. Watermaster investigated groundwater levels and quality in MZ-3 as part of its plan to bring that part of the Basin into balance using a blend of stormwater, imported water, and recycled water. Recent activities included: drilling, installing, and sampling two nested, multiple-depth piezometers in the path of the Kaiser Steel plume, which is an immediate threat to potable supply wells of the City of Ontario and Jurupa Community Services District; sampling 22 wells in MZ-3 to assess other groundwater quality issues; and submitting a final report, which earned a very good rating from the State.

Extensive Actions in MZ-3 Project Area. Watermaster completed sampling and analysis of perchlorate and other water quality and water level data from a variety of sources and uploaded these into Watermaster's database. Watermaster will participate in a collaborative project funded by the Department of Defense that would seek to determine the source of the wide-spread, low-level perchlorate in MZ-3 groundwater, and to develop a cost-effective and environmentally appropriate solution.

Other Water Quality Activities.

- With the possibility that state regulators may adopt stricter limits on hexavalent chromium, Watermaster researched the potential areas that may be affected by historical contamination. This involved extensive, decade-by-decade research going back to the 1940s and the creation of tables and maps describing the prevalence and extent of this contaminant.
- Watermaster opened a dialog with Alcoa concerning acquisition of their offsite wells to assist Watermaster and the Jurupa Community Services District to monitor groundwater elevations and groundwater quality in that portion of the Chino Basin.
- Watermaster petitioned the Regional Board to require GE's Crown Coach Facility to continue monitoring a trichloroethene (TCE) plume that contains contaminant concentrations that are still quite high.



San Sevaine Recharge Basin following a winter storm.



Watermaster provides both leadership and technical support to ensure that contamination plumes are monitored and cleaned.

Watermaster and Its Partners Ready with **SOLUTIONS TO WATER CHALLENGES**

Despite the significant water supply and water quality challenges facing our region and the entire West, Watermaster and its partners have developed the technical knowledge, institutional relationships, financial resources, and legal and regulatory approvals to increase our water supply independence and security.

SUMMING IT UP: A YEAR OF GOOD PROGRESS AND SOLID FUTURE RESULTS

The Recharge Master Plan ramped up quickly and made excellent progress towards completion in the coming fiscal year.

The Dry Year Yield Program provided needed water to the region, and initial plans for potential expansion of the program were completed.

Expansion of Desalter II. An agreement with Western Municipal Water District was completed with the Chino Basin Desalter Authority, bringing new resources and opportunities to the program.

Extensive monitoring data of groundwater and surface water supplies and quality, and subsidence were gathered and analyzed to support the many Watermaster programs and needs of our stakeholders.

Sophisticated groundwater model, database, and three-dimensional output software were used to develop and refine programs, monitor progress, and communicate to stakeholders, regulators, and the Court.

Contaminant Cleanup. Watermaster supported and helped advance groundwater quality investigations and future groundwater mitigation activities at MZ-3, plume south of Ontario International Airport, Chino Airport, and at other locations around the Basin.



Construction at Etiwanda Debris Basin.

Continued Improvements in Basin Management:

Watermaster and its partners have achieved successes in the past by following a comprehensive approach to water supply and water quality management. This includes constantly updating scientific analyses, continually strengthening institutional relationships, increasing technical understanding of the Basin, and pooling local financial resources supported by state and federal grants.

INTERLOCKING INITIATIVES ADD UP TO LONG-TERM BENEFITS

Each of the achievements summarized on the previous pages and many others are part of an interlocking series of plans that have been developed over years, all building toward a common goal of increased water independence from imported water, improved water supplies and quality, and long-term cost-effectiveness.

Maximum Benefit Approach.

Watermaster convincingly demonstrated to regulators that regulatory levels for total dissolved solids and nitrogen could be raised, allowing vastly increased amounts of recycled water to be recharged, resulting in the maximum beneficial use of water supplies.

Hydraulic Control Required to Implement Maximum Benefit Approach.

As a condition of being allowed to be regulated under the Maximum Benefit approach, Watermaster must maintain hydraulic control—that is stop groundwater from leaking out of the southern end of the Basin into the Santa Ana River.

Basin Reoperation Achieves Both Maximum Benefit and Hydraulic Control.

By drawing down groundwater levels in the southern area of the Basin over decades, groundwater levels will fall low enough that it will no longer leak out of the Basin into the Santa Ana River.

Desalters Improve Water Quality, Increase Water Supplies, and Assist With Hydraulic Control.

Desalters pump out water that would otherwise leak out of the Basin. They also lower total dissolved solids and nitrogen, helping to achieve the Maximum Benefit objectives and providing additional water for customers.

Peace II Agreement. Among many other benefits, creates 400,000 acre-feet of new groundwater storage space that will not have to be replenished, provides financial benefits that could reach \$900 million, and increases the safe yield of the Basin by about 7,000 acre-feet per year.



WATERMASTER GOVERNANCE AND MEMBERSHIP 2008-2009

Watermaster Board

Calendar Year 2009

Agricultural Pool Representatives

MEMBER	REPRESENTING
Paul Hofer Alternate: Bob Feenstra/Jeff Pierson	Crops
Geoffrey Vanden Heuvel Alternate: Bob Feenstra/Jeff Pierson	Dairy

Non-Agricultural Pool Representatives

REPRESENTATIVE	MEMBER ENTITY
Bob Bowcock Alternate: Kevin Sage	Vulcan Materials Company (Calmat Division)

Appropriative Pool Representatives

REPRESENTATIVE	MEMBER ENTITY
Jim Curatalo , Secretary Alternate: Kathy Tieg	Cucamonga Valley Water District
Michael Whitehead , Alternate: Robert Young	Fontana Water Company
Ken Willis , Chair Alternate: Tom Thomas/Anthony La	City of Upland

Municipal Water District Representatives

REPRESENTATIVE	MEMBER ENTITY
Michael Camacho Alternate: Terry Catlin	Inland Empire Utilities Agency
Bob Kuhn , Vice-Chair Alternate: David DeJesus	Three Valleys Municipal Water District
Charles Field Alternate: John Rossi	Western Municipal Water District

Staff

Calendar Year 2009

Kenneth R. Manning,
Chief Executive Officer

Sheri Rojo, CPA,
CFO/Asst. General Manager

Ben Pak,
Senior Project Engineer

Danielle Maurizio, PE,
Senior Engineer

Jim Theirl,
Water Resource Engineer

Frank Yoo, GIS Specialist

Justin Nakano,
Environmental Specialist

Sherri Lynne Molino,
Executive Assistant

Janine Wilson, Accountant

Alexandra Perez,
Office Specialist

Maricha Ramirez,
Office Assistant

Advisory Committee

Calendar Year 2009

Agricultural Pool Representatives

REGULAR MEMBERS	REPRESENTING
Robert Feenstra Pete Hall Alternate: Richard Alvarado/Henry Provencher	Dairy State
Peter Hettinga Alternate: Syp Vander Dussen	Dairy
Gene Koopman , Chair Alternate: Dan Hostetler	Dairy
Nathan Mackamul Jennifer Novak Jeff Pierson	State State Crops

Non-Agricultural Pool Representatives

REPRESENTATIVE	MEMBER ENTITY
Steve Arbelbide Bob Bowcock , 2nd Vice-Chair Alternate: Kevin Sage	California Steel Industries (CSI) Vulcan Materials Company (Calmat Division)

Appropriative Pool Representatives

REPRESENTATIVE	MEMBER ENTITY
Patrick Bauer Dave Crosley Bill Kruger Alternate: Ron Craig	Arrowhead Water Company Chino, City of Chino Hills, City of
Robert DeLoach Alternate: Marty Zvirbulis	Cucamonga Valley Water District
Curtis Aaron Robert Young Mike McGraw Richard Atwater Alternate: Tom Love	Fontana, City of Fontana Union Water Company Fontana Water Company Inland Empire Utilities Agency
Eldon Horst Alternate: Robert Tock/Tom Harder	Jurupa Community Services District
Justin Brocaw Mark Kinsey , Vice-Chair Joe Schenk Ken Jeske Alternate: Mohamed El-Amamy/Joel Moskowitz	Marygold Mutual Water Company Monte Vista Water District Norco, City of Ontario, City of
Henry Pepper Alternate: Raul Garibay	Pomona, City of
Charles Moorrees Phil Krause J. Arnold Rodriguez Kyle Snay Anthony La Anthony La A.W. "Butch" Araiza	San Antonio Water Company San Bernardino, County of (Prado Shooting Park) Santa Ana River Water Company Southern California Water Company Upland, City of West End Consolidated Water Company West Valley Water District

Agricultural Pool Committee

Calendar Year 2009

REGULAR MEMBERS

Nathan deBoom
Glenn Durrington
Robert Feenstra, Chair
Edward Gonsman
Pete Hall
Peter Hettinga
John Huitsing
Gene Koopman
Nathan Mackamul
Jennifer Novak
Jeff Pierson, Vice-Chair
Rob Vanden Heuvel

REPRESENTING

Dairy
 Crops
 Dairy
 State of California-CIW
 State of California-CIM
 Dairy
 Dairy
 Dairy
 State of California-CIW
 State of California-CIM
 Crops
 Dairy

ALTERNATES

Richard Alvarado
Dan Hostetler
Henry Provencher
Syp Vander Dussen

REPRESENTING

State of California
 Crops
 State of California
 Dairy

Non-Agricultural Pool Committee

Calendar Year 2009

REPRESENTATIVE

—
 —
David Penrice
Les Richter
Steve Arbelbide
Mike Del Santo
Lisa Hamilton
 —
 —
 —
David Starnes

Mohamad El Amamy
R.E. Thrash III
Glen Whritenour
Steve Riboli
James Jenkins
Raymond Cordova
Michael Thies
 Alternate: **Tom Cruikshank**
John Ayers
Bob Bowcock, Chair
 Alternate: **Kevin Sage**, Vice-Chair
 —

MEMBER ENTITY

Ameron Inc.
 Angelica Textile Service
 Aqua Capital Management LP
 Auto Club Speedway Speedway
 California Steel Industries (CSI)
 CCG Ontario, LLC (Catellus)
 General Electric Company
 Kaiser Ventures Inc.
 KCO LLC / The Koll Company
 Loving Savior of the Hills
 Mobile Community Management
 (Swan Lake Mobile Home Park)
 Ontario City Non-Ag
 Praxair
 RRI Etiwanda Inc.
 San Antonio Winery
 San Bernardino County Department of Airports
 Southern California Edison
 Space Center Mira Loma Inc.

 Sunkist Growers Inc.
 Vulcan Materials Company
 (Calmat Division)
 West Venture Development

Appropriative Pool Committee

Calendar Year 2009

REPRESENTATIVE

Patrick Bauer
Dave Crosley
Bill Kruger
 Alternate: **Ron Craig**
Robert DeLoach
 Alternate: **Marty Zvirbulis**
Curtis Aaron
Robert Young
Mike McGraw
Kyle Snay
Rich Atwater
 Alternate: **Tom Love**
Eldon Horst
 Alternate: **Robert Tock**
Justin Brokaw
Mark Kinsey
Mark Kinsey, Vice-Chair
 —
 —
Joe Schenk
Ken Jeske, Chair
 Alternate: **Mohamad El-Amamy**
Raul Garibay
Charles Moorrees
Phil Krause
J. Arnold Rodriguez
Anthony La
Anthony La
A.W. "Butch" Araiza

MEMBER ENTITY

Arrowhead Mountain Spring Water
 Chino, City of
 Chino Hills, City of

 Cucamonga Valley Water District

 Fontana, City of
 Fontana Union Water Company
 Fontana Water Company
 Golden State Water Company
 Inland Empire Utilities Agency

 Jurupa Community Services District

 Marygold Mutual Water Company
 Monte Vista Irrigation Company
 Monte Vista Water District
 Niagara Bottling Company
 Nicholson Trust
 Norco, City of
 Ontario, City of

 Pomona, City of
 San Antonio Water Company
 San Bernardino, County of (Prado Shooting Park)
 Santa Ana River Water Company
 Upland, City of
 West End Consolidated Water Company
 West Valley Water District

WATERMASTER REPRESENTS ALL KEY STAKEHOLDER GROUPS

To draw together in a single organization all the diverse interests in the Basin, a governing structure was formed that represents all stakeholder groups, including a Board, Advisory Committee and three Producer Pools:

- Agricultural Pool to represent dairymen, farmers, and State interests.
- Non-Agricultural Pool to represent commercial and industrial producers.
- Appropriative Pool to represent cities, water districts, and water companies.

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Appendices

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**COURT HEARINGS AND ORDERS
FISCAL YEAR 2008-2009**

During the fiscal year 2008-09, several hearings were held relating to implementation of the Optimum Basin Management Program (OBMP). Hearings and orders were as follows:

Hearing Date	Primary Subject Matter
May 11, 2009	<ul style="list-style-type: none"> • Notice of Ruling; Notice of Hearing
April 24, 2009	<ul style="list-style-type: none"> • Declaration of Scott S. Slater; Status of Chino Basin Watermaster Reports and Related Reportings • Transmittal of Status Report 2008-2
March 2, 2009	<ul style="list-style-type: none"> • Watermaster's Transmittal of Thirty-First Annual Report
February 23, 2009	<ul style="list-style-type: none"> • Notice of Rulings
February 13, 2009	<ul style="list-style-type: none"> • Ex parte Request to Reschedule April 16, 2009 Hearing; Declaration of Mark Wildermuth; Proposed Order
February 3, 2009	<ul style="list-style-type: none"> • Stipulation to Continue Defendant City of Chino's Motion under Paragraph 15
January 26, 2009	<ul style="list-style-type: none"> • Watermaster Transmittal of Hearing Outline
December 23, 2008	<ul style="list-style-type: none"> • Notice of Motion and Motion Requesting Approval of Intervention of Aqua Capital Management into the Chino Basin Judgment; Points and Authorities in Support Thereof • Watermaster's Compliance with Condition Subsequent Number Seven; Supplement to Condition Subsequent Number Five
November 20, 2008	<ul style="list-style-type: none"> • Notice of November 13, 2008 Rulings
November 9, 2008	<ul style="list-style-type: none"> • Ex Parte Hearing RE: Assignment of Case/Resetting of Hearing Dates
November 5, 2008	<ul style="list-style-type: none"> • Cucamonga Valley Water District's Supplemental Reply in Support of CVWD's Motion to Discontinue the Appointment of the Special Referee
October 17, 2008	<ul style="list-style-type: none"> • Notice of Ruling
October 16, 2008	<ul style="list-style-type: none"> • Notice of Ruling

October 14, 2008	<ul style="list-style-type: none"> • Notice of Ruling
October 10, 2008	<ul style="list-style-type: none"> • Ex Parte Motion Requesting Approval of Intervention of City of Ontario [Non-Ag]; Riboli Family/San Antonio Winery, Inc.; Fuji Natural Foods, Inc.; KCO, LLC (“Koll”); and Michael Y. Park into the Chino Basin Judgment • Notice of Ex Parte Motion Requesting Approval of Interventions of City of Ontario [Non-Ag]; Riboli Family/San Antonio Winery, Inc.; Fuji Natural Foods, Inc.; KCO, LLC (“Koll”); and Michael Y. Park into the Chino Basin Judgment • [Proposed] Order Approving Interventions of City of Ontario [Non-Ag]; Riboli Family/San Antonio Winery, Inc.; Fuji Natural Foods, Inc.; KCO, LLC (“Koll”); and Michael Y. Park into the Chino Basin Judgment
October 7, 2008	<ul style="list-style-type: none"> • Cucamonga Valley Water District’s Ex Parte Application to Continue the Hearing on CVWD’s Motion to Discontinue the Appointment of the Special Referee • Declaration of Jill N. Willis in Support of CVWD’s Ex Parte Application to Continue the Hearing on CVWD’s Motion to Discontinue the Appointment of the Special Referee • [Proposed] Order Continuing Hearing on Cucamonga Valley Water District’s Motion to Discontinue the Appointment of the Special Referee
September 16, 2008	<ul style="list-style-type: none"> • Notice for Reassignment of Case to Judge Wade
August 28, 2008	<ul style="list-style-type: none"> • City of Ontario’s Limited Joinder to Cucamonga Valley Water District’s Motion to Discontinue the Appointment of the Special Referee
August 22, 2008	<ul style="list-style-type: none"> • Defendant City of Chino’s Peremptory Challenge
August 20, 2008	<ul style="list-style-type: none"> • Notice of Reassignment
August 18, 2008	<ul style="list-style-type: none"> • Motion Requesting Approval of Intervention of Riboli Family/San Antonio Winery, Inc.; Fuji Natural Foods, Inc.; KCO, LLC (“Koll”); and Michael Y. Park into the Chino Basin Judgment
August 15, 2008	<ul style="list-style-type: none"> • IEUA’s and WMWD’s Response to Comments of Special Referee on Watermaster Compliance with December 21, 2007 Order Conditions 1 through 6 Motion to Receive and File Watermaster’s Thirtieth Annual Report and Status Report for 2007-2 and Motions for Intervention; Declaration of Richard W. Atwater

August 14, 2008

- Peremptory Challenge
-

August 13, 2008

- Cucamonga Valley Water District's Reply to Special Referee's Response to Motion to Discontinue the Appointment of the Special Referee
 - Cucamonga Valley Water District's Reply to Joint Opposition to CVWD's Motion to Discontinue the Appointment of the Special Referee
 - Declaration of Robert A. DeLoach in Support of Cucamonga Valley Water District's Reply to Special Referee's Response to Motion to Discontinue the Appointment of the Special Referee
 - Declaration of Sheri Rojo
 - Declaration of Danielle Broderick regarding Notice of the Joint Ex Parte Application to Stay Determination of All Contested Matters and Watermaster Filings until Judge Gunn Returns, or in the Alternative, until a Judge is Appointed Permanently for All Purposes
 - Joinder in Proposed Order RE Stay of Selected Proceedings
 - Notice of Reassignment of Case for All Purposes
-

