



CHINO BASIN WATERMASTER



THIRTY-THIRD
33
ANNUAL REPORT
FISCAL YEAR 2009-10

DEVELOPING INDEPENDENCE FROM IMPORTED WATER

MEETING WATER CHALLENGES

A Message From the Executive Director

The Chino Basin region has experienced a long history of water challenges. The situation is no different today. Recent rainfall data showed that 2007-2009 was the twelfth driest three-year period in the state's recorded history. Last year rainfall improved, but runoff was below average. In addition, court rulings to protect fish in the California Delta have resulted in cuts of imported Delta supplies by 50%!

Meeting the Challenges. *Watermaster and its Basin partners have stepped up to meet these challenges. Some of our notable water management achievements in the 2009-2010 fiscal year, include:*

- *Facilitated agreements with local and regional partners to expand desalter capacity.*
- *Completed the Phase II Chino Basin Facilities Improvement Project that increased recharge capacity to 99,000 acre-feet per year from 49,000 acre-feet.*
- *Made plans for cost-saving changes to the Basin Plan Amendment that are designed to reduce monitoring costs by hundreds of thousands of dollars per year.*
- *Continued actively facilitating cleanup programs throughout the Basin.*

Completed the Recharge Master Plan Update. *Watermaster's principal focus for the fiscal year was completion of the Recharge Master Plan Update. With cutbacks of replenishment water, a key goal of the plan is to identify how the Basin can take larger amounts of water during wet periods and recharge it in a shorter amount of time. Watermaster worked with the Chino Basin Conservation District and the Inland Empire Utilities Agency to successfully complete the Plan by the July 1, 2010 deadline.*

Kept Costs Down. *The Inland Empire's economy is one of the hardest hit in California, and Watermaster made administrative changes to improve efficiency and keep costs down. Many other technical, administrative and institutional achievements are summarized in this report.*

Watermaster's successes are rooted in collaboration locally, regionally and across the state. The result is that in drought years and flood years, we continue to enjoy the benefits of a reliable, high-quality and affordable water supply.

I am grateful to all my fellow stakeholders for their contributions to another successful year, and look ahead with confidence to more achievements in the future.

*Kenneth R. Manning,
CEO Chino Basin
Watermaster*

Cooperation and Leadership Serves All Basin Stakeholders **ANNUAL PLANNING CONFERENCE BUILDS**

In September 2009, Chino Basin Watermaster met for the Strategic Annual Planning Conference with staff, Board members, consulting experts and stakeholders to plan for the future and to continue to develop the Recharge Master Plan Update (RMPU). This annual planning conference builds on a growing and successful history of collaboratively managing water supplies to benefit the entire region.

Early 1970s and Before: Conflict Over Water Supplies

Basin stakeholders had endured decades of conflict over water supplies, but this began to change in 1974 when stakeholders signed a memorandum of agreement. Within a year, the state authorized a \$2 assessment per acre-foot of water to help support this effort by funding development of a Chino Groundwater Plan.

1978: Watermaster Provides a Permanent Forum

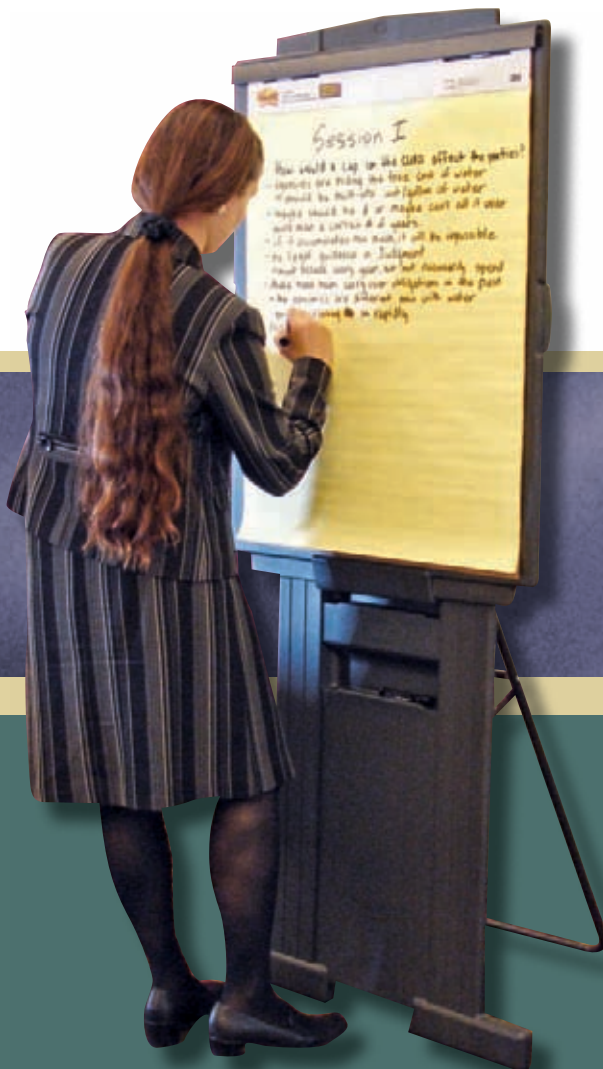
By 1978 a permanent structure was created by the San Bernardino Superior Court when it formed Watermaster. In subsequent years, Watermaster developed a governance structure, technical understanding and funding to manage the Basin.

Later 1990s: Optimum Basin Management Program, a Major Technical Advance

In the late 1990s, Watermaster developed a detailed program consisting of hundreds of specific actions designed to resolve basin water supply and quality challenges. This program, required by the Court, is still being systematically implemented and continually refined.

2000 and 2007: Peace Agreements Represent a Major Institutional Advance

Following years of negotiation, Basin stakeholders and the Court approved the Peace I Agreement in 2000, formalizing and making permanent the Watermaster governance structure. In 2007, a more profound level of collaboration became possible through signing of the Peace II Agreement that provides massive water supply benefits and cost savings of nearly \$1 billion dollars.



Watermaster hosts an annual two-day Strategic Planning Conference that brings all Basin stakeholders together to work collaboratively on priorities for the coming years.

ON HISTORY OF COLLABORATION

2008-2010: Recharge Master Plan Update Development and Implementation

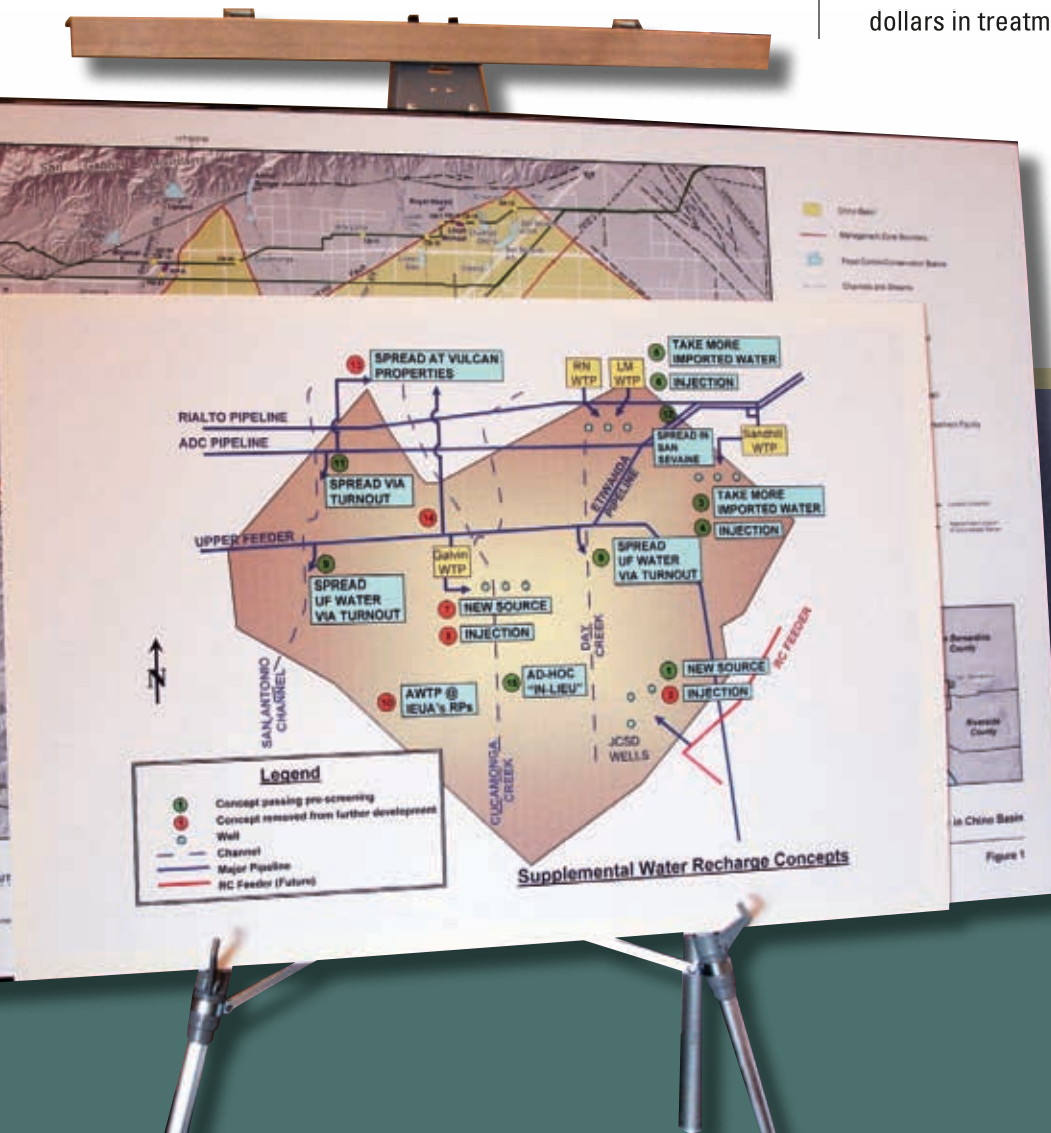
The most important single initiative of the last several years has been the Recharge Master Plan Update. Work on the plan was initiated at the 2008 Strategic Planning Conference. During the rest of the year and through 2009 the Recharge Master Plan Update was developed and finalized. Implementation of the Recharge Master Plan Update will begin during the 2010-2011 fiscal year.

2010 and Beyond: Increasing Capabilities and Successfully Managing Water Supply and Quality

While the 2009-2010 fiscal year focused on the Recharge Master Plan Update, Watermaster continued working in many arenas to increase water management capabilities and successes with more technical sophistication, better cost effectiveness and continually improved results.

What distinguishes progress in 2009-2010, and in recent years, are achievements that build on each other to make it possible to monitor, protect and expand our water supply and quality in ways that simply could not be achieved in the past.

- **Improved working relationships** and governance tools through Watermaster that allow stakeholders to work together and resolve complex challenges in a sustained way.
- **Regional partnerships** that make it possible to plan and implement large, cost-effective projects involving multiple parties, and that utilize multiple sources: recycled water, stormwater, imported water and groundwater.
- **Extensive physical facilities:** desalters, recharge basins, pipelines and channels that allow Watermaster to collect, spread and move water.
- **Unique regulatory and management tools:** such as Hydraulic Control and Maximum Benefit that will provide up to 140,000 acre-feet of new water and nearly one billion dollars in treatment savings over time.



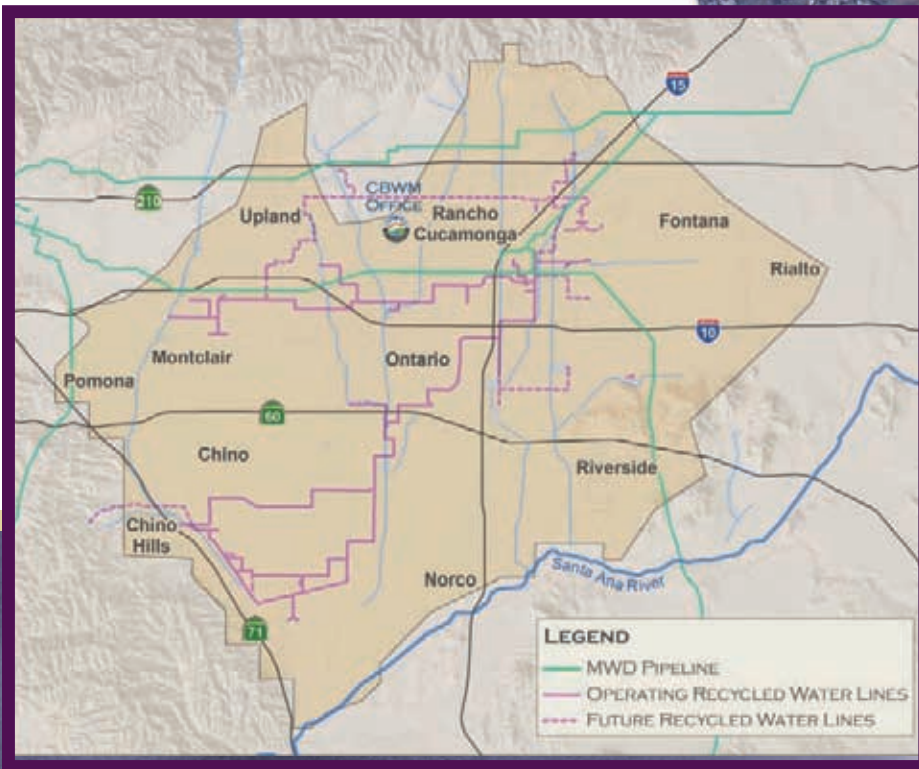
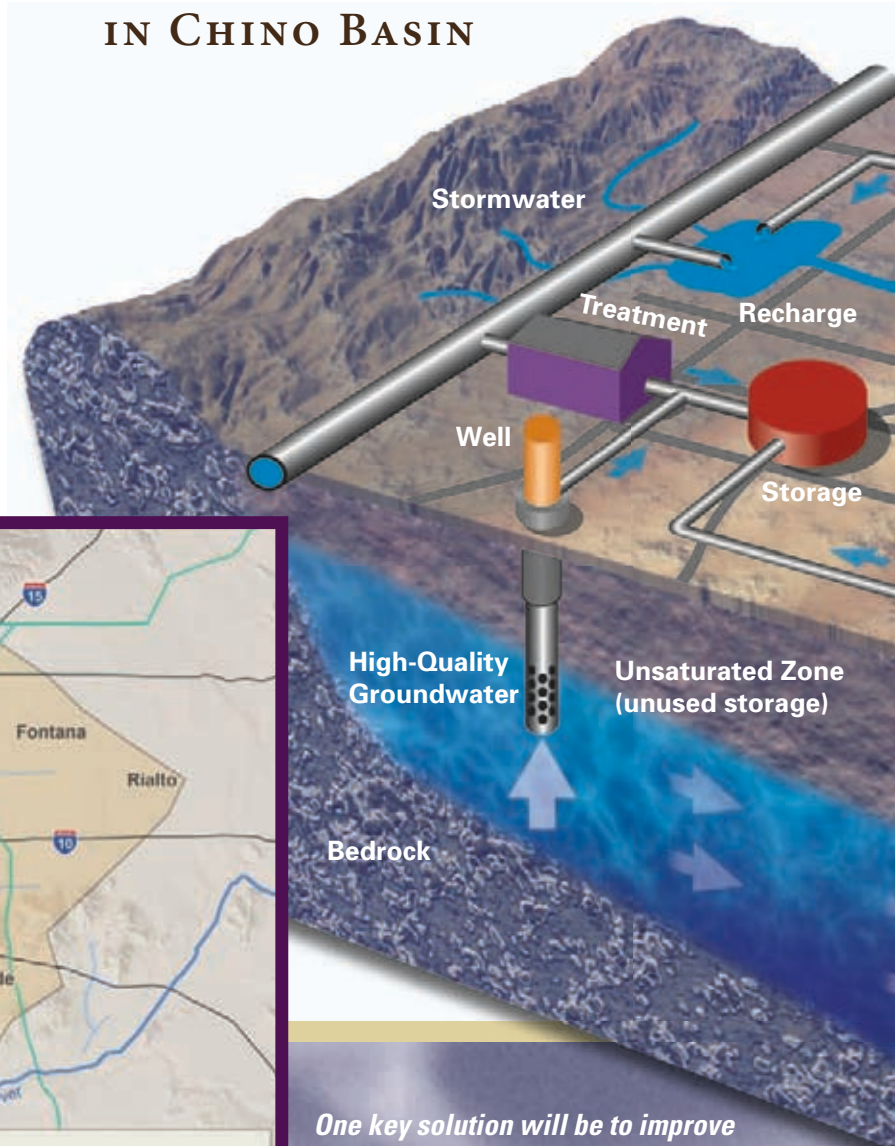
With imported replenishment supplies unavailable, Watermaster successfully made completion of the Recharge Master Plan Update its top Strategic priority in 2010.

Statewide Water Crisis Means Our Region Must Develop Local Sources of Water

Historically, the source of replenishment water was surplus water that was made available at lower rates. However, for the last several years there has been no surplus water available because it has been given to newly recognized environmental needs by the courts.

As a result, Chino Basin Watermaster has been working systematically to develop new sources of water that are affordable, reliable and under local control through the Recharge Master Plan Update.

