

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 2015/2016 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 2014-15

38TH ANNUAL REPORT

REDUCING DEPENDENCE ON IMPORTED WATER

WORKING TOGETHER TO PROTECT AND IMPROVE OUR SHARED 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

Chino Basin is adjudicated and Watermaster is created. 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** is a critical step to ensure long-term water quality and supply.

2011

Initiated Safe Yield Reset process.

2013-2014

Completed the 2013 Amendment to the 2010 Recharge Master Plan Update, which 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.

MAY 2015

Developed Key Principles for implementing the Safe Yield Reset.



MANAGING WATER SUPPLIES BEFORE, THROUGH AND BEYOND THE DROUGHT



A Message from Chino Basin Watermaster

Another Year of Drought. This was the fourth consecutive year of drought, and in many parts of the State, local water purveyors and landowners were forced to rely on already stressed groundwater supplies to make up for drought-reduced surface water supplies.

The result, in some cases, were substantial declines in groundwater levels, which led the State to pass legislation called the Sustainable Groundwater Management Act (SGMA), requiring local agencies to take action to ensure the sustainability of groundwater supplies.

Managing the Unprecedented Drought. Chino Basin Watermaster with all its stakeholders have been engaged in managing groundwater supplies for decades and already manage the Chino Basin sustainably.

While the drought has stressed state-wide water supplies, the Basin remains a reliable source of water supply for our region as a result of the years of concentrated and collaborative water supply management led by the Watermaster.

Safe Yield Reset – The Top Priority for the Year. After years of careful evaluation, the analysis indicates that the Safe Yield in the Basin has decreased by 5,000 acre-feet per year. In response, Watermaster and the stakeholders held an intensive facilitated process throughout much of this year to formulate a way to implement the Safe Yield Reset.

Progress on Recharge and Expanded Stakeholder Input. Watermaster also made extensive progress towards the implementation of the projects selected in the 2013 Amendment to the 2010 Recharge Master Plan Update (2013 RMPU). Additionally, Watermaster and the Inland Empire Utilities Agency (IEUA) formed the Recharge Improvements and Projects Committee (RIPCOM) and opened it to all stakeholders to create a forum for considering and evaluating any new recharge program that could be implemented for the benefit of the region. The result was increased understanding by a wider range of stakeholders, broader input, increased project support, and, ultimately, better projects.

Once again, as I assess where we are and where we are going, I am justifiably proud of Watermaster's technical skills and effective data collection efforts that support our work and demonstrate its benefits. However, even more important to our successes are the forums we create in which all our stakeholders can come together and find mutually beneficial solutions to our shared water supply and water quality challenges.

Peter Kavounas, PE
General Manager, Chino Basin Watermaster

SAFE YIELD RESET KEY PRINCIPLES – CRITICAL TO LONG-TERM WATER MANAGEMENT

SAFE YIELD DEFINED

The Safe Yield was originally set by the Judgment at 140,000 acre-feet per year and the Reset analysis indicates that it has decreased on the order of 5,000 acre-feet per year. The Restated Judgment 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.

WATERMASTER, THE INVOLVED PARTIES, AND TECHNICAL EXPERTS WERE EXTREMELY ACTIVE IN THE SAFE YIELD RESET THIS YEAR – WITH 40 MEETINGS HELD BETWEEN JANUARY AND MAY 2015 ALONE.

The periodic reset of the Safe Yield of the Chino Basin is key to understanding and allocating the amount of water available for production, and the Optimum Basin Management Program (OBMP), Implementation Plan, and Watermaster's Rules and Regulations require that the Safe Yield be evaluated in 2011 and every ten years thereafter. The Safe Yield Reset process was the top priority this year.

SAFE YIELD RESET: TIMELINE OF PROGRESS

The Safe Yield Reset is a challenging process, requiring extensive review, input and coordination among both technical experts and all the parties. Updating and calibrating the model, using it to develop initial findings, and refining the work based on questions and feedback from the parties took three years.

- 2011-12** The process to reset the Safe Yield began with data gathering and the update and calibration of Watermaster's model.
- 2012-13** The evaluation of the Safe Yield using the updated model began and initial findings were developed.
- 2013-14** The technical analysis was fine-tuned based on the many questions posed by the parties.
- 2014-15** Many months of facilitated negotiations led to development of the Safe Yield Reset Key Principles – a critical step in finalizing a plan to set and implement the new Safe Yield.



Reviewing Management Zone 3 at the Chino Basin Watermaster Headquarters.

The 40-plus facilitated Safe Yield Reset meetings were well attended and actively engaged stakeholders.



DETERMINING THE PERIOD FOR SETTING THE SAFE YIELD

One key issue in the Safe Yield Reset process was to agree on which time period to use in setting the Safe Yield: the recent ten-year period of 2000-01 through 2010-11 or a ten-year prospective period, which takes into account future land-use changes, groundwater production plans and expected recharge with new facilities in place – all of which impact the amount of water that can be safely produced from the Basin.

After intensive review of the modeling analyses, it was decided to reset the Safe Yield based on a prospective period.

IT WAS A REMARKABLE PROCESS THAT MADE IT POSSIBLE FOR EVERY STAKEHOLDER TO BE FULLY ENGAGED IN THE DIFFICULT CHALLENGE OF DIVIDING UP DECREASED WATER SUPPLIES DUE TO DECREASES IN THE SAFE YIELD.

FACILITATED NEGOTIATION ON SAFE YIELD RESET

Parties Confirm Soundness of Technical Effort and Model

The Safe Yield technical analysis was capped off last year when independent experts representing the Appropriative Pool agreed that the model is sound. With shared confidence in the technical work and model, the next challenge was to determine how to implement the Safe Yield Reset.

Determine How to Implement Safe Yield Reset

July 2013 – Watermaster staff presented the results of the Safe Yield Analysis in detail to the Pool Committees, the Advisory Committee and the Board, including the estimates of Safe Yield based on present and future expected conditions.

August 2013 to April 2014 – Watermaster staff and Parties evaluated the results of the Safe Yield Analysis.

September 2014 – a workshop was held for all parties on the Safe Yield Reset status and how to move forward with the process.

November-December 2014 – at the request of the parties, the Board initiated a facilitated process. Recognizing that the stakeholders needed time to work towards an agreement on how to implement the reduced Safe Yield, the Board made a facilitator available to ensure that the process could move forward quickly and efficiently.

January-May 2015 – The facilitated process included over 40 meetings for the Parties to come to agreement as to how to implement the Safe Yield Reset. The facilitated negotiation process played out through the end of the fiscal year. It provided an opportunity for the issues, concerns, and ideas of all participants to be heard.

Plan to Move Forward

June 11, 2015 – Finalized the *Safe Yield Reset Summary of Non-Binding Key Principles*. These Key Principles reflect substantial support toward resetting the Safe Yield, with agreement of all parties to the facilitated process, with only the City of Chino dissenting. The Key Principles cover the Safe Yield Reset and all related topics: storage management; stormwater accounting; Desalter-Induced Recharge; desalters and Re-Operation; and supplemental water recharge, and are a precursor to an ultimate agreement to be reached in the coming year.

INCREASED STAKEHOLDER ENGAGEMENT EMERGES FROM RECHARGE PROGRAM

Cost-effectively recharging stormwater, urban runoff, imported water, and recycled water is one of the key tools Watermaster utilizes to manage and improve water quality and water supply reliability throughout the Basin. An important outgrowth of the recharge program is increased stakeholder involvement in regional water project planning.

RECHARGE INVESTIGATIONS AND PROJECTS COMMITTEE (RIPCOM) BECOMES FOCUS OF COLLABORATION AND ENGAGEMENT

In April 2015, the Recharge Master Plan Update Steering Committee (Steering Committee) and the Joint Recharge Improvement Projects Committee were combined to create the (RIPCOM). The consolidated committee was designed as a forum to exchange information and updates related to the implementation of the 2013 RMPU, and to facilitate the introduction and implementation of other new recharge projects. RIPCOM meets monthly on the progress of the 2013 RMPU Projects and other recharge-related projects. The Committee is open to all parties and stakeholders and has been expanded to cover additional recharge projects that could become regional projects.

RIPCOM has helped increase understanding of projects by stakeholders, encouraged broader input, and increased support, resulting in better projects.

RIPCOM HAS BECOME AN IDEAL FORUM FOR STAKEHOLDERS TO BRING FORWARD IDEAS, HAVE QUESTIONS ANSWERED, RAISE CONCERNS AND GENERALLY INTERACT, COLLABORATE, AND RESOLVE ISSUES.

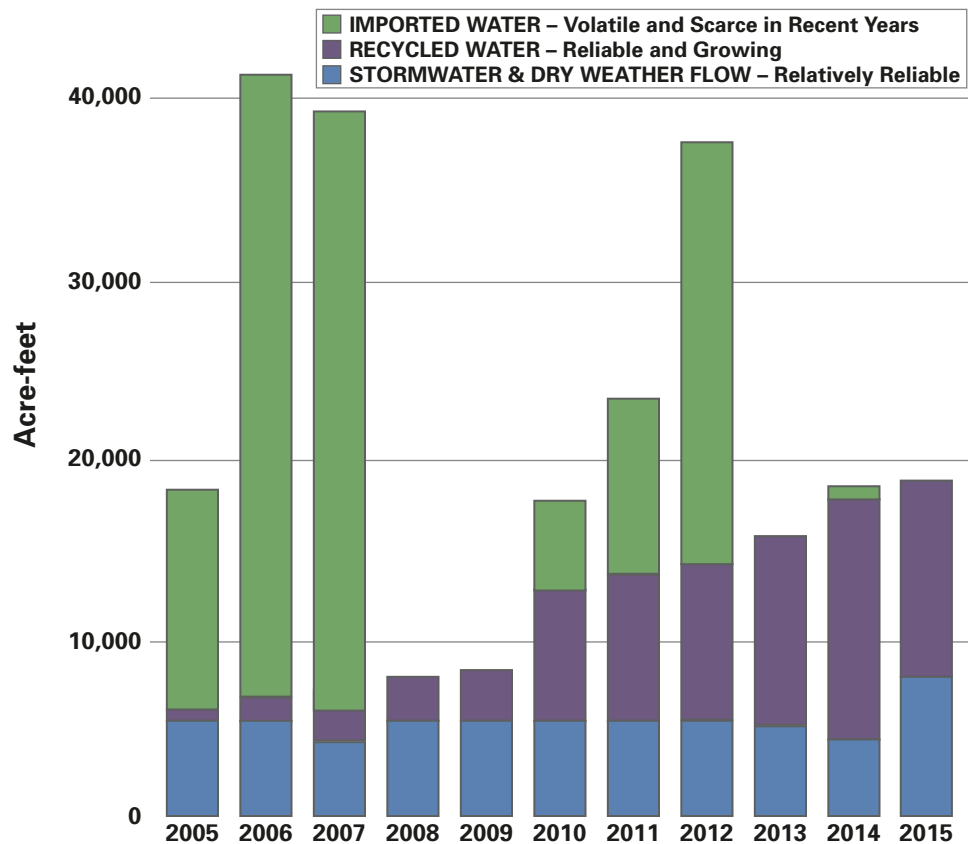


2013 RMPU PROJECTS

Watermaster and IEUA developed a Master Agreement for Collaborative Recharge Projects to facilitate the fast-paced 2013 RMPU Schedule. This contains a priority list based on funding and other factors. The six-year timeframe for completion of the recommended projects roughly coincides with the five-year timeframe for the next update or amendment to the 2013 RMPU.

PARTIES TO THE JUDGMENT COMMITTED TO INVESTIGATING 2013 RMPU PROJECTS COSTING MORE THAN \$50 MILLION IN ORDER TO ENHANCE RECHARGE IN THE BASIN.

Types of Water Recharged in the Chino Basin



This graph shows the amount of imported water, recycled water and stormwater/dry weather flow recharged each year since 2005. Note the reliability and growing importance of recycled water over time. This year, recycled water recharge was carried out in nine basins, stormwater was recharged in 16 basins, and no imported water was recharged.

INCREASED STAKEHOLDER ENGAGEMENT EMERGES FROM RECHARGE PROGRAM CONT.



San Sevaine

The nine projects below are collectively called the 2013 RMPU Amendment Yield Enhancement Projects and Watermaster's share is over \$44 million. The potential yield is up to about 5,500 acre-feet per year of new stormwater recharge and about 7,100 acre-feet per year of recycled water recharge.

The San Sevaine and Lower Day projects were fast tracked due to successful grant applications.



Turner panel

San Sevaine Improvements. Installing pumps to maximize infiltration and recharge capacity will add 642 acre-feet per year of stormwater and 4,100 acre-feet per year of recycled water recharge capacity.

Lower Day RMPU Improvements Under Development. Modifying an existing intake structure by installing gates that will monitor and self-adjust to maintain a programmed water level or rate of discharge will add 789 acre-feet per year of stormwater recharge.

The following seven projects below are all initiated and are undergoing the preliminary design and environmental documentation phases of project planning to facilitate final project selection.



Lower Day

CSI Stormwater Basin. Deepening an existing recharge facility by removing 36,000 cubic yards of soil will add 81 acre-feet per year of stormwater recharge.

Improvements Connecting Wineville, Jurupa and RP3. Improving storage capacity in Wineville Basin, increasing diversion of stormwater from San Sevaine Channel into Jurupa Basin, adding a new recharge cell to RP3, and improving storage and recharge capacity with pumps and conveyance systems between these basins will yield 3,166 acre-feet per year of stormwater and 2,905 acre-feet per year of recycled water recharge.



Ely

Victoria Basin. Increasing storage capacity by abandoning the mid-level outlet in the basin will provide 43 acre-feet per year of stormwater recharge and 120 acre-feet per year of recycled water recharge.

Turner Basin. Increasing storage and recharge by raising the spillway height of Turner 2 basin by five feet will yield 66 acre-feet per year of stormwater recharge.

Ely Basin. Improving storage and recharge by removing 470,000 cubic yards of soil will add 221 acre-feet per year of stormwater recharge.



cb-20

Montclair Basins. Increasing capacity to divert stormwater from San Antonio Channel by adding drop inlets into Montclair #2 and Montclair #3 will yield 48 acre-feet per year of stormwater recharge.

Declez Basin. Increasing storage capacity by gating the low-level outlet and reconstructing the embankment in the basin will provide 241 acre-feet per year of stormwater recharge.

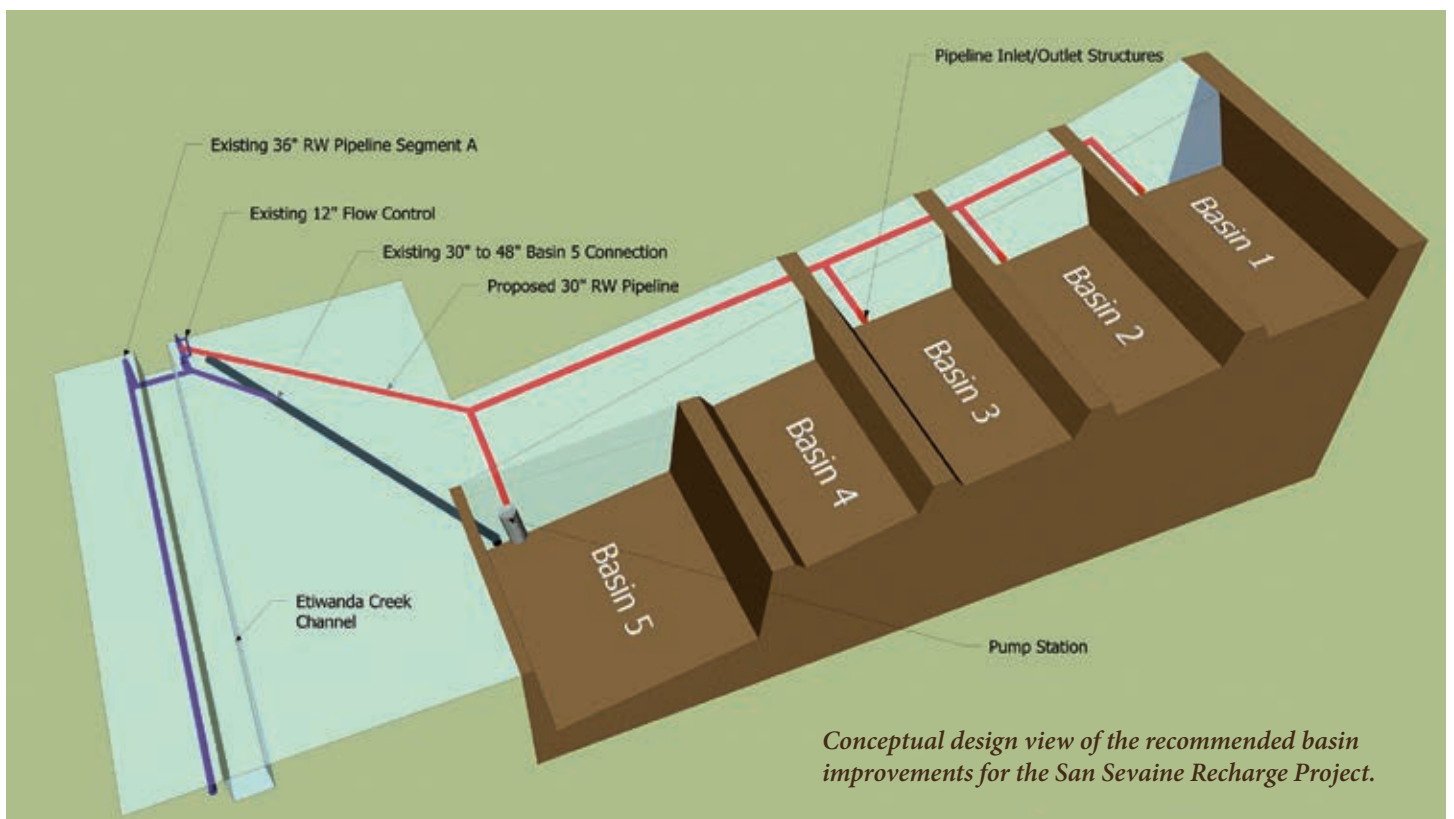
Proposed location of the East Declez Recharge Project.



OTHER RECHARGE PROJECTS

East Declez Basin Improvements. This is a new project under preliminary investigation that was initiated through the RIPCOM. The project would expand the Declez recharge facilities to include an additional recharge basin, potentially adding 913 acre-feet per year of recharge capacity. It would involve, among other actions, moving over 1 million cubic yards of soil, installing over a mile of new pipeline, and constructing a new spillway and outlet.

CURRENT TOTAL SUPPLEMENTAL WATER RECHARGE CAPACITY IS A MAXIMUM OF 106,200 ACRE-FEET PER YEAR, PROVIDING SURPLUS SUPPLEMENTAL RECHARGE CAPACITY. THIS ENABLES WATERMASTER TO RECHARGE LARGE VOLUMES OF WATER WHEN IT IS AVAILABLE DURING WET YEARS, TO IMPLEMENT STORAGE PROGRAMS FOR REGIONAL SUPPLY RELIABILITY AND DROUGHT RESILIENCY, AND TO PROVIDE REDUNDANCY IF SOME FACILITIES BECOME INOPERABLE.



Conceptual design view of the recommended basin improvements for the San Sevaine Recharge Project.

DESALTER EXPANSION TO ACHIEVE MULTIPLE BENEFITS

Hydraulic Control involves the controlled drawdown of groundwater levels so that poor-quality groundwater does not leak out into the Santa Ana River. It is achieved by pumping groundwater in the southern part of the Chino Basin. Due to the high salinity of the water, the groundwater pumped to achieve hydraulic control must be treated at the Chino Basin Desalters. This year, Watermaster updated its desalter and hydraulic control planning in collaboration with involved agencies and regulators in order to construct additional wells and expand the desalter treatment capacity to achieve multiple benefits.

COLLABORATIVE CHINO DESALTER PLAN SUBMITTED TO REGULATORS

The Maximum Benefit Program Work Plan, developed by Watermaster, and approved in January 2014 by the Regional Water Quality Control Board (RWQCB), describes the monitoring plans and model analyses that will be performed to demonstrate that hydraulic control is being achieved. Modeling has shown that hydraulic control will be achieved under planned production at the Chino-I and Chino-II well fields, and the Chino Creek Well Field (CCWF) wells once they are completed. A total of about 32,000 acre-feet of water per year will be produced at all three well fields.

Watermaster and IEUA Submit Plan for Well Construction. Subsequently, the RWQCB requested a plan and schedule to describe how Watermaster will increase production capacity at the Desalter well fields from 32,000 to 40,000 acre-feet per year, as described in the OBMP and Peace II Agreement. IEUA and Watermaster submitted a plan and schedule to RWQCB on June 30, 2015, documenting the location of three new wells that will be constructed to achieve the target production.

Desalter Expansion to Incorporate Cleanup of South Archibald Plume. IEUA and the cities of Ontario and Upland worked closely with the Chino Desalter Authority (CDA) to develop a collaborative proposal for the construction and operation of the Chino-II expansion to remediate groundwater contamination and meet the Watermaster and IEUA requirement to maintain hydraulic control. The plan, called the Joint Facility Development Agreement, was approved by the parties on June 17, 2015.

Watermaster Demonstrated That the Approved Plan Could Be Modified to Provide Additional Benefits. The Joint Facility Development Agreement project includes the construction and operation of three new desalter wells (the same three wells required to meet the hydraulic control production target). The original desalter expansion plan included a specific area where desalter wells must be installed to achieve hydraulic control. However, to accomplish the goal of incorporating plume remediation into the plan, some of the wells would need to be constructed outside of the defined area. Through technical demonstrations and collaboration with the RWQCB, Watermaster demonstrated that the prior approved plan could be modified to accomplish the original goals, and provide the additional benefit of remediation of groundwater contaminants.

Substantial Construction Progress on New Desalter Wells. The CDA began equipping two of the new CCWF wells, 1-20 and 1-21, and construction is underway on two of the three wells required to achieve the desalter production target of 40,000 acre-feet per year (II-10 and II-11).



At work on a desalter well.

DESALTER OPERATION + RE-OPERATION RESULT IN HYDRAULIC CONTROL AND PROVIDE MANY WATER SUPPLY AND QUALITY BENEFITS

Desalter expansion in the southwestern portion of the Chino Basin and Re-Operation (controlled overdraft over the whole of the Chino Basin) are required to achieve hydraulic control. These actions result in extensive water supply, water quality and cost benefits.

PROTECTS SANTA ANA RIVER WATER QUALITY

To prevent high salinity groundwater from contaminating the Santa Ana River, groundwater is pumped from the southern portion of the Basin by the Chino Desalter wells.

ENABLES THE EXPANSION OF RECYCLED WATER REUSE

The achievement of hydraulic control, as part of the maximum benefit program, allows implementation of a large-scale recycled water program, which is key to water supply reliability, especially during droughts when imported water is limited or unavailable.

IMPROVES WATER QUALITY OF THE BASIN

A variety of groundwater contaminants, including salts and nutrients, are exported through the treatment process, leaving space for higher-quality groundwater to recharge.

INCREASES THE LOCAL WATER SUPPLY

The Desalters treat the high-salinity groundwater that would otherwise be unusable and make it available for local use.

HUNDREDS OF MILLIONS OF DOLLARS IN BENEFITS

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

MONITORING AND REPORTING IS FOUNDATION OF ALL CBWM ACTIVITIES

MONITORING IS START AND END POINT OF MOST PROGRAMS

It is no accident that Program Element #1 of the OBMP involves comprehensive Basin-wide monitoring and data collection. Monitoring and data collection were the first, and most critical, steps in initiating Watermaster's management activities.