August 12, 2008

- Joint Ex parte Application to Stay Determination of Contested Matters and Watermaster Filings until Judge Michael Gunn Returns, or in the Alternative, until a Court is Appointed Permanently for All-Purposes
-

August 11, 2008

- Evidentiary Objections to Cucamonga Valley Water District's Motion to Discontinue the Appointment of the Special Referee and the Declaration of Jill N. Willis in Support Thereof
 - Joint Opposition to Cucamonga Valley Water District's Motion to Discontinue the Appointment of the Special Referee; Declaration of Mark Kinsey
 - Joint Request for Judicial Notice
-

August 7, 2008	<ul style="list-style-type: none"> • Agricultural Pool Committee of the Chino Basin's Opposition to Cucamonga Valley Water District's Motion to Discontinue the Appointment of the Special Referee • Joinder of Fontana Union Water Company to Cucamonga Valley Water District's Notice of Motion to Discontinue the Appointment of the Special Referee • Motion to Receive and file Watermaster's 29th Annual Report (Fiscal Year 2005-2006), 2006 State of the Basin Report, and Status Report 2007-2; Transmittal of Final Copy of Watermaster's 29th Annual Report, 2006 State of the Basin Report and Status Report 2007-2. • Opposition of the Chino Basin Water Conservation District to Cucamonga Valley Water District's Motion to Discontinue the Appointment of the Special Referee; Joinder in the Response Filed by the Special Referee
July 31, 2008	<ul style="list-style-type: none"> • Response to Cucamonga Valley Water District's Notice of Motion and Motion to Discontinue the Appointment of the Special Referee
July 30, 2008	<ul style="list-style-type: none"> • Comments of Special Referee on Watermaster Compliance with December 21, 2007 Order Conditions 1 through 6, Motion to Receive and File Watermaster's 30th Annual Report and Status Report 2007-1, and Motions for Intervention
July 17, 2008	<ul style="list-style-type: none"> • Joinder of San Antonio Water Company to Cucamonga Valley Water District's Notice of Motion and Motion to Discontinue the Appointment of the Special Referee
July 15, 2008	<ul style="list-style-type: none"> • Motion Requesting Approval of Intervention of KCO, LLC ("Koll") • Motion to Receive and File Watermaster's 30th Annual Report (Fiscal Year 2006-2007) and Status Report 2007-1; Transmittal of Final Copy of Watermaster's 30th Annual Report and Status Report 2007-1
July 8, 2008	<ul style="list-style-type: none"> • Declaration of Jill N. Willis in Support of Motion to Discontinue the Appointment of the Special Referee

**RESOLUTIONS
CALENDAR YEAR 2009**

Resolution	Adopted	Summary of Resolution
09-04	April 23, 2009	<p><i>Intention to Approve An Amendment to Contract Between the Board of Administration, California Public Employees' Retirement System and Chino Basin Watermaster Board of Chino Basin Watermaster</i></p> <p>The Chino Basin Watermaster governing body does hereby approve a resolution of intent to approve an amendment to the contract between said public agency and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached as an "Exhibit" and by the this reference made a part hereof.</p>
09-03	January 22, 2009	<p><i>Levying Replenishment and Administrative Assessments for Fiscal Year 2008-2009</i></p> <ul style="list-style-type: none"> • The Chino Basin Watermaster levies the respective assessments for each pool effective January 22, 2009 as shown on Exhibit "A" (Summary of Assessments). • Pursuant to the Judgment, each party has thirty-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 Section 55 (c) of the Judgment.
09-02	January 22, 2009	<p><i>Authorizing Investment of Monies in the Local Agency Investment Fund</i></p> <ul style="list-style-type: none"> • The Board of Directors does hereby authorize the deposit and withdrawal of Chino Basin Watermaster monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that record. • The following Chino Basin Watermaster officers and designated employees or their successors in office/position shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund: Chairman of the Board, Vice-Chair, Board Secretary/Treasurer, Chief Executive Officer/Secretary, and CFO/Asst. GM.
09-01	February 26, 2009	<p><i>Establishing a Watermaster Investment Policy</i></p> <p>It shall be the policy of the Watermaster to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Watermaster and conforming to all statutes and judgments governing the investment of Watermaster funds.</p>

HISTORY OF INTERVENTIONS AFTER THE JUDGMENT

Production Year ¹	Appropriative	Non-Agricultural	Agricultural
08-09		City of Ontario Aqua Capital Management	Michael Y. Park
07-08		KCO, LLC / The Koll Company Riboli Family / San Antonio Winery	Fuji Natural Foods, Inc.
06-07			
05-06			
04-05			
03-04			
02-03	Niagara Bottling Company		
01-02	Nicholson Trust		
00-01		Loving Savior of the Hills Lutheran Church CCG Ontario, LLC (Catellus Commercial Group)	
99-00			
98-99			
97-98			Louis Badders Paul Russavage
96-97		Mountain Vista Power Generation Company, LLC 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			
93-94			
92-93			
91-92	Arrowhead Mountain Springs Water Co.	California Steel Industries, Inc.	
90-91			
89-90	Fontana Water Company		Gary Teed

¹ Refer to the Twenty-Seventh Annual Report (Fiscal Year 2003-04) for interventions prior to 89-90.

**WATERMASTER'S "NOTICE OF INTENT" TO
CHANGE THE OPERATING SAFE YIELD OF THE
CHINO GROUNDWATER BASIN**

PLEASE TAKE NOTICE that on this 22nd day of January 2009, 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/ Gene Koopman
Chair

By: /s/ Kenneth Willis
Chair

ATTEST:

By: /s/ Jim Curatalo
Secretary

**APPROPRIATIVE RIGHTS
(ORIGINAL PER JUDGMENT)**

<u>Party</u>	<u>Appropriative Right (Acre-Feet)</u>	<u>Share of Initial Operating Safe Yield (Acre-Feet)</u>	<u>Share of Operating Safe Yield (Percent)</u>
City of Chino	5,271.70	3,670.07	6.69
City of Norco	289.50	201.55	0.37
City of Ontario	16,337.40	11,373.82	20.74
City of Pomona	16,110.50	11,215.85	20.45
City of Upland	4,097.20	2,852.40	5.20
Cucamonga County Water District	4,431.00	3,084.79	5.63
Jurupa Community Services District	1,104.10	768.66	1.40
Monte Vista County Water District	5,958.70	4,148.34	7.57
West San Bernardino County Water District	925.50	644.32	1.18
Etiwanda Water Company	768.00	534.67	0.98
Feldspar Gardens Mutual Water Company	68.30	47.55	0.09
Fontana Union Water Company	9,188.30	6,396.74	11.67
Marygold Mutual Water Company	941.30	655.32	1.20
Mira Loma Water Company	1,116.00	776.94	1.42
Monte Vista Irrigation Company	972.10	676.76	1.23
Mutual Water Company of Glen Avon Heights	672.20	467.97	0.85
Park Water Company	236.10	164.37	0.30
Pomona Valley Water Company	3,106.30	2,162.55	3.94
San Antonio Water Company	2,164.50	1,506.89	2.75
Santa Ana River Water Company	1,869.30	1,301.37	2.37
Southern California Water Company	1,774.50	1,235.38	2.25
West End Consolidated Water Company	1,361.30	947.71	1.73
Total	78,763.80	54,834.00	100.00

APPROPRIATIVE RIGHTS (AS OF JUNE 30, 2009)

<u>Party</u>	<u>Appropriative Right (Acre-Feet)</u>	<u>Share of Initial Operating Safe Yield (Acre-Feet)</u>	<u>Share of Operating Safe Yield (Percent)</u>
City of Chino ^A	5,794.25	4,033.86	7.36
City of Chino Hills ^B	3,032.86	2,111.42	3.85
City of Norco	289.50	201.55	0.37
City of Ontario	16,337.40	11,373.82	20.74
City of Pomona	16,110.50	11,215.85	20.45
City of Upland	4,097.20	2,852.40	5.20
Cucamonga Valley Water District ^C	5,199.00	3,619.45	6.60
Jurupa Community Services District ^D	2,960.60	2,061.12	3.76
Monte Vista County Water District ^E	6,929.15	4,823.95	8.80
West Valley Water District ^F	925.50	644.32	1.18
Fontana Union Water Company ^G	9,181.12	6,391.74	11.66
Fontana Water Company ^H	1.44	1.00	0.002
Los Serranos County Club ^I	-	-	-
Marygold Mutual Water Company	941.30	655.32	1.20
Monte Vista Irrigation Company	972.10	676.76	1.23
Niagara Bottling Company ^J	-	-	-
Nicholson Trust ^K	5.75	4.00	0.01
San Antonio Water Company	2,164.50	1,506.89	2.75
Santa Ana River Water Company	1,869.30	1,301.37	2.37
Golden State Water Company ^L	591.05	411.48	0.75
West End Consolidated Water Company	1,361.30	947.71	1.73
San Bernardino County (Shooting Park) ^M	-	-	-
Arrowhead Mountain Springs Water Company ^N	-	-	-
City of Fontana ^O	-	-	-
Total	78,763.82	54,834.00	100.00

^A 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.

^B WW#8 acquired a portion of the rights of Park and Pomona Valley Water Companies in 1983. City of Chino Hills incorporated in 1991 and assumed the responsibility for providing the public services formerly provided by WW#8.

^C CCWD acquired the rights to Etiwanda Water Company (upon dissolution in 1986). CCWD changed its name to CVWD in 2004.

^D JCSD acquired the rights of Mira Loma Water Company (776.940 AF OSY), Feldspar Gardens (47.549 AF OSY) and Mutual Water Company of Glen Avon Heights (467.974 AF OSY).

^E MVCWD changed its name to MVWD in 1980. In 1990, MVWD received 675.610 AF of WW#8 OSY as a result of a permanent transfer.

^F WSBCWD changed its name to WVWD in 2003.

^G In FY 2001-02, 5.00 AF OSY was reassigned: 1.00 AF to FWC and 4.00 AF to the Nicholson Trust.

^H FWC intervened in FY 91-92 and was assigned 1.00 AF of OSY as a result of a permanent transfer of water rights from FUWC.

^I Los Serranos intervened in FY 83-84.

^J Niagara Bottling Company intervened in FY 02-03.

^K Nicholson Trust intervened in FY 01-02.

^L 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. SCWC changed its name to GSWC in 2005.

^M San Bernardino County Prado Tiro (now known as Prado Shooting Park) was involuntarily reassigned to the Appropriative Pool from the Ag Pool in 1985.

^N Arrowhead intervened in FY 92-93.

^O City of Fontana intervened in FY 98-99.

**NON-AGRICULTURAL RIGHTS
(ORIGINAL PER JUDGMENT)**

<u>Party</u>	<u>Total Overlying Non-Agricultural Rights (Acre-Feet)</u>	<u>Share of Safe Yield (Acre-Feet)</u>
Ameron Steel Producers, Inc.	125.00	97.86
County of San Bernardino (Airport)	171.00	133.87
Conrock Company	406.00	317.84
Kaiser Steel Corporation	3,743.00	2,930.27
Red Star Fertilizer	20.00	15.66
Southern California Edison Co.	1,255.00	982.50
Space Center, Mira Loma	133.00	104.12
Southern Service Co. dba Blue Seal Linen	24.00	18.79
Sunkist Growers, Inc.	2,393.00	1,873.40
Carlsberg Mobile Home Properties, Ltd '73	593.00	464.24
Union Carbide Corporation	546.00	427.45
Quaker Chemical Co.	-	-
Total	9,409.00	7,366.00

**NON-AGRICULTURAL RIGHTS
(AS OF JUNE 30, 2009)**

<u>Party</u>	<u>Total Overlying Non-Agricultural Rights (Acre-Feet)</u>	<u>Share of Safe Yield (Acre-Feet)</u>
Ameron Steel Producers, Inc.	125.00	97.86
County of San Bernardino (Airport)	171.00	133.87
Vulcan Materials Company ^A	-	-
CCG Ontario LLC ^B	-	-
West Venture Development Co. ^C	-	-
Southern California Edison Co. ^D	35.71	27.96
RRI Etiwanda, Inc. ^E	1,219.29	954.54
Space Center, Mira Loma	133.00	104.12
Angelica Rental Service ^F	24.00	18.79
Sunkist Growers, Inc. ^G	60.46	47.33
Swan Lake Mobile Home Park ^H	593.00	464.24
California Steel Industries ^I	1,660.56	1,300.00
Praxair ^J	546.00	427.45
General Electric Company ^K	-	-
California Speedway ^L	1,277.36	1,000.00
Loving Savior of the Hills Lutheran Church ^M	-	-
KCO, LLC/The Koll Company ^N	-	-
Ontario City Non-Ag ^O	2,332.54	1,826.07
Aqua Capital Management ^P	1,211.08	948.12
Total	9,389.00	7,350.34

^A Conrock became Calmat and in FY 99-00 became Vulcan Materials Co. On July 23, 2009, Vulcan permanently transferred its 317.844 AF OSY to Aqua Capital Management.

^B Kaiser Steel Corporation became Kaiser Resources and then Kaiser Venture, Inc. Kaiser sold portions of its property to CSI & Speedway, then its last property holdings and all its remaining water rights to CCG Ontario LLP on August 16, 2000. On December 18, 2009, CCG Ontario permanently transferred its 630.274 AF OSY to Aqua Capital Management.

^C Anaheim Citrus became Red Star Fertilizer, West Venture Development. West Venture went out of business in 91-92.

^D A portion of SCE was sold in FY 98-99; SCE retained 27.959 AF OSY.

^E Mountain Vista Power Generating Company (MVPG) purchased the Etiwanda Generating Facility owned by SCE in FY 98-99. MVPG became Reliant Energy, Etiwanda with 954.540 AF OSY. Reliant Energy, Etiwanda changed its name to RRI Etiwanda, Inc. in FY 08-09.

^F Southern Service Company became Angelica Rental Service.

^G On May 22, 2008, Sunkist permanently transferred 22.000 AF OSY to Koll. On October 23, 2008 Sunkist permanently transferred 1,804.070 AF OSY to Ontario City Non-Ag.

^H Carlsberg Mobile Home Properties became Mobile Community Management and is known as Swan Lake Mobile Home Park.

^I California Steel Industries (CSI) intervened in FY 91-92 after purchasing land from Kaiser.

^J Union Carbide Corp. became Praxair, Inc.

^K General Electric Company intervened in FY 95-96.

^L California Speedway intervened in FY 96-97 after purchasing land from Kaiser. On August 16, 2000, Catellus permanently transferred 525.000 AF OSY to Speedway. California Speedway changed its name to Auto Club Speedway in FY 07-08.

^M Loving Savior of the Hills Lutheran Church intervened in FY 00-01.

^N KCO/Koll intervened in FY 07-08 after purchasing land from Sunkist. On May 22, 2008, Sunkist permanently transferred 22.000 AF OSY to Koll. On May 28, 2009, the 22.000 AF OSY was permanently transferred to Ontario City Non-Ag.

^O Ontario City Non-Ag intervened in FY 08-09 after purchasing land from Sunkist. On October 23, 2008, Sunkist permanently transferred 1,804.070 AF OSY to Ontario City Non-Ag. On May 28, 2009, Koll's 22.000 AF OSY was permanently transferred to Ontario City Non-Ag.

^P Aqua Capital Management intervened in FY 08-09 after purchasing land from CCG Ontario. On December 18, 2008, CCG Ontario permanently transferred 630.274 AF OSY to Ontario City Non-Ag. On July 23, 2009, Vulcan permanently transferred 317.844 AF OSY to Aqua Capital Management.

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

Production Year	Appropriative	Agricultural	Non-Agricultural	Total
74-75	70,312	96,567	8,878	175,757
75-76	79,312	95,349	6,356	181,017
76-77	72,707	91,450	9,198	173,355
77-78	60,659	83,934	10,082 ¹	154,675
78-79	60,597	73,688	7,127	141,412
79-80	63,834	69,369	7,363	140,566
80-81	70,726	68,040	5,650	144,416
81-82	66,731	65,117	5,684	137,532
82-83	63,481	56,759	2,395	122,635
83-84	70,558	59,033	3,208	132,799
84-85	76,912	55,543	2,415	134,870
85-86	80,859	52,061	3,193	136,113
86-87	84,662	59,847	2,559	147,068
87-88	91,579 ²	57,865	2,958	152,402
88-89	93,617 ³	46,762	3,619	143,998
89-90	101,344 ⁴	48,420	4,856	154,620
90-91	86,658 ⁵	48,085	5,407	140,150
91-92	91,982 ⁶	44,682	5,240	141,904
92-93	86,367 ⁷	44,092	5,464	135,923
93-94	80,798 ⁸	44,298	4,586	129,682
94-95	93,419 ⁹	55,022	4,327	152,768
95-96	101,606 ^{10,11}	43,639	5,424	150,669
96-97	110,163 ¹¹	44,809	6,309	161,281
97-98	97,435 ¹²	43,345	4,955 ¹³	145,735
98-99	107,723	47,538	7,006	162,267
99-00	126,645	44,401	7,774	178,820
00-01	113,437 ^{11,14}	39,954	8,084	161,475
01-02	121,489 ^{11,15}	39,494	5,548	166,531
02-03	120,557 ^{11,16}	38,487 ¹¹	4,853	163,897
03-04	136,834 ¹⁷	41,978	2,915	181,727
04-05	127,811 ¹⁸	34,450	2,327	164,588
05-06	124,315 ¹⁹	33,900	3,026	161,241
06-07	130,826 ²⁰	37,295	3,369	171,491
07-08	103,078 ²¹	30,910	3,440	137,427
08-09	84,716 ²²	32,143	4,394	121,253

¹ Includes 3,945 AF of mined water pumped by Edison as agent for IEUA.