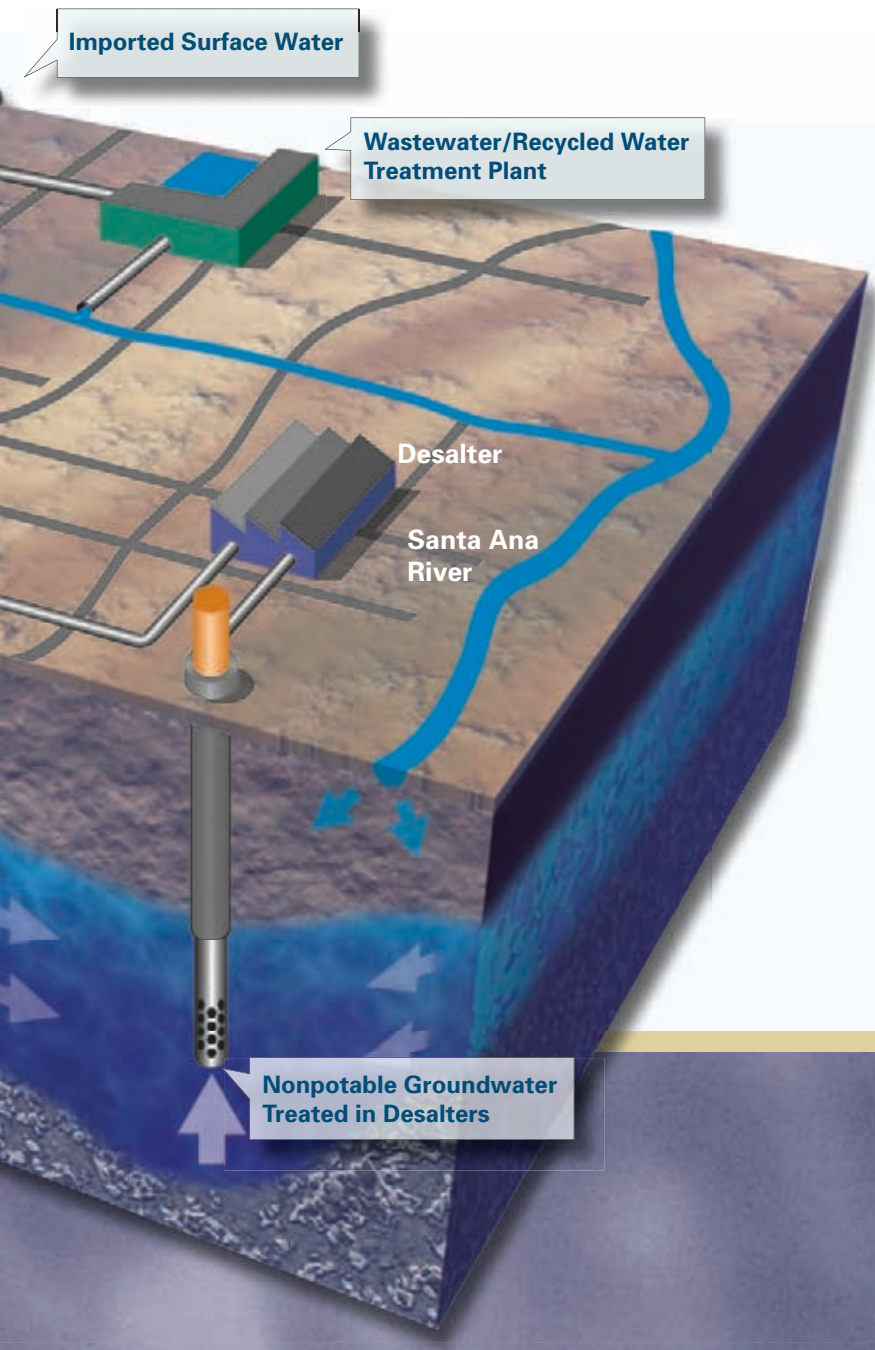
STORAGE AND RECOVERY IN CHINO BASIN



One key solution will be to improve recharge capabilities so that in wet years, when surplus water is available, the Basin can take larger amounts of water in shorter periods of time.

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 170,000 acre-feet of water were pumped from it.

CHALLENGES LOCALLY



NEW WATER SOURCES: THE RECHARGE MASTER PLAN UPDATE

The Recharge Master Plan Update work started during the Strategic Planning Conference in September 2008, which was entirely dedicated to the topic. Watermaster worked collaboratively with the Chino Basin Water Conservation District (CBWCD) and Inland Empire Utilities Agency (IEUA) to assess the challenges, evaluate the assets available, and to develop solutions.

Following completion of the draft report in January 2009, several workshops were held and comments were received. Responses were incorporated into the final report, which will be submitted to the Court on time on July 1, 2010.

Recharge Master Plan Update: Identifies How the Basin Will Increase Capture and Replenishment of Stormwater:

- **Expand use of stormwater for recharge.** The Basin has captured most of the easy-to-obtain stormwater that can be replenished. Future projects will require substantial investments in new equipment such as pumps and pipelines, and require bigger recharge facilities since the areas with high infiltration rates have been taken. There will be less recharge of stormwater per dollar than in the past, but there is still much potential.
- **Increase capture and recharge from Municipal Separate Storm Sewer Systems.** To prevent harmful pollutants from being washed or dumped into storm drains, stormwater system operators require developers to capture stormwater onsite and recharge it into the ground through porous landscapes, mini-ponds and other methods. Watermaster is seeking to develop programs and incentives that would encourage property owners to go beyond minimum stormwater capture requirements by recharging additional water. The types of incentives under review include: clarifying who owns the water, giving water credits to developers of this water, and cost-sharing agreements or other financial incentives.

Purchase replenishment water from third parties:

Chino Basin Watermaster will also be seeking sources of supply that it could purchase from willing sellers and transport through the State system to the Chino Basin for recharge. The goal is to increase local responsibility for water supply and decrease dependence on imported water.



Southern California Reservoir Storage is Still Low

Provided courtesy of Metropolitan Water District of Southern California.

Progress Toward Our Goal of Water Independence DEVELOPING WATER SUPPLY SOLUTIONS

It Rained Last Year, But Long-Term Water Supply Challenges Remain. Following three years of being below average, rainfall improved in the 2009-2010 fiscal year. However, there remains an ongoing supply challenge caused by environmental and regulatory restrictions that have slashed the amount of water that can be pumped from the Delta to protect endangered fish, limiting the ability to import adequate supplies from Northern California. Additionally, there have been multi-year droughts on the Colorado River Basin, and population growth that has further impacted statewide water supplies. As a result, the area needs to look inward to find solutions for developing local water independence.

Watermaster and its partners in the Chino Basin have started by developing the tools and maximizing the resources most easily available: increasing the use of recycled water, capturing more stormwater, desalinating brackish water, increasing conservation and more.

COLLABORATIVE WELLFIELD AND DESALTER EXPANSION

Watermaster has made progress toward its commitment to expand the desalters and obtain hydraulic control through a variety of coordinated and collaborative efforts with many partner agencies.

Progress on a Partnerships to Expand the Desalters and Well Fields. Chino Basin Watermaster took a leadership role in collaborating with neighboring agencies, Jurupa Community Services District, City of Ontario and Western Municipal Water District, on the Desalter expansion.

One key part of the program involves Western Municipal Water District paying to substantially expand the capacity of the Desalter II treatment facility by 10.5 million gallons per day or 11,800 acre-feet per year. Western Municipal will also fund construction of a new wellfield required for the hydraulic control commitment associated with the Maximum Benefit program.

This win/win desalter expansion program resulted in Western Municipal Water District obtaining a new and reliable water supply that is not dependent on the state water system. In doing so they will pay for treating contaminated groundwater and improving hydraulic control in the Chino Basin.

The Regional Water Quality Control Board (RWQCB) levied an Administrative Civil Liability complaint and fine against Watermaster and IEUA for not keeping up with the mandated schedule to expand the Desalters. Watermaster is now working with the various parties as a facilitator to maintain the realistic schedule approved by the RWQCB, and the project is progressing.

Reverse osmosis (RO) membrane array at the Chino II Desalter plant.



UNDER LOCAL CONTROL

Dry Year Yield. The Dry Year Yield Program provided Metropolitan Water District the right to store groundwater in the Basin, as a hedge against drought, in exchange for paying the costs of developing the facilities that deliver that water. The Program has now almost completed a full cycle, with Chino Basin benefiting from those facilities, and by Metropolitan Water District having filled the account and now drawing it down over three years. In April, MWD made the final call on that water, and the Dry Year Yield program will be zeroed out by April 30, 2011.

The Basin did not obtain large amounts of water from Metropolitan Water District (MWD) for replenishment purposes but did obtain and use storm and recycled water for recharge.

Chino Basin Facilities Improvement Project Completed.

The Chino Basin Facilities Improvement Project (CBFIP) Phase II, a joint program of Watermaster, Chino Basin Water Conservation District, Inland Empire Utilities Agency, and the San Bernardino County Flood Control District, was created to increase the annual recharge of storm, imported, and recycled water and reduce long-term maintenance costs. The \$10.5 million project, completed in May 2010, was co-funded by Watermaster and IEUA with matching funds from the California Department of Water Resources (DWR). The program installed monitoring wells, lysimeters, recycled water connections, remote computer control systems, and heightened and hardened berms.

Phases I and II of the Chino Basin Facilities Improvement Project increased recharge capacity from 36,000 acre-feet to 99,000 acre-feet per year.



Riser outlet tower at the Etiwanda Debris Basin.

Quality, Quantity, Production and More: EXTENSIVE MONITORING PROVIDES DATA FOR

The Chino Groundwater Basin spreads across 220 square miles and holds about two trillion gallons of water. Watermaster carries out a number of extensive monitoring programs that make it possible to manage the Basin water supply and quality with increasing effectiveness and sustainability.

Changes to Basin Plan Expected to Result in Large Savings. Watermaster introduced Amendments to the 2010 Basin Plan that must be approved by regulators. The most important changes centered on the monitoring programs. Years ago, when Watermaster was developing the Hydraulic Control concept, a substantial monitoring program to prove whether Hydraulic Control is working was required, but can now be decreased. The 2010 amendments are expected to result in substantial cost savings in the monitoring program of up to \$400,000 per year.

Obtained New Monitoring Wells. Watermaster began work on an agreement to take over three wells that would otherwise be destroyed by a local business. Watermaster proposes to accept this equipment and use it to monitor the groundwater basin.

MZ-1 Management Monitoring and Actions to Stop Subsidence. Due to the historical occurrence of pumping-induced land subsidence and ground fissuring in MZ-1, this management plan calls for numerous monitoring activities aimed at minimizing or completely avoiding future occurrences in the Chino Basin. During this year, Watermaster successfully recharged 5,000 acre-feet (AF) of imported water in the MZ-1 area.

OPTIMUM BASIN MANAGEMENT PROGRAM— MONITORING PROGRAMS

The Groundwater Level Monitoring Program is comprised of about 700 wells. The wells in the monitoring program within the southern portion of the Basin were selected to assist in Watermaster's monitoring programs for Hydraulic Control, land subsidence, and desalter impacts to private well owners. The remaining wells are monitored in support of the triennial re-computation of water quality in the Chino-North management zone. Water level data is collected quarterly with the assistance of several partner agencies. The water level data is checked by Watermaster staff and uploaded to a centralized relational database.



Measuring depth to water in a well.

IMPROVED BASIN MANAGEMENT

Extensive Groundwater Quality Monitoring Program Consists of Four Components:

1. *An annual key well water quality monitoring program* designed to target privately owned agricultural wells in the southern portion of Chino Basin that are otherwise not included in an established sampling program.
2. *Annual sampling at nine monitoring well clusters* strategically placed between the Chino Basin Desalter wellfields and the Santa Ana River. Results of the quarterly sampling are used to analyze the effect of the desalter pumping over time by comparing water quality of the native groundwater and the Santa Ana River.
3. *Monthly sampling at four near-river wells* to characterize the Santa Ana River's influence on nearby groundwater.
4. *Cooperative Basin-Wide data collection effort*, known as the Chino Basin Data Collection (CBDC)

program, which relies on municipal producers and other government agencies to supply groundwater quality data on a cooperative basis, so it can be loaded into Watermaster's relational database.

Groundwater-Production Monitoring.

All active wells (except for minimum user wells) are now metered. Watermaster reads the Agricultural Pool production data from the meters on a quarterly basis and enters the data into Watermaster's relational database.

Surface Water Monitoring.

Watermaster measures the quantity and quality of storm and supplemental water in the recharge basins. Pressure transducers or staff gauges are used to measure water levels during recharge operations. In addition to these quantity measurements, imported water quality data for State Water Project water are obtained from the MWD and recycled water quality data for the RP-1 and RP-4 treatment plant effluents are obtained

from IEUA. Water quality samples are also collected from recharge basins that are actively recharging recycled water from lysimeters installed within those recharge basins. Combining the measured flow data with the respective water qualities enables the calculation of the blended water quality in each recharge basin, the "new yield" to the Chino Basin, and the adequate dilution of recycled water.

Surface Water Monitoring in the Santa Ana River.

Watermaster conducts bi-weekly flow and water quality measurements of the Santa Ana River and combines the data with discharge data from permanent USGS and Orange County Water District (OCWD) stream gauges, and discharge data from publicly owned treatment works. These data are used along with groundwater modeling to assess the extent of Hydraulic Control.



San Sevaine Recharge Basin following a winter storm.

Improved Management, Advanced Technology & Efficiency Helps Support **LONG-TERM SOLUTIONS FOR A RELIABLE**

Progress on the Peace II SEIR—The Peace II Environmental Impact Report (SEIR) was circulated for public review in May 2010. Several meetings were held to review the comments received as well as discussions on the impacts and mitigation measures. The final report is due out in September.

Changes in Judges. In September 2009, sitting Judge Wade retired. During his year on the case, Judge Wade carried out a comprehensive review of Watermaster's implementation of the OBMP and made a finding that Watermaster was fully compliant with all requirements associated with implementation.

In December 2009, Judge Reicher was assigned to the case. Reicher was the former assistant to Judge Gunn, who was Watermaster's sitting judge when the Peace I Agreement was written. Since that time, Judge Reicher has held informational hearings in order to come up to speed on the case and has successfully addressed a Paragraph 31 motion and approval of the Recharge Master Plan Update.

Cumulative Unmet Replenishment Obligation (CURO).

Historically, when a pumper took more water than it had rights to, Watermaster would purchase replenishment water on its behalf and recharge it into the Basin. But, if Watermaster cannot purchase replenishment water due to unavailability, an unmet replenishment obligation is created. The sum of all these obligations becomes the Cumulative Unmet Replenishment Obligation (CURO). One challenge of the CURO is that the cost of water increases over time. So, for example, if the replenishment obligation occurs in one year, but the water to make it up is available two years later, the cost will be higher than originally assessed for, making it increasingly costly to buy water to meet the CURO. If the CURO debt grows, the concern is that the replenishment obligation debt could get too big and costly to pay off—leading to a perpetual overdraft of the Basin. Although these severe possibilities have not occurred, Watermaster began working with stakeholders on resolving the policy, water supply, and financial issues of the CURO.



WATER SUPPLY

Chino Basin Groundwater Recharge Program. IEUA, Watermaster, CBWCD, and the SBCFCD jointly sponsor the Chino Basin Groundwater Recharge Program. This is a comprehensive, ongoing water supply program to enhance water supply reliability and improve the groundwater quality in local drinking water wells throughout the Chino Basin by increasing the recharge of stormwater, imported water, and recycled water.

Custom HydroDaVE™ Software Improves Technical Collaboration. Hydrologic Database and Visual Explanations (HydroDaVE™) is a custom-developed software database that includes all of Watermaster's data and makes it readily available to Watermaster staff and any Watermaster Party. As Watermaster's partners use the software, it will be easier to share and download massive amounts of data

about Basin water supply and quality. Of course, private party water quality data remains confidential.

Auction and Paragraph 31 Motion—conflict. A water auction was originally scheduled for November 2009, but was postponed until questions about how to recover the water can be resolved. Once this issue is resolved, the water will have a higher value and it is anticipated that the auction will resume. Many serious potential purchasers expressed interest in the water and a strong sale is expected once a new date is set. Also, some overlying Non-Agricultural parties challenged whether Watermaster provided adequate notice of the purchase of their storage water and sought to invalidate the sale of the water. The judge denied the motion and found on behalf of Watermaster that proper notice was provided.

Administrative Improvements.

Watermaster continually looks to improve its administration and management, but this year made an unusual number of changes to make it a more efficient and effective organization.

Changes ranged from updating financial forms for water leases and purchases, to initiating cleanup of its database of members, which is critical to meet legal requirements of the Judgment. Cleaning up the database is especially challenging for the Agricultural Pool where there are hundreds of parties for whom there is no contact information or their status as water rights holders is unclear. Meeting dates were also changed so that the Watermaster Board and Advisory Committee don't meet on the same day.



Effective Long-Range Water Quality Management WATER QUALITY PROGRAMS BENEFIT

Watermaster takes an active role in regional water quality issues by helping the Regional Water Quality Control Board set priorities by providing detailed monitoring data, and by reviewing plans and cleanup options.

MASSIVE BENEFITS FROM COORDINATED QUALITY AND SUPPLY MANAGEMENT

The value of the comprehensive, long-range water planning contained within the OBMP is demonstrated in regional water quality successes. The most dramatic examples include the water quality and financial benefits from the desalters. For example, the desalter wells are uniquely placed to intercept contamination plumes from Chino Airport and Ontario International Airport, providing a cost-effective additional level of treatment. By removing salts from the groundwater, and offsetting salt loads from recharged recycled water, the desalters provide \$900 million in savings over 20 years compared to traditional salt management methods. In addition, there is a massive 400,000 acre-feet of new water that will be developed over time from the Basin Reoperation program. Local water suppliers that collaborate and place their wells and other facilities in locations that support the OBMP increase the overall benefits of the program and obtain access to the supply of reoperation water.

WATER QUALITY AND CLEANUP PROGRESS

Active role in the Ontario International Airport (OIA) Plume Investigation and Cleanup. Watermaster is active in the investigation of the trichloroethene (TCE) plume. Actions included: working with the potentially responsible parties (PRPs) to coordinate water quality sampling; working with stakeholders to identify the source of the plume; reviewing monthly reports; and receiving electronic data deliverables that were uploaded into HydroDaVE™. In addition, Watermaster sampled 12 private wells within and in the vicinity of the plume as part of its on-going plume-characterization work.