BENEFITS OF MONITORING

Support Planning and Implementation. Monitoring helps our engineers and scientists to identify how projects should be designed and implemented to achieve the management goals of the parties.

Support Model Development. Data is regularly being used to improve the accuracy of the groundwater model so it can better match real-world conditions and project outcomes of management plans.

Monitor Success. During project implementation, monitoring tells us if we are successful or if additional work is needed.

MONITORING REFINED FOR COST EFFECTIVENESS

Only Monitor What is Necessary.

Initially, monitoring programs are designed to collect high-density and high-frequency data to ensure proper characterization of basin conditions. Over time, Watermaster refines and reduces monitoring to just the amount needed to answer the questions posed.

Avoid Duplication. Wherever possible, Watermaster seeks to maximize information from each monitoring station – for instance by collecting both water quality and supply information – and to collect data from cooperating agencies rather than duplicate their existing monitoring efforts.

Virtually every Watermaster program relies on the results of monitoring. The monitoring data are the foundation of every action: first to identify existing conditions, then to design programs, and finally to test the success of outcomes.

GROUNDWATER LEVEL MONITORING

The groundwater-level monitoring program supports many Watermaster functions, such as the periodic reassessment of Safe Yield, monitoring and management of land subsidence, assessment of hydraulic control, analysis of desalter pumping impacts at private wells, and the triennial re-computation of ambient water quality mandated by the Water Quality Control Plan for the Santa Ana Basin.

The groundwater-level monitoring program is composed of about 1,000 wells, with most being measured by well owners, and Watermaster collects this data at least semi-annually. At the remaining wells, water levels are measured by Watermaster staff by hand or by using pressure transducers with data loggers that record data every 15 minutes.



Meter and line replacement on an agricultural well in Chino Basin.

GROUNDWATER QUALITY MONITORING

The Basin-wide groundwater-quality monitoring program consists of about 900 wells under a variety of sub-programs, including the new Prado Basin Habitat Sustainability Program. Other water quality monitoring programs include:

Key-Well Water-Quality Monitoring Program. About 110 wells are sampled by Watermaster staff, primarily for the triennial re-computation of ambient water quality.

Maximum-Benefit Monitoring Program. Watermaster annually samples nine hydraulic control monitoring wells placed between the Desalter well fields and the Santa Ana River, and also samples four wells near the Santa Ana River to characterize the interaction between river water and groundwater.

Chino Basin Data Collection Program.

All groundwater quality data measured by others in the Basin are collected by Watermaster, including from municipal producers, IEUA, Department of Toxic Substances Control, County of San Bernardino and numerous private companies and governmental agencies.

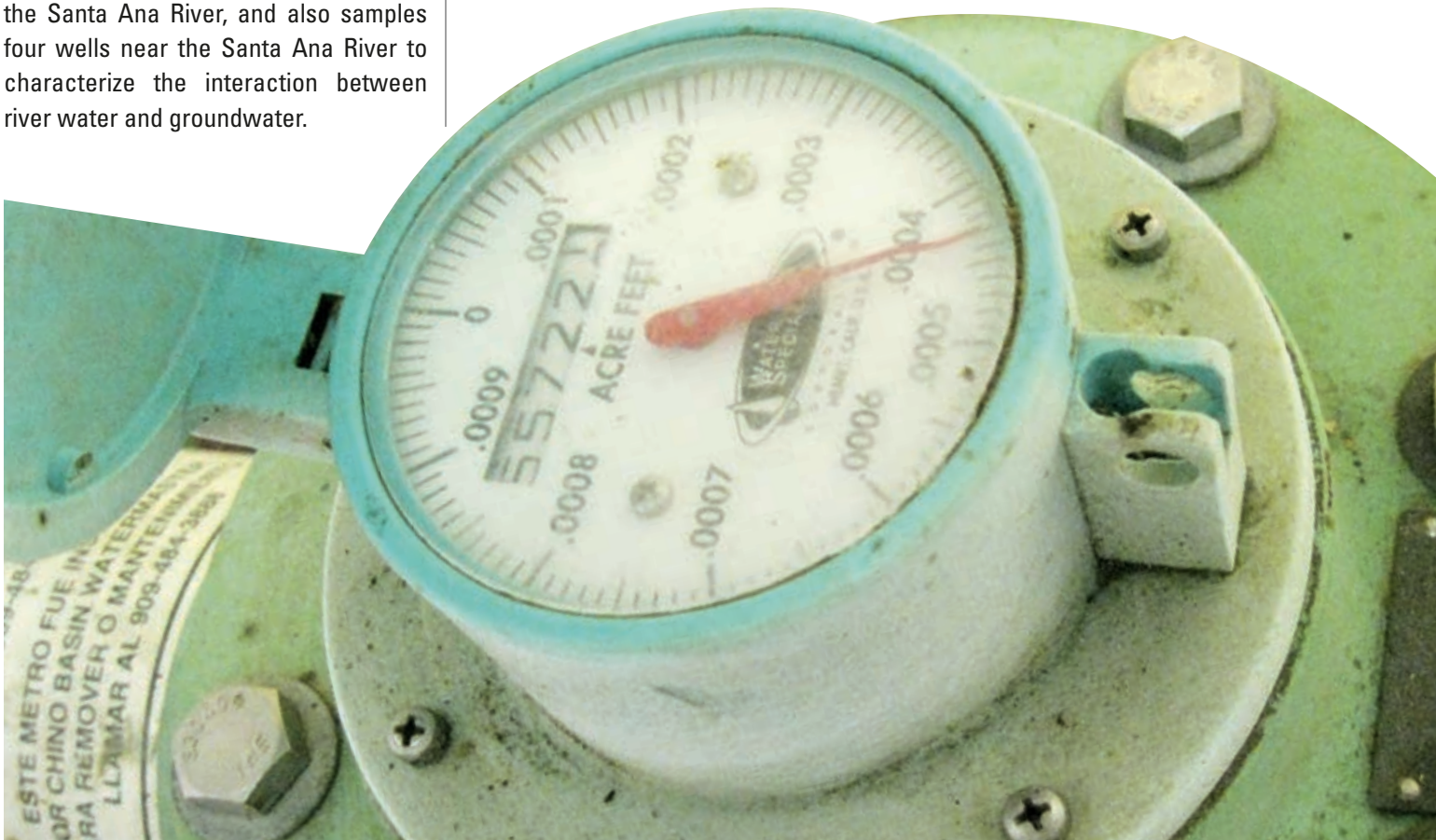
GROUNDWATER PRODUCTION MONITORING

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

SURFACE WATER MONITORING

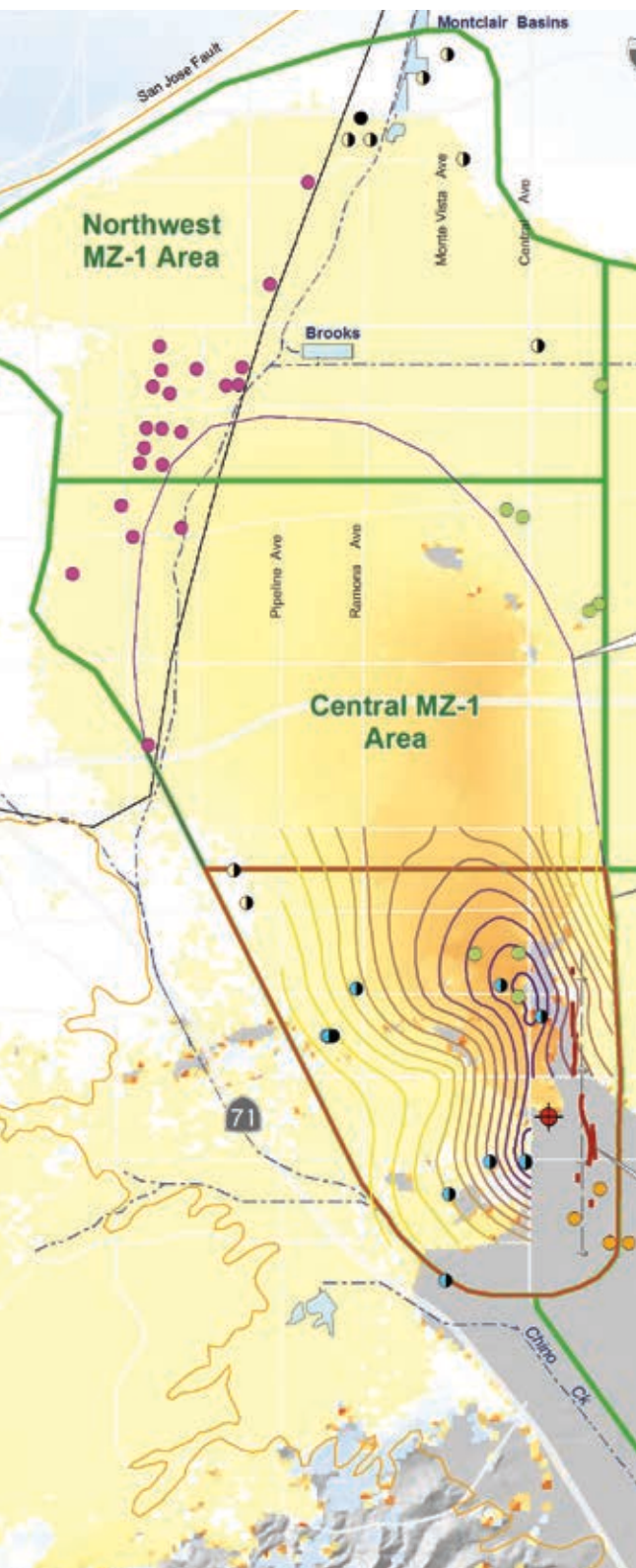
Recharge Basin Monitoring: Watermaster and IEUA use a variety of methods, including pressure transducers and staff gauges to measure and track the volume, type and quality of water delivered to recharge basins.

Santa Ana River Water Quality Sampling. To characterize surface water and groundwater interaction along the Santa Ana River, Watermaster collects water quality samples from two sites along the river that are compared to the groundwater samples collected at near-river wells.



Watermaster collects a wide variety of data, including from meters like the one shown above. The data is maintained in a relational database that can be accessed online to aid in the development of detailed maps, computer models, and for many other uses.

ENHANCING WATER QUALITY AND ENVIRONMENTAL PROTECTION



Watermaster is active in protecting groundwater quality, and monitoring and protecting against ground-level and environmental impacts from water supply activities across the Basin.

PROGRESS ON PRADO BASIN HABITAT SUSTAINABILITY PROGRAM

The Prado Basin Habitat Sustainability Program is an adaptive management program designed to ensure that the Prado Flood Control Basin (Prado Basin) riparian habitat will not incur significant adverse effects due to implementation of the Peace II Agreement. Watermaster worked with IEUA to acquire property, conduct site evaluation for biological and anthropological resources, and to design and construct 16 monitoring wells in southern Chino Basin and Prado Basin. The work was implemented under the supervision of the Prado Basin Habitat Sustainability Committee, which includes representatives from all interested parties.

GROUND-LEVEL MONITORING AND MANAGEMENT EXPANDED

The Ground-Level Monitoring Committee provides for direct interaction between Watermaster's technical experts and technical experts working for the parties. This expert collaboration has resulted in effective ground-level management solutions.

Historical over-pumping of groundwater in southwestern Chino Basin led to a type of permanent ground motion called differential land subsidence, which resulted in ground fissuring in an area called Management Zone-1 (MZ-1). Watermaster began ground-level investigations in 2001, and in 2007 adopted its first monitoring and management plan, the MZ-1 Subsidence Management Plan.

By 2014, monitoring data indicated that land subsidence in the southern MZ-1 area was being effectively managed. However, ongoing land subsidence in the northwest portion of MZ-1 was identified as a concern that should be addressed by Watermaster. Currently, Watermaster is implementing a multi-year work plan to develop a Subsidence Management Plan for the northwest portion of MZ-1.

WATERMASTER SUPPORTS GROUNDWATER CLEANUP IN THE BASIN BY UTILIZING ITS GROUNDWATER DATA AND MODELING CAPABILITIES TO REVIEW OPTIONS AND HELP BRING STAKEHOLDERS TOGETHER TO DEVELOP CLEANUP SOLUTIONS.

View of a contour map depicting the decrease in ground-level elevation in southwest MZ-1 from 1987 to 1999. Ground level changes have been stabilized in recent years.

JUDGMENT AND ADMINISTRATION

Watermaster is constantly seeking creative solutions to complex problems and then assisting its members to develop and implement mutually beneficial solutions. Some examples of such beneficial solutions are summarized below.

2,300 ACRE-FEET OF “EXHIBIT G” WATER SOLD

The Judgment does not normally allow for water to be transferred from parties in one Pool to another. However, to improve flexibility, the Parties agreed to implement a provision called the “Exhibit G” process that allows Non-Agricultural Pool parties to sell their surplus water supplies to the Appropriators. This year, 2,300 acre-feet were made available for sale, and all of it was purchased.

TRANSFERS – A UNIQUE BENEFIT FOR ALL STAKEHOLDERS

In Chino Basin, like many adjudicated basins, if a party over-produces (uses more than their water right), it is required to purchase water for replenishment, typically imported water, which is costly and can be difficult to acquire during droughts. Watermaster provides a seamless mechanism for allowing Appropriative Pool parties that produce less water than their right to transfer water to those who need it while earning revenue. For those who overproduce, transfers provide a source of water at a lower price than imported water. By limiting the purchase of imported water, transfers also support the controlled overdraft of the Basin (Re-Operation), thereby helping achieve hydraulic control, which is critical to Basin management and benefits all Basin stakeholders.

VOLUNTARY AGREEMENTS

Voluntary Agreements between the Appropriative and Agricultural Pools allow for a transfer of water rights from the Agricultural Pool Parties to the Appropriative Pool Parties when they are delivered water for use in place of producing groundwater. In an effort to improve transparency and improve the documentation of the agreements and the water transfers that results, the Parties collaborated together to update Form 9, which is submitted to the Watermaster for each voluntary agreement.

ENGAGING IN STATEWIDE WATER PLANNING

CBWM General Manager Peter Kavounas was appointed to the Association of California Water Agencies (ACWA) Water Storage Policy Task Force and was also asked to participate in the California Department of Water Resources Technical Advisory Panel on the Sustainable Groundwater Management Act (SGMA).

INTERIM ORGANIZATION PERFORMANCE REPORTS

Twice a year, the General Manager presents and reviews the CBWM business plan and timeline. It includes specific goals used for the GM performance evaluation, updates the Board on General Manager activities, describes other activities of Watermaster, as well as work underway or completed by staff.



One of many forums for stakeholders to engage in decision-making related to Watermaster’s numerous water supply and quality programs.

Watermaster Board

Agricultural Pool Representatives

REPRESENTATIVE	MEMBER ENTITY
Paul Hofer , Vice-Chair	Crops
Alternates: Jeff Pierson/Robert Feenstra	Crops/Dairy
Geoffrey Vanden Heuvel	Dairy
Alternates: Robert Feenstra/Jeff Pierson	Dairy/Crops

Non-Agricultural Pool Representatives

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

Appropriative Pool Representatives

REPRESENTATIVE	MEMBER ENTITY
Mark Kinsey	Monte Vista Water District
Alternate: Manny Martinez	
Jim W. Bowman	Ontario, City of
Alternate: Paul S. Leon	
J. Arnold Rodriguez , Secretary/Treasurer	
Alternate: Vicki Rupe	Santa Ana River Water Company ^a

Municipal Water District Representatives

REPRESENTATIVE	MEMBER ENTITY
Steve Elie , 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
Danielle Maurizio , PE	Assistant General Manager
Joseph Joswiak , MBA	Chief Financial Officer
Anna Truong , CAP-OM	Executive Assistant
Frank Yoo	GIS & Database Specialist
Justin Nakano	Environmental Specialist
William McLaughlin , (Jan-Aug)	Field Operations Specialist
Janine Wilson , CAP-OM	Senior Accountant
Bianca Ruiz	Office Specialist

Advisory Committee

Agricultural Pool Representatives

REPRESENTATIVE	MEMBER ENTITY
Carol Boyd	State of California-CIM
Nathan deBoom	Dairy
Lawrence Dimock	State of California-CIM
Glen Durrington	Crops
Robert Feenstra	Dairy
Pete Hall	State of California-CIM
John Huitsing	Dairy
Gene Koopman	Dairy
Jeff Pierson , Chair	Crops
Bob Page	San Bernardino County
Rob Vanden Heuvel	Alternate for any Ag Pool Representative

Non-Agricultural Pool Representatives

REPRESENTATIVE	MEMBER ENTITY
Brian Geye , 2nd Vice-Chair	California Speedway Corp. (Auto Club Speedway)
Ken Jeske	California Steel Industries, Inc. (CSI)
Alternate: Ramsey Haddad	
Tom O'Neill	Ontario, City of (Non-Ag)
Alternate: Michael Sigsbee	

Appropriative Pool Representatives

REPRESENTATIVE	MEMBER ENTITY
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	
Cris Fealy	Fontana Union Water Company ^c
Alternate: Josh Swift	
Josh Swift	Fontana Water Company ^c
Alternate: Sheri Rojo	
Todd Corbin , Vice-Chair	Jurupa Community Services District
Van Jew	Monte Vista Irrigation Company ^a
Alternate: Justin Scott-Coe	
Justin Scott-Coe	Monte Vista Water District
Alternate: Van Jew	
Scott Burton	Ontario, City of
Alternate: Ryan Shaw	
Darron Poulsen	Pomona, City of ^e
Alternate: Raul Garibay	
Teri Layton	San Antonio Water Company ^a
Alternate: Charles Moorrees	
Rosemary Hoerning	Upland, City of
Alternate: Rod Butler	

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.

Agricultural Pool Committee

REPRESENTATIVE	MEMBER ENTITY
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
Lawrence Dimock	State of California-CIM
Bob Page	San Bernardino County

ALTERNATE REPRESENTATIVE	MEMBER ENTITY
Henry DeHaan	Dairy
Dan Hostetler	Crops
Helen Arens	State of California
David Huskey	State of California
Julie Cavender	State of California-CIM
Marilyn Levin	State of California-DOJ

Non-Agricultural Pool Committee

REPRESENTATIVE	MEMBER ENTITY
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)
—	California Speedway Corp. (Auto Club Speedway)
Brian Geye , Chair	California Steel Industries, Inc. (CSI)
Alternate: Ray Wilkings	
Ken Jeske	
Alternate: Ramsey Haddad	
Bob Bowcock , Vice-Chair	Calmat Co., a Div. of Vulcan Materials Co.
Alternate: Kevin Sage	
Lisa Hamilton	General Electric Co. (GE)
Alternate: Roger Florio	
Mark Kinsey	Monte Vista Water District ^d
Alternate: Van Jew	
Richard Darnell	NRG ^b
Alternate: Charles Linder	
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
Bob Page	San Bernardino County
Jorge Rosa, Jr.	Southern California Edison Co. (SCE)
Tom Cruikshank	Space Center Mira Loma, Inc.
Alternate: Patty Jett	
David Starnes	Swan Lake Mobile Home Park
Alternate: Michael Adler	
Jesse White	TAMCO
Alternate: Giannina Espinoza	West Venture Development Co.
—	

Appropriative Pool Committee

REPRESENTATIVE	MEMBER ENTITY
Kevin Sage	Nestlé Waters North America
Alternate: Bob Bowcock	Arrowhead Mountain Spring Water Co.
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	Cucamonga Valley Water District
Alternate: Jo Lynne Russo-Pereyra	
Alternate: John Bosler	
Chuck Hays	Fontana, City of ^a
Alternate: Dan Chadwick	
Cris Fealy	Fontana Union Water Company ^c
Alternate: Josh Swift	
Josh Swift	Fontana Water Company ^c
Alternate: Sheri Rojo	
Ben Lewis	Golden State Water Company ^a
Todd Corbin	Jurupa Community Services District
Alternate: Robert Tock	
Justin Brokaw	Marygold Mutual Water Company ^a
Van Jew	Monte Vista Irrigation Company ^a
Alternate: Justin Scott-Coe	
Justin Scott-Coe	Monte Vista Water District ^d
Alternate: Van Jew	
Geoff Kamansky	Niagara Bottling, LLC ^a
Alternate: Pamela Anderson Cridlebaugh	
Josh Swift	Nicholson Trust ^a
Alternate: Cris Fealy	
Bill Thompson	Norco, City of ^a
Alternate: Lori Askew	
Scott Burton	Ontario, City of
Alternate: Ryan Shaw	
Darron Poulsen , Vice-Chair	Pomona, City of ^e
Alternate: Raul Garibay	
Teri Layton	San Antonio Water Company ^a
Alternate: Charles Moorrees	
Bob Page	San Bernardino County ^a
John Lopez	Santa Ana River Water Company ^a
Alternate: Nathan Cole	
Rosemary Hoerning , Chair	Upland, City of
Alternate: Rod Butler	
Rosemary Hoerning	West End Consolidated Water Co. ^a
Alternate: Tom Thomas	
Thomas Crowley	West Valley Water District ^a
Alternate: A.W. "Butch" Araiza	

^a Minor Producer

^b Mr. Darnell and Mr. Linder were members of the Non-Ag Pool Committee, until May and April 2015 respectively.

^c Seth Zielke left in July 2015 and Cris Fealy took his seat on FUWC. Alternates were Robert Young and Josh Swift until June 2015. Robert Young left in June 2015 and Josh Swift took his seat on FWC. Alternates were Seth Zielke and Josh Swift until June 2015.

^d Intervention approved by the Court in August 2015.

^e Rene Salas was alternate representative until Sept. 2015.