² Does not include 7,674.3 AF exchanged with MWDSC.

³ Does not include 6,423.6 AF exchanged with MWDSC.

⁴ Does not include 16,377.1 AF exchanged with MWDSC.

⁵ Does not include 14,929.1 AF exchanged with MWDSC.

⁶ Does not include 12,202.4 AF exchanged with MWDSC.

⁷ Does not include 13,657.3 AF exchanged with MWDSC.

⁸ Does not include 20,194.7 AF exchanged with MWDSC.

⁹ Does not include 4,221.9 AF exchanged with MWDSC.

¹⁰ Does not include 6,167.2 AF exchanged with MWDSC.

¹¹ Reflects corrected production after reporting errors were accounted for.

¹² Does not include 4,275.4 AF exchanged with MWDSC.

¹³ Does not include 216.5 AF exchanged with MWDSC.

¹⁴ Does not include 7,989 AF Desalter production or 99.8 AF Dept. of Toxic Substances Control (DTSC) production.

¹⁵ Does not include 9,458 AF Desalter production or 80.8 AF Dept. of Toxic Substances Control (DTSC) production.

¹⁶ Does not include 10,439 AF Desalter production or 79.1 AF Dept. of Toxic Substances Control (DTSC) production.

¹⁷ Does not include 10,605 AF Desalter production or 79.1 AF Dept. of Toxic Substances Control (DTSC) production.

¹⁸ Does not include 9,854 AF Desalter production or 80.7 AF Dept. of Toxic Substances Control (DTSC) production.

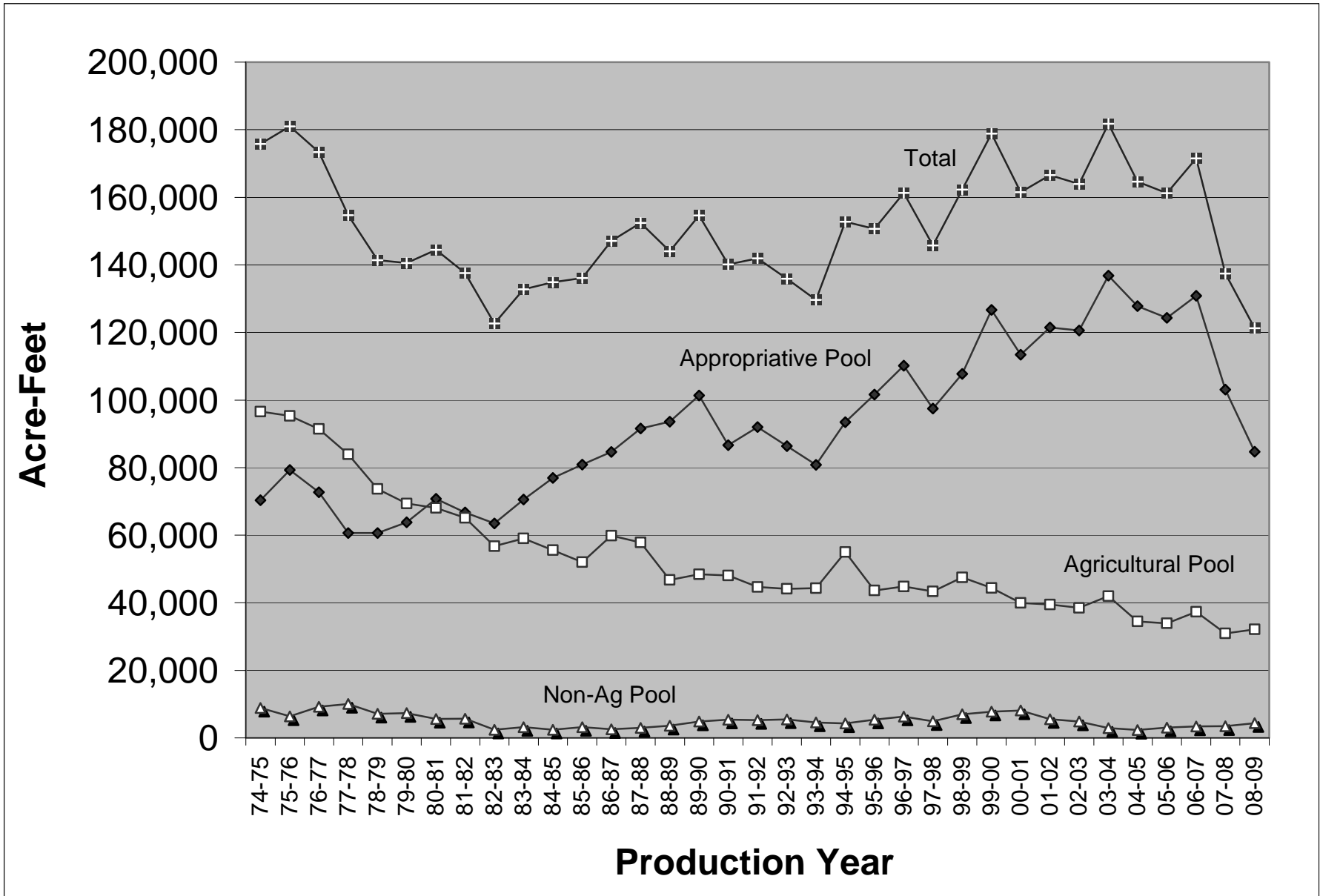
¹⁹ Does not include 16,476 AF Desalter production or 79.5 AF Dept. of Toxic Substances Control (DTSC) production.

²⁰ Does not include 26,356 AF Desalter production or 79.3 AF Dept. of Toxic Substances Control (DTSC) production.

²¹ Does not include 26,972 AF Desalter production or 81.1 AF Dept. of Toxic Substances Control (DTSC) production.

²² Does not include 32,920 AF Desalter production or 82.6 AF Dept. of Toxic Substances Control (DTSC) production.

HISTORY OF TOTAL ANNUAL GROUNDWATER PRODUCTION BY POOL



**HISTORY OF REALLOCATION OF UNPRODUCED
AGRICULTURAL POOL SAFE YIELD¹
(ACRE-FEET)**

Production Year	Land Use Conversions	Remaining 50% Allocated	Balance Available	Total Ag Pool Reallocated to Appropriators
83-84	297	297	25,762	26,355 ²
84-85	297	297	18,543	19,136
85-86	406	406	21,091	21,902
86-87	406	406	36,348	37,159
87-88	2,028	2,028	74,433	78,489 ³
88-89	406	406	24,124	24,935
89-90	406	406	35,227	36,038
90-91	406	406	33,569	34,380
91-92	406	406	33,904	34,715
92-93	406	406	37,307	38,118
93-94	406	406	37,897	38,708
94-95	3,246	406	34,850	38,502
95-96	5,855	5,855	16,067	27,778
96-97	6,310	6,310	26,541	39,161
97-98	7,213	7,213	23,565	37,991
98-99	8,511	8,511	22,433	39,455
99-00	10,471	N/A	63,191	73,662 ⁴
00-01	13,920	N/A	28,926	42,846
01-02	14,133	N/A	29,173	43,306
02-03	16,480	N/A	27,833	44,313
03-04	17,510 ⁵	N/A	23,312	40,822
04-05	19,013	N/A	29,336	48,350
05-06	20,370	N/A	28,530	48,900
06-07	22,158	N/A	23,346	45,505
07-08	22,461	N/A	23,346	45,505
08-09	22,730	N/A	27,927	50,657

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. Ag Pool Annual Safe Yield is 82,800 AF.

⁵ After duplication of conversion areas were identified, Jurupa's Pre-Peace Agreement acres were adjusted (337.6 acres), and Post-Peace Agreement acres were adjusted (846.4 acres).

TOTAL WATER CONSUMPTION WITHIN THE CHINO BASIN¹
(ACRE-FEET)

Production Year	Chino Basin Extractions ²	Other Imported Supplies ³	Total
74-75	175,757	49,383	225,140
75-76	181,017	57,686	238,703
76-77	173,355	55,765	229,120
77-78	154,675	61,567	216,242
78-79	142,412 ⁴	75,864	218,276
79-80	140,566	70,727	211,293
80-81	144,416	77,765	222,181
81-82	137,532	67,491	205,023
82-83	122,635	76,000	198,635
83-84	132,799	99,257	232,056
84-85	134,870	92,952	227,822
85-86	136,113	114,624	250,737
86-87	147,068	126,493	273,561
87-88	152,402	116,175	268,577
88-89	143,998	128,167	272,165
89-90	154,620	139,004	293,624
90-91	140,151	116,493	256,644
91-92	141,904	104,480	246,384
92-93	135,923	117,205	253,128
93-94	129,682	136,038	265,720
94-95	152,768	116,797	269,565
95-96	150,669 ⁴	130,494	281,163
96-97	161,281 ⁴	115,031	276,312
97-98	145,735	106,360	252,095
98-99	162,267	113,040	275,307
99-00	178,820	129,208	308,028
00-01	161,475 ⁴	128,596	290,071
01-02	165,898	140,907	306,805
02-03	163,897	134,154 ⁴	298,051
03-04	181,727	143,989	325,716
04-05	164,588	145,644	310,232
05-06	161,241	171,896	333,137
06-07	171,491	176,807 ⁴	348,297
07-08	137,427	162,465	299,893
08-09	121,253	138,688	259,942

¹ Total includes water used over Cucamonga Basin.

² See Appendix G-1, "History of Total Annual Groundwater Production by Pool."

³ Total does not include cyclic deliveries, water delivered by exchange, or water from direct spreading that was used for replenishment.

⁴ Reflects corrected value.

**SUMMARY OF SUPPLEMENTAL SUPPLIES
FISCAL YEAR 2008-2009
(ACRE-FEET)**

Member Agency	Other Basins	Surface Diversions	SBVMWD & MWDSC Imported Deliveries	Recycled Water	Total
Chino, City of	-	-	-	4,908.4	4,908.4
Chino Hills, City of	-	-	-	1,526.1	1,526.1
Cucamonga Valley Water District ¹	6,682.3	4,580.2	-	1,274.2	12,536.7
Inland Empire Utilities Agency ²	-	-	-	1,526.5	1,526.5
Fontana Water Company ³	21,222.1	6,009.0	-	-	27,231.1
Jurupa Community Services District ⁴	315.6	-	-	-	315.6
Marygold Mutual Water Company ⁵	1,250.9	-	-	-	1,250.9
MWDSC ⁶	-	-	44,309.8	-	44,309.8
Monte Vista Water District	-	-	-	218.8	218.8
Ontario, City of	-	-	-	5,065.6	5,065.6
Pomona, City of ⁷	3,693.9	2,602.7	1,700.0	-	7,996.6
San Antonio Water Company ⁸	5,320.7	1,345.8	-	-	6,666.4
San Bernardino, County of	-	-	-	1,250.6	1,250.6
State of California, CIM ⁹	-	-	-	987.9	987.9
Upland, City of ¹⁰	2,069.8	1,643.7	-	274.1	3,987.6
West End Consolidated Water Company ¹¹	3,913.1	-	-	-	3,913.1
West Valley Water District ¹²	8,127.0	-	-	-	8,127.0
Total	52,595.4	16,181.4	46,009.7	17,032.3	131,818.9

¹ Includes groundwater produced from Cucamonga Basin and surface water from Lloyd Michaels, Royer-Nesbit, and Arthur H. Bridge WTPs, and Deer Canyon.

² IEUA provided 16,044.8 AF of recycled water as follows: 4,626.8 AF to the City of Chino, 1,284.8 AF to the City of Chino Hills, 617.3 AF to Cucamonga Valley Water District, 1,526.5 AF to IEUA, 99.6 AF to Montclair, 3,955.1 AF to Ontario, 1,250.6 AF to San Bernardino County, and 0.0 AF to the City of Upland. Additionally, recycled water groundwater recharge in the amount of 2,684.0 AF is shown as allocated within each service area.

³ Imported groundwater produced from Colton/Rialto, Lytle, and "unnamed" Basins. Surface water deliveries are from Lytle Creek. Imported deliveries are via both IEUA/MWD and SBVMWD.

⁴ Imported groundwater produced from Rubidoux Basin. Recycled water is purchased through IEUA.

⁵ Imported groundwater produced from wells located in the Rialto Basin.

⁶ MWDSC and SBVMWD deliveries (See Appendix K, "Summary of MWDSC Deliveries," for individual agencies breakdown).

⁷ Includes 3,376.9 AF of groundwater from Six Basins and 316.9 AF of groundwater from Spadra Basin. Imported water was delivered through TVMWD.

⁸ An amount of 1,345.8 AF was treated local canyon flow used in the overlying Chino Basin. The imported groundwater was 896.3 AF from San Antonio Tunnel, 3,904.3 AF from Cucamonga Basin, and 520.1 AF from Six Basins.

⁹ Recycled wastewater that was applied to fields, including water held in storage ponds.

¹⁰ Imported groundwater produced from Cucamonga and Six Basins. Surface water deliveries are from the San Antonio Water Company and treated at the San Antonio Canyon WTP.

¹¹ Imported groundwater produced from Cucamonga and Six Basins.

¹² Listed amount was delivered to "meter book" service area.

SUMMARY OF MWDSC DELIVERIES¹
FISCAL YEAR 2008-2009
(ACRE-FEET)

Month	Water Facilities Authority - CB-12					
	Upland	MVWD	Ontario	Chino	Chino Hills ²	Total
July	605	190	518	505	911	2,729
August	989	288	856	460	860	3,452
September	889	234	828	300	661	2,913
October	830	80	851	252	808	2,821
November	144	7	577	200	516	1,444
December	174	299	440	147	264	1,324
January	29	32	67	37	148	313
February	-	-	-	-	-	-
March	-	-	-	-	-	-
April	59	0	42	216	370	687
May	11	8	-	332	489	840
June	3	0	6	267	384	660
Total	3,733	1,139	4,184	2,716	5,411	17,183

Month	Reliant	Fontana Water Co.	Cucamonga Valley Water District			Pomona	Total
	CB-01	CB-19	CB-07	CB-16	Sub-Total		
July	-	406	-	3,074	3,074	299	6,507
August	-	747	10	3,119	3,129	315	7,643
September	-	426	6	2,851	2,857	245	6,440
October	-	501	17	2,724	2,741	224	6,287
November	-	369	-	2,182	2,182	230	4,225
December	-	303	-	1,213	1,213	79	2,919
January	-	49	3	1,588	1,591	24	1,976
February	-	-	50	-	50	7	57
March	-	-	34	48	82	8	91
April	-	376	8	1,370	1,378	35	2,476
May	-	1,179	-	1,635	1,635	120	3,774
June	-	1,304	-	1,535	1,535	114	3,613
Total	-	5,660	127	21,340	21,467	1,700	46,010

¹ Does not include Dry Year Yield activity ("puts" or "takes").

² Total includes water delivered directly from WFA and from WFA through MVWD by agreement.

**SUMMARY OF CONJUNCTIVE USE, REPLENISHMENT, AND CYCLIC ACTIVITIES
FISCAL YEAR 2008-2009
(ACRE-FEET)**

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Conjunctive Use, All Parties - Storage													
Direct													
Monte Vista Water District	-	-	-	-	-	-	-	-	-	-	-	-	-
In-Lieu													
Chino Basin Watermaster	-	-	-	-	-	-	-	-	-	-	-	-	-
Chino, City of	-	-	-	(238.4)	(629.5)	(175.2)	-	-	-	-	-	-	(1,043.1)
Chino Hills, City of	-	-	-	-	-	-	-	-	-	-	-	-	-
Cucamonga Valley Water District	(2,532.3)	(2,527.1)	-	(44.4)	(1,498.8)	(1,131.2)	-	-	-	-	(2,653.7)	(2,354.8)	(12,742.3)
Jurupa Community Services District ¹	(183.7)	(427.0)	(525.0)	(580.0)	(119.5)	-	-	-	-	-	(190.1)	(300.0)	(2,325.3)
Monte Vista Water District	(1,700.0)	-	-	-	(292.0)	(533.0)	(250.0)	-	-	-	(1,536.0)	(1,514.0)	(5,825.0)
Ontario, City of	(2,000.0)	(2,000.0)	(2,000.0)	-	-	-	-	-	-	-	(3,299.0)	(2,949.0)	(12,248.0)
Pomona, City of	(1,000.0)	-	-	-	-	-	-	-	-	-	-	(1,000.0)	(2,000.0)
Upland, City of	(330.4)	(259.2)	(301.5)	(326.9)	(275.6)	(217.6)	(272.3)	(71.2)	-	-	(288.8)	(359.0)	(2,702.5)
	(7,746.4)	(5,213.3)	(2,826.5)	(1,189.7)	(2,815.4)	(2,057.0)	(522.3)	(71.2)	-	-	(7,967.6)	(8,476.8)	(38,886.2)
Total Storage / (Withdrawals)	(7,746.4)	(5,213.3)	(2,826.5)	(1,189.7)	(2,815.4)	(2,057.0)	(522.3)	(71.2)	-	-	(7,967.6)	(8,476.8)	(38,886.2)
Replenishment Deliveries to Watermaster													
Obligation = 20,833.800 AF													
Direct ²													
CB-11T (Deer Creek)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-13T (San Sevaine)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-14T (Etiwanda)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-15T (Day Creek)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-18T (Etiwanda Inter-tie)	-	-	-	-	-	-	-	-	-	-	-	-	-
OC-59 (San Antonio)	-	-	-	-	-	-	-	-	-	-	-	-	-
In-Lieu													
Service Connections													
CB-12	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-16	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased from Appropriators	-	-	-	-	-	-	-	-	7,885.0	-	-	3,400.0	11,285.0
Purchased from Cyclic Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-Purchased Previous Year(s)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Replenishment	-	-	-	-	-	-	-	-	7,885.0	-	-	3,400.0	11,285.0

¹ Jurupa Community Services District's May 2008's 0.0 AF certification and June 2008's 164.3 AF certification were recertified to be 45.0 AF and 119.0 AF during the 2008-09 fiscal year (July 2008 is 184.0 AF).

