

NOTICE:

The Assessment Package contained herein has since been revised in accordance with the April 28, 2017 and March 15, 2019 Court Orders. You may access the revised version of the Assessment Package found in this Annual Report at the following link:

[Revised 2014/2015 Assessment Package](#)

To access all Assessment Packages including all revised versions, click on the link below:

[www.cbwm.org/docs/financdocs/All Assessment Packages/](http://www.cbwm.org/docs/financdocs/All%20Assessment%20Packages/)

On April 28, 2017, the Court issued an order which beginning with the 2015/16 Assessment Package: 1) lowers the total annual Operating Safe Yield (OSY) from 54,834 acre-feet to 49,834 acre-feet, allocated to each Appropriative Pool Party based on their percentage of OSY; and 2) re-prioritizes Land Use Conversion (LUC) in the calculation of Agricultural Pool Safe Yield reallocation. LUC was changed from having equal priority with early transfer to having priority ahead of early transfer following safe yield reduction backfill, redistributing the un-produced Agricultural Pool Safe Yield to the Appropriative Pool Parties.

On March 15, 2019, the Court issued an order that directs Watermaster to implement the Parties' agreed upon procedures regarding: 1) the Desalter Replenishment Obligation (DRO) beginning with the 2014/15 Assessment Package; and 2) the Agricultural Pool Safe Yield reallocation beginning with the 2015/16 Assessment Package. Based on this Order, Watermaster: revised the 2014/15 Assessment Package to include the assessment of DRO only; and revised the 2015/16 through 2018/19 Assessment Packages to include the assessments of DRO as well as the implementation of the new OSY and Agricultural Pool Safe Yield reallocation method.

The implementation of the new OSY and Agricultural Pool Safe Yield reallocation method beginning with the 2015/16 Assessment Package caused the production right of each Appropriator to change from what they were in the originally approved Assessment Packages. This change resulted in a shift of assessments allocated to the Parties in each revised Assessment Package while the total annual assessment remains unchanged. This also caused the under-produced water that is put into Excess Carry Over Storage Account and/or carried over to the proceeding Assessment Year's annual account to shift. The change also required Watermaster to re-evaluate production years 2014/15 through 2017/18 Water Transactions, specifically those that were from "annual account first, then any additional from storage", as well as those that qualify for the 85/15 Rule. Parties with no share of OSY were not affected by this implementation.

In addition to the Court Order induced changes, several other changes have been incorporated to the revised Assessment Packages. One of those changes is how the Exhibit "G" water purchases were handled in the original 2014/15 and 2015/16 Assessment Packages. The Exhibit "G" water purchases in these two years were not treated as Two-Party Transactions and consequently, the 85/15 Rule was not properly applied. It was later applied, and the adjustments were made in the original 2016/17 Assessment Package. In the Revised 2014/15 Assessment Package, no change was made regarding the Exhibit "G" purchases. In the Revised 2015/16 Assessment Package, the 2015/16 assessment year Exhibit "G" purchases were re-entered as water transactions and the 85/15 Rule was subsequently properly applied. In the Revised 2016/17 Assessment Package, the included adjustments now only reflect the 85/15 Rule application to the assessment year 2014/15 Exhibit "G" water purchases. In accordance with direction from the Appropriative Pool the Exhibit "G" water purchases were not re-evaluated and the cost per acre-foot as well as the volume were not changed.



CHINO BASIN WATERMASTER

FISCAL YEAR 2013-14

37TH ANNUAL REPORT

R E D U C I N G D E P E N D E N C E O N I M P O R T E D W A T E R

STEP-BY-STEP, WORKING TOGETHER TO PROTECT AND IMPROVE OUR JOINT WATER SUPPLIES

1970s

Conflicts over water threaten supply reliability, water quality, and the regional economy.

1973

Established a fund and implemented a pump tax to raise money to pay for studies that aid in implementing recharge programs in the Basin.

1978

Watermaster created. Water planning and funding are initiated to manage the Basin.

1999

Optimum Basin Management Program provides a detailed blueprint to ensure a reliable water supply and protect and enhance water quality.

2000 & 2007

Peace (I) and Peace II Agreements make effective collaboration possible, resulting in hundreds of millions of dollars in cost-savings and other benefits.

2004

Unique Maximum Benefit Salinity Management Program is Adopted. This enabled implementation of a massive Basin-wide recycled water reuse, stormwater and supplemental water recharge program, and expansion of the groundwater desalting program to achieve hydraulic control.

2008-2010

The **Recharge Master Plan Update (RMPU)** is a critical step to ensure long-term water quality and supply.

2011

Initiated Safe Yield redetermination process.

2013-2014

Completed the 2013 Amendment to the 2010 Recharge Master Plan Update (2013 RMPU), and is the new foundation to cost-effectively recharge stormwater, imported water and recycled water with the goal of improving water quality, and ensuring water supply reliability throughout the Basin into the future.

HIGHLIGHT OF A SUCCESSFUL YEAR: PROGRESS ON RECHARGE MASTER PLAN



A Message from Chino Basin Watermaster

SUCCESS IN REGIONAL WATER MANAGEMENT THROUGH OUTSTANDING TECHNICAL CAPABILITIES GUIDED BY COLLABORATIVE DECISION-MAKING

While we are justifiably proud of Chino Basin Watermaster's (CBWM) unmatched technical capabilities and understanding of the Basin, its biggest strength and source of success is our demonstrated ability to work together.

This has become more evident as the drought extends into a third year. Despite our location in a semi-arid desert, we have developed ample, high quality water supplies to meet the needs of citizens, public spaces, businesses and agriculture.

Our biggest priority for the second year in a row was to complete the 2013 Amendment to the Recharge Master Plan Update (2013 RMPU) on time. The work itself was immensely complex, technical, and time-consuming. But the results are concrete, forming the foundation of our comprehensive program to recharge local aquifers with stormwater, urban runoff, imported water and recycled water – and thereby ensuring ample water supplies into the future.

Another top priority for the year was to make progress on the multi-year effort to redetermine the Safe Yield. This complex effort began by recalibrating the groundwater model in 2011 and 2012. The Safe Yield was originally set by the Judgment at 140,000 acre-feet per year.

This redetermination poses special challenges for our parties since the Safe Yield is likely to decrease somewhat due to declining infiltration of stormwater into the ground, as the area is slowly developed and paved over. While it is never easy to accept decreases in water rights, I am confident that we will do it successfully and equitably – and then restore any reduction through our other programs.

Watermaster's extensive monitoring programs provide the data to produce a very well calibrated groundwater model. The model serves as a solid foundational tool for the Safe Yield redetermination, and was peer-reviewed by independent experts representing the Appropriative Pool.

This is further evidence that our strength lies in Watermaster's members' well-earned trust in each other, and our ability to work effectively together, to compromise where necessary, and collaborate.

Peter Kavounas, PE
General Manager, Chino Basin Watermaster

RECHARGE MASTER PLAN UPDATE TO BRING IMPROVED WATER SUPPLY, QUALITY AND COST SAVINGS

Victoria Groundwater Recharge Basin.

The 2013 Amendment to the 2010 Recharge Master Plan Update (2013 RMPU) was completed on schedule. It forms the foundation for Watermaster's comprehensive program to cost-effectively recharge stormwater, urban runoff, imported water, and recycled water with the goal of improving water quality, and ensuring water supply reliability throughout the Basin into the future.

2013 RECHARGE MASTER PLAN UPDATE AMENDMENT COMPLETED ON SCHEDULE

The Recharge Master Plan Update Steering Committee met on an accelerated schedule to complete the 2013 RMPU.

The 2013 RMPU report was approved by the Watermaster Board in September, filed with the Court in October, and approved by the Court in December 2013, with the exception of Section 5 of the Final Report that dealt with the accounting of new recharge from Municipal Separate Stormwater Sewer Systems (MS4). Approval was initially delayed due to a lawsuit seeking for individual entities to be able to earn credit for stormwater recharge. The challenges related to Section 5 were later resolved and approved by the court in April 2014.

Watermaster and the IEUA initiated a capital project to design and build a sound enclosure to maintain compliance with a local noise ordinance and reduce the impact of noise to nearby residents. The project budget is \$160,000.



2013 RMPU Projects Meet Criteria for Practicality and Cost-Effectiveness. Over 40 projects were considered in the 2013 RMPU using a variety of criteria that were customized based on the project type. The criteria include cost-effectiveness (with a preference for melded unit costs less than \$612 per acre-foot), magnitude of new recharge, implementation barriers, and the ability to meet specific needs in various parts of the Basin.

BEGAN IMPLEMENTING THE 2013 RMPU

Watermaster and the Inland Empire Utilities Agency (IEUA) began the process of developing agreements to construct the recommended storm and supplemental water recharge projects, and prioritizing construction based on grant funding, as well as other factors. The anticipated six-year timeframe for completion of the recommended projects will roughly coincide with the five-year timeframe for the next update or amendment to the 2013 RMPU.



JOINT RECHARGE IMPROVEMENT PROJECTS BRING ADDITIONAL BENEFITS BEYOND THE 2013 RMPU

Watermaster and IEUA continued to develop and jointly fund a series of cost-effective projects outside of the 2013 RMPU to increase stormwater, urban runoff, and supplemental water recharge.

Watermaster and IEUA set up regular meetings to provide a forum so that stakeholders could become fully informed, provide input, and have their questions answered.

Watermaster and IEUA continued work on the Turner Basins/Guasti Park Recharge Expansion Project. A cost-sharing agreement was completed with IEUA. This project is among the lowest-cost recharge improvements, and provides a significant recharge benefit. Following completion, anticipated in late 2014, the expansion project is projected to annually recharge an additional 300 acre-feet of stormwater.

Completed Wineville Proof-of-Concept Project with IEUA and City of Ontario. This is an investigative project designed to test and evaluate infiltration rates at strategic locations throughout the Basin. Infiltration testing for the Wineville Proof-of-Concept project was

completed in November 2013. The Final Report on the project, published in April 2014, concluded that the Wineville Basin has the potential to recharge up to 3,830 acre-feet per year of stormwater and recycled water, while also providing flood control benefits.

THE RECOMMENDED 2013 RMPU PROJECTS ARE PROJECTED TO INCREASE THE STORMWATER AND RECYCLED WATER RECHARGE IN THE CHINO BASIN BY APPROXIMATELY 11,700 ACRE-FEET PER YEAR AT A CAPITAL COST OF APPROXIMATELY \$57 MILLION.

ADDITIONAL RECHARGE PROJECTS

Lower Day Project Fast Tracked. Implementation of the Lower Day project began ahead of the 2013 RMPU process because Watermaster and IEUA received a \$750,000 grant through Proposition 84. The grant application was prepared in collaboration with the City of Ontario and the Santa Ana Watershed Project Authority (SAWPA). The total cost of the project is estimated at \$2.5 million and will provide 789 acre-feet per year of stormwater recharge.

Evaluating Improvements at San Sevaine Basins. San Sevaine consists of five basins covering about 93 acres. The improvements called for in the 2013 RMPU will increase the combined storm and recycled water recharge by about 2,600 acre-feet per year at a cost of about \$2.5 million. The project was awarded a \$750,000 grant to help fund its completion.

Completed the Hickory Basin Arizona Crossing Project. This project was initiated in 2012 and involved design and construction of a new soil-cement access road and culvert over the inlet channel at the Hickory Basin. The road provides immediate access for IEUA and San Bernardino County Flood Control District (SBCFCD) personnel to meet maintenance and operational needs without interrupting recharge or stormwater detention operations.

JURUPA PUMP STATION UPGRADE COST REDUCED BY HALF

The Jurupa Pump Station is a key recharge facility that directly conveys stormwater, local runoff, imported and recycled water. High temperatures at the Pump Station resulted in the failure and shut down of vital controls and switches. To resolve these issues, air conditioning, roof thermal insulation, and new electrical controls are being installed. Changes were made to the project implementation plan that cut the \$300,000 pre-design cost estimate by half. The cost will be split with IEUA.

INITIATED BASIN-WIDE PERMITTING FOR LONG-TERM COST SAVINGS

A Nationwide 404 Permit was issued this year by the US Army Corps of Engineers for 13 Chino Basin recharge facilities. Nationwide Permits automatically expire every five years and it takes about three years to reapply and obtain a new permit. Watermaster and IEUA are undertaking a more complex, but ultimately lower-cost, process to obtain an Individual or Regional General Permit that will last 15 years.

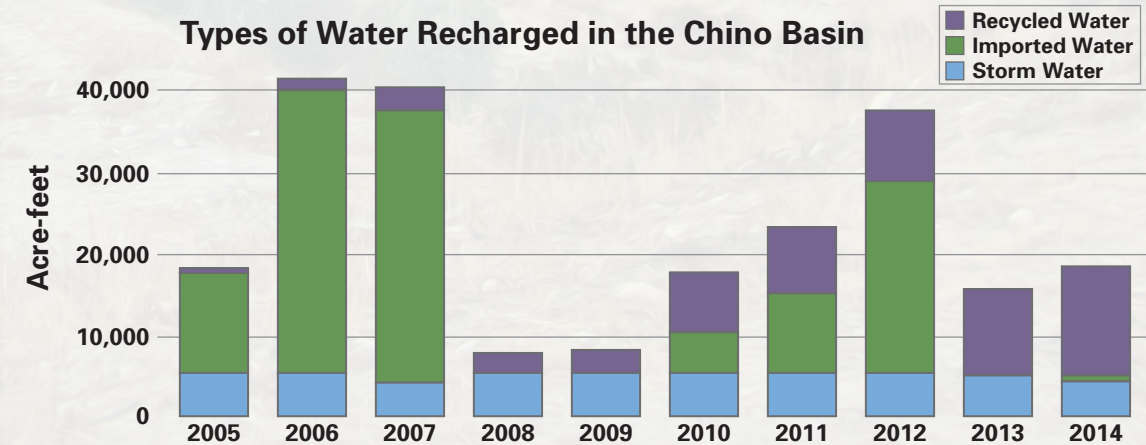
BEYOND THE COURT-APPROVED 2013 RMPU PROJECTS, WATERMASTER AND IEUA PURSUED ADDITIONAL RECHARGE PROJECTS DEEMED TO PROVIDE SUPERIOR BENEFITS IN TERMS OF WATER SUPPLY OR COST SAVINGS.

PROGRESS ON CHINO BASIN GROUNDWATER RECHARGE PROGRAM

Watermaster, IEUA, the Chino Basin Water Conservation District (CBWCD), and SBCFCD jointly sponsor the Chino Basin Groundwater Recharge Program. This comprehensive water supply program enhances water supply reliability and improves groundwater quality throughout the Chino Basin by increasing the recharge of stormwater, urban runoff, imported water, and recycled water.

Groundwater Recharge. This year, 18,687 acre-feet of water were recharged in 27 facilities across the Chino Basin: 4,299 acre-feet of stormwater and urban runoff, 13,593 acre-feet of recycled water, and 795 acre-feet of imported water. The amount of stormwater and imported water available for recharge was limited due to ongoing drought conditions, highlighting the importance of the recycled water recharge program.

Recharge at MZ1 Fell Short and Will Be Made Up in a Future Year. The Peace II Agreement requires Watermaster to recharge 6,500 acre-feet per year of supplemental water into Management Zone 1 (MZ-1) to improve water quality and production sustainability. The cumulative total recharge fell 1,054 acre-feet short of the cumulative requirement, and this amount will be made up in a future year.



This graph demonstrates the importance of the recycled water component of the recharge program, especially during times of drought, when imported water supplies are limited or unavailable, as was the case during the last two years.

REGULATOR AFFIRMS MODEL RESULTS THAT HYDRAULIC CONTROL WILL BE ACHIEVED

BENEFITS OF HYDRAULIC CONTROL AND THE DESALTERS:

Protects the Santa Ana River. The Chino Basin Desalter wells intercept high-salinity groundwater, thereby preventing it from flowing into the Santa Ana River and then downstream where it could degrade high-quality water supplies. The water is pumped and treated at the Desalter I and Desalter II treatment facilities, and served as potable water to members of the Chino Basin Desalter Authority.

Keeps Water in the Basin for Local Use. The Desalter wells pump and treat poor-quality water and put it to beneficial use. Untreated, the water would otherwise be unsuitable for drinking water and even non-potable uses.

Removes Contaminants. Salts, nutrients, and other contaminants are pumped and treated at the Desalters, and then exported from the Basin.

Allows Increased Recharge of Recycled Water. Through the maximum benefit commitment to achieve hydraulic control, the Regional Water Quality Control Board (RWQCB) allows Watermaster to implement its large-scale recycled water recharge program.

Saves Hundreds of Millions of Dollars. The hydraulic control program provides hundreds of millions of dollars in new water, treatment savings, and more.

Achieving hydraulic control is fundamental to achieving the goals of the Optimum Basin Management Program (OBMP) – one of the guiding plans of Watermaster – and complying with maximum benefit obligations. Hydraulic control is achieved by pumping groundwater in the southern portion of the Basin at the Chino Basin Desalter wells to prevent groundwater high in salt and nutrients from flowing out of the Chino Basin and into the Santa Ana River. Achieving hydraulic control maximizes the Safe Yield of the Chino Basin.

MAXIMUM BENEFIT PLAN APPROVED

In late 2013, Watermaster and IEUA submitted a revised Maximum Benefit Monitoring Program Work Plan and schedule for achieving hydraulic control. The plan describes how Watermaster will increase production capacity at the Desalter well field from 32,000 to 40,000 acre-feet per year in accordance with the OBMP, including the construction of three new wells. In June 2014, the RWQCB accepted the plan.

The RWQCB Confirmed Model Results that Hydraulic Control Will Be Achieved.

In January 2014, the RWQCB confirmed Watermaster's model results that demonstrated hydraulic control will be achieved under the projected range of pumping at the Chino Desalter Authority's Chino Creek Well Field (CCWF), reducing groundwater outflow to a de minimis level, which is defined as less than 1,000 acre-feet per year.

DESALTER PLANNING CONTINUES

The Chino Basin Desalter Authority (CDA) and Western Municipal Water District (WMWD) continued planning efforts to expand the Chino II Desalter by 10.5 MGD (11,800 acre-feet per year). To date, more than \$70 million in grant funds have been secured toward this expansion project.

Change in Course for the Desalter Expansion Will Speed Achievement of Hydraulic Control. CCWF Well-18 was constructed and planned for use in achieving hydraulic control. However, this well was found to be within a contamination plume, and incorporating additional treatment into the project would be costly and delay the achievement of hydraulic control. Watermaster demonstrated to the RWQCB that a revised pumping plan excluding Well-18 could still result in hydraulic control, thereby avoiding delays that would result from entangling the project in contamination evaluation and cleanup efforts being performed by the County of San Bernardino. This is evidence of the quality of Watermaster's technical evaluations and its ability to implement effective approaches to complex problems with the consensus of regulators and other stakeholders.

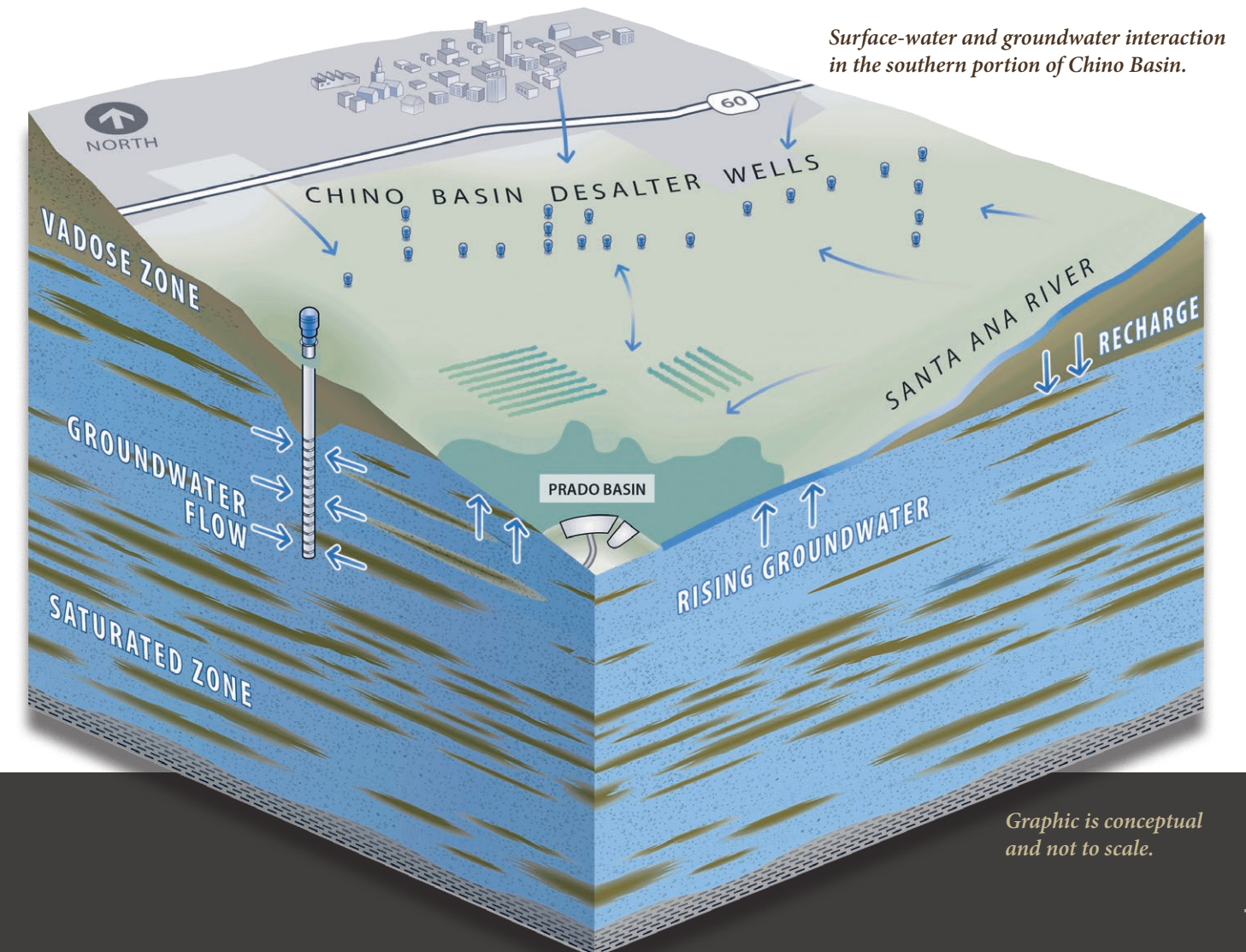
MONITORING AND EVALUATION TO DEMONSTRATE HYDRAULIC CONTROL

Obtained Hundreds of Groundwater-Level Measurements and Water Quality Samples. Watermaster collected groundwater-level measurements from hundreds of wells and collected groundwater and surface water quality samples. These data are used to support evaluations to determine if hydraulic control is being achieved.