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**COURT HEARINGS AND ORDERS
FISCAL YEAR 2014-2015**

During the fiscal year 2014-15, several hearings were held relating to administration of the Judgment and implementation of the Optimum Basin Management Program (OBMP). Hearings and orders were as follows:

Hearing Date	Primary Subject Matter
December 12, 2014	<ul style="list-style-type: none">• Order on Court Approval of Temporary Substitute Rate for Physical Solution Transfers Under Exhibit "G" to the Judgment
August 22, 2014	<ul style="list-style-type: none">• Order Approving Amendments to Restated Judgment and Rules and Regulations Regarding Compensation of Watermaster Board Members
July 14, 2014	<ul style="list-style-type: none">• Notice of Ruling Re Overlying (Non-Agricultural) Pool Committee's Motion Regarding Amendment to the Judgment Relating to Quorum and Voting of the Non-Agricultural (Overlying) Pool Committee

RESOLUTIONS CALENDAR YEAR 2015

Resolution	Adopted	Summary of Resolution
2015-08	November 19, 2015	<p><i>Interim Assessments for Fiscal Year 2015-2016</i></p> <ul style="list-style-type: none"> • The Chino Basin Watermaster levies the respective assessments for each pool effective November 19, 2015 as shown on Exhibit "A" attached hereto. • That pursuant to the Judgment, each party has thirty-days from the date of invoice to remit the amount of payment for assessments due. After that date, interest will accrue on that portion which was due as provided for in Section 55 (c) of the Restated Judgment.
2015-07	October 22, 2015	<p><i>Amending and Restating the Qualified Retirement Plan</i></p> <ul style="list-style-type: none"> • The Employer hereby amends and restates the Plan (as defined above) in the form of: The ICMA Retirement Corporation Governmental Money Purchase Plan & Trust; and • That the assets of the Plan shall continue to be held in trust, with the Employer serving as trustee ("Trustee"), for the exclusive benefit of Plan participants and their beneficiaries, and the assets shall not be diverted to any other purpose. The Trustee's beneficial ownership of Plan assets held in Vantage Trust shall be held for the further exclusive benefit of the Plan participants and their beneficiaries; and • That the Employer hereby agrees to continue to serve as Trustee under the Plan; and • That each of the officers of the Employer is hereby authorized to take all actions appropriate and desirable to implement the amendment and restatement of the Plan by the April 30, 2016 deadline, including but not limited to reviewing and revising the adoption agreement related to the Plan restatement in order to ensure that the adoption agreement reflects the current provisions of the Plan and administrative practice; signing the adoption agreement and other related Plan documents; and communicating the terms of the Plan restatement to participants and third party service providers; and • The appropriate officers of the Employer be and each of them hereby are authorized and directed to take any action and execute any documents necessary or appropriate to effectuate the foregoing resolutions.
2015-06	September 24, 2015	<p><i>Regarding 2015 Safe Yield Reset Agreement</i></p> <ul style="list-style-type: none"> • Watermaster endorses the 2015 Safe Yield Reset Agreement as consistent with Article X, section 2 of the California Constitution, the Judgment, and the Court-Approved Management Agreements. • Consistent with the Proposed Order, Watermaster will comply with the provisions of the 2015 Safe Yield Reset Agreement. • The Watermaster Board will transmit this Resolution 2015-06, the 2015 Safe Yield Reset Agreement, and the referenced Attachments to the Court, and, in accordance with the requests by the parties thereto, the advice and counsel of the Pools, and the Advisory Committee, Watermaster recommends that the Court approve the proposed Judgment Amendment and to further order that Watermaster proceed to further comply with the 2015 Safe Yield Reset Agreement. • The Watermaster Board directs Watermaster legal counsel to prepare and file a motion with the Court pursuant to paragraph 4, above.
2015-05	August 27, 2015	<p><i>Supporting the nomination of Kathleen Tiegs</i></p> <ul style="list-style-type: none"> • The Chino Basin Watermaster Board of Directors hereby places its full and unreserved support of the nomination of Cucamonga Valley Water District Director Kathleen Tiegs as President of the Association of California Water Agencies for the 2016-2017 term.

RESOLUTIONS CALENDAR YEAR 2015

Resolution	Adopted	Summary of Resolution
2015-04	March 26, 2015	<p><i>Authorizing Bob Kuhn to Vote on Behalf of Watermaster</i></p> <ul style="list-style-type: none"> • Watermaster Board of Directors authorizes Bob Kuhn to use his discretion and vote at the May 4, 2015 ACWA/JPIA Executive Committee election on behalf of Watermaster.
2015-03	June 25, 2015	<p><i>Establishing the Watermaster 457(f) Deferred Compensation Plan</i></p> <ul style="list-style-type: none"> • The form, terms and provisions of the Chino Basin Watermaster 457(f) Plan (the "457(f) Plan") hereby are, authorized, adopted and approved effective as of June 25, 2015, in substantially the form attached hereto as Appendix A with such changes as may be recommended by counsel; and • Peter Kavounas hereby is selected as a participant in the 457(f) Plan; and • the Chief Financial Officer of the Watermaster (the "CFO") hereby is authorized and directed to execute the 457(f) Plan with respect to Peter Kavounas on behalf of the Watermaster; and • In accordance with Section 2.4 of the 457(f) Plan and until changed by this Board, the Watermaster shall be responsible for the expenses related to the administration of the 457(f) Plan.
2015-02	January 22, 2015	<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.
2015-01	January 22, 2015	<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 2014-01 is rescinded in its entirety.

HISTORY OF INTERVENTIONS AFTER JUDGMENT

Production Year ¹	Appropriative	Non-Agricultural	Agricultural
14-15			
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 22nd day of January 2015, 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/ Steve Elie

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, 2015)**

<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 (47.549AF OSY) and Mutual Water Company of Glen Avon Heights in 1997 (467.974 AF OSY).

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

^F WSBCWD changed its name to WVWD in 2003.

^G In FY 01-02, 5.000 AF OSY was reassigned: 1.000 AF to FWC and 4.000 AF to the Nicholson Trust.

^H FWC intervened in 1989 and was assigned 1.000 AF OSY as a result of a permanent transfer of water rights from FUWC.

^I Los Serranos intervened into the Appropriative Pool in 1990 with 0.000 AF OSY, 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, 2015)

<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.

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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
14-15	26,768	N/A	27,511	54,279

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).

**HISTORY OF TOTAL ANNUAL GROUNDWATER PRODUCTION
FROM THE CHINO BASIN
(ACRE-FEET)**

Production Year	Appropriative Pool ¹³	Agricultural Pool ¹³	Non-Agricultural Pool ¹³	Chino Basin Desalters ¹⁴	Department of Toxic Substances Control ¹⁵	Total Production
77-78	62,393	86,407	10,040 ¹	-	-	158,840
78-79	61,350	74,421	7,208	-	-	142,979
79-80	65,343	69,127	7,490	-	-	141,960
80-81	71,413	66,847	5,724	-	-	143,985
81-82	66,814	63,061	5,749	-	-	135,624
82-83	63,556	56,128	2,394	-	-	122,078
83-84	70,544	58,591	3,207	-	-	132,342
84-85	76,903	53,521	2,414	-	-	132,838
85-86	80,885	49,932	3,192	-	-	134,009
86-87	84,662	57,080	2,622	-	-	144,365
87-88	91,579 ²	55,023	2,957	-	-	149,559
88-89	93,617 ³	44,609	3,618	-	-	141,844
89-90	101,344 ⁴	46,381	4,856	-	-	152,581
90-91	86,513 ⁵	46,293	5,407	-	-	138,213
91-92	91,736 ⁶	42,681	4,850	-	-	139,266
92-93	86,584 ⁷	44,300	5,226	-	-	136,110
93-94	80,934 ⁸	44,492	4,322	-	45	129,793
94-95	93,608 ⁹	55,415	4,091	-	45	153,159
95-96	103,729 ¹⁰	43,635	3,240	-	60	150,664
96-97	112,205	44,921	3,779	-	76	160,981
97-98	99,810 ¹¹	43,369	3,274 ¹²	-	83	146,535
98-99	111,048	47,791	3,734	-	81	162,654
99-00	128,892	44,241	5,605	-	82	178,820
00-01	116,204	39,280	5,991	7,989	100	169,565
01-02	123,531	38,194	4,150	9,458	81	175,414
02-03	121,748	35,167	3,979	10,439	79	171,412
03-04	125,320	38,190	2,057	10,605	79	176,251
04-05	118,030	31,502	2,246	9,854	81	161,712
05-06	107,249	30,250	2,641	16,542	80	156,761
06-07	119,438	29,649	3,251	27,077	79	179,494
07-08	120,650	23,530	3,421	30,121	81	177,804
08-09	134,119	23,268	2,420	29,012	83	188,901
09-10	117,299	21,034	2,039	28,857	85	169,314
10-11	99,171	21,016	1,986	29,043	87	151,304
11-12	93,613	22,394	3,162	28,411	89	147,668
12-13	109,292	23,937	3,685	27,098	87	164,100
13-14	113,974	22,054	3,834	29,282	85	169,229
14-15	97,840	17,352	3,371	29,990	84	148,636

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

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

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

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

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

¹¹ Does not include 4,275.4 AF exchanged with MWDSC.

¹³ Represents total physical production by Pools, not assessed production.

¹⁴ Production by the Chino Basin Desalters is not considered assessable production; Desalter replenishment obligation accounting is shown in the Assessment Pkg.

¹⁵ Production by DTSC is accounted separately, by agreement, such that the production is not assessed by Watermaster.

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

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

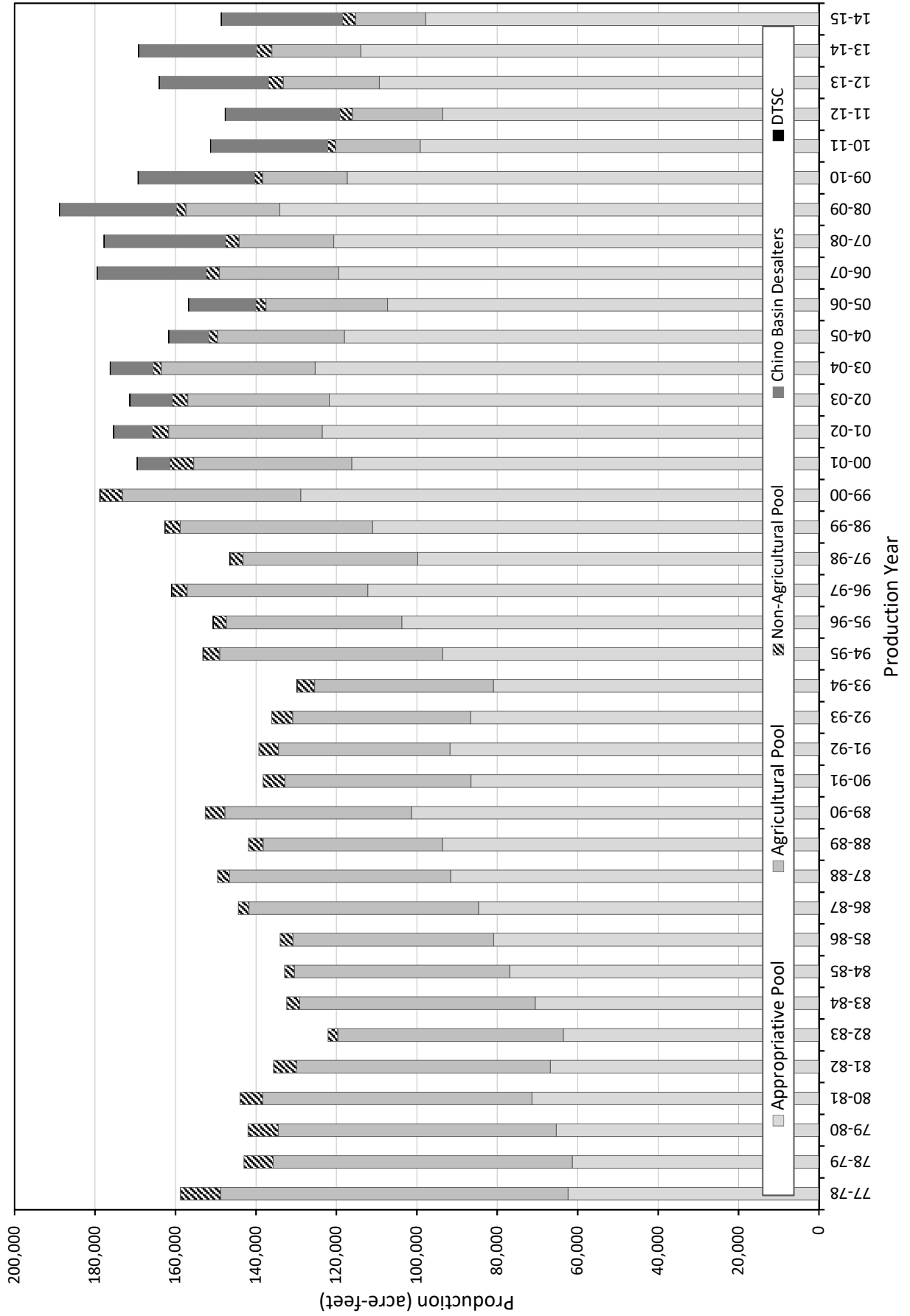
⁶ Does not include 12,202.4 AF exchanged with MWDSC.

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

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

¹² Does not include 216.5 AF exchanged with MWDSC.

HISTORY OF TOTAL ANNUAL GROUNDWATER PRODUCTION FROM THE CHINO BASIN (ACRE-FEET)



**SUMMARY OF SUPPLEMENTAL SUPPLIES
USED BY THE CHINO BASIN PARTIES¹
FISCAL YEAR 2014-15
(ACRE-FEET)**

Parties	Other Groundwater Basins	Surface Diversions	Imported Water Deliveries				Recycled Water ²	Total
			SBVMWD	MWDSC				
				IEUA	TVMWD	WMWD		
Chino, City of	-	-	-	2,830	-	-	8,324	11,154
Chino Hills, City of	-	-	-	2,494	-	-	1,827	4,321
Cucamonga Valley Water District ³	10,631	1,076	-	21,306	-	-	1,401	34,413
Inland Empire Utilities Agency	-	-	-	-	-	-	841	841
Fontana Water Company ⁴	14,500	1,969	-	9,994	-	-	-	26,462
Golden State Water Company ⁵	4,401	-	-	-	4,425	-	-	8,826
Jurupa Community Services District ⁶	2,634	-	-	-	-	-	-	2,634
Marygold Mutual Water Company	-	-	-	-	-	-	-	-
Monte Vista Water District	-	-	-	4,530	-	-	308	4,838
Norco, City of ⁷	5,998	-	-	-	-	100	-	6,098
Ontario, City of	-	-	-	10,703	-	-	8,018	18,721
Pomona, City of ⁸	3,461	1,096	-	-	4,062	-	1,606	10,225
San Antonio Water Company ⁹	5,947	1,757	-	-	-	-	-	7,704
San Bernardino, County of	-	-	-	-	-	-	1,371	1,371
Santa Ana River Water Company ¹⁰	96	-	-	-	-	-	-	96
State of California, CIM ¹¹	-	-	-	-	-	-	1,206	1,206
Upland, City of ¹²	1,291	-	-	7,047	-	-	636	8,975
West End Consolidated Water Company	2,139	-	-	-	-	-	-	2,139
West Valley Water District ¹³	10,394	433	1,625	-	-	-	-	12,452
Total	61,491	6,331	1,625	58,905	8,488	100	25,537	162,477

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

⁴ Other groundwater is produced from Colton/Rialto, Lytle, and "unnamed" Basins. Surface water diversions are from Lytle Creek.

⁵ Other groundwater is produced from Six Basins.

⁶ Other groundwater is produced from Riverside Basin and Temescal.

⁷ Other groundwater is produced from Arlington and Temescal Basins and the portion of the hydrologic Chino Basin that is outside the adjudicated boundary.

⁸ 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.

⁹ Other groundwater is produced from Six Basins, San Antonio Tunnel and Cucamonga Basin. Surface water diversions are from San Antonio Creek. Supplemental Supplies include 5,487.7 acre-ft of water sales to the City of Upland.

¹⁰ Other groundwater is produced from the portion of the hydrologic Chino Basin that is outside the adjudicated boundary.

¹¹ Recycled water is treated by CIM and reused on location for irrigation purposes.

¹² Other groundwater is produced from Six Basins. Value does not include supplies delivered by San Antonio Water Company or West End Consolidated Water Company.

¹³ Other groundwater is produced from Rialto and North Riverside basins. Surface water diversions are from Lytle Creek.

**SUMMARY OF MWDSC DELIVERIES¹
TO THE CHINO BASIN PARTIES
FISCAL YEAR 2014-15
(ACRE-FEET)**

(ACRE-FEET)¹

Month	Water Facilities Authority - CB-12					
	Upland	MVWD	Ontario	Chino	Chino Hills ²	Sub-Total
July	1,124	658	745	342	239	3,107
August	940	1,175	1,114	377	239	3,845
September	1,160	1,514	890	366	239	4,167
October	827	938	996	300	239	3,299
November	389	36	1,070	225	172	1,891
December	150	-	961	124	133	1,368
January	160	129	969	144	239	1,641
February	208	73	847	134	239	1,500
March	671	-	1,116	174	204	2,165
April	821	1	1,094	209	190	2,316
May	380	-	633	197	166	1,375
June	218	9	269	239	198	933
Total	7,047	4,530	10,703	2,830	2,494	27,606

Month	Reliant	Fontana Water Co.	Cucamonga Valley Water District			Three Valleys MWD to Pomona	Total
	CB-01	CB-19	CB-07	CB-16	Sub-Total		
July	-	611	222	2,816	3,038	771	7,527
August	-	1,189	162	2,645	2,807	676	8,516
September	-	1,129	-	2,254	2,254	577	8,127
October	-	1,166	-	2,194	2,194	507	7,166
November	-	875	-	2,040	2,040	262	5,068
December	-	302	-	1,024	1,024	39	2,733
January	-	-	-	811	811	97	2,548
February	-	443	-	1,044	1,044	135	3,122
March	-	921	-	1,347	1,347	161	4,594
April	-	1,201	5	2,063	2,068	338	5,924
May	-	1,214	41	1,387	1,428	191	4,208
June	-	942	26	1,227	1,253	308	3,436
Total	-	9,994	456	20,852	21,308	4,062	62,970

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.

**TOTAL WATER CONSUMPTION BY THE CHINO BASIN PARTIES¹
(ACRE-FEET)**

Year	Chino Basin Extractions ²	Supplemental Supplies ³	Total
77-78	158,840	61,567	220,407
78-79	142,979	75,864	218,843
79-80	141,960	70,727	212,687
80-81	143,985	77,765	221,750
81-82	135,624	67,491	203,115
82-83	122,078	76,000	198,078
83-84	132,342	99,257	231,599
84-85	132,838	92,952	225,790
85-86	134,009	114,624	248,633
86-87	144,365	126,493	270,858
87-88	149,559	116,175	265,734
88-89	141,844	128,167	270,011
89-90	152,581	139,004	291,585
90-91	138,213	116,493	254,706
91-92	139,266	104,480	243,746
92-93	136,110	117,205	253,315
93-94	129,793	136,038	265,831
94-95	153,159	116,797	269,956
95-96	150,664	130,494	281,158
96-97	160,981	115,031	276,012
97-98	146,535	106,360	252,895
98-99	162,654	113,040	275,694
99-00	178,820	129,208	308,028
00-01	169,565	128,596	298,161
01-02	175,414	140,907	316,321
02-03	171,412	134,154	305,566
03-04	176,251	143,989	320,240
04-05	161,712	145,644	307,356
05-06	156,761	171,896	328,658
06-07	179,494	176,807	356,301
07-08	177,804	162,465	340,269
08-09	188,901	131,819	320,720
09-10	169,314	144,354	313,667
10-11	151,304	154,760	306,064
11-12	147,668	171,808	319,476
12-13	164,100	154,870	318,970
13-14	169,229	183,699	352,928
14-15	148,636	162,477	311,113

¹The values reported herein are intended to 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. During the preparation of the FY14/15 Annual Report, it was determined that the collection and reporting of supplemental water supplies has been inconsistent over time, such that some parties reported estimates of water used within the boundary of Chino Basin and others provided the entire service area use, and some agencies varied their reporting methods over time. In many years, the reported data also excluded some Watermaster Parties. And, in some cases the supplemental supplies included recharge water volumes. The values reported for FY 14/15 are representative of total water consumption by the Chino Basin parties and thus are not directly comparable to values reported for prior years. Watermaster staff will be working with the Parties to update the historical information for consistency in future annual reports.

²Represents the total groundwater extraction values reported in Appendix G.

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

SUMMARY OF CONJUNCTIVE USE REPLENISHMENT, AND CYCLIC ACTIVITIES FISCAL YEAR 2014-15 (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)	-	-	-	-	-	-	-	-	-	-	-	-	-
Replenishment (and Preemptive Replenishment) Deliveries													
Watermaster Obligation = 1,234,827 AF +1,036,121 AF (CURO) = 2,270,948 AF													
Direct*	-	-	-	-	-	-	-	-	-	-	-	-	-
ASR (Monte Vista Water District)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-11 (Deer Creek)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-13 (San Sevaine)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-14 (Etiwanda)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-15 (Day Creek)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-18 (Etiwanda Inter-tie)	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-20 (West Cucamonga)	-	-	-	-	-	-	-	-	-	-	-	-	-
OC-59 (San Antonio)	-	-	-	-	-	-	-	-	-	-	-	-	-
In-Lieu	-	-	-	-	-	-	-	-	-	-	-	-	-
Service Connections	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-12	-	-	-	-	-	-	-	-	-	-	-	-	-
CB-16	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased from Parties	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased from Cyclic Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-Purchased Previous Year(s)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Replenishment	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: Dashed entries reflect zero acre-feet.

**SUMMARY OF STORMWATER, IMPORTED WATER,
AND RECYCLED WATER RECHARGE
FISCAL YEAR 2014-15
(ACRE-FEET)**

	JULY			AUGUST			SEPTEMBER			OCTOBER			NOVEMBER			DECEMBER		
	ST	IMP	RC	ST	IMP	RC	ST	IMP	RC	ST	IMP	RC	ST	IMP	RC	ST	IMP	RC
MZ 1																		
Aquifer Storage & Recovery (ASR)																		
MVWD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
San Antonio Channel																		
Upland	0	0	0	0	0	0	0	0	0	0	0	0	48	0	0	186	0	0
College Heights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montclair 1, 2 3 & 4	0	0	0	2	0	0	0	0	0	0	0	0	29	0	0	263	0	0
Brooks	0	0	72	0	0	141	1	0	157	0	0	56	28	0	37	95	0	0
West Cucamonga Channel																		
15th Street	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8th Street	25	0	8	15	0	8	14	0	32	0	0	0	140	0	0	199	0	0
7th Street	0	0	0	0	0	0	0	0	0	0	0	0	6	0	0	154	0	0
	25	0	80	17	0	149	15	0	189	0	0	56	251	0	37	897	0	0
MZ 2																		
Cucamonga /Deer Creek Channels																		
Turner 1 & 2	0	0	0	46	0	205	54	0	128	31	0	63	108	0	58	253	0	2
Turner 3 & 4	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	348	0	0
Day Creek Channel																		
Lower Day	0	0	0	4	0	0	1	0	0	0	0	0	25	0	0	241	0	0
Etiwanda Channel																		
Etiwanda Debris Basin	0	0	0	2	0	0	0	0	0	0	0	0	2	0	0	23	0	0
Victoria	2	0	91	5	0	107	2	0	155	3	0	75	57	0	4	153	0	0
Minor Drainage																		
Grove	2	0	0	4	0	0	5	0	0	9	0	0	53	0	0	202	0	0
San Sevaine Channel																		
San Sevaine 1, 2, 3 & 4	0	0	0	6	0	0	1	0	0	0	0	0	15	0	0	112	0	0
San Sevaine 5	0	0	0	0	0	0	0	0	1	0	0	0	3	0	0	135	0	0
West Cucamonga Channel																		
Ely 1, 2 & 3	16	0	101	16	0	8	15	0	121	16	0	286	170	0	70	392	0	5
West Fontana Channel																		
Hickory	0	0	118	0	0	82	0	0	236	0	0	226	0	0	272	185	0	46
	31	0	310	83	0	402	78	0	641	59	0	650	433	0	404	2,044	0	53
MZ 3																		
Day Creek Channel																		
Wineville	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Riverside	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DeClez Channel																		
DeClez	2	0	0	72	0	0	30	0	0	3	0	0	100	0	0	315	0	0
RP3 Cell 1, 3, & 4	6	0	184	18	0	192	24	0	243	16	0	335	100	0	250	373	0	6
RP3 Cell 2	3	0	0	5	0	0	16	0	0	9	0	0	12	0	0	46	0	0
Etiwanda Channel																		
Etiwanda Conservation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
San Sevaine Channel																		
Jurupa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Fontana Channel																		
Banana	0	0	0	0	0	82	0	0	72	0	0	206	7	0	173	145	0	67
	11	0	184	95	0	274	70	0	315	28	0	541	219	0	423	879	0	73
Fiscal Year Total																		
	67	0	574	195	0	825	163	0	1,145	87	0	1,247	903	0	864	3,820	0	126