Developing Multi-Purpose Cleanup at Chino Airport and Identified Cost Savings. Watermaster has been working closely with the San Bernardino County Department of Airports on a number of programs aimed at facilitating the groundwater cleanup at the airport, lowering costs and benefiting all the parties. For example, Watermaster exchanged groundwater elevation and groundwater quality data for wells installed by the County, and coordinated on the possibility of locating a proposed monitoring well where it could benefit all parties and lower costs. In addition, Watermaster sampled private wells within and in the



Watermaster continues its active role in cleanups across the Basin, including at the Ontario International and Chino Airports.

WATER SUPPLY AND LOWER COSTS

vicinity of the plume. Watermaster's high-definition monitoring program also helped to establish that there is a 1,2,3-trichloropropane (TCP) plume co-mingled with the TCE plume at the Chino Airport. This is critical, because TCP will ultimately drive the mitigation costs at the Chino Airport. Watermaster continues to negotiate with the Department of Airports in order to find common ground for a joint remedy for desalting and plume mitigation.

Extensive Actions in Management Zone 3 (MZ-3). Watermaster is actively participating on a Technical Advisory Committee overseeing a collaborative project funded by the Department of Defense that seeks to determine the source of the wide-spread, low-level perchlorate in groundwater in MZ-3, and to develop a cost-effective and environmentally appropriate solution.

Watermaster has provided extensive groundwater elevation and groundwater quality data to the co-principal investigators on this project.

Interagency Cooperation Saves Significant Funds. Watermaster coordinated closely with the State of California to retain 16 monitoring wells at the California Institution for Men. These wells are critical for on-going monitoring of both groundwater elevations and groundwater quality and are key to the HCMP. This inter-agency cooperation saved the State and Watermaster parties significant funds.

Maximum Benefit Objectives Will Allow Vastly Increased Recycled Water Use. Watermaster and IEUA convincingly demonstrated to regulators that groundwater quality objectives for total dissolved solids and nitrogen could be raised, allowing for vastly increased amounts of recycled water to be recharged and reused, which resulted in the maximum beneficial use of water supplies.

Peace II Agreement, Basin Reoperation and Hydraulic Control. A primary element of the Peace II Agreement is Basin Reoperation. Essentially, Basin Reoperation is the controlled overdraft of the Basin by 400,000 acre-feet via forgiveness of the Desalter replenishment obligation, resulting in a regional lowering of groundwater levels across the Chino Basin, which makes it possible for the Desalter pumping to achieve and maintain Hydraulic Control. The many benefits of Basin Reoperation and Hydraulic Control include improved basin yield by reduced groundwater outflow to (and increased groundwater inflow from) the Santa Ana River, a local and reliable supply of potable water from the Chino Desalters, improved salinity management via salt export from the Chino Desalters, and the "maximum benefit" groundwater quality objectives which allow for recycled water reuse, among others. An independent macro-economic analysis suggested that the net value of these management programs is about \$900 million dollars.

Purging of the improved MWD connection CB-14.



WATERMASTER GOVERNANCE AND MEMBERSHIP – CALENDAR YEAR 2010

Watermaster Board

Agricultural Pool Representatives

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

Non-Agricultural Pool Representatives

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

Appropriative Pool Representatives

REPRESENTATIVE	MEMBER ENTITY
Tom Haughey	Chino, City of
Alternate: Earl Elrod	
Michael Whitehead , Secretary	Fontana Water Company
Alternate: Robert Young	
Ken Willis , Chair	West End Consolidated Water Company
Alternates: Tom Thomas/Anthony La	

Municipal Water District Representatives

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

Staff

Kenneth R. Manning,
Chief Executive Officer

Sheri Rojo, CPA, (Jan.-Mar.)
CFO/Asst. General Manager

Joseph Joswiak, MBA, (April-Dec.)
Chief Financial Officer

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

Agricultural Pool Representatives

REGULAR MEMBERS	REPRESENTING
Nathan deBoom	Dairy
Glen Durrington	Crops
Robert Feenstra	Dairy
Pete Hall	State
Peter Hettinga	Dairy
Alternate: Syp Vander Dussen	
Gene Koopman , 2nd Vice-Chair	Dairy
Nate Mackamul	State
Jennifer Novak	State
Alternates: Richard Alvarado/Henry Provencher	
Jeff Pierson	Crops
Alternate: Dan Hostetler	
Rob Vanden Heuvel	Dairy

Non-Agricultural Pool Representatives

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

Appropriative Pool Representatives

Patrick Bauer	Arrowhead Water Company
Dave Crosley	Chino, City of
Bill Kruger	Chino Hills, City of
Alternates: Ron Craig/John Mura	
Robert DeLoach , Chair	Cucamonga Valley Water District
Alternate: Marty Zvirbulis	
Chuck Hays	Fontana, City of
Josh Swift	Fontana Union Water Company
Robert Young	Fontana Water Company
Ben Lewis	Golden State Water Company
Eldon Horst	Jurupa Community Services District
Alternates: Robert Tock/Tom Harder	
Justin Brokaw	Marygold Mutual Water Company
Mark Kinsey	Monte Vista Irrigation Company
Mark Kinsey	Monte Vista Water District
—	Niagara Bottling Company
Robert Young	Nicholson Trust
Bill Thompson	Norco, City of
Mohamed El-Amamy	Ontario, City of
Alternate: Scott Burton	
Raul Garibay	Pomona, City of
Charles Moorrees	San Antonio Water Company
Phil Krause	San Bernardino, County of (Prado Shooting Park)
J. Arnold Rodriguez	Santa Ana River Water Company
Anthony La	Upland, City of
Anthony La	West End Consolidated Water Company
A.W. "Butch" Araiza	West Valley Water District

Municipal Water Districts

Rick Hansen	Three Valleys Municipal Water District
A.W. "Butch" Araiza	West Valley Water District
John Rossi	Western Municipal Water District

Agricultural Pool Committee

REGULAR MEMBERS

Nathan deBoom
Glenn Durrington
Robert Feenstra, Chair
Edward Gonsman
Pete Hall
Peter Hettinga
John Huitsing
Gene Koopman
Nate 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

REPRESENTATIVE

Mark Ward
 —
David Penrice
Brian Geye
Steve Arbelbide/Ken Jeske
 Alternate: **Dennis Poulsen**
 —
Lisa Hamilton
 —
Gerald Yahr
 —
David Starnes

Scott Burton
 Alternate: **Tom O'Neill**
Curtis Stubbings
 Alternate: **Roger Han**
Bob Lawhn
Steve Riboli
James Jenkins
Jorge Rosa, Jr.
Michael Thies
 Alternate: **Tom Cruikshank**
Ted Leaman
 Alternate: **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

REPRESENTATIVE

Patrick Bauer
Dave Crosley
John Mura, Vice-Chair
 Alternate: **Ron Craig**
Robert DeLoach
 Alternate: **Marty Zvirbulis**
Chuck Hays
Josh Swift
Robert Young
Ben Lewis
Eldon Horst
 Alternate: **Robert Tock**
Justin Brokaw
Mark Kinsey
Mark Kinsey, Chair
 —
Robert Young
Bill Thompson
Mohamed El-Amamy
 Alternate: **Scott Burton**
Raul Garibay
Charles Moorrees
Phil Krause
J. Arnold Rodriguez
Anthony La
 Alternate: **Shaun Stone**
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*
 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*

* Minor Producer

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

A - AB

COURT HEARINGS AND ORDERS FISCAL YEAR 2009-2010

During the fiscal year 2009-10, 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
June 18, 2010	<ul style="list-style-type: none"> • Hearing – Paragraph 31 Motion of the Non-Agricultural Pool Committee • Ruling and Order – The Motion of the Non-Agricultural Pool Committee and Joinder Therein Is Denied
April 14, 2010	<ul style="list-style-type: none"> • Case Management Order – Regarding Paragraph 31 Motion by the Non-Agricultural Pool Committee
April 2, 2010	<ul style="list-style-type: none"> • Hearing – Ex-parte Application Regarding the Case Management Order for the Paragraph 31 Motion by the Non-Agricultural Pool Committee
December 11, 2009	<ul style="list-style-type: none"> • Hearing – Status Conference
November 30, 2009	<ul style="list-style-type: none"> • Notice and Order – To Attend the Status Conference on December 11, 2009
September 21, 2009	<ul style="list-style-type: none"> • Minute Order – By Order of Presiding Judge James C. McGuire, CHINO BASIN MUNICIPAL WATER DISTRICT V CITY OF CHINO, Et Al Is Hereby Reassigned to Judge Stanford Reichert, Judge of the Superior Court of San Bernardino County, Chino District, Department C-1, For All Purposes
September 17, 2009	<ul style="list-style-type: none"> • Hearing – Approval of Case Management Order That Indicates That Watermaster Is in Compliance with All of Its Current Deadlines with the Implementation of the OBMP
September 15, 2009	<ul style="list-style-type: none"> • Revised Order – Watermaster's Motion for Approval of the Template Storage and Recovery Agreement Is Granted
August 11, 2009	<ul style="list-style-type: none"> • Hearing – Status Update on Program Elements Seven, Eight, and Nine and the Motion Filed by Watermaster for Approval of the Template Auction Storage and Recovery Agreement • Order – Watermaster's Motion for Approval of the Template Storage and Recovery Agreement Is Granted

RESOLUTIONS CALENDAR YEAR 2010

Resolution	Adopted	Summary of Resolution
10-03	June 24, 2010	<p><i>Regarding Ongoing Support for the Chino Basin Recharge Master Plan</i></p> <ul style="list-style-type: none"> • The updated Recharge Master Plan is based on sound technical analysis and adequately updates the 2000 Recharge Master Plan in light of Basin Re-Operation and Hydraulic Control and in light of changed economic and hydrologic conditions within the State of California. • Watermaster adopts the updated Recharge Master Plan as the guidance document for the further development of the recharge facilities for the Chino Basin. • Pursuant to the Peace II Agreement section 8.1, Watermaster and IEUA will update this plan not less than once every five years. In particular, the Plan will be updated following the completion of the parties' Urban Water Management Plans by June 30, 2011.
Revised 10-02	June 24, 2010	<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.
10-02	January 28, 2010	<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.
10-01	January 28, 2010	<p><i>Establishing a Watermaster Investment Policy</i></p> <ul style="list-style-type: none"> • The authority to invest and reinvest funds of Watermaster is hereby delegated to the Watermaster Chief Executive Officer (and his/her designees) subject to the provisions of said Investment Policy and the ongoing review and control of Watermaster and the Watermaster Advisory Committee. • This resolution shall take effect from and after its date of adoption and Resolution 09-01 is rescinded in its entirety.

HISTORY OF INTERVENTIONS AFTER THE JUDGMENT

Production Year ¹	Appropriative	Non-Agricultural	Agricultural
09-10			Rafael Treto Guillermo Hurtado
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 28th day of January 2010, 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/ Robert DeLoach
Chair

By: /s/ Kenneth Willis
Chair

ATTEST:

By: /s/ Michael Whitehead
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	5,271.7	3,670.067	6.693
City of Norco	289.5	201.545	0.368
City of Ontario	16,337.4	11,373.816	20.742
City of Pomona	16,110.5	11,215.852	20.454
City of Upland	4,097.2	2,852.401	5.202
Cucamonga County Water District	4,431.0	3,084.786	5.626
Jurupa Community Services District	1,104.1	768.655	1.402
Monte Vista County Water District	5,958.7	4,148.344	7.565
West San Bernardino County Water District	925.5	644.317	1.175
Etiwanda Water Company	768.0	534.668	0.975
Feldspar Gardens Mutual Water Company	68.3	47.549	0.087
Fontana Union Water Company	9,188.3	6,396.736	11.666
Marygold Mutual Water Company	941.3	655.317	1.195
Mira Loma Water Company	1,116.0	776.940	1.417
Monte Vista Irrigation Company	972.1	676.759	1.234
Mutual Water Company of Glen Avon Heights	672.2	467.974	0.853
Park Water Company	236.1	164.369	0.300
Pomona Valley Water Company	3,106.3	2,162.553	3.944
San Antonio Water Company	2,164.5	1,506.888	2.748
Santa Ana River Water Company	1,869.3	1,301.374	2.373
Southern California Water Company	1,774.5	1,235.376	2.253
West End Consolidated Water Company	1,361.3	947.714	1.728
Total	78,763.8	54,834.000	100.000

APPROPRIATIVE RIGHTS (AS OF JUNE 30, 2010)

<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	4,033.857	7.356
City of Chino Hills ^B	3,032.86	2,111.422	3.851
City of Norco	289.50	201.545	0.368
City of Ontario	16,337.40	11,373.816	20.742
City of Pomona	16,110.50	11,215.852	20.454
City of Upland	4,097.20	2,852.401	5.202
Cucamonga Valley Water District ^C	5,199.00	3,619.454	6.601
Jurupa Community Services District ^D	2,960.60	2,061.118	3.759
Monte Vista Water District ^E	6,929.15	4,823.954	8.797
West Valley Water District ^F	925.50	644.317	1.175
Fontana Union Water Company ^G	9,181.12	6,391.736	11.657
Fontana Water Company ^H	1.44	1.000	0.002
Los Serranos County Club ^I	-	-	-
Marygold Mutual Water Company	941.30	655.317	1.195
Monte Vista Irrigation Company	972.10	676.759	1.234
Niagara Bottling Company ^J	-	-	-
Nicholson Trust ^K	5.75	4.000	0.007
San Antonio Water Company	2,164.50	1,506.888	2.748
Santa Ana River Water Company	1,869.30	1,301.374	2.373
Golden State Water Company ^L	591.05	411.476	0.750
West End Consolidated Water Company	1,361.30	947.714	1.728
San Bernardino County (Shooting Park) ^M	-	-	-
Arrowhead Mountain Springs Water Company ^N	-	-	-
City of Fontana ^O	-	-	-
Total	78,763.82	54,834.000	100.000

^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 City of Chino Hills incorporated in 1991 and assumed the responsibility for providing the public services formerly provided by WW#8.

WW#8 acquired a portion of the rights of Park and Pomona Valley Water Companies in 1983.

^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 in 1979 (776.940 AF OSY), Feldspar Gardens in 1988 (47.549AF OSY) and Mutual Water Company of Glen Avon Heights in 1997 (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 01-02, 5,000 AF OSY was reassigned: 1,000 AF to FWC and 4,000 AF to the Nicholson Trust.

^H FWC intervened in 1989 and was assigned 1,000 AF OSY as a result of a permanent transfer of water rights from FUWC.

^I Los Serranos intervened into the Appropriative Pool in 1990 with 0.000 AF OSY.

^J Niagara Bottling Company intervened in FY 02-03 with 0.000 AF OSY.

^K Nicholson Trust intervened in FY 01-02 and was assigned 4,000 AF OSY as a result of a permanent transfer of water rights from FUWC.

^L GSWC permanently transferred 823.900 AF 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 Agricultural Pool in 1985.

^N Arrowhead intervened in 1992 with 0.000 AF OSY.

^O City of Fontana intervened in 1996 with 0.000 AF OSY.

**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	97.858
County of San Bernardino (Airport)	171	133.870
Conrock Company	406	317.844
Kaiser Steel Corporation	3,743	2,930.274
Red Star Fertilizer	20	15.657
Southern California Edison Co.	1,255	982.499
Space Center, Mira Loma	133	104.121
Southern Service Co. dba Blue Seal Linen	24	18.789
Sunkist Growers, Inc.	2,393	1,873.402
Carlsberg Mobile Home Properties, Ltd '73	593	464.240
Union Carbide Corporation	546	427.446
Quaker Chemical Co.	-	-
Total	9,409	7,366.000

NON-AGRICULTURAL RIGHTS (AS OF JUNE 30, 2010)

<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	97.858
County of San Bernardino (Airport)	171.00	133.870
Vulcan Materials Company ^A	-	-
Kaiser Steel Corporation ^B	-	-
West Venture Development Co. ^C	-	-
Southern California Edison Co. ^D	35.71	27.959
RRI Energy West, Inc. ^E	1,219.29	954.540
Space Center, Mira Loma	133.00	104.121
Angelica Rental Service ^F	24.00	18.789
Sunkist Growers, Inc. ^G	-	-
Swan Lake Mobile Home Park ^H	593.00	464.240
Praxair ^I	1.28	1.000
Quaker Chemical Company ^J	-	-
California Steel Industries ^K	1,660.56	1,300.000
General Electric Company ^L	-	-
Auto Club Speedway ^M	1,277.36	1,000.000
Loving Savior of the Hills Lutheran Church ^N	-	-
CCG Ontario LLC ^O	-	-
KCO, LLC/The Koll Company ^P	-	-
San Antonio Winery ^Q	-	-
Ontario City Non-Ag ^R	2,937.72	2,299.848
Aqua Capital Management ^S	1,211.08	948.118
Total	9,389.00	7,350.343

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

^C Red Star Fertilizer became Anaheim Citrus then was acquired by West Venture Development. West Venture went out of business in 91-92 and abandoned its rights to production in FY 90-91.

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

^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 SY. Reliant Energy, Etiwanda changed its name to RRI Energy West, Inc. in FY 08-09.

^F Southern Service Company became Angelica Rental Service in FY 90-91.

^G On May 22, 2008, Sunkist permanently transferred 22.000 AF SY to Koll. On October 23, 2008 Sunkist permanently transferred 1,873.402 AF SY to Ontario City Non-Ag.

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

^I Union Carbide Corp. became Praxair, Inc. On May 27, 2010, Praxair permanently transferred 426.446 AF SY to Ontario City Non-Ag.