Used the Re-Calibrated Model in Hydraulic Control Monitoring Program. The re-calibrated 2013 Watermaster groundwater model found that hydraulic control would be achieved under a projected range of CCWF production volumes. These model results were transmitted to the RWQCB in October 2013:

- hydraulic control east of Chino-I Desalter Well 5 has been achieved,
- hydraulic control west of Chino-I Desalter Well 5 has not been fully achieved, and
- currently, the impact of rising groundwater outflow from the Chino Basin on surface-water quality in the Santa Ana River is de minimis.

Maximum Benefit Annual Report Published. The 2013 Maximum Benefit Annual Report was prepared by Watermaster and IEUA, as required by the RWQCB to demonstrate compliance with the maximum-benefit commitments, provide the results of the monitoring program, and provide status updates on progress toward expanding the Chino Basin Desalters.



EFFECTIVE BASIN MANAGEMENT INCREASES LONG-TERM WATER SUPPLY RELIABILITY

CONTINUED MULTI-YEAR EFFORT TO REDETERMINE THE SAFE YIELD

The Peace Agreement and the OBMP Implementation Plan require that the Safe Yield be evaluated in 2011 and every ten years thereafter. As a result, continuing the Safe Yield redetermination effort was a top priority for the year. The Stipulated Agreement for the Chino Basin defines Safe Yield as: *the long-term average annual quantity of groundwater (excluding replenishment or stored water but including return flow to the basin from the use of replenishment or stored water) which can be produced from the Basin under cultural conditions of a particular year without causing an undesirable result.*

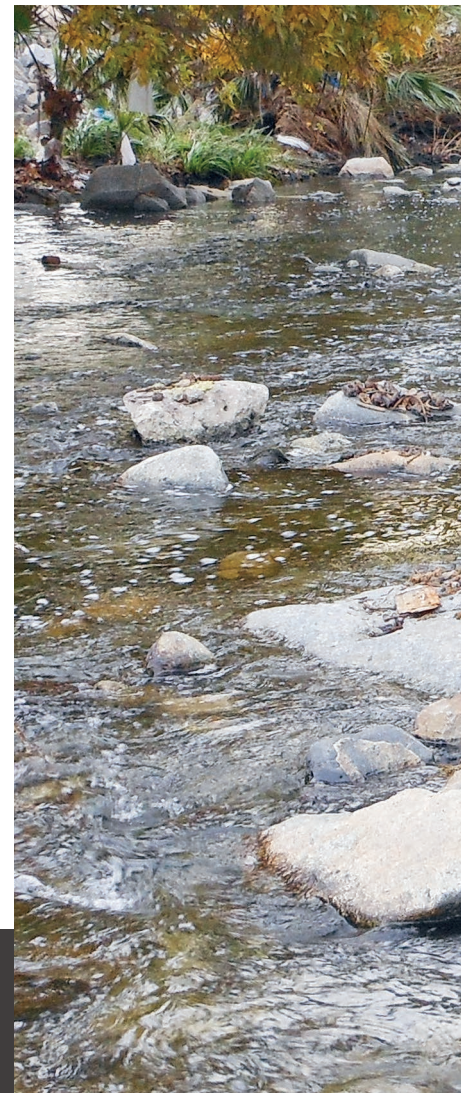


Progress on Redetermination. In 2011, Watermaster initiated the update of the computer model of the Basin to redetermine the Safe Yield. The model calibration was completed in 2012, and evaluation of the Safe Yield began in 2013. The effort is critical, technically demanding, and requires extensive review, input and coordination among technical experts and all the parties, since it plays a central role in determining the amount of water that is available to be produced and used.



The Safe Yield was originally set by the Judgment at 140,000 acre-feet per year. This update is made more challenging because the likely result is that the Safe Yield will be reduced for a variety of technical reasons, including the reduction in recharge of rainfall as the Basin develops and has increasingly more impervious surfaces, such as paved roads, and less open soil to allow recharge.

Despite the challenges, independent experts representing the Appropriative Pool agreed that the model is sound. With confidence in the work done to-date, the stakeholders are moving ahead with the redetermination.

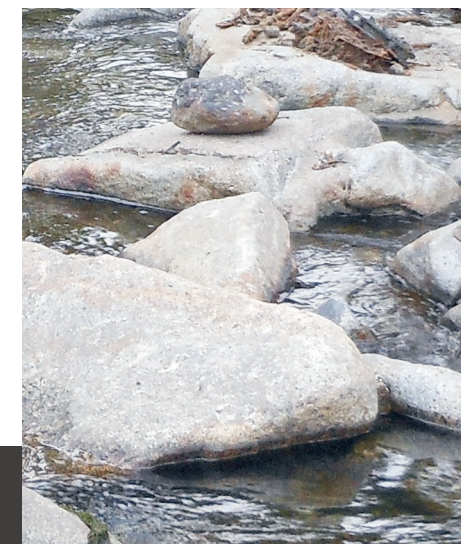


REPLENISHMENT WATER OBLIGATION ON HOLD WITH DISCONTINUATION OF REPLENISHMENT RATE

In April 2014, due to water supply limitations, the Metropolitan Water District of Southern California (MWD) prohibited the purchase and use of imported water for groundwater recharge. In response, Watermaster put fulfilling the Replenishment Obligation on hold so that an alternative approach can be properly evaluated and implemented.

“EXHIBIT G” WATER SOLD FOR FIRST TIME

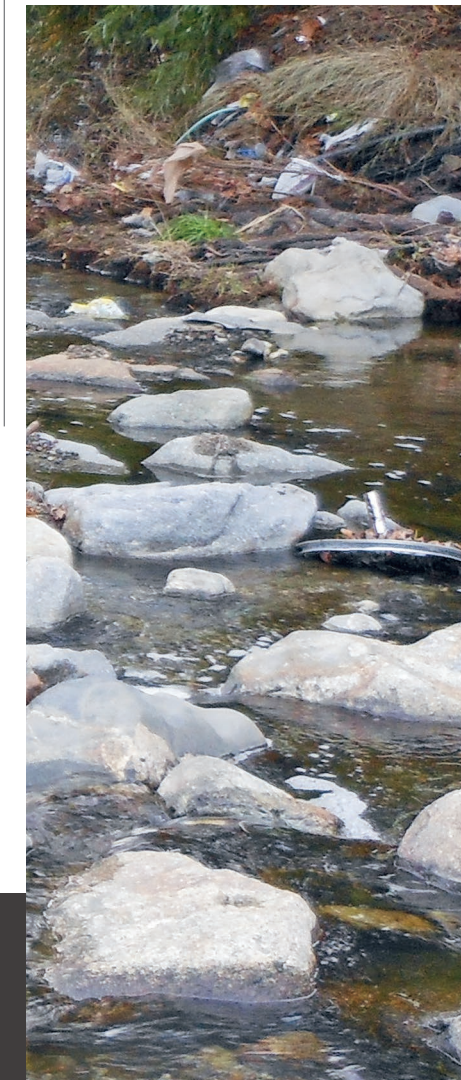
The Judgment does not normally allow for water to be transferred from parties in one Pool to another. However, there is a provision to annually offer Non-Agricultural Pool water to Appropriators through the “Exhibit G” Process. Watermaster developed a new structure to sell the water in the Peace II agreement. Last year, “Exhibit G” water was put up for sale for the first time but none sold. This year there were



a handful of sales, providing an example of how patient facilitation has broken another barrier, thereby improving water supply flexibility, this time by making it possible for Watermaster Parties in one Pool to sell to another.

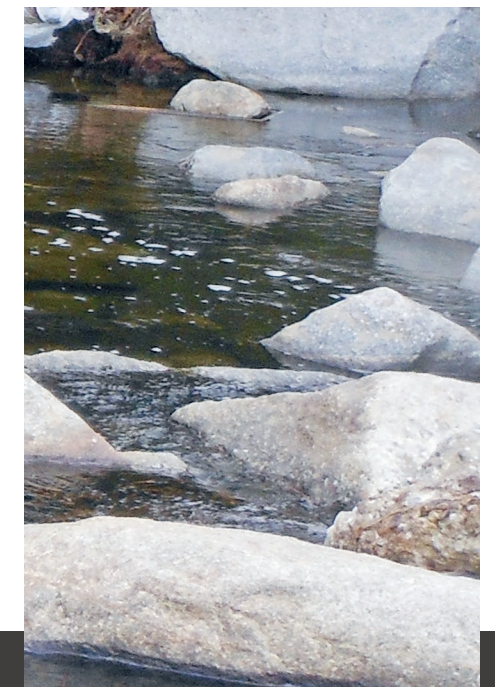
MZ-1 MANAGED AREA GROUNDWATER LEVELS MAINTAINED WITHIN GUIDANCE LEVEL

Watermaster continued implementation of the MZ-1 Subsidence Management Plan. Groundwater levels stayed above the Guidance Level during the reporting period, and very little, if any, permanent compaction was recorded at the Ayala Park Extensometer.



Land Surface Monitoring. In order to monitor the stresses and strains related to the occurrence of subsidence and ground fissuring in the Managed Area and the Areas of Subsidence Concern, and to develop and implement additional mitigation to minimize future occurrences, Watermaster implements the Land Subsidence Monitoring Program in accordance with the MZ-1 Subsidence Management Plan. Annual reports are prepared to describe the results of the monitoring program, and to recommend monitoring adjustments, if warranted.

Land Subsidence Committee Annual Report Was Completed. The MZ-1 Subsidence Management Plan requires annual data analysis and reporting of data collected for the Land Subsidence Monitoring Program. The 2012 Annual Report of the Land Subsidence Committee, published during December 2013, was the first published report of the Land Subsidence Committee.



EXTENSIVE MONITORING PROVIDES DATA FOR BOTH MANAGING THE BASIN AND MEASURING OUTCOMES

GROUNDWATER LEVEL MONITORING SUPPORTS A WIDE RANGE OF CRITICAL ACTIVITIES:

Periodic reassessment of Safe Yield.
Analysis of desalter pumping impacts at private wells.
Triennial re-computation of ambient water quality as mandated by the Water Quality Control Plan.
Monitoring and management of land subsidence.
Understanding direction of groundwater flow.
Update and re-calibration of Watermaster's computer-simulation groundwater-flow model.
Assessment of hydraulic control.
Compute storage changes.
Identify areas of the Basin where recharge and discharge are not in balance.

Comprehensive monitoring of all aspects of water supply and quality provide the data needed to design and adapt sustainable water management plans. The data are the foundation of the information used by Watermaster, its many stakeholders, and regulators to evaluate and agree upon outcomes. Basin management strategies are continually refined and improved over time to reflect the most current understanding of the data. All data are uploaded to a centralized database accessible through HydroDaVESM.

GROUNDWATER PRODUCTION MONITORING

All active wells (except minimum user wells) are metered. The metered production data collected by well owners is provided to Watermaster on a quarterly basis. Watermaster staff visit hundreds of private wells in the field to manually read and record the production meters quarterly. All production data are entered into the relational database.



Crews installing meters for the groundwater monitoring program.

THE LAND SUBSIDENCE MONITORING PROGRAM INCLUDES MONITORING OF: HORIZONTAL STRAIN ACROSS THE AREA OF GROUND FISSURING, PIEZOMETRIC LEVELS, GROUNDWATER PRODUCTION AND RECHARGE, VERTICAL AQUIFER-SYSTEM DEFORMATION, INSAR DATA FROM SATELLITE IMAGERY, AND GROUND-LEVEL SURVEYS.

GROUNDWATER QUALITY MONITORING

Watermaster maintains a Basin-wide groundwater-quality monitoring program that is currently comprised of about 900 wells. All water-quality data are uploaded to a centralized database. Watermaster obtains groundwater-quality data through the following programs:

Annual Key-Well Water-Quality Monitoring Program. Watermaster performs monitoring at about 110 monitoring and private wells.

Maximum-Benefit Monitoring Program. Watermaster collects annual samples at nine multi-port hydraulic control monitoring wells that are strategically placed between the Chino Desalter well fields and the Santa Ana River. Watermaster also collects quarterly samples at four wells near the Santa Ana River to characterize the interaction between the Santa Ana River surface water and groundwater.

Chino Basin Data Collection (CBDC) program. Watermaster routinely and proactively collects all groundwater-quality data sampled by others in the Basin, such as municipal producers, IEUA, Department of Toxic Substances Control, County of San Bernardino, other government agencies, and various private companies and consulting firms.

Watermaster carries out extensive groundwater quality programs.

GROUNDWATER LEVEL MONITORING

Watermaster maintains a comprehensive Basin-wide groundwater-level monitoring program that comprises about 1,100 wells. At most of the wells, water levels are measured by others and reported to Watermaster. About 200 wells are measured using manual methods or with an automated pressure transducer that records water levels every 15 minutes.

SURFACE WATER MONITORING

Recharge Basin Monitoring: Watermaster and IEUA track the volume, type, and quality of water delivered to each recharge basin.

Monitoring of the Santa Ana River. To characterize surface water and groundwater interaction along the Santa Ana River, Watermaster collects quarterly water quality samples from two sites along the River. These data are compared to the groundwater sample data collected at the near-river wells.



COLLABORATION BOOSTS WATER QUALITY AND ENVIRONMENTAL MITIGATION

IMPROVING COMMUNICATION, COLLABORATION AND ADMINISTRATION

COLLABORATIVE UPPER SANTA ANA RIVER HABITAT CONSERVATION PLAN (HCP)

The HCP will develop a regional plan to offset the biological impacts of future water projects in the Upper Santa Ana River region. Nine water agencies are participating in the plan and sharing the costs. Without participation in the HCP, it would be difficult, and potentially more time-consuming and costly to obtain federal permits and complete any necessary mitigation.

HABITAT SUSTAINABILITY PROGRAM

Watermaster and IEUA are developing an Adaptive Management Plan (AMP) for the Prado Basin Habitat Sustainability Program (PBHSP). The objective of the AMP is to ensure that the riparian habitat in Prado Basin is not adversely impacted by changes in groundwater levels associated with the implementation of the Peace II Agreement. IEUA began the bidding process to acquire a contractor to initiate the program, and continued with property acquisition and permitting.

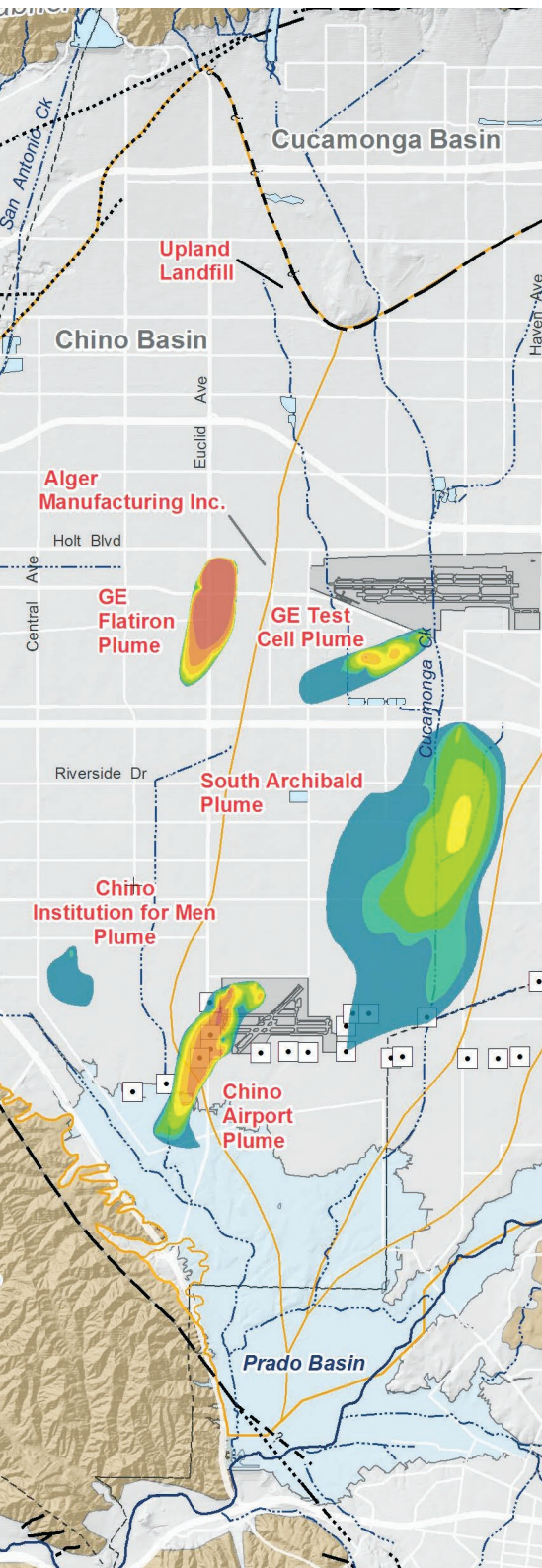
SUPPORTING CLEANUP OF CONTAMINATION IN THE BASIN

Watermaster utilizes its unique technical understanding of the Basin, as well as its extensive computer modeling expertise and data to help support those responsible for cleaning up groundwater contamination.

Supporting Chino Airport Cleanup. The County of San Bernardino is responsible for monitoring of the plume, defining the plume extent, and implementing a remediation strategy. Watermaster tracks progress of the monitoring and plume characterization by the County, collects groundwater-quality data, and uses that data, as well as data collected by others to delineate the plume extent every two years. Watermaster also uses its Groundwater Model to support the cleanup.

South Archibald Plume. Watermaster routinely samples for groundwater quality at private wells in the area, and uses data obtained from this monitoring to delineate the plume extent every two years. Watermaster has engaged with the potentially responsible parties and the RWQCB for years on the plume investigation and implementation of a remediation strategy, samples for groundwater quality at private wells, and uses data obtained from this monitoring to delineate the plume.

Tracking other Cleanups. Watermaster continues to track monitoring programs and mitigation measures associated with other point sources in the Chino Basin, including: Alumax Aluminum Recycling, the California Institution for Men, Crown Coach, GE Test Cell and Flatiron, Kaiser Steel Mill, Milliken Landfill, Upland Landfill, and the Stringfellow National Priorities List sites.



Every two years, Watermaster characterizes the extent of the contamination plumes within the Basin, some of which are shown here.

ENHANCING PLANNING AND GOVERNANCE

Conducted Organization Performance Assessment. An outcome of the March 2013 Refresh, Recharge and Reunite Planning Workshop was the development of the Watermaster Business Plan to set priorities for addressing issues that are critical to Watermaster Stakeholders. The Business Plan was used to evaluate the performance of the organization in October 2013 and April 2014.

Board Briefing on February 24, 2014. The Board Briefing was held as an introduction to incoming Directors and as a refresher for current Directors, and included topics on Watermaster's legal framework, role of the Board, Staff functions, major achievements, current topics, and future considerations.

ADMINISTRATIVE IMPROVEMENTS IMPLEMENTED

Watermaster evaluated and implemented administrative improvements to increase accuracy, efficiency and communication.

Improvements to Voluntary Agreements Forms and Processes. Substantial work was accomplished toward improving how Voluntary Agreements are carried out, including proposed changes to forms, how forms are submitted, handled by staff, and entered into the database. This project will be completed in the next fiscal year.

Non-Ag Pool Membership Clean-up and Change to Rules. Watermaster confirmed the interest, or not, of the parties to the Judgment in preparation to remove those that are not interested in remaining on the membership list. This will improve efficiency. The Non-Agricultural Pool quorum rules were also changed to allow the Pool flexibility to establish its own quorum requirement.

New Video Conferencing and Phone System. Watermaster is transitioning to increased use of video conferencing to reduce travel time to meetings. This has proven to save time, decrease travel costs, and improve overall communication effectiveness.

Other Improvements. Numerous other administrative improvements were made this year: began implementing a new file management system; relocated storage and field equipment from the warehouse to the annex building for improved security and access to archives; continued scanning and cataloging of old files in the transition to faster and more efficient full digital record keeping, and; improved the "request for information" process for accessing data.



RMPU Amendment Steering Committee Meeting.



Participating in the Water Fair.