ST = stormwater
 IMP = imported water
 RC = recycled water

JANUARY			FEBRUARY			MARCH			APRIL			MAY			JUNE			TOTAL			
ST	IMP	RC	ST	IMP	RC	ST	IMP	RC	ST	IMP	RC	ST	IMP	RC	ST	IMP	RC	ST	IMP	RC	ALL
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
28	0	0	29	0	0	14	0	0	0	0	0	20	0	0	0	0	0	325	0	0	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
67	0	0	19	0	0	8	0	0	1	0	0	21	0	0	0	0	0	410	0	0	
10	0	10	20	0	92	13	0	69	6	0	101	21	0	120	0	0	156	194	0	1,205	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
110	0	0	37	0	0	24	0	0	25	0	0	57	0	0	12	0	0	658	0	48	
0	0	0	5	0	0	18	0	0	0	0	0	0	0	0	0	0	0	183	0	0	
215	0	10	110	0	92	77	0	69	32	0	101	119	0	120	12	0	156	1,770	0	2,829	
117	0	0	93	0	60	47	0	143	0	0	0	0	0	0	0	0	0	749	0	659	
4	0	0	65	0	53	71	0	155	39	0	0	0	0	0	2	0	81	540	0	829	
40	0	0	17	0	0	0	0	0	3	0	0	10	0	0	0	0	0	341	0	0	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	27	0	0	
18	0	63	40	0	57	12	0	79	0	0	127	13	0	141	1	0	32	306	0	931	
33	0	0	29	0	0	29	0	0	68	0	0	47	0	0	0	0	0	481	0	0	
0	0	0	8	0	0	1	0	0	0	0	0	1	0	0	0	0	0	144	0	0	
0	0	0	31	0	0	1	0	0	0	0	0	16	0	0	0	0	0	186	0	1	
44	0	183	72	0	222	15	0	157	100	0	165	231	0	160	0	0	273	1,087	0	1,751	
8	0	194	47	0	180	0	0	115	0	0	229	3	0	139	0	0	197	243	0	2,034	
264	0	440	402	0	572	176	0	649	210	0	521	321	0	440	3	0	583	4,104	0	5,665	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
109	0	0	106	0	0	15	0	0	41	0	0	99	0	0	3	0	0	895	0	0	
17	0	29	74	0	243	62	0	325	41	0	282	112	0	348	9	0	531	852	0	2,968	
47	0	0	21	0	0	7	0	0	0	0	0	9	0	0	3	0	0	178	0	0	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24	0	144	16	0	47	2	0	80	3	0	90	0	0	161	0	0	26	197	0	1,148	
197	0	173	217	0	290	86	0	405	85	0	372	220	0	509	15	0	557	2,122	0	4,116	
676	0	623	729	0	954	339	0	1,123	327	0	994	660	0	1,069	30	0	1,296	7,996	0	10,840	
																				18,836	



**CHINO BASIN WATERMASTER
APPROVED 2015/2016 ASSESSMENT PACKAGE
(PRODUCTION YEAR 2014/2015)**

APPROVED JUNE 23, 2016

ASSESSMENT PACKAGE REFERENCES AND DEFINITIONS

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Appendix A: Pool 3 Water Production Detail

Appendix B: Desalter Replenishment Accounting

Appendix C: Allocation for the Purchase of the Exhibit “G” Non-Ag Pool Water

ASSESSMENT PACKAGE REFERENCES AND DEFINITIONS

REPORT REFERENCE	NAME	DESCRIPTION
1A	AF Production and Exchanges	Total production and exchanges, excluding Desalter production. Copied from [2L].
1B	Appropriative Pool—AF/Admin	Production and Exchanges [1A] <times> per acre-foot Admin fee.
1C	Appropriative Pool—AF/OBMP	Production and Exchanges [1A] <times> per acre-foot OBMP fee.
1D	Ag Pool SY Reallocation—AF Total Reallocation	Reallocation of Ag Pool Safe Yield. Copied from [2E] and [12G].
1E	Ag Pool SY Reallocation—AF/Admin	Party Ag Pool reallocation [1D] <divided by> Total Ag Pool Reallocation [1D Total] <times> total dollar amount needed for Ag Pool Administration.
1F	Ag Pool SY Reallocation—AF/OBMP	Party Ag Pool reallocation [1D] <divided by> Total Ag Pool Reallocation [1D Total] <times> total dollar amount needed for Ag Pool OBMP.
1G	Replenishment Assessments—AF/15%	For Parties participating in the 85/15 Rule: Percentage of total 85/15 participant production <times> required credit amount. Copied from Page 9A.
1H	Replenishment Assessments—AF/85%	For parties participating in the 85/15 Rule: Total volume overproduced [2M] <times> 85% of the replenishment rate.
1I	Replenishment Assessments—AF/100%	For parties <u>not</u> participating in the 85/15 Rule: Total volume overproduced [2N] <times> 100% of the replenishment rate.
1J	85/15 Water Transaction Activity—15% Producer Credits	For parties participating in the 85/15 Rule: Credit amount equals 15% of the cost of the water purchased.
1K	85/15 Water Transaction Activity—15% Pro-rated Debits	For parties participating in the 85/15 Rule: Percentage of total 85/15 participant production <times> required credit amount. Copied from Page 9A.
1L	CURO Adjustment	Monetary amount needed (or to be credited) for each Party's Cumulative Unmet Replenishment Obligation (CURO). Calculated on Page 10A.
1M	ASSESSMENTS DUE—Total Production Based	Total fees assessed based on Party production. [1B] + [1C] + [1E] + [1F] + [1G] + [1H] + [1I] + [1J] + [1K] + [1L].
1N	ASSESSMENTS DUE—Pomona Credit	Debit amount to Pomona <times> -1 <times> percent share of Operating Safe Yield [2A].
1O	ASSESSMENTS DUE—Recharge Debt Payment	Total recharge debt payment <times> percent share of Operating Safe Yield [2A].
1P	ASSESSMENTS DUE—Recharge Improvement Project	Total Recharge Improvement Project <times> Percent Share of Operating Safe Yield [2A].
1Q	ASSESSMENTS DUE—Other Adjustments	Used as necessary for any other monetary adjustments needed to the Assessment Package.
1R	ASSESSMENTS DUE—Total Due	Total assessments. [1M] + [1N] + [1O] + [1P] + [1Q].

ASSESSMENT PACKAGE REFERENCES AND DEFINITIONS

REPORT REFERENCE	NAME	DESCRIPTION
2A	Percent of Operating Safe Yield	The Party's yearly percentage of Operating Safe Yield.
2B	Carryover Beginning Balance	The beginning balance in each Annual Account. This number carries forward from the ending balance in the previous period Assessment Package.
2C	Prior Year Adjustments	This number reflects the adjusted production rights from a previous Assessment Package, in the event that corrections are needed.
2D	Assigned Share of Operating Safe Yield	The Party's yearly volume of Operating Safe Yield.
2E	Net Ag Pool Reallocation	Reallocation of Ag Pool Safe Yield. Copied from [12G]. The calculations that lead to this are made on Page 12A.
2F	Water Transaction Activity	Water transactions. Copied from [6D]. The calculations that lead to this are made on Page 6A.
2G	Stormwater New Yield	Stormwater New Yield <times> percent share of Operating Safe Yield [2A].
2H	Other Adjustments	This number reflects adjusted production rights, in the event that corrections are needed.
2I	Annual Production Right	Current Year Production Right. [2B] + [2C] + [2D] + [2E] + [2F] + [2G] + [2H].
2J	Actual Fiscal Year Production	Fiscal year production, including Assignments and Voluntary Agreements, from CBWM's production system (as verified by each Party on their Water Activity Report). Includes a sub note subtracting Desalter production.
2K	Storage and Recovery Program(s)	Total exchanges for the period (July 1- June 30) including MZ1 forbearance and DYY deliveries (as reported to CBWM by IEUA and TVMWD and as verified by each Party on their Water Activity Report).
2L	Total Production and Exchanges	Actual production [2J] <plus> Storage and Recovery exchanges [2K]. Includes a sub note subtracting Desalter production. Also known as Assessable Production.
2M	Net Over-Production—85/15%	For 85/15 Rule participants: Production rights [2I] <minus> total production and exchanges [2L], equaling less than zero.
2N	Net Over-Production—100%	For non-85/15 Rule participants: Production rights [2I] <minus> total production and exchanges [2L], equaling less than zero. Includes a sub note subtracting Desalter production.
2O	Under Production Balances—Total Under-Produced	Production rights [2I] <minus> total production and exchanges [2L], equaling more than zero.
2P	Under Production Balances—Carryover: Next Year Begin Bal	Either total under-produced [2O] or share of Operating Safe Yield [2D], whichever is less.
2Q	Under Production Balances—To Excess Carryover Account	Total under produced [2O] <minus> Carryover to next year [2P], equaling more than zero.

ASSESSMENT PACKAGE REFERENCES AND DEFINITIONS

REPORT REFERENCE	NAME	DESCRIPTION
3A	Excess Carry Over Account (ECO)—Beginning Balance	The beginning balance in each ECO account. This carries forward from the ending balance in the previous period Assessment Package.
3B	Excess Carry Over Account (ECO)—2% Storage Loss	Beginning balance [3A] \times -0.02.
3C	Excess Carry Over Account (ECO)—Transfers To / (From)	Total of water transferred to and from ECO and the Annual Account.
3D	Excess Carry Over Account (ECO)—From Supplemental Storage	Total of water transferred to and from Local Supplemental Storage accounts, as shown on Page 4A.
3E	Excess Carry Over Account (ECO)—From Under-Production	Total of water transferred from the Annual Account due to under production. Copied from [2Q].
3F	Excess Carry Over Account (ECO)—Ending Balance	The current balance in each ECO account. [3A] + [3B] + [3C] + [3D] + [3E].

ASSESSMENT PACKAGE REFERENCES AND DEFINITIONS

REPORT REFERENCE	NAME	DESCRIPTION
4A	Recharged Recycled Account—Beginning Balance	The beginning balance in each Recharged Recycled Account. This number carries forward from the ending balance in the previous period Assessment Package.
4B	Recharged Recycled Account—2% Storage Loss	Beginning balance [4B] <times> -0.02.
4C	Recharged Recycled Account—Current Recharged Recycled	Total recharged recycled water credited to each Party for the year, as provided by IEUA.
4D	Recharged Recycled Account—Transfer to ECO Account	Total of water transferred to the ECO Account, as shown on Page 3A.
4E	Recharged Recycled Account—Ending Balance	The current balance in each Recharged Recycled account. [4B] + [4C] + [4D] + [4E].
4F	Quantified (Pre 7/1/2000) Account—Beginning Balance	The beginning balance in each Quantified Supplemental Account. This number carries forward from the ending balance in the previous period Assessment Package.
4G	Quantified (Pre 7/1/2000) Account—2% Storage Loss	Beginning balance [4G] <times> -0.02.
4H	Quantified (Pre 7/1/2000) Account—Transfers To / (From)	Total of water transferred to and from the Annual Account.
4I	Quantified (Pre 7/1/2000) Account—Transfer to ECO Account	Total of water transferred to the ECO Account, as shown on Page 3A.
4J	Quantified (Pre 7/1/2000) Account—Ending Balance	The current balance in each Quantified Supplemental account. [4G] + [4H] + [4I] + [4J].
4K	New (Post 7/1/2000) Account—Beginning Balance	The beginning balance in each New Supplemental Account. This number carries forward from the ending balance in the previous period Assessment Package.
4L	New (Post 7/1/2000) Account—2% Storage Loss	Beginning balance [4L] <times> -0.02.
4M	New (Post 7/1/2000) Account—Transfers To / (From)	Total of water transferred to and from the Annual Account.
4N	New (Post 7/1/2000) Account—Transfer to ECO Account	Total of water transferred to the ECO Account, as shown on Page 3A.
4O	New (Post 7/1/2000) Account—Ending Balance	The current balance in each New Supplemental Account. [4L] + [4M] + [4N] + [4O].
4P	Combined—Ending Balance	The combined amount in all supplemental storage accounts [4E] + [4J] + [4O].

ASSESSMENT PACKAGE REFERENCES AND DEFINITIONS

REPORT REFERENCE	NAME	DESCRIPTION
5A	Desalter Replenishment—Beginning Balance	The beginning balances in each Desalter Replenishment account. These numbers carry forward from the ending balances in the previous period Assessment Package. "Re-Operation Offset: Pre-Peace II Desalters" had an original beginning balance of 225,000.000 AF and "Re-Operation Offset: Peace II Expansion" had an original beginning balance of 175,000.000 AF.
5B	Desalter Replenishment—Storage Loss	Beginning balance [5A] <times> -(loss %). 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. Per the "Preemptive Replenishment" agreements, no losses are deducted against these accounts.
5C	Desalter Replenishment—Transfers To	Total of water transferred to each Desalter Replenishment account.
5D	Desalter Replenishment—Transfers From	Total of water transferred from each Desalter Replenishment account.
5E	Desalter Replenishment—Ending Balance	The current balance in each Desalter Replenishment account. [5A] + [5B] + [5C] + [5D].
5F	Storage and Recovery—Beginning Balance	The beginning balance in the Storage and Recovery (DYY) Account. This number carries forward from the ending balance in the previous period Assessment Package.
5G	Storage and Recovery—Storage Loss	Beginning balance [5F] <times> -(loss %).
5H	Storage and Recovery—Transfers To	Total of water transferred to the Storage and Recovery Account ("puts").
5I	Storage and Recovery—Transfers From	Total of water transferred from the Storage and Recovery Account ("takes").
5J	Storage and Recovery—Ending Balance	The current balance in the Storage and Recovery Account. [5F] + [5G] + [5H] + [5I].

REPORT REFERENCE	NAME	DESCRIPTION
6A	Water Transactions—Assigned Rights	Total of assigned transactions for this period, including annual water transfers/leases between Appropriators and/or from Appropriators to Watermaster for replenishment purposes.
6B	Water Transactions—General Transfer	Total of water transfers between Parties for this period. Transfers in this column 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.
6C	Water Transactions—Transfers (To) / From ECO Account	Total of water transferred between the Annual Account and ECO Account.
6D	Water Transactions—Total Water Transactions	Total water transactions. [6A]+ [6B] + [6C]. This column is used to populate [2F].

ASSESSMENT PACKAGE REFERENCES AND DEFINITIONS

REPORT REFERENCE	NAME	DESCRIPTION
12A	% Share of Operating Safe Yield	The Party's yearly percentage of Operating Safe Yield. Copied from [2A].
12B	Reallocation of Agricultural Pool Safe Yield—32,800 AF Early Transfer	The Party's percent share of Operating Safe Yield [12A] multiplied by 32,800.
12C	Reallocation of Agricultural Pool Safe Yield—Land Use Conversions	Total land use conversions claimed on Page 11A (as verified by each Party on their Water Activity Report).
12D	Reallocation of Agricultural Pool Safe Yield—Potential for Reallocation (AF)	The Agricultural Pool Reallocation amount potentially available to each Appropriator. [12B] + [12C].
12E	Reallocation of Agricultural Pool Safe Yield—Percent of Ag Pool Reallocation	Each Party's potential for reallocation [12D] from the total of [12D].
12F	Reallocation of Agricultural Pool Safe Yield—Difference: Potential vs. Net	The total over or under Agricultural Pool Reallocation (from Page 11A) <times> each Party's percent of Ag Pool reallocation.
12G	Reallocation of Agricultural Pool Safe Yield—Net Ag Pool Reallocation	Net Agricultural Pool Reallocation to each Party. [12D] + [12F]. This column is used to populate [2E].

REPORT REFERENCE	NAME	DESCRIPTION
13A	AF Production	Actual fiscal year production by each Party. Copied from [14H].
13B	Non-Agricultural Pool—AF/Admin	Production [13A] <times> per acre-foot Admin fee.
13C	Non-Agricultural Pool —AF/OBMP	Production [13A] <times> per acre-foot OBMP fee.
13D	Replenishment Assessments—AF Exceeding Annual Right	Over-production for each Party beyond their annual production right. Copied from [14I].
13E	Replenishment Assessments—Per AF	Amount overproduced [13D] <times> the current replenishment rate.
13F	CURO Adjustment	Monetary amount needed (or to be credited) for each Party's Cumulative Unmet Replenishment Obligation (CURO). Calculated on Page 10B.
13G	Other Adjustments	Used as necessary for any other monetary adjustments needed to the Assessment Package.
13H	Total Assessments Due	Total fees assessed based on Party production. [13B] + [13C] + [13E] + [13F] + [13G].

ASSESSMENT PACKAGE REFERENCES AND DEFINITIONS

REPORT REFERENCE	NAME	DESCRIPTION
14A	Percent of Safe Yield	The Party's yearly percentage of Safe Yield.
14B	Carryover Beginning Balance	The beginning balance in each Annual Account. This number carries forward from the ending balance in the previous period Assessment Package.
14C	Prior Year Adjustments	This number reflects the adjusted production rights from a previous Assessment Package, in the event that corrections are needed.
14D	Assigned Share of Safe Yield (AF)	The Party's yearly volume of Safe Yield.
14E	Water Transaction Activity	Total of one-time water transfers between Parties for this period. Transfers in this column 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.
14F	Other Adjustments	This number reflects adjusted production rights, in the event that corrections are needed.
14G	Annual Production Right	Current Year Production Right. $[14B] + [14C] + [14D] + [14E] + [14F]$.
14H	Actual Fiscal Year Production	Fiscal year production, including Assignments, from CBWM's production system (as verified by each Party on their Water Activity Report). Also known as Assessable Production.
14I	Net Over Production	Over-production, if any, for each Party beyond their annual production right. $[14H] - [14G]$, equaling more than zero.
14J	Under Production Balances— Total Under-Produced	Production rights $[14G]$ <minus> production $[14H]$, equaling more than zero.
14K	Under Production Balances— Carryover: Next Year Begin Bal	Either total under-produced $[14J]$ or share of Safe Yield $[14D]$, whichever is less.
14L	Under Production Balances— To Local Storage Account	Total under-produced $[14J]$ <minus> Carryover to next year $[14K]$, equaling more than zero.

REPORT REFERENCE	NAME	DESCRIPTION
15A	Local Storage Account— Beginning Balance	The beginning balance in each Local Storage account. This number carries forward from the ending balance in the previous period Assessment Package.
15B	Local Storage Account— 2% Storage Loss	Beginning balance $[15A]$ <times> -0.02 .
15C	Local Storage Account— Transfers To / (From)	Total of water transferred to and from the Annual Account.
15D	Local Storage Account— Ending Balance	The current balance in each Local Storage Account. $[15A] + [15B] + [15C]$.

ASSESSMENT CALCULATION TABLE

**CHINO BASIN WATERMASTER
ASSESSMENT CALCULATION
FISCAL YEAR 2015/16
INCLUDES "10% ADMINISTRATIVE AND 15% OBMP/PROJECT OPERATING RESERVES"**

	FY 2014/15 BUDGET	FY 2015/16 BUDGET	ASSESSMENT	APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AG POOL
PRODUCTION BASIS						
2013/14 Production & Exchanges in Acre-Feet (Actuals)			138,351,406	100,165,551	33,638,883	4,546,972
2014/15 Production & Exchanges in Acre-Feet (Actuals)			116,961,798	84,107,515	28,520,530	4,333,753
				72.399%	24.314%	3.287%
				71.910%	24.384%	3.705%
BUDGET						
Administration, Advisory Committee & Watermaster Board ¹	\$1,832,923	\$1,891,019	\$1,891,018	\$1,359,836	\$461,115	\$70,067
OBMP & Implementation Projects ¹	3,949,719	5,019,087	5,019,087	3,609,238	1,223,879	185,971
General Admin & OBMP Assessments	\$5,782,642	\$6,910,106	6,910,105	1,359,836	461,115	70,067
			6,910,105	3,609,238	1,223,879	185,971
TOTAL BUDGET						
Less Budgeted Interest Income	(25,800)	(22,050)	(22,050)	(15,856)	(5,377)	(817)
Contributions from Outside Agencies	(155,331)	(157,941)	(157,941)	(113,576)	(38,513)	(5,852)
CASH DEMAND	5,601,511	6,730,116	6,730,114	1,359,836	461,115	70,067
			6,730,114	3,479,806	1,179,989	179,302
OPERATING RESERVE						
Administrative (10%)	183,292	189,102	\$189,103	\$135,984	\$46,112	\$7,007
OBMP (15%)	592,458	752,863	752,863	541,386	183,582	27,896
Less: Cash On Hand Utilized for Assessments²	(775,750)	(941,965)	(941,965)	(185,369)	(62,858)	(9,551)
			(941,965)	(492,001)	(166,835)	(25,351)
FUNDS REQUIRED TO BE ASSESSED	\$5,601,511	\$6,730,116	\$6,730,116	\$1,310,452	\$444,369	\$67,523
			\$6,730,116	\$3,529,191	\$1,196,735	\$181,846
Current Year Assessments						
General Administration/OBMP Assessments (Minimum \$5.00 Per Producer)		A	Per Acre-Foot	\$15.58	\$41.96	\$15.58
Grand Total				\$57.54	\$7.54	\$7.54
Prior Year Assessments, (Actuals) Information Only		B	Per Acre-Foot	\$12.80	\$27.69	\$12.80
Grand Total				\$40.49	\$40.49	\$40.49
Variance Between Proposed Assessments and Prior Year Assessments		A - B		\$2.78	\$14.27	\$2.78
Grand Total				\$17.05	\$17.05	\$17.05
Estimated Assessment as of "Approved" Budget May 22, 2014, Information Only				\$13.48	\$28.40	\$13.48
Grand Total				\$41.88	\$41.88	\$41.88

¹ Total costs are allocated to Pools by actual production percentages. Does not include Recharge Debt Payment, Recharge Improvement Projects or Replenishment Water purchases.
² June 30th fund balance (estimated) less funds required for Operating Reserves, Agricultural Pool Reserves, Carryover replenishment obligations, and SB 22 funds.