^J Quaker Chemical Company went out of business in FY 93-94.

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

^L General Electric Company intervened in FY 95-96 with 0.000 AF SY.

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

^N Loving Savior of the Hills Lutheran Church intervened in FY 00-01 with 0.000 AF SY.

^O CCG Ontario LLC intervened in FY 00-01. Kaiser sold 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 SY to Aqua Capital Management.

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

^Q San Antonio Winery intervened in FY 07-08 with 0.000 AF SY.

^R Ontario City Non-Ag intervened in FY 08-09 after purchasing land from Sunkist. On October 23, 2008, Sunkist permanently transferred 1,873.402 AF SY to Ontario City Non-Ag. On May 28, 2009, Koll's 22.000 AF SY was permanently transferred to Ontario City Non-Ag. On May 27, 2010, Praxair permanently transferred 426.446 AF SY to Ontario City Non-Ag.

^S 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 SY to Aqua Capital Management. On July 23, 2009, Vulcan permanently transferred 317.844 AF SY 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
09-10	78,733 ²³	31,855	3,908	114,496

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.

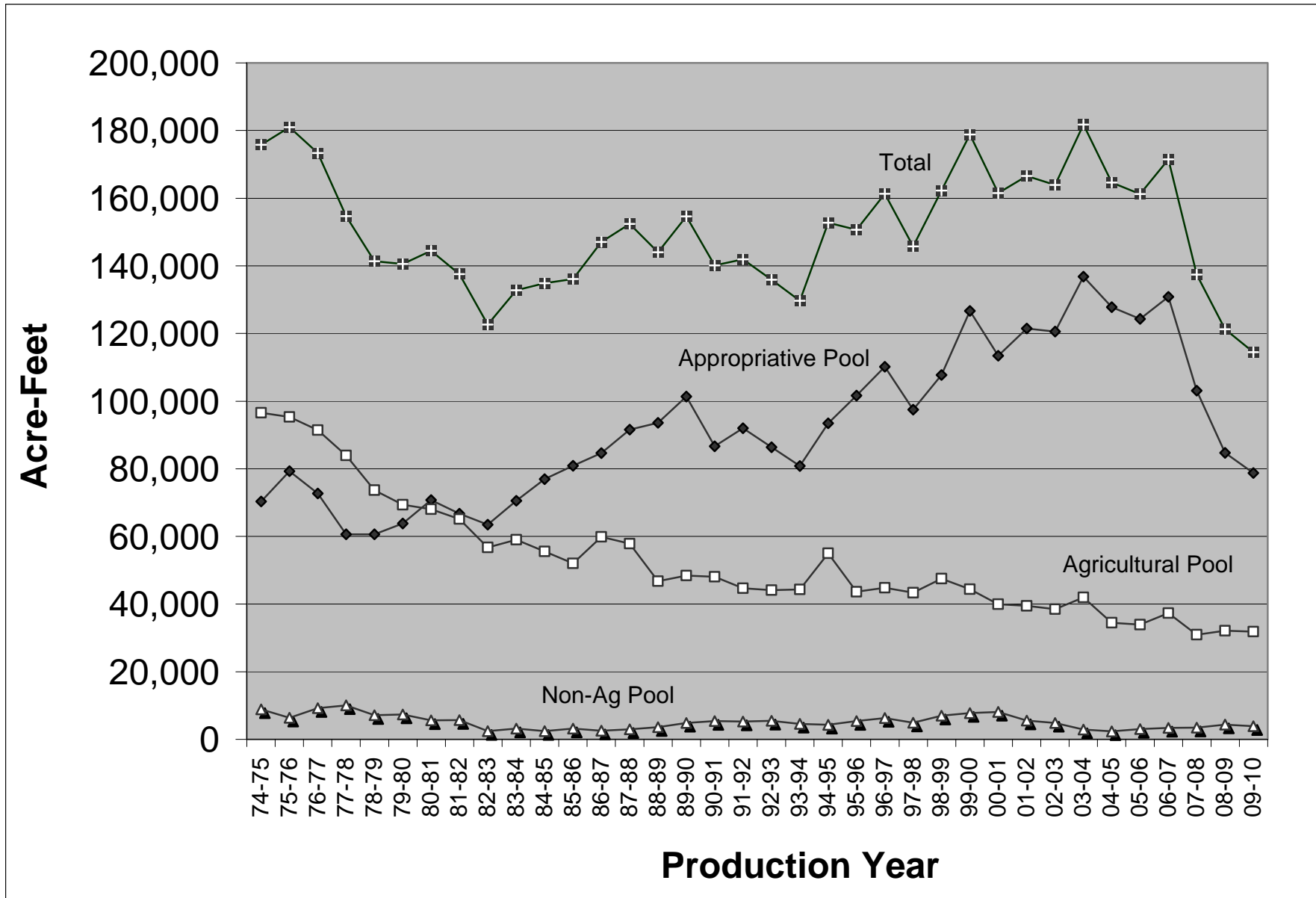
²⁰ Does not include 26,356 AF Desalter production or 79.3 AF Dept. of Toxic Substances Control (DTSC) production.

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.

²³ Does not include 28,517 AF Desalter production or 85.1 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
09-10	22,943	N/A	28,002	50,945

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	131,819 ⁴	253,072
09-10	114,496	144,354	258,849

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 2009-2010
(ACRE-FEET)**

Member Agency	Other Basins	Surface Diversions	SBVMWD & MWDSC Imported Deliveries	Recycled Water	Total
Chino, City of	-	-	-	7,839.3	7,839.3
Chino Hills, City of	-	-	-	2,104.8	2,104.8
Cucamonga Valley Water District ¹	5,851.3	4,156.0	-	2,219.9	12,227.2
Inland Empire Utilities Agency ²	-	-	-	818.0	818.0
Fontana Water Company ³	19,155.7	8,953.9	1,012.1	-	29,121.7
Jurupa Community Services District ⁴	678.8	-	-	589.4	1,268.2
Marygold Mutual Water Company ⁵	868.3	-	-	-	868.3
MWDSC ⁶	-	-	37,981.8	-	37,981.8
Monte Vista Water District	-	-	-	531.4	531.4
Ontario, City of	-	-	-	8,472.6	8,472.6
Pomona, City of ⁷	4,636.9	2,573.3	1,227.0	-	8,437.2
San Antonio Water Company ⁸	4,112.1	2,250.8	-	-	6,363.0
San Bernardino, County of	-	-	-	1,250.7	1,250.7
State of California, CIM ⁹	-	-	-	874.6	874.6
Upland, City of ¹⁰	10,025.0	2,865.0	-	679.9	13,569.9
West End Consolidated Water Company ¹¹	3,461.0	-	-	-	3,461.0
West Valley Water District ¹²	9,164.0	-	-	-	9,164.0
Total	57,953.2	20,799.0	40,220.9	25,380.4	144,353.6

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 24,505.8 AF of recycled water as follows: 7,157.2 AF to the City of Chino, 1,494.0 AF to the City of Chino Hills, 659.5 AF to Cucamonga Valley Water District, 818.0 AF to IEUA, 241.3 AF to Monte Vista Water District, 5,677.9 AF to Ontario, 1,250.7 AF to San Bernardino County, and 0.0 AF to the City of Upland. Additionally, recycled water groundwater recharge in the amount of 7,208.0 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 4,192.2 AF of groundwater from Six Basins and 444.7 AF of groundwater from Spadra Basin. Imported water was delivered through TVMWD.

⁸ An amount of 2,250.8 AF was treated local canyon flow used in the overlying Chino Basin. The imported groundwater was 638.5 AF from San Antonio Tunnel, 3,219.6 AF from Cucamonga Basin, and 254.0 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 2009-2010
(ACRE-FEET)

Month	Water Facilities Authority - CB-12					
	Upland	MVWD	Ontario	Chino	Chino Hills ²	Total
July	370	18	416	420	645	1,869
August	620	128	575	394	469	2,186
September	706	217	611	394	486	2,414
October	347	39	632	240	235	1,493
November	195	-	584	124	208	1,111
December	-	-	565	127	222	914
January	-	5	590	116	420	1,131
February	-	-	255	65	32	352
March	210	41	143	147	147	688
April	232	-	65	111	214	622
May	64	-	68	253	386	771
June	16	-	379	366	553	1,314
Total	2,760	448	4,883	2,757	4,017	14,865

Month	Reliant	Fontana Water Co.	Cucamonga Valley Water District			Pomona	Total
	CB-01	CB-19	CB-07	CB-16	Sub-Total		
July	-	208	55	2,673	2,728	235	5,040
August	-	174	149	2,459	2,608	193	5,161
September	-	196	174	2,286	2,460	164	5,234
October	-	211	127	1,978	2,105	116	3,925
November	-	184	108	2,168	2,276	113	3,684
December	-	7	-	1,654	1,654	50	2,625
January	-	-	22	1,596	1,618	5	2,754
February	-	-	-	321	321	15	688
March	-	-	-	1,466	1,466	34	2,188
April	-	-	-	1,333	1,333	58	2,013
May	-	-	-	1,468	1,468	96	2,335
June	-	-	-	2,102	2,102	148	3,564
Total	-	980	634	21,503	22,137	1,227	39,209

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 2009-2010
(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 ¹	(1,042.9)	(1.0)	-	-	-	-	-	-	-	-	(289.0)	(298.0)	(1,630.9)
Chino Hills, City of	-	-	-	-	-	-	-	-	-	-	-	-	-
Cucamonga Valley Water District	(2,656.1)	(2,657.0)	(1,032.0)	-	-	-	-	-	-	-	(2,449.2)	(2,465.9)	(11,260.2)
Jurupa Community Services District	(270.0)	(250.0)	(340.0)	(360.0)	(289.9)	-	-	-	-	-	(100.0)	(200.0)	(1,809.9)
Monte Vista Water District	(1,825.8)	(1,073.0)	-	-	-	-	-	-	-	-	(510.0)	(510.0)	(3,918.8)
Ontario, City of	(1,752.0)	-	-	-	-	-	-	-	-	-	-	(478.8)	(2,230.8)
Pomona, City of ²	(1,000.0)	-	-	-	-	-	-	-	-	-	(1,000.0)	(42.5)	(2,042.5)
Upland, City of	(366.2)	(497.8)	(435.9)	(293.1)	(272.7)	(187.6)	-	-	-	-	(189.7)	(124.5)	(2,367.5)
	(8,913.0)	(4,478.8)	(1,807.9)	(653.1)	(562.6)	(187.6)	-	-	-	-	(4,537.9)	(4,119.7)	(25,260.6)
Total Storage / (Withdrawals)	(8,913.0)	(4,478.8)	(1,807.9)	(653.1)	(562.6)	(187.6)	-	-	-	-	(4,537.9)	(4,119.7)	(25,260.6)
Replenishment Deliveries to Watermaster													
Obligation = 11,426.202 AF + 9,527.581 AF (CURO) = 20,953.783 AF													
Direct													
CB-11 (Deer Creek)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-13 (San Sevaine)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-14 (Etiwanda)	-	-	-	17.1	-	-	-	-	-	-	-	-	17.1
CB-15 (Day Creek)	-	-	-	-	-	-	-	2.7	-	-	-	-	2.7
CB-18 (Etiwanda Inter-tie)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-20 (West Cucamonga)	-	-	-	-	2.9	-	-	4.0	-	-	-	-	6.9
OC-59 (San Antonio)	-	-	-	-	-	-	-	-	-	365.8	2,433.1	2,175.5	4,974.4
	-	-	-	17.1	2.9	-	-	6.7	-	365.8	2,433.1	2,175.5	5,001.1
In-Lieu													
Service Connections													
CB-12	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-16	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased from Appropriators													
	-	-	-	-	-	-	-	-	-	-	11,085.0	500.0	11,585.0
Purchased from Cyclic Account													
	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-Purchased Previous Year(s)													
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Replenishment	-	-	-	17.1	2.9	-	-	6.7	-	365.8	13,518.1	2,675.5	16,586.1

¹ City of Chino's May 2009's 0.0 AF certification and June 2009's 0.0 AF certification were recertified to be 353.1 AF and 315.9 AF during the 2009-10 production year (July 2009 is 373.9 AF).

² City of Pomona's May 2009's 0.0 AF certification and June 2009's 1,000.000 AF certification were recertified to be 1,100.000 AF and 900.000 AF during the 2009-10 production year (July is 0.000 AF).

**SUMMARY OF STORMWATER RECHARGE
FISCAL YEAR 2009-2010
(ACRE-FEET)**

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
San Antonio Channel / CB-59													
College Heights (MZ-1)	-	-	-	-	-	-	58.0	7.0	-	-	-	-	65.0
Upland (MZ-1)	-	-	-	12.0	-	102.0	212.0	168.0	13.0	25.0	-	-	532.0
Montclair 1, 2, 3, 4 (MZ-1)	-	-	-	19.0	7.0	119.0	368.0	279.0	30.0	36.0	-	-	858.0
Brooks (MZ-1)	1.0	-	-	13.0	4.0	129.0	251.0	215.0	27.0	23.0	2.0	1.0	666.0
West Cucamonga Channel / CB-20													
8th Street (MZ-1)	19.0	33.0	18.0	74.0	90.0	249.0	294.0	366.0	36.0	108.0	30.0	33.0	1,350.0
7th Street (MZ-1)	-	-	-	-	-	54.0	93.0	108.0	37.0	98.0	4.0	-	394.0
Ely 1, 2 & 3 (MZ-2)	-	7.0	17.0	131.0	78.0	215.0	319.0	221.0	45.0	109.0	22.0	-	1,164.0
Riverside Drive Drain													
Grove (MZ-2)	-	-	-	8.0	25.0	127.0	57.0	71.0	20.0	43.0	-	-	351.0
Cucamonga/Deer Creek Ch / CB-11													
Turner 1 & 2 (MZ-2)	32	19	28	80	49	401	294	329	31	158	38	0	1,459.0
Turner 3 & 4 (MZ-2)	0	0	0	0	3	98	185	175	114	83	27	21	706.0
Day Creek Channel / CB-15													
Lower Day (MZ-2)	2	3	0	8	11	117	237	146	5	10	1	0	540.0
Etiwanda Channel / CB-14													
Etiwanda Debris Basin (MZ-2)	0	0	0	0	17	38	387	278	27	28	0	0	775.0
Victoria (MZ-2)	1	0	0	37	19	89	153	174	0	20	0	1	494.0
San Sevaine Channel / CB-13													
San Sevaine 1, 2, 3 & 4 (MZ-2)	0	0	0	20	21	109	185	197	15	47	0	0	594.0
San Sevaine 5 (MZ-2)	0	0	0	36	0	225	105	26	1	6	0	0	399.0
West Fontana Channel / CB-18													
Hickory (MZ-2)	9	4	3	24	26	158	214	200	16	46	0	0	700.0
Banana (MZ-3)	0	0	0	15	0	75	100	143	17	66	0	0	416.0
DeClez Channel													
RP3 Cells 1, 3 & 4 (MZ-3)	20	27	27	91	69	311	438	345	84	112	37	25	1,586.0
RP3 Cell 2 (MZ-3)	2	3	9	31	31	62	88	25	20	16	12	17	316.0
DeClez (MZ-3)	21	17	6	15	39	173	73	241	55	122	6	6	774.0
Totals	107.0	113.0	108.0	614.0	489.0	2,851.0	4,111.0	3,714.0	593.0	1,156.0	179.0	104.0	14,139.0

APPROPRIATIVE POOL ASSESSMENT FEE SUMMARY PRODUCTION YEAR 2009-2010



Assessment Year 2010-2011 (Production Year 2009-2010)

Pool 3 Assessment Fee Summary

	Appropriative Pool			Ag Pool SY Reallocation		Replen	
	AF Production	\$7.40 AF/Admin	\$42.01 AF/OBMP	AF Total Reallocation	\$235,794.00 \$4.63 AF/Admin		\$1,338,112.00 \$26.27 AF/OBMP
					AF/15%		
Arrowhead Mtn Spring Water Co	373.665	2,765.12	15,697.67	0.000	0.00	0.00	
Chino Hills, City Of	973.554	7,204.30	40,899.00	2,056.775	9,519.54	54,022.63	
Chino, City Of	(424.265)	(3,139.56)	(17,823.37)	8,113.788	37,553.71	213,114.29	
Cucamonga Valley Water District	8,002.959	59,221.90	336,204.35	2,525.639	11,689.62	66,337.67	
Desalter Authority	28,516.731	0.00	0.00	0.000	0.00	0.00	
Fontana Union Water Company	0.000	0.00	0.00	3,494.409	16,173.46	91,783.08	
Fontana Water Company	13,557.470	100,325.28	569,549.31	762.817	3,530.61	20,035.92	
Fontana, City Of	0.000	0.00	0.00	0.000	0.00	0.00	
Golden State Water Company	359.382	2,659.43	15,097.64	224.827	1,040.59	5,905.24	
Junipa Community Services District	13,728.325	101,589.61	576,726.93	12,622.316	58,420.90	331,533.91	
Marygold Mutual Water Company	346.141	2,561.44	14,541.38	358.224	1,658.00	9,409.00	
Monte Vista Irrigation Company	0.000	0.00	0.00	369.915	1,712.11	9,716.07	
Monte Vista Water District	11,653.266	86,234.17	489,553.70	2,687.404	12,438.33	70,586.54	
Niagara Water Company	1,298.352	9,607.80	54,543.77	0.000	0.00	0.00	
Nicholson Trust	0.000	0.00	0.00	2.098	9.71	55.11	
Norco, City Of	0.000	0.00	0.00	110.315	510.58	2,897.50	
Ontario, City Of	17,478.191	129,338.61	734,258.80	7,520.482	34,807.66	197,530.69	
Pomona, City Of	9,361.359	69,274.06	393,270.69	6,131.477	28,378.82	161,047.51	
San Antonio Water Company	966.222	7,150.04	40,590.99	823.766	3,812.70	21,636.79	
San Bernardino County Shtg Prk	16.494	122.06	692.91	0.000	0.00	0.00	
Santa Ana River Water Company	0.000	0.00	0.00	711.352	3,292.41	18,684.16	
Upland, City Of	1,042.123	7,711.72	43,779.63	1,559.399	7,217.49	40,958.70	
West End Consolidated Water Com	0.000	0.00	0.00	518.001	2,397.51	13,605.66	
West Valley Water District	0.000	0.00	0.00	352.229	1,630.25	9,251.54	
	107,249.969	582,625.98	3,307,583.41	50,945.233	235,794.00	1,338,112.00	

1: The "Pomona Credit" column was removed as it is no longer needed. Recharge Debt Payment is for the Phase I CBFIP Bond.