Watermaster Board

Agricultural Pool Representatives

<i>REPRESENTATIVE</i>	<i>MEMBER ENTITY</i>
Paul Hofer	Crops
Alternates: Jeff Pierson/Bob Feenstra	
Geoffrey Vanden Heuvel	Dairy
Alternates: Bob Feenstra/Jeff Pierson	

Non-Agricultural Pool Representatives

<i>REPRESENTATIVE</i>	<i>MEMBER ENTITY</i>
Bob Bowcock	Calmat Co., a Div. of Vulcan Materials Co.
Alternate: Ken Jeske	California Steel Industries, Inc. (CSI)

Appropriative Pool Representatives

<i>REPRESENTATIVE</i>	<i>MEMBER ENTITY</i>
Robert “Bob” Craig , Chair	Jurupa Community Services District
Alternate: Jane Anderson	
Mark Kinsey	Monte Vista Water District
Alternate: Manny Martinez	
Arnold Rodriguez , Secretary/Treasurer	
Alternate: Vicki Rupe	Santa Ana River Water Company*

Municipal Water District Representatives

<i>REPRESENTATIVE</i>	<i>MEMBER ENTITY</i>
Steve Elie , Vice-Chair	Inland Empire Utilities Agency
Alternate: Terry Catlin	
Bob Kuhn	Three Valleys Municipal Water District
Alternate: David DeJesus	
Don Galleano	Western Municipal Water District
Alternate: John Rossi	

Staff

Peter Kavounas , PE General Manager	William McLaughlin Field Operations Specialist
Danielle Maurizio , PE Assistant General Manager	Anna Truong Executive Assistant
Joseph Joswiak , MBA Chief Financial Officer	Janine Wilson Accountant
Frank Yoo GIS & Database Specialist	Bianca Ruiz Office Specialist
Justin Nakano Environmental Specialist	

Advisory Committee

Agricultural Pool Representatives

<i>REPRESENTATIVE</i>	<i>MEMBER ENTITY</i>
Carol Boyd	State of California
Nathan deBoom	Dairy
Glen Durrington	Crops
Robert Feenstra	Dairy
Pete Hall	State of California
John Huitsing	Dairy
Gene Koopman	Dairy
Jeff Pierson , Vice-Chair	Crops
Rob Vanden Heuvel	Dairy
Bob Page	San Bernardino County

Non-Agricultural Pool Representatives

<i>REPRESENTATIVE</i>	<i>MEMBER ENTITY</i>
Brian Geye , Chair	California Speedway Corp. (Auto Club Speedway)
Ken Jeske	California Steel Industries, Inc. (CSI)
Alternate: Dennis Poulsen	
Tom O’Neill	Ontario, City of (Non-Ag)
Alternate: Michael Sigsbee	
Bob Page	San Bernardino County

Appropriative Pool Representatives

<i>REPRESENTATIVE</i>	<i>MEMBER ENTITY</i>
Ron Craig	Chino Hills, City of
Alternate: Nadeem Majaj	
Dave Crosley	Chino, City of
Marty Zvirbulis	Cucamonga Valley Water District
Alternate: Jo Lynne Russo-Pereyra	
Alternate: John Bosler	
Robert Young , 2nd Vice-Chair	Fontana Union Water Company
Seth Zielke	Fontana Water Company
Alternate: Josh Swift	
Tom Harder	Jurupa Community Services District
Alternate: Robert Tock	
Van Jew	Monte Vista Irrigation Company*
Alternate: Justin Scott-Coe	
Alternate: Van Jew	Monte Vista Water District
Scott Burton	Ontario, City of
Alternate: Ryan Shaw	
Curtis Aaron	Pomona, City of
Alternate: Raul Garibay	
Charles Moorrees	San Antonio Water Company*
Alternate: Teri Layton	
Bob Page	San Bernardino County
Rosemary Hoerning	Upland, City of
Alternate: Mark Wiley	

Agricultural Pool Committee

<i>REPRESENTATIVE</i>	<i>MEMBER ENTITY</i>
Nathan deBoom	Dairy
Glen Durrington	Crops
Robert Feenstra , Chair	Dairy
John Huitsing	Dairy
Gene Koopman	Dairy
Jeff Pierson , Vice-Chair	Crops
Rob Vanden Heuvel	Dairy
Pete Hall	State of California-CIM
Carol Boyd	State of California-CIM
Bob Page	San Bernardino County

<i>ALTERNATE REPRESENTATIVE</i>	<i>MEMBER ENTITY</i>
Henry DeHaan	Dairy
Dan Hostetler	Crops
Helen Arens	State of California
Julie Cavender	State of California
Larry Dimock	State of California
Marilyn Levin	State of California

Non-Agricultural Pool Committee

<i>REPRESENTATIVE</i>	<i>MEMBER ENTITY</i>
Mark Ward	Ameron International Corp.
Dennis Dooley	Angelica Textile Service (Southern Service Co.)
Alternate: Martin Gomez	
David Penrice	Aqua Capital Management LP CCG Ontario, LLC (Catellus)
Brian Geye , Chair	California Speedway Corp. (Auto Club Speedway)
Alternate: Ray Wilkings	
Ken Jeske	California Steel Industries, Inc. (CSI)
Alternate: Dennis Poulsen	
Bob Bowcock , Vice-Chair	Calmat Co., a Div. of Vulcan Materials Co.
Alternate: Kevin Sage	
Lisa Hamilton	General Electric Co. (GE)
Alternate: Roger Florio	
David Starnes	Hamner Park Associates (Swan Lake Mobile Home Park)
Alternate: Michael Adler	
Gerald Yahr	KCO, LLC / The Koll Company
Tom O’Neill	Ontario, City of (Non-Ag)
Alternate: Michael Sigsbee	
Roger Han	Praxair, Inc.
Alternate: Jose Galindo	
Steve Riboli	Riboli Family/San Antonio Winery San Bernardino County
Bob Page	San Bernardino County (Dept. of Airports)
James Jenkins	San Bernardino County (Dept. of Airports)
Jorge Rosa, Jr.	Southern California Edison Co. (SCE)
Tom Cruikshank	Space Center Mira Loma, Inc.
Alternate: Patty Jett	
—	Sunkist Growers, Inc.
Jeff Dambrun	TAMCO
Alternate: Giannina Espinoza	
—	West Venture Development Co.

Appropriative Pool Committee

<i>REPRESENTATIVE</i>	<i>MEMBER ENTITY</i>
Kevin Sage	Arrowhead Mountain Spring Water*
Dave Crosley	Chino, City of
Alternate: Gil Aldaco	
Alternate: Landon Kern	
Alternate: Jesus Plasencia	
Alternate: Jose Alire	
Ron Craig	Chino Hills, City of
Alternate: Nadeem Majaj	
Marty Zvirbulis , Chair	Cucamonga Valley Water District
Alternate: Jo Lynne Russo-Pereyra	
Alternate: John Bosler	
Chuck Hays	Fontana, City of*
Alternate: Dan Chadwick	
Robert Young	Fontana Union Water Company
Alternate: Seth Zielke	
Alternate: Josh Swift	
Seth Zielke	Fontana Water Company
Alternate: Robert Young	
Alternate: Josh Swift	
Ben Lewis	Golden State Water Company*
Todd Corbin	Jurupa Community Services District
Alternate: Robert Tock	
Justin Brokaw	Marygold Mutual Water Company*
Van Jew	Monte Vista Irrigation Company*
Alternate: Justin Scott-Coe	
Justin Scott-Coe	Monte Vista Water District
Alternate: Van Jew	
Geoff Kamansky	Niagara Bottling, LLC*
Robert Young	Nicholson Trust*
Alternate: Josh Swift	
Bill Thompson	Norco, City of*
Alternate: Lori Askew	
Scott Burton , Vice-Chair	Ontario, City of
Alternate: Ryan Shaw	
Rene Salas	Pomona, City of
Alternate: Darron Poulsen	
Charles Moorrees	San Antonio Water Company*
Alternate: Teri Layton	
Bob Page	San Bernardino County*
John Lopez	Santa Ana River Water Company*
Alternate: Nathan Cole	
Rosemary Hoerning	Upland, City of
Alternate: Mark Wiley	
Rosemary Hoerning	West End Consolidated Water Co.*
Alternate: Mark Wiley	
Thomas Crowley	West Valley Water District*
Alternate: A.W. “Butch” Araiza	

* Minor Producer

WATERMASTER INCLUDES REPRESENTATION OF 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, the State, and other property owners.
- Non-Agricultural Pool to represent commercial and industrial producers.
- Appropriative Pool to represent cities, water districts, and water companies.



THIRTY-SIXTH ANNUAL REPORT

FISCAL YEAR 2013-14



WATERMASTER STAFF

Appendices

A – AA

**COURT HEARINGS AND ORDERS
FISCAL YEAR 2013-2014**

During the fiscal year 2013-14, 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
April 25, 2014	• Order Approving Section 5 of Watermaster's 2013 Amendment to 2010 Recharge Master Plan Update; Order Regarding Watermaster's Safe Yield Recalculation
December 13, 2013	• Order Approving Watermaster's 2013 Amendment to 2010 Update to Recharge Master Plan and Intervention of TAMCO
August 30, 2013	• RULINGS AND ORDER: Motion of CCG Ontario for Leave to Sue Watermaster

RESOLUTIONS CALENDAR YEAR 2014

Resolution	Adopted	Summary of Resolution
14-03	June 26, 2014	<p><i>Acknowledging the Extraordinary Service by Joseph C. Scalmanini</i></p> <ul style="list-style-type: none"> • By this proclamation Joseph C. Scalmanini is recognized and thanked by the Watermaster for his fortitude and foresight in making the Chino Basin a model for sustainable management in California.
14-02	January 23, 2014	<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: Board Chair, Board Vice-Chair, Board Secretary/Treasurer, General Manager/Secretary, Assistant General Manager, and Chief Financial Officer.
14-01	January 23, 2014	<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 General Manager (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 2013-01 is rescinded in its entirety.

HISTORY OF INTERVENTIONS AFTER JUDGMENT

Production Year ¹	Appropriative	Non-Agricultural	Agricultural
13-14		TAMCO	
12-13			
11-12			Tad Nakase (TDN Land Company)
10-11			Restorative Justice Center (dba Community Garden Project of RC)
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 23rd day of January 2014, the Chino Basin Watermaster hereby adopts 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) as Restated (Exhibit "I", Paragraph 3.(b), Page 73).

Approved by:

**CHINO BASIN WATERMASTER
BOARD OF DIRECTORS
CHAIR**

Signature: /s/ Robert "Bob" Craig

ATTEST:

**CHINO BASIN WATERMASTER
BOARD OF DIRECTORS SECRETARY/TREASURER**

Signature: /s/ J. Arnold Rodriguez

**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, 2014)

<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, LLC ^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 (47.549 AF 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, and it was later determined that they are not within the Basin.

^J Niagara Bottling 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, 2014)

<u>Party</u>	<u>Total Overlying Non-Agricultural Rights (Acre-Feet)</u>	<u>Share of Safe Yield (Acre-Feet)</u>
Ameron International Corp. ^A	105.84	82.858
San Bernardino, County of (Chino Airport)	171.00	133.870
Vulcan Materials Company ^B	-	-
Kaiser Ventures, Inc. ^C	-	-
West Venture Development Co. ^D	-	-
Southern California Edison Co. ^E	-	-
GenOn West, LP ^F	1,219.29	954.540
Space Center Mira Loma, Inc.	133.00	104.121
Angelica Corp. ^G	24.00	18.789
Sunkist Growers, Inc. ^H	-	-
Mobile Community Management Co. (Swan Lake MHP) ^I	593.00	464.240
Praxair, Inc. ^J	1.28	1.000
Quaker Chemical Company ^K	-	-
California Steel Industries, Inc. (CSI) ^L	1,660.56	1,615.137
General Electric Company ^M	-	-
Auto Club Speedway ^N	1,277.36	1,000.000
Loving Savior of the Hills Lutheran Church ^O	-	-
CCG Ontario, LLC ^P	-	-
KCO, LLC / The Koll Company ^Q	-	-
Riboli Family / San Antonio Winery ^R	-	-
Ontario, City of (Non-Ag) ^S	2,973.44	2,327.807
Aqua Capital Management LP ^T	1,211.08	632.981
TAMCO ^U	19.16	15.000
Total	9,389.00	7,350.343

^A Ameron Steel Producers, Inc. changed its name to Ameron International Corp in 1996.

^B 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.

^C Kaiser Steel Corporation became Kaiser Resources and then Kaiser Ventures, 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.

^D The property and associated water rights owned by Red Star Fertilizer were transferred to Anaheim Citrus and then to West Venture Development Co. After subdividing and selling the property, West Venture went out of business in 91-92 and disclaimed any interest in the water rights, requesting that their disposition be determined by the Court.

^E A portion of SCE was sold in FY 98-99; SCE retained 27.959 AF SY. On March 24, 2011, SCE permanently transferred 27.959 AF SY to Ontario, City of (Non-Ag).

^F 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. RRI Energy West, Inc. changed its name to GenOn West, LP in FY 10-11.

^G Southern Service Company became Angelica Rental Service in FY 90-91, then later changed its name to Angelica Corp.

^H On May 22, 2008, Sunkist permanently transferred 22.000 AF SY to KCO/Koll. On October 23, 2008 Sunkist permanently transferred 1,873.402 AF SY to Ontario, City of (Non-Ag).

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

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

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

^L California Steel Industries, Inc. (CSI) intervened in FY 91-92 after purchasing land from Kaiser. ACM and CSI settled their water rights dispute in February 2013. The settlement agreement allocates one half of the right in dispute's Assigned Share of Safe Yield to each, effective July 1, 2007, and the parties allocated among themselves the quantities of water in storage related to the right.

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

^N 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.

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

^P 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.

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

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

^S Ontario, City of (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 of (Non-Ag). On May 28, 2009, Koll's 22.000 AF SY was permanently transferred to Ontario, City of (Non-Ag). On May 27, 2010, Praxair permanently transferred 426.446 AF SY to Ontario, City of (Non-Ag). On March 24, 2011, SCE permanently transferred 27.959 AF SY to Ontario, City of (Non-Ag).

^T Aqua Capital Management LP (ACM) 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. On July 23, 2009, Vulcan permanently transferred 317.844 AF SY to Aqua Capital. ACM and CSI settled their water rights dispute in February 2013. The settlement agreement allocates one half of the right in dispute's Assigned Share of Safe Yield to each, effective July 1, 2007, and the parties allocated among themselves the quantities of water in storage related to the right.

^U TAMCO intervened in FY 13-14 after purchasing land and water rights from Ameron International Corp. This resulted in a permanent transfer of 15.000 AF SY to TAMCO. Ameron's share of SY was reduced from 97.858 AF to 82.858 AF.

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 ¹⁴	8,084	161,475
01-02	121,489 ^{11, 15}	39,494 ¹⁵	5,548	166,531
02-03	120,557 ^{11, 16}	38,487 ^{11, 16}	4,853	163,897
03-04	136,834 ¹⁷	41,899 ¹⁷	2,915	181,648
04-05	127,811 ¹⁸	34,370 ¹⁸	2,327	164,508
05-06	124,315 ¹⁹	33,820 ¹⁹	3,026	161,161
06-07	130,826 ²⁰	37,216 ²⁰	3,369	171,411
07-08	103,078 ²¹	30,829 ²¹	3,440	137,346
08-09	84,716 ²²	32,060 ²²	4,394	121,171
09-10	78,733 ²³	31,770 ²³	3,908	114,411
10-11	78,410 ²⁴	31,255 ²⁴	3,914	113,580
11-12	79,343 ²⁵	34,265 ²⁵	4,415	118,022
12-13	96,434 ²⁶	34,371 ²⁶	4,736	135,541
13-14	100,166 ²⁷	33,554 ²⁷	4,547	138,267

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.

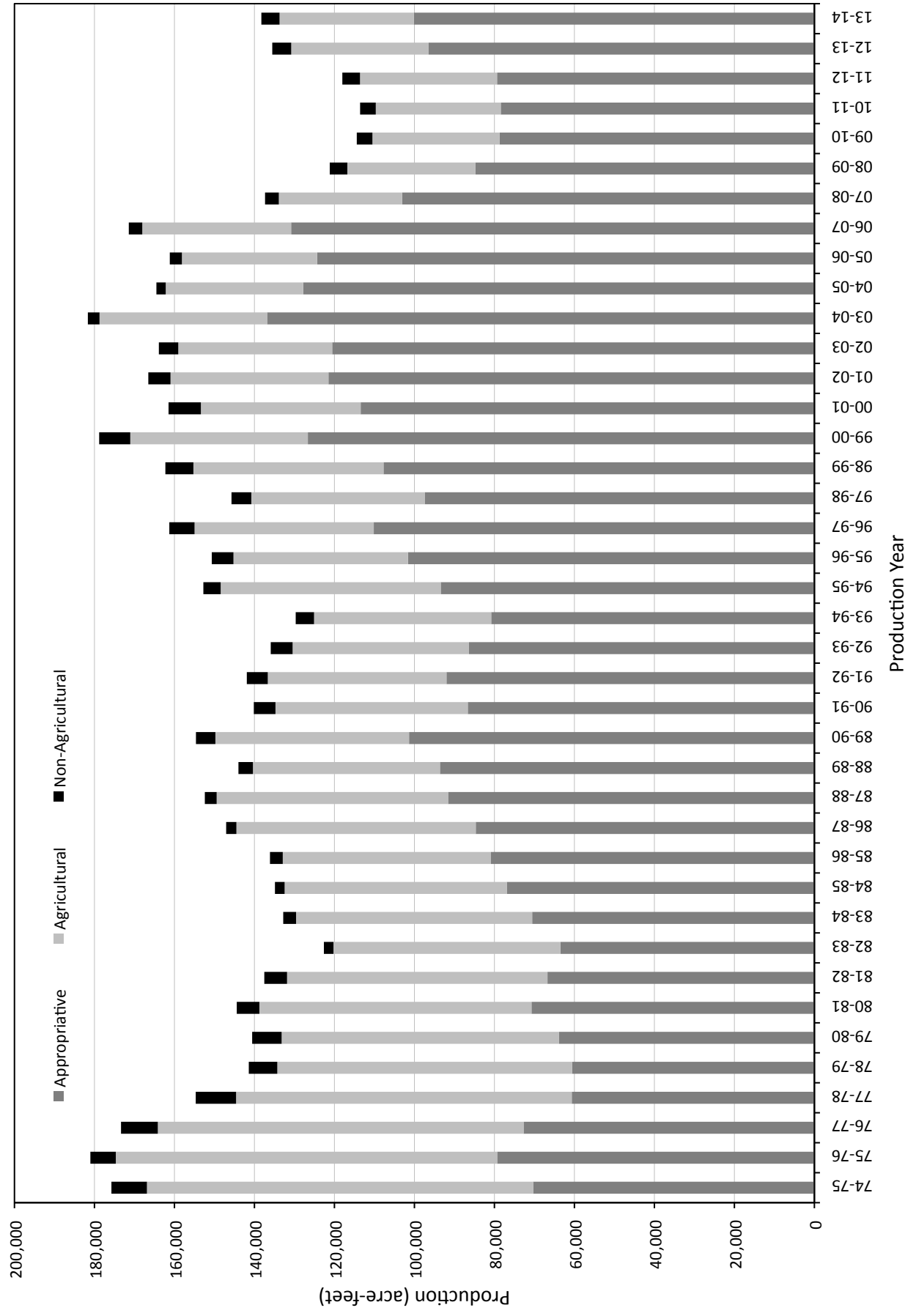
²⁴ Does not include 29,319 AF Desalter production or 87.3 AF Dept. of Toxic Substances Control (DTSC) production.

²⁵ Does not include 28,379 AF Desalter production or 88.8 AF Dept. of Toxic Substances Control (DTSC) production.

²⁶ Does not include 27,062 AF Desalter production or 87.3 AF Dept. of Toxic Substances Control (DTSC) production.

²⁷ Does not include 29,243 AF Desalter production or 84.6 AF Dept. of Toxic Substances Control (DTSC) production.

HISTORY OF TOTAL ANNUAL GROUNDWATER PRODUCTION BY POOL



HISTORY OF REALLOCATION OF UNPRODUCED AG 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	27,928	38,399 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	28,863	45,343
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	29,429	51,890
08-09	22,730	N/A	27,927	50,657
09-10	22,943	N/A	28,002	50,945
10-11	23,033	N/A	28,425	51,458
11-12	23,237	N/A	25,210	48,447
12-13	23,773	N/A	24,569	48,342
13-14	26,162	N/A	22,999	49,161

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 BY THE CHINO BASIN PARTIES¹
(ACRE-FEET)**

Year	Chino Basin Extractions ²	Supplemental 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	169,570 ⁴	128,596	298,166
01-02	175,416 ⁴	140,907	316,323
02-03	171,413 ⁴	134,154 ⁴	305,567
03-04	176,253 ⁴	143,989	320,242
04-05	161,715 ⁴	145,644	307,359
05-06	156,765 ⁴	171,896	328,661
06-07	179,498 ⁴	176,807 ⁴	356,304
07-08	177,813 ⁴	162,465	340,278
08-09	188,910 ⁴	131,819 ⁴	320,729
09-10	169,323 ⁴	144,354	313,676
10-11	151,319 ⁴	154,760	306,079
11-12	147,683 ⁴	171,808	319,491
12-13	164,115 ⁴	154,870	318,985
13-14	169,244	183,699	352,944

¹The values reported herein represent the supplemental water supply used by each Party within its entire service area. Some Parties have service area boundaries which extend outside the adjudicated Chino Basin boundary.

²Represents the values reported in Appendix G-1, plus production by the Chino Basin Desalters and by the DTSC.

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

⁴Reflects corrected value.

**SUMMARY OF SUPPLEMENTAL SUPPLIES
USED BY THE CHINO BASIN PARTIES¹
FISCAL YEAR 2013-14
(ACRE-FEET)**

Parties	Other Groundwater Basins	Surface Diversions	Imported Water Deliveries				Recycled Water ²	Total
			SBVMWD	MWDSC				
				IEUA	TVMWD	WMWD		
Chino, City of	-	-	-	4,342	-	-	10,312	14,654
Chino Hills, City of	-	-	-	962	-	-	3,195	4,157
Cucamonga Valley Water District ³	8,324	1,254	-	28,830	-	-	4,828	43,236
Inland Empire Utilities Agency ⁴	-	-	-	-	-	-	841	841
Fontana Water Company ⁵	17,454	2,405	-	9,792	-	-	-	29,651
Jurupa Community Services District ⁶	1,301	-	-	-	-	-	485	1,787
Marygold Mutual Water Company	-	-	-	-	-	-	-	-
Monte Vista Water District	-	-	-	5,965	-	-	931	6,896
Ontario, City of	-	-	-	9,905	-	-	13,851	23,756
Pomona, City of ⁷	3,837	897	-	-	2,302	-	1,869	8,905
San Antonio Water Company ⁸	9,521	2,864	-	-	-	-	-	12,385
San Bernardino, County of	-	-	-	-	-	-	1,611	1,611
State of California, CIM ⁹	-	-	-	-	-	-	1,402	1,402
Upland, City of ¹⁰	667	-	-	7,265	-	-	2,192	10,124
West End Consolidated Water Company	2,655	-	-	-	-	-	-	2,655
West Valley Water District ¹¹	13,675	6,973	991	-	-	-	-	21,639
Total	57,434	14,393	991	67,062	2,302	-	41,518	183,699

¹ The values reported herein represent the supplemental water supply used by each Party within its entire service area. Some Parties have service area boundaries which extend outside the adjudicated Chino Basin boundary.