² No imported water was available/delivered as replenishment water during FY 2008-2009.

**SUMMARY OF STORMWATER RECHARGE
FISCAL YEAR 2008-2009
(ACRE-FEET)**

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
San Antonio Channel / CB-59													
College Heights East (MZ1)	-	-	-	-	-	-	-	-	-	-	-	-	-
College Heights West (MZ1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Upland (MZ1)	-	-	-	3.0	16.0	102.0	5.0	141.0	4.0	3.0	-	-	274.0
Montclair 1, 2, 3, 4 (MZ1)	6.0	-	-	1.0	53.0	200.0	1.0	321.0	13.0	16.0	-	-	611.0
Brooks (MZ1)	3.0	3.0	-	-	23.0	162.0	25.0	208.0	9.0	1.0	-	-	434.0
West Cucamonga Channel													
8th Street (MZ1)	29.0	15.0	15.0	16.0	137.0	253.0	27.0	338.0	16.0	15.0	16.0	30.0	907.0
7th Street (MZ1)	-	-	-	-	-	99.0	8.0	120.0	5.0	-	-	-	232.0
Ely 1, 2 & 3 (MZ2)	17.0	8.0	5.0	17.0	114.0	287.0	38.0	399.0	19.0	21.0	8.0	4.0	937.0
Riverside Drive Drain													
Grove (MZ2)	-	-	-	-	13.0	160.0	3.0	213.0	7.0	3.0	3.0	-	402.0
Cucamonga/Deer Creek Ch / CB-11													
Turner 1 & 2 (MZ2)	7.0	3.0	27.0	15.0	81.0	344.0	29.0	345.0	47.0	11.0	18.0	62.0	989.0
Turner 3 & 4 (MZ2)	4.0	5.0	14.0	37.0	36.0	50.0	10.0	68.0	10.0	2.0	1.0	-	237.0
Day Creek Channel / CB-15													
Lower Day (MZ2)	-	3.0	2.0	2.0	8.0	66.0	4.0	67.0	13.0	-	-	-	165.0
Etiwanda Channel / CB-14													
Etiwanda Debris Basin (MZ2)	-	-	-	-	-	12.0	-	13.0	3.0	-	-	-	28.0
Victoria (MZ2)	3.0	3.0	2.0	4.0	35.0	74.0	15.0	95.0	13.0	3.0	3.0	-	250.0
San Sevaine Channel / CB-13													
San Sevaine 1, 2, 3 & 4 (MZ2)	-	-	-	-	1.0	48.0	10.0	28.0	4.0	-	-	-	91.0
San Sevaine 5 (MZ2)	-	-	-	-	7.0	38.0	6.0	79.0	4.0	-	-	-	134.0
West Fontana Channel / CB-18													
Hickory (MZ2)	18.0	6.0	4.0	3.0	3.0	35.0	-	63.0	31.0	8.0	18.0	11.0	200.0
Banana (MZ3)	31.0	45.0	34.0	36.0	50.0	87.0	5.0	95.0	-	-	-	-	383.0
DeClez Channel													
RP3 Cells 1, 3 & 4 (MZ3)	9.0	16.0	16.0	-	7.0	122.0	7.0	202.0	45.0	17.0	3.0	16.0	460.0
RP3 Cell 2 (MZ3)	-	-	-	13.0	20.0	34.0	5.0	71.0	2.0	1.0	3.0	4.0	153.0
DeClez (MZ3)	19.0	5.0	6.0	14.0	73.0	207.0	26.0	224.0	51.0	5.0	6.0	20.0	656.0
Totals	146.0	112.0	125.0	161.0	677.0	2,380.0	224.0	3,090.0	296.0	106.0	79.0	147.0	7,543.0

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APPROPRIATIVE POOL ASSESSMENT FEE SUMMARY FISCAL YEAR 2008-2009



Assessment Year 2009-2010 (Production Year 2008-2009)

Pool 3 Assessment Fee Summary

	Appropriative Pool					Replen	
	AF Production	\$7.19 AF/Admin	\$44.02 AF/IOBMP	AF Net Ag Pool Reallocation	\$231,266.00 \$4.57 AF/Admin	\$1,414,836.00 \$27.93 AF/IOBMP	AF/15%
Arrowhead Mtn Spring Water Co	349,726	2,514.75	15,396.26	0.000	0.00	0.00	0.00
Chino Hills, City Of	1,967,917	14,293.12	87,506.11	2,052,997	9,372.16	57,339.37	15,643.62
Chino, City Of	2,244,148	16,135.42	98,787.39	6,055,541	36,774.46	224,968.00	17,659.99
Cucamonga Valley Water District	11,000,480	79,129.40	484,461.23	2,520,999	11,506.65	70,410.48	66,606.01
Desater Authority	32,920,453	0.00	0.00	0.000	0.00	0.00	0.00
Fontana Union Water Company	0.000	0.00	0.00	3,487,989	15,923.06	97,418.12	0.00
Fontana Water Company	13,201,901	94,921.67	581,147.88	761,416	3,475.95	21,266.04	103,890.43
Golden State Water Company	747,546	5,374.85	32,906.93	224,414	1,024.48	6,267.79	5,882.70
Inland Empire Utilities Agency	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Juniper Community Services District	17,159,255	123,375.04	755,350.41	12,448,008	56,826.79	347,569.22	135,032.25
Marygold Mutual Water Company	142,411	1,023.94	6,268.93	357,566	1,632.33	9,986.67	0.00
Metropolitan Water District	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Monte Vista Irrigation Company	0.000	0.00	0.00	369,236	1,685.60	10,312.81	0.00
Monte Vista Water District	8,519,203	68,443.07	419,035.32	2,682,467	12,245.77	74,920.22	74,909.97
Niagara Water Company	1,210,209	8,701.40	53,273.40	0.000	0.00	0.00	0.00
Nicholson Trust	0.000	0.00	0.00	2,095	9.56	58.51	0.00
Norco, City Of	0.000	0.00	0.00	110,112	502.67	3,075.38	0.00
Ontario, City Of	13,221,901	95,065.47	582,028.08	7,506,667	34,268.78	209,658.17	104,047.81
Pomona, City Of	11,730,748	84,344.08	516,387.53	6,120,214	27,039.47	170,905.10	0.00
San Antonio Water Company	992,081	7,133.06	43,671.41	822,252	3,753.67	22,965.17	7,807.04
San Bernardino County Shg Pk	22,348	160.68	983.76	0.000	0.00	0.00	175.66
Santa Ana River Water Company	160,174	1,151.65	7,050.88	710,045	3,241.44	18,631.27	1,260.47
Upland, City Of	1,021,373	7,343.67	44,960.64	1,596,534	7,105.75	43,473.38	8,037.55
West End Consolidated Water Com	0.000	0.00	0.00	517,049	2,360.59	14,440.97	0.00
West Valley Water District	0.000	0.00	0.00	351,582	1,605.01	9,819.54	0.00
	117,636,903	609,111.29	3,729,218.13	50,657,237	231,266.00	1,414,836.00	560,963.70
Less Desater Authority Production	32,920,453						
Total Less Desater Authority Production	84,716,450						

* Values in "Previous Year Adj" column are CURO rate difference adjustments.

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Irrigation Assessments		05/15 Water Transaction Activity				ASSESSMENTS DUE			
\$323.00 AF/85%	\$380.00 AF/100%	15% Producer Credits	15% Pro-rated Debits	Pomona Credit	Previous Year Adj	Total Production Based	MZ1 Supp- lemental Water	Recharge Debt Payment	Total Due
0.00	152,907.28	0.00	0.00	0.00	13,918.95	164,737.23	0.00	0.00	164,737.23
0.00	0.00	0.00	9,175.57	0.00	2,079.68	195,411.62	0.00	43,563.78	238,975.40
0.00	0.00	0.00	10,358.25	0.00	2,347.71	407,051.23	0.00	83,224.81	490,276.04
0.00	0.00	(137,296.75)	50,797.98	0.00	11,513.37	657,130.07	0.00	74,672.69	731,902.76
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	113,341.18	0.00	131,867.83	245,209.02
2,638,543.72	0.00	(248.64)	60,935.63	0.00	435,871.12	3,939,803.60	0.00	22.62	3,939,826.22
0.00	0.00	0.00	3,450.42	0.00	782.04	55,689.20	0.00	8,484.25	64,173.45
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
532,975.52	0.00	0.00	79,201.48	0.00	17,951.14	2,048,381.84	0.00	42,523.05	2,090,904.89
0.00	0.00	0.00	0.00	0.00	0.00	18,911.87	0.00	13,518.23	32,430.10
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	11,998.22	0.00	13,959.42	25,957.63
0.00	0.00	0.00	43,937.51	0.00	9,958.51	703,450.36	0.00	99,514.57	802,964.93
0.00	458,679.42	0.00	0.00	0.00	43,814.07	585,668.29	0.00	0.00	585,668.29
0.00	0.00	0.00	0.00	0.00	0.00	68.08	0.00	79.19	147.26
0.00	0.00	0.00	0.00	0.00	0.00	3,578.06	0.00	4,162.94	7,740.99
0.00	0.00	0.00	61,027.95	0.00	13,832.08	1,099,928.34	0.00	234,640.35	1,334,568.69
0.00	0.00	(154,875.00)	0.00	0.00	0.00	644,731.17	0.00	231,382.40	876,113.57
0.00	0.00	0.00	4,579.12	0.00	1,037.86	90,947.32	0.00	31,086.28	122,033.61
7,218.40	0.00	0.00	103.15	0.00	543.72	9,185.58	0.00	0.00	9,185.58
0.00	0.00	(36,600.00)	739.31	0.00	167.57	(3,157.44)	0.00	26,844.16	23,686.72
0.00	0.00	0.00	4,714.32	0.00	1,068.51	118,704.01	0.00	58,846.74	175,550.75
0.00	0.00	0.00	0.00	0.00	0.00	16,901.36	0.00	19,547.71	36,349.06
0.00	0.00	0.00	0.00	0.00	0.00	11,424.55	0.00	13,291.99	24,716.54
3,179,737.64	592,786.70	(329,020.39)	329,020.39	0.00	554,898.31	10,871,786.75	0.00	1,131,233.00	12,003,016.75

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APPROPRIATIVE POOL WATER PRODUCTION SUMMARY FISCAL YEAR 2008-2009



Assessment Year 2009-2010 (Production Year 2008-2009)

Pool 3 Water Production Summary

	Percent of Safe Operating Yield	Assigned Share of Operating Safe Yield	Carryover Beginning Balance	Prior Year Adjust- ments	2% Carryover Storage Loss	Net Ag Pool Reallocation	Water Transaction Activity
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000	0.000	0.000	0.000	0.000
Chino Hills, City Of	3.951%	2,111.422	2,111.422	0.000	(42.228)	2,052.997	0.000
Chino, City Of	7.357%	4,033.857	4,033.857	0.000	(60.677)	8,055.541	(5,085.000)
Cucamonga Valley Water District	6.601%	3,619.454	3,619.454	0.000	(72.389)	2,520.999	9,879.725
Desalter Authority	0.000%	0.000	0.000	0.000	0.000	0.000	0.000
Fontana Union Water Company	11.857%	6,391.736	0.000	0.000	0.000	3,487.989	(9,879.725)
Fontana Water Company	0.002%	1.000	0.000	0.000	0.000	761.416	4,270.619
Golden State Water Company	0.750%	411.476	356.746	0.000	(7.134)	224.414	0.000
Inland Empire Utilities Agency	0.000%	0.000	0.000	0.000	0.000	0.000	0.000
Junipia Community Services District	3.759%	2,061.118	0.000	0.000	0.000	12,448.058	1,000.000
Marygold Mutual Water Company	1.195%	655.317	655.317	0.000	(13.106)	357.566	16.000
Metropolitan Water District	0.000%	0.000	0.000	0.000	0.000	0.000	0.000
Monte Vista Irrigation Company	1.234%	676.759	676.759	0.000	(13.535)	369.236	0.000
Monte Vista Water District	8.797%	4,823.954	672.155	0.000	(13.443)	2,682.467	3,712.678
Niagara Water Company	0.000%	0.000	0.000	0.000	0.000	0.000	0.000
Nicholson Trust	0.007%	4.000	0.619	0.000	(0.012)	2.095	(5.619)
Norco, City Of	0.368%	201.545	201.545	0.000	(4.030)	110.112	0.000
Ontario, City Of	20.742%	11,373.816	11,373.816	0.000	(227.476)	7,506.667	845.000
Pomona, City Of	20.454%	11,215.852	11,215.852	0.000	(224.317)	6,120.214	(3,280.322)
San Antonio Water Company	2.748%	1,506.888	962.192	0.000	(19.243)	822.252	(765.000)
San Bernardino County Shlg Prk	0.000%	0.000	0.000	0.000	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	1,301.374	1,301.374	0.000	(26.027)	710.045	(2,769.000)
Upland, City Of	5.202%	2,852.401	2,852.401	0.000	(57.048)	1,556.534	160.678
West End Consolidated Water Compa	1.728%	947.714	947.714	0.000	(18.954)	517.049	0.000
West Valley Water District	1.175%	644.317	644.317	0.000	(12.886)	351.562	15.000
	100.00%	54,834.000	41,625.540	0.000	(832.506)	50,657.233	(1,884.966)

Less Desalter Authority Production

Total Less Desalter Authority Production

** Watermaster Party D'YY accounting is done on a July 1-June 30 fiscal year.

2A

2B

2C

2D

2E

2F

2G

New Yield	Annual Production Right	Actual Fiscal Year Production	Storage and Recovery Program(s)	Total Production and Exchanges	Net Over-Production		Under Production Balances		
					85/15%	100%	Total Under-Produced	Carryover: Next Year Begin Bal	To Excess Carryover Account
0.000	0.000	349.758	0.000	349.756	0.000	349.756	0.000	0.000	0.000
0.000	6,233.613	1,987.917	0.000	1,987.917	0.000	0.000	4,245.696	2,111.422	2,134.274
0.000	10,957.578	3,287.318	(1,043.100)	2,244.148	0.000	0.000	8,713.430	4,033.857	4,679.573
0.000	19,587.243	23,747.710	(12,742.300)	11,005.480	0.000	0.000	8,581.762	3,619.454	4,942.306
0.000	0.000	32,920.453	0.000	32,920.453	0.000	32,920.453	0.000	0.000	0.000
0.000	0.000	0.090	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0.000	5,033.035	13,201.901	0.000	13,201.901	8,168.866	0.000	0.000	0.000	0.000
0.000	985.502	747.545	0.000	747.545	0.000	0.000	237.957	237.957	0.000
0.000	0.000	0.080	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0.000	15,509.175	19,464.515	(2,325.300)	17,159.255	1,650.080	0.000	0.000	0.000	0.000
0.000	1,671.093	142.411	0.000	142.411	0.000	0.000	1,528.682	655.317	873.365
0.000	0.000	0.080	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0.000	1,709.218	0.080	0.000	0.000	0.000	0.000	1,709.218	676.759	1,032.459
0.000	11,877.810	15,344.203	(5,825.000)	9,519.203	0.000	0.000	2,358.607	2,358.607	0.000
0.000	0.000	1,210.209	0.000	1,210.209	0.000	1,210.209	0.000	0.000	0.000
0.000	1.082	0.080	0.000	0.000	0.000	0.000	1.082	1.082	0.000
0.000	509.172	0.080	0.000	0.000	0.000	0.000	509.172	201.545	307.627
0.000	30,871.823	25,469.901	(12,248.000)	13,221.901	0.000	0.000	17,649.922	11,373.816	6,276.106
0.000	25,047.279	13,730.748	(2,000.000)	11,730.748	0.000	0.000	13,316.530	11,215.852	2,100.678
0.000	2,507.089	992.081	0.000	992.081	0.000	0.000	1,515.007	1,506.888	8.119
0.000	0.000	22.348	0.000	22.348	22.348	0.000	0.000	0.000	0.000
0.000	517.786	160.174	0.000	160.174	0.000	0.000	357.592	357.592	0.000
0.000	7,384.986	3,723.873	(2,702.500)	1,021.373	0.000	0.000	6,343.593	2,852.401	3,491.192
0.000	2,393.522	0.080	0.000	0.000	0.000	0.000	2,393.522	947.714	1,445.808
0.000	1,642.330	0.080	0.000	0.000	0.000	0.000	1,642.330	644.317	998.013
0.000	144,399.298	156,523.103	(30,806.200)	117,536.903	9,841.294	34,480.418	71,084.102	42,794.580	28,289.522
		<u>32,920.453</u>		<u>32,920.453</u>		<u>32,920.453</u>			
		<u>123,602.650</u>		<u>84,716.450</u>		<u>1,559.965</u>			
2H	2I	2J	2K	2L	2M	2N	2O	2P	2Q