1A

1B

1C

1D

1E

1F

1G

ishment Assessments		85/15 Water Transaction Activity				ASSESSMENTS DUE		
\$459.85 AF/85%	\$541.00 AF/100%	15% Producer Credits	15% Pro-rated Debits	CURO Adjustment	Other Adjustments	Total Production Based	Recharge Debt Payment	Total Due
0.00	202,152.77	0.00	0.00	71,469.02	0.00	292,084.57	0.00	292,084.57
0.00	0.00	0.00	11,214.62	1,871.54	0.00	128,020.72	26,994.12	155,014.84
0.00	0.00	0.00	(4,887.22)	(815.60)	0.00	222,568.90	51,569.92	274,138.82
0.00	0.00	0.00	92,188.16	15,384.72	0.00	608,063.88	46,270.63	654,334.51
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	107,956.54	81,711.37	189,667.92
1,281,864.52	0.00	(600,364.92)	156,172.00	586,125.94	0.00	2,163,041.64	14.02	2,163,055.66
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	4,139.81	690.87	0.00	30,747.72	5,257.23	36,004.95
0.00	0.00	0.00	158,140.12	196,653.58	0.00	1,469,445.26	26,349.24	1,495,794.50
0.00	0.00	0.00	0.00	0.00	0.00	28,169.83	8,376.52	36,546.35
0.00	0.00	(117,000.00)	0.00	0.00	0.00	(105,571.82)	8,649.90	(96,921.92)
0.00	0.00	0.00	134,236.98	22,401.99	0.00	854,821.48	61,663.80	916,485.28
0.00	702,408.43	0.00	0.00	238,232.61	0.00	1,004,792.61	0.00	1,004,792.61
0.00	0.00	0.00	0.00	0.00	0.00	64.82	49.07	113.88
0.00	0.00	0.00	0.00	0.00	0.00	3,408.08	2,579.55	5,987.63
0.00	0.00	0.00	201,335.79	33,599.71	0.00	1,389,920.15	145,393.95	1,535,314.10
0.00	0.00	0.00	0.00	0.00	0.00	651,971.08	143,375.18	795,346.25
0.00	0.00	0.00	11,130.16	1,857.44	0.00	89,442.44	19,262.49	108,704.93
7,584.77	0.00	0.00	190.00	3,422.31	0.00	12,067.77	0.00	12,067.77
0.00	0.00	0.00	0.00	0.00	0.00	21,976.56	16,633.88	38,610.44
0.00	0.00	(58,500.00)	12,004.50	2,003.36	0.00	58,696.14	36,464.15	95,160.29
0.46	0.00	0.00	0.00	0.00	0.00	16,003.62	12,112.66	28,116.28
0.00	0.00	0.00	0.00	0.00	0.00	10,881.79	8,236.33	19,118.12
1,289,449.75	904,561.20	(775,864.92)	775,864.92	1,172,897.48	0.00	9,058,573.77	700,964.00	9,759,537.77
1H	1I	1J	1K	1L	1M	1N	1O	1P

APPROPRIATIVE POOL WATER PRODUCTION SUMMARY PRODUCTION YEAR 2009-2010



Assessment Year 2010-2011 (Production Year 2009-2010)

Pool 3 Water Production Summary

	Percent of Operating Safe Yield	Assigned Share of Operating Safe Yield	Carryover Beginning Balance	Prior Year Adjust- ments	2% 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	3.851%	2,111.422	2,111.422	0.000	(42.228)	2,056.775	0.000
Chino, City Of	7.357%	4,033.857	4,033.857	0.000	(80.677)	8,113.788	(5,085.000)
Cucamonga Valley Water District	6.601%	3,619.454	3,619.454	0.000	(72.389)	2,525.639	9,886.145
Desalter Authority	0.000%	0.000	0.000	0.000	0.000	0.000	0.000
Fontana Union Water Company	11.657%	6,391.736	0.000	0.000	0.000	3,494.409	(9,886.145)
Fontana Water Company	0.002%	1.000	0.000	0.000	0.000	762.817	10,006.082
Fontana, City Of	0.000%	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	0.750%	411.476	237.956	0.000	(4.759)	224.827	0.000
Jurupa Community Services District	3.759%	2,061.118	0.000	0.000	0.000	12,622.316	1,200.000
Marygold Mutual Water Company	1.195%	655.317	655.317	0.000	(13.106)	358.224	16.000
Monte Vista Irrigation Company	1.234%	676.759	676.759	0.000	(13.535)	369.915	(1,709.898)
Monte Vista Water District	8.797%	4,823.954	2,358.606	0.000	(47.172)	2,687.404	3,237.111
Niagara Water Company	0.000%	0.000	0.000	0.000	0.000	0.000	0.000
Nicholson Trust	0.007%	4.000	1.082	0.000	(0.021)	2.098	(6.082)
Norco, City Of	0.368%	201.545	201.545	0.000	(4.030)	110.315	0.000
Ontario, City Of	20.742%	11,373.816	11,373.816	0.000	(227.476)	7,520.482	845.000
Pomona, City Of	20.454%	11,215.852	11,215.852	0.000	(224.317)	6,131.477	(2,280.322)
San Antonio Water Company	2.748%	1,506.888	1,506.888	0.000	(30.137)	823.766	(789.433)
San Bernardino County Shtg 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	357.591	0.000	(7.151)	711.352	(2,169.000)
Upland, City Of	5.202%	2,852.401	2,852.401	0.000	(57.048)	1,559.399	(4,339.322)
West End Consolidated Water Compa	1.728%	947.714	947.714	0.000	(18.954)	518.001	(2,394.476)
West Valley Water District	1.175%	644.317	644.317	0.000	(12.886)	352.229	15.000
	100.00%	54,834.000	42,794.577	0.000	(855.886)	50,945.233	(3,454.340)

Less Desalter Authority Production

Total Less Desalter Authority Production

2: Watermaster Party DYY accounting is on a July 1 - June 30 fiscal year.

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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	373.665	0.000	373.665	0.000	373.665	0.000	0.000	0.000
0.000	6,237.391	973.554	0.000	973.554	0.000	0.000	5,263.837	2,111.422	3,152.415
0.000	11,015.824	1,206.635	(1,630.900)	(424.265)	0.000	0.000	11,440.089	4,033.857	7,406.232
0.000	19,578.303	19,263.160	(11,260.200)	8,002.959	0.000	0.000	11,575.343	3,619.454	7,955.889
0.000	0.000	28,516.731	0.000	28,516.731	0.000	28,516.731	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	10,769.899	13,557.470	0.000	13,557.470	2,787.571	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	869.500	359.382	0.000	359.382	0.000	0.000	510.118	411.476	98.642
0.000	15,883.434	15,538.225	(1,809.900)	13,728.325	0.000	0.000	2,155.108	2,061.118	93.990
0.000	1,671.752	346.141	0.000	346.141	0.000	0.000	1,325.610	655.317	670.293
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0.000	13,059.902	15,572.066	(3,918.800)	11,653.266	0.000	0.000	1,406.635	1,406.635	0.000
0.000	0.000	1,298.352	0.000	1,298.352	0.000	1,298.352	0.000	0.000	0.000
0.000	1.077	0.000	0.000	0.000	0.000	0.000	1.077	1.077	0.000
0.000	509.375	0.000	0.000	0.000	0.000	0.000	509.375	201.545	307.830
0.000	30,885.638	19,708.991	(2,230.800)	17,478.191	0.000	0.000	13,407.446	11,373.816	2,033.630
0.000	26,058.542	11,403.859	(2,042.500)	9,361.359	0.000	0.000	16,697.183	11,215.852	5,481.331
0.000	3,017.971	966.222	0.000	966.222	0.000	0.000	2,051.748	1,506.888	544.860
0.000	0.000	16.494	0.000	16.494	16.494	0.000	0.000	0.000	0.000
0.000	194.166	0.000	0.000	0.000	0.000	0.000	194.166	194.166	0.000
0.000	2,867.831	3,409.624	(2,367.500)	1,042.123	0.000	0.000	1,825.707	1,825.707	0.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0.000	1,642.977	0.000	0.000	0.000	0.000	0.000	1,642.977	644.317	998.660
0.000	144,263.582	132,510.571	(25,260.600)	107,249.969	2,804.065	30,188.748	70,006.419	41,262.647	28,743.772
		28,516.731		28,516.731		28,516.731			
		103,993.840		78,733.238		1,672.017			
2H	2I	2J	2K	2L	2M	2N	2O	2P	2Q

APPROPRIATIVE POOL SUPPLEMENTAL STORAGE ACCOUNT SUMMARY PRODUCTION YEAR 2009-2010



Assessment Year 2010-2011 (Production Year 2009-2010)

Pool 3 Supplemental Storage Account Summary

	Reference	Recharged Recycled Account					Beginning Balance
	<i>Production + Exchanges (RW Agencies Only)</i>	Beginning Balance	2% Storage Loss	Current Recharged Recycled	Transfer to ECO Account	Ending Balance	
Arrowhead Mtn Spring Water Co	-	0.000	0.000	0.000	0.000	0.000	0.000
Chino Hills, City Of	973.554	452.588	(9.052)	610.800	0.000	1,054.336	5,487.657
Chino, City Of	(424.265)	519.250	(10.385)	682.100	0.000	1,190.965	1,205.087
Cucamonga Valley Water District	8,002.959	1,185.120	(23.702)	1,560.400	0.000	2,721.818	12,252.293
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
Fontana, City Of	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	0.000	1,591.484
Jurupa Community Services District	13,728.325	30.772	(0.615)	589.400	0.000	619.557	0.000
Marygold Mutual Water Company	-	0.000	0.000	0.000	0.000	0.000	1,749.292
Monte Vista Irrigation Company	-	0.000	0.000	0.000	0.000	0.000	6,470.703
Monte Vista Water District	11,653.266	222.394	(4.448)	290.100	0.000	508.046	3,868.752
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	17,478.191	2,057.572	(41.151)	2,794.700	0.000	4,811.121	9,223.684
Pomona, City Of	-	0.000	0.000	0.000	0.000	0.000	12,502.866
San Antonio Water Company	-	0.000	0.000	0.000	0.000	0.000	0.000
San Bernardino County Shtg 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	1,042.123	509.202	(10.184)	679.900	0.000	1,178.918	6,649.181
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
	52,454.153	4,976.898	(99.538)	7,207.400	0.000	12,084.760	61,000.999

3: Supplemental Storage accounts have been divided as required by the Peace I Agreement.

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Quantified (Pre 7/1/2000) Account				New (Post 7/1/2000) Account					Combined
2% Storage Loss	Transfers To / (From)	Transfer to ECO Account	Ending Balance	Beginning Balance	2% Storage Loss	Transfers To / (From)	Transfer to ECO Account	Ending Balance	Ending Balance
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(109.753)	0.000	0.000	5,377.904	0.000	0.000	0.000	0.000	0.000	6,432.240
(24.101)	0.000	0.000	1,180.986	2,207.491	(44.149)	0.000	0.000	2,163.342	4,535.293
(245.045)	0.000	0.000	12,007.248	2,676.744	(53.534)	0.000	0.000	2,623.210	17,352.276
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	0.000	0.000	0.000	0.031	0.000	0.000	0.000	0.031	0.031
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(31.829)	0.000	0.000	1,559.655	65.534	(1.310)	0.000	0.000	64.224	1,623.879
0.000	0.000	0.000	0.000	1,127.901	(22.558)	0.000	0.000	1,105.343	1,724.900
(34.985)	0.000	0.000	1,714.307	358.563	(7.171)	0.000	(244.030)	107.362	1,821.669
(129.414)	0.000	0.000	6,341.289	370.266	(7.405)	0.000	0.000	362.861	6,704.150
(77.375)	0.000	0.000	3,791.377	2,430.182	(48.603)	0.000	0.000	2,381.579	6,681.002
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	0.000	0.000	0.000	110.421	(2.208)	0.000	0.000	108.213	108.213
(184.473)	0.000	0.000	9,039.211	5,507.814	(110.156)	0.000	0.000	5,397.658	19,247.990
(250.057)	0.000	0.000	12,252.809	1,787.250	(35.745)	0.000	0.000	1,751.505	14,004.314
0.000	0.000	0.000	0.000	824.548	(16.490)	0.000	0.000	808.058	808.058
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	551.204	(11.024)	0.000	0.000	540.180	540.180
(132.983)	0.000	0.000	6,516.198	0.000	0.000	0.000	0.000	0.000	7,695.116
0.000	0.000	0.000	0.000	518.494	(10.369)	0.000	0.000	508.125	508.125
0.000	0.000	0.000	0.000	352.564	(7.051)	0.000	0.000	345.513	345.513
(1,220.015)	0.000	0.000	59,780.984	18,889.007	(377.773)	0.000	(244.030)	18,267.204	90,132.948

12,084.760 + 18,267.204 = 30,351.964

Must not exceed 100,000 AF per Peace Agreements I and II

4H 4I 4J 4K 4L 4M 4N 4O 4P 4Q

**APPROPRIATIVE POOL EXCESS CARRY OVER STORAGE ACCOUNT
PRODUCTION YEAR 2009-2010**



Assessment Year 2010-2011 (Production Year 2009-2010)

Pool 3 Excess Carry Over Storage Account

	Excess Carry Over Account (ECO)					
	Beginning Balance	2% Storage Loss	Transfers To / (From)	From Supplemental Storage	From Under-Production	Ending Balance
Arrowhead Mtn Spring Water Co	0.000	0.000	0.000	0.000	0.000	0.000
Chino Hills, City Of	3,611.239	(72.224)	0.000	0.000	3,152.415	6,691.430
Chino, City Of	15,761.955	(315.239)	0.000	0.000	7,406.232	22,852.948
Cucamonga Valley Water District A	38,228.278	(764.565)	(2,560.011)	0.000	7,955.889	42,859.591
Desalter Authority B	314,359.706	0.000	(314,359.706)	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
Fontana, City Of	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	802.225	(16.044)	0.000	0.000	98.642	884.823
Jurupa Community Services District	4,393.191	(87.863)	0.000	0.000	93.990	4,399.318
Marygold Mutual Water Company	(244.030)	0.000	0.000	244.030	670.293	670.293
Metropolitan Water District	0.000	0.000	0.000	0.000	0.000	0.000
Monte Vista Irrigation Company	1,952.826	(39.056)	(290.102)	0.000	0.000	1,623.668
Monte Vista Water District	1,199.079	(23.981)	0.000	0.000	0.000	1,175.098
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	1,667.559	(33.351)	0.000	0.000	307.830	1,942.038
Ontario, City Of	8,673.819	(173.476)	0.000	0.000	2,033.630	10,533.973
Pomona, City Of	2,886.970	(57.739)	0.000	0.000	5,481.331	8,310.562
San Antonio Water Company	7,887.440	(157.748)	0.000	0.000	544.860	8,274.552
San Bernardino County Shtg Prk	0.000	0.000	0.000	0.000	0.000	0.000
Santa Ana River Water Company	218.371	(4.367)	0.000	0.000	0.000	214.004
Upland, City Of	6,200.694	(124.013)	0.000	0.000	0.000	6,076.681
West End Consolidated Water Comp	5,598.524	(111.970)	(4,105.524)	0.000	0.000	1,381.030
West Valley Water District	3,069.398	(61.387)	(1,000.000)	0.000	998.660	3,006.671
	416,267.244	(2,043.023)	(322,315.343)	244.030	28,743.772	120,896.680

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**APPROPRIATIVE POOL OTHER STORAGE ACCOUNTS SUMMARY
PRODUCTION YEAR 2009-2010**



Assessment Year 2010-2011 (Production Year 2009-2010)

2010-2011 Pool 3 Other Storage Accounts Summary

Desalter Authority Replenishment:

	Beginning Balance	Storage Loss	Transfers To	Transfers From	Ending Balance
Re-Operation Offset	314,359.706	0.000	0.000	(28,516.731)	285,842.975
Non-Ag Dedication	0.000	0.000	0.000	0.000	0.000
	5A	5B	5C	5D	5E

Storage and Recovery:

	Beginning Balance	Storage Loss	Transfers To	Transfers From	Ending Balance
MWD DYY / CUP	34,493.564	(689.871)	0.000	(25,260.600)	8,543.093
	5F	5G	5H	5I	5J

Chino Basin Watermaster:

	June 30, 2007 Storage Balance	June 30, 2008 Storage Loss	June 30, 2009 Storage Loss	June 30, 2010 Storage Loss	Ending Balance
Holding Account	0.000	0.000	0.000	0.000	0.000
	5K	5L	5M	5N	5O

APPROPRIATIVE POOL WATER TRANSACTION SUMMARY PRODUCTION YEAR 2009-2010



Assessment Year 2010-2011 (Production Year 2009-2010)

Pool 3 Water Transaction Summary

Water Transactions				
	Assigned Rights	General Transfer	Transfers To / (From) ECO Account	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	(5,085.000)	0.000	0.000	(5,085.000)
Cucamonga Valley Water District	7,886.145	0.000	2,000.000	9,886.145
Desalter Authority	0.000	0.000	0.000	0.000
Fontana Union Water Company	(9,886.145)	0.000	0.000	(9,886.145)
Fontana Water Company	10,006.082	0.000	0.000	10,006.082
Fontana, City Of	0.000	0.000	0.000	0.000
Golden State Water Company	0.000	0.000	0.000	0.000
Jurupa Community Services District	1,200.000	0.000	0.000	1,200.000
Marygold Mutual Water Company	0.000	16.000	0.000	16.000
Monte Vista Irrigation Company	(2,000.000)	0.000	290.102	(1,709.898)
Monte Vista Water District	3,024.433	212.678	0.000	3,237.111
Niagara Water Company	0.000	0.000	0.000	0.000
Nicholson Trust	(6.082)	0.000	0.000	(6.082)
Norco, City Of	0.000	0.000	0.000	0.000
Ontario, City Of	765.000	80.000	0.000	845.000
Pomona, City Of	(2,500.000)	219.678	0.000	(2,280.322)
San Antonio Water Company	(789.433)	0.000	0.000	(789.433)
San Bernardino County Shtg Prk	0.000	0.000	0.000	0.000
Santa Ana River Water Company	(2,200.000)	31.000	0.000	(2,169.000)
Upland, City Of	(4,500.000)	160.678	0.000	(4,339.322)
West End Consolidated Water Company	(6,500.000)	0.000	4,105.524	(2,394.476)
West Valley Water District	(1,000.000)	15.000	1,000.000	15.000
	(11,585.000)	735.034	7,395.626	(3,454.340)

4: Column 6A does not equal zero because CBWM purchased water from Appropriators to offset the CURO.