² Recycled water is supplied by IEUA unless stated otherwise.

³ Imported groundwater is produced from Cucamonga Basin. Surface water diversions are from Lloyd Michaels, Royer-Nesbit, and Arthur H. Bridge WTPs, and Deer Canyon.

⁴ IEUA provided 24,653 AF of recycled water as follows: 8,916 AF to the City of Chino, 2,002 AF to the City of Chino Hills, 1,652 AF to Cucamonga Valley Water District, 841 AF to IEUA, 336 AF to Monte Vista Water District, 8,427 AF to the City of Ontario, 1,611 AF to San Bernardino County, and 869 to the City of Upland. Additionally, groundwater recharge with recycled water in the amount of 13,593 AF is shown as allocated to each Party in proportion to its service area, as is done in the Assessment Package.

⁵ Imported groundwater is produced from Colton/Rialto, Lytle, and "unnamed" Basins. Surface water diversions are from Lytle Creek.

⁶ Imported groundwater is produced from Riverside Basin and Temescal.

⁷ Imported groundwater is produced from Six Basins and Spadra Basin. Surface water diversions are from San Antonio Creek. Recycled water is served from the Pomona Water Reclamation Plant.

⁸ Imported groundwater is produced from Six Basins, San Antonio Tunnel and Cucamonga Basin. Surface water diversions are from San Antonio Creek.

⁹ Recycled water is treated by CIM and reused on location for irrigation purposes.

¹⁰ Imported groundwater is produced from Six Basins.

¹¹ Surface water diversions are from Lytle Creek.

SUMMARY OF MWDSC DELIVERIES¹
FISCAL YEAR 2013-14
(ACRE-FEET)

Month	Water Facilities Authority - CB-12					
	Upland	MVWD	Ontario	Chino	Chino Hills ²	Sub-Total
July	944.0	776.0	1,436.0	545.0	81.0	3,782.0
August	926.0	696.0	1,440.0	537.0	80.0	3,679.0
September	804.0	667.0	1,310.0	480.0	80.0	3,341.0
October	534.0	581.0	667.0	336.0	80.0	2,198.0
November	503.0	185.0	464.0	274.0	80.0	1,506.0
December	225.0	170.0	228.0	334.0	80.0	1,037.0
January	389.0	371.0	367.0	436.0	80.0	1,643.0
February	151.0	242.0	563.0	254.0	80.0	1,290.0
March	212.0	320.0	756.0	253.0	80.0	1,621.0
April	494.0	412.0	802.0	264.0	80.0	2,052.0
May	945.0	699.0	965.0	304.0	80.0	2,993.0
June	1,138.0	846.0	907.0	325.0	81.0	3,297.0
Total	7,265.0	5,965.0	9,905.0	4,342.0	962.0	28,439.0

Month	Reliant	Fontana Water Co.	Cucamonga Valley Water District			Pomona	Total
	CB-01	CB-19	CB-07	CB-16	Sub-Total		
July	-	1,351.0	4.1	2,544.2	2,548.3	347.9	8,029.2
August	-	1,301.0	-	2,699.0	2,699.0	355.3	8,034.3
September	-	1,250.0	-	3,282.8	3,282.8	356.1	8,229.9
October	-	466.0	-	2,185.3	2,185.3	217.1	5,066.4
November	-	459.0	-	2,404.9	2,404.9	109.5	4,479.4
December	-	453.0	11.8	1,884.8	1,896.6	53.7	3,440.3
January	-	662.0	243.4	2,193.5	2,436.9	110.3	4,852.2
February	-	828.0	231.0	1,396.6	1,627.6	110.3	3,855.9
March	-	526.0	273.0	834.6	1,107.6	42.0	3,296.6
April	-	354.0	170.1	2,349.1	2,519.2	110.1	5,035.3
May	-	1,109.0	195.9	3,015.4	3,211.3	222.4	7,535.7
June	-	1,033.3	246.0	2,664.9	2,910.9	266.9	7,508.1
Total	-	9,792.3	1,375.3	27,455.1	28,830.4	2,301.6	69,363.3

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 2013-14 (ACRE-FEET)

Conjunctive Use, All Parties - Storage	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Direct	-	-	-	-	-	-	-	-	-	-	-	-	-
Monte Vista Water District	-	-	-	-	-	-	-	-	-	-	-	-	-
In-Lieu	-	-	-	-	-	-	-	-	-	-	-	-	-
Chino Basin Watermaster	-	-	-	-	-	-	-	-	-	-	-	-	-
Chino, City of	-	-	-	-	-	-	-	-	-	-	-	-	-
Chino Hills, City of	-	-	-	-	-	-	-	-	-	-	-	-	-
Cucamonga Valley Water District	-	-	-	-	-	-	-	-	-	-	-	-	-
Jurupa Community Services District	-	-	-	-	-	-	-	-	-	-	-	-	-
Monte Vista Water District	-	-	-	-	-	-	-	-	-	-	-	-	-
Ontario, City of	-	-	-	-	-	-	-	-	-	-	-	-	-
Pomona, City of	-	-	-	-	-	-	-	-	-	-	-	-	-
Upland, City of	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Storage / (Withdrawals)	-	-	-	-	-	-	-	-	-	-	-	-	-
Watermaster Obligation = 734.489 AF +1,097.132 AF (CURO) = 1,831.621 AF													
Replenishment (and Preemptive Replenishment) Deliveries	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct*	-	-	-	-	-	-	-	-	-	-	-	-	-
ASR (Monte Vista Water District)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-11 (Deer Creek)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-13 (San Sevaine)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-14 (Etiwanda)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-15 (Day Creek)	-	-	-	-	-	-	-	-	-	17.5	10.8	-	28.3
CB-18 (Etiwanda Inter-lie)	-	-	-	-	-	-	195.6	235.2	276.7	54.3	-	-	761.8
CB-20 (West Cucamonga)	-	-	-	-	-	-	-	-	-	5.4	-	-	5.4
OC-59 (San Antonio)	-	-	-	-	-	-	195.6	235.2	276.7	77.2	10.8	-	795.5
In-Lieu	-	-	-	-	-	-	-	-	-	-	-	-	-
Service Connections	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-12	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-16	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased from Parties	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased from Cyclic Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-Purchased Previous Year(s)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Replenishment	-	-	-	-	-	-	195.6	235.2	276.7	77.2	10.8	-	795.5

SUMMARY OF STORMWATER RECHARGE FISCAL YEAR 2013-14 (ACRE-FEET)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
MANAGEMENT ZONE 1:													
San Antonio Channel / CB-59													
Upland	-	-	-	7	9	8	1	49	12	9	-	-	95
College Heights	-	-	-	-	-	-	-	1	3	-	-	-	4
Montclair 1, 2, 3 & 4	-	-	-	9	22	48	11	178	59	79	10	-	416
Brooks	1	1	-	23	4	8	3	47	11	14	-	-	112
West Cucamonga Channel / CB-20													
15th Street	-	-	-	-	-	-	-	-	-	-	-	-	-
8th Street	13	13	11	33	45	36	19	54	40	78	26	24	392
7th Street	-	-	-	15	4	10	8	5	6	1	-	-	49
MANAGEMENT ZONE 2:													
Cucamonga / Deer Creek Channels													
Turner 1 & 2	-	-	-	-	-	72	45	94	63	61	21	23	379
Turner 3 & 4	-	-	24	20	17	5	16	62	50	-	23	-	217
Day Creek Channel													
Lower Day	1	3	5	7	2	5	5	34	41	10	1	-	114
Etiwanda Channel													
Etiwanda Debris Basin	-	-	-	3	-	2	1	30	7	2	-	-	45
Victoria	2	2	2	7	12	10	2	37	99	15	2	2	192
Minor Drainage													
Grove	3	4	4	20	26	28	13	107	10	39	2	2	258
San Sevaine Channel													
San Sevaine 1, 2, 3 & 4	-	-	-	8	37	5	-	64	18	14	-	-	146
San Sevaine 5	-	-	-	3	2	1	-	5	2	3	-	-	16
West Cucamonga Channel													
Ely 1, 2 & 3	6	4	6	15	21	24	8	294	63	83	9	15	548
West Fontana Channel													
Hickory	4	-	-	1	59	8	9	19	13	23	33	2	171
MANAGEMENT ZONE 3:													
Day Creek Channel													
Wineville	-	-	-	-	-	-	-	-	-	-	-	-	-
Riverside	-	-	-	-	-	-	-	-	-	-	-	-	-
DeClez Channel													
DeClez	6	3	2	18	52	66	3	24	56	108	1	2	341
RP3 Cell 1, 3, & 4	52	56	54	44	43	70	36	83	72	36	-	3	549
RP3 Cell 2	20	12	4	9	17	2	7	48	31	12	3	3	168
Etiwanda Channel													
Etiwanda Conservation	-	-	-	-	-	-	-	-	-	-	-	-	-
San Sevaine Channel													
Jurupa	-	-	-	-	-	-	-	-	-	-	-	-	-
West Fontana Channel													
Banana	-	-	-	-	22	6	9	39	9	2	-	-	87
Totals	108	98	112	242	394	414	196	1,274	665	589	131	76	4,299

APPROPRIATIVE POOL ASSESSMENT FEE SUMMARY PRODUCTION YEAR 2013-2014



Assessment Year 2014-2015 (Production Year 2013-2014)

Pool 3 Assessment Fee Summary

	AF Production and Exchanges	Appropriative Pool		AF Total Reallocation	Ag Pool SY Reallocation		Repleni AF/15%
		\$12.80	\$27.69		\$430,437.99	\$931,517.99	
		AF/Admin	AF/OBMP		\$8.76 AF/Admin	\$18.95 AF/OBMP	
Arrowhead Mtn Spring Water Co	379.111	4,852.62	10,497.58	0.000	0.00	0.00	0.00
Chino Hills, City Of	7,224.004	92,467.25	200,032.67	1,998.600	17,499.06	37,870.01	101.90
Chino, City Of	0.000	0.00	0.00	8,367.955	73,266.97	158,558.25	0.00
Cucamonga Valley Water District	16,121.550	206,355.84	446,405.72	2,304.146	20,174.32	43,659.58	227.40
Desalter Authority	29,242.552	0.00	0.00	0.000	0.00	0.00	0.00
Fontana Union Water Company	0.000	0.00	0.00	3,187.956	27,912.66	60,406.24	0.00
Fontana Water Company	15,377.579	196,833.01	425,805.16	695.920	6,093.24	13,186.48	216.91
Fontana, City Of	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Golden State Water Company	736.362	9,425.43	20,389.86	205.110	1,795.87	3,886.48	10.39
Jurupa Community Services District	18,018.347	230,634.84	498,928.03	12,597.713	110,301.29	238,704.84	254.15
Marygold Mutual Water Company	1,314.734	16,828.60	36,404.98	326.809	2,861.43	6,192.46	0.00
Monte Vista Irrigation Company	0.000	0.00	0.00	337.474	2,954.81	6,394.55	0.00
Monte Vista Water District	6,998.745	89,583.94	193,795.25	2,451.724	21,466.46	46,455.92	98.72
Niagara Bottling, LLC	1,342.588	17,185.13	37,176.26	0.000	0.00	0.00	0.00
Nicholson Trust	0.000	0.00	0.00	1.914	16.76	36.27	0.00
Norco, City Of	0.000	0.00	0.00	100.641	881.18	1,906.97	0.00
Ontario, City Of	15,697.044	200,922.17	434,651.17	7,374.348	64,567.28	139,731.12	221.41
Pomona, City Of	12,909.293	165,238.95	357,458.32	5,593.760	48,977.06	105,992.06	0.00
San Antonio Water Company	1,159.242	14,838.30	32,099.41	751.523	6,580.08	14,240.06	16.35
San Bernardino, County of (Shootin	16.390	209.79	453.84	0.000	0.00	0.00	0.23
Santa Ana River Water Company	48.515	620.99	1,343.38	648.968	5,682.14	12,296.82	0.68
Upland, City Of	2,822.046	36,122.19	78,142.45	1,422.643	12,456.18	26,956.62	39.81
West End Consolidated Water Co	0.000	0.00	0.00	472.573	4,137.69	8,954.44	0.00
West Valley Water District	0.000	0.00	0.00	321.339	2,813.53	6,088.82	0.00
	129,408.102	1,282,119.04	2,773,584.09	49,161.116	430,437.99	931,517.99	1,187.94

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p1: 1) TVMWD elected to discontinue payment of the "Pomona Credit," effective FY 2012/2013. It is now paid by the Appropriative Pool Parties, allocated on %
2) Recharge Debt Project expenses [1O] and Recharge Improvement Project expenses [1P] are each allocated on % OSY, based on the approved budget.

shment Assessments		85/15 Water Transaction Activity			ASSESSMENTS DUE					
\$518.50 AF/85%	\$610.00 AF/100%	15% Producer Credits	15% Pro-rated Debits	CURO Adjustment	Total Production Based	Pomona Credit	Recharge Debt Payment	Recharge Imprvmt Project	Other Adjustments	Total Due
0.00	188,539.41	0.00	0.00	(500.54)	203,389.07	0.00	0.00	0.00	0.00	203,389.07
0.00	0.00	0.00	75,492.88	(0.23)	423,463.53	2,567.35	16,626.31	49,716.41	0.00	492,373.60
0.00	0.00	0.00	0.00	0.00	231,825.22	4,904.69	31,763.11	94,978.87	0.00	363,471.89
0.00	0.00	0.00	168,474.75	(0.52)	885,297.08	4,400.69	28,499.16	85,218.91	0.00	1,003,415.84
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	88,318.90	7,771.37	50,327.93	150,491.87	0.00	296,910.07
0.00	0.00	(792,550.95)	160,700.04	(0.50)	10,283.39	1.33	8.63	25.82	0.00	10,319.18
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	(1,170.00)	7,695.19	(0.02)	42,033.20	500.00	3,238.05	9,682.50	0.00	55,453.75
0.00	0.00	(86,400.00)	188,296.81	(0.58)	1,180,719.38	2,506.01	16,229.11	48,528.69	0.00	1,247,983.19
0.00	47,979.55	0.00	0.00	0.00	110,267.02	796.67	5,159.29	15,427.45	0.00	131,650.44
0.00	0.00	0.00	0.00	0.00	9,349.35	822.67	5,327.67	15,930.94	0.00	31,430.64
0.00	0.00	0.00	73,138.86	(0.23)	424,538.92	5,864.70	37,980.17	113,569.27	0.00	581,953.06
0.00	452,978.68	0.00	0.00	(688.06)	506,652.01	0.00	0.00	0.00	0.00	506,652.01
0.00	0.00	0.00	0.00	0.00	53.02	4.67	30.22	90.37	0.00	178.28
0.00	0.00	0.00	0.00	0.00	2,788.15	245.34	1,588.80	4,750.88	0.00	9,373.17
0.00	0.00	0.00	164,038.55	(0.51)	1,004,131.19	13,828.07	89,551.51	267,779.22	0.00	1,375,289.99
0.00	0.00	0.00	0.00	0.00	677,666.39	(53,030.93)	88,308.10	264,061.14	0.00	977,004.70
0.00	0.00	0.00	12,114.41	(0.04)	79,888.57	1,832.01	11,864.22	35,476.68	0.00	129,061.47
6,731.69	0.00	0.00	171.28	(15.43)	7,551.41	0.00	0.00	0.00	0.00	7,551.41
0.00	0.00	0.00	507.00	0.00	20,451.01	1,582.01	10,245.19	30,635.43	0.00	62,913.64
0.00	0.00	0.00	29,491.18	(0.09)	183,208.33	3,468.02	22,459.11	67,157.82	0.00	276,293.28
0.00	0.00	0.00	0.00	0.00	13,092.13	1,152.01	7,460.47	22,308.48	0.00	44,013.08
0.00	0.00	0.00	0.00	0.00	8,902.35	783.34	5,072.95	15,169.25	0.00	29,927.88
6,731.69	689,497.64	(880,120.95)	880,120.94	(1,206.74)	6,113,869.63	0.00	431,739.99	1,291,000.00	0.00	7,836,609.62
1H	1I	1J	1K	1L	1M	1N	1O	1P	1Q	1R

OSY.

APPROPRIATIVE POOL WATER PRODUCTION SUMMARY PRODUCTION YEAR 2013-2014



Assessment Year 2014-2015 (Production Year 2013-2014)

Pool 3 Water Production Summary

	Percent of Operating Safe Yield	Carryover Beginning Balance	Prior Year Adjust- ments	Assigned Share of Operating Safe Yield	Net Ag Pool Reallocation	Water Transaction Activity	Stormwater New Yield	Other Adjust- ments
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000	0.000	0.000	70.030	0.000	0.000
Chino Hills, City Of	3.851%	0.000	0.000	2,111.422	1,998.600	3,113.982	0.000	0.000
Chino, City Of	7.357%	4,033.857	0.000	4,033.857	8,367.955	0.000	0.000	0.000
Cucamonga Valley Water District	6.601%	0.000	0.000	3,619.454	2,304.146	14,579.692	0.000	0.000
Desalter Authority	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fontana Union Water Company	11.657%	0.000	0.000	6,391.736	3,187.956	(9,579.692)	0.000	0.000
Fontana Water Company	0.002%	0.000	0.000	1.000	695.920	14,680.659	0.000	0.000
Fontana, City Of	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	0.750%	0.000	0.000	411.476	205.110	119.775	0.000	0.000
Jurupa Community Services District	3.759%	0.000	0.000	2,061.118	12,597.713	3,359.516	0.000	0.000
Marygold Mutual Water Company	1.195%	237.952	0.000	655.317	326.809	16.000	0.000	0.000
Monte Vista Irrigation Company	1.234%	676.759	0.000	676.759	337.474	31.515	0.000	0.000
Monte Vista Water District	8.797%	4,823.954	0.000	4,823.954	2,451.724	1,615.931	0.000	0.000
Niagara Bottling, LLC	0.000%	0.000	0.000	0.000	0.000	600.000	0.000	0.000
Nicholson Trust	0.007%	0.830	0.000	4.000	1.914	(6.500)	0.000	0.000
Norco, City Of	0.368%	201.545	0.000	201.545	100.641	0.000	0.000	0.000
Ontario, City Of	20.742%	11,373.816	0.000	11,373.816	7,374.348	80.000	0.000	0.000
Pomona, City Of	20.454%	11,215.852	0.000	11,215.852	5,593.760	219.678	0.000	0.000
San Antonio Water Company	2.748%	1,102.508	0.000	1,506.888	751.523	(2,185.317)	0.000	0.000
San Bernardino, County of (Shooting P	0.000%	0.000	0.000	0.000	0.000	3.407	0.000	0.000
Santa Ana River Water Company	2.373%	1,301.374	0.000	1,301.374	648.968	(1,169.000)	0.000	0.000
Upland, City Of	5.202%	2,852.401	0.000	2,852.401	1,422.643	3,769.738	0.000	0.000
West End Consolidated Water Co	1.728%	947.714	0.000	947.714	472.573	0.000	0.000	0.000
West Valley Water District	1.175%	644.317	0.000	644.317	321.339	15.000	0.000	0.000
	100.00%	39,412.879	0.000	54,834.000	49,161.116	29,334.414	0.000	0.000

Less Desalter Authority Production

Total Less Desalter Authority Production

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p2: 1) Stormwater New Yield is allocated to the Appropriators based on their % OSY. Watermaster has completed the process for correction of prior over-allocation that was Due to the ongoing Safe Yield Recalculation process and related questions as to the proper method for allocating Stormwater New Yield, 0 AF will be allocated during 2013/14 and credited, if necessary.

2) Column [2J], "Actual Fiscal Year Production," includes Voluntary Agreements and Assignments. A detailed breakdown can be found in Appendix A.