Assessment Year 2015-2016 (Production Year 2014-2015)

Pool 3 Assessment Fee Summary

	AF Production and Exchanges	Appropriative Pool		AF Total Reallocation	Ag Pool SY Reallocation		Repleni AF/15%
		\$15.58 AF/Admin	\$41.96 AF/OBMP		\$444,368.99 \$8.19 AF/Admin	\$1,196,734.99 \$22.05 AF/OBMP	
Arrowhead Mtn Spring Water Co	426.139	6,639.25	17,880.79	0.000	0.00	0.00	0.00
Chino Hills, City Of	3,661.309	57,043.19	153,628.53	2,265.216	18,544.61	49,942.70	53.59
Chino, City Of	0.000	0.00	0.00	9,361.329	76,638.27	206,395.35	0.00
Cucamonga Valley Water District	14,639.960	228,090.58	614,292.72	2,518.163	20,615.41	55,519.59	214.28
Desalter Authority	29,989.990	0.00	0.00	0.000	0.00	0.00	0.00
Fontana Union Water Company	0.000	0.00	0.00	3,484.065	28,522.95	76,815.46	0.00
Fontana Water Company	13,344.225	207,903.03	559,923.68	760.559	6,226.46	16,768.54	195.32
Fontana, City Of	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Golden State Water Company	720.259	11,221.64	30,222.07	224.161	1,835.14	4,942.22	10.54
Jurupa Community Services District	12,466.577	194,229.27	523,097.57	13,935.678	114,087.03	307,249.02	182.47
Marygold Mutual Water Company	1,250.349	19,480.44	52,464.64	357.164	2,923.99	7,874.63	0.00
Monte Vista Irrigation Company	0.000	0.00	0.00	368.820	3,019.41	8,131.62	0.00
Monte Vista Water District	6,881.539	107,214.38	288,749.38	2,679.449	21,935.81	59,075.57	100.72
Niagara Bottling, LLC	1,859.765	28,975.14	78,035.74	0.000	0.00	0.00	0.00
Nicholson Trust	0.000	0.00	0.00	2.092	17.13	46.12	0.00
Norco, City Of	0.000	0.00	0.00	109.989	900.45	2,425.00	0.00
Ontario, City Of	11,430.640	178,089.37	479,629.65	8,146.444	66,692.38	179,609.99	167.31
Pomona, City Of	12,520.382	195,067.55	525,355.23	6,113.329	50,047.91	134,784.57	0.00
San Antonio Water Company	1,479.087	23,044.18	62,062.49	821.327	6,723.95	18,108.33	21.65
San Bernardino, County of (Shootin	10.868	169.32	456.02	0.000	0.00	0.00	0.16
Santa Ana River Water Company	0.000	0.00	0.00	709.247	5,806.38	15,637.23	0.00
Upland, City Of	3,416.416	53,227.76	143,352.82	1,554.783	12,728.52	34,279.32	50.01
West End Consolidated Water Co	0.000	0.00	0.00	516.468	4,228.16	11,386.91	0.00
West Valley Water District	0.000	0.00	0.00	351.186	2,875.05	7,742.83	0.00
	114,097.505	1,310,395.08	3,529,151.32	54,279.469	444,368.99	1,196,734.99	996.05

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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 % OSY.
 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					
\$519.35 AF/85%	\$611.00 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	253,750.74	0.00	0.00	(168.15)	278,102.64	0.00	0.00	0.00	0.00	278,102.64
0.00	0.00	0.00	50,311.82	(0.05)	329,524.39	2,567.35	17,722.30	71,586.24	0.00	421,400.28
0.00	0.00	0.00	0.00	0.00	283,033.62	4,904.69	33,856.91	136,759.27	0.00	458,554.50
0.00	0.00	0.00	201,174.79	(0.21)	1,119,907.16	4,400.69	30,377.80	122,705.99	0.00	1,277,391.64
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	105,338.41	7,771.37	53,645.51	216,691.97	0.00	383,447.27
0.00	0.00	(929,765.16)	183,369.47	(0.19)	44,621.14	1.33	9.20	37.18	0.00	44,668.86
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	(5,355.00)	9,897.43	(0.01)	52,774.02	500.00	3,451.50	13,941.75	0.00	70,667.27
0.00	0.00	0.00	171,309.28	(0.18)	1,310,154.46	2,506.01	17,298.92	69,876.05	0.00	1,399,835.44
0.00	0.00	0.00	0.00	(18.36)	82,725.33	796.67	5,499.39	22,213.86	0.00	111,235.25
0.00	0.00	0.00	0.00	0.00	11,151.03	822.67	5,678.87	22,938.83	0.00	40,591.39
0.00	0.00	0.00	94,562.57	(0.10)	571,638.32	5,864.70	40,483.79	163,527.43	0.00	781,514.24
0.00	769,716.42	0.00	0.00	(305.43)	876,421.86	0.00	0.00	0.00	0.00	876,421.86
0.00	0.00	0.00	0.00	0.00	63.25	4.67	32.21	130.12	0.00	230.25
0.00	0.00	0.00	0.00	0.00	3,325.44	245.34	1,693.54	6,840.75	0.00	12,105.07
0.00	0.00	0.00	157,073.97	(0.16)	1,061,262.51	13,828.07	95,454.68	385,573.04	0.00	1,556,118.30
0.00	0.00	0.00	0.00	0.00	905,255.26	(53,030.93)	94,129.31	380,219.41	0.00	1,326,573.04
0.00	0.00	0.00	20,324.85	(0.02)	130,285.43	1,832.01	12,646.30	51,082.57	0.00	195,846.30
5,644.30	0.00	0.00	149.34	(5.55)	6,413.60	0.00	0.00	0.00	0.00	6,413.60
0.00	0.00	0.00	0.00	0.00	21,443.62	1,582.01	10,920.55	44,111.70	0.00	78,057.87
0.00	0.00	0.00	46,946.63	(0.05)	290,585.00	3,468.02	23,939.60	96,699.98	0.00	414,692.60
0.00	0.00	0.00	0.00	0.00	15,615.07	1,152.01	7,952.26	32,121.79	0.00	56,841.12
0.00	0.00	0.00	0.00	0.00	10,617.88	783.34	5,407.35	21,842.08	0.00	38,650.64
5,644.30	1,023,467.16	(935,120.16)	935,120.16	(498.47)	7,510,259.42	0.00	460,200.00	1,858,900.00	0.00	9,829,359.42
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Assessment Year 2015-2016 (Production Year 2014-2015)
Pool 3 Water Production Summary

	<i>Percent of Operating Safe Yield</i>	<i>Carryover Beginning Balance</i>	<i>Prior Year Adjustments</i>	<i>Assigned Share of Operating Safe Yield</i>	<i>Net Ag Pool Reallocation</i>	<i>Water Transaction Activity</i>	<i>Stormwater New Yield</i>
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000	0.000	0.000	10.835	0.000
Chino Hills, City Of	3.851%	0.000	0.000	2,111.422	2,265.216	0.000	0.000
Chino, City Of	7.357%	4,033.857	0.000	4,033.857	9,361.329	0.000	0.000
Cucamonga Valley Water District	6.601%	3,619.454	0.000	3,619.454	2,518.163	13,375.801	0.000
Desalter Authority	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	3,484.065	(9,875.801)	0.000
Fontana Water Company	0.002%	0.000	0.000	1.000	760.559	14,944.061	0.000
Fontana, City Of	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	224.161	170.000	0.000
Jurupa Community Services District	3.759%	0.000	0.000	2,061.118	13,935.678	1,450.095	0.000
Marygold Mutual Water Company	1.195%	0.000	0.000	655.317	357.164	237.867	0.000
Monte Vista Irrigation Company	1.234%	676.759	0.000	676.759	368.820	35.333	0.000
Monte Vista Water District	8.797%	4,823.954	0.000	4,823.954	2,679.449	1,051.797	0.000
Niagara Bottling, LLC	0.000%	0.000	0.000	0.000	0.000	600.000	0.000
Nicholson Trust	0.007%	0.243	0.000	4.000	2.092	(4.500)	0.000
Norco, City Of	0.368%	201.545	0.000	201.545	109.989	0.000	0.000
Ontario, City Of	20.742%	11,373.816	0.000	11,373.816	8,146.444	736.545	0.000
Pomona, City Of	20.454%	11,215.852	0.000	11,215.852	6,113.329	219.678	0.000
San Antonio Water Company	2.748%	16.359	0.000	1,506.888	821.327	(865.488)	0.000
San Bernardino, County of (Shooting P	0.000%	0.000	0.000	0.000	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	1,301.374	0.000	1,301.374	709.247	(1,169.000)	0.000
Upland, City Of	5.202%	2,852.401	0.000	2,852.401	1,554.783	(1,109.413)	0.000
West End Consolidated Water Co	1.728%	947.714	0.000	947.714	516.468	0.000	0.000
West Valley Water District	1.175%	644.317	0.000	644.317	351.186	15.000	0.000
	100.00%	41,707.645	0.000	54,834.000	54,279.469	19,822.810	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 allocating Stormwater New Yield, 0 AF will be allocated during 2014/15. When the Safe Yield Recalculation and Stormwater New Yield allocation matters are resolved
 2) Column [2J], "Actual Fiscal Year Production," includes Voluntary Agreements and Assignments. A detailed breakdown can be found in Appendix A.

Other Adjustments	Annual Production Right	Actual Fiscal Year Production	Storage and Recovery Program(s)	Total Production and Exchanges	Net Over-Production		Under Production Balances		
					85/15%	100%	Total Under-Produced	Carryover: Next Year Begin Bal	To Excess Carryover Account
0.000	10.835	426.139	0.000	426.139	0.000	415.304	0.000	0.000	0.000
0.000	4,376.638	3,661.309	0.000	3,661.309	0.000	0.000	715.328	715.328	0.000
0.000	17,429.042	0.000	0.000	0.000	0.000	0.000	17,429.042	4,033.857	13,395.185
0.000	23,132.872	14,639.960	0.000	14,639.960	0.000	0.000	8,492.912	3,619.454	4,873.458
0.000	0.000	29,989.990	0.000	29,989.990	0.000	29,989.990	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	15,705.619	13,344.225	0.000	13,344.225	0.000	0.000	2,361.394	1.000	2,360.394
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0.000	805.637	720.259	0.000	720.259	0.000	0.000	85.377	85.377	0.000
0.000	17,446.891	12,466.577	0.000	12,466.577	0.000	0.000	4,980.314	2,061.118	2,919.196
0.000	1,250.348	1,250.349	0.000	1,250.349	0.000	0.000	0.000	0.000	0.000
0.000	1,757.671	0.000	0.000	0.000	0.000	0.000	1,757.671	676.759	1,080.912
0.000	13,379.154	6,881.539	0.000	6,881.539	0.000	0.000	6,497.615	4,823.954	1,673.661
0.000	600.000	1,859.765	0.000	1,859.765	0.000	1,259.765	0.000	0.000	0.000
0.000	1.835	0.000	0.000	0.000	0.000	0.000	1.835	1.835	0.000
0.000	513.078	0.000	0.000	0.000	0.000	0.000	513.078	201.545	311.533
0.000	31,630.621	11,430.640	0.000	11,430.640	0.000	0.000	20,199.981	11,373.816	8,826.164
0.000	28,764.711	12,520.382	0.000	12,520.382	0.000	0.000	16,244.329	11,215.852	5,028.476
0.000	1,479.086	1,479.087	0.000	1,479.087	0.000	0.000	0.000	0.000	0.000
0.000	0.000	10.868	0.000	10.868	10.868	0.000	0.000	0.000	0.000
0.000	2,142.995	0.000	0.000	0.000	0.000	0.000	2,142.995	1,301.374	841.620
0.000	6,150.172	3,416.416	0.000	3,416.416	0.000	0.000	2,733.755	2,733.755	0.000
0.000	2,411.896	0.000	0.000	0.000	0.000	0.000	2,411.896	947.714	1,464.182
0.000	1,654.820	0.000	0.000	0.000	0.000	0.000	1,654.820	644.317	1,010.502
0.000	170,643.921	114,097.505	0.000	114,097.505	10.868	31,665.059	88,222.342	44,437.055	43,785.283
		29,989.990		29,989.990		29,989.990			
		84,107.515		84,107.515		1,675.069			

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on that was documented through Condition Subsequent 7. Due to the ongoing Safe Yield Recalculation process and related questions as to the proper method for ved, the 2014/15 allocation will be recalculated, if necessary, and credited, if necessary.

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Assessment Year 2015-2016 (Production Year 2014-2015)

Pool 3 Local Excess Carry Over Storage Account Summary

	Excess Carry Over Account (ECO)					Ending Balance
	Beginning Balance	2% Storage Loss	Transfers To / (From)	From Supplemental Storage	From Under-Production	
Arrowhead Mtn Spring Water Co	0.000	0.000	0.000	0.000	0.000	0.000
Chino Hills, City Of	7,044.754	(140.895)	0.000	0.000	0.000	6,903.859
Chino, City Of	65,507.715	(1,310.154)	(6,500.000)	0.000	13,395.185	71,092.746
Cucamonga Valley Water District	41,927.991	(838.559)	(2,016.550)	0.000	4,873.458	43,946.340
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	2,360.394	2,360.394
Fontana, City Of	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	1,216.503	(24.330)	0.000	0.000	0.000	1,192.173
Jurupa Community Services District	7,272.166	(145.443)	0.000	0.000	2,919.196	10,045.919
Marygold Mutual Water Company	832.906	(16.658)	(193.029)	0.000	0.000	623.219
Monte Vista Irrigation Company	4,959.655	(99.193)	0.000	0.000	1,080.912	5,941.374
Monte Vista Water District	6,639.003	(132.780)	0.000	0.000	1,673.661	8,179.884
Niagara Bottling, LLC	0.000	0.000	(600.000)	600.000	0.000	0.000
Nicholson Trust	1.129	(0.022)	0.000	0.000	0.000	1.107
Norco, City Of	3,058.998	(61.179)	0.000	0.000	311.533	3,309.352
Ontario, City Of	31,465.957	(629.319)	0.000	0.000	8,826.164	39,662.802
Pomona, City Of	28,375.606	(567.512)	(3,284.000)	0.000	5,028.476	29,552.570
San Antonio Water Company	4,447.513	(88.950)	(2,457.197)	0.000	0.000	1,901.366
San Bernardino, County of (Shooting	0.000	0.000	0.000	0.000	0.000	0.000
Santa Ana River Water Company	1,835.140	(36.702)	0.000	0.000	841.620	2,640.058
Upland, City Of	16,682.750	(333.655)	(70.000)	0.000	0.000	16,279.095
West End Consolidated Water Co	4,028.903	(80.578)	(1,167.000)	0.000	1,464.182	4,245.507
West Valley Water District	6,382.421	(127.648)	(500.000)	0.000	1,010.502	6,765.275
	231,679.110	(4,633.577)	(16,787.776)	600.000	43,785.283	254,643.040

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p3: 1) In May 2016, the following Appropriators transferred water from their ECO Accounts to offset their Production Year 2014/2015 overproduction obligations: Marygold Mutual Water Company (193.029 AF), and San Antonio Water Company (1,800.652 AF).
 2) In May 2016, Niagara transferred 600.00 AF from their Supplemental Storage Account to offset their Production Year 2014/2015 overproduction obligations.



Assessment Year 2015-2016 (Production Year 2014-2015)

Pool 3 Local Supplemental Storage Account Summary

	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	4,440.855	(88.817)	912.100	0.000	5,264.138	4,960.410
Chino, City Of	5,130.854	(102.617)	1,075.700	0.000	6,103.937	1,089.306
Cucamonga Valley Water District	11,431.181	(228.623)	2,405.600	0.000	13,608.158	11,075.105
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
Golden State Water Company	0.000	0.000	0.000	0.000	0.000	1,438.578
Jurupa Community Services District	2,722.038	(54.440)	823.200	0.000	3,490.798	0.000
Marygold Mutual Water Company	0.000	0.000	0.000	0.000	0.000	1,581.224
Monte Vista Irrigation Company	0.000	0.000	0.000	0.000	0.000	5,849.005
Monte Vista Water District	2,139.051	(42.781)	467.800	0.000	2,564.070	3,497.047
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	20,074.035	(401.480)	4,148.800	0.000	23,821.355	8,337.482
Pomona, City Of	0.000	0.000	0.000	0.000	0.000	11,301.603
San Antonio Water Company	0.000	0.000	0.000	0.000	0.000	0.000
San Bernardino, County of (Shooting Park)	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	4,919.094	(98.381)	1,006.800	0.000	5,827.513	6,010.336
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
	50,857.108	(1,017.139)	10,840.000	0.000	60,679.969	55,140.096

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p4: In May 2016, Niagara transferred 600.00 AF to offset their Production Year 2014/2015 overproduction obligations.

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
(99.208)	0.000	0.000	4,861.202	0.000	0.000	0.000	0.000	0.000	10,125.340
(21.786)	0.000	0.000	1,067.520	1,995.400	(39.908)	0.000	0.000	1,955.492	9,126.949
(221.502)	0.000	0.000	10,853.603	660.676	(13.213)	0.000	0.000	647.463	25,109.224
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	217.847	(4.356)	0.000	0.000	213.491	213.491
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(28.771)	0.000	0.000	1,409.807	59.241	(1.184)	0.000	0.000	58.057	1,467.864
0.000	0.000	0.000	0.000	1,019.536	(20.390)	0.000	0.000	999.146	4,489.944
(31.624)	0.000	0.000	1,549.600	99.029	(1.980)	0.000	0.000	97.049	1,646.649
(116.980)	0.000	0.000	5,732.025	334.693	(6.693)	0.000	0.000	328.000	6,060.025
(69.940)	0.000	0.000	3,427.107	2,196.695	(43.933)	0.000	0.000	2,152.762	8,143.939
0.000	0.000	0.000	0.000	3,367.298	(67.345)	0.000	(600.000)	2,699.953	2,699.953
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	99.814	(1.996)	0.000	0.000	97.818	97.818
(166.749)	0.000	0.000	8,170.733	4,978.629	(99.572)	0.000	0.000	4,879.057	36,871.145
(226.032)	0.000	0.000	11,075.571	1,615.534	(32.310)	0.000	0.000	1,583.224	12,658.795
0.000	0.000	0.000	0.000	1,124.687	(22.493)	0.000	0.000	1,102.194	1,102.194
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	498.247	(9.964)	0.000	0.000	488.283	488.283
(120.206)	0.000	0.000	5,890.130	0.000	0.000	0.000	0.000	0.000	11,717.643
0.000	0.000	0.000	0.000	468.680	(9.373)	0.000	0.000	459.307	459.307
0.000	0.000	0.000	0.000	318.692	(6.373)	0.000	0.000	312.319	312.319
(1,102.798)	0.000	0.000	54,037.298	19,054.698	(381.083)	0.000	(600.000)	18,073.615	132,790.882

60,679.969 + 18,073.615 = 78,753.584

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

4G

4H

4I

4J

4K

4L

4M

4N

4O

4P



Assessment Year 2015-2016 (Production Year 2014-2015)

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	0.000	0.000	0.000	0.000	0.000
Re-Operation Offset: Peace II Expansion	175,000.000	0.000	0.000	(463.245)	174,536.755
Non-Ag Dedication	0.000	0.000	0.000	0.000	0.000
City of Chino Preemptive Replenishment:	1,416.470	0.000	0.000	0.000	1,416.470
City of Ontario Preemptive Replenishment:	3,322.247	0.000	0.000	0.000	3,322.247
Jurupa CSD Preemptive Replenishment:	2,360.783	0.000	0.000	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. The "Transfer From" amount includes Expansion production for the last two years. The table shows information under existing rules. This will be adjusted if necessary following the Court's consideration of the 2015 SYRA.
- 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.
- 5) "Non-Ag Dedication" was used in a prior Assessment Package to indicate Non-Ag Pool desalter dedication.



Assessment Year 2015-2016 (Production Year 2014-2015)

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	10.835	0.000	10.835
Chino Hills, City Of	0.000	0.000	0.000	0.000
Chino, City Of	(6,500.000)	0.000	6,500.000	0.000
Cucamonga Valley Water District	500.000	10,859.251	2,016.550	13,375.801
Desalter Authority	0.000	0.000	0.000	0.000
Fontana Union Water Company	0.000	(9,875.801)	0.000	(9,875.801)
Fontana Water Company	14,504.500	439.561	0.000	14,944.061
Fontana, City Of	0.000	0.000	0.000	0.000
Golden State Water Company	170.000	0.000	0.000	170.000
Jurupa Community Services District	1,200.000	250.095	0.000	1,450.095
Marygold Mutual Water Company	0.000	44.838	193.029	237.867
Monte Vista Irrigation Company	0.000	35.333	0.000	35.333
Monte Vista Water District	387.231	664.566	0.000	1,051.797
Niagara Bottling, LLC	0.000	0.000	600.000	600.000
Nicholson Trust	(4.500)	0.000	0.000	(4.500)
Norco, City Of	0.000	0.000	0.000	0.000
Ontario, City Of	656.545	80.000	0.000	736.545
Pomona, City Of	(3,284.000)	219.678	3,284.000	219.678
San Antonio Water Company	(3,422.685)	100.000	2,457.197	(865.488)
San Bernardino, County of (Shooting Park)	0.000	0.000	0.000	0.000
Santa Ana River Water Company	(1,200.000)	31.000	0.000	(1,169.000)
Upland, City Of	(1,340.091)	160.678	70.000	(1,109.413)
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	3,035.034	16,787.776	19,822.810

6A

6B

6C

6D

p6: 1) Transfers in Column [6A] include annual water transfers/leases between Appropriators and/or from Appropriators to Watermaster for replenishment purposes. There were no transfers from Appropriative Pool Parties to Watermaster toward the replenishment obligation during this production 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 9.2a; these are City of Ontario, City of Upland, Monte Vista Water District, City of Pomona, Marygold Mutual Water Co, West Valley Water District, and Santa Ana River Water Co. Also included are the Exhibit "G" physical solution transfers from the Non-Ag Pool (See Appendix C).



Chino Basin Watermaster Assessment Breakdown 2015-2016 Water Transaction Detail

Assessment Year 2015-2016 (Production Year 2014-2015)

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	3/13/2015	3,000,000	504.05	\$1,512,150.00			
	West Valley Water District Storage Account	6/10/2015	500,000	495.00	\$247,500.00			
Fontana Water Company	Chino, City Of Storage Account	6/16/2015	2,361,394	515.63	\$1,217,605.59			
	Chino, City Of Storage Account	6/16/2015	4,138,606	515.63	\$2,133,989.41	\$1,813,891.00	\$320,098.41	Fontana Water Company
	Cucamonga Valley Water District Storage Account	6/8/2015	3,000,000	504.05	\$1,512,150.00	\$1,285,327.50	\$226,822.50	Fontana Water Company
	Nicholson Trust Annual Account	4/20/2015	4,500	510.00	\$2,295.00	\$1,950.75	\$344.25	Fontana Water Company
	Upland, City Of Annual Account	3/21/2015	5,000,000	510.00	\$2,550,000.00	\$2,167,500.00	\$382,500.00	Fontana Water Company
Golden State Water Company	Upland, City Of Storage Account	6/15/2015	70,000	510.00	\$35,700.00	\$30,345.00	\$5,355.00	Golden State Water Company
	West End Consolidated Water Co Storage Account	6/15/2015	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	2/23/2015	1,200,000	500.00	\$600,000.00			
Monte Vista Water District	San Antonio Water Company Annual Account	1/27/2015	387,231	222.16	\$86,027.24			
	<i>85/15 Rule does not apply -- method of utilizing SAWCO shares.</i>							
Ontario, City Of	San Antonio Water Company Storage Account	11/17/2014	656,545	213.38	\$140,093.57			
	<i>85/15 Rule does not apply -- method of utilizing SAWCO shares.</i>							



Chino Basin Watermaster Assessment Breakdown 2015-2016 Water Transaction Detail

Assessment Year 2015-2016 (Production Year 2014-2015)

To:	From:	Date of Submittal	Quantity	\$ / Acre Feet	Total \$	85%	15%	WM Pays
Upland, City Of	Pomona, City Of Storage Account	1/29/2015	284,000	0.00	\$0.00			
	San Antonio Water Company Annual Account	1/27/2015	2,378,909	222.16	\$528,498.42			
	<i>85/15 Rule does not apply -- method of utilizing SAWCO shares.</i>							
	West End Consolidated Water Co Storage Account	6/11/2015	1,067,000	49.00	\$52,283.00			
	<i>85/15 Rule does not apply -- method of utilizing West End shares.</i>							
			24,148.185			\$10,623,192.23	\$5,299,014.25	\$935,120.16
Total Credits								\$935,120.16



Chino Basin Watermaster Assessment Breakdown 2015-2016 Water Transaction Detail

Assessment Year 2015-2016 (Production Year 2014-2015)

Applied Recurring Transactions:

From:	To:	Quantity	\$ / Acre Feet	
Fontana Union Water Company Annual Account - Transfer (To) / From	Cucamonga Valley Water District Annual Account - Transfer (To) / From	All	0.00	Transfer FUWC 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 FUWC 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 FUWC 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 FUWC 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 FUWC Share of Safe Yield to CVWD.

p7: The Water Transaction between Fontana Water Company and the City of Chino submitted on 6/16/15 for the amount of 6,500 AF had been split because the amount purchased exceeds what is required to satisfy overproduction; the 85/15 Rule only applies to the portion that satisfies overproduction per the direction of the Appropriative Pool on November 2, 2011.