6A

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APPROPRIATIVE POOL WATER TRANSACTION DETAIL PRODUCTION YEAR 2009-2010



Chino Basin Watermaster Assessment Breakdown 2010-2011 Water Transaction Detail

Assessment Year 2010-2011 (Production Year 2009-2010)

To:	From:	Date of Submittal	Quantity	\$ / Acre Feet	Total \$	85%	15%	WM Pays
Chino Basin Watermaster	Aqua Capital Management Annual Account	9/18/2009	21.215	321.76	\$6,826.14			
	<i>To offset Non-Ag Parties replenishment obligation/CURO for FY 08-09 (previous Assessment Package).</i>							
	Chino, City Of Annual Account	3/18/2010	5,085.000	366.00	\$1,861,110.00			
	<i>To offset FWC's replenishment obligation/CURO.</i>							
	Cucamonga Valley Water District Storage Account	3/18/2010	5,000.000	400.00	\$2,000,000.00			
<i>To offset FWC's replenishment obligation/CURO.</i>								
Cucamonga Valley Water District	Santa Ana River Water Company Annual Account	3/3/2010	1,000.000	366.00	\$366,000.00			
	<i>To offset general replenishment obligation/CURO.</i>							
	West Valley Water District Storage Account	6/30/2010	500.000	366.00	\$183,000.00			
<i>To offset general replenishment obligation/CURO.</i>								
Cucamonga Valley Water District	Pomona, City Of Annual Account	3/3/2010	2,500.000	366.00	\$915,000.00			
	<i>The transfer does not qualify for 85/15 consideration because CVWD had water placed in storage.</i>							
Fontana Water Company	West Valley Water District Storage Account	5/10/2010	500.000	311.11	\$155,555.00			
	<i>The transfer does not qualify for 85/15 consideration because CVWD had water placed in storage.</i>							
Fontana Water Company	Nicholson Trust Annual Account	6/23/2010	6.082	400.00	\$2,432.80	\$2,067.88	\$364.92	Fontana Water Company
	Upland, City Of Annual Account	6/29/2010	10,000.000	400.00	\$4,000,000.00	\$3,400,000.00	\$600,000.00	Fontana Water Company
Jurupa Community Services District	Santa Ana River Water Company Annual Account	3/25/2010	1,200.000	304.00	\$364,800.00			

**APPROPRIATIVE POOL WATER TRANSACTION DETAIL CONT.
PRODUCTION YEAR 2009-2010**



**Chino Basin Watermaster Assessment Breakdown
2010-2011 Water Transaction Detail**

Assessment Year 2010-2011 (Production Year 2009-2010)

To:	From:	Date of Submittal	Quantity	\$ / Acre Feet	Total \$	85%	15%	WM Pays	
Monte Vista Water District	Monte Vista Irrigation Company Annual Account	4/5/2010	2,000.000	390.00	\$780,000.00	\$663,000.00	\$117,000.00	Monte Vista Irrigation Company	
	San Antonio Water Company Annual Account	4/5/2010	19.245	182.95	\$3,520.87				
	<i>85/15 Rules does not apply--method of utilizing SAWCO shares.</i>								
	San Antonio Water Company Annual Account	10/14/2009	5.188	184.00	\$954.59				
	<i>85/15 Rules does not apply--method of utilizing SAWCO shares.</i>								
	Upland, City Of Annual Account	6/15/2010	1,000.000	390.00	\$390,000.00	\$331,500.00	\$58,500.00	Upland, City Of	
Ontario, City Of	San Antonio Water Company Annual Account	6/16/2010	765.000	183.00	\$139,995.00				
	<i>85/15 Rules does not apply--method of utilizing SAWCO shares.</i>								
Upland, City Of	West End Consolidated Water Company Annual Account	11/9/2009	6,500.000	49.00	\$318,500.00				
			36,101.730		\$11,487,694.40	\$4,396,567.88	\$775,864.92		
							Total Credits	\$775,864.92	

APPROPRIATIVE POOL RECURRING WATER TRANSACTION DETAIL PRODUCTION YEAR 2009-2010



Chino Basin Watermaster Assessment Breakdown 2010-2011 Water Transaction Detail

Assessment Year 2010-2011 (Production Year 2009-2010)

Applied Recurring Transactions:

From:	To:	Quantity	\$ / Acre Feet	
Fontana Union Water Company Annual Account - 32,800 AF Early Transfer	Cucamonga Valley Water District Annual Account - Assigned Rights	All	0.00	<i>Transfer FUWC Ag Pool Reallocation Early Transfer to CVWD.</i>
Fontana Union Water Company Annual Account - Diff - Potential vs. Net	Cucamonga Valley Water District Annual Account - Assigned Rights	All	0.00	<i>Transfer FUWC Ag Pool Reallocation Difference (Potential vs. Net) to CVWD.</i>
Fontana Union Water Company Annual Account - New Yield	Cucamonga Valley Water District Annual Account - Assigned Rights	All	0.00	<i>Transfer FUWC New Yield to CVWD.</i>
Fontana Union Water Company Annual Account - Assigned Share of Operating Safe Yield	Cucamonga Valley Water District Annual Account - Assigned Rights	All	0.00	<i>Transfer FUWC Share of Safe Yield to CVWD.</i>

WATERMASTER REPLENISHMENT CALCULATION PRODUCTION YEAR 2009-2010



Assessment Year 2010-2011 (Production Year 2009-2010)

Watermaster Replenishment Calculation

Cost of Replenishment Water per acre foot:

Watermaster Replenishment Cost	\$527.00
Projected Spreading - OCWD Connection Fee	\$2.00
Projected Spreading - IEUA Surcharge	\$12.00
Pre-purchased Credit	\$0.00
Total Replenishment Cost per acre foot	\$541.00

Replenishment Obligation:	AF @ \$541.00	15%	85%	Total
Appropriative - 100	1,672.017			\$904,561.20
Appropriative - 15/85	2,804.065	\$227,549.87	\$1,289,449.29	\$1,516,999.17
Non-Agricultural - 100	45.319			\$24,517.58
	4,521.401			\$2,446,077.94

Company	AF Production and Exchanges	85/15 Producers	Percent	15% Replenishment Assessments	15% Water Transaction Debits
Arrowhead Mtn Spring Water Co	373.665			-	-
Chino Hills, City Of	973.554	973.554	1.445%	\$3,289.09	\$11,214.62
Chino, City Of	(424.265)	(424.265)	(0.630%)	(\$1,433.35)	(\$4,887.22)
Cucamonga Valley Water District	8,002.959	8,002.959	11.882%	\$27,037.45	\$92,188.16
Desalter Authority	28,516.731			-	-
Fontana Union Water Company	0.000	0.000	0.000%	\$0.00	\$0.00
Fontana Water Company	13,557.470	13,557.470	20.129%	\$45,802.99	\$156,172.00
Fontana, City Of	0.000	0.000	0.000%	\$0.00	\$0.00
Golden State Water Company	359.382	359.382	0.534%	\$1,214.15	\$4,139.81
Jurupa Community Services District	13,728.325	13,728.325	20.382%	\$46,380.21	\$158,140.12
Marygold Mutual Water Company	346.141			-	-
Monte Vista Irrigation Company	0.000	0.000	0.000%	\$0.00	\$0.00
Monte Vista Water District	11,653.266	11,653.266	17.302%	\$39,369.76	\$134,236.98
Niagara Water Company	1,298.352			-	-
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	17,478.191	17,478.191	25.950%	\$59,048.88	\$201,335.79
Pomona, City Of	9,361.359			-	-
San Antonio Water Company	966.222	966.222	1.435%	\$3,264.32	\$11,130.16
San Bernardino County Shtg Prk	16.494	16.494	0.024%	\$55.72	\$190.00
Santa Ana River Water Company	0.000	0.000	0.000%	\$0.00	\$0.00
Upland, City Of	1,042.123	1,042.123	1.547%	\$3,520.74	\$12,004.50
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
** Fee assessment total is 15% of appropriate 15/85 replenishment	107,249.969	67,353.721	**	\$227,549.96	\$775,864.92

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5: The "Watermaster Replenishment Cost" listed is MWD's 2011 Tier 1 Full Service Untreated Rate.

WATERMASTER CUMULATIVE UNMET REPLENISHMENT OBLIGATION (CURO) PRODUCTION YEAR 2009-2010



Assessment Year 2010-2011 (Production Year 2009-2010)

Watermaster Cumulative Unmet Replenishment Obligation

Remaining Replenishment Obligation:	AF	Replenishment Rate
Appropriative - 100	1,076.342	2010 Rate \$541.00
Appropriative - 15/85	3,280.818	2009 Rate \$380.00
Non-Agricultural - 100	10.524	
	4,367.684	

Pool 3 Appropriative

Company	Outstanding Obligation (AF)	Fund Balance (\$)	Outstanding Obligation (\$)	AF Production and Exchanges	85/15 Producers Percent					Total	
					15%	85%	100%	15%	85%		100%
Arrowhead Mtn Spring Water Co	248.385	\$62,907.27	\$71,469.02	373.665						\$71,469.02	\$71,469.02
Chino Hills, City Of	0.000	\$0.00	\$0.00	973.554	973.554	1.445%	\$1,871.54	\$0.00			\$1,871.54
Chino, City Of	0.000	\$0.00	\$0.00	(424.265)	(424.265)	(0.630%)	(\$815.60)	\$0.00			(\$815.60)
Cucamonga Valley Water District	0.000	\$0.00	\$0.00	8,002.959	8,002.959	11.882%	\$15,384.72	\$0.00			\$15,384.72
Desalter Authority	0.000	\$0.00	\$0.00	28,516.731							\$0.00
Fontana Union Water Company	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00			\$0.00
Fontana Water Company	2,570.808	\$731,909.08	\$658,898.05	13,557.470	13,557.470	20.129%	\$26,062.59	\$560,063.34			\$586,125.94
Fontana, City Of	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00			\$0.00
Golden State Water Company	0.000	\$0.00	\$0.00	359.382	359.382	0.534%	\$690.87	\$0.00			\$690.87
Jurupa Community Services District	696.147	\$176,306.66	\$200,308.87	13,728.325	13,728.325	20.382%	\$26,391.04	\$170,262.54			\$196,653.58
Marygold Mutual Water Company	0.000	\$0.00	\$0.00	346.141						\$0.00	\$0.00
Monte Vista Irrigation Company	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00			\$0.00
Monte Vista Water District	0.000	\$0.00	\$0.00	11,653.266	11,653.266	17.302%	\$22,401.99	\$0.00			\$22,401.99
Niagara Water Company	827.957	\$209,692.13	\$238,232.61	1,298.352						\$238,232.61	\$238,232.61
Nicholson Trust	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00			\$0.00
Norco, City Of	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00			\$0.00
Ontario, City Of	0.000	\$0.00	\$0.00	17,478.191	17,478.191	25.950%	\$33,599.71	\$0.00			\$33,599.71
Pomona, City Of	0.000	\$0.00	\$0.00	9,361.359						\$0.00	\$0.00
San Antonio Water Company	0.000	\$0.00	\$0.00	966.222	966.222	1.435%	\$1,857.44	\$0.00			\$1,857.44
San Bernardino County Shtg Prk	13.863	\$3,510.94	\$3,988.94	16.494	16.494	0.024%	\$31.71	\$3,390.60			\$3,422.31
Santa Ana River Water Company	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00			\$0.00
Upland, City Of	0.000	\$0.00	\$0.00	1,042.123	1,042.123	1.547%	\$2,003.36	\$0.00			\$2,003.36
West End Consolidated Water Company	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00			\$0.00
West Valley Water District	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00			\$0.00
Pool 3 Appropriative Total	4,357.160	\$1,184,326.08	\$1,172,897.48	107,249.969	67,353.721	**	\$129,479.38	\$733,716.48	\$309,701.62	\$1,172,897.48	

**WATERMASTER CUMULATIVE UNMET REPLENISHMENT OBLIGATION (CURO) CONT.
PRODUCTION YEAR 2009-2010**



Assessment Year 2010-2011 (Production Year 2009-2010)

Watermaster Cumulative Unmet Replenishment Obligation

<u>Remaining Replenishment Obligation:</u>	<u>AF</u>	<u>Replenishment Rate</u>	
Appropriative - 100	1,076.342	2010 Rate	\$541.00
Appropriative - 15/85	3,280.818	2009 Rate	\$380.00
Non-Agricultural - 100	10.524		
	4,367.684		

Pool 2 Non-Agricultural

<u>Company</u>	<u>Outstanding Obligation (AF)</u>	<u>Fund Balance (\$)</u>	<u>Outstanding Obligation (\$)</u>
Ameron Inc	0.000	\$0.00	\$0.00
Angelica Textile Service	5.949	\$1,506.59	\$1,711.82
Aqua Capital Management	0.000	\$0.00	\$0.00
Auto Club Speedway	0.000	\$0.00	\$0.00
California Steel Industries Inc	0.000	\$0.00	\$0.00
Ccg Ontario, Llc	0.000	\$0.00	\$0.00
General Electric Company	4.354	\$1,102.74	\$1,252.77
GenOn West, LP	0.000	\$0.00	\$0.00
Kaiser Ventures Inc	0.000	\$0.00	\$0.00
KCO, LLC / The Koll Company	0.000	\$0.00	\$0.00
Loving Savior Of The Hills	0.000	\$0.00	\$0.00
Ontario City Non-Ag	0.000	\$0.00	\$0.00
Praxair Inc	0.000	\$0.00	\$0.00
San Antonio Winery	0.221	\$55.88	\$63.68
San Bernardino Cty (Chino Airport)	0.000	\$0.00	\$0.00
Southern California Edison Company	0.000	\$0.00	\$0.00
Space Center Mira Loma Inc.	0.000	\$0.00	\$0.00
Sunkist Growers Inc	0.000	\$0.00	\$0.00
Swan Lake Mobile Home Park	0.000	\$0.00	\$0.00
Vulcan Materials Company	0.000	\$0.00	\$0.00
West Venture Development	0.000	\$0.00	\$0.00
Pool 2 Non-Agricultural Total	10.524	\$2,665.21	\$3,028.27

APPROPRIATIVE POOL LAND USE CONVERSION SUMMARY PRODUCTION YEAR 2009-2010



Chino Basin Watermaster Assessment Breakdown 2010-2011 Land Use Conversion Summary

Assessment Year 2010-2011 (Production Year 2009-2010)

AGRICULTURAL POOL SUMMARY IN ACRE FEET

Agricultural Pool Safe Yield	82,800.000
Agricultural Total Pool Production	(31,854.766)
Early Transfer	(32,800.000)
Total Conversions	(22,943.024)
Under(Over) Production:	(4,797.790)

	Prior Converted	Acres Converted @ 1.3 af/ac		Total Prior to Peace Agrmt Converted AF	Acres Converted @ 2.0 af/ac		Total Land Use Conversations 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	196.235	1,454.750	1,891.175	2,087.410	2,188.701	4,377.402	6,464.812
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	4,497.040	8,994.080	12,578.076
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	7,435.378	14,870.756	22,943.024

APPROPRIATIVE POOL AGRICULTURAL POOL REALLOCATION SUMMARY PRODUCTION YEAR 2009-2010



Assessment Year 2010-2011 (Production Year 2009-2010)