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
				70.030	379.111	0.000	379.111	0.000
7,224.004	7,224.004	0.000	7,224.004	0.000	0.000	0.000	0.000	0.000
16,435.669	0.000	0.000	0.000	0.000	0.000	16,435.669	4,033.857	12,401.812
20,503.292	16,121.550	0.000	16,121.550	0.000	0.000	4,381.742	3,619.454	762.288
0.000	29,242.552	0.000	29,242.552	0.000	29,242.552	0.000	0.000	0.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
15,377.579	15,377.579	0.000	15,377.579	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
736.361	736.362	0.000	736.362	0.000	0.000	0.000	0.000	0.000
18,018.347	18,018.347	0.000	18,018.347	0.000	0.000	0.000	0.000	0.000
1,236.078	1,314.734	0.000	1,314.734	0.000	78.655	0.000	0.000	0.000
1,722.507	0.000	0.000	0.000	0.000	0.000	1,722.507	676.759	1,045.748
13,715.562	6,998.745	0.000	6,998.745	0.000	0.000	6,716.817	4,823.954	1,892.863
600.000	1,342.588	0.000	1,342.588	0.000	742.588	0.000	0.000	0.000
0.243	0.000	0.000	0.000	0.000	0.000	0.243	0.243	0.000
503.731	0.000	0.000	0.000	0.000	0.000	503.731	201.545	302.186
30,201.980	15,697.045	0.000	15,697.044	0.000	0.000	14,504.935	11,373.816	3,131.118
28,245.142	12,909.293	0.000	12,909.293	0.000	0.000	15,335.849	11,215.852	4,119.996
1,175.601	1,159.242	0.000	1,159.242	0.000	0.000	16.359	16.359	0.000
3.407	16.390	0.000	16.390	12.983	0.000	0.000	0.000	0.000
2,082.716	48.515	0.000	48.515	0.000	0.000	2,034.200	1,301.374	732.826
10,897.183	2,822.046	0.000	2,822.046	0.000	0.000	8,075.137	2,852.401	5,222.736
2,368.001	0.000	0.000	0.000	0.000	0.000	2,368.001	947.714	1,420.287
1,624.973	0.000	0.000	0.000	0.000	0.000	1,624.973	644.317	980.656
172,742.406	129,408.103	0.000	129,408.102	12.983	30,372.876	73,720.163	41,707.645	32,012.516
	29,242.552		29,242.552		29,242.552			
	100,165.551		100,165.550		1,130.324			
2I	2J	2K	2L	2M	2N	2O	2P	2Q

documented through Condition Subsequent 7; nonetheless, the quantities allocated exceed the actual stormwater recharged to the Basin during the period.
. When the Safe Yield Recalculation and Stormwater New Yield allocation matters are resolved, the 2013/14 allocation will be recalculated, if necessary,

APPROPRIATIVE POOL SUPPLEMENTAL STORAGE ACCOUNT SUMMARY PRODUCTION YEAR 2013-2014



Assessment Year 2014-2015 (Production Year 2013-2014)

Pool 3 Local Supplemental Storage Account Summary

	Reference <i>Production + Exchanges (RW Agencies Only)</i>	Recharged Recycled Account					Beginning Balance
		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	7,224.004	3,314.443	(66.288)	1,192.700	0.000	4,440.855	5,061.642
Chino, City Of	0.000	3,810.565	(76.211)	1,396.500	0.000	5,130.854	1,111.536
Cucamonga Valley Water District	16,121.550	8,423.245	(168.464)	3,176.400	0.000	11,431.181	11,301.127
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	1,467.936
Jurupa Community Services District	18,018.347	2,282.487	(45.649)	485.200	0.000	2,722.038	0.000
Marygold Mutual Water Company	-	0.000	0.000	0.000	0.000	0.000	1,613.493
Monte Vista Irrigation Company	-	0.000	0.000	0.000	0.000	0.000	5,968.372
Monte Vista Water District	6,998.745	1,575.664	(31.513)	594.900	0.000	2,139.051	3,568.415
Niagara Bottling, LLC	-	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	15,697.044	14,949.423	(298.988)	5,423.600	0.000	20,074.035	8,507.634
Pomona, City Of	-	0.000	0.000	0.000	0.000	0.000	11,532.247
San Antonio Water Company	-	0.000	0.000	0.000	0.000	0.000	0.000
San Bernardino, County of (Shooting Par	-	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	2,822.046	3,668.769	(73.375)	1,323.700	0.000	4,919.094	6,132.995
West End Consolidated Water Co	-	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
	66,881.736	38,024.596	(760.488)	13,593.000	0.000	50,857.108	56,265.397

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p4: 1) The first 3,000 AF of City of Fontana's recharged recycled water transfers to the City of Ontario (2,501.100 AF this fiscal year), and all of the City of Montclair's recharg
2) FWC's and Niagara's July-Sept 2011 preemptive replenishment amounts were previously placed into their "New" Supplemental Storage accounts. In October 2014, FWC

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
(101.232)	0.000	0.000	4,960.410	0.000	0.000	0.000	0.000	0.000	9,401.265
(22.230)	0.000	0.000	1,089.306	2,036.122	(40.722)	0.000	0.000	1,995.400	8,215.560
(226.022)	0.000	0.000	11,075.105	674.159	(13.483)	0.000	0.000	660.676	23,166.962
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	2,446.019	(48.920)	0.000	(2,179.252)	217.847	217.847
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(29.358)	0.000	0.000	1,438.578	60.449	(1.208)	0.000	0.000	59.241	1,497.819
0.000	0.000	0.000	0.000	1,040.342	(20.806)	0.000	0.000	1,019.536	3,741.574
(32.269)	0.000	0.000	1,581.224	101.049	(2.020)	0.000	0.000	99.029	1,680.253
(119.367)	0.000	0.000	5,849.005	341.523	(6.830)	0.000	0.000	334.693	6,183.698
(71.368)	0.000	0.000	3,497.047	2,241.525	(44.830)	0.000	0.000	2,196.695	7,832.793
0.000	0.000	0.000	0.000	3,857.144	(77.142)	0.000	(412.704)	3,367.298	3,367.298
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	101.851	(2.037)	0.000	0.000	99.814	99.814
(170.152)	0.000	0.000	8,337.482	5,080.233	(101.604)	0.000	0.000	4,978.629	33,390.146
(230.644)	0.000	0.000	11,301.603	1,648.504	(32.970)	0.000	0.000	1,615.534	12,917.137
0.000	0.000	0.000	0.000	1,147.639	(22.952)	0.000	0.000	1,124.687	1,124.687
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	508.415	(10.168)	0.000	0.000	498.247	498.247
(122.659)	0.000	0.000	6,010.336	0.000	0.000	0.000	0.000	0.000	10,929.430
0.000	0.000	0.000	0.000	478.244	(9.564)	0.000	0.000	468.680	468.680
0.000	0.000	0.000	0.000	325.195	(6.503)	0.000	0.000	318.692	318.692
(1,125.301)	0.000	0.000	55,140.096	22,088.413	(441.759)	0.000	(2,591.956)	19,054.698	125,051.902

50,857.108 + 19,054.698 = 69,911.806

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

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ged recycled water transfers to MVWD.
transferred 2,179.252 AF and Niagara transferred 600.000 AF to offset their Production Year 2013/2014 overproduction obligations.

**APPROPRIATIVE POOL EXCESS CARRY OVER ACCOUNT SUMMARY
PRODUCTION YEAR 2013-2014**



Assessment Year 2014-2015 (Production Year 2013-2014)

Pool 3 Local Excess Carry Over Storage Account Summary

	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	10,366.057	(207.321)	(3,113.982)	0.000	0.000	7,044.754
Chino, City Of	54,189.696	(1,083.793)	0.000	0.000	12,401.812	65,507.715
Cucamonga Valley Water District	46,087.452	(921.749)	(4,000.000)	0.000	762.288	41,927.991
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	(2,179.252)	2,179.252	0.000	0.000
Fontana, City Of	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	1,246.202	(24.924)	(4.775)	0.000	0.000	1,216.503
Jurupa Community Services District	9,624.165	(192.483)	(2,159.516)	0.000	0.000	7,272.166
Marygold Mutual Water Company	849.904	(16.998)	0.000	0.000	0.000	832.906
Monte Vista Irrigation Company	3,993.782	(79.875)	0.000	0.000	1,045.748	4,959.655
Monte Vista Water District	4,843.000	(96.860)	0.000	0.000	1,892.863	6,639.003
Niagara Bottling, LLC	191.118	(3.822)	(600.000)	412.704	0.000	0.000
Nicholson Trust	1.152	(0.023)	0.000	0.000	0.000	1.129
Norco, City Of	2,813.073	(56.261)	0.000	0.000	302.186	3,058.998
Ontario, City Of	34,525.345	(690.506)	(5,500.000)	0.000	3,131.118	31,465.957
Pomona, City Of	28,062.663	(561.253)	(3,245.800)	0.000	4,119.996	28,375.606
San Antonio Water Company	5,562.409	(111.248)	(1,003.648)	0.000	0.000	4,447.513
San Bernardino, County of (Shooting	3.476	(0.069)	(3.407)	0.000	0.000	0.000
Santa Ana River Water Company	1,124.810	(22.496)	0.000	0.000	732.826	1,835.140
Upland, City Of	11,709.197	(234.183)	(15.000)	0.000	5,222.736	16,682.750
West End Consolidated Water Co	3,852.669	(77.053)	(1,167.000)	0.000	1,420.287	4,028.903
West Valley Water District	6,022.209	(120.444)	(500.000)	0.000	980.656	6,382.421
	225,068.379	(4,501.361)	(23,492.380)	2,591.956	32,012.516	231,679.110
	3A	3B	3C	3D	3E	3F

**APPROPRIATIVE POOL OTHER STORAGE
AND REPLENISHMENT ACCOUNTS SUMMARY
PRODUCTION YEAR 2013-2014**



Assessment Year 2014-2015 (Production Year 2013-2014)

Pool 3 Other Storage and Replenishment Accounts Summary

Desalter Replenishment:

	Beginning Balance	Storage Loss	Transfers To	Transfers From	Ending Balance
Re-Operation Offset: Pre-Peace II Desalters	1,286.700	0.000		(1,286.700)	0.000
Re-Operation Offset: Peace II Expansion	175,000.000	0.000			175,000.000
Non-Ag Dedication	0.000	0.000			0.000
City of Chino Preemptive Replenishment:	1,416.470	0.000			1,416.470
City of Ontario Preemptive Replenishment:	3,322.247	0.000			3,322.247
Jurupa CSD Preemptive Replenishment:	2,360.783	0.000			2,360.783
	5A	5B	5C	5D	5E

Storage and Recovery:

	Beginning Balance	Storage Loss	Transfers To	Transfers From	Ending Balance
MWD DYY / CUP	0.000	0.000	0.000	0.000	0.000
	5F	5G	5H	5I	5J

- p5: 1) "Re-Operation Offset: Pre-Peace II Desalters" had an original beginning balance of 225,000.000 AF. The account will need adjustment following the current modeling and Safe Yield Recalculation work (i.e. Santa Ana River Underflow New Yield - SARUNY) and will be adjusted in the next Assessment Package. The 29,070 AF correction required by Condition Subsequent 7 is included. (See Appendix B)
- 2) "Re-Operation Offset: Peace II Expansion" had an original beginning balance of 175,000.000 AF.
- 3) There is no loss assessed on the native Basin water allocated to offset Desalter production as a result of Basin Reoperation as approved in the Peace II Agreement.
- 4) Chino, Ontario, and JCSD Preemptive Replenishment Agreement water is shown. Per the Agreements, no losses are deducted against these accounts.

**APPROPRIATIVE POOL WATER TRANSACTION SUMMARY
PRODUCTION YEAR 2013-2014**



Assessment Year 2014-2015 (Production Year 2013-2014)

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	70.030	0.000	70.030
Chino Hills, City Of	0.000	0.000	3,113.982	3,113.982
Chino, City Of	0.000	0.000	0.000	0.000
Cucamonga Valley Water District	(500.000)	11,079.692	4,000.000	14,579.692
Desalter Authority	0.000	0.000	0.000	0.000
Fontana Union Water Company	0.000	(9,579.692)	0.000	(9,579.692)
Fontana Water Company	10,506.500	1,994.907	2,179.252	14,680.659
Fontana, City Of	0.000	0.000	0.000	0.000
Golden State Water Company	115.000	0.000	4.775	119.775
Jurupa Community Services District	1,200.000	0.000	2,159.516	3,359.516
Marygold Mutual Water Company	0.000	16.000	0.000	16.000
Monte Vista Irrigation Company	0.000	31.515	0.000	31.515
Monte Vista Water District	3.648	1,612.283	0.000	1,615.931
Niagara Bottling, LLC	0.000	0.000	600.000	600.000
Nicholson Trust	(6.500)	0.000	0.000	(6.500)
Norco, City Of	0.000	0.000	0.000	0.000
Ontario, City Of	(5,500.000)	80.000	5,500.000	80.000
Pomona, City Of	(3,245.800)	219.678	3,245.800	219.678
San Antonio Water Company	(3,299.908)	110.943	1,003.648	(2,185.317)
San Bernardino, County of (Shooting Park)	0.000	0.000	3.407	3.407
Santa Ana River Water Company	(1,200.000)	31.000	0.000	(1,169.000)
Upland, City Of	3,594.060	160.678	15.000	3,769.738
West End Consolidated Water Co	(1,167.000)	0.000	1,167.000	0.000
West Valley Water District	(500.000)	15.000	500.000	15.000
	0.000	5,842.034	23,492.380	29,334.414

6A

6B

6C

6D

p6: 1) There were no transfers from Appropriative Pool Parties to Watermaster toward the replenishment obligation during this fiscal year.
2) Transfers in Column [6B] include the annual transfer of 10 percent of the Non-Ag OSY to the seven Appropriator Parties, as stated in the Peace II Agreement, and also the Exhibit "G" physical solution transfers from the Non-Ag Pool. (See Appendix C)

APPROPRIATIVE POOL WATER TRANSACTION DETAIL PRODUCTION YEAR 2013-2014



Chino Basin Watermaster Assessment Breakdown 2014-2015 Water Transaction Detail

Assessment Year 2014-2015 (Production Year 2013-2014)

To:	From:	Date of Submittal	Quantity	\$ / Acre Feet	Total \$	If 85/15 Rule Applies:		WM Pays
						85%	15%	
Cucamonga Valley Water District	Pomona, City Of Storage Account	1/24/2014	3,000.000	504.05	\$1,512,150.00			
	West Valley Water District Storage Account	5/10/2014	500.000	504.05	\$252,025.00			
Fontana Water Company	Cucamonga Valley Water District Storage Account	4/30/2014	4,000.000	504.05	\$2,016,200.00	\$1,713,770.00	\$302,430.00	Fontana Water Company
	Nicholson Trust Annual Account	5/1/2014	6.500	492.00	\$3,198.00	\$2,718.30	\$479.70	Fontana Water Company
	Ontario, City Of Storage Account	6/4/2014	5,500.000	504.05	\$2,772,275.00	\$2,356,433.75	\$415,841.25	Fontana Water Company
	San Antonio Water Company Storage Account	5/5/2014	1,000.000	492.00	\$492,000.00	\$418,200.00	\$73,800.00	Fontana Water Company
Golden State Water Company	Upland, City Of Storage Account	6/11/2014	15.000	520.00	\$7,800.00	\$6,630.00	\$1,170.00	Golden State Water Company
	West End Consolidated Water Co Storage Account	6/11/2014	100.000	49.00	\$4,900.00			
	<i>85/15 Rule does not apply -- method of utilizing West End shares.</i>							
Jurupa Community Services District	Santa Ana River Water Company Annual Account	3/11/2014	1,200.000	480.00	\$576,000.00	\$489,600.00	\$86,400.00	Jurupa Community Services District
Monte Vista Water District	San Antonio Water Company Storage Account	1/13/2014	3.648	209.00	\$762.43			
	<i>85/15 Rule does not apply -- method of utilizing SAWCO shares.</i>							
Upland, City Of	Pomona, City Of Storage Account	1/22/2014	245.800	0.00	\$0.00			
	San Antonio Water Company Annual Account	1/13/2014	2,296.260	209.00	\$479,918.34			
	<i>85/15 Rule does not apply -- method of utilizing SAWCO shares.</i>							
	West End Consolidated Water Co Storage Account	6/11/2014	1,067.000	49.00	\$52,283.00			
	<i>85/15 Rule does not apply -- method of utilizing West End shares.</i>							
			18,934.208		\$8,169,511.77	\$4,987,352.05	\$880,120.95	

**APPROPRIATIVE POOL RECURRING WATER TRANSACTION DETAIL
PRODUCTION YEAR 2013-2014**



**Chino Basin Watermaster Assessment Breakdown
2014-2015 Water Transaction Detail**

Assessment Year 2014-2015 (Production Year 2013-2014)

Total Credits \$880,120.95

Applied Recurring Transactions:

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

**APPROPRIATIVE POOL ANALYSIS OF THE APPLICATION OF THE 85/15 RULE TO WATER TRANSFERS
PRODUCTION YEAR 2013-2014**



**Chino Basin Watermaster Assessment Breakdown
2014-2015 Analysis of the Application of the 85/15 Rule to Water Transfers**

Assessment Year 2014-2015 (Production Year 2013-2014)

To	(Over)/Under Production Excluding Water Transfer(s)	From	Date of Submittal	Transfer Quantity	Is Buyer an 85/15 Party?	Is Transfer Being Placed into Annual Account?	Is Purpose of Transfer to Utilize SAWCO or West End Shares?	Amount of Transfer Eligible for 85/15 Rule
Cucamonga Valley Water District	881,742	Pomona, City Of	1/24/2014	3,000,000	Yes	Yes	No	0,000
		West Valley Water District	5/10/2014	500,000	Yes	Yes	No	0,000
Fontana Water Company	(12,685,752)	Cucamonga Valley Water District	4/30/2014	4,000,000	Yes	Yes	No	4,000,000
		Nicholson Trust	5/1/2014	6,500	Yes	Yes	No	6,500
		Ontario, City Of	6/4/2014	5,500,000	Yes	Yes	No	5,500,000
		San Antonio Water Company	5/5/2014	1,000,000	Yes	Yes	No	1,000,000
Golden State Water Company	(119,776)	Upland, City Of	6/11/2014	15,000	Yes	Yes	No	15,000
		West End Consolidated Water Co	6/11/2014	100,000	Yes	Yes	Yes	0,000
		<i>85/15 Rule does not apply -- method of utilizing West End shares.</i>						
Jurupa Community Services District	(3,359,516)	Santa Ana River Water Company	3/11/2014	1,200,000	Yes	Yes	No	1,200,000
Monte Vista Water District	6,713,169	San Antonio Water Company	1/13/2014	3,648	Yes	Yes	Yes	0,000
		<i>85/15 Rule does not apply -- method of utilizing SAWCO shares.</i>						
Upland, City Of	4,466,077	Pomona, City Of	1/22/2014	245,800	Yes	Yes	No	0,000
		San Antonio Water Company	1/13/2014	2,296,260	Yes	Yes	Yes	0,000
		<i>85/15 Rule does not apply -- method of utilizing SAWCO shares.</i>						
		West End Consolidated Water Co	6/11/2014	1,067,000	Yes	Yes	Yes	0,000
		<i>85/15 Rule does not apply -- method of utilizing West End shares.</i>						

p8: The column titled "(Over)/Under Production Excluding Water Transfer(s)" excludes water transfers between Appropriators and to Watermaster (if any), but includes the "10% Non-Ag Haircut" water to the seven Appropriators.

WATERMASTER REPLENISHMENT CALCULATION PRODUCTION YEAR 2013-2014



Assessment Year 2014-2015 (Production Year 2013-2014)

Watermaster Replenishment Calculation

Cost of Replenishment Water per acre foot:

Watermaster Replenishment Cost	\$593.00
Projected Spreading - OCWD Connection Fee	\$2.00
Projected Spreading - IEUA Surcharge	\$15.00
Pre-purchased Credit	\$0.00
Total Replenishment Cost per acre foot	\$610.00

Replenishment Obligation:	AF @ \$610.00	15%	85%	Total
Appropriative - 100	1,130.324			\$689,497.64
Appropriative - 15/85	12.983	\$1,187.94	\$6,731.69	\$7,919.63
Non-Agricultural - 100	91.520			\$55,827.20
	1,234.827			\$753,244.47

Company	AF Production and Exchanges	85/15 Producers	Percent	15% Replenishment Assessment	15% Water Transaction Debits
Arrowhead Mtn Spring Water Co	379.111			-	-
Chino Hills, City Of	7,224.004	7,224.004	8.578%	\$101.90	\$75,492.88
Chino, City Of	0.000	0.000	0.000%	\$0.00	\$0.00
Cucamonga Valley Water District	16,121.550	16,121.550	19.142%	\$227.40	\$168,474.75
Desalter Authority	29,242.552			-	-
Fontana Union Water Company	0.000	0.000	0.000%	-	\$0.00
Fontana Water Company	15,377.579	15,377.579	18.259%	\$216.91	\$160,700.04
Fontana, City Of	0.000			-	-
Golden State Water Company	736.362	736.362	0.874%	\$10.39	\$7,695.19
Jurupa Community Services District	18,018.347	18,018.347	21.394%	\$254.15	\$188,296.81
Marygold Mutual Water Company	1,314.734			-	-
Monte Vista Irrigation Company	0.000	0.000	0.000%	-	\$0.00
Monte Vista Water District	6,998.745	6,998.745	8.310%	\$98.72	\$73,138.86
Niagara Bottling, LLC	1,342.588			-	-
Nicholson Trust	0.000	0.000	0.000%	-	\$0.00
Norco, City Of	0.000	0.000	0.000%	-	\$0.00
Ontario, City Of	15,697.044	15,697.044	18.638%	\$221.41	\$164,038.55
Pomona, City Of	12,909.293			-	-
San Antonio Water Company	1,159.242	1,159.242	1.376%	\$16.35	\$12,114.41
San Bernardino, County of (Shootin	16.390	16.390	0.019%	\$0.23	\$171.28
Santa Ana River Water Company	48.515	48.515	0.058%	\$0.68	\$507.00
Upland, City Of	2,822.046	2,822.046	3.351%	\$39.81	\$29,491.18
West End Consolidated Water Co	0.000	0.000	0.000%	-	\$0.00
West Valley Water District	0.000	0.000	0.000%	-	\$0.00
** Fee assessment total is 15% of Appropriate 15/85 replenishment	129,408.102	84,219.824	**	\$1,187.94	\$880,120.94

2L

1G

1K

p9: The "Watermaster Replenishment Cost" listed is MWD's 2014 Tier 1 Full Service Untreated Rate. The 2014 rate is used for a consecutive year because it is the most suitable rate.