Chino Basin Watermaster Assessment Breakdown 2015-2016 Analysis of the Application of the 85/15 Rule to Water Transfers

Assessment Year 2015-2016 (Production Year 2014-2015)

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	5,976.362	Pomona, City Of	3/13/2015	3,000.000	Yes	Yes	No	0.000
		West Valley Water District	6/10/2015	500.000	Yes	Yes	No	0.000
Fontana Water Company	(12,143.106)	Chino, City Of	6/16/2015	2,361.394	Yes	Yes	No	0.000
		Chino, City Of	6/16/2015	4,138.606	Yes	Yes	No	4,138.606
		Cucamonga Valley Water District	6/8/2015	3,000.000	Yes	Yes	No	3,000.000
		Nicholson Trust	4/20/2015	4.500	Yes	Yes	No	4.500
		Upland, City Of	3/21/2015	5,000.000	Yes	Yes	No	5,000.000
Golden State Water Company	(84.622)	Upland, City Of	6/15/2015	70.000	Yes	Yes	No	70.000
		West End Consolidated Water Co	6/15/2015	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	3,780.314	Santa Ana River Water Company	2/23/2015	1,200.000	Yes	Yes	No	0.000
Monte Vista Water District	6,110.384	San Antonio Water Company	1/27/2015	387.231	Yes	Yes	Yes	0.000
		<i>85/15 Rule does not apply -- method of utilizing SAWCO shares.</i>						
Ontario, City Of	19,543.436	San Antonio Water Company	11/17/2014	656.545	Yes	Yes	Yes	0.000
		<i>85/15 Rule does not apply -- method of utilizing SAWCO shares.</i>						
Upland, City Of	4,003.847	Pomona, City Of	1/29/2015	284.000	Yes	Yes	No	0.000
		San Antonio Water Company	1/27/2015	2,378.909	Yes	Yes	Yes	0.000
		<i>85/15 Rule does not apply -- method of utilizing SAWCO shares.</i>						
		West End Consolidated Water Co	6/11/2015	1,067.000	Yes	Yes	Yes	0.000
		<i>85/15 Rule does not apply -- method of utilizing West End shares.</i>						

p8: 1) 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. ([2B]+[2C]+[2D]+[2E]+[6B]-[2J])
 2) The Water Transaction between Fontana Water Company and the City of Chino submitted on 6/16/15 for the amount of 6,500 AF had been split because the amount purchased exceeds what is required to satisfy overproduction; the 85/15 Rule only applies to the portion that satisfies overproduction per the direction of the Appropriative Pool on November 2, 2011.



Assessment Year 2015-2016 (Production Year 2014-2015)

Watermaster Replenishment Calculation

Cost of Replenishment Water per acre foot:

Watermaster Replenishment Cost	\$594.00
Projected Spreading - OCWD Connection Fee	\$2.00
Projected Spreading - IEUA Surcharge	\$15.00
Pre-purchased Credit	\$0.00
Total Replenishment Cost per acre foot	\$611.00

Replenishment Obligation:	AF @ \$611.00	15%	85%	Total
Appropriative - 100	1,675.069			\$1,023,467.16
Appropriative - 15/85	10.868	\$996.05	\$5,644.30	\$6,640.35
Non-Agricultural - 100	31.776			\$19,415.14
	1,717.713			\$1,049,522.64

Company	AF Production and Exchanges	85/15 Producers	Percent of Total 85/15 Producers	15% Replenishment Assessment	15% Water Transaction Debits
Arrowhead Mtn Spring Water Co	426.139			-	-
Chino Hills, City Of	3,661.309	3,661.309	5.380%	\$53.59	\$50,311.82
Chino, City Of	0.000	0.000	0.000%	-	\$0.00
Cucamonga Valley Water District	14,639.960	14,639.960	21.513%	\$214.28	\$201,174.79
Desalter Authority	29,989.990			-	-
Fontana Union Water Company	0.000	0.000	0.000%	-	\$0.00
Fontana Water Company	13,344.225	13,344.225	19.609%	\$195.32	\$183,369.47
Fontana, City Of	0.000			-	-
Golden State Water Company	720.259	720.259	1.058%	\$10.54	\$9,897.43
Jurupa Community Services Distric	12,466.577	12,466.577	18.319%	\$182.47	\$171,309.28
Marygold Mutual Water Company	1,250.349			-	-
Monte Vista Irrigation Company	0.000	0.000	0.000%	-	\$0.00
Monte Vista Water District	6,881.539	6,881.539	10.112%	\$100.72	\$94,562.57
Niagara Bottling, LLC	1,859.765			-	-
Nicholson Trust	0.000	0.000	0.000%	-	\$0.00
Norco, City Of	0.000	0.000	0.000%	-	\$0.00
Ontario, City Of	11,430.640	11,430.640	16.797%	\$167.31	\$157,073.97
Pomona, City Of	12,520.382			-	-
San Antonio Water Company	1,479.087	1,479.087	2.174%	\$21.65	\$20,324.85
San Bernardino, County of (Shootin	10.868	10.868	0.016%	\$0.16	\$149.34
Santa Ana River Water Company	0.000	0.000	0.000%	-	\$0.00
Upland, City Of	3,416.416	3,416.416	5.020%	\$50.01	\$46,946.63
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	114,097.505	68,050.880	**	\$996.05	\$935,120.16

Transfers to
1G

Transfers to
1K

p9: The "Watermaster Replenishment Cost" listed is MWD's 2016 Tier 1 Full Service Untreated Rate.



Assessment Year 2015-2016 (Production Year 2014-2015)

Watermaster Cumulative Unmet Replenishment Obligation (CURO)

Remaining Replenishment Obligation:		AF	Replenishment Rate
Appropriative - 100	2,106,408		\$611.00
Appropriative - 15/85	27,971		\$610.00
Non-Agricultural - 100	136,569		
	2,270,948		

Pool 3 Appropriative

Company	Outstanding Obligation (AF)	Fund Balance (\$)	Outstanding Obligation (\$)	AF Production and Exchanges	85/15 Producers	Percent	15%	85%	100%	Total
Arrowhead Mtn Spring Water Co	719,974	\$440,072.26	(\$168.15)	426,139					(\$168.15)	(\$168.15)
Chino Hills, City Of	0.000	\$0.00	\$0.00	3,661,309	3,661,309	5.380%	(\$0.05)	\$0.00		(\$0.05)
Chino, City Of	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00		\$0.00
Cucamonga Valley Water District	0.000	\$0.00	\$0.00	14,639,960	14,639,960	21.513%	(\$0.21)	\$0.00		(\$0.21)
Desalter Authority	0.000	\$0.00	\$0.00	29,989,990						\$0.00
Fontana Union Water Company	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00		\$0.00
Fontana Water Company	0.000	\$0.00	\$0.00	13,344,225	13,344,225	19.609%	(\$0.19)	\$0.00		(\$0.19)
Fontana, City Of	0.000	\$0.00	\$0.00	0.000					\$0.00	\$0.00
Golden State Water Company	0.000	\$0.00	\$0.00	720,259	720,259	1.058%	(\$0.01)	\$0.00		(\$0.01)
Jurupa Community Services District	0.000	\$0.00	\$0.00	12,466,577	12,466,577	18.319%	(\$0.18)	\$0.00		(\$0.18)
Marygold Mutual Water Company	78,655	\$48,076.57	(\$18.36)	1,250,349					(\$18.36)	(\$18.36)
Monte Vista Irrigation Company	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00		\$0.00
Monte Vista Water District	0.000	\$0.00	\$0.00	6,881,539	6,881,539	10.112%	(\$0.10)	\$0.00		(\$0.10)
Niagara Bottling, LLC	1,307,779	\$799,358.40	(\$305.43)	1,859,765					(\$305.43)	(\$305.43)
Nicholson Trust	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00		\$0.00
Norco, City Of	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00		\$0.00
Ontario, City Of	0.000	\$0.00	\$0.00	11,430,640	11,430,640	16.797%	(\$0.16)	\$0.00		(\$0.16)
Pomona, City Of	0.000	\$0.00	\$0.00	12,520,382					\$0.00	\$0.00
San Antonio Water Company	0.000	\$0.00	\$0.00	1,479,087	1,479,087	2.174%	(\$0.02)	\$0.00		(\$0.02)
San Bernardino, County of (Shooting Par	27,971	\$17,096.81	(\$6.53)	10,868	10,868	0.016%	\$0.00	(\$5.55)		(\$5.55)
Santa Ana River Water Company	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00		\$0.00
Upland, City Of	0.000	\$0.00	\$0.00	3,416,416	3,416,416	5.020%	(\$0.05)	\$0.00		(\$0.05)
West End Consolidated Water Co	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00		\$0.00
West Valley Water District	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00		\$0.00
Pool 3 Appropriative Total	2,134,379	\$1,304,604.04	(\$498.47)	114,097,505	68,050,880	**	(\$0.98)	(\$5.55)	(\$491.94)	(\$498.47)

p10: There are 1,036,421 AF and 1,234,827 AF of Outstanding Obligations from the previous two FYs, and the financial Outstanding Obligations are reconciled on these two pages.



Assessment Year 2015-2016 (Production Year 2014-2015)
Watermaster Cumulative Unmet Replenishment Obligation (CURO)

Remaining Replenishment Obligation:	AF	Replenishment Rate
Appropriative - 100	2,106.408	2015 Rate \$611.00
Appropriative - 15/85	27.971	2014 Rate \$610.00
Non-Agricultural - 100	136.569	
	2,270.948	

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	57.154	\$34,934.44	(\$13.35)
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)	0.004	\$2.44	\$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
Monte Vista Water District (Non-Ag)	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	21.750	\$13,294.33	(\$5.08)
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)	53.311	\$32,585.47	(\$12.45)
Space Center Mira Loma, Inc.	0.000	\$0.00	\$0.00
Sunkist Growers, Inc.	0.000	\$0.00	\$0.00
TAMCO	4.350	\$2,658.87	(\$1.02)
West Venture Development Co.	0.000	\$0.00	\$0.00
Pool 2 Non-Agricultural Total	136.569	\$83,475.55	(\$31.89)

p10: There are 1,036.121 AF and 1,234.827 AF of Outstanding Obligations from the previous two FYs, and the financial Outstanding Obligations are reconciled on these two pages.



Chino Basin Watermaster Assessment Breakdown 2015-2016 Land Use Conversion Summary

Assessment Year 2015-2016 (Production Year 2014-2015)

AGRICULTURAL POOL SUMMARY IN ACRE FEET

Agricultural Pool Safe Yield	82,800.000
Agricultural Total Pool Production	(28,520.530)
Early Transfer	(32,800.000)
Total Conversions	(26,767.578)
Under(Over) Production:	(5,288.108)

	Acres Converted @ 1.3 af/ac		Total Prior to Peace Agrmt Converted AF	Acres Converted @ 2.0 af/ac		Total Land Use Conversions Acre-Feet
	Acres	Acre Feet		Acres	Acre Feet	
Chino Hills, City Of	0.000	670.266	871.346	175.714	351.428	1,222.774
Chino, City Of	196.235	1,454.750	2,087.410	2,886.419	5,772.838	7,860.248
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	5,238.198	10,476.396	14,060.392
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	621.084	1,242.168	2,136.725
	405.635	5,897.410	7,666.633	9,347.655	18,695.310	26,767.578

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



Assessment Year 2015-2016 (Production Year 2014-2015)

Pool 3 Agricultural Pool Reallocation Summary

	Reallocation of Agricultural Pool Safe Yield						
	<i>% Share of Operating Safe Yield</i>	32,800 AF Early Transfer	Land Use Conversions	Potential for Reallocation (AF)	<i>Percent of Ag Pool Reallocation</i>	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	0.000
Chino Hills, City Of	3.851%	1,263.128	1,222.774	2,485.902	4.173%	(220.686)	2,265.216
Chino, City Of	7.357%	2,413.096	7,860.248	10,273.344	17.247%	(912.015)	9,361.329
Cucamonga Valley Water District	6.601%	2,165.128	598.364	2,763.492	4.639%	(245.329)	2,518.163
Desalter Authority	0.000%	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	6.419%	(339.431)	3,484.065
Fontana Water Company	0.002%	0.656	834.000	834.656	1.401%	(74.097)	760.559
Fontana, City Of	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000
Golden State Water Company	0.750%	246.000	0.000	246.000	0.413%	(21.839)	224.161
Jurupa Community Services District	3.759%	1,232.952	14,060.392	15,293.344	25.674%	(1,357.666)	13,935.678
Marygold Mutual Water Company	1.195%	391.960	0.000	391.960	0.658%	(34.796)	357.164
Monte Vista Irrigation Company	1.234%	404.752	0.000	404.752	0.679%	(35.932)	368.820
Monte Vista Water District	8.797%	2,885.416	55.075	2,940.491	4.936%	(261.042)	2,679.449
Niagara Bottling, LLC	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000
Nicholson Trust	0.007%	2.296	0.000	2.296	0.004%	(0.204)	2.092
Norco, City Of	0.368%	120.704	0.000	120.704	0.203%	(10.715)	109.989
Ontario, City Of	20.742%	6,803.376	2,136.725	8,940.101	15.008%	(793.657)	8,146.444
Pomona, City Of	20.454%	6,708.912	0.000	6,708.912	11.263%	(595.583)	6,113.329
San Antonio Water Company	2.748%	901.344	0.000	901.344	1.513%	(80.017)	821.327
San Bernardino, County of (Shooting	0.000%	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	1.307%	(69.097)	709.247
Upland, City Of	5.202%	1,706.256	0.000	1,706.256	2.864%	(151.473)	1,554.783
West End Consolidated Water Co	1.728%	566.784	0.000	566.784	0.951%	(50.316)	516.468
West Valley Water District	1.175%	385.400	0.000	385.400	0.647%	(34.214)	351.186
	100.000%	32,800.000	26,767.578	59,567.578	100.000%	(5,288.109)	54,279.469
	12A	12B	12C	12D	12E	12F	12G



Assessment Year 2015-2016 (Production Year 2014-2015) Pool 2 Assessment Fee Summary

	Non-Agricultural Pool			Replenishment Assessments			Total Assessments Due
	AF Production	\$15.58 AF/Admin	\$41.96 AF/OBMP	AF Exceeding Annual/Right	\$611.00 Per AF	CURO Adjustment	
Ameron International Corp.	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Aqua Capital Management LP	0.000	0.00	0.00	0.317	193.69	(13.35)	180.34
California Speedway Corp. (Auto Club Speedway)	454.248	7,077.18	19,060.25	0.000	0.00	0.00	26,137.43
California Steel Industries, Inc. (CSI)	1,278.665	19,921.60	53,652.78	0.000	0.00	0.00	73,574.38
Calmat Co., a Division of Vulcan Materials Co.	0.000	0.00	0.00	0.000	0.00	0.00	0.00
CCG Ontario, LLC	0.000	0.00	0.00	0.000	0.00	0.00	0.00
General Electric Co. (GE)	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Hamner Park Associates (Swan Lake MHP)	277.282	4,320.05	11,634.75	0.000	0.00	0.00	15,954.81
NRG California South LP	220.998	3,443.15	9,273.08	0.000	0.00	0.00	12,716.22
Ontario, City of (Non-Ag)	1,856.735	28,927.93	77,908.60	0.000	0.00	0.00	106,836.53
Praxair, Inc.	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Riboli Family / San Antonio Winery	7.062	110.03	296.32	7.062	4,314.88	(5.08)	4,716.15
San Bernardino, County of (Chino Airport)	90.247	1,406.05	3,786.76	0.000	0.00	0.00	5,192.81
Southern California Edison Co. (SCE)	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Southern Service Co. (Angelica)	25.833	402.48	1,083.95	8.922	5,451.34	(12.45)	6,925.32
Space Center Mira Loma, Inc.	93.708	1,459.97	3,931.99	0.000	0.00	0.00	5,391.96
TAMCO	28.975	451.43	1,215.79	15.475	9,455.23	(1.02)	11,121.43
West Venture Development Co.	0.000	0.00	0.00	0.000	0.00	0.00	0.00
TOTAL	4,333.753	67,519.87	181,844.27	31.776	19,415.14	(31.89)	268,747.38

13A

13B

13C

13D

13E

13F

13G

13H



Assessment Year 2015-2016 (Production Year 2014-2015)

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%	82,858	0.000	82,858	(8,286)	0.000	157,430	0.000	0.000	157,430	82,858	74,572
Aqua Capital Management LP	4.530%	0.000	0.000	332,981	(333,298)	0.000	(0.317)	0.000	0.317	0.000	0.000	0.000
California Speedway Corp. (Auto CI	13.605%	1,000,000	0.000	1,000,000	(100,000)	0.000	1,900,000	454,248	0.000	1,445,752	1,000,000	445,751
California Steel Industries, Inc. (CSI	21.974%	1,600,633	0.000	1,615,137	(161,513)	0.000	3,054,257	1,278,665	0.000	1,775,592	1,615,137	160,455
Calmat Co., a Division of Vulcan Ma	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	0.000	0.000	0.000	0.000	0.000
Hamner Park Associates (Swan Lak	6.316%	464,240	0.000	464,240	(46,424)	0.000	882,056	277,282	0.000	604,774	464,240	140,534
NRG California South LP	12.986%	954,540	0.000	954,540	(95,454)	0.000	1,813,626	220,998	0.000	1,592,628	954,540	638,088
Ontario, City of (Non-Ag)	35.751%	2,327,807	0.000	2,627,807	(262,781)	0.000	4,692,833	1,866,735	0.000	2,836,098	2,627,807	208,291
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 Winery	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	7,062	7,062	0.000	0.000	0.000
San Bernardino, County of (Chino A	1.821%	46,701	0.000	133,870	(13,387)	0.000	167,184	90,247	0.000	76,937	76,937	0.000
Southern California Edison Co. (SC	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	25,833	8,922	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
TAMCO	0.204%	0.000	0.000	15,000	(1,500)	0.000	13,500	28,975	15,475	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
	100.00%	6,477,782	0.000	7,350,343	(1,035,034)	0.000	12,793,090	4,333,753	31,776	8,491,114	6,822,522	1,668,590
	14A	14B	14C	14D	14E	14F	14G	14H	14I	14J	14K	14L

p14: 1) 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)
 2) Column [14H], "Actual Fiscal Year Production," includes Assignments between Appropriators and Non-Ag Pool Parties.



Assessment Year 2015-2016 (Production Year 2014-2015)

Pool 2 Local Storage Account Summary

	Local Storage Account			
	Beginning Balance	2% Storage Loss	Transfers To / (From)	Ending Balance
Ameron International Corp.	371,633	(7,432)	74,572	438,773
Aqua Capital Management LP	0.000	0.000	0.000	0.000
California Speedway Corp. (Auto Club Speedway)	1,668,821	(33,376)	(554,249)	1,081,196
California Steel Industries, Inc. (CSI)	3,795,931	(75,918)	160,455	3,880,468
Calmat Co., a Division of Vulcan Materials Co.	5,175	(0.103)	0.000	5,072
CCG Ontario, LLC	0.000	0.000	0.000	0.000
General Electric Co. (GE)	0.000	0.000	0.000	0.000
Hamner Park Associates (Swan Lake MHP)	1,064,779	(21,295)	140,534	1,184,018
NRG California South LP	3,094,103	(61,882)	(361,912)	2,670,309
Ontario, City of (Non-Ag)	2,751,747	(55,034)	208,291	2,905,004
Praxair, Inc.	60,149	(1,202)	0.899	59,846
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
TAMCO	0.000	0.000	0.000	0.000
West Venture Development Co.	0.000	0.000	0.000	0.000
	12,812,338	(256,242)	(331,410)	12,224,686
	15A	15B	15C	15D

p15: Column [15C] includes the Exhibit "G" physical solution transfers to the Appropriative Pool. (See Appendix C)



Assessment Year 2015-2016 (Production Year 2014-2015)

Appendix A: Pool 3 Water Production Detail

	Physical Production	Voluntary Agreements (w/ Ag)	Assignments (w/ Non-Ag)	Other Adjustments	Actual FY Production (Assmnt Pkg Column 2J)
Arrowhead Mtn Spring Water Co	426.139	0.000	0.000	0.000	426.139
Chino Hills, City Of	3,757.338	(96.029)	0.000	0.000	3,661.309
Chino, City Of	6,546.044	(6,460.660)	(90.247)	4.863	0.000
Cucamonga Valley Water District	14,639.960	0.000	0.000	0.000	14,639.960
Desalter Authority	30,022.093	0.000	0.000	(32.103)	29,989.990
Fontana Union Water Company	0.000	0.000	0.000	0.000	0.000
Fontana Water Company	13,344.225	0.000	0.000	0.000	13,344.225
Fontana, City Of	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	720.259	0.000	0.000	0.000	720.259
Jurupa Community Services District	12,805.464	0.000	(370.990)	32.103	12,466.577
Marygold Mutual Water Company	1,250.349	0.000	0.000	0.000	1,250.349
Metropolitan Water District	0.000	0.000	0.000	0.000	0.000
Monte Vista Irrigation Company	0.000	0.000	0.000	0.000	0.000
Monte Vista Water District	7,401.629	(132.454)	0.000	(387.636)	6,881.539
Niagara Bottling, LLC	1,859.765	0.000	0.000	0.000	1,859.765
Nicholson Trust	0.000	0.000	0.000	0.000	0.000
Norco, City Of	0.000	0.000	0.000	0.000	0.000
Ontario, City Of	17,675.687	(4,388.312)	(1,856.735)	0.000	11,430.640
Pomona, City Of	12,520.382	0.000	0.000	0.000	12,520.382
San Antonio Water Company	1,479.087	0.000	0.000	0.000	1,479.087
San Bernardino, County of (Shooting)	10.868	0.000	0.000	0.000	10.868
Santa Ana River Water Company	0.000	0.000	0.000	0.000	0.000
Upland, City Of	3,416.416	0.000	0.000	0.000	3,416.416
West End Consolidated Water Co	0.000	0.000	0.000	0.000	0.000
West Valley Water District	0.000	0.000	0.000	0.000	0.000
	127,875.705	(11,077.455)	(2,317.972)	(382.773)	114,097.505

Less Desalter Authority Production

29,989.990

Total Less Desalter Authority Production

84,107.515

Note: Other Adjustments include water provided to another Appropriator, pump-to-waste that has been captured in a recharge basin, and ASR injections. The volume noted for City of Chino is an adjustment made to keep the City's Actual Production from being a negative number.