Pool 3 Agricultural Pool Reallocation Summary

	Reallocation of Agricultural Pool Safe Yield					
	% Share of Operating Safe Yield	32,800 AF Early Transfer	Land Use Conver- sions	Potential for Reallocation (AF)	Difference: Potential vs. Net	Net Ag Pool Reallocation
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000	0.000	0.000	0.000
Chino Hills, City Of	3.851%	1,263.128	987.346	2,250.473	(193.698)	2,056.775
Chino, City Of	7.357%	2,413.096	6,464.812	8,877.908	(764.120)	8,113.788
Cucamonga Valley Water District	6.601%	2,165.128	598.364	2,763.492	(237.853)	2,525.639
Desalter Authority	0.000%	0.000	0.000	0.000	0.000	0.000
Fontana Union Water Company	11.657%	3,823.496	0.000	3,823.496	(329.087)	3,494.409
Fontana Water Company	0.002%	0.656	834.000	834.656	(71.839)	762.817
Fontana, City Of	0.000%	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	0.750%	246.000	0.000	246.000	(21.173)	224.827
Jurupa Community Services District	3.759%	1,232.952	12,578.076	13,811.028	(1,188.712)	12,622.316
Marygold Mutual Water Company	1.195%	391.960	0.000	391.960	(33.736)	358.224
Monte Vista Irrigation Company	1.234%	404.752	0.000	404.752	(34.837)	369.915
Monte Vista Water District	8.797%	2,885.416	55.075	2,940.491	(253.087)	2,687.404
Niagara Water Company	0.000%	0.000	0.000	0.000	0.000	0.000
Nicholson Trust	0.007%	2.296	0.000	2.296	(0.198)	2.098
Norco, City Of	0.368%	120.704	0.000	120.704	(10.389)	110.315
Ontario, City Of	20.742%	6,803.376	1,425.351	8,228.727	(708.245)	7,520.482
Pomona, City Of	20.454%	6,708.912	0.000	6,708.912	(577.435)	6,131.477
San Antonio Water Company	2.748%	901.344	0.000	901.344	(77.578)	823.766
San Bernardino County Shtg Prk	0.000%	0.000	0.000	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	778.344	0.000	778.344	(66.992)	711.352
Upland, City Of	5.202%	1,706.256	0.000	1,706.256	(148.857)	1,559.399
West End Consolidated Water Company	1.728%	566.784	0.000	566.784	(48.783)	518.001
West Valley Water District	1.175%	385.400	0.000	385.400	(33.171)	352.229
	100.000%	32,800.000	22,943.024	55,743.023	(4,797.790)	50,945.233
	11A	11B	11C	11D	11E	11F

NON-AGRICULTURAL POOL ASSESSMENT FEE SUMMARY PRODUCTION YEAR 2009-2010



Assessment Year 2010-2011 (Production Year 2009-2010)

Pool 2 Assessment Fee Summary

	Non-Agricultural Pool			Replenishment Assessments			Other Adjustments	Total Assessments Due
	AF Production	\$7.40 AF/Admin	\$42.01 AF/OBMP	AF Exceeding Safe Yield	\$541.00 Per AF	CURO Adjustment		
Ameron Inc	4,548	33.66	191.06	0.000	0.00	0.00	0.00	224.72
Angelica Textile Service	40,897	302.64	1,718.08	23.987	12,978.97	1,711.82	0.00	16,709.51
Aqua Capital Management	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
Auto Club Speedway	495,942	3,669.97	20,834.52	0.000	0.00	0.00	0.00	24,504.49
California Steel Industries Inc	1,059,233	7,838.25	44,497.88	0.000	0.00	0.00	0.00	52,336.21
CCO Ontario, Llc	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
General Electric Company	5,615	63.75	361.92	8,615	4,680.72	1,252.77	0.00	6,339.16
GenOn West, LP	(17,428)	(128.97)	(732.15)	0.000	0.00	0.00	0.00	(861.12)
Kaiser Ventures Inc	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
KCO, LLC / The Koll Company	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
Leving Savior Of The Hills	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
Ontario City Non-Ag	1,882,160	12,447.91	70,667.12	0.000	0.00	0.00	0.00	83,115.03
Praxair Inc	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
San Antonio Winery	12,717	94.11	534.24	12,717	6,879.60	63.68	0.00	7,571.92
San Bernardino City (China Airport)	146,522	1,084.26	6,155.38	0.000	0.00	0.00	0.00	7,239.64
Southern California Edison Company	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
Space Center Mira Loma Inc	93,707	693.43	3,936.63	0.000	0.00	0.00	0.00	4,630.06
Sunkist Growers Inc	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
Swan Lake Mobile Home Park	380,711	2,817.26	15,993.67	0.000	0.00	0.00	0.00	18,810.93
Vulcan Materials Company	0.307	2.27	12.90	0.000	0.00	0.00	0.00	15.17
West Venture Development	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
	3,907,911	28,918.64	164,171.34	-45.319	24,517.68	3,028.27	0.00	220,635.74
	12A	12B	12C	12D	12E	12F	12G	12H

NON-AGRICULTURAL POOL WATER PRODUCTION SUMMARY PRODUCTION YEAR 2009-2010



Assessment Year 2010-2011 (Production Year 2009-2010)

Pool 2 Water Production Summary

	Carryover Beginning Balance	Prior Year Adjustments	2% Storage Loss	Assigned Share of Operating Safe Yield (AF)	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
Ameron Inc	97,858	0.000	(1,957)	97,858	(9,786)	183,973	4,548	0.000	179,425	97,858	81,567
Angelica Textile Service	0.000	0.000	0.000	18,789	(1,879)	16,910	40,897	23,987	0.000	0.000	0.000
Aqua Capital Management	948,118	0.000	(18,962)	948,118	(94,811)	1,782,463	0.000	0.000	1,782,463	948,118	834,345
Auto Club Speedway	1,000,000	0.000	(20,000)	1,000,000	(100,000)	1,880,000	495,942	0.000	1,384,058	1,000,000	384,058
California Steel Industries inc	1,000,234	0.000	(20,004)	1,300,000	(130,000)	2,150,230	1,059,223	0.000	1,091,007	1,091,007	0.000
CCG Ontario, Llc	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
General Electric Company	0.000	0.000	0.000	0.000	0.000	0.000	8,615	8,615	0.000	0.000	0.000
GenOn West, LP	954,540	0.000	(18,090)	954,540	(95,454)	1,794,536	(17,428)	0.000	1,811,964	954,540	857,424
Kaiser Ventures Inc	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
KCO, LLC / The Kolt Company	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Loving Savior Of The Hills	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Ontario City Non-Ag	2,101,659	0.000	(42,033)	2,299,848	(228,985)	4,128,458	1,682,150	0.000	2,447,338	2,299,848	147,490
Praxair Inc	0.000	0.000	0.000	1,000	(0,100)	0,900	0.000	0.000	0,900	0,900	0.000
San Antonio Winery	0.000	0.000	0.000	0.000	0.000	0.000	12,717	12,717	0.000	0.000	0.000
San Bernardino Cty (Chino Airport)	77,397	0.000	(1,547)	133,870	(13,387)	196,333	146,522	0.000	49,811	49,811	0.000
Southern California Edison Company	27,959	0.000	(0,559)	27,959	(2,796)	52,563	0.000	0.000	52,563	27,959	24,604
Space Center Mira Loma Inc.	0.000	0.000	0.000	104,121	(10,412)	93,709	93,707	0.000	0.002	0.002	0.000
Sunkist Growers Inc	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Swan Lake Mobile Home Park	464,240	0.000	(9,284)	464,240	(46,424)	872,772	380,711	0.000	492,061	464,240	27,821
Vulcan Materials Company	0.000	0.000	0.000	0.000	0.307	0.307	0.307	0.000	0.000	0.000	0.000
West Venture Development	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	6,672,005	0.000	(133,436)	7,360,343	(734,727)	13,154,184	3,907,911	45,319	9,291,592	6,934,283	2,367,309
	13A	13B	13C	13D	13E	13F	13G	13H	13I	13J	13K

NON-AGRICULTURAL POOL STORAGE ACCOUNT SUMMARY PRODUCTION YEAR 2009-2010



Assessment Year 2010-2011 (Production Year 2009-2010)

Pool 2 Storage Account Summary

	Local Storage Account			
	Carryover Beginning Balance	2% Storage Loss	Transfers To / (From)	Ending Balance
Ameron Inc	2,053.411	(41.068)	81.567	2,093.910
Angelica Textile Service	0.000	0.000	0.000	0.000
Aqua Capital Management	10,076.934	(201.538)	834.345	10,709.741
Auto Club Speedway	2,002.621	(40.052)	384.058	2,346.627
California Steel Industries Inc	3,036.569	(60.731)	0.000	2,975.838
CCG Ontario, Llc	0.000	0.000	0.000	0.000
General Electric Company	0.000	0.000	0.000	0.000
GenOn West, LP	6,128.256	(122.565)	857.424	6,863.115
Kaiser Ventures Inc	0.000	0.000	0.000	0.000
KCO, LLC / The Koll 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	14,756.219	(295.124)	147.490	14,608.585
Praxair Inc	4,554.345	(91.086)	0.000	4,463.259
San Antonio Winery	0.000	0.000	0.000	0.000
San Bernardino Cty (Chino Airport)	176.728	(3.534)	0.000	173.194
Southern California Edison Company	252.867	(5.057)	24.604	272.414
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	3,256.675	(65.133)	27.821	3,219.363
Vulcan Materials Company C	305.004	(6.100)	(293.296)	5.608
West Venture Development	0.000	0.000	0.000	0.000
	46,599.629	(931.988)	2,064.013	47,731.654
	14A	14B	14C	14D

6: Ontario City Non-Ag purchased all but 4,463.259 AF of Praxair's storage water. The 4,463.259 AF amount is the amount that was in the account on 06/30/07 subject to the Attachment G Purchase and Sale Agreement.

ASSESSMENT PACKAGE NOTES PRODUCTION YEAR 2009-2010



Assessment Year 2010-2011 (Production Year 2009-2010)

Assessment Package Notes

	Company	Account	Note
A	Cucamonga Valley Water District	Local Storage	The Peace II Vulcan over-transfer has been corrected by removing 292.989 AF from Vulcan's Storage account & 560.011 AF from CVWD's ECO account.
B	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.
C	Vulcan Materials Company	Local Storage	The Peace II Vulcan over-transfer has been corrected by removing 292.989 AF from Vulcan's Storage account & 560.011 AF from CVWD's ECO account.

HISTORIC ASSESSMENTS PER ACRE-FOOT OF PRODUCTION

Assessment Year	Agricultural Pool ¹ (\$/AF)	Non-Ag Pool (\$/AF)	Appropriative Pool ² (\$/AF)	Gross Replenishment 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
10-11	33.90	49.41	49.41	541.00

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 2009-2010

	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	\$237,370	\$0	\$148,410	\$148,410	\$148,410	\$0
4110 Appropriative Pool Assessments	7,480,676	7,993,307	7,860,411	7,185,411	7,185,411	-675,000
4120 Non-Agricultural Pool Assessments	122,298	172,817	132,237	155,427	155,427	23,190
4730 Prorated Interest Income	186,184	60,829	174,368	191,540	191,540	17,172
Total Income	8,061,582	8,227,982	8,315,426	7,680,789	7,680,789	-634,637
Administrative Expenses						
6010 Salary Costs	486,402	297,801	484,302	487,838	487,838	3,536
6020 Office Building Expense	91,236	41,986	102,000	102,500	102,500	500
6030 Office Supplies & Equip.	39,086	10,381	50,500	46,500	46,500	-4,000
6040 Postage & Printing Costs	89,126	34,653	87,380	84,300	84,300	-3,080
6050 Information Services	139,480	66,989	144,000	148,500	148,500	4,500
6060 WM Special Contract Services	95,138	38,797	98,000	98,000	98,000	0
6080 Insurance Expense	15,414	15,706	17,730	16,730	16,730	-1,000
6110 Dues and Subscriptions	17,453	10,286	16,750	17,000	17,000	250
6150 Field Supplies & Equipment	554	864	2,500	2,800	2,800	300
6170 Vehicle Maintenance Costs	18,443	14,541	39,200	37,800	37,800	-1,400
6190 Conferences & Seminars	24,172	13,523	26,500	26,500	26,500	0
6200 Advisory Committee Expenses	17,065	7,667	19,181	18,078	18,078	-1,103
6300 Watermaster Board Expenses	37,819	21,913	42,020	43,823	43,823	1,803
6500 Education Fund Expenditures	375	0	375	375	375	0
8300 Appropriative Pool Administration	20,280	11,496	24,008	23,069	23,069	-939
8400 Agricultural Pool Administration	137,820	64,372	134,820	200,114	200,114	65,294
8500 Non-Agricultural Pool Administration	6,561	2,412	7,695	6,677	6,677	-1,018
9400 Depreciation Expense	25,131	0	0	0	0	0
9500 Allocated G&A Expenditures	-506,732	-204,742	-448,902	-488,230	-488,230	-39,328
Total Administrative Expenses	754,824	448,648	848,059	872,374	872,374	24,315
General OBMP Expenditures						
6900 Optimum Basin Mgmt Program	2,282,059	603,285	1,785,421	1,399,372	1,568,881	-216,540
6950 Cooperative Efforts	10,000	0	10,000	10,000	10,000	0
9501 Allocated G&A Expenditures	177,356	60,562	137,959	148,448	148,448	10,489
Total General OBMP Expenditures	2,469,415	663,847	1,933,380	1,557,820	1,727,329	-206,051
7000 OBMP Implementation Projects						
7101 Production Monitoring	104,920	63,293	107,515	107,047	107,047	-468
7102 In-Line Meter Installation/Maintenance	24,844	24,714	87,931	56,179	56,179	-31,752
7103 Groundwater Quality Monitoring	98,466	95,584	210,458	214,362	214,362	3,904
7104 Groundwater Level Monitoring	189,377	218,154	372,538	366,956	366,956	-5,582
7105 Recharge Basin Water Quality Monitoring	13,527	2,433	46,717	43,912	43,912	-2,805
7106 Water Level Sensors Install	0	0	0	0	0	0
7107 Ground Level Monitoring	275,165	123,949	651,468	550,059	381,406	-270,062
7108 Hydraulic Control Monitoring Program	193,337	244,213	713,949	567,022	533,543	-180,406
7109 Recharge & Well Monitoring Program	33,157	0	0	9,152	9,152	9,152
7200 OBMP Pgm Element 2 - Comp Recharge	918,727	509,652	1,245,266	1,478,560	1,492,772	247,506
7300 OBMP Pgm Element 3 & 5 - Water Supply Plan - Desalter	131,340	56,084	108,477	96,003	85,694	-22,783
7400 OBMP Pgm Element 4 - Mgmt Zone Strategies	147,404	137,989	272,515	91,985	120,705	-151,810
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt	111,259	21,588	76,411	163,727	163,727	87,316
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use	93,140	387,503	61,909	29,550	29,550	-32,359
7700 Inactive Well Protection Program	295	0	6,296	5,066	5,066	-1,230
7690 Recharge Improvement Debt Payment	1,368,373	511,894	1,261,594	1,131,233	1,131,233	-130,361
9502 Allocated G&A Expenditures	322,589	144,179	310,943	339,782	339,782	28,839
Total OBMP Implementation Projects	4,025,921	2,541,229	5,533,987	5,250,595	5,081,086	-452,901
Total Expenses	7,250,160	3,653,724	8,315,426	7,680,789	7,680,789	-634,637
Net Ordinary Income	811,422	4,574,257	0	0	0	0
Other Income						
4210 Approp Pool-Replenishment	3,393,110	6,427,596	0	0	0	0
4220 Non-Ag Pool-Replenishment	9,256	10,047	0	0	0	0
4230 Groundwater Recharge Activity	0	0	0	0	0	0
Total Other Income	3,402,366	6,437,643	0	0	0	0
Other Expense						
5010 Groundwater Recharge	3,325,123	0	0	0	0	0
Total Other Expense	3,325,123	0	0	0	0	0
Net Other Income	77,244	6,437,643	0	0	0	0
9800 From / (To) Reserves	-913,796	-11,011,900	0	0	0	0
Net Income	-\$25,130	\$0	\$0	\$0	\$0	\$0

**CHINO BASIN WATERMASTER
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED JUNE 30, 2010
(WITH INDEPENDENT AUDITORS' REPORT THEREON)**

CHINO BASIN WATERMASTER
Basic Financial Statements and Supplemental Data
Year ended June 30, 2010

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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, 2010, 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, 2009 and, in our report dated December 11, 2009, 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, 2010, 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
October 11, 2010



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, 2010. 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 9-19). This report also contains other supplementary information in addition to the basic financial statements (pages 20-22).

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, 2010
(With comparative totals for June 30, 2009)

	2010	2009	Difference	% Change
Assets				
Current	\$ 10,614,785	\$ 11,596,978	\$ (982,193)	-8.5%
Capital	46,889	53,176	(6,287)	-11.8%
Total Assets	10,661,674	11,650,154	(988,480)	-8.5%
Liabilities				
Current	1,989,063	469,002	1,520,061	324.1%
Non current	194,246	185,186	9,060	4.9%
Total Liabilities	2,183,309	654,188	1,529,121	233.8%
Net Assets				
Invested in capital assets	46,889	53,176	(6,287)	-11.8%
Restricted for Water Purchases	1,280,113	4,111,568	(2,831,455)	-68.9%
Unrestricted	7,151,363	6,831,222	320,141	4.7%
Total Net Assets	<u>\$ 8,478,365</u>	<u>\$10,995,966</u>	<u>(\$ 2,517,601)</u>	<u>-22.9%</u>

For the year ended June 30, 2010 and June 30, 2009, Watermaster's Total Net Assets was \$8,478,365 and \$10,995,966 respectively.

Total Assets decreased by \$988,480 or 8.5% in FY 2010 compared to FY 2009. Parties who extract water in excess of their rights are assessed on an annual basis to cover the cost of purchasing replenishment water. In fiscal year 2008/2009, Watermaster collected the money for the purchase of replenishment water but was unable to satisfy the purchase obligation of the replenishment water. For FY 2010, the majority of the decrease in Total Assets was a direct result of the purchase of replenishment water throughout the fiscal year. Comparing FY 2010 to FY 2009, Cash and Investments (Note 2 - pages 12-15) decreased by \$787,508 or 7.0% (net of the audit adjustment described below), Accounts Receivables decreased by \$176,515 or 89.2%, Prepaid Expenses decreased by \$18,170 or 54.3% and Capital Assets (net of accumulated depreciation) decreased by \$6,287 or 11.9%.