WATERMASTER CUMULATIVE UNMET REPLENISHMENT OBLIGATION (CURO) PRODUCTION YEAR 2013-2014



Assessment Year 2014-2015 (Production Year 2013-2014)

Watermaster Cumulative Unmet Replenishment Obligation (CURO)

Remaining Replenishment Obligation:	AF	Replenishment Rate
Appropriative - 100	976.084	\$610.00
Appropriative - 15/85	14.988	\$608.00
Non-Agricultural - 100	45.049	
	1,036.121	

Pool 3 Appropriative

Company	Outstanding Obligation (AF)	Fund Balance (\$)	Outstanding Obligation (\$)	AF Production and Exchanges				Total
				85/15 Producers	Percent	15%	85%	
Arrowhead Mtn Spring Water Co	410.893	\$251,145.27	(\$500.54)	379.111				(\$500.54)
Chino Hills, City Of	0.000	\$0.00	\$0.00	7,224.004	8.578%	(\$0.23)	\$0.00	(\$0.23)
Chino, City Of	0.000	\$0.00	\$0.00	0.000	0.000%	\$0.00	\$0.00	\$0.00
Cucomonga Valley Water District	0.000	\$0.00	\$0.00	16,121.550	19.142%	(\$0.52)	\$0.00	(\$0.52)
Desalter Authority	0.000	\$0.00	\$0.00	29,242.552				\$0.00
Fontana Union Water Company	0.000	\$0.00	\$0.00	0.000	0.000%	\$0.00	\$0.00	\$0.00
Fontana Water Company	0.000	\$0.00	\$0.00	15,377.579	18.259%	(\$0.50)	\$0.00	(\$0.50)
Fontana, City Of	0.000	\$0.00	\$0.00	0.000				\$0.00
Golden State Water Company	0.000	\$0.00	\$0.00	736.362	0.874%	(\$0.02)	\$0.00	(\$0.02)
Junupa Community Services District	0.000	\$0.00	\$0.00	18,018.347	21.394%	(\$0.58)	\$0.00	(\$0.58)
Marygold Mutual Water Company	0.000	\$0.00	\$0.00	1,314.734				\$0.00
Monte Vista Irrigation Company	0.000	\$0.00	\$0.00	0.000	0.000%	\$0.00	\$0.00	\$0.00
Monte Vista Water District	0.000	\$0.00	\$0.00	6,998.745	8.310%	(\$0.23)	\$0.00	(\$0.23)
Niagara Bottling, LLC	565.191	\$345,454.57	(\$688.06)	1,342.588				(\$688.06)
Nicholson Trust	0.000	\$0.00	\$0.00	0.000	0.000%	\$0.00	\$0.00	\$0.00
Norco, City Of	0.000	\$0.00	\$0.00	0.000	0.000%	\$0.00	\$0.00	\$0.00
Ontario, City Of	0.000	\$0.00	\$0.00	15,697.044	18.638%	(\$0.51)	\$0.00	(\$0.51)
Pomona, City Of	0.000	\$0.00	\$0.00	12,909.293				\$0.00
San Antonio Water Company	0.000	\$0.00	\$0.00	1,159.242	1.376%	(\$0.04)	\$0.00	(\$0.04)
San Bernardino, County of (Shooting Par	14.988	\$9,160.83	(\$18.15)	16.390	0.019%	\$0.00	(\$15.43)	(\$15.43)
Santa Ana River Water Company	0.000	\$0.00	\$0.00	48.515	0.058%	\$0.00	\$0.00	\$0.00
Upland, City Of	0.000	\$0.00	\$0.00	2,822.046	3.351%	(\$0.09)	\$0.00	(\$0.09)
West End Consolidated Water Co	0.000	\$0.00	\$0.00	0.000	0.000%	\$0.00	\$0.00	\$0.00
West Valley Water District	0.000	\$0.00	\$0.00	0.000	0.000%	\$0.00	\$0.00	\$0.00
Pool 3 Appropriative Total	991.072	\$605,760.67	(\$1,206.75)	129,408.102	**	(\$2.72)	(\$15.43)	(\$1,188.60)

p10: There are 1097.132 AF and 734.489 AF of Outstanding Obligations from the previous two FYs, and the financial Outstanding Obligations are reconciled on these two pages.

**WATERMASTER CUMULATIVE UNMET REPLENISHMENT OBLIGATION (CURO)
PRODUCTION YEAR 2013-2014**



Assessment Year 2014-2015 (Production Year 2013-2014)

Watermaster Cumulative Unmet Replenishment Obligation (CURO)

Remaining Replenishment Obligation:		AF	Replenishment Rate	
Appropriative - 100		976.084	2014 Rate	\$610.00
Appropriative - 15/85		14.988	2013 Rate	\$608.00
Non-Agricultural - 100		45.049		
		1,036.121		

Pool 2 Non-Agricultural

Company	Outstanding Obligation (AF)	Fund Balance (\$)	Outstanding Obligation (\$)
Ameron International Corp.	0.000	\$0.00	\$0.00
Aqua Capital Management LP	0.000	\$0.00	\$0.00
California Speedway Corp. (Auto Club Sp	0.000	\$0.00	\$0.00
California Steel Industries, Inc. (CSI)	0.000	\$0.00	\$0.00
Calmat Co., a Division of Vulcan Material	0.000	\$0.00	\$0.00
CCG Ontario, LLC	0.000	\$0.00	\$0.00
General Electric Co. (GE)	0.000	\$0.00	\$0.00
Hammer Park Associates (Swan Lake M	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 Lutheran Chur	0.000	\$0.00	\$0.00
NRG California South LP	0.000	\$0.00	\$0.00
Ontario, City of (Non-Ag)	0.000	\$0.00	\$0.00
Praxair, Inc.	0.000	\$0.00	\$0.00
Riboli Family / San Antonio Winery	11.347	\$6,935.18	(\$13.51)
San Bernardino, County of (Chino Airport	0.000	\$0.00	\$0.00
Southern California Edison Co. (SCE)	0.000	\$0.00	\$0.00
Southern Service Co. (Angelica)	33.702	\$20,599.50	(\$41.28)
Space Center Mira Loma, Inc.	0.000	\$0.00	\$0.00
Sunkist Growers, Inc.	0.000	\$0.00	\$0.00
TAMCO			\$0.00
West Venture Development Co.	0.000	\$0.00	\$0.00
Pool 2 Non-Agricultural Total	45.049	\$27,534.68	(\$54.79)

p10: There are 1097.132 AF and 734.489 AF of Outstanding Obligations from the previous two FYs, and the financial Outstanding Obligations are reconciled on these two pages.

**APPROPRIATIVE POOL LAND USE CONVERSION SUMMARY
PRODUCTION YEAR 2013-2014**



**Chino Basin Watermaster Assessment Breakdown
2014-2015 Land Use Conversion Summary**

Assessment Year 2014-2015 (Production Year 2013-2014)

AGRICULTURAL POOL SUMMARY IN ACRE FEET

Agricultural Pool Safe Yield	82,800.000
Agricultural Total Pool Production	(33,638.883)
Early Transfer	(32,800.000)
Total Conversions	(26,161.700)
Under(Over) Production:	<u>(9,800.583)</u>

	Acres Converted @ 1.3 aff/ac		Total Prior to Peace Agrmt Converted AF	Acres Converted @ 2.0 aff/ac		Total Land Use Conversions Acre-Feet
	Prior Converted	Acres		Acres	Acre Feet	
Chino Hills, City Of	0.000	670.266	871.346	131.280	262.560	1,133.906
Chino, City Of	196.235	1,454.750	2,087.410	2,767.827	5,535.654	7,623.064
Cucamonga Valley Water District	0.000	460.280	598.364	0.000	0.000	598.364
Fontana Water Company	0.000	0.000	0.000	417.000	834.000	834.000
Jurupa Community Services District	0.000	2,756.920	3,583.996	5,146.100	10,292.200	13,876.196
Monte Vista Water District	0.000	28.150	36.595	9.240	18.480	55.075
Ontario, City Of	209.400	527.044	894.557	573.269	1,146.538	2,041.095
	405.635	5,897.410	8,072.268	9,044.716	18,089.432	26,161.700

p11: "Agricultural Total Pool Production" includes Voluntary Agreements between Appropriators and Agricultural Pool Parties.

APPROPRIATIVE POOL AGRICULTURAL POOL REALLOCATION SUMMARY PRODUCTION YEAR 2013-2014



Assessment Year 2014-2015 (Production Year 2013-2014)

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	1,133.906	2,397.034	(398.434)	1,998.600
Chino, City Of	7.357%	2,413.096	7,623.064	10,036.160	(1,668.205)	8,367.955
Cucamonga Valley Water District	6.601%	2,165.128	598.364	2,763.492	(459.346)	2,304.146
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	(635.540)	3,187.956
Fontana Water Company	0.002%	0.656	834.000	834.656	(138.736)	695.920
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	(40.890)	205.110
Jurupa Community Services District	3.759%	1,232.952	13,876.196	15,109.148	(2,511.435)	12,597.713
Marygold Mutual Water Company	1.195%	391.960	0.000	391.960	(65.151)	326.809
Monte Vista Irrigation Company	1.234%	404.752	0.000	404.752	(67.278)	337.474
Monte Vista Water District	8.797%	2,885.416	55.075	2,940.491	(488.767)	2,451.724
Niagara Bottling, LLC	0.000%	0.000	0.000	0.000	0.000	0.000
Nicholson Trust	0.007%	2.296	0.000	2.296	(0.382)	1.914
Norco, City Of	0.368%	120.704	0.000	120.704	(20.063)	100.641
Ontario, City Of	20.742%	6,803.376	2,041.095	8,844.471	(1,470.123)	7,374.348
Pomona, City Of	20.454%	6,708.912	0.000	6,708.912	(1,115.152)	5,593.760
San Antonio Water Company	2.748%	901.344	0.000	901.344	(149.821)	751.523
San Bernardino, County of (Shooting Park)	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	(129.376)	648.968
Upland, City Of	5.202%	1,706.256	0.000	1,706.256	(283.613)	1,422.643
West End Consolidated Water Co	1.728%	566.784	0.000	566.784	(94.211)	472.573
West Valley Water District	1.175%	385.400	0.000	385.400	(64.061)	321.339
	100.000%	32,800.000	26,161.700	58,961.700	(9,800.584)	49,161.116
	12A	12B	12C	12D	12E	12F

NON-AGRICULTURAL POOL ASSESSMENT FEE SUMMARY PRODUCTION YEAR 2013-2014



Assessment Year 2014-2015 (Production Year 2013-2014)

Pool 2 Assessment Fee Summary

	Non-Agricultural Pool			Replenishment Assessments			CURO Adjustment	Other Adjustments	Total Assessments Due
	AF Production	AF/Admin	AF/OBMP	AF Exceeding Safe Yield	Per AF	\$610.00			
Ameron International Corp.	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00	0.00
Aqua Capital Management LP	0.000	0.00	0.00	57.754	34,863.94	0.00	0.00	0.00	34,863.94
California Speedway Corp. (Auto Club Speedway)	435.795	5,578.18	12,067.16	0.000	0.00	0.00	0.00	0.00	17,645.34
California Steel Industries, Inc. (CSI)	1,417.448	18,143.33	39,249.14	0.000	0.00	0.00	0.00	0.00	57,392.47
Calmat Co., a Division of Vulcan Materials Co.	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00	0.00
CCG Ontario, LLC	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00	0.00
General Electric Co. (GE)	0.004	0.05	0.11	0.004	2.44	0.00	0.00	0.00	2.60
Hammer Park Associates (Swan Lake MHP)	285.791	3,658.12	7,913.55	0.000	0.00	0.00	0.00	0.00	11,571.68
Kaiser Ventures, Inc.	0.000	0.00	0.00	0.000	0.00	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	0.00
Loving Savior Of The Hills Lutheran Church	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00	0.00
NRG California South LP	289.980	3,711.74	8,029.55	0.000	0.00	0.00	0.00	0.00	11,741.29
Ontario, City of (Non-Ag)	1,855.196	23,746.51	51,370.38	0.000	0.00	0.00	0.00	0.00	75,116.89
Praxair, Inc.	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00	0.00
Riboli Family / San Antonio Winery	10.403	133.16	288.06	10.403	6,345.83	(13.51)	0.00	0.00	6,753.54
San Bernardino, County of (Chino Airport)	104.278	1,334.76	2,887.46	0.000	0.00	0.00	0.00	0.00	4,222.22
Southern California Edison Co. (SCE)	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00	0.00
Southern Service Co. (Angelica)	36.519	467.44	1,011.21	19.609	11,981.49	(41.28)	0.00	0.00	13,398.86
Space Center Mira Loma, Inc.	93.708	1,199.46	2,594.77	0.000	0.00	0.00	0.00	0.00	3,794.24
Sunkist Growers, Inc.	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00	0.00
TAMCO	17.850	228.48	494.27	4.350	2,653.50	0.00	0.00	0.00	3,376.25
West Venture Development Co.	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00	0.00
TOTAL	4,546.972	58,201.24	125,905.65	91.520	55,827.20	(54.79)	0.00	0.00	239,879.30

p13: 1) TAMCO Intervened into the Non-Ag Pool, effective July 1, 2013. Concurrently, Ameron International permanently transferred 15,000 AF of Safe Yield to TAMCO.

NON-AGRICULTURAL POOL WATER PRODUCTION SUMMARY PRODUCTION YEAR 2013-2014



Assessment Year 2014-2015 (Production Year 2013-2014)

Pool 2 Water Production Summary

	Percent of Safe Yield	Carryover Beginning Balance	Prior Year Adjustments	Assigned Share of Safe Yield (AF)	Water Transaction Activity	Other Adjustments	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 International Corp.	1.127%	97,858	0.000	82,858	(8,286)	0.000	172,430	0.000	0.000	172,430	82,858	89,572
Aqua Capital Management LP	8.612%	632,981	0.000	632,981	(1,323,117)	0.000	(57,154)	0.000	57,154	0.000	0.000	0.000
California Speedway Corp. (Auto)	13.605%	1,000,000	0.000	1,000,000	(100,000)	0.000	1,900,000	435,795	0.000	1,464,205	1,000,000	464,204
California Steel Industries, Inc. (C)	21.974%	1,564,457	0.000	1,615,137	(161,513)	0.000	3,018,081	1,417,448	0.000	1,600,633	1,600,633	0.000
Calmat Co., a Division of Vulcan	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	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	0.000
General Electric Co. (GE)	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.004	0.004	0.000	0.000	0.000
Hamner Park Associates (Swan L)	6.316%	464,240	0.000	464,240	(46,424)	0.000	882,056	285,791	0.000	596,265	464,240	132,024
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	0.000
KCO, LLC / The Koll Company	0.000%	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 Luthera	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NRG California South LP	12.988%	954,540	0.000	954,540	(95,454)	0.000	1,813,626	289,980	0.000	1,523,646	954,540	569,106
Ontario, City of (Non-Ag)	31.669%	2,327,807	0.000	2,327,807	(232,781)	0.000	4,422,833	1,855,196	0.000	2,567,636	2,327,807	239,829
Praxair, Inc.	0.014%	1,000	0.000	1,000	(0.100)	0.000	1,900	0.000	0.000	1,900	1,000	0.899
Riboli Family / San Antonio Winer	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	10,403	10,403	0.000	0.000	0.000
San Bernardino, County of (Chino)	1.821%	30,496	0.000	133,870	(13,387)	0.000	150,979	104,278	0.000	46,701	46,701	0.000
Southern California Edison Co. (S)	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Southern Service Co. (Angelica)	0.256%	0.000	0.000	18,789	(1,879)	0.000	16,910	36,519	19,609	0.000	0.000	0.000
Space Center Mira Loma, Inc.	1.417%	0.003	0.000	104,121	(10,412)	0.000	93,711	93,708	0.000	0.003	0.003	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	0.000
TAMCO	0.204%	0.000	0.000	15,000	(1,500)	0.000	13,500	17,850	4,350	0.000	0.000	0.000
West Venture Development Co.	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	100.00%	7,073,382	0.000	7,350,343	(1,994,853)	0.000	12,428,872	4,546,972	91,520	7,973,419	6,477,782	1,495,634

p14: 1) TAMCO Intervened into the Non-Ag Pool, effective July 1, 2013. Concurrently, Ameron International permanently transferred 15,000 AF of Safe Yield to TAMCO.
 2) Transfers in Column [14E] include the annual transfer of 10 percent of the Non-Ag Safe Yield to the seven Appropriator Parties, as stated in the Peace II Agreement, and also the Exhibit "G" physical solution transfers to the Appropriative Pool. (See Appendix C)
 3) Column [14H], "Actual Fiscal Year Production," includes Assignments between Appropriators and Non-Ag Pool Parties.

NON-AGRICULTURAL POOL STORAGE ACCOUNT SUMMARY PRODUCTION YEAR 2013-2014



Assessment Year 2014-2015 (Production Year 2013-2014)

Pool 2 Local Storage Account Summary

	Local Storage Account			
	Beginning Balance	2% Storage Loss	Transfers To / (From)	Ending Balance
Ameron International Corp.	287,817	(5,756)	89,572	371,633
Aqua Capital Management LP	2,905,286	(58,105)	(2,847,181)	0.000
California Speedway Corp. (Auto Club Speedway)	2,249,609	(44,992)	(535,796)	1,668,821
California Steel Industries, Inc. (CSI)	3,873,398	(77,467)	0.000	3,795,931
Calmat Co., a Division of Vulcan Materials Co.	5,280	(0.105)	0.000	5,175
CCG Ontario, LLC	0.000	0.000	0.000	0.000
General Electric Co. (GE)	0.000	0.000	0.000	0.000
Hammer Park Associates (Swan Lake MHP)	951,790	(19,035)	132,024	1,064,779
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 Lutheran Church	0.000	0.000	0.000	0.000
NRG California South LP	2,576,527	(51,530)	569,106	3,094,103
Ontario, City of (Non-Ag)	2,563,181	(51,263)	239,829	2,751,747
Praxair, Inc.	60,459	(1,209)	0.899	60,149
Riboli Family / San Antonio Winery	0.000	0.000	0.000	0.000
San Bernardino, County of (Chino Airport)	0.000	0.000	0.000	0.000
Southern California Edison Co. (SCE)	0.000	0.000	0.000	0.000
Southern Service Co. (Angelica)	0.000	0.000	0.000	0.000
Space Center Mira Loma, Inc.	0.000	0.000	0.000	0.000
Sunkist Growers, Inc.	0.000	0.000	0.000	0.000
TAMCO	0.000	0.000	0.000	0.000
West Venture Development Co.	0.000	0.000	0.000	0.000
	15A	15B	15C	15D
	15,473,347	(309,462)	(2,351,547)	12,812,338

p15: 1) TAMCO Intervened into the Non-Ag Pool, effective July 1, 2013. Concurrently, Ameron International permanently transferred 15,000 AF of Safe Yield to TAMCO.
2) Column [15C] includes the Exhibit "G" physical solution transfers to the Appropriative Pool. (See Appendix C)

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	30.90	49.41	49.41	541.00
11-12	29.93	49.14	49.14	574.00
12-13	35.88	50.60	50.60	607.00
13-14	27.71	40.39	40.39	608.00
14-15	28.79	40.49	40.49	610.00

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 2013-2014

	FY 11-12 June Actual	FY 12-13 December Actual	FY 12-13 Approved Budget	FY 12-13 Amended Budget	FY 13-14 Approved Budget	FY 13-14 Amended Budget	Amended vs. Amended
4000 Mutual Agency Revenue	\$ 705,777	\$ 151,550	\$ 152,938	\$ 152,938	\$ 154,581	\$ 154,581	\$ 1,643
4110 Appropriative Pool Assessments	5,919,372	6,329,126	6,285,952	6,360,952	6,301,135	6,361,227	275
4120 Non-Agricultural Pool Assessments	306,156	283,393	191,711	251,711	239,320	241,378	(10,333)
4730 Prorated Interest Income	18,725	7,866	39,600	39,600	29,700	29,700	(9,900)
4900 Miscellaneous Income	0	21,710	0	0	0	0	0
Total Income	6,950,030	6,793,646	6,670,201	6,805,201	6,724,736	6,786,886	(18,315)
Administrative Expenses							
6010 Salary Costs	539,711	279,179	519,684	519,684	617,747	677,747	158,063
6020 Office Building Expense	98,076	49,889	107,345	107,345	106,630	106,630	(715)
6030 Office Supplies & Equip.	25,582	11,006	27,000	27,000	25,300	28,300	1,300
6040 Postage & Printing Costs	55,240	22,224	62,368	62,368	57,900	43,100	(19,268)
6050 Information Services	119,944	59,882	142,296	143,796	135,996	135,996	(7,800)
6060 WM Special Contract Services	42,875	30,979	31,900	40,900	24,800	24,800	(16,100)
6070 Watermaster Legal Services	224,759	109,308	175,645	210,645	234,100	314,600	103,955
6080 Insurance Expense	17,980	17,477	19,393	19,393	19,107	27,407	8,014
6110 Dues and Subscriptions	28,247	12,635	27,500	27,500	22,325	22,325	(5,175)
6150 Field Supplies & Equipment	651	411	1,400	1,400	1,450	1,450	50
6170 Travel & Transportation	18,821	8,475	21,170	21,170	17,670	19,170	(2,000)
6190 Conferences & Seminars	4,729	654	15,000	15,000	11,000	15,500	500
6200 Advisory Committee Expenses	47,257	18,594	53,385	53,385	54,368	33,368	(20,017)
6300 Watermaster Board Expenses	125,922	55,696	143,894	123,894	151,289	176,289	52,395
6500 Education Fund Expenditures	375	0	257	257	0	0	(257)
8300 Appropriative Pool Administration	165,285	74,562	59,285	154,381	136,273	140,273	(14,108)
8400 Agricultural Pool Administration	174,181	59,044	356,983	356,983	353,462	199,962	(157,021)
8500 Non-Agricultural Pool Administration	184,246	48,997	46,995	116,995	110,314	113,814	(3,181)
9400 Depreciation Expense	10,814	0	0	0	0	0	0
9500 Allocated G&A Expenditures	(486,327)	(133,631)	(732,558)	(732,558)	(568,626)	(568,626)	163,932
Total Administrative Expenses	1,398,367	725,380	1,078,942	1,269,538	1,511,105	1,512,106	242,568
General OBMP Expenditures							
6900 Optimum Basin Mgmt Program	1,104,156	506,165	994,850	994,305	1,009,365	1,313,365	319,060
6950 Cooperative Efforts	10,000	0	10,000	10,000	10,000	10,000	0
9501 Allocated G&A Expenditures	180,724	61,642	214,336	214,336	228,433	228,433	14,097
Total General OBMP Expenses	1,294,879	567,807	1,219,186	1,218,641	1,247,798	1,551,798	333,157
OBMP Implementation Projects							
7101 Production Monitoring	103,555	32,654	108,746	108,746	81,649	81,649	(27,097)
7102 In-Line Meter Installation/Maintenance	73,625	41,196	106,162	106,162	104,616	104,616	(1,546)
7103 Groundwater Quality Monitoring	199,266	92,154	173,738	173,498	202,339	202,339	28,841
7104 Groundwater Level Monitoring	297,877	103,295	318,898	283,974	292,840	247,840	(36,134)
7105 Recharge Basin Water Quality Monitoring	1,486	0	3,118	3,118	0	0	(3,118)
7107 Ground Level Monitoring	886,037	132,242	524,451	628,918	347,305	594,308	(34,610)
7108 Hydraulic Control Monitoring Program	420,462	211,288	411,162	376,502	319,045	406,943	30,441
7109 Recharge & Well Monitoring Program	0	0	21,540	4,000	21,000	21,000	17,000
7200 OBMP Pgm Element 2 - Comp Recharge	1,297,432	541,269	1,374,719	1,484,758	995,892	1,358,042	(126,716)
7300 OBMP Pgm Element 3 & 5 - Water Supply Pl	75,280	14,816	75,995	75,995	60,649	60,649	(25,346)
7400 OBMP Pgm Element 4 - Mgmt Zone Strategi	71,732	17,343	82,250	82,254	107,507	107,507	25,253
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Sa	102,243	12,598	92,479	81,993	111,112	81,112	(881)
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Cc	52,554	2,190	58,618	47,290	41,378	31,378	(15,912)
7700 Inactive Well Protection Program	168	0	920	920	500	500	(420)
7690 Recharge Improvement Debt Projects	178,135	521,688	501,055	773,884	939,808	1,111,637	337,753
9502 Allocated G&A Expenditures	327,935	65,809	518,222	518,222	340,193	340,193	(178,029)
Total OBMP Implementation Projects	4,087,785	1,788,542	4,372,073	4,750,235	3,965,833	4,739,713	(10,522)
Total Expenses	6,781,032	3,081,729	6,670,201	7,238,413	6,724,736	7,803,616	565,203
Net Ordinary Income	168,998	3,711,917	0	(433,212)	0	(1,016,730)	(583,518)
Other Income							
4225 Interest Income	(6,168)	23	0	0	0	0	0
4210 Approp Pool-Replenishment	686,814	625,202	0	0	0	0	0
4220 Non-Ag Pool-Replenishment	27,470	22,789	0	0	0	0	0
4600 Groundwater Sales	12,647,183	1,786,217	0	0	0	0	0
Total Other Income	13,355,299	2,434,231	0	0	0	0	0
Other Expense							
5010 Groundwater Recharge	10,963,654	0	0	0	0	0	0
5100 Other Water Purchases	1,899,337	0	0	0	0	0	0
9000 Other Expense	0	0	0	0	10,322	0	0
9200 Interest Expense	9,272	0	0	0	0	0	0
9990 Excess Reserve Refunds	2,623,938	788,647	0	0	0	0	0
Total Other Expense	15,496,202	788,647	0	0	10,322	0	0
9900 To / (From) Reserves	(1,971,904)	5,357,501	0	0	(10,322)	0	0
Net Other Income	(168,998)	(3,711,917)	0	0	0	0	0
Net Income	\$ (0)	\$ -	\$ -	\$ (433,212)	\$ -	\$ (1,016,730)	\$ (583,518)