APPROPRIATIVE POOL STORAGE ACCOUNT TRANSACTIONS FISCAL YEAR 2008-2009



Assessment Year 2009-2010 (Production Year 2008-2009)

Pool 3 Storage Account Transactions

	Storage and Recovery Programs				Excess Carry-Over		
	Carryover Beginning Balance	2% Carryover Storage Loss	Storage Exchanges/ Adjustments	Ending Balance	Carryover Beginning Balance	2% Carryover Storage Loss	Transfers to (from)
Arrowhead Mtn Spring Water Co	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Chico Hills, City Of	0.000	0.000	0.000	0.000	1,307,100	(30,142)	0.000
Chico, City Of	0.000	0.000	0.000	0.000	11,200,000	(226,377)	0.000
Cucamonga Valley Water District	0.000	0.000	0.000	0.000	35,256,000	(705,121)	(1,265,000)
Disaster Authority	0.000	0.000	0.000	0.000	347,300,000	0.000	(32,900,453)
Fontaine Union Water Company	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fontaine Water Company	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	0.000	0.000	0.000	0.000	306,500	(16,377)	0.000
Inland Empire Utilities Agency	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Jurupa Community Services District	0.000	0.000	0.000	0.000	6,500,000	(130,000)	(1,000,000)
Marygold Mutual Water Company	0.000	0.000	0.000	0.000	4,200,000	(84,000)	(5,000,000)
Metropolitan Water District	74,877,310	(1,497,546)	(36,000,200)	34,483,564	0.000	0.000	0.000
Monte Vista Irrigation Company	0.000	0.000	0.000	0.000	500,000	(10,000)	0.000
Monte Vista Water District	0.000	0.000	0.000	0.000	1,220,000	(24,400)	0.000
Niagara Water Company	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Nicholson Trust	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Norco, City Of	0.000	0.000	0.000	0.000	1,300,000	(27,000)	0.000
Ontario, City Of	0.000	0.000	0.000	0.000	2,946,040	(59,302)	0.000
Pomona, City Of	0.000	0.000	0.000	0.000	302,000	(6,040)	0.000
San Antonio Water Company	0.000	0.000	0.000	0.000	6,040,000	(120,800)	0.000
San Bernardino County Shg Pk	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Santa Ana River Water Company	0.000	0.000	0.000	0.000	1,220,000	(24,400)	0.000
Upland, City Of	0.000	0.000	0.000	0.000	2,700,000	(54,000)	0.000
West End Consolidated Water Comp	0.000	0.000	0.000	0.000	4,200,000	(84,000)	0.000
West Valley Water District	0.000	0.000	0.000	0.000	2,920,000	(58,400)	(500,000)
	74,877,310	(1,497,546)	(36,000,200)	34,483,564	431,240,430	(1,679,238)	(41,985,453)
Less Disaster Authority Balance:					(347,200,199)	0.000	32,900,453
Total Less Disaster Authority					84,040,231	(1,679,238)	(8,665,000)

er Account (ECO)			Local Supplemental Storage Account						Combined	
From Local Supplemental Storage	From Under Production	Ending Balance	Carryover Beginning Balance	2% Carryover Storage Loss	Transfers to (from)	MZI 6,500 Eligible for Storage	Transfer to Excess Carryover	Ending Balance	Combined Storage Account Balance	
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
0.000	2,134,274	3,611,341	5,599,649	(111,992)	0.000	0.000	0.000	5,487,657	9,098,306	
0.000	4,679,573	15,761,900	3,482,222	(69,644)	0.000	0.000	0.000	3,412,578	19,174,538	
0.000	4,942,308	38,228,279	13,090,899	(261,817)	2,099,955	0.000	0.000	14,929,037	53,157,316	
0.000	0.000	314,359,706	0.000	0.000	0.000	0.000	0.000	0.000	314,359,706	
0.000	0.000	0.000	2,142,811	(42,856)	(2,099,955)	0.000	0.000	0.000	0.000	
0.000	0.000	0.000	0.031	0.000	0.000	0.000	0.000	0.031	0.031	
0.000	0.000	802,225	1,690,834	(33,816)	0.000	0.000	0.000	1,657,018	2,459,243	
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
0.000	0.000	4,393,191	1,150,919	(23,018)	0.000	0.000	0.000	1,127,901	5,521,092	
0.000	873,365	(244,030)	2,150,672	(43,017)	0.000	0.000	0.000	2,107,655	1,863,825	
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	34,893,564	
0.000	1,032,459	1,952,827	6,980,580	(139,611)	0.000	0.000	0.000	6,840,969	8,793,796	
0.000	0.000	1,199,079	6,427,483	(128,549)	0.000	0.000	0.000	6,298,934	7,498,013	
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
0.000	307,627	1,667,559	112,674	(2,253)	0.000	0.000	0.000	110,421	1,777,980	
0.000	6,276,106	6,673,823	15,032,140	(300,642)	0.000	0.000	0.000	14,731,498	23,405,321	
0.000	2,100,678	2,866,973	14,561,750	(291,634)	0.000	0.000	0.000	14,290,116	17,177,089	
0.000	8,119	7,887,440	641,375	(16,827)	0.000	0.000	0.000	624,548	8,711,988	
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
0.000	0.000	218,371	582,453	(11,249)	0.000	0.000	0.000	551,204	769,575	
0.000	3,491,192	6,200,695	6,764,676	(135,697)	0.000	0.000	0.000	6,649,181	12,849,876	
0.000	1,445,808	5,598,524	529,075	(10,581)	0.000	0.000	0.000	518,494	6,117,018	
0.000	998,013	3,069,396	359,759	(7,195)	0.000	0.000	0.000	352,564	3,421,962	
0.000	28,289,522	416,267,261	81,520,403	(1,630,398)	0.000	0.000	0.000	79,890,006	530,660,829	
		(314,359,706)							(314,359,706)	
		<u>101,907,555</u>							<u>216,291,124</u>	
3H	3I	3J	3K	3L	3M	3N	3O	3P	3Q	

APPROPRIATIVE POOL RECYCLED WATER STORAGE ACCOUNTS FISCAL YEAR 2008-2009



Assessment Year 2009-2010 (Production Year 2008-2009)

Recycled Water Storage Accounts

	Water Transactions					Reference
	Beginning Balance	2% Loss	Current Year Recharged/Recycled	Transfer to ECO Account	Ending Balance	Production + Exchange (RW Agencies Only)
Arrowhead Mtn Spring Water Co	0.000	0.000	0.000	0.000	0.000	0.000
Chino Hills, City Of	215.000	(4.312)	241.300	0.000	452.988	1,265.317
Chino, City Of	242.500	(4.850)	234.000	0.000	519.250	2,244.148
Cucamonga Valley Water District	439.000	(10.780)	650.000	0.000	1,168.130	7,205.400
Desalter Authority	0.000	0.000	0.000	0.000	0.000	0.000
Fontana Union Water Company	0.000	0.000	0.000	0.000	0.000	0.000
Fontana Water Company	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	0.000	0.000	0.000	0.000	0.000	0.000
Inland Empire Utilities Agency	0.000	0.000	0.000	0.000	0.000	0.000
Jurupa Community Services District	31.400	(0.630)	0.000	0.000	30.772	17,169.255
Marygold Mutual Water Company	0.000	0.000	0.000	0.000	0.000	0.000
Metropolitan Water District	0.000	0.000	0.000	0.000	0.000	0.000
Monte Vista Irrigation Company	0.000	0.000	0.000	0.000	0.000	0.000
Monte Vista Water District	106.300	(2.124)	119.300	0.000	223.500	8,519.245
Niagara Water Company	0.000	0.000	0.000	0.000	0.000	0.000
Nicholson Trust	0.000	0.000	0.000	0.000	0.000	0.000
Norco, City Of	0.000	0.000	0.000	0.000	0.000	0.000
Ontario, City Of	966.400	(19.326)	1,116.500	0.000	2,063.574	13,224.101
Pomona, City Of	0.000	0.000	0.000	0.000	0.000	0.000
San Antonio Water Company	0.000	0.000	0.000	0.000	0.000	0.000
San Bernardino County Shg Prk	0.000	0.000	0.000	0.000	0.000	0.000
Santa Ana River Water Company	0.000	0.000	0.000	0.000	0.000	0.000
Upland, City Of	219.900	(4.398)	274.100	0.000	509.700	1,221.319
West End Consolidated Water Company	0.000	0.000	0.000	0.000	0.000	0.000
West Valley Water District	0.000	0.000	0.000	0.000	0.000	0.000
	2,340.100	(46.902)	2,663.600	0.000	4,976.898	34,743.277
	4A	4B	4C	4D	4E	4F

APPROPRIATIVE POOL WATER TRANSACTIONS FISCAL YEAR 2008-2009



Assessment Year 2009-2010 (Production Year 2008-2009)

Pool 3 Water Transactions

Water Transactions				
	Assigned Rights	General Transfer	Transfers to (from)	Total Water Transactions
Arrowhead Mtn Spring Water Co	0.000	0.000	0.000	0.000
Chino Hills, City Of	0.000	0.000	0.000	0.000
Chino, City Of	(5,995,000)	0.000	0.000	(5,995,000)
Cucamonga Valley Water District	3,614,725	0.000	1,295,000	4,909,725
Desalter Authority	0.000	0.000	0.000	0.000
Fontana Union Water Company	(5,379,725)	0.000	5,000	(5,374,725)
Fontana Water Company	4,270,819	0.000	0.000	4,270,819
Golden State Water Company	0.000	0.000	0.000	0.000
Inland Empire Utilities Agency	0.000	0.000	0.000	0.000
Juniper Community Services District	0.000	0.000	1,000,000	1,000,000
Marygold Mutual Water Company	(5,900,000)	10,000	5,990,000	10,000
Metropolitan Water District	0.000	0.000	0.000	0.000
Monte Vista Irrigation Company	0.000	0.000	0.000	0.000
Monte Vista Water District	3,500,000	342,879	0.000	3,842,879
Niagara Water Company	0.000	0.000	0.000	0.000
Nicholson Trust	(5,619)	0.000	0.000	(5,619)
Norco, City Of	0.000	0.000	0.000	0.000
Ontario, City Of	995,000	80,000	0.000	1,075,000
Pomona, City Of	(1,500,000)	349,078	0.000	(1,150,922)
San Antonio Water Company	(385,000)	0.000	0.000	(385,000)
San Bernardino County Stg Pk	0.000	0.000	0.000	0.000
Santa Ana River Water Company	(2,700,000)	0.000	0.000	(2,700,000)
Upland, City Of	0.000	100,000	0.000	100,000
West End Consolidated Water Company	0.000	0.000	0.000	0.000
West Valley Water District	(500,000)	15,000	500,000	15,000
	(11,295,000)	738,034	9,895,000	(1,661,966)
	5A	5B	5C	5D

APPROPRIATIVE POOL WATER TRANSACTION SUMMARY FISCAL YEAR 2008-2009



Chino Basin Watermaster Assessment Breakdown 2009-2010 Water Transactions

Assessment Year 2009-2010 (Production Year 2008-2009)

To:	From:	Date of Submittal	Quantity	\$ / Acre Feet	Total \$	85%	15% WM Pays
Chino Basin Watermaster	Chino, City Of Annual Account <i>Purchased by Watermaster to be used toward Production Year 2007-2008 replenishment obligation.</i>	3/2/2009	5,085.000	295.00	\$1,500,075.00		
	Jurupa Community Services District Storage Account <i>Purchased by Watermaster to be used toward Production Year 2007-2008 replenishment obligation.</i>	3/2/2009	1,000.000	295.00	\$295,000.00		
	Marygold Mutual Water Company Storage Account <i>Purchased by Watermaster to be used toward Production Year 2007-2008 replenishment obligation.</i>	6/2/2009	3,400.000	295.00	\$1,033,000.00		
	Santa Ana River Water Company Annual Account <i>Purchased by Watermaster to be used toward Production Year 2007-2008 replenishment obligation.</i>	3/2/2009	1,600.000	295.00	\$531,000.00		
Cucamonga Valley Water District	Marygold Mutual Water Company Storage Account <i>The transfer does not qualify for 85/15 consideration because CVWD had water placed in storage.</i>	8/13/2008	2,500.000	230.00	\$575,000.00		
	West Valley Water District Storage Account <i>The transfer does not qualify for 85/15 consideration because CVWD had water placed in storage.</i>	3/10/2009	500.000	219.00	\$109,500.00		
Fontana Water Company	Cucamonga Valley Water District Storage Account	10/6/2008	4,265.000	214.61	\$915,311.65	\$776,014.90	\$137,296.75 Cucamonga Valley Water District
	Hickson Trust Annual Account	5/21/2009	5.619	295.00	\$1,657.61	\$1,408.96	\$248.64 Fontana Water Company
Jurupa Community Services District	Santa Ana River Water Company Annual Account	2/2/2009	1,000.000	244.00	\$244,000.00	\$207,400.00	\$36,600.00 Santa Ana River Water Company
Monte Vista Water District	Pomona, City Of Annual Account <i>The transfer qualifies for 85/15 credit because MVWD would have been an overproducer if not for the transfer.</i>	5/11/2009	3,500.000	295.00	\$1,032,500.00	\$877,825.00	\$154,675.00 Pomona, City Of
Ontario, City Of	San Antonio Water Company Annual Account	6/23/2009	765.000	182.95	\$139,958.75		
			23,820.619		\$6,347,001.01	\$1,864,448.87	\$329,020.39
					Total Credits		\$329,020.39



Chino Basin Watermaster Assessment Breakdown 2009-2010 Water Transactions

Assessment Year 2009-2010 (Production Year 2008-2009)

Applied Recurring Transactions:

From:	To:	Quantity	\$ / Acre Feet	
Fortana Union Water Company Annual Account - 32,800 AF Early Transfer	Fortana Union Water Company Annual Account - Lease / Assigned Rights	3,823,496	0.00	Transfer FUWC Ag Pool Reallocation Early Transfer to CVWD.
Fortana Union Water Company Annual Account - Difference - Potential vs. Net	Fortana Union Water Company Annual Account - Lease / Assigned Rights	-335,507	0.00	Transfer FUWC Ag Pool Reallocation Difference (Potential vs. Net) to CVWD.
Fortana Union Water Company Annual Account - New Yield	Fortana Union Water Company Annual Account - Lease / Assigned Rights	0.000	0.00	Transfer FUWC New Yield to CVWD.
Fortana Union Water Company Annual Account - Assigned Share of Safe Yield	Fortana Union Water Company Annual Account - Lease / Assigned Rights	6,391,736	0.00	Transfer FUWC Share of Safe Yield to CVWD.

APPROPRIATIVE POOL REPLENISHMENT CALCULATION FISCAL YEAR 2008-2009



Assessment Year 2009-2010 (Production Year 2008-2009)

Watermaster Replenishment Calculation

Cost of Replenishment Water per acre foot:

MWD Replenishment Rate	\$366.00
Pre-purchased Credit	\$0.00
Projected Spreading - IEUA Surcharge	\$12.00
Projected Spreading - OCWD Connection Fee	\$2.00
Total Replenishment Cost per acre foot	\$380.00

Replenishment Obligation:	AF @ \$380.00	15%	85%	Total
Appropriative - 100	1,559,965	-	-	\$592,786.70
Appropriative - 15/85	9,841,294	\$560,953.76	\$3,178,737.96	\$3,739,691.72
Non-Agricultural - 100	24,943	-	-	\$9,478.34
	11,426,202			\$4,341,956.76

Company	AF Production and Exchanges	85/15 Producers	Percent	15% Replenishment Assessments	15% Water Transaction Debits
Arrowhead Mtn Spring Water Co	349,756			-	-
Chino Hills, City Of	1,987,917	1,987,917	2.789%	\$15,643.62	\$9,175.57
Chino, City Of	2,244,148	2,244,148	3.148%	\$17,659.99	\$10,358.25
Cucamonga Valley Water District	11,005,480	11,005,480	15.439%	\$86,606.01	\$50,797.68
Desalter Authority	32,920,453			-	-
Fontana Union Water Company	0.000	0.000	0.000%	\$0.00	\$0.00
Fontana Water Company	13,201,901	13,201,901	18.520%	\$103,890.43	\$60,935.63
Golden State Water Company	747,545	747,545	1.049%	\$5,882.70	\$3,450.42
Inland Empire Utilities Agency	0.000	0.000	0.000%	\$0.00	\$0.00
Jurupa Community Services District	17,159,255	17,159,255	24.072%	\$135,032.25	\$79,201.48
Marygold Mutual Water Company	142,411			-	-
Metropolitan Water District	0.000			-	-
Monte Vista Irrigation Company	0.000	0.000	0.000%	\$0.00	\$0.00
Monte Vista Water District	9,519,203	9,519,203	13.354%	\$74,909.97	\$43,937.51
Niagara Water Company	1,210,209			-	-
Nicholson Trust	0.000	0.000	0.000%	\$0.00	\$0.00
Norco, City Of	0.000	0.000	0.000%	\$0.00	\$0.00
Ontario, City Of	13,221,901	13,221,901	18.548%	\$104,047.81	\$61,027.95
Pomona, City Of	11,730,748			-	-
San Antonio Water Company	992,081	992,081	1.392%	\$7,807.04	\$4,579.12
San Bernardino County Shtg Prk	22,348	22,348	0.031%	\$175.86	\$103.15
Santa Ana River Water Company	160,174	160,174	0.225%	\$1,260.47	\$739.31
Upland, City Of	1,021,373	1,021,373	1.433%	\$8,037.55	\$4,714.32
West End Consolidated Water Co	0.000	0.000	0.000%	\$0.00	\$0.00
West Valley Water District	0.000	0.000	0.000%	\$0.00	\$0.00
	117,636,903	71,283,326	**	\$560,953.70	\$329,020.39