Desalter Replenishment Accounting, Shortfall Deducted from the Pre-Peace II Desalters Re-Operation Account¹
Per Peace II Agreement, Section 6.2 (PIIA, 6.2)
(Acre-Feet)

Production Year	Desalter Production			Desalter Replenishment					Residual Replenishment Obligation ^{5, 8, 9}				
	Pre-Peace II Desalter Production	Peace II Desalter Expansion Production ²	Total	Desalter (aka Kaiser) Account PIIA, 6.2(e)(i)	Paragraph 31 Settlement Agreements Deductions ³ PIIA, 6.2(e)(ii)	SAR Underflow ⁴ (SARUNY) PIIA, 6.2(e)(iii)	"Leave Behind" Losses PIIA, 6.2(a)(iv)	Safe Yield Contributed by Parties PIIA, 6.2(e)(v)		Allocation to Pre-Peace II Desalters ⁵	Allocation for Peace II Desalter Expansion ⁶	Balance	Non-Ag OBMP Assessment (10% Haircut) ⁷ PIIA, 6.2(b)(i)
2001	7,989	0	7,989	3,995	0	0	0	0	0	0	0	0	3,995
2002	9,458	0	9,458	4,729	0	0	0	0	0	0	0	0	4,729
2003	10,439	0	10,439	5,219	0	0	0	0	0	0	0	0	5,219
2004	10,605	0	10,605	5,303	0	0	0	0	0	0	0	0	5,303
2005	9,854	0	9,854	4,927	0	0	0	0	0	0	0	0	4,927
2006	16,476	0	16,476	11,579	0	0	0	0	0	0	400,000	0	4,897
2007	26,356	0	26,356	608	4,273	0	0	0	21,475	0	378,525	0	0
2008	26,972	0	26,972	0	0	0	0	0	26,972	0	351,553	0	0
2009	32,920	0	32,920	0	0	0	0	0	61,989	0	289,564	0	0
2010	28,517	0	28,517	0	0	0	0	0	28,517	0	261,047	0	0
2011	29,319	0	29,319	0	0	0	0	0	29,319	0	231,729	0	0
2012	28,379	0	28,379	0	0	0	0	0	28,379	0	203,350	0	0
2013	27,062	0	27,062	0	0	0	0	0	27,062	0	176,288	0	0
2014	29,228	15	29,243	0	0	0	0	0	1,288	15	174,985	0	0
2015	29,541	449	29,990	0	0	0	0	0	0	449	174,837	0	27,940
2016	30,000	7,500	37,500	0	0	0	0	0	0	7,500	167,037	0	30,000
2017	30,000	10,000	40,000	0	0	0	0	0	0	10,000	157,037	735	29,265
2018	30,000	10,000	40,000	0	0	0	0	0	0	10,000	147,037	735	29,265
2019	30,000	10,000	40,000	0	0	0	0	0	0	10,000	137,037	735	29,265
2020	30,000	10,000	40,000	0	0	0	0	0	0	10,000	127,037	735	29,265
2021	30,000	10,000	40,000	0	0	0	0	0	0	10,000	117,037	735	29,265
2022	30,000	10,000	40,000	0	0	0	0	0	0	10,000	107,037	735	29,265
2023	30,000	10,000	40,000	0	0	0	0	0	0	10,000	97,037	735	29,265
2024	30,000	10,000	40,000	0	0	0	0	0	0	10,000	87,037	735	29,265
2025	30,000	10,000	40,000	0	0	0	0	0	0	10,000	77,037	735	29,265
2026	30,000	10,000	40,000	0	0	0	0	0	0	10,000	67,037	735	29,265
2027	30,000	10,000	40,000	0	0	0	0	0	0	10,000	57,037	735	29,265
2028	30,000	10,000	40,000	0	0	0	0	0	0	10,000	47,037	735	29,265
2029	30,000	10,000	40,000	0	0	0	0	0	0	10,000	37,037	735	29,265
2030	30,000	10,000	40,000	0	0	0	0	0	0	10,000	27,037	735	29,265
Totals	773,114	147,963	921,077	36,360	4,273	0	0	0	225,000	147,963	27,037	10,290	497,191

(225,000 available) (175,000 available)

1. Table format and content: WEL, Response to Condition Subsequent Number 7, November 2008.
2. Peace II Desalter Expansion expected to increase total desalter production in October 2015.
3. 3,956,877 acre-feet + 316,177 acre-feet added as Non-Ag dedicated stored water per Paragraph 31 Settlement Agreements. Per Agreements, the water is deemed to have been dedicated as of June 30, 2007.
4. **The Santa Ana River Underflow New Yield (SARUNY) projection in the table is shown as zero for each year. In the near future, through the modeling work and Safe Yield Recalculation process, Watermaster will determine the SARUNY created by Desalters and Re-Operation, and will produce a new schedule.**
5. Six years of Desalter tracking (Production Year 2000/2001 through Production Year 2005/2006) incorrectly assumed that a significant portion of Desalter production was being offset by SAR Underflow New Yield. Condition Subsequent 7 included an adjustment of 29,070 AF against Desalter replenishment in Production Year 2008/2009.
6. The Peace I Agreement terminates in 2030. Per this schedule, the Peace II Desalter expansion has not yet fully utilized its available 175,000 acre-feet.
7. For the first 10 years following the Peace II Agreement (2006/2007 through 2015/2016), the Non-Ag "10% Haircut" water is apportioned among the specific seven members of the Appropriative Pool, per PIIA 9.2(a). In the eleventh year and in each year thereafter, it is dedicated to Watermaster to further offset desalter replenishment. However, to the extent there is no remaining desalter replenishment obligation in any year after applying the offsets set forth in 6.2(a), it will be distributed pro rata among the members of the Appropriative Pool based upon each Producer's combined total share of OSY and the previous year's actual production.
8. Per the Peace II Agreement, Section 6.2(b)(ii), the residual replenishment assessment is against the Appropriative Pool, pro-rata based on each Producer's combined total share of OSY and the previous year's actual production.
9. **The production year 2013/14 desalter replenishment obligation could be as high as 27,940 AF. Due to the ongoing Safe Yield Recalculation process and related SARUNY matter, the desalter replenishment obligation is not being assessed at this time. When the Safe Yield Recalculation and SARUNY matters are resolved, the desalter replenishment obligation will be recalculated, if necessary, and assessed, if necessary.**

**ALLOCATION FOR THE PURCHASE OF
THE EXHIBIT "G" NON-AG POOL WATER
2015**

Non-Ag Pool Party	Amount Sold (AF)
Aqua Capital Management	300.000
Auto Club Speedway	1,000.000
NRG California South LP	1,000.000
Total	2,300.000

Appropriative Pool Party	Amount Purchased (AF)
Arrowhead Mtn Spring Water Co	10.835
Chino Hills, City Of	-
Chino, City Of	-
Cucamonga Valley Water District	649.742
Desalter Authority	-
Fontana Union Water Company	333.708
Fontana Water Company	439.561
Fontana, City Of	-
Golden State Water Company	-
Jurupa Community Services District	250.095
Marygold Mutual Water Company	28.838
Monte Vista Irrigation Company	35.333
Monte Vista Water District	451.888
Niagara Bottling, LLC	-
Nicholson Trust	-
Norco, City Of	-
Ontario, City Of	-
Pomona, City Of	-
San Antonio Water Company	100.000
San Bernardino, County of (Shooting Park)	-
Santa Ana River Water Company	-
Upland, City Of	-
West End Consolidated Water Company	-
West Valley Water District	-
Total	2,300.000

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	28.79	40.39	40.39	608.00
14-15	27.71	40.49	40.49	610.00
15-16	30.24	57.54	57.54	611.00

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 2014-2015

	FY 11-12 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	FY 14-15 Approved Budget	FY 14-15 Amended Budget	Amended vs. Amended
4000 Mutual Agency Revenue	\$ 705,777	\$ 151,550	\$ 152,938	\$ 152,938	\$ 154,581	\$ 154,581	\$ 155,331	\$ 155,331	\$ 750
4110 Appropriative Pool Assessments	5,919,372	6,329,126	6,285,952	6,360,952	6,301,135	6,361,227	6,888,767	7,280,154	918,927
4120 Non-Agricultural Pool Assessments	306,156	283,393	191,711	251,711	239,320	241,378	246,483	244,096	2,718
4730 Prorated Interest Income	18,725	7,866	39,600	39,600	29,700	29,700	25,800	25,800	(3,900)
4900 Miscellaneous Income	-	21,710	-	-	-	-	-	-	-
Total Income	6,950,030	6,793,646	6,670,201	6,805,201	6,724,736	6,786,886	7,316,381	7,705,381	918,495
Administrative Expenses									
6010 Salary Costs	539,711	279,179	519,684	519,684	617,747	677,747	845,547	785,327	107,580
6020 Office Building Expense	98,076	49,889	107,345	107,345	106,630	106,630	105,274	107,174	544
6030 Office Supplies & Equip.	25,582	11,006	27,000	27,000	28,300	28,300	31,980	34,700	6,400
6040 Postage & Printing Costs	55,240	22,224	62,368	62,368	51,900	43,100	56,900	56,900	13,800
6050 Information Services	119,944	59,882	142,296	143,796	135,996	135,996	131,840	131,840	(4,156)
6060 WM Special Contract Services	42,875	30,979	31,900	40,900	24,800	24,800	40,200	40,200	15,400
6070 Watermaster Legal Services	224,759	109,308	175,645	210,645	234,100	314,600	230,700	315,707	1,107
6080 Insurance Expense	17,980	17,477	19,393	19,393	19,107	27,407	27,312	27,312	(95)
6110 Dues and Subscriptions	28,247	12,635	27,500	27,500	22,325	22,325	20,325	20,325	(2,000)
6150 Field Supplies & Equipment	651	411	1,400	1,400	1,450	1,450	1,450	1,450	-
6170 Travel & Transportation	18,821	8,475	21,170	21,170	19,170	19,170	22,860	22,860	3,690
6190 Conferences & Seminars	4,729	654	15,000	15,000	12,500	15,500	15,000	20,600	5,100
6200 Advisory Committee Expenses	47,257	18,594	53,385	53,385	54,368	33,368	55,568	36,568	3,200
6300 Watermaster Board Expenses	125,922	55,696	143,894	123,894	151,289	176,289	173,258	133,258	(43,031)
6500 Education Fund Expenditures	375	-	257	257	-	-	-	-	-
8300 Appropriative Pool Administration	165,285	75,562	59,285	154,381	136,273	140,273	137,622	202,622	62,349
8400 Agricultural Pool Administration	174,181	59,044	356,983	356,983	353,462	199,962	353,938	303,938	103,976
8500 Non-Agricultural Pool Administration	184,246	48,997	46,995	116,995	110,314	113,814	110,025	110,025	(3,789)
9400 Depreciation Expense	10,814	-	-	-	-	-	-	-	-
9500 Allocated G&A Expenditures	(486,327)	(133,631)	(732,558)	(732,558)	(568,626)	(568,626)	(391,876)	(391,877)	176,749
Total Administrative Expenses	1,398,367	725,380	1,078,942	1,269,538	1,511,105	1,512,106	1,967,923	1,958,929	446,823
General OBMP Expenditures									
6900 Optimum Basin Mgmt Program	1,104,156	506,165	994,850	994,305	1,009,365	1,313,365	1,207,145	1,591,145	277,780
6950 Cooperative Efforts	10,000	-	10,000	10,000	10,000	10,000	10,000	10,000	-
9501 Allocated G&A Expenditures	180,724	61,642	214,336	214,336	228,433	228,433	126,551	126,551	(101,882)
Total General OBMP Expenses	1,294,879	567,807	1,219,186	1,218,641	1,247,798	1,551,798	1,343,696	1,727,696	175,898
OBMP Implementation Projects									
7101 Production Monitoring	103,555	32,654	108,746	108,746	81,649	81,649	59,239	93,482	11,833
7102 In-Line Meter Installation/Maintenance	73,625	41,196	106,162	106,162	104,616	104,616	101,422	101,422	(3,194)
7103 Groundwater Quality Monitoring	199,266	92,154	173,738	173,498	202,339	202,339	176,018	155,810	(46,529)
7104 Groundwater Level Monitoring	297,877	103,295	318,898	283,974	292,840	247,840	236,355	223,660	(24,180)
7105 Recharge Basin Water Quality Monitoring	1,486	-	3,118	3,118	-	-	-	-	-
7107 Ground Level Monitoring	886,037	132,242	524,451	628,918	347,305	594,308	325,219	555,830	(38,478)
7108 Hydraulic Control Monitoring Program	420,462	211,288	411,162	376,502	319,045	406,943	89,080	319,910	(87,033)
7109 Recharge & Well Monitoring Program	-	-	21,540	4,000	21,000	21,000	21,000	21,000	-
7200 OBMP Pgm Element 2 - Comp Recharge	1,297,432	541,269	1,374,719	1,484,758	995,892	1,358,042	948,327	1,022,945	(335,097)
7300 OBMP Pgm Element 3 & 5 - Water Supply F	75,280	14,816	75,995	75,995	60,649	50,649	60,474	7,000	(43,649)
7400 OBMP Pgm Element 4 - Mgmt Zone Strateg	71,732	17,343	82,250	82,250	107,507	107,507	108,168	193,168	85,661
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Si	102,243	12,598	92,479	81,993	111,112	81,112	81,313	80,680	(432)
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/C	52,554	2,190	58,618	47,290	41,378	31,378	33,582	3,342	(28,036)
7700 Inactive Well Protection Program	168	-	920	920	500	500	500	500	-
7690 Recharge Improvement Debt Projects	178,135	521,688	501,055	773,884	939,808	1,111,637	1,498,740	2,179,817	1,068,180
9502 Allocated G&A Expenditures	327,935	65,809	518,222	518,222	340,193	340,193	265,325	265,325	(74,867)
Total OBMP Implementation Projects	4,087,785	1,788,542	4,372,073	4,750,235	3,965,833	4,739,713	4,004,762	5,223,892	484,179
Total Expenses	6,781,032	3,081,729	6,670,201	7,238,413	6,724,736	7,803,616	7,316,381	8,910,517	1,106,901
Net Ordinary Income	168,998	3,711,917	-	(433,212)	-	(1,016,730)	-	(1,205,136)	(188,406)
Other Income									
4225 Interest Income	(6,168)	23	-	-	-	-	-	-	-
4210 Approp Pool-Replenishment	686,814	625,202	-	-	-	-	-	-	-
4220 Non-Ag Pool-Replenishment	27,470	22,789	-	-	-	-	-	-	-
4600 Groundwater Sales	12,647,183	1,786,217	-	-	-	-	-	-	-
Total Other Income	13,355,299	2,434,231	-	-	-	-	-	-	-
Other Expense									
5010 Groundwater Recharge	10,963,654	-	-	-	-	-	-	-	-
5100 Other Water Purchases	1,899,337	-	-	-	-	-	-	-	-
9000 Other Expense	-	-	-	-	-	-	-	-	-
9200 Interest Expense	9,272	-	-	-	-	-	-	-	-
9990 Excess Reserve Refunds	2,623,938	788,647	-	-	-	-	-	-	-
Total Other Expense	15,496,202	788,647	-	-	-	-	-	-	-
9900 To / (From) Reserves	(1,971,904)	5,357,501	-	-	-	-	-	-	-
Net Other Income	(168,998)	(3,711,917)	-	-	-	-	-	-	-
Net Income	\$ -	\$ -	\$ -	\$ (433,212)	\$ -	\$ (1,016,730)	\$ -	\$ (1,205,136)	\$ (188,406)



Chino Basin Watermaster

Annual Financial Report

For the Fiscal Year Ended June 30, 2015

Our Mission Statement

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.”

**Chino Basin Watermaster
Board of Directors as of June 30, 2015**

<u>Pools</u>	<u>Name</u>	<u>Title</u>	<u>Current Term Ending or Ongoing</u>
Agricultural	Paul Hofer	Vice-Chair	Ongoing ¹
Agricultural	Geoffrey Vanden Heuvel	Member	Ongoing ¹
Non-Agricultural	Robert Bowcock	Member	Ongoing ¹
Appropriative	J. Arnold Rodriguez	Secretary/Treasurer	Ongoing ^{1,2}
Appropriative	Jim Bowman	Member	Ongoing ^{1,2}
Appropriative	Mark Kinsey	Member	Ongoing ^{1,2}
Municipal	Steve Elie	Chair	Ongoing ¹
Municipal	Don Galleano	Member	Ongoing ¹
Municipal	Bob Kuhn	Member	Ongoing ¹

¹ *The Watermaster Board serves at the direction of Judge Reichert and is appointed for a five year term through February 2016. Reappointment for a subsequent five year term is under consideration.*

² *The Appropriative Pool’s rotation sequence for Board membership effective January 2016 is under consideration.*

**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 Year Ended June 30, 2015

**Chino Basin Watermaster
Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

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Introductory Section



November 19, 2015

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 year ended June 30, 2015, 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 Fedak & Brown LLP has conducted the audit of the Watermaster's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

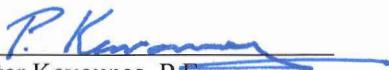
Other References


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



Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
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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 Chino Basin Watermaster (Watermaster) as of and for the year ended June 30, 2015, 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 opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 opinion.

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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report, continued

Emphasis of matter

As described in Note 1.C to the basic financial statements, the Watermaster adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, and No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*, for the year ended June 30, 2015. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Watermaster's June 30, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 20, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 7 through 10, the required supplementary information on page 34 and 36 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 page 37, 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 on them.

Independent Auditor's Report, continued

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2015, 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 38 and 39.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
November 19, 2015

Chino Basin Watermaster
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
With Comparative Amounts as of June 30, 2014

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 year ended June 30, 2015 (with comparative information for fiscal year ended June 30, 2014). We encourage readers to consider the information presented here with additional information that we have furnished in conjunction with the transmittal letter in the Introductory Section and with the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- In 2015, the Watermaster's net position increased by 13.88%, or \$939,237 to \$7,707,107, which is comprised of an increase from normal operations of \$1,679,432 and a decrease from prior period adjustment in the amount of \$740,195. Please see Note 6 to the basic financial statements for further discussion.
- In 2015, the Watermaster's total revenues decreased 28.98% or \$3,919,153 to \$9,606,663. Operating revenues decreased 29.06% or \$3,925,308 to \$9,583,293, primarily due to a decrease in groundwater sales as affected by the statewide drought. Non-operating revenue increased 35.75% or \$6,155 to \$23,370, primarily due to an increase in interest income.
- In 2015, The Watermaster's operating expenses decreased 38.61% or \$4,977,263, primarily due to a \$5,687,446 decrease in groundwater replenishment costs and water purchases, which was offset by a \$776,067 increase in optimum basin management plan spending and a \$65,884 decrease in personnel costs and other expenses.

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 Year Ended June 30, 2015
With Comparative Amounts as of June 30, 2014

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 14 through 33.

Statement of Net Position

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Assets:			
Current assets	\$ 9,749,593	7,558,813	2,190,780
Capital assets, net	19,439	16,832	2,607
Total assets	<u>9,769,032</u>	<u>7,575,645</u>	<u>2,193,387</u>
Deferred outflows of resources	<u>137,056</u>	<u>-</u>	<u>137,056</u>
Liabilities:			
Current liabilities	992,325	547,116	445,209
Non-current liabilities	1,005,093	260,659	744,434
Total liabilities	<u>1,997,418</u>	<u>807,775</u>	<u>1,189,643</u>
Deferred inflows of resources	<u>201,563</u>	<u>-</u>	<u>201,563</u>
Net position:			
Invested in capital assets	19,439	16,832	2,607
Unrestricted	<u>7,687,668</u>	<u>6,751,038</u>	<u>936,630</u>
Total net position	<u>\$ 7,707,107</u>	<u>6,767,870</u>	<u>939,237</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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$7,707,107 as of June 30, 2015.

Chino Basin Watermaster
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
With Comparative Amounts as of June 30, 2014

Statement of Net Position, continued

The Watermaster's investment in capital assets is comprised of capital assets (net of accumulated depreciation) less any related debt (where applicable) used to acquire those assets that are 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.

At the end of fiscal years 2015, the Watermaster reflected a positive balance in its unrestricted net position of \$7,687,668 that may be utilized in future years. (See Note 11)

Statement of Revenues, Expenses and Changes in Net Position

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Revenues:			
Operating revenues	\$ 9,583,293	13,508,601	(3,925,308)
Non-operating revenues	23,370	17,215	6,155
Total revenues	<u>9,606,663</u>	<u>13,525,816</u>	<u>(3,919,153)</u>
Expenses:			
Operating expense	7,913,873	12,891,136	(4,977,263)
Depreciation	5,061	8,090	(3,029)
Non-operating expense	8,297	11,984	(3,687)
Total expenses	<u>7,927,231</u>	<u>12,911,210</u>	<u>(4,983,979)</u>
Change in net position	<u>1,679,432</u>	<u>614,606</u>	<u>1,064,826</u>
Net position, beginning of period, as previously stated	6,767,870	6,153,264	614,606
Prior period adjustment (Note 6)	<u>(740,195)</u>	<u>-</u>	<u>(740,195)</u>
Net position, beginning of period, as restated	<u>6,027,675</u>	<u>6,153,264</u>	<u>(125,589)</u>
Net position, end of year	<u>\$ 7,707,107</u>	<u>6,767,870</u>	<u>939,237</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 \$1,679,432 from normal operations for the fiscal year ended June 30, 2015, and decreased by \$740,195 from prior period adjustment related to the implementation of GASB 68.

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

The Watermaster's operating revenues decreased 29.06% or \$3,925,308 in 2015, primarily due to a decrease in groundwater sales as affected by the statewide drought.

The Watermaster's operating expenses decreased 38.61% or \$4,977,263 in 2015 primarily due to a \$5,687,446 decrease in groundwater replenishment costs and water purchases, which was offset by a \$710,183 increase in personnel costs and other expenses.

Chino Basin Watermaster
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
With Comparative Amounts as of June 30, 2014

Capital Asset Administration

At the end of fiscal year 2015, the Watermaster's investment in capital assets amounted to \$19,439 (net of accumulated depreciation). 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, 2015.

Changes in capital assets in 2015 were as follows:

	<u>Balance 2014</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 2015</u>
Capital assets:				
Depreciable assets	\$ 282,402	7,668	(24,926)	265,144
Accumulated depreciation	<u>(265,570)</u>	<u>(5,061)</u>	<u>24,926</u>	<u>(245,705)</u>
Total capital assets	<u>\$ 16,832</u>	<u>2,607</u>	<u>-</u>	<u>19,439</u>

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 present users, including funding sources, customers, stakeholders and other interested parties with a general overview of the Watermaster's finances and to demonstrate Watermaster's accountability with an overview of 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, Joseph Joswiak, at the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA 91730 or (909) 484-3888.