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Chino Basin Watermaster

Annual Financial Report

For the Fiscal Years Ended June 30, 2014 and 2013

Our Mission Statement

“The Chino Basin Watermaster is a consensus-based organization facilitating development and utilization of the Chino groundwater basin”

**Chino Basin Watermaster
Board of Directors as of June 30, 2014**

<u>Name</u>	<u>Title</u>	<u>Current Term Ending or Ongoing</u>
Robert Craig	Chair	January 2015
Steve Elie	Vice-Chair	Ongoing
J. Arnold Rodriguez	Secretary/Treasurer	January 2016
Robert Bowcock	Member	Ongoing
Charles D. Field	Member	Ongoing
Paul Hofer	Member	Ongoing
Mark Kinsey	Member	Ongoing
Bob Kuhn	Member	Ongoing
Geoffrey Vanden Heuvel	Member	Ongoing

**Chino Basin Watermaster
Peter Kavounas PE, General Manager
9641 San Bernardino Road
Rancho Cucamonga, California 91730
(909) 484-3888 – www.cbwm.org**

Chino Basin Watermaster
Annual Financial Report
For the Fiscal Years Ended June 30, 2014 and 2013

**Chino Basin Watermaster
Annual Financial Report
For the Fiscal Years Ended June 30, 2014 and 2013**

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Introductory Section



November 20, 2014

Board of Directors
Chino Basin Watermaster

Introduction

It is our pleasure to submit the Annual Financial Report for the Chino Basin Watermaster (Watermaster) for the fiscal years ended June 30, 2014 and 2013, following guidelines set forth by the Governmental Accounting Standards Board. Watermaster staff prepared this financial report. The Watermaster is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the Watermaster's financial position and activities.

This report is organized into three sections: (1) Introductory, (2) Financial, and (3) Supplemental. The Introductory section offers general information about the Watermaster's organization and current Watermaster activities and reports on a summary of significant financial results. The Financial section includes the Independent Auditor's Report, Management's Discussion and Analysis of the Watermaster's basic financial statements, and the Watermaster's audited basic financial statements with accompanying Notes. The Supplemental section includes combining revenue and expense schedules.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Watermaster's MD&A can be found immediately after the Independent Auditor's Report.

Watermaster Structure and Leadership

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, provided 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, special districts, other public or private entities and utilities. The three Pools act together to form the "Advisory Committee".

The General Manager administers the day-to-day operations of the Watermaster in accordance with policies and procedures established by the Board of Directors. The Watermaster staff includes nine regular employees. The Watermaster's three Pools, the Advisory Committee, and the Board of Directors meet each month.

Watermaster Mission and Services

Chino Basin Watermaster's mission is "To manage the Chino Groundwater Basin in the most beneficial manner and to equitably administer and enforce the provisions of the Chino Basin Watermaster Judgment", Case No. RCV 51010 (formerly Case No. SCV 164327). 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. The Watermaster is progressively and actively implementing the Basin's Optimum Basin Management Program which includes extensive monitoring, further developing recharge capabilities, storage and recovery projects, managing salt loads, developing new yield such as reclaimed and storm water recharge and continuing to work with other agencies and entities to enhance this significant natural resource.

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).

Economic Condition and Outlook

The Watermaster's office is located in the City of Rancho Cucamonga in San Bernardino County which has experienced tempered economic growth within the region. The economic outlook for the Southern California region is one of cautious growth as the region recovers from a prolonged financial down turn.

Internal Control Structure

Watermaster management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the Watermaster are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data that is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Watermaster's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The Watermaster's Board of Directors annually adopts an operating budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the Watermaster's enterprise operations. The budget and reporting treatment applied to the Watermaster is consistent with the accrual basis of accounting and the financial statement basis.

Investment Policy

The Board of Directors has adopted an investment policy that conforms to state law, Watermaster's ordinance and resolutions, prudent money management, and the "prudent person" standards. The objectives of the Investment Policy are safety, liquidity and yield. Watermaster funds are invested in the State Treasurer's Local Agency Investment Fund and an institutional checking account.

Water Rates and Watermaster Revenues

The Judgment prescribes Watermaster's authority and specifies classes of water production assessments to be used to fund certain activities. Those assessment categories are: Administration, Optimum 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.

Audit and Financial Reporting

State Law requires the Watermaster to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Charles Z. Fedak & Company, CPAs has conducted the audit of the Watermaster's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

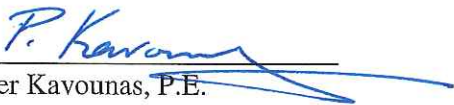
Other References

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

Acknowledgements

Preparation of this report was accomplished by the combined efforts of Watermaster staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the Watermaster. We would also like to thank the members of the Board of Directors for their continued support in planning and implementation of the Chino Basin Watermaster's fiscal policies.

Respectfully submitted,



Peter Kavounas, P.E.
General Manager



Joseph S. Joswiak, MBA
Chief Financial Officer

Financial Section

Independent Auditor's Report

Board of Directors
Chino Basin Watermaster
Rancho Cucamonga, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Chino Basin Watermaster (Watermaster) as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Watermaster's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Watermaster, as of June 30, 2014 and 2013, and the respective changes in financial position, and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report, continued

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Watermaster's basic financial statements. The introductory section on pages 1 through 3 and combining schedule of revenue, expenses and changes in net position on pages 27 and 28, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedule of revenue, expenses and changes in net position are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of revenue, expenses and changes in net position are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 20, 2014, on our consideration of the Watermaster's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Watermaster's internal control over financial reporting and compliance. This report can be found on pages 30 and 31.

Charles Z. Fedak & Company, CPAs - An Accountancy Corporation
Cypress, California
November 20, 2014

Chino Basin Watermaster
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2014 and 2013

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Chino Basin Watermaster (Watermaster) provides an introduction to the financial statements of the Watermaster for the fiscal years ended June 30, 2014 and 2013. The two year presentation is provided for comparative purposes. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The Watermaster's net position increased 9.99%, or \$614,606 to \$6,767,870, in fiscal year 2014, as the result of operations. In 2013, the Watermaster's position increased 7.13%, or \$443,818 to \$6,153,264, as the result of operations and the effect of a prior period adjustment to recognize future pension benefit liabilities in the amount of \$69,637.
- The Watermaster's operating revenues increased 46.50% or \$4,288,026 in 2014, primarily due to a \$4,368,587 increase in replenishment water revenues. In 2013, the Watermaster's operating revenues decreased 54.56%, or \$11,072,197 primarily due to a \$10,927,259 decrease in replenishment water revenues that was offset by a \$386,991 increase in administrative assessments.
- The Watermaster's operating expenses increased 61.54% or \$4,910,829 in 2014, primarily due to a \$4,549,366 increase in groundwater replenishment costs. In 2013, the Watermaster's operating expenses decreased 59.35%, or \$11,652,904 primarily due to a \$1,337,093 decrease in optimum basin management plan costs and a \$10,573,716 decrease in groundwater replenishment costs.

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the Watermaster using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the Watermaster's investments in resources (assets), deferred outflows of resources, obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the Watermaster and assessing the liquidity and financial flexibility of the Watermaster. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Watermaster's operations over the past year and can be used to determine if the Watermaster has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the Watermaster's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the Watermaster

One of the most important questions asked about the Watermaster's finances is, "Is the Watermaster better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the Watermaster in a way that helps answer this question.

Chino Basin Watermaster
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2014 and 2013

Financial Analysis of the Watermaster, continued

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Watermaster's *net position* and changes in them. You can think of the Watermaster's net position – the difference between assets, deferred outflow of resources, and liabilities and deferred inflows of resources – as one way to measure the Watermaster's financial health, or *financial position*. Over time, *increases or decreases* in an organization's net position is one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation, such as changes in federal and state water quality standards. Watermaster is funded on a year-by-year basis through a Court-mandated process.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 13 through 26.

Statement of Net Position

Condensed Statements of Net Position				
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>Percentage Change</u>
Assets:				
Current assets	\$ 7,558,813	6,933,444	625,369	9.02%
Capital assets, net	16,832	10,339	6,493	62.80%
Total assets	<u>7,575,645</u>	<u>6,943,783</u>	<u>631,862</u>	<u>9.10%</u>
Liabilities:				
Current liabilities	547,116	635,182	(88,066)	-13.86%
Non-current liabilities	260,659	155,337	105,322	67.80%
Total liabilities	<u>807,775</u>	<u>790,519</u>	<u>17,256</u>	<u>2.18%</u>
Net position:				
Invested in capital assets	16,832	10,339	6,493	62.80%
Unrestricted	<u>6,751,038</u>	<u>6,142,925</u>	<u>608,113</u>	<u>9.90%</u>
Total net position	<u>\$ 6,767,870</u>	<u>6,153,264</u>	<u>614,606</u>	<u>9.99%</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Watermaster, assets exceeded liabilities by \$6,767,870 and \$6,153,264 as of June 30, 2014 and 2013, respectively.

The Watermaster's investment in capital assets is comprised of capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The Watermaster uses these capital assets to provide services to customers within the Watermaster's service area; consequently, these assets are not available for future spending.

Chino Basin Watermaster
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2014 and 2013

Statement of Net Position, continued

At the end of fiscal years 2014 and 2013, the Watermaster showed a positive balance in its unrestricted net position of \$6,751,038 and \$6,142,925, respectively, which may be utilized in future years. See note 8 for further discussion.

Statement of Revenues, Expenses and Changes in Net Position

Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>Percentage Change</u>
Revenues:				
Operating revenues	\$ 13,508,601	9,220,575	4,288,026	46.50%
Non-operating revenues	17,215	13,380	3,835	28.66%
Total revenues	<u>13,525,816</u>	<u>9,233,955</u>	<u>4,291,861</u>	<u>46.48%</u>
Expenses:				
Operating expense	12,891,136	7,980,307	4,910,829	61.54%
Depreciation	8,090	12,257	(4,167)	-34.00%
Non-operating expense	11,984	797,573	(785,589)	-98.50%
Total expenses	<u>12,911,210</u>	<u>8,790,137</u>	<u>4,121,073</u>	<u>46.88%</u>
Change in net position	614,606	443,818	170,788	38.48%
Net position, beginning of year	6,153,264	5,779,083	374,181	6.47%
Prior period adjustment	-	(69,637)	69,637	-100.00%
Net position, end of year	<u>\$ 6,767,870</u>	<u>6,153,264</u>	<u>614,606</u>	<u>9.99%</u>

The statement of revenues, expenses and changes of net position shows how the Watermaster's net position changed during the fiscal years. In the case of the Watermaster, net position increased by \$614,606 for the fiscal year ended June 30, 2014, and increased by \$443,818 less a prior period adjustment related to pension benefit obligations in the amount of \$69,637 for the fiscal years ended June 30, 2013.

A closer examination of the sources of changes in net position reveals that:

The Watermaster's operating revenues increased 46.50% or \$4,288,026 in 2014, primarily due to a \$4,368,587 increase in replenishment water revenues.

In 2013, operating revenues decreased 54.56%, or \$11,072,197 primarily due to a \$10,927,259 decrease in replenishment water revenues that was offset by a \$386,991 increase in administrative assessments.

The Watermaster's operating expenses increased 61.54% or \$4,910,829 in 2014 primarily due to a \$4,549,366 increase in groundwater replenishment costs.

In 2013, the Watermaster's operating expenses decreased 59.35%, or \$11,652,904, primarily due to a \$1,337,093 decrease in optimum basin management plan costs and a \$10,573,716 decrease in groundwater replenishment costs.

Chino Basin Watermaster
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2014 and 2013

Capital Asset Administration

At the end of fiscal year 2014 and 2013, the Watermaster's investment in capital assets amounted to \$16,832 and \$10,339 (net of accumulated depreciation), respectively. This investment in capital assets includes leasehold improvements, office equipment, and vehicles. There were no major capital assets additions during the year ended June 30, 2014.

Conditions Affecting Current Financial Position

Management is unaware of any conditions which could have a significant impact on the Watermaster's current financial position, net assets or operating results based on past, present and future events.

Requests for Information

This financial report is designed to provide the Watermaster's funding sources, customers, stakeholders and other interested parties with an overview of the Watermaster's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Watermaster's Chief Financial Officer at 9641 San Bernardino Road, Rancho Cucamonga, CA 91730.

Basic Financial Statements

**Chino Basin Watermaster
Statements of Net Position
June 30, 2014 and 2013**

	2014	2013
Current assets:		
Cash and cash equivalents (note 2)	\$ 7,514,925	6,773,004
Accrued interest receivable	4,702	4,348
Accounts receivable	-	110,679
Prepaid expenses	39,186	45,413
Total current assets	7,558,813	6,933,444
Non-current assets:		
Capital assets, net (note 3)	16,832	10,339
Total non-current assets	16,832	10,339
Total assets	7,575,645	6,943,783
Current Liabilities:		
Accounts payable and accrued expenses	461,265	540,056
Accrued salaries and benefits	25,428	48,980
Long-term liabilities – due within one year:		
Compensated absences (note 4)	60,423	46,146
Total current liabilities	547,116	635,182
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 4)	112,215	85,700
Other post employment benefits obligation (note 6)	148,444	69,637
Total non-current liabilities	260,659	155,337
Total liabilities	807,775	790,519
Net Position: (note 8)		
Net investment in capital assets	16,832	10,339
Unrestricted	6,751,038	6,142,925
Total net position	\$ 6,767,870	6,153,264

See accompanying notes to the basic financial statements

Chino Basin Watermaster
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Administrative assessments	\$ 6,552,770	6,612,519
Replenishment water revenue	6,802,795	2,434,208
Other revenue	153,036	173,848
Total operating revenue	<u>13,508,601</u>	<u>9,220,575</u>
Operating expenses:		
Groundwater replenishment and other water purchases	6,838,642	2,289,276
Optimum basin management plan	3,974,099	4,045,572
Watermaster administration	1,560,148	1,153,480
Pool, advisory, and board administration	518,247	491,979
Total operating expense	<u>12,891,136</u>	<u>7,980,307</u>
Operating loss before depreciation	617,465	1,240,268
Depreciation expense	<u>(8,090)</u>	<u>(12,257)</u>
Operating income	<u>609,375</u>	<u>1,228,011</u>
Non-operating revenue (expense):		
Reserve distribution	(11,984)	(788,647)
Investment earnings	17,215	13,380
Interest expense	-	(8,926)
Total non-operating revenues	<u>5,231</u>	<u>(784,193)</u>
Change in net position	614,606	443,818
Net position at beginning of year	6,153,264	5,779,083
Prior period adjustment (note 7)	-	(69,637)
Net position at end of year	<u>\$ 6,767,870</u>	<u>6,153,264</u>

See accompanying notes to the basic financial statements

Chino Basin Watermaster
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from stakeholders	\$ 13,619,280	9,279,070
Cash paid to employees for salaries and wages	(827,133)	(771,419)
Cash paid to vendors and suppliers for materials and services	<u>(12,067,087)</u>	<u>(7,697,425)</u>
Net cash provided by operating activities	<u>725,060</u>	<u>810,226</u>
Cash flows from investing activities:		
Principal payments on pension related debt	-	(123,961)
Interest paid on pension related debt	-	(8,928)
Investment earnings received	<u>16,861</u>	<u>14,899</u>
Net cash provided by (used in) investing activities	<u>16,861</u>	<u>(117,990)</u>
Net increase in cash	741,921	692,236
Cash and cash equivalent at the beginning of year	<u>6,773,004</u>	<u>6,080,768</u>
Cash and cash equivalent at the end of year	<u>\$ 7,514,925</u>	<u>6,773,004</u>
Reconciliation of operating income to net cash used in operating activities:		
Operating income	<u>\$ 609,375</u>	<u>1,228,011</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	8,090	12,257
Reserve distribution	(11,984)	(788,647)
Other, net	(14,583)	(7,217)
Changes in assets and liabilities		
(Increase) decrease in assets:		
Accounts receivable	110,679	58,495
Prepaid expenses	6,227	(6,513)
Increase (decrease) in liabilities:		
Accounts payable and accrued expense	(78,791)	253,946
Accrued salaries and benefits	(23,552)	33,063
Compensated absences	40,792	26,831
Other post employment benefits obligation	<u>78,807</u>	<u>-</u>
Total adjustments	<u>115,685</u>	<u>(417,785)</u>
Net cash provided by operating activities	<u>\$ 725,060</u>	<u>810,226</u>
Non-cash investing, capital and financing transactions:		
Change in fair-market value of investments	<u>\$ (357)</u>	<u>4,896</u>
See accompanying notes to the basic financial statements		

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2014 and 2013**

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the 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. Weiner 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, provided 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 2013-2014 expenses are based on the 2012-2013 production volume.

	Fiscal Year 2014	
Production volume	Acre Feet	Percentage
Appropriative Pool	96,434	71.102%
Agricultural Pool	34,458	25.406%
Non-agricultural Pool	4,736	3.492%
Total production volume	135,628	100.000%

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.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2014 and 2013

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

B. Basis of Accounting and Measurement Focus

The Watermaster reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Watermaster is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as replenishment water revenues and groundwater replenishment, result from exchange transactions associated with the principal activity of the Watermaster. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

C. Financial Reporting

The Watermaster's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Watermaster solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Watermaster's proprietary fund.

D. Assets, Liabilities and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Substantially all of the Watermaster's cash is invested in interest-bearing accounts. The Watermaster considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

3. Investments

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

4. Accounts Receivable and Allowance for Uncollectible Accounts

The Watermaster extends credit to customers in the normal course of operations. Management has determined that all amounts are considered collectable. As a result, the Watermaster has not recorded an allowance for doubtful accounts at June 30, 2014.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2014 and 2013

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

D. Assets, Liabilities and Net Position, continued

5. Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

6. Compensated Absences

The Watermaster's policy is to permit eligible employees to accumulate earned vacation up to a total of 320 hours. Eligible employees accrue and accumulate sick leave based on Watermaster policy. Twice a year, employees may buy-back accrued sick leave at 50% of their current pay provided that at least 480 hours of accrued sick leave remain after the cash-out. Upon termination of employment, employees are paid all unused vacation, and unused sick time is paid out based on Watermaster policy.

7. Water Production Assessments

Water Production Assessment categories include: Administration, Optimum Basin Management Program, Special Projects, and Water Replenishment. Assessments are billed on a yearly basis.

8. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

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

9. Budgetary Policies

The Watermaster adopts an annual operational budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

10. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

- Net Investment in Capital Assets Component of Net Position – This component of net position consists of capital assets, net of accumulated depreciation and is reduced by any outstanding debt outstanding against the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt is included in this component of net position
- Restricted Component of Net Position – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2014 and 2013

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

D. Assets, Liabilities and Net Position, continued

10. Net Position, continued

- Unrestricted Component of Net Position – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

(2) Cash and Investments

Cash and investments as of June 30, are classified in the Statements of Net Position as follows:

	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ 7,514,925	6,773,004

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

	<u>2014</u>	<u>2013</u>
Cash on hand	\$ 500	500
Deposits with financial institutions	416,030	315,970
Investments	<u>7,098,395</u>	<u>6,456,534</u>
Total cash and investments	<u>\$ 7,514,925</u>	<u>6,773,004</u>

As of June 30, the Watermaster's authorized deposits had the following maturities:

	<u>2014</u>	<u>2013</u>
Deposits held with the California Local Agency Investment Fund	232 days	278 days

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

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury obligations	5 years	None	None
Federal agency and bank obligations	5 years	None	None
Certificates-of-deposits (negotiable or placed)	5 years	30%	10%
Commercial paper (prime)	270 days	10%	10%
Money market mutual funds	N/A	20%	None
State and local bonds, notes and warrants	N/A	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None
Investment Trust of California (CalTRUST)	N/A	None	None

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2014 and 2013

(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 California Government Code and the Watermaster's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local 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. Of the Watermaster's bank balances, up to \$250,000 at June 30, 2014 and 2013, were federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Watermaster's name.

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 Code and the Watermaster's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

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.

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 matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations.

Credit Risk

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, or debt agreements, and the actual rating as of year-end for each investment type.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2014 and 2013

(2) Cash and Investments, continued

Concentration of Credit Risk

The Watermaster's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represented 5% or more of total Watermaster's investments at June 30, 2014 and 2013, respectively.

