

CHINO BASIN WATERMASTER  
FOR  
CHINO BASIN MUNICIPAL WATER DISTRICT  
VS  
CITY OF CHINO, ET. AL.

CASE NO. 164327

FOURTH  
ANNUAL REPORT  
OF THE  
CHINO BASIN WATERMASTER  
1980/81

**WEST SAN BERNARDINO COUNTY WATER DISTRICT**

DECEMBER 1, 1981

January 1982

TO: ALL ACTIVE AND CONCERNED PARTIES IN CHINO BASIN CASE NO. 164327

This Fourth Annual Report of Watermaster activities is for your information. The Honorable Judge Don A. Turner of San Bernardino Superior Court ordered acceptance of this report on January 22, 1982.

A brief summary of activities during this reporting period (July 1, 1980 through June 30, 1981) is as follows:

Total production from the Basin during 1980/81 was 144,416 acre feet, with production by pool as follows:

	Appropriative Pool	Overlying (Agricultural) Pool	Overlying (Non-Agricultural) Pool	TOTALS
1980/81 Production	70,726 AF	68,040 AF	5,650 AF	144,416 AF
Initial Operating Safe Yield	<u>54,834 AF</u>	<u>82,800 AF</u>	<u>7,355 AF</u>	145,000 AF
Production In Excess of Safe Yield	15,892 AF	-0-	-0-	-0- AF

As noted above, the 1980/81 production year did not exceed the initial shares of Operating Safe Yield.

A total of 3,853 acre feet of rights were leased among the members of the Appropriative Pool.

Replenishment water purchased for the 1979-80 well production in excess of safe yield totaled 15,943 acre feet. In addition to this, 8,450 acre feet of Cyclic Storage Water was delivered. In lieu surface deliveries totaled 7,139 acre feet. Total water consumed for beneficial use was 212,536 acre feet. Since the implementation of the Judgment through June 30, 1981, 89,952 acre feet has been percolated into the Basin from imported supplies.

The San Antonio Water Company initiated a Local Storage Agreement to preserve 2,500 acre feet of unpumped water over the next five (5) years. This marks the third such agreement. The first agreement was initiated in 1979 with Conrock Company for 1,589 acre feet, followed in 1980 by Fontana Union Water Company for 31,500 acre feet. These three agreements totaled 35,589 acre feet of potential stored water over the next five (5) to seven (7) years under the Judgment.

Assessments paid by Pool during 1980/81 for 1979/80 production are as follows:

Appropriative Pool	\$880,730
Overlying (Agricultural) Pool	40,916
Overlying (Non-Agricultural) Pool	<u>22,558</u>
TOTAL	\$944,204

Your cooperation and input to our management plan this past year has been appreciated.

Sincerely,  
  
 Donald R. Peters, Chief  
 Watermaster Services

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## FOURTH ANNUAL REPORT OF CHINO BASIN WATERMASTER

The Chino Basin Watermaster was established under the Judgment entered in Superior Court of the State of California for the County of San Bernardino, as a result of Case No. 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. This Fourth Annual Report presents a view of Watermaster, Watermaster Advisory Committee and Pool Committee Activities and an accounting of water production for fiscal year 1980/81.

### BACKGROUND OF JUDGMENT AND WATERMASTER

After many years of study and discussions among concerned water producers a "Memorandum of Agreement on the Chino Basin Plan" was signed; and, in January 1975, a bill was introduced in the California Legislature by Senator Ruben S. Ayala. This final effort to draw up a management plan for the Chino Basin was designated Senate Bill 222. It authorized the levy of a three year, \$2.00 per acre foot per year, production assessment to raise funds to conduct the necessary studies and negotiations to implement the needed water management program for the Chino Groundwater Basin.

S.B. 222, now renumbered as a part of the Municipal Water District Law in the Water Code, Section 72140, was approved by Governor Ronald Reagan and filed with the Secretary of State on June 28, 1975, affecting fiscal year 1974/75 production.

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During the early studies and negotiations under S.B. 222, very active participation was taken by three major types of producers from the Chino Basin representing the majority of the producers' interests. Three major negotiating committees resulted and were utilized to protect the interests of the various producers during the three year study. These three committees acquired the following names: (1) Overlying (Agricultural) Pool including the State of California and minimal producers; (2) Overlying (Non-Agricultural) Pool representing industry; and (3) Appropriative Pool, representing cities and water companies. Other working sub-committees were formed to analyze and define specific problem areas. The three pools acting together were called the "Advisory Committee," which met regularly and had over 100 individuals on the mailing list. This Advisory Committee was very effective in making recommendations for formal action to the Chino Basin Municipal Water District (CBMWD) Board of Directors, who had the responsibility of administering S.B. 222.

Socio-economic, safe yield and other studies were conducted to provide information necessary to reach agreement about the allocations of rights between and within pools. Cost savings were achieved by terminating many of the studies as soon as the necessary information was compiled without formal completion or publication.