Basic Financial Statements

**Chino Basin Watermaster
Statement of Net Position
June 30, 2015**

	<u>2015</u>
Current assets:	
Cash and cash equivalents (note 2)	\$ 9,649,337
Accounts receivable	53,185
Accrued interest receivable	7,408
Prepaid expenses	<u>39,663</u>
Total current assets	<u>9,749,593</u>
Non-current assets:	
Capital assets, net (note 3)	<u>19,439</u>
Total non-current assets	<u>19,439</u>
Total assets	<u>9,769,032</u>
Deferred outflows of resources:	
Deferred pension outflows (note 4 and 7)	<u>137,056</u>
Total deferred outflows of resources	<u>137,056</u>
Current liabilities:	
Accounts payable and accrued expenses	876,153
Accrued salaries and benefits	32,426
Long-term liabilities – due within one year:	
Compensated absences (note 5)	<u>83,746</u>
Total current liabilities	<u>992,325</u>
Non-current liabilities:	
Long-term liabilities – due in more than one year:	
Compensated absences (note 5)	155,527
Other post employment benefits obligation (note 8)	245,013
Net pension liability (note 7)	599,803
Employee compensation plan (note 9)	<u>4,750</u>
Total non-current liabilities	<u>1,005,093</u>
Total liabilities	<u>1,997,418</u>
Deferred inflows of resources:	
Deferred pension inflows (note 7)	<u>201,563</u>
Total deferred inflows of resources	<u>201,563</u>
Net Position: (note 11)	
Net investment in capital assets	19,439
Unrestricted	<u>7,687,668</u>
Total net position	<u>\$ 7,707,107</u>

Chino Basin Watermaster
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2015

	2015
Operating revenues:	
Administrative assessments	\$ 7,524,506
Replenishment water revenue	1,903,179
Other revenue	155,608
Total operating revenue	9,583,293
Operating expenses:	
Groundwater replenishment and other water purchases	1,151,196
Optimum basin management plan	4,750,166
Watermaster administration	1,310,849
Pool, advisory, and board administration	701,662
Total operating expense	7,913,873
Operating income before depreciation	1,669,420
Depreciation expense	(5,061)
Operating income	1,664,359
Non-operating revenue (expense):	
Reserve distribution	(8,297)
Investment earnings	23,370
Total non-operating revenues	15,073
Change in net position	1,679,432
Net position at beginning of period, as restated (Note 6)	6,027,675
Net position at end of period	\$ 7,707,107

See accompanying notes to the basic financial statements

**Chino Basin Watermaster
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015**

	<u>2015</u>
Cash flows from operating activities:	
Cash received from stakeholders	\$ 9,530,108
Cash paid to employees for salaries and wages	(1,038,775)
Cash paid to vendors and suppliers for materials and services	<u>(6,369,917)</u>
Net cash provided by operating activities	<u>2,121,416</u>
Cash flows from capital financing activities:	
Acquisition of capital assets	<u>(7,668)</u>
Net cash used in capital financing activities	<u>(7,668)</u>
Cash flows from investing activities:	
Investment earnings received	<u>20,664</u>
Net cash provided by investing activities	<u>20,664</u>
Net increase in cash and cash equivalents	2,134,412
Cash and cash equivalents at the beginning of year	<u>7,514,925</u>
Cash and cash equivalents at the end of year	<u>\$ 9,649,337</u>
Reconciliation of operating income to net cash used in operating activities:	
Operating income	<u>\$ 1,664,359</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	5,061
Reserve distribution	(8,297)
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
(Increase) in assets:	
Accounts receivable	(53,185)
Prepaid expenses	(477)
(Increase) in deferred outflows of resources	(57,704)
Increase (decrease) in liabilities:	
Accounts payable and accrued expense	414,888
Accrued salaries and benefits	6,998
Compensated absences	66,635
Other post employment benefits obligation	96,569
Net pension liability	(219,744)
Employee compensation plan	4,750
Increase in deferred inflows of resources	<u>201,563</u>
Total adjustments	<u>457,057</u>
Net cash provided by operating activities	<u>\$ 2,121,416</u>

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

(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 Pool committees 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 2014-2015 expenses are based on the 2013-2014 production volume.

Production volume	Fiscal Year 2015	
	Acre Feet	Percentage
Appropriative Pool	100,165	72.399%
Agricultural Pool	33,639	24.314%
Non-agricultural Pool	4,547	3.287%
Total production volume	138,351	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 Year Ended June 30, 2015

(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. Standards applicable to governmental entities that use proprietary fund accounting include:

Government Accounting Standards Board Statement No. 68

For the fiscal year ended June 30, 2015, the Watermaster implemented Government Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*. The requirements of this statement are effective for the financial statement periods beginning after June 15, 2014.

GASB 68 improves 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.

GASB 68 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.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

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

C. Financial Reporting, continued

Government Accounting Standards Board Statement No. 71

For the fiscal year ended June 30, 2015, the Watermaster implemented Government Accounting Standards Board Statement No. 71 (GASB 71), *Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. The requirements of this statement are effective for the financial statement periods beginning after June 15, 2014. The provisions of this Statement are applied simultaneously with the provisions of GASB Statement No. 68.

GASB 71 improves accounting and financial reporting by addressing the issue in GASB 68 concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation by employers and non-employer contributing entities. The issue relates to amounts associated with contributions, if any, made by a 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.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows 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, 2015.

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. 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.

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

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

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, continued

6. Capital Assets, continued

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

7. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of resources that is applicable to future periods.

8. 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.

9. Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of resources that is applicable to future periods.

10. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Watermaster's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Date: June 30, 2013
- Measurement Date: June 30, 2014
- Measurement Period: July 1, 2013 to June 30, 2014

11. 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.

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

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

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, continued

12. 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.

13. 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.
- 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.
- Unrestricted Component of Net Position – This component of net position consists of 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:

	2015
Cash and cash equivalents	\$ <u>9,649,337</u>

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

	2015
Cash on hand	\$ 500
Deposits with financial institutions	479,819
Investments	<u>9,169,018</u>
Total cash and investments	\$ <u>9,649,337</u>

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

	2015
Deposits held with the California Local Agency Investment Fund	239 days

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

(2) Cash and Investments, continued

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

The table below identifies the investment types that are authorized 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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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 (CaITRUST)	N/A	None	None

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, 2015, 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).

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

(2) Cash and Investments, continued

Investment in State Investment Pool, continued

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.

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 investment at June 30, 2015.

(3) Capital Assets

Changes in capital assets for 2015 were as follows:

	<u>Balance 2014</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 2015</u>
Depreciable assets:				
Computer equipment	\$ 124,809	7,668	(24,926)	107,551
Furniture and fixtures	43,666	-	-	43,666
Leasehold improvements	23,443	-	-	23,443
Vehicles and equipment	90,484	-	-	90,484
Total depreciable assets	<u>282,402</u>	<u>7,668</u>	<u>(24,926)</u>	<u>265,144</u>
Accumulated depreciation:				
Computer equipment	(120,477)	(2,978)	24,926	(98,529)
Furniture and fixtures	(31,167)	(2,083)	-	(33,250)
Leasehold improvements	(23,443)	-	-	(23,443)
Vehicles and equipment	(90,483)	-	-	(90,483)
Total accumulated depreciation:	<u>(265,570)</u>	<u>(5,061)</u>	<u>24,926</u>	<u>(245,705)</u>
Total capital assets, net	<u>\$ 16,832</u>			<u>19,439</u>

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

(4) Deferred Outflows of Resources

Changes in deferred outflows of resources for 2015, were as follows:

	<u>Balance 2014</u>	<u>Additions</u>	<u>Transfers</u>	<u>Amortization</u>	<u>Balance 2015</u>
Deferred outflows of resources:					
Pension contributions, 2014	79,352	-	(79,352)	-	-
Pension contributions, 2015	-	133,410	-	-	133,410
Adjustment due to differences in proportion		4,949		(1,303)	3,646
Total deferred outflows of resources	<u>\$ 79,352</u>	<u>138,359</u>	<u>(79,352)</u>	<u>(1,303)</u>	<u>137,056</u>

(5) Compensated Absences

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

	<u>Balance 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2015</u>	<u>Due Within One Year</u>	<u>Due in more than one year</u>
\$	<u>172,638</u>	<u>142,448</u>	<u>(75,813)</u>	<u>239,273</u>	<u>83,746</u>	<u>155,527</u>

(6) Prior Period Adjustment

In fiscal year 2015, the Watermaster implemented GASB pronouncements 68 and 71 to recognize its proportionate share of the net pension liability.

As a result of the implementation, the Watermaster recognized the pension liability and recorded a net prior period adjustment of \$740,195 to decrease the governmental activities' beginning net position. The adjustment was made to reflect the prior period costs related to the implementation of GASB 68 and 71.

The restatement of beginning net position is summarized as follows:

The adjustment to net position is as follows:

Net position at July 1, 2014, as previously stated	\$ 6,767,870
Effect of adjustment to record net pension liability	(819,547)
Effect of adjustment to record deferred pension outflows	<u>79,352</u>
Total adjustments	<u>(740,195)</u>
Net position at July 1, 2014, as restated	<u>\$ 6,027,675</u>

(7) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Watermaster's separate Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan is established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website or may be obtained from their executive office: 400 P Street, Sacramento, CA, 95814.

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

(7) Defined Benefit Pension Plan, continued

Benefits provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the Watermaster's CalPERS 2.5% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2013. All employees hired after January 1, 2013 are eligible for the Watermaster's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The Plans' provision and benefits in effect at June 30, 2015 are summarized as follows:

	Miscellaneous Plan	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates	15.701%	6.25%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates, for all public employers, be determined on an annual basis by the actuary and shall be effective on July 1 following notice of the change in rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Watermaster is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

As of the fiscal year ended June 30, 2015, the contributions recognized as part of pension expense for the Plan was as follows:

	Miscellaneous Plan	
Contributions – employer	\$	133,410
Contributions – employee (paid by employer)		72,579
Total employer paid contributions	\$	205,989

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

(7) Defined Benefit Pension Plan, continued

Contributions, continued

As of the fiscal year ended June 30, 2015, the Watermaster reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Pension Liability
Miscellaneous Plan	\$ 599,803

The Watermaster's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, rolled forward to June 30, 2014, using standard update procedures. The Watermaster's proportion of the net pension liability was based on a projection of the Watermaster's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Watermaster's proportionate share of the pension liability for the Plan as of June 30, 2013 and 2014 was as follows:

	Miscellaneous Plan
Proportion – June 30, 2013 (Valuation Date)	0.01017%
Proportion – June 30, 2014 (Measurement Date)	0.00964%
Change – Increase (Decrease)	0.00053%

As a result of the implementation of the GASB 68 pronouncement at June 30, 2015, the Watermaster recognized pension expense of \$57,525 at June 30, 2015.

As of the fiscal year ended June 30, 2015, the Watermaster reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 133,410	-
Net differences between projected and actual earnings on plan investments	-	(201,563)
Adjustments due to differences in proportion	3,646	-
Total	\$ 137,056	(201,563)

As of June 30 2015, employer pension contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$133,410 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016.

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

(7) Defined Benefit Pension Plan, continued

Contributions, continued

As of the fiscal year ended June 30, 2015, the Watermaster reported deferred outflows of resources and deferred inflows of resources for June 30, 2014 related to pensions as part of its adjustment to the beginning net position as of July 1, 2014 (Note 6) from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions between the valuation and measurement date	\$ 79,352	-

Employer pension contributions reported as deferred outflows of resources related to contributions between the valuation date and measurement date of \$79,352 were recognized as an adjustment to the beginning net position as of July 1, 2014.

As a result of the implementation of the GASB 68 at June 30, 2015, the Watermaster recognized other amounts reported by the Plan actuarial as deferred outflows of resources and deferred inflows of resources related to the pension liability. Pension related amounts will be recognized as pension expense as follows.

<u>Fiscal Year Ending June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2016	\$ (49,087)
2017	(49,087)
2018	(49,350)
2019	(50,393)
2020	-
Thereafter	-

The total pension liability in the June 30, 2013 actuarial valuation report was determined using the following actuarial assumptions:

Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.50%
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment Rate of Return	7.50 % Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

* The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report. Further details of the Experience Study can be found on the CalPERS website.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

(7) Defined Benefit Pension Plan, continued

Discount Rate

The Discount rate used to measure the total pension liability was 7.50% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50% will be applied to all plans in the Public Employees' Retirement Fund (PERF). The stress test results are presented in a detailed report which can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS confirmed the materiality threshold for the difference in the calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the Discount rate will require CalPERS Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the fiscal year ended 2017-2018. CalPERS will continue to check the materiality of the difference in the calculation until such time as it has changed its methodology.

The long-term expected rate of return on pension plan investments was determine using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculates over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

(7) Defined Benefit Pension Plan, continued

Discount Rate, continued

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1–10*</u>	<u>Real Return Year 11+**</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)
Total	<u>100.0%</u>		

* An expected inflation of 2.5% used for this period

** An expected inflation of 3.0% used for this period

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following table presents the Watermaster's proportionate share of the net position liability for the Plan, calculated using the discount rate, as well as what the Watermaster's proportional share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Discount Rate – 1% (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>Discount Rate + 1% (8.50%)</u>
Plan's Net Pension Liability/(Asset) \$	<u>1,068,664</u>	<u>599,803</u>	<u>210,693</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 35 through 36 for the Required Supplementary Schedules.

(8) 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.

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

(8) Other Post-Employment Benefits Payable, continued

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. 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:

	2015	2014	2013
Active plan members	9	9	7
Active employees' dependents	4	4	4
Retirees and dependents receiving benefits	1	1	1
Retirees and dependents not receiving benefits	-	-	-
Total plan membership	14	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 10.21% of the annual covered payroll.

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

(8) Other Post-Employment Benefits Payable, continued

Annual Cost

For the year ended June 30, 2015, the Watermaster's ARC cost is \$98,033. The Watermaster's net OPEB payable obligation amounted to \$245,013 for the year ended June 30, 2015. The Watermaster contributed \$1,464 to adjust the annual required contribution for current retiree OPEB premiums for the year ended June 30, 2015.

The balance at June 30, consists of the following:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual OPEB expense:			
Annual required contribution (ARC)	\$ 97,383	79,930	71,017
Interest on net OPEB obligation	7,422	-	-
Adjustment to annual required contribution	<u>(6,772)</u>	<u>-</u>	<u>-</u>
Total annual OPEB expense	98,033	79,930	71,017
Change in net OPEB payable obligation:			
Age adjusted contributions made	<u>(1,464)</u>	<u>(1,123)</u>	<u>(1,380)</u>
Total change in net OPEB payable obligation	96,569	78,807	69,637
OPEB payable – beginning of year	<u>148,444</u>	<u>69,637</u>	<u>-</u>
OPEB payable – end of year	<u>\$ 245,013</u>	<u>148,444</u>	<u>69,637</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 2015 and the two preceding years were as follows:

Three-Year History of Net OPEB Obligation

<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>
2015	\$ 98,033	1,464	1.49%	245,013
2014	79,930	1,123	1.40%	148,444
2013	71,017	1,380	1.94%	69,637

(9) Nonqualified Employee Compensation Plan

Effective June 1, 2015, the Watermaster established a Nonqualified Deferred Compensation Plan (Plan). The purpose of this Plan is to provide deferred compensation for selected public employees to participate in the Plan. The Plan is intended to be an unfunded deferred compensation plan that complies with the requirements of Section 457(f) and 409A of the Internal Revenue Code of 1986. Each Plan Participant shall be entitled to elect to forego all or any portion, as either a dollar amount or a percentage, of the Participant's salary and/or bonus that may become payable by the Employer for a Plan year after all applicable deductions and withholdings. Such election shall be evidenced by a Deferral Agreement. The Watermaster recognized the employer contribution of \$4,750 at June 30, 2015 as a long term debt and is expected to be paid within the remaining employment term.

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

(9) Nonqualified Employee Compensation Plan, continued

On June 30, 2015, Watermaster made an employer contribution of \$4,750 to the Plan for the benefit of its eligible employee for the 12 consecutive month period from July 1, 2014 to June 30, 2015. For each of Watermaster's regular payroll periods beginning on and after July 1, 2015 during the remainder of the Employment Term (from June 30, 2014 up to the expiration date of June 30, 2017), the Watermaster agrees to make an employer contribution to the Plan for the benefit of the eligible employee equal to 8% of the corresponding salary including any incentive compensation paid during that payroll period; provided that the eligible employee is still employed with Watermaster on the payday of that payroll period.

(10) Deferred Compensation Savings Plan

For the benefit of its employees, the Watermaster participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the Watermaster is in compliance with this legislation. Therefore, these assets are not the legal property of the Watermaster, and are not subject to claims of the Watermaster's general creditors. Market value of all plan assets held in trust at June 30, 2015 was \$877,881.

The Watermaster has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the Watermaster has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

(11) Net Position

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

	2015
Net investment in capital assets:	
Capital assets, net	\$ 19,439
Total net investment in capital assets	19,439
Unrestricted net position:	
Non-spendable net position:	
Prepaid expenses and deposits	39,663
Total non-spendable net position	39,663
Spendable net position are designated as follows:	
Undesignated net position reserve	7,648,005
Total spendable net position	7,648,005
Total unrestricted net position	7,687,668
Total net position	\$ 7,707,107

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

(12) 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, 2015:

- 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.

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2015, that has effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 72

In February 2015, the GASB issued Statement No. 72 – *Fair Value Measurement and Application*. The objective of this Statement is to enhance comparability of financial statements among governments by measurement of certain assets and liabilities at their fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. The impact of the implementation of this Statement to the Watermaster's financial statements has not been assessed at this time.

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

**(13) Governmental Accounting Standards Board Statements Issued, Not Yet Effective,
continued**

Governmental Accounting Standards Board Statement No. 73

In June 2015, the GASB issued Statement No. 73 – *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement establishes requirements for defined benefit pensions that are not within the Scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68 for pension plans as pensions that are within their respective scopes.

The requirements of this statement that address accounting and financial reporting by employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after December 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement No. 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. 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. 74

In June 2015, the GASB issued Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness or information about postemployment benefits other than pensions (other postemployment benefits of OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No.50, *Pension Disclosures*.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2016. 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. 75

In June 2015, the GASB issued Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

**(13) Governmental Accounting Standards Board Statements Issued, Not Yet Effective,
continued**

Governmental Accounting Standards Board Statement No. 75, continued

This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2017. 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. 76

In June 2015, the GASB issued Statement No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within the source of authoritative GAAP.

This Statement replaces the requirements of Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015, and should be applied retroactively.

Governmental Accounting Standards Board Statement No. 77

In August 2015, the GASB issued Statement No. 77 – *Tax Abatement Disclosures*. The objective of this Statement is to improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from governmental programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement is effective for financial statements for periods beginning after December 15, 2015. It is believed that the implementation of this Statement will not have a material effect to the Watermaster's financial statements.

**Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

(14) Commitments and Contingencies

Grant Awards

Grant funds received by the Watermaster are subject to audit by the grantor agencies. Such 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.

(15) Subsequent Events

Events occurring after June 30, 2015, have been evaluated for possible adjustment to the financial statements or disclosure as of November 19, 2015, which is the date the financial statements were available to be issued.

Required Supplementary Information

Chino Basin Watermaster
Schedule of Funding Status – Other Post-Employment Benefits Obligation
For the Year Ended June 30, 2015

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)
6/30/2015	\$ -	524,713	524,713	-	954,193	54.99%
6/30/2014	-	381,010	381,010	-	858,882	44.36%
6/30/2013	-	354,220	354,220	-	707,444	50.07%

The most recent valuation (dated June 30, 2015) includes an Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability of \$524,713. The covered payroll (annual payroll of active employees covered by the plan) for the year ended June 30, 2015 was \$954,193. The ratio of the unfunded actuarial accrued liability to annual covered payroll is 54.99%.

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
Assumed retirement age	60 years of age
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%

**Chino Basin Watermaster
Schedule of the Watermaster's Proportionate Share of the Net Pension Liability
As of June 30, 2015
Last Ten Years***

	<u>6/30/2014 (a)</u>
Watermaster's proportion of the net pension liability (asset)	0.00964%
Watermaster's proportionate share of the net pension liability (asset)	\$ 599,803
Watermaster's covered-employee payroll (b)	\$ 726,672
Watermaster's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	82.54%
Plan's fiduciary net position as a percentage of the total pension liability	81.15%

Notes:

- (a) Historical information is required only for measurement periods for which GASB 68 is applicable.
 - (b) Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll related ratios.
- * Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

**Chino Basin Watermaster
Schedule of Pension Plan Contributions
As of June 30, 2015
Last Ten Years***

<u>Schedule of Pension Plan Contributions (a):</u>	<u>Fiscal Year 2013-2014</u>
Actuarially determined contribution (b)	\$ 112,177
Contributions in relation to the actuarially determined contribution (b)	(112,177)
Contribution deficiency (excess)	\$ -
Watermaster's covered payroll (c), (d)	\$ 726,672
Contribution's as a percentage of covered-employee payroll (c)	15.44%

Notes:

- (a) Historical information is required only for measurement periods for which GASB 68 is applicable.
 - (b) Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employer's may choose to make additional contributions towards their side fund or unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.
 - (c) Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.
 - (d) Payroll from prior year (\$705,507) was assumed to increase by the 3.00 percent payroll growth assumption.
- * Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

Supplemental Information Section

**Chino Basin Watermaster
Combining Schedule of Revenue, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2015**

	Watermaster Administration	Optimum Basin Management	Pool Appropriate Pool	Pool Administration and Special Projects Agricultural Pool	Non-Agricultural Pool	Groundwater Replenishment	Groundwater Operations SB 222 Funds	LAI Value Adj.	Grand Totals	Budget 2014-2015
administrative revenues:										
Administrative assessments	\$ -	-	7,280,399	-	244,107	-	-	-	7,524,506	7,524,25
Interest revenue	-	-	17,644	1,236	362	-	-	-	19,243	25,88
Mutual agency project revenue	155,607	-	-	-	-	-	-	-	155,607	155,33
Total revenues	155,607	-	7,298,043	1,236	244,469	-	-	-	7,699,356	7,705,38
administrative & project expenditures:										
Watermaster administration	1,143,627	-	-	-	-	-	-	-	1,143,627	1,172,51
Watermaster board-advisory committee	163,809	-	-	-	-	-	-	-	163,809	169,82
Ag Pool misc. expense - Ag Fund	-	-	-	-	-	-	-	-	-	4c
Pool administration	-	-	199,977	303,796	109,893	-	-	-	613,666	616,18
Optimum basin management administration	-	1,709,145	-	-	-	-	-	-	1,709,145	1,717,65
OBMP project costs	-	2,625,043	-	-	-	-	-	-	2,625,043	3,044,07
Debt service	-	415,978	-	-	-	-	-	-	415,978	431,74
Basin recharge improvements	-	-	-	-	-	-	-	-	-	1,748,07
Mutual agency project costs	-	-	-	-	-	-	-	-	-	10,00
Total administrative/OBMP expenses	1,307,436	4,750,166	199,977	303,796	109,893	-	-	-	6,671,268	8,910,51
net administrative/OBMP expenses:	(1,151,829)	(4,750,166)								
Allocate net admin expenses to pools	\$ 1,151,829									
Allocate net OBMP expenses to pools		4,334,188	833,917	280,057	37,855					
Allocate debt service to app pool		415,978	3,137,925	1,053,818	142,445					
Agricultural expense transfer*			1,637,671	(1,637,671)						
Total expenses	6,225,468	-	6,225,468	1,236	290,193	-	-	-	6,671,268	8,910,51
net administrative income	1,072,575		1,072,575		(45,724)				1,028,088	(1,205,13
other income/(expense)										
Replenishment water assessments						751,983			751,983	
Non-Ag stored water purchases										
Exhibit "G" Non-Ag pool water			1,151,196						1,151,196	
Interest revenue						2,801			2,801	
MWD water purchases										
Non-Ag stored water purchases										
Exhibit "G" Non-Ag pool water			(1,151,196)						(1,151,196)	
MWD water purchases										
Groundwater replenishment								1,326	1,326	
LAI - fair market value adjustment										
Other post-employment benefits (OPEB)			(93,395)		(3,174)				(96,569)	
Refund - excess reserves			(6,456)		(1,841)				(8,297)	
Refund - recharge debt										
net other income	(99,851)		(99,851)		(5,015)			1,326	651,244	
net transfers to/(from) reserves	972,724		972,724	1,236	(50,739)			1,326	1,679,332	(1,205,13
net Assets July 1, 2014, as previously stated			5,373,896	479,894	120,514	633,295	158,251	2,120	6,767,970	
net Assets July 1, 2014, as restated			5,373,896	479,894	120,514	633,295	158,251	2,120	6,027,775	
net Assets, End of Period	6,346,620		6,346,620	481,130	69,775	1,388,079	158,251	3,446	7,707,107	8,447,30
013/2014 assessable production	100,165,551		100,165,551	33,638,883	4,546,972				138,351,406	
013/2014 production percentages	72.399%		72.399%	24.314%	3.287%				100.000%	
Fund balance transfer as agreed to in the Peace Agreement										

Report on Internal Controls and Compliance



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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 year ended June 30, 2015, 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 19, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit 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

**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.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
November 19, 2015

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FISCAL YEAR 2014-15



WATERMASTER STAFF



THIRTY-EIGHTH ANNUAL REPORT

FISCAL YEAR 2014-15