** Fee assessment total is 10% of appropriate 15/85 replenishment

[2L]

[1G]

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WATERMASTER CUMULATIVE UNMET REPLENISHMENT OBLIGATION (CURO) FISCAL YEAR 2008-2009



Assessment Year 2009-2010 (Production Year 2008-2009)

Watermaster Cumulative Unmet Replenishment Obligation (CURO)

\$ 580.00 Current Year Replenishment Rate

\$ 321.78 Previous Year Replenishment Rate + Accumulated Interest - Cost of Purchases Made

\$ 58.24 CURO Adjustment / AF

Remaining Replenishment Obligation:	Acres-Feet	AF @ \$58.24	15%	85%	Total
Appropriative - 100	981.285	57,733.02			\$ 57,733.02
Appropriative - 15/85	9538.288		\$ 74,572.98	\$ 422,580.30	\$ 497,153.30
Non-Agricultural - 100	0.000				
Total	9527.581	57,733.02	\$ 74,572.98	\$ 422,580.30	\$ 554,886.32

Company	Outstanding Obligation (Acres-Feet)	AF Production and Exchanges	85/15 Producers Percent	15%	85% & 100%	Total
Arrowhead Mtn. Spring Water Co	238.983	348.758			\$ 13,918.85	\$ 13,918.85
China Hills, City of		1,997.917	1,997.917	2.789%	\$ 2,079.88	\$ 2,079.88
China, City of		2,244.148	2,244.148	3.148%	\$ 2,347.71	\$ 2,347.71
Cucamonga Valley Water District		11,006.480	11,006.480	15.439%	\$ 11,513.37	\$ 11,513.37
Desalter Authority		32,920.453				
Fontana Union Water Company		0.000	0.000	0.000%	-	-
Fontana Water Company	8,526.775	13,201.901	13,201.901	18.520%	\$ 13,811.16	\$ 422,069.97
Golden State Water Company		747.545	747.545	1.046%	\$ 782.04	\$ 782.04
Inland Empire Utilities Agency		0.000	0.000	0.000%	-	-
Jurupa Community Services Dist		17,158.265	17,158.265	24.072%	\$ 17,951.14	\$ 17,951.14
Marygold Mutual Water Company		142.411				
Metropolitan Water District		0.000				
Monte Vista Irrigation Company		0.000	0.000	0.000%	-	-
Monte Vista Water District		8,518.203	8,518.203	13.354%	\$ 9,968.51	\$ 9,968.51
Niagara Water Company	752.302	1,210.209			\$ 43,814.87	\$ 43,814.87
Nicholson Trust		0.000	0.000	0.000%	-	-
Norco, City of		0.000	0.000	0.000%	-	-
Ontario, City of		13,221.901	13,221.901	18.548%	\$ 13,932.08	\$ 13,932.08
Pomona, City of		11,730.748				
San Antonio Water Company		992.081	992.081	1.362%	\$ 1,037.88	\$ 1,037.88
San Bernardino County Sttg Pks	10.511	22.348	22.348	0.031%	\$ 23.38	\$ 543.72
Santa Ana River Water Company		180.174	180.174	0.225%	\$ 187.57	\$ 187.57
Upland, City of		1,021.373	1,021.373	1.433%	\$ 1,088.51	\$ 1,088.51
West End Consolidated Water Co		0.000	0.000	0.000%	-	-
West Valley Water District		0.000	0.000	0.000%	-	-
Total	9,527,581	117,636,903	71,283,328	100.000%	\$ 74,572.98	\$ 480,313.32

APPROPRIATIVE POOL AGRICULTURAL POOL REALLOCATION SUMMARY FISCAL YEAR 2008-2009



Assessment Year 2009-2010 (Production Year 2008-2009)

Pool 3 Agricultural Pool Reallocation Summary

	% Share of Operating Safe Yield	Reallocation of Agricultural Pool Safe Yield					Net Ag Pool Reallocation	
		\$5,800 AF Early Transfer	Land Use Conversions	Potential for Reallocation (AF)	% of Potential	Difference: Potential vs. Net		
Arrowhead Mt Spring Water Co.	0.00%	0.000	0.000	0.000	0.000%	0.000	0.000	
Chino Hills, City Of	3.851%	1,263.158	987.940	2,250.473	4.050%	(1,974.474)	2,062.707	
Chino, City Of	7.491%	2,413.998	5,417.300	9,835.398	15.962%	(7,419.400)	3,005.598	
Cucamonga Valley Water District	6.601%	2,185.126	896.364	3,281.493	4.937%	(243.493)	3,029.999	
Deerwater Authority	0.280%	0.000	0.000	0.000	0.000%	0.000	0.000	
Fernvale Union Water Company	11.951%	3,923.428	0.000	1,825.486	0.885%	(3,098.957)	3,467.389	
Fortana Water Company	0.000%	0.000	804.000	804.000	1.500%	(73.000)	761.000	
Golden State Water Company	0.737%	243.000	0.000	243.000	0.443%	(31.000)	254.000	
North Orange County Agency	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000	
Juana Community Services District	3.799%	1,232.952	12,412.474	13,645.426	24.575%	(1,197.388)	12,448.034	
Marygold Mutual Water Company	1.135%	369.500	0.000	369.500	0.700%	(34.304)	357.500	
Metropolitan Water District	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000	
Monte Vista Irrigation Company	1.384%	434.768	0.000	434.768	0.798%	(36.316)	398.288	
Monte Vista Water District	5.797%	1,835.476	76.075	2,911.551	5.285%	(336.074)	3,092.457	
Peggs Water Company	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000	
Northwest Trust	0.007%	2.298	0.000	2.298	0.004%	(0.001)	2.000	
Reids, City Of	0.349%	109.364	0.000	109.364	0.217%	(10.502)	119.112	
Ontario, City Of	35.743%	8,603.376	14,226.351	22,829.727	39.818%	(7,223.065)	7,604.687	
Parkview, City Of	20.454%	6,708.872	0.000	6,708.872	12.582%	(546.868)	6,159.214	
San Antonio Water Company	2.748%	869.344	0.000	869.344	1.623%	(76.062)	822.252	
San Bernardino County Sng Pk	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000	
Santa Ana River Water Company	3.373%	1,053.344	0.000	1,053.344	1.902%	(88.368)	970.844	
Upland, City Of	5.202%	1,708.358	0.000	1,708.358	3.173%	(148.722)	1,498.638	
West End Conceptional Water Company	1.286%	392.784	0.000	392.784	1.031%	(46.735)	317.947	
West Valley Water District	1.175%	365.400	0.000	365.400	0.694%	(31.816)	351.582	
TOTAL	100.000%	32,800.000	22,728.910	55,528.908	100.000%	(4,673.476)	50,857.233	
		6A	6B	6C	6D	6E	6F	6G

APPROPRIATIVE POOL LAND USE CONVERSION SUMMARY FISCAL YEAR 2008-2009



Chino Basin Watermaster Assessment Breakdown 2009-2010 Land Use Conversion Summary

Assessment Year 2009-2010 (Production Year 2008-2009)

AGRICULTURAL POOL SUMMARY IN ACRE FEET

Agricultural Pool Safe Yield	82,800.000
Agricultural Total Pool Production	(32,142.764)
Early Transfer	(32,800.000)
Total Land Use Conversions	(22,729.910)
Under(Over) Production:	(4,872.674)

	Prior Converted	Acres Converted @ 1.3 af/ac		Total Prior to Peace Agrmt Converted AF	Acres Converted @ 2.0 af/ac		Total Land Use Conversions Acre-Feet
		Acres	Acre Feet		Acres	Acre Feet	
Chino Hills, City Of	0.000	670.266	871.346	871.346	58.000	116.000	987.346
Chino, City Of	196.236	1,454.750	1,891.175	2,087.410	2,164.945	4,329.890	6,417.300
Cucamonga Valley Water District	0.000	460.280	598.364	598.364	0.000	0.000	598.364
Fontana Water Company	0.000	0.000	0.000	0.000	417.000	834.000	834.000
Jurupa Community Services District	0.000	2,756.920	3,583.996	3,583.996	4,414.239	8,828.478	12,412.474
Monte Vista Water District	0.000	28.150	36.595	36.595	9.240	18.480	55.075
Ontario, City Of	209.400	527.044	685.157	894.557	265.397	530.794	1,425.351
	405.635	5,897.410	7,666.633	8,072.268	7,328.821	14,657.642	22,729.910

APPROPRIATIVE POOL ASSESSMENT PACKAGE NOTES
FISCAL YEAR 2008-2009



Assessment Year 2009-2010 (Production Year 2008-2009)

Pool 3 Assessment Package Notes

	Company	Account	Note
A.	Desalter Authority	Local Storage	There is no loss assessed on the native basin water allocated to offset desalter production as a result of basin reoperation as approved in Peace II.
B.	Metropolitan Water District	Local Storage	On August 27, 2009, the Watermaster Board authorized Watermaster to assign the uniform storage loss to the DTY account, and then redistribute the obligation to other stakeholders.

NON-AGRICULTURAL POOL ASSESSMENT FEE SUMMARY FISCAL YEAR 2008-2009



Assessment Year 2009-2010 (Production Year 2008-2009)

Pool 2 Assessment Fee Summary

	Non-Agricultural Pool			Replenishment Assessments		Previous Year Adj	Total Assessments Due
	AF Production	\$7.18 Per AF Admin.	\$44.02 Per AF O&M	AF Exceeding Safe Yield	\$380.00 Per AF		
Zimmer, Inc.	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Angelle Taxider Service	21.610	223.98	1,365.06	12.150	4,590.00	0.00	6,349.04
Agua Capital Management	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Auto Club Speedway	554.538	3,927.65	22,209.78	0.000	0.00	0.00	26,137.43
California Steel Industries Inc	1,125.611	7,993.29	49,590.08	0.000	0.00	0.00	57,583.37
CCIS-Dunsmuir, CA	0.000	0.00	0.00	0.000	0.00	0.00	0.00
General Electric Company	50.320	74.20	454.72	10.230	3,821.00	0.00	4,350.12
Palmer Ventures, Inc.	0.000	0.00	0.00	0.000	0.00	0.00	0.00
ROO, LLC (Theater Company)	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Loring Baker Of Theatrical	0.000	0.00	0.00	0.000	0.00	0.00	0.00
EMERALD CITY NON-AG	1,003.077	7,163.76	44,000.75	0.000	0.00	0.00	51,164.51
Praxair Inc	112.752	802.75	4,943.61	0.000	0.00	0.00	5,746.36
RRR Elevators, Inc.	625.660	4,462.65	28,569.08	0.000	0.00	0.00	33,031.73
San Antonio Winery	0.000	0.00	0.00	0.000	0.00	0.00	0.00
San Bernardino Co (City Airport)	91.075	652.71	4,130.95	0.000	0.00	0.00	4,783.66
Southern California Electric Company	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Space Center Mtn Lions Inc	50.704	363.76	2,325.08	0.000	0.00	0.00	2,688.84
Spaced Outdoors, Inc.	43.508	311.20	1,975.21	0.000	0.00	0.00	2,286.41
Teart Lake Mobile Home Park	35.714	255.50	1,572.23	0.000	0.00	0.00	1,827.73
Wahkiakum Company	4.321	31.07	195.31	0.000	0.00	0.00	226.38
West Venture Development	0.000	0.00	0.00	0.000	0.00	0.00	0.00
	4,263.950	31,503.79	193,423.44	24.843	9,478.34	0.00	234,404.57

NON-AGRICULTURAL POOL WATER PRODUCTION SUMMARY FISCAL YEAR 2008-2009



Assessment Year 2009-2010 (Production Year 2008-2009)

Pool 2 Water Production Summary

	Carryover Beginning Balance	Prior Year Adjustments	2% Carryover Storage Loss	Assigned Share of Operating Safe Yield (ASF)	Water Transaction Activity	Annual Production Right	Actual Fiscal Year Production	Net Over Production	Under Production Balances		
									Total Under Produced	Carryover Next Year Begin Bal	To Local Storage Account
Ardeno Inc	97,858	0.000	(1,917)	97,858	(9,799)	783,973	0.000	0.000	188,973	97,858	89,115
AgriSense Textile Service	0.000	0.000	0.000	16,759	(1,676)	16,910	31,610	14,160	0.000	0.000	0.000
Agri Capital Management	949,119	0.000	(19,382)	949,119	(94,911)	1,792,473	0.000	0.000	1,792,473	949,119	843,354
Azalea Club Speedway	1,000,000	0.000	(20,000)	1,000,000	(100,000)	1,900,000	904,558	0.000	1,979,482	1,000,000	979,482
California Bluff Industries Inc	975,373	0.000	(19,537)	1,000,000	(100,000)	2,125,995	1,125,995	0.000	1,200,334	1,000,334	0.000
CCC Greens, LP	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Central Electric Company	0.000	0.000	0.000	0.000	0.000	0.000	92,325	92,325	0.000	0.000	0.000
Chavez Vineyard Inc	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CCO, LLC/The K&M Company	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Living Beach Of The Palm	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Ortega Oil Well Ag	1,871,262	0.000	(37,424)	1,833,838	(183,383)	3,677,241	1,843,403	0.000	1,874,214	1,874,214	0.000
Frank Inc	427,446	0.000	(8,549)	427,446	(42,744)	899,999	112,158	0.000	696,841	427,446	269,395
KFO Edwards, Inc	654,546	0.000	(13,090)	654,546	(65,454)	1,794,136	835,880	0.000	1,794,278	654,546	594,136
San Antonio Winery	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
San Bernardino City/Chris Alford	51,482	0.000	(1,029)	102,875	(10,287)	111,317	98,973	0.000	71,384	77,384	0.000
Southern California Edison Company	37,059	0.000	(7,411)	37,059	(7,796)	62,063	0.000	0.000	62,063	37,059	24,994
Spice Center Wine Land Inc	0.000	0.000	0.000	194,929	(19,492)	95,768	94,705	0.000	0.000	0.000	0.000
Starkel Growers Inc	0.000	0.000	0.000	47,632	(4,763)	42,869	42,869	0.000	0.000	0.000	0.000
Starr Lane Mobile Home Park	484,240	0.000	(9,684)	484,240	(48,424)	873,773	35,714	0.000	831,059	484,240	346,819
Water Markets Company	0.000	0.000	0.000	0.000	0.000	4,321	4,321	0.000	0.000	0.000	0.000
Water Venture Development	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	8,919,946	0.000	(195,369)	7,760,343	(780,713)	13,391,828	4,393,990	24,943	8,932,986	8,672,007	2,260,979

**NON-AGRICULTURAL POOL WATER / STORAGE ACCOUNT TRANSACTIONS
FISCAL YEAR 2008-2009**



Assessment Year 2009-2010 (Production Year 2008-2009)

Pool 2 Water / Storage Account Transactions

	Local Storage Account			
	Carryover Beginning Balance	2% Carryover Storage Loss	Transfers to (from)	Ending Balance
Ameron Inc	2,007,444	(40,148)	86,115	2,053,411
Angelica Textile Service	0.000	0.000	0.000	0.000
Aqua Capital Management	9,431,213	(188,634)	834,345	10,076,924
Auto Club Speedway	1,860,367	(33,207)	375,482	2,002,622
California Steel Industries Inc	3,098,539	(61,970)	0.000	3,036,569
CCG Ontario, Llc	0.000	0.000	0.000	0.000
General Electric Company	0.000	0.000	0.000	0.000
Kaiser Ventures Inc	0.000	0.000	0.000	0.000
KCO, LLC / The Koff Company	0.000	0.000	0.000	0.000
Loving Savior Of The Hills	0.000	0.000	0.000	0.000
Ontario City Non-Ag	14,813,809	(298,278)	0.000	14,517,533
Praxair Inc	4,822,077	(92,441)	263,395	4,793,031
RRR Etiwanda, Inc.	5,942,979	(118,859)	304,136	6,128,256
San Antonio Winery	0.000	0.000	0.000	0.000
San Bernardino Cty (Chino Airport)	180,334	(3,606)	0.000	176,728
Southern California Edison Company	232,921	(4,658)	24,604	252,867
Space Center Mira Loma Inc.	0.000	0.000	0.000	0.000
Sunkist Growers Inc	0.000	0.000	0.000	0.000
Swan Lake Mobile Home Park	2,942,714	(58,854)	372,816	3,256,676
Vulcan Materials Company	315,637	(6,312)	(4,321)	305,004
West Venture Development	0.000	0.000	0.000	0.000
	45,248,034	(904,956)	2,256,552	46,599,631

HISTORIC ASSESSMENTS PER ACRE-FOOT OF PRODUCTION

Assessment Year	Agricultural Pool ¹ (\$/AF)	Non-Ag Pool (\$/AF)	Appropriative Pool ² (\$/AF)	Gross Replenishment ¹ Water Rate (\$/AF)
77-78	0.29	0.32	0.42	
78-79	0.65	1.29	0.77	51.00
79-80	0.54	0.20	0.51	56.20
80-81	0.32	0.00	0.00	62.51
81-82	0.10	0.00	0.00	63.78
82-83	0.10	0.00	0.00	81.46
83-84	0.10	0.00	0.00	102.18
84-85	0.10	0.00	0.10	154.00
85-86	0.10	0.00	0.45	149.39
86-87	0.10	0.00	0.41	155.10
87-88	0.10	0.00	0.25	155.42
88-89	0.09	0.00	0.67	155.33
89-90	3.27	0.00	0.48	115.00
90-91	2.31	0.00	0.43	117.55
91-92	3.53	0.12	0.11	132.55
92-93	7.03	4.07	3.41	169.89
93-94	12.37	6.67	2.51	210.69
94-95	9.86	3.24	2.06	222.00
95-96	11.68	3.43	1.57	233.15
96-97	19.70	7.55	3.69	233.15
97-98	15.19	6.56	2.73	237.15
98-99	19.04	9.85	7.77	243.00
99-00	26.30	14.12	11.75	243.00
00-01	18.15	25.79	24.74	242.00
01-02	34.37	29.93	25.42	243.00
02-03	35.69	26.72	21.35	244.00
03-04	34.10	25.39	22.90	244.00
04-05	26.15	25.43	25.43	250.00
05-06	19.91	27.94	27.94	251.00
06-07	28.23	40.72	40.72	251.00
07-08	29.76	36.30	36.30	257.00
08-09	29.93	50.24	50.24	309.00
09-10	32.50	51.21	51.21	380.00

¹ \$/AF of water reallocated to the Appropriative Pool.