The first of four payments related to the purchase and sale agreement between the Overlying (Non-Agricultural) Pool and Watermaster (Note 9 - page 19) was issued on January 14, 2010 in the amount of \$2,166,022. At the end of the fiscal year June 30, 2010, three checks issued to members of the Overlying (Non-Agricultural) Pool totaling \$415,136 had not cleared the Watermaster bank account. As a result, an

audit adjustment was recorded increasing the categories of Cash and Investments and Accounts Payable for \$415,136.

Total Liabilities increased by \$1,529,121 or 233.8% in FY 2010 as compared to FY 2009. Accounts Payable increased \$1,581,185 or 406.4% (which included the audit adjustment amount of \$415,136 listed above). The Accounts Payable increase was directly related to the recording and paying of outstanding invoices at fiscal year end June 30, 2010. Accrued Salaries and Benefits decreased by \$61,124 or 76.5% and Compensated Absences (Note 4 - page 16) increased by \$9,060 or 4.9%.

Statement of Revenues, Expenses, and Changes in Net Assets

June 30, 2010
(With comparative totals for June 30, 2009)

	2010	2009	Difference	% Change
Operating Revenues				
Administrative assessments	\$ 7,404,003	\$ 8,166,124	(\$ 762,121)	-9.3%
Mutual agency project revenue	0	51,217	(51,217)	-100.0%
Replenishment water	7,073,805	6,437,643	636,162	9.9%
Miscellaneous revenue	111,188	0	111,188	100.0%
Total Operating Revenues	14,588,996	14,654,984	(65,988)	-0.5%
Operating Expenses				
Watermaster administration	657,236	510,988	146,248	28.6%
Depreciation	29,103	25,577	3,526	13.8%
Pool, Advisory and Board	277,050	250,870	26,180	10.4%
Optimum Basin Management Plan	6,327,400	6,913,336	(585,936)	-8.5%
Mutual agency project costs	0	10,000	(10,000)	-100.0%
Groundwater replenishment	9,894,321	2,326,075	7,568,246	325.4%
Total Operating Expenses	17,185,110	10,036,846	7,148,264	71.2%
Income from operations	(2,596,114)	4,618,138	(7,214,252)	-156.2%
Non-Operating Revenues				
Interest	78,513	179,866	(101,353)	-56.3%
Total Non-Operating Revenues	78,513	179,866	(101,353)	-56.3%
Change in net assets	(2,517,601)	4,798,004	(7,315,605)	-152.5%
Net assets at beginning of year	10,995,966	6,197,962	4,798,004	77.4%
Total net assets at end of year	\$ 8,478,365	\$ 10,995,966	(\$ 2,517,601)	-22.9%

REVIEW OF REVENUES AND EXPENSES

Total Operating Revenues decreased \$65,988 or 0.5% in FY 2010 as compared to FY 2009. Annual administrative assessments are determined by dividing the adopted budget by the total assessable production. Administrative assessment revenue for FY 2010 decreased \$762,121 or 9.3% from the previous year due to budgeted decreases in the overall OBMP expenses, recharge basin operations and maintenance expenses. Replenishment water assessment revenue for FY 2010 increased by \$636,162 or 9.9% compared to the previous year due to production increases in excess of production rights, and due to the increased cost of replenishment water. For the current fiscal year, there was no Mutual Agency Project Revenue recorded (a

decrease of \$51,217 or 100.0%) and the Miscellaneous Revenue category increased by \$111,188 or 100.0% as compared to the previous year.

Overall operating expenses (excluding replenishment activities) decreased by \$419,982 or 5.4% in FY 2010 as compared to FY 2009. The operating expense categories for the fiscal year ending June 30, 2010 were as follows: Watermaster administrative expenses increased \$146,248 or 28.6%; Depreciation expense increased by \$3,526 or 13.8%; the Pools, Advisory and Board administration expenses increased by \$26,180 or 10.4%; Optimum Basin Management Plan (OBMP) decreased \$585,936 or 8.5%; and Mutual agency project costs decreased \$10,000 or 100% as compared to the previous fiscal year ended June 30, 2009.

Groundwater replenishment activities increased dramatically in FY 2010 as compared to FY 2009. The replenishment activities for FY 2010 were \$7,728,299, along with the water purchase of \$2,166,022 (see Note 9) for a total of \$9,894,321 as compared to \$2,326,075 for FY 2009, an increase of \$7,568,246 or 325.4% from the prior year.

Non-operating revenue represented interest income of \$78,513 and \$179,866 for the years ending June 30, 2010 and June 30, 2009, which decreased due to the 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 Joseph S. Joswiak, Chief Financial Officer at (909) 484-3888.

CHINO BASIN WATERMASTER

Statement of Net Assets

June 30, 2010

(with comparative totals for June 30, 2009)

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and investments (note 2)	\$ 10,578,034	\$ 11,365,542
Accounts receivable	21,458	197,973
Prepaid expenses	<u>15,293</u>	<u>33,463</u>
Total current assets	<u>10,614,785</u>	<u>11,596,978</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation (note 3)	<u>46,889</u>	<u>53,176</u>
Total noncurrent assets	<u>46,889</u>	<u>53,176</u>
Total assets	<u>10,661,674</u>	<u>11,650,154</u>
 <u>Liabilities</u>		
Current liabilities:		
Accounts payable	1,970,273	389,088
Accrued salaries and benefits	<u>18,790</u>	<u>79,914</u>
Total current liabilities	<u>1,989,063</u>	<u>469,002</u>
Noncurrent liabilities:		
Compensated absences (note 4)	<u>194,246</u>	<u>185,186</u>
Total noncurrent liabilities	<u>194,246</u>	<u>185,186</u>
Total liabilities	<u>2,183,309</u>	<u>654,188</u>
 <u>Net Assets</u>		
Net assets:		
Invested in capital assets	46,889	53,176
Restricted for water purchases	1,280,113	4,111,568
Unrestricted	<u>7,151,363</u>	<u>6,831,222</u>
Total net assets	<u>\$ 8,478,365</u>	<u>\$ 10,995,966</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, 2010

(with comparative totals for June 30, 2009)

	<u>2010</u>	<u>2009</u>
Operating revenues:		
Administrative assessments (note 1)	\$ 7,404,003	\$ 8,166,124
Mutual agency project revenue	-	51,217
Replenishment water	7,073,805	6,437,643
Miscellaneous revenue	<u>111,188</u>	<u>-</u>
Total operating revenues	<u>14,588,996</u>	<u>14,654,984</u>
Operating expenses:		
Watermaster administration	657,236	510,988
Depreciation	29,103	25,577
Pool, advisory and Board administration	277,050	250,870
Optimum Basin Management Plan	6,327,400	6,913,336
Mutual agency project costs	-	10,000
Groundwater replenishment and other water purchases	<u>9,894,321</u>	<u>2,326,075</u>
Total operating expenses	<u>17,185,110</u>	<u>10,036,846</u>
Income (loss) from operations	<u>(2,596,114)</u>	<u>4,618,138</u>
Nonoperating revenues:		
Interest income	<u>78,513</u>	<u>179,866</u>
Total nonoperating revenues	<u>78,513</u>	<u>179,866</u>
Change in net assets	(2,517,601)	4,798,004
Net assets at beginning of year	<u>10,995,966</u>	<u>6,197,962</u>
Total net assets at end of year	<u>\$ 8,478,365</u>	<u>\$ 10,995,966</u>

See accompanying notes to the basic financial statements.

CHINO BASIN WATERMASTER

Statement of Cash Flows

Year ended June 30, 2010

(with comparative totals for June 30, 2009)

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Cash received from customers	\$ 14,765,511	\$ 15,316,256
Cash received from other agencies	-	51,217
Cash paid to employees for services	(1,330,329)	(1,196,994)
Cash paid to suppliers of goods and services	<u>(14,278,387)</u>	<u>(9,111,868)</u>
Net cash provided by (used for) operating activities	<u>(843,205)</u>	<u>5,058,611</u>
Cash flows from capital financing activities:		
Acquisition of capital assets	<u>(22,816)</u>	<u>(19,530)</u>
Net cash provided by (used for) capital financing activities	<u>(22,816)</u>	<u>(19,530)</u>
Cash flows from investing activities:		
Interest received	<u>78,513</u>	<u>179,866</u>
Net cash provided by (used for) investing activities	<u>78,513</u>	<u>179,866</u>
Net increase (decrease) in cash	(787,508)	5,218,947
Cash and investments at the beginning of year	<u>11,365,542</u>	<u>6,146,595</u>
Cash and investments at the end of year	<u>\$ 10,578,034</u>	<u>\$ 11,365,542</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (2,596,114)	\$ 4,618,138
Adjustments to reconcile operating income (loss) to net cash used for operating activities:		
Depreciation	29,103	25,577
(Increase) decrease in accounts receivable	176,515	712,489
(Increase) decrease in prepaid expenses	18,170	(10,206)
Increase (decrease) in account payable	1,581,185	(404,168)
Increase (decrease) in accrued salaries and benefits	(61,124)	74,590
Increase (decrease) in compensated absences	<u>9,060</u>	<u>42,191</u>
Net cash provided by (used for) operating activities	<u>\$ (843,205)</u>	<u>\$ 5,058,611</u>

Noncash investing, capital and financing activities:

There were no significant noncash investing, capital or financing activities during the fiscal year ended June 30, 2010.

See accompanying notes to the basic financial statements.

CHINO BASIN WATERMASTER

Notes to the Basic Financial Statements

Year ended June 30, 2010

(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 2009-10 expenses are based on the 2008-09 production volume.

	2008-09	
	<u>Acre Feet</u>	<u>%</u>
Production Volume:		
Appropriative Pool	84,716	69.867
Agricultural Pool	32,143	26.509
Non-Agricultural Pool	<u>4,394</u>	<u>3.624</u>
Total Production Volume	<u>121,253</u>	<u>100.000</u>

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 2008-09 interest revenue was allocated to the Appropriative Pool, resulting in a reduction of the 2009-10 assessments. The amount of administrative assessment received for the year ended June 30, 2010 was \$7,404,003.

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, 2010 are classified in the accompanying financial statements as follows:

Statement of net assets:

Cash and investments \$10,578,034

Total cash and investments \$10,578,034

Cash and investments as of June 30, 2010 consist of the following:

Cash on hand \$ 500

Deposits with financial institutions 603,604

Investments 9,973,930

Total cash and investments \$10,578,034

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.

Investment Types <u>Authorized by State Law</u>	Authorized By Investment <u>Policy</u>	*Maximum <u>Maturity</u>	*Maximum Percentage Of <u>Portfolio</u>	*Maximum Investment In One <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>\$ 9,973,930</u>	<u>9,973,930</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 9,973,930</u>	<u>9,973,930</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>\$9,973,930</u>	N/A	<u>-</u>	<u>-</u>	<u>9,973,930</u>
Total	<u>\$9,973,930</u>		<u>-</u>	<u>-</u>	<u>9,973,930</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, 2010 is as follows:

	<u>Balances at July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances at June 30, 2010</u>
Computer equipment and software	\$ 94,774	22,816	-	117,590
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>250,992</u>	<u>22,816</u>	<u>-</u>	<u>273,808</u>
Less accumulated depreciation:				
Computer equipment and software	(74,055)	(13,565)	-	(87,620)
Office furniture and fixtures	(36,953)	(5,339)	-	(42,292)
Leasehold improvements	(14,068)	(2,345)	-	(16,413)
Automotive equipment	<u>(72,740)</u>	<u>(7,854)</u>	<u>-</u>	<u>(80,594)</u>
Total accumulated depreciation	<u>(197,816)</u>	<u>(29,103)</u>	<u>-</u>	<u>(226,919)</u>
Net capital assets	<u>\$ 53,176</u>	<u>(6,287)</u>	<u>-</u>	<u>46,889</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, 2010 was \$194,246.

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, 2010, 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, 2018. The amount paid under this lease was \$65,940 for the year ended June 30, 2010. The future minimum lease payments for this lease are as follows:

<u>Year Ending June 30:</u>	<u>Amount</u>
2011	69,504
2012	69,504
2013	69,504
2014	69,504
2015-2019	<u>289,600</u>
Total	<u>\$567,616</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 8% 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, 2009 to June 30, 2010 has been determined by an actuarial valuation of the plan as of June 30, 2007. The Watermaster's covered payroll for PERS was \$862,905.01 for the year ended June 30, 2010, while the Watermaster's total payroll for all employees was \$862,905.01 during the same period. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2010, the contribution rate is multiplied by the payroll of covered employees that were paid during the period from July 1, 2009 to June 30, 2010.

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>
6/30/08	10.345%	144,250	100%	-
6/30/09	11.346%	176,576	100%	-
6/30/10	11.417%	165,298	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. The Watermaster's share of the cost for 2009 is \$515,006.

(9) Purchase of Water from Non-Agricultural Pool

As part of the Peace II Agreement, a purchase and sale agreement between the Overlying (Non-Agricultural) Pool and Watermaster was signed on September 27, 2007. The signed agreement (Attachment "G") was titled "PURCHASE AND SALE AGREEMENT FOR THE PURCHASE OF WATER BY WATERMASTER FROM THE OVERLYING (NON-AGRICULTURAL) POOL". Section D of the Agreement states:

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

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

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

The Notice of Intent to Purchase ("Payment Date") was December 18, 2009. On January 14, 2010 the first of four installment payments in the amount of \$2,166,022 (adjusted for inflation as prescribed by Section D) were issued to the Non-Agricultural Overlying Pool. The future three payments (adjusted for inflation) will be issued in accordance to Section D.

SUPPLEMENTARY INFORMATION

CHINO BASIN WATERMASTER
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
FOR THE PERIOD JULY 1, 2009 THROUGH JUNE 30, 2010

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUNDWATER OPERATIONS		EDUCATION FUNDS	GRAND TOTALS	BUDGET 2009-2010
			APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS			
Administrative Revenues:										
Administrative Assessments	-	-	7,178,987	-	225,016	-	-	-	7,404,003	\$7,340,839
Interest Revenue	-	-	39,009	2,764	1,744	-	-	6	43,523	191,540
Mutual Agency Project Revenue	-	-	-	-	-	-	-	-	-	148,410
Grant Income	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	111,000	-	188	-	-	-	-	-	111,188	-
Total Revenues	111,000	-	7,218,184	2,764	226,760	-	-	6	7,558,714	7,680,789
Administrative & Project Expenditures:										
Watermaster Administration	686,339	-	-	-	-	-	-	-	686,339	580,238
Watermaster Board-Advisory Committee	61,245	-	-	-	-	-	-	-	61,245	61,901
Pool Administration	-	-	22,731	186,478	6,596	-	-	-	215,805	229,860
Optimum Basin Mgmt Administration	-	1,710,617	-	-	-	-	-	-	1,710,617	1,557,820
OBMP Project Costs	-	3,726,777	-	-	-	-	-	-	3,726,777	4,109,362
Debt Service	-	890,006	-	-	-	-	-	-	890,006	1,131,233
Education Funds Use	-	-	-	-	-	-	-	-	-	375
Mutual Agency Project Costs	-	-	-	-	-	-	-	-	-	10,000
Total Administrative/OBMP Expenses	747,584	6,327,400	22,731	186,478	6,596	-	-	-	7,290,789	7,680,789
Net Administrative/OBMP Expenses	(636,584)	(6,327,400)	-	-	-	-	-	-	-	-
Allocate Net Admin Expenses To Pools	636,584	-	444,765	168,751	23,069	-	-	-	-	-
Allocate Net OBMP Expenses To Pools	-	5,437,394	3,798,965	1,441,388	197,041	-	-	-	-	-
Allocate Debt Service to App Pool	-	890,006	890,006	-	-	-	-	-	-	-
Agricultural Expense Transfer*	-	-	1,796,616	(1,796,616)	-	-	-	-	-	-
Total Expenses	-	-	6,953,083	-	226,706	-	-	-	7,290,789	7,680,789
Net Administrative Income	-	-	265,101	2,764	54	-	-	6	267,925	-
Other Income/(Expense)										
Replenishment Water Assessments	-	-	-	-	-	7,073,805	-	-	7,073,805	-
Interest Revenue	-	-	-	-	-	34,990	-	-	34,990	-
Water Purchases	-	-	-	-	-	-	-	-	-	-
Balance Adjustment	-	-	-	-	-	-	-	-	-	-
Other Water Purchases	-	-	10,939	-	-	(2,176,961)	-	-	(2,166,022)	-
Groundwater Replenishment	-	-	-	-	-	(7,728,299)	-	-	(7,728,299)	-
Net Other Income	-	-	10,939	-	-	(2,796,465)	-	-	(2,785,526)	-
Net Transfers To/(From) Reserves	-	-	276,040	2,764	54	(2,796,465)	-	6	(2,517,601)	-
Working Capital, July 1, 2009	-	-	5,942,967	470,719	256,577	4,166,457	158,251	995	10,995,966	-
Working Capital, End Of Period	-	-	6,219,007	473,483	256,631	1,369,992	158,251	1,001	8,478,365	8,478,365
08/09 Assessable Production	-	-	84,716.450	32,142.764	4,393.990	-	-	-	121,253.204	-
08/09 Production Percentages	-	-	69.867%	26.509%	3.624%	-	-	-	100.000%	-

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

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

	WATERMASTER	OPTIMUM	POOL ADMINISTRATION AND SPECIAL PROJECTS			GROUNDWATER OPERATIONS		GRAND	BUDGET	
	ADMINISTRATION	BASIN	APPROPRIATIVE	AGRICULTURAL	NON-AGRIC.	GROUNDWATER	SB222			EDUCATION
		MANAGEMENT	POOL	POOL	POOL	REPLENISHMENT	FUNDS	FUNDS		
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.



THIRTY-THIRD
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