(3) Capital Assets

Changes in capital assets for 2014 were as follows:

	Balance 2013	Additions	Disposals/ Transfers	Balance 2014
Depreciable assets:				
Computer equipment	\$ 124,809	-	-	124,809
Furniture and fixtures	36,370	14,583	(7,287)	43,666
Leasehold improvements	23,443	-	-	23,443
Vehicles and equipment	90,484	-	-	90,484
Total depreciable assets	<u>275,106</u>	<u>14,583</u>	<u>(7,287)</u>	<u>282,402</u>
Accumulated depreciation:				
Computer equipment	(114,471)	(6,006)	-	(120,477)
Furniture and fixtures	(36,371)	(2,083)	7,287	(31,167)
Leasehold improvements	(23,443)	-	-	(23,443)
Vehicles and equipment	(90,482)	(1)	-	(90,483)
Total accumulated depreciation:	<u>(264,767)</u>	<u>(8,090)</u>	<u>7,287</u>	<u>(265,570)</u>
Total capital assets, net	<u>\$ 10,339</u>			<u>16,832</u>

Changes in capital assets for 2013 were as follows:

	Balance 2012	Additions	Disposals/ Transfers	Balance 2013
Depreciable assets:				
Computer equipment	\$ 117,590	7,219	-	124,809
Furniture and fixtures	36,370	-	-	36,370
Leasehold improvements	23,443	-	-	23,443
Vehicles and equipment	90,484	-	-	90,484
Total depreciable assets	<u>267,887</u>	<u>7,219</u>	<u>-</u>	<u>275,106</u>
Accumulated depreciation:				
Computer equipment	(104,558)	(9,913)	-	(114,471)
Furniture and fixtures	(36,371)	-	-	(36,371)
Leasehold improvements	(21,101)	(2,342)	-	(23,443)
Vehicles and equipment	(90,480)	(2)	-	(90,482)
Total accumulated depreciation:	<u>(252,510)</u>	<u>(12,257)</u>	<u>-</u>	<u>(264,767)</u>
Total capital assets, net	<u>\$ 15,377</u>			<u>10,339</u>

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2014 and 2013**

(4) Compensated Absences

The changes to compensated absences balances at June 30, were as follows:

<u>Balance</u> <u>2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2014</u>	<u>Current</u>	<u>Long Term</u>
\$ 131,846	110,798	(70,006)	172,638	60,423	112,215

<u>Balance</u> <u>2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2013</u>	<u>Current</u>	<u>Long Term</u>
\$ 105,015	98,375	(71,544)	131,846	46,146	85,700

(5) Defined Benefit Pension Plan

Plan Description

The Watermaster contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multi-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public agencies within the State of California. Benefit provisions and all other requirements are established by state statute and the Watermaster. Copies of CalPERS annual financial report may be obtained from their executive Office: 400 P Street, Sacramento, CA 95814.

Funding Policy

All regular and introductory employees hired before January 1, 2013 are enrolled in the 2.5% at 55 Risk Pool and Watermaster pays a portion of the employee contribution to PERS.

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.

As a part of an employee benefit, Watermaster pays the employer's contribution to CalPERS. With the adoption of Public Employees' Pension Reform Act of 2013 (PEPRA), Watermaster may pay a portion of the employee contribution to CalPERS or the employee could be responsible for the entire employee portion to CalPERS.

All regular and introductory employees hired after January 1, 2013 will be enrolled in the 2% at 62 Risk Pool and Watermaster does not pay the employee's contribution to PERS and the payment is the responsibility of the employee.

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2014 and 2013**

(5) Defined Benefit Pension Plan, continued

Also, the Watermaster is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates are equal to the annual pension costs (APC) percentage of payroll for fiscal years 2014, 2013 and 2012, as noted below. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS. For fiscal years 2014, 2013 and 2012, the Watermaster's annual contributions for the CalPERS plan were equal to the Agencies required and actual contributions for each fiscal year as follows:

Three Year Trend Information:

Three Year Trend Information:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>	<u>APC Percentage of Payroll</u>
2012	\$ 184,073	100%	-	14.298%
2013	154,432	100%	-	14.978%
2014	150,977	100%	-	14.660%

(6) Other Post-Employment Benefits Payable

The Watermaster provides other post-employment benefits (OPEB) to qualified employees who retire from the Watermaster and meet the Watermaster's vesting requirements. During the fiscal year ended June 30, 2013, the Watermaster implemented GASB Statement No. 45, which changed the accounting and financial reporting used by local government employers for post-employment benefits. Previously, the costs of such benefits were generally recognized as expenses of local government employers on a pay-as-you-go basis. The new reporting requirements for these benefit programs as they pertain to the Watermaster are set forth below.

Background

The CalPERS Health Benefits Program is governed by the Public Employees' Medical and Hospital Care Act (PEMHCA) of the California Public Employees' Retirement Law. The program was established in 1962 to purchase health care for employees of the State of California. In 1976, legislation was passed to allow other public employers, such as cities, counties, and school districts to join the program.

Contracting Public Agencies must offer all eligible active and retired employees an opportunity to enroll in a CalPERS health plan of their choice. All employers are required by statute to contribute towards the cost of the health plan premium. Premiums and health plan benefits are approved annually by the CalPERS Board of Administration.

The CalPERS Health Benefits Program offers a choice of health plans to provide basic coverage to active employees and Supplement to Medicare and Managed Medicare coverage for retired members. Eligible enrollees can choose between a variety of Health Maintenance Organizations, Preferred Provider Organizations and employee association plans.

Plan Description – Eligibility

The Watermaster's Retiree Health Plan is a single-employer defined benefit healthcare plan administered by the California Public Employees Retirement System (CalPERS). The Plan provides medical insurance benefits to eligible retirees and their dependents.

In accordance with Public Employee Retirement Law (Article 2), the Public Employees Retirement System Board of Administration has the responsibility to approve health benefit plans and may contract with carriers offering health benefit plans.

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2014 and 2013**

(6) Other Post-Employment Benefits Payable, continued

Plan Description – Eligibility, continued

The Board of Administration is responsible for adopting all rules and regulations, including scope and content of basic health plans. The California Government Code also defines certain rules for contract agencies to purchase health insurance benefits.

Membership in the OPEB plan consisted of the following members as of June 30:

	2014	2013	2012
Active plan members	9	7	-
Active employees' dependents	4	4	-
Retirees and dependents receiving benefits	1	1	-
Retirees and dependents not receiving benefits	-	-	-
Total plan membership	14	12	-

Funding Policy

There is no requirement imposed by CalPERS, to contribute any amount beyond the pay-as-you-go contributions. The cost of monthly insurance premiums is shared between the retiree and the Watermaster. The cost sharing varies depending upon: the dependent status and plan selected. A minimum employer monthly contribution requirement is established and may be amended by the CalPERS Board of Administration and applicable laws.

The Watermaster is required to contribute the *Annual Required Contribution (ARC) of the Employer*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 1.4% of the annual covered payroll.

Annual Cost

For the years ended June 30, 2014 and 2013, the Watermaster's ARC cost is \$79,930 and \$71,017, respectively. The Watermaster's net OPEB payable obligation amounted to \$148,444 and \$69,637 for the years ended June 30, 2014 and 2013, respectively. The Watermaster contributed \$1,123 and \$1,380 in adjusted contributions for current retiree OPEB premiums for the years ended June 30, 2014 and 2013, respectively.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2014 and 2013

(6) Other Post-Employment Benefits Payable, continued

Annual Cost, continued

The balance at June 30, consists of the following:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Annual OPEB expense:			
Annual required contribution (ARC)	\$ 79,930	71,017	-
Interest on net OPEB obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Total annual OPEB expense	<u>79,930</u>	<u>71,017</u>	<u>-</u>
Change in net OPEB payable obligation:			
Age adjusted contributions made	<u>(1,123)</u>	<u>(1,380)</u>	<u>-</u>
Total change in net OPEB payable obligation	78,807	69,637	-
OPEB payable – beginning of year	<u>69,637</u>	<u>-</u>	<u>-</u>
OPEB payable – end of year	<u>\$ 148,444</u>	<u>69,637</u>	<u>-</u>

The Watermaster’s annual OPEB cost, the percentage of the annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2014 and the two preceding years were as follows:

<u>Three-Year History of Net OPEB Obligation</u>				
<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Age Adjusted Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation Payable</u>
2014	\$ 79,930	1,123	1.40%	148,444
2013	71,017	1,380	1.94%	69,637
2012	-	-	-	-

(7) Prior Period Adjustment

In 2014, the Watermaster determined that healthcare benefits offered by the Watermaster to employees were subject to the provisions of GASB 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. As a result, the Watermaster has recorded a prior period adjustment to net position in the amount of \$69,637 at June 30, 2013.

The adjustment to net position is as follows:

Net position at June 30, 2013, as previously stated	\$ 5,779,083
Effect of adjustment to record OPEB expense	(69,637)
Change in net position at June 30, 2013, as previously stated	<u>443,818</u>
Net position at June 30, 2013, as restated	<u>\$ 6,153,264</u>

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2014 and 2013**

(8) Net Position

Calculation of net position as of June 30, were as follows:

	2014	2013
Net investment in capital assets:		
Capital assets, net	\$ 16,832	10,339
Total net investment in capital assets	16,832	10,339
Unrestricted net position:		
Non-spendable net position:		
Prepaid expenses and deposits	39,186	45,413
Total non-spendable net position	39,186	45,413
Spendable net position are designated as follows:		
Undesignated net position reserve	6,711,852	6,097,512
Total spendable net position	6,711,852	6,097,512
Total unrestricted net position	6,751,038	6,142,925
Total net position	\$ 6,767,870	6,153,264

(9) Risk Management

The Watermaster is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Watermaster is insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the Watermaster as of June 30, 2014:

- Commercial General Liability: \$2,000,000 General Aggregate Limit (Other than Products/Completed Operations); \$2,000,000 Products/Completed Operations Aggregate Limit (Any One Person or Organization); \$1,000,000 Personal and Advertising Injury Limit; \$1,000,000 Each Occurrence Limit; \$100,000 Rented To You Limit; \$5,000 Medical Expenses Limit (Any One Person).
- Commercial Excess Liability: Limits of Liability are \$10,000 Retained Limit, \$4,000,000 Each Occurrence, \$4,000,000 General Aggregate Limit, \$4,000,000 Products/Completed Operations to Aggregate.
- Automobile: \$1,000,000 Combined Bodily Injury and Property Damage Single Limit (Each Accident); \$500,000 Uninsured Motorists Single Limit. \$500 deductible for Comprehensive and \$1,000 deductible for Collision.
- Property: \$525,000 with liability limits varying by property type with a \$1,000 deductible.
- Crime coverage: \$50,000 per claim with a \$1,000 deductible.
- Director and Officer/Crisis Management: \$5,000 to \$50,000 with liability limits varying by type of coverage.
- Workers' compensation: \$2,000,000 each accident or each employee by disease.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2014 and 2013

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2014, that has effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 68

In June 2012, the GASB issued Statement No. 68 – Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. The impact of the implementation of this Statement to the Watermaster’s financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 69

In January 2013, the GASB issued Statement No. 69 – Government Combinations and Disposals of Government Operations. The objective of this Statement is to provide new accounting and financial reporting standards for government mergers and acquisitions and for government operations that have been transferred or sold. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013. The impact of the implementation of this Statement to the Watermaster’s financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 70

In April 2013, the GASB issued Statement No. 70 – Accounting and Financial Reporting for Non-exchange Guarantees. Provisions of this Statement require that governments that extend non-exchange financial guarantees to recognize a liability when qualitative factors and historic data, if any, indicate that it is more likely than not that the government will be required to make a payments on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate, but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range.

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2014 and 2013**

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

Governmental Accounting Standards Board Statement No. 71

In November 2013, the GASB issued Statement No. 71 – *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB No. 68*. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement No. 68 in the accrual-basis financial statements of employers and non-employer contributing entities. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68.

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2014, that has effective dates that may impact future financial presentations.

(11) Commitments and Contingencies

Grant Awards

Grant funds received by the Watermaster are subject to audit by the grantor agencies. Such an audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the Watermaster believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the Watermaster is subject to claims and litigation from outside parties. After consultation with legal counsel, the Watermaster believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(12) Subsequent Events

Events occurring after June 30, 2014, have been evaluated for possible adjustment to the financial statements or disclosure as of November 20, 2014, which is the date the financial statements were available to be issued.

Required Supplementary Information

**Chino Basin Watermaster
Schedule of Funding Status
For the Year Ended June 30, 2014**

Funded Status and Funding Progress of the Plan

Required Supplemental Information – Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2014	\$ -	381,010	381,010	-	858,882	44.36%
6/30/2013	-	354,220	354,220	-	707,444	50.07%
6/30/2012	-	-	-	-	-	-

The most recent valuation (dated June 30, 2014) includes an Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability of \$381,010. The covered payroll (annual payroll of active employees covered by the plan) for the year ended June 30, 2014 was \$858,882. The ratio of the unfunded actuarial accrued liability to annual covered payroll is 44.36 %.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and the pattern of sharing of costs between the employer and plan members to that point. Consistent with the long-term perspective of actuarial calculations, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities for benefits.

The following is a summary of the actual assumptions and methods:

Valuation date	June 30, 2014
Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll
Remaining amortization period	20 years as of the valuation date
Actuarial assumptions:	15 year smooth market
Discount rate	5.00% (net of administrative expenses)
Projected salary increase	3.00%
Inflation - discount rate	5.00%
Individual salary growth	3.00%

Supplemental Information Section

**Combining Schedule of Revenue, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2014**

	Watermaster Administration	Optimum Basin Management	Appropriative Pool	Pool Administration and Special Projects	Agricultural Pool	Non-Agricultural Pool	Groundwater Replenishment	Groundwater Operations	Education Funds	Grand Totals	Budget 2013-2014
Administrative revenues:											
Administrative assessments	\$ -	-	6,301,470	-	-	251,300	-	-	-	6,552,770	6,602,605
Interest revenue	-	-	14,151	-	1,163	439	-	-	-	15,753	29,700
Mutual agency project revenue	153,036	-	-	-	-	-	-	-	-	153,036	154,581
Total revenues	153,036	-	6,315,621	-	1,163	251,739	-	-	-	6,721,559	6,786,886
Administrative & project expenditures:											
Watermaster administration	1,367,563	-	-	-	-	-	-	-	-	1,367,563	848,399
Watermaster board-advisory committee	198,765	-	-	-	-	-	-	-	-	198,765	209,657
Ag Pool misc. expense - Ag Fund	-	-	-	186	-	-	-	-	-	186	400
Pool administration	-	-	140,183	198,238	102,745	-	-	-	-	441,166	433,649
Optimum basin management administration	-	1,287,989	-	-	-	-	-	-	-	1,287,989	1,541,798
OBMP project costs	-	2,093,198	-	-	-	-	-	-	-	2,093,198	3,628,076
Debt service	-	311,245	-	-	-	-	-	-	-	311,245	456,093
Basin recharge improvements	-	271,667	-	-	-	-	-	-	-	271,667	655,544
Education funds use	-	-	-	-	-	-	-	-	-	-	-
Mutual agency project costs	-	10,000	-	-	-	-	-	-	-	10,000	10,000
Total administrative/OBMP expenses	1,566,328	3,974,099	140,183	198,238	102,745	-	-	-	-	5,981,779	7,803,616
Net administrative/OBMP expenses:	(1,413,292)	(3,974,099)									
Allocate net admin expenses to pools	\$ 1,413,292		1,004,874	359,064	49,354						
Allocate net OBMP expenses to pools		3,662,854	2,604,348	930,594	127,912						
Allocate debt service to app pool		311,245									
Agricultural expense transfer*			1,487,896	(1,487,896)							
Total expenses			5,548,546	186	280,011					5,981,779	7,803,616
Net administrative income			767,075	977	(28,272)					739,780	(1,016,730)
Other income/(expense)											
Replenishment water assessments			421,362	-	24,865					446,227	-
Non-Ag stored water purchases			3,873,239	-						3,873,239	-
Exhibit "G" Non-Ag pool water			2,483,330	-						2,483,330	-
Interest revenue			-	-	-	1,106				1,106	-
MWD water purchases			-	-	-	-				-	-
Non-Ag stored water purchases			(3,873,239)	-	-	-				(3,873,239)	-
Exhibit "G" Non-Ag pool water			(2,483,330)	-	-	-				(2,483,330)	-
MWD water purchases			-	-	-	-				-	-
Groundwater replenishment			-	-	-	(482,073)				(482,073)	-
LAF - fair market value adjustment			-	-	-	-		357		357	-
Other post-employment benefits (OPEB)			(76,055)	-	(2,752)	-				(78,807)	-
Refund - excess reserves			(9,493)	-	(2,491)	-				(11,984)	-
Refund - recharge debt			-	-	-	-				-	-
Net other income			335,814	-	19,622	(480,967)		357		(125,175)	-
Net transfers to/(from) reserves			1,102,889	977	(8,650)	(480,967)		357		614,606	(1,016,730)
Net Position July 1, 2013			4,692,889	478,917	154,044	667,399	158,252	1,763		6,153,264	
Net Position, End of Period			5,795,778	479,894	145,394	186,432	158,252	2,120		6,767,870	6,767,870
2012/2013 assessable production			96,433,754	34,458,009	4,736,325					135,628,088	
2012/2013 production percentages			71.102%	25.406%	3.492%					100.000%	

* Fund balance transfer as agreed to in the Peace Agreement

**Chino Basin Watermaster
Combining Schedule of Revenue, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2013**

	Watermaster Administration	Optimum Basin Management	Appropriative Pool	Agricultural Pool	Non-Agricultural Pool	Groundwater Replenishment	Groundwater Operations SB 222 Funds	Education Funds	Grand Totals	Budget 2012-2013
Administrative revenues:										
Administrative assessments	\$ -	-	6,329,126	-	283,393	-	-	-	6,612,519	6,612,663
Interest revenue	-	-	16,315	1,424	491	-	-	-	18,230	39,600
Mutual agency project revenue	173,848	-	-	-	-	-	-	-	173,848	152,938
Total revenues	173,848	-	6,345,441	1,424	283,884	-	-	-	6,804,597	6,805,201
Administrative & project expenditures:										
Watermaster administration	1,084,995	-	-	-	-	-	-	-	1,084,995	659,071
Watermaster board-advisory committee	152,376	-	-	-	-	-	-	-	152,376	165,279
Ag Pool misc. expense - Ag Fund	-	-	-	-	-	-	-	-	-	400
Pool administration	-	-	131,231	209,010	79,847	-	-	-	420,088	625,359
Optimum basin management administration	-	1,083,430	-	-	-	-	-	-	1,083,430	1,195,253
OBMP project costs	-	2,535,391	-	-	-	-	-	-	2,535,391	3,808,911
Debt service	-	315,751	-	-	-	-	-	-	315,751	501,055
Basin recharge improvements	-	101,000	-	-	-	-	-	-	101,000	272,829
Education funds use	-	-	-	-	-	-	257	257	257	257
Mutual agency project costs	-	10,000	-	-	-	-	-	-	10,000	10,000
Total administrative/OBMP expenses	1,237,371	4,045,572	131,231	209,010	79,847	-	-	257	5,703,288	7,238,414
Net administrative/OBMP expenses:	(1,063,523)	(4,045,572)								
Allocate net admin expenses to pools		714,436	309,333	39,754						
Allocate net OBMP expenses to pools		2,505,559	1,084,844	139,418						
Allocate debt service to app pool		315,751								
Agricultural expense transfer*		1,603,187	(1,603,187)							
Total expenses	5,270,164	-	259,019	24,865	-	-	257	(257)	5,703,288	7,238,414
Net administrative income	1,075,277	-	1,424	-	-	-	-	-	1,101,309	(433,213)
Other income/(expense)										
Replenishment water assessments	625,202	-	-	-	22,789	-	-	-	647,991	-
Non-Ag stored water purchases	1,786,217	-	-	-	-	(4,848)	-	-	1,786,217	-
Interest revenue	-	-	-	-	-	-	-	-	(4,848)	-
MWD water purchases	-	-	-	-	-	-	-	-	-	-
Non-Ag stored water purchases	(2,289,276)	-	-	-	-	-	-	-	(2,289,276)	-
MWD water purchases	-	-	-	-	-	-	-	-	-	-
Groundwater replenishment	-	-	-	-	-	-	-	-	-	-
Interest expense - CAIPERS	(8,594)	-	-	-	(334)	-	-	-	(8,928)	-
Other post-employment benefits (OPEB)	(67,034)	-	-	-	(2,603)	-	-	-	(69,637)	-
Refund - excess reserves	(764,137)	-	-	-	(24,510)	-	-	-	(788,647)	-
Refund - recharge debt	-	-	-	-	-	-	-	-	-	-
Net other income	(717,622)	-	(4,658)	20,207	(4,848)	(4,848)	-	-	(727,128)	-
Net transfers to/(from) reserves	357,655	-	1,424	20,207	(4,848)	(4,848)	(257)	(257)	374,181	(433,213)
Net Position July 1, 2012	4,984,619		477,493	133,837	158,250	24,627	158,250	257	5,779,083	
Net Position, End of Period	5,342,274		478,917	154,044	19,779	19,779			6,153,264	6,153,264
2010/2011 assessable production	79,342,533		34,353,325	4,414,887					118,110,745	
2010/2011 production percentages	67.176%		29.086%	3.738%					100.000%	

* Fund balance transfer as agreed to in the Peace Agreement

Report on Internal Controls and Compliance

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
Chino Basin Watermaster
Rancho Cucamonga, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Chino Basin Watermaster (Watermaster) as of and for the years June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprises the Watermaster's basic financial statements, and have issued our report thereon dated November 20, 2014

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Watermaster's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Watermaster's internal control. Accordingly, we do not express an opinion on the effectiveness of the Watermaster's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Watermaster's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Controls Over Financial Reporting
And on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*, (continued)**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Watermaster's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Watermaster's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Charles Z. Fedak & Company, CPAs - An Accountancy Corporation
Cypress, California
November 20, 2014