² Excludes amounts related to the debt service of the Recharge Improvement Project, and supplemental and replenishment water purchases.

SUMMARY BUDGET FISCAL YEAR 2008-2009

	FY 07-08 June Actual	FY 08-09 December Actual	FY 08-09 Amended Budget	FY 09-10 Proposed Budget	FY 09-10 Amended Budget	Current vs. Proposed
Ordinary Income						
4000 Mutual Agency Revenue	\$142,150	\$41,667	\$145,500	\$148,410	\$148,410	\$2,910
4110 Appropriative Pool Assessments	7,800,290	5,201,052	7,423,878	7,708,817	7,860,411	284,939
4120 Non-Agricultural Pool Assessments	123,212	0	116,492	132,237	132,237	15,745
4730 Prorated Interest Income	256,310	100,716	181,500	174,368	174,368	-7,132
Total Income	8,321,962	5,343,435	7,867,370	8,163,832	8,315,426	296,462
Administrative Expenses						
6010 Salary Costs	584,437	244,692	477,247	484,302	484,302	7,055
6020 Office Building Expense	102,191	48,074	101,580	102,000	102,000	420
6030 Office Supplies & Equip.	41,685	15,813	51,150	50,500	50,500	-650
6040 Postage & Printing Costs	96,898	48,670	83,000	87,380	87,380	4,380
6050 Information Services	129,556	75,448	132,000	144,000	144,000	12,000
6060 WM Special Contract Services	126,521	39,608	117,500	98,000	98,000	-19,500
6080 Insurance Expense	15,338	4,160	18,210	17,730	17,730	-480
6110 Dues and Subscriptions	21,362	12,734	16,750	16,750	16,750	0
6150 Field Supplies & Equipment	1,214	116	2,500	2,500	2,500	0
6170 Vehicle Maintenance Costs	24,313	7,131	25,000	39,200	39,200	14,200
6190 Conferences & Seminars	26,447	9,271	22,500	26,500	26,500	4,000
6200 Advisory Committee Expenses	15,451	9,107	18,931	19,181	19,181	250
6300 Watermaster Board Expenses	36,104	22,502	41,714	42,020	42,020	306
6500 Education Fund Expenditures	375	375	375	375	375	0
8300 Appropriative Pool Administration	21,947	8,909	24,001	24,008	24,008	7
8400 Agricultural Pool Administration	90,413	79,763	131,004	134,820	134,820	3,816
8500 Non-Agricultural Pool Administration	6,054	3,298	7,328	7,695	7,695	367
9400 Depreciation Expense	29,118	0	0	0	0	0
9500 Allocated G&A Expenditures	-423,257	-263,111	-419,640	-448,902	-448,902	-29,262
Total Administrative Expenses	946,167	366,560	851,150	848,059	848,059	-3,091
General OBMP Expenditures						
6900 Optimum Basin Mgmt Program	2,212,978	1,605,294	2,711,138	1,775,525	1,785,421	-935,613
6950 Cooperative Efforts	10,000	0	10,000	10,000	10,000	0
9501 Allocated G&A Expenditures	160,405	105,449	141,199	137,959	137,959	-3,240
Total General OBMP Expenditures	2,383,383	1,710,743	2,862,337	1,923,484	1,933,380	-938,853
7000 OBMP Implementation Projects						
7101 Production Monitoring	88,082	47,963	101,709	107,515	107,515	5,806
7102 In-Line Meter Installation/Maintenance	30,561	6,628	17,791	87,931	87,931	70,140
7103 Groundwater Quality Monitoring	173,673	42,950	117,104	210,458	210,458	93,354
7104 Groundwater Level Monitoring	218,911	84,076	182,667	342,538	372,538	159,871
7105 Recharge Basin Water Quality Monitoring	44,515	5,524	15,553	46,717	46,717	31,164
7106 Water Level Sensors Install	0	0	0	0	0	0
7107 Ground Level Monitoring	136,769	101,282	270,466	651,468	651,468	381,002
7108 Hydraulic Control Monitoring Program	350,397	88,725	199,232	743,476	713,949	544,244
7109 Recharge & Well Monitoring Program	169,645	16,363	102,827	0	0	-102,827
7200 OBMP Pgm Element 2 - Comp Recharge	1,486,754	421,883	945,826	1,115,883	1,245,266	170,057
7300 OBMP Pgm Element 3 & 5 - Water Supply Plan - Desalter	11,513	72,832	159,509	148,477	108,477	-11,032
7400 OBMP Pgm Element 4 - Mgmt Zone Strategies	583,651	94,356	159,674	217,371	272,515	57,697
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt	298,846	68,180	138,533	216,307	76,411	77,774
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use	19,936	30,418	82,660	76,909	61,909	-5,751
7700 Inactive Well Protection Program	0	0	4,339	6,296	6,296	1,957
7690 Recharge Improvement Debt Payment	1,358,414	618,373	1,377,552	1,110,000	1,261,594	-267,552
9502 Allocated G&A Expenditures	262,852	150,877	278,441	310,943	310,943	32,502
Total OBMP Implementation Projects	5,234,519	1,850,430	4,153,883	5,392,289	5,533,987	1,238,406
Total Expenses	8,564,069	3,927,733	7,867,370	8,163,832	8,315,426	296,462
Net Ordinary Income	-242,107	1,415,702	0	0	0	0
Other Income						
4210 Approp Pool-Replenishment	2,683,975	0	0	0	0	0
4220 Non-Ag Pool-Replenishment	7,009	0	0	0	0	0
4230 Groundwater Recharge Activity	0	0	0	0	0	0
Total Other Income	2,690,984	0	0	0	0	0
Other Expense						
5010 Groundwater Recharge	3,536,201	2,328,727	0	0	0	0
Total Other Expense	3,536,201	2,328,727	0	0	0	0
Net Other Income	-845,217	-2,328,727	0	0	0	0
9800 From / (To) Reserves	1,087,324	913,025	0	0	0	0
Net Income	\$0	\$0	\$0	\$0	\$0	\$0

**CHINO BASIN WATERMASTER
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED JUNE 30, 2009
(WITH INDEPENDENT AUDITORS' REPORT THEREON)**

CHINO BASIN WATERMASTER
Basic Financial Statements and Supplemental Data
Year ended June 30, 2009

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Board of Directors
Chino Basin Watermaster
Rancho Cucamonga, California

Independent Auditors' Report

We have audited the accompanying basic financial statements of the Chino Basin Watermaster as of and for the year ended June 30, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the management of Chino Basin Watermaster. Our responsibility is to express an opinion on these basic financial statements based on our audit. The prior year partial comparative information has been derived from the Chino Basin Watermaster's basic financial statements for the year ended June 30, 2008 and, in our report dated December 11, 2008, we expressed an unqualified opinion on those financial statements.

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, 2009, and respective changes in financial position and cash flows of the Chino Basin Watermaster for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The information identified in the accompanying table of contents as *management's discussion and analysis* is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Chino Basin Watermaster's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information identified in the table of contents has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mayer Hoffman McCann P.C.

Irvine, California
December 11, 2009



CHINO BASIN WATERMASTER

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MANAGEMENT'S DISCUSSION AND ANALYSIS

BACKGROUND

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 and assigned a new Case No. RCV 51010). The Judgment prescribes Watermaster's authorities and specifies classes of water production assessments to be used to fund certain activities. Those assessment categories are: Administration, Optimal Basin Management Program, Special Projects and Replenishment. Each class of assessment has a prescribed purpose and water production base. Assessment revenue is Watermaster's principal source of income.

This section of the Watermaster's annual financial report presents our analysis of the Watermaster's financial performance during the fiscal year ended on June 30, 2009. Please read it in conjunction with the basic financial statements that follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the Watermaster's basic financial statements, which are comprised of two components: Financial Statements (pages 6-8) and Notes to the Financial Statements (pages 9-20). This report also contains other supplementary information in addition to the basic financial statements (pages 21-22).

Required Financial Statements

The financial statements of the Watermaster report information using the accrual basis of accounting; accordingly, all of the current year's revenues and expenses are accounted for regardless of when the cash is received or paid. This accounting treatment is similar to the methods used by private sector companies and aids in answering the question of whether the Watermaster, as a whole, has improved or deteriorated as a result of this year's activities.

The Statement of Net Assets (page 6) includes all of the Watermaster's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure of the Watermaster and assessing the liquidity and financial flexibility of the Watermaster.

The Statement of Revenues, Expenses and Changes in Net Assets (page 7) includes all of the current year revenues and expenses. This statement measures the success of the Watermaster's operations over the past year and can be used to determine whether the Watermaster has successfully recovered all of its costs through assessments and other charges.

The Statement of Cash Flows (page 8) reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. This statement demonstrates where the cash came from, how the cash was used, and how much the change in cash was during the fiscal year.

These statements are one of many different ways to measure the Watermaster's financial health, or financial position. Over time, increases or decreases in the Watermaster's net assets are one of the indicators of whether its financial position is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Watermaster's, assessment income, cost sharing agreements, and other operational measures to help assess the overall financial position of the Watermaster.

SUMMARY OF FINANCIAL INFORMATION

Statement of Net Assets

June 30, 2009
(With comparative totals for June 30, 2008)

	2009	2008	Difference	% Change
Assets				
Current	\$ 11,596,978	\$ 7,080,314	\$ 4,516,664	64%
Capital	53,176	59,223	(6,047)	-10%
Total Assets	11,650,154	7,139,537	4,510,617	63%
Liabilities				
Current	469,002	798,580	(329,578)	-41%
Non current	185,186	142,995	42,191	30%
Total Liabilities	654,188	941,575	(287,387)	-31%
Net Assets				
Invested in capital assets	53,176	59,223	(6,047)	-10%
Restricted for Water Purchases	4,111,568	-	4,111,568	100%
Unrestricted	6,831,222	6,138,739	692,483	11%
Total Net Assets	\$10,995,966	\$6,197,962	\$ 4,798,004	77%

For the year ended June 30, 2009 and June 30, 2008, Watermaster's Total Net Assets was \$10,995,966 and \$6,197,962 respectively.

Total Assets increased by \$4,510,617 in FY 2009, which was mostly due to the Cumulative Unmet Replenishment Obligation (CURO). Parties who extract water in excess of their rights are assessed on an annual basis to cover the cost of purchasing replenishment water. In 2008/2009, Watermaster collected the money but was unable to satisfy the purchase obligation of the replenishment water. The obligation to purchase the water will carry forward into the future and Watermaster will seek opportunities to secure the required replenishment water.

Total Liabilities decreased by \$287,387 in FY 2009 primarily due to the timing of payables which were accrued in FY 2007 and paid in FY 2008.

Statement of Revenues, Expenses, and Changes in Net Assets

	June 30, 2009 (With comparative totals for June 30, 2008)		Difference	% Change
	2009	2008		
Operating Revenues				
Administrative assessments	\$8,166,124	\$ 7,602,975	\$ 563,149	7%
Mutual agency project revenue	51,217	237,370	(186,153)	-78%
Replenishment water	6,437,643	3,402,393	3,035,250	89%
Miscellaneous revenue	-	35,054	(35,054)	-100%
Total Operating Revenues	14,654,984	11,277,792	3,377,192	30%
Operating Expenses				
Watermaster administration	510,988	510,175	813	0%
Depreciation	25,577	25,131	446	2%
Pool, Advisory and Board	250,870	219,545	31,325	14%
Optimum Basin Management Plan	6,913,336	6,485,337	427,999	7%
Mutual agency project costs	10,000	10,000	-	0%
Groundwater replenishment	2,326,075	3,325,123	(999,048)	-30%
Total Operating Expenses	10,036,846	10,575,311	(538,465)	-5%
Income from operations	4,618,138	702,481	3,915,657	557%
Non-Operating Revenues				
Interest	179,866	186,184	(6,318)	-3%
Total Non-Operating Revenues	179,866	186,184	(6,318)	-3%
Change in net assets	4,798,004	888,665	3,909,339	440%
Net assets at beginning of year	6,197,962	5,309,297	888,665	17%
Total net assets at end of year	\$ 10,995,966	\$ 6,197,962	\$ 4,798,004	77%

REVIEW OF REVENUES AND EXPENSES

Annual administrative assessments are determined by dividing the adopted budget by the assessable production. Administrative assessment revenue increased \$563,149 in FY 2009, or 7% from the previous year due to budgeted increases in OBMP expenses and recharge basin operations and maintenance expenses. Replenishment water assessment revenue increased by \$3,035,250 in FY 2009, or 89% due to production increases in excess of production rights.

Overall operating expenses (excluding replenishment activities) increased over the prior year from \$7,250,188 to \$7,710,771 up by 6% from the prior year. More specifically, administrative expenses remained relatively constant over the previous year. The increase occurred in the area of Optimal Basin Management Plan, which increased by \$427,999 in FY 2009 or 7% due to higher legal, engineering and other expenditures in 2009 than in 2008.

Non-operating revenue represented interest income of \$ 179,866 and \$186,184 for the years ending June 30, 2009 and June 30, 2008, which decreased due to falling interest rates.

CONTACTING THE WATERMASTER

This financial report is designed to provide a general overview of the Watermaster's finances and to demonstrate the Watermaster's accountability for the resources it receives. If you have any questions about this report, or need additional information, please contact Sheri Rojo, Assistant General Manager/Chief Financial Officer at (909) 484-3888.

CHINO BASIN WATERMASTER

Statement of Net Assets

June 30, 2009

(with comparative totals for June 30, 2008)

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current assets:		
Cash and investments (note 2)	\$ 11,365,542	\$ 6,146,595
Accounts receivable (note 9)	197,973	910,462
Prepaid expenses	<u>33,463</u>	<u>23,257</u>
Total current assets	<u>11,596,978</u>	<u>7,080,314</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation (note 3)	<u>53,176</u>	<u>59,223</u>
Total noncurrent assets	<u>53,176</u>	<u>59,223</u>
Total assets	<u>11,650,154</u>	<u>7,139,537</u>
 <u>Liabilities</u>		
Current liabilities:		
Accounts payable	389,088	793,256
Accrued salaries and benefits	<u>79,914</u>	<u>5,324</u>
Total current liabilities	<u>469,002</u>	<u>798,580</u>
Noncurrent liabilities:		
Compensated absences (note 4)	<u>185,186</u>	<u>142,995</u>
Total noncurrent liabilities	<u>185,186</u>	<u>142,995</u>
Total liabilities	<u>654,188</u>	<u>941,575</u>
 <u>Net Assets</u>		
Net assets:		
Invested in capital assets	53,176	59,223
Restricted for water purchases	4,111,568	-
Unrestricted	<u>6,831,222</u>	<u>6,138,739</u>
Total net assets	<u>\$ 10,995,966</u>	<u>\$ 6,197,962</u>

See accompanying notes to the basic financial statements.

CHINO BASIN WATERMASTER

Statement of Revenues, Expenses and Changes in Net Assets

Year ended June 30, 2009

(with comparative totals for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Operating revenues:		
Administrative assessments (note 1)	\$ 8,166,124	\$ 7,602,975
Mutual agency project revenue	51,217	237,370
Replenishment water	6,437,643	3,402,393
Miscellaneous revenue	<u>-</u>	<u>35,054</u>
Total operating revenues	<u>14,654,984</u>	<u>11,277,792</u>
Operating expenses:		
Watermaster administration	510,988	510,175
Depreciation	25,577	25,131
Pool, advisory and Board administration	250,870	219,545
Optimum Basin Management Plan	6,913,336	6,485,337
Mutual agency project costs	10,000	10,000
Groundwater replenishment	<u>2,326,075</u>	<u>3,325,123</u>
Total operating expenses	<u>10,036,846</u>	<u>10,575,311</u>
Income (loss) from operations	<u>4,618,138</u>	<u>702,481</u>
Nonoperating revenues:		
Interest income	<u>179,866</u>	<u>186,184</u>
Total nonoperating revenues	<u>179,866</u>	<u>186,184</u>
Change in net assets	4,798,004	888,665
Net assets at beginning of year	<u>6,197,962</u>	<u>5,309,297</u>
Total net assets at end of year	<u>\$ 10,995,966</u>	<u>\$ 6,197,962</u>

See accompanying notes to the basic financial statements.

CHINO BASIN WATERMASTER

Statement of Cash Flows

Year ended June 30, 2009

(with comparative totals for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Cash received from customers	\$ 15,316,256	\$ 10,970,386
Cash received from other agencies	51,217	237,370
Cash paid to employees for services	(1,196,994)	(1,217,790)
Cash paid to suppliers of goods and services	<u>(9,111,868)</u>	<u>(8,864,515)</u>
Net cash provided by (used for) operating activities	<u>5,058,611</u>	<u>1,125,451</u>
Cash flows from capital financing activities:		
Acquisition of capital assets	<u>(19,530)</u>	<u>-</u>
Net cash provided by (used for) capital financing activities	<u>(19,530)</u>	<u>-</u>
Cash flows from investing activities:		
Interest received	<u>179,866</u>	<u>186,184</u>
Net cash provided by (used for) investing activities	<u>179,866</u>	<u>186,184</u>
Net increase (decrease) in cash	5,218,947	1,311,635
Cash and investments at the beginning of year	<u>6,146,595</u>	<u>4,834,960</u>
Cash and investments at the end of year	<u>\$ 11,365,542</u>	<u>\$ 6,146,595</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 4,618,138	\$ 702,481
Adjustments to reconcile operating income (loss) to net cash used for operating activities:		
Depreciation	25,577	25,131
(Increase) decrease in accounts receivable	712,489	(70,036)
(Increase) decrease in prepaid expenses	(10,206)	2,327,954
Increase (decrease) in account payable	(404,168)	(1,836,620)
Increase (decrease) in accrued salaries and benefits	74,590	(51,424)
Increase (decrease) in compensated absences	<u>42,191</u>	<u>27,965</u>
Net cash provided by (used for) operating activities	<u>\$ 5,058,611</u>	<u>\$ 1,125,451</u>

Noncash investing, capital and financing activities:

There were no significant noncash investing, capital or financing activities during the fiscal year ended June 30, 2009.

See accompanying notes to the basic financial statements.

CHINO BASIN WATERMASTER

Notes to the Basic Financial Statements

Year ended June 30, 2009

(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 member Board of Directors was initially appointed as “Watermaster”. Their term of appointment as Watermaster was for five 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 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 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 2008-09 expenses are based on the 2007-08 production volume.

	2007-08	
	Acre Feet	%
Production Volume:		
Appropriative Pool	103,078	75.005
Agricultural Pool	30,910	22.492
Non-Agricultural Pool	3,440	2.503
Total Production Volume	137,428	100.000

CHINO BASIN WATERMASTER

Notes to the Basic Financial Statements

(Continued)

(1) Reporting Entity and Summary of Significant Accounting Policies, (Continued)

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.

Basis of Accounting

The Watermaster is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. The Watermaster utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as they are incurred.

The Watermaster applies all applicable GASB pronouncements in accounting and reporting for proprietary operations as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principals Board (APB) Opinions, and Accounting Research Bulletins (ARB's) of the Committee on Accounting Procedure.

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 year.

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

CHINO BASIN WATERMASTER

Notes to the Basic Financial Statements

(Continued)

(1) Reporting Entity and Summary of Significant Accounting Policies, (Continued)

Cash Equivalents

For the purposes of the statements of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of three months or less.

Capital Assets

Capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. The Watermaster capitalizes all assets with a historical cost of at least \$5,000 and a useful life of at least three years. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciation is computed utilizing the straight-line method over the following estimated useful lives:

Computer equipment and software	5 years
Office furniture and fixtures	7 years
Leasehold improvements	10 years
Automotive equipment	7 years

Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Appropriative 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 2006-07 interest revenue was allocated to the Appropriative Pool, resulting in a reduction of the 2007-08 assessments. The amount of administrative assessment received for the year ended June 30, 2009 was \$8,166,124.

CHINO BASIN WATERMASTER

Notes to the Basic Financial Statements

(Continued)

(1) Reporting Entity and Summary of Significant Accounting Policies, (Continued)

Prior Year Data

The information included in the accompanying financial statements for the prior year has been presented for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Watermaster's prior year financial statements, from which the financial data was derived.

(2) Cash and Investments

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	<u>\$11,365,542</u>
Total cash and investments	<u>\$11,365,542</u>

Cash and investments as of June 30, 2008 consist of the following:

Cash on hand	\$ 500
Deposits with financial institutions	470,843
Investments	<u>10,894,199</u>
Total cash and investments	<u>\$11,365,542</u>

CHINO BASIN WATERMASTER

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Investments Authorized by the California Government Code and the Watermaster's Investment Policy

The table below identifies the investment types that are authorized for the Watermaster by the California Government Code and the Watermaster's investment policy. The table also identifies certain provisions of the California Government Code (or the Watermaster's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Investment Types</u> <u>Authorized by State Law</u>	<u>Authorized</u> <u>By</u> <u>Investment</u> <u>Policy</u>	<u>*Maximum</u> <u>Maturity</u>	<u>*Maximum</u> <u>Percentage</u> <u>Of</u> <u>Portfolio</u>	<u>*Maximum</u> <u>Investment</u> <u>In One</u> <u>Issuer</u>
Local Agency Bonds	Yes	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	Yes	92 days	20% of base value	None
Medium-Term Notes	Yes	5 years	30%	None
Mutual Funds	Yes	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	Yes	5 years	20%	None
County Pooled Investment Funds	Yes	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None
JPA Pools (other investment pools)	Yes	N/A	None	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

CHINO BASIN WATERMASTER

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Watermaster manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Watermaster's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Watermaster's investment by maturity:

<u>Investment Type</u>	<u>Remaining Maturity (in Months)</u>			
	<u>Total Amount</u>	<u>12 Months Or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>
Local Agency Investment Fund	<u>\$10,894,199</u>	<u>10,894,199</u>	<u>-</u>	<u>-</u>
Total	<u>\$10,894,199</u>	<u>10,894,199</u>	<u>-</u>	<u>-</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Watermaster's investment policy, and the actual rating as of year end for each investment type:

<u>Investment Type</u>	<u>Total Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>		
			<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Local Agency Investment Fund	<u>\$10,894,199</u>	N/A	<u>-</u>	<u>-</u>	<u>10,894,199</u>
Total	<u>\$10,894,199</u>		<u>-</u>	<u>-</u>	<u>10,894,199</u>

CHINO BASIN WATERMASTER

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Watermaster's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Watermaster deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment in State Investment Pool

The Watermaster is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Watermaster's investment in this pool is reported in the accompanying financial statements at amounts based upon the 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 accounting records maintained by LAIF, which are recorded on an amortized cost basis.

CHINO BASIN WATERMASTER

Notes to the Basic Financial Statements

(Continued)

(3) Capital Assets

Capital asset activity for the year ended June 30, 2009 is as follows:

	<u>Balances at July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances at June 30, 2009</u>
Computer equipment and software	\$ 75,244	19,530	-	94,774
Office furniture and fixtures	42,291	-	-	42,291
Leasehold improvements	23,443	-	-	23,443
Automotive equipment	<u>90,484</u>	<u>-</u>	<u>-</u>	<u>90,484</u>
Total costs of depreciable assets	<u>231,462</u>	<u>19,530</u>	<u>-</u>	<u>250,992</u>
Less accumulated depreciation:				
Computer equipment and software	(65,054)	(9,001)	-	(74,055)
Office furniture and fixtures	(30,573)	(6,380)	-	(36,953)
Leasehold improvements	(11,723)	(2,345)	-	(14,068)
Automotive equipment	<u>(64,889)</u>	<u>(7,851)</u>	<u>-</u>	<u>(72,740)</u>
Total accumulated depreciation	<u>(172,239)</u>	<u>(25,577)</u>	<u>-</u>	<u>(197,816)</u>
Net capital assets	<u>\$ 59,223</u>	<u>(6,047)</u>	<u>-</u>	<u>53,176</u>

(4) Compensated Absences

Permanent Watermaster employees earn from 10 to 20 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 50% of their rate of pay at termination. Other employees are paid based upon length of employment and age at time of retirement or resignation. The amount of compensated absences outstanding as of June 30, 2009 was \$185,186.

CHINO BASIN WATERMASTER

Notes to the Basic Financial Statements

(Continued)

(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. The amount of compensation subject to deferral until retirement, disability, or other termination by a participant may not exceed the maximum legal amounts for deferred compensation plans. Amounts withheld by Watermaster under this plan are deposited regularly with California Public Employees' Retirement System. The Watermaster makes no contribution under the plan. As of June 30, 2009, 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 Watermaster's reported assets.

(6) Operating Lease

The Watermaster entered into a new lease for rent of office space on September 1, 2003, expiring August 30, 2013. The amount paid under this lease was \$65,940 for the year ended June 30, 2009. The future minimum lease payments for this lease are as follows:

<u>Year Ending June 30:</u>	<u>Amount</u>
2010	\$ 65,940
2011	65,940
2012	65,940
2013	65,940
2014	<u>10,990</u>
Total	<u>\$274,750</u>

(7) Defined Benefit Pension Plan (PERS)

Plan Description

The Watermaster contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. Effective May 2009, the Watermaster changed from a 2% at 55 Risk Pool during year ending June 30, 2008 to a 2.5% at 55 Risk Pool. PERS acts as a common investment and administrative agent for participating public entities within the State of California. PERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost sharing plans that are administered by PERS. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

CHINO BASIN WATERMASTER

Notes to the Basic Financial Statements

(Continued)

(7) Defined Benefit Pension Plan (PERS), (Continued)

Contributions

Participants are required to contribute 7% of their annual covered salary. The Watermaster makes the contributions required of the employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and the Watermaster contract with employee bargaining groups.

For each of the fiscal years shown below, the Watermaster has contributed at the actuarially determined rate provided by PERS' actuaries. Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period July 1, 2008 to June 30, 2009 has been determined by an actuarial valuation of the plan as of June 30, 2006. The Watermaster's covered payroll for PERS was \$916,078 for the year ended June 30, 2009, while the Watermaster's total payroll for all employees was \$916,078 during the same period. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2009, the contribution rate is multiplied by the payroll of covered employees that were paid during the period from July 1, 2008 to June 30, 2009.

Three-Year Trend Information

Annual Pension cost (Safety)

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
6/30/07	10.947%	\$145,515	100%	-
6/30/08	10.345%	144,250	100%	-
6/30/09	11.346%	176,576	100%	-

CHINO BASIN WATERMASTER

Notes to the Basic Financial Statements

(Continued)

(8) 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 supplemental water to the Chino Groundwater Basin. In addition, stormwater and recycled water recharge would be increased. Fixed project costs include construction costs, debt service on the related bond financing and reserves for repair, replacement, improvement and debt service.

(9) Receivables from Inland Empire Utilities Agency

Chino Basin Watermaster works closely with Inland Empire Utilities Agency on a variety of regionally beneficial and required projects. The Agreement for Cooperative Efforts Common Monitoring Programs between Chino Basin Watermaster (Watermaster) and Inland Empire Utilities Agency (IEUA) was entered into in 2004. The agreement called for work to be performed by Watermaster and its consultants for which IEUA would reimburse Watermaster an agreed upon percentage of costs, depending on the type of work performed. The work undertaken in the Annual Monitoring Program (AMP) is required by the Regional Water Quality Control Board and is comprised of the following monitoring programs: water quality and water level monitoring in support of the triennial ambient Water Quality update, water quality and water level monitoring in support of the Hydraulic Control Monitoring Program. For 2004/2005 and 2005/2006, IEUA reimbursed Watermaster the amount invoiced. The receivable in 2008 was in dispute; however, the amount was received during fiscal year ending June 30, 2009.

SUPPLEMENTARY INFORMATION

CHINO BASIN WATERMASTER
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2008-2009
Administrative Revenues										
Administrative Assessments	-	-	7,993,307	-	172,817	-	-	-	\$ 8,166,124	\$ 7,992,648
Interest Revenue	-	-	111,927	10,198	2,825	-	-	27	124,977	174,368
Mutual Agency Project Revenue	-	-	49,935	-	1,282	-	-	-	51,217	148,410
Grant Income	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	8,155,169	10,198	176,924	-	-	27	8,342,318	8,315,426
Administrative & Project Expenditures										
Watermaster Administration	536,190	-	-	-	-	-	-	-	536,190	619,960
Watermaster Board-Advisory Committee	58,265	-	-	-	-	-	-	-	58,265	61,201
Pool Administration	-	-	20,294	167,194	5,117	-	-	-	192,605	196,523
Optimum Basin Mgmt Administration	-	1,930,126	-	-	-	-	-	-	1,930,126	2,023,380
OBMP Project Costs	-	3,721,316	-	-	-	-	-	-	3,721,316	4,142,393
Debt Service	-	1,261,894	-	-	-	-	-	-	1,261,894	1,261,594
Education Funds Use	-	-	-	-	-	-	-	375	375	375
Mutual Agency Project Costs	-	10,000	-	-	-	-	-	-	10,000	10,000
Total Administrative/OBMP Expenses	594,455	6,923,336	20,294	167,194	5,117	-	-	375	7,710,771	8,315,426
Net Administrative/OBMP Expenses	(594,455)	(6,923,336)								
Allocate Net Admin Expenses To Pools	594,455		445,873	133,703	14,879	-	-	-	-	-
Allocate Net OBMP Expenses To Pools		5,661,442	4,344,583	1,273,351	43,508	-	-	-	-	-
Allocate Debt Service to App Pool		1,261,894	1,261,894	-	-	-	-	-	-	-
Agricultural Expense Transfer*			1,552,774	(1,552,774)	-	-	-	-	-	-
Total Expenses			7,625,418	21,474	63,504	-	-	375	7,710,771	8,315,426
Net Administrative Income			529,751	(11,276)	113,420	-	-	(348)	631,547	-
Other Income/(Expense)										
Replenishment Water Assessments			-	-	-	6,437,643	-	-	6,437,643	-
Interest Revenue			-	-	-	54,889	-	-	54,889	-
Water Purchases			-	-	-	(2,326,075)	-	-	(2,326,075)	-
Balance Adjustment			-	-	-	-	-	-	-	-
Groundwater Replenishment			-	-	-	-	-	-	-	-
Net Other Income			-	-	-	4,166,457	-	-	4,166,457	-
Revenues Over (Under) Expenditures			529,751	(11,276)	113,420	4,166,457	-	(348)	4,798,004	-
Working Capital, July 1, 2008			5,413,216	481,995	143,157	-	158,251	1,343	6,197,962	
Working Capital, End Of Period			5,942,967	470,719	256,577	4,166,457	158,251	995	\$ 10,995,966	\$ 10,995,966
07/08 Assessable Production			103,077.958	30,909.693	3,439.822				137,427.473	
07/08 Production Percentages			75.005%	22.492%	2.503%				100.000%	

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

CHINO BASIN WATERMASTER

Combining Schedule of Revenues, Expenses and Changes in Working Capital (by subfund)

For the period July 1, 2007 through June 30, 2008

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2007-2008
Administrative Revenues										
Administrative Assessments	-	-	7,480,677	-	122,298	-	-	-	\$ 7,602,975	\$ 7,540,370
Interest Revenue	-	-	161,051	20,700	4,370	-	-	63	186,184	181,500
Mutual Agency Project Revenue	-	237,370	-	-	-	-	-	-	237,370	145,500
Miscellaneous Income	-	-	35,013	-	41	-	-	-	35,054	-
Total Revenues	-	237,370	7,676,741	20,700	126,709	-	-	63	8,061,583	7,867,370
Administrative & Project Expenditures										
Watermaster Administration	534,931	-	-	-	-	-	-	-	534,931	627,797
Watermaster Board-Advisory Committee	54,884	-	-	-	-	-	-	-	54,884	60,645
Pool Administration	-	-	20,280	137,820	6,561	-	-	-	164,661	162,333
Optimum Basin Mgmt Administration	-	2,462,439	-	-	-	-	-	-	2,462,439	2,852,337
OBMP Project Costs	-	4,022,898	-	-	-	-	-	-	4,022,898	4,153,883
Education Funds Use	-	-	-	-	-	-	-	375	375	375
Mutual Agency Project Costs	-	10,000	-	-	-	-	-	-	10,000	10,000
Total Administrative/OBMP Expenses	589,815	6,495,337	20,280	137,820	6,561	-	-	375	7,250,188	7,867,370
Net Administrative/OBMP Income	(589,815)	(6,257,967)								
Allocate Net Admin Income To Pools	589,815		449,956	128,272	11,587	-	-	-	-	-
Allocate Net OBMP Income To Pools		6,257,967	4,774,055	1,360,969	122,943	-	-	-	-	-
Agricultural Expense Transfer			1,612,751	(1,612,751)	-	-	-	-	-	-
Total Expenses			6,857,043	14,309	141,091	-	-	375	7,250,188	7,867,370
Net Administrative Income			819,698	6,391	(14,382)			(312)	811,395	-
Other Income/(Expense)										
Replenishment Water Purchases			-	-	-	3,402,393	-	-	3,402,393	-
MZ1 Supplemental Water Assessments			-	-	-	-	-	-	-	-
Water Purchases			-	-	-	-	-	-	-	-
Balance Adjustment			370,656	-	1,011	(371,667)	-	-	-	-
Groundwater Replenishment			-	-	-	(3,325,123)	-	-	(3,325,123)	-
Net Other Income			370,656	-	1,011	(294,397)	-	-	77,270	-
Revenues Over (Under) Expenditures			1,190,354	6,391	(13,371)	(294,397)	-	(312)	888,665	-
Working Capital, July 1, 2007			4,222,862	475,604	156,528	294,397	158,251	1,655	5,309,297	
Working Capital, End Of Period			5,413,216	481,995	143,157	-	158,251	1,343	\$ 6,197,962	
06/07 Assessable Production			130,826,204	37,295,410	3,369,080				171,490,694	
06/07 Production Percentages			76.288%	21.748%	1.965%				100.000%	

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THIRTY-SECOND ANNUAL REPORT

Fiscal Year 2008-09



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