The Judgment entered named the CBMWD five (5) man Board of Directors as "Watermaster" responsible to the Court for implementing its terms. The three pool committees and the Watermaster Advisory Committee were formally structured to assist the Watermaster in making decisions. Each of the three pools has met regularly to transact the business concerns of their respective

producers. Items that affected more than one pool were decided upon at the Watermaster Advisory Committee level, with voting power determined by prior year water assessments paid as provided in the Judgment.

Approximately five percent (5%) of the Basin is in Los Angeles County, fifteen percent (15%) in Riverside County and the remaining portion is in the West End of San Bernardino County. The majority of this area is within the CBMWD service area. A location map of the Chino Groundwater Basins was provided in the Judgment as Exhibit "A".

Mailing lists of the members of the three pool committees are attached as Appendices "A". Production information for each pool is provided in Appendix "B"

The Judgment provides for separate and distinct replenishment assessment formulas for each of the three pools. The administrative assessment formula for each pool is determined on a per acre foot basis for each acre foot of water produced by a particular pool. Cost per acre foot varies between pools in accordance with their respective total budgeted amounts for pool administration and total production during the previous production period.

Costs of replacing water extracted in excess of the respective pool's share of safe yield and operating safe yield amounts are recovered by the application of replenishment assessment formulas as follows:

- a) Overlying (Agricultural) Pool pays on a gross basis whereby the total cost of replenishment water plus estimated spreading costs are spread equally on each acre foot of water produced during the previous production period. To further stabilize assessments from year to year these assessments

are based on a five (5) year moving average with a maximum right of 414,000 acre feet in any one five (5) year period.

b) Overlying (Non-Agricultural) Pool pays on a net basis whereby each producer pays the current cost of replenishment water plus the estimated cost of spreading for each acre foot of water produced in excess of its respective share of safe yield.

c) The Appropriative Pool has three producers, City of Pomona, Marygold Mutual Water Company and West San Bernardino County Water District, who pay replenishment assessments on a net basis whereby each pays the current cost of replenishment water plus the estimated cost of spreading.

The remaining pool members are subject to the 15/85 formula which spreads the total cost of replenishment water two (2) ways: fifteen percent (15%) on a gross basis (uniformly on each acre foot produced) and eighty-five percent (85%) on a net basis, that is on each acre foot of production over a producer's share of operating safe yield.



## ACTIVITIES OF WATERMASTER AND COMMITTEES

### I. WATERMASTER ACTIVITIES

Watermaster members and officers are as follows:

Carl B. Masingale	Chairman (vacated office 1-1-81)
George A. Borba	Vice-Chairman
John G. Gilday	Secretary/Treasurer (Chairman as of 4-29-81)
John L. Anderson	Asst. Secretary/Treasurer
Edward A. Girard	Member
Dwight F. French	Member (assumed position 1-1-81)

Regular Watermaster meetings are scheduled for the fifth Wednesday of each month having five (5) Wednesdays, meeting in the CBMWD Board Room at 8555 Archibald Avenue, Cucamonga, at 9:00 a.m. Special meetings are noticed as required.

During this reporting period, regular meetings were held on:

July 30, 1980

September 10, 1980

October 29, 1980

December 31, 1980

April 29, 1981

No special meetings were called.

Assessments levied by Watermaster on September 10, 1980 for overproduction during 1979/80 production period and for budgeted administrative and special project costs for 1980/81 were as follows:

A) Overlying (Agricultural) Pool members were assessed the following amounts on each acre foot of water produced with minimal

producers paying a Five Dollar (\$5.00) administrative filing fee:

Administration and Special Projects \$0.32000

Replenishment assessments for this pool are established by a five (5) year moving average to stabilize assessments from year to year. With reported production declining from 96,567 acre feet in 1974/75 to 83,934 acre feet in 1977/78, the pool committee decided during Fiscal Year 1978/79 to purchase 2,000 acre feet of replenishment water to provide for a potential increase in production during the balance of the five (5) year period. This replenishment water is still available as safe yield was not exceeded this year.

B) Overlying (Non-Agricultural) Pool members were assessed \$5.00 for budgeted administrative and special project costs and \$62.51 (\$59.69 for replenishment water plus \$2.82 for spreading) for each acre foot of production in excess of each producer's share of operating safe yield.

C) Appropriative Pool members subject to the 15/85 formula, nineteen members total, were assessed \$2.614 and \$53.133 respectively. Marygold Mutual Water Company and West San Bernardino County Water District, who is assessed on a 100% net basis but have the right to purchase their water from San Bernardino Valley Municipal Water District, were assessed \$17.16 per acre foot because a portion of their costs for water are paid through ad valorem taxes. All producers in this pool were assessed \$5.00 to cover the budgeted administrative and special project costs.

The City of Norco produced 1,349.0 acre feet in excess of their export right of 1,567 acre feet. This excess was subject to the current cost of replenishment plus spreading costs.

D) Appendices "E" and "F" give an overview of the total amounts of water produced and tributary to the Chino Groundwater Basin.

Agreements and policy matters negotiated and approved by Watermaster and Watermaster Advisory Committee prior to June 30, 1981 were as follows:

A) Watermaster Insurance coverage was secured in August 1978 and has been continued with Watermaster being covered as an additional insured under CBMWD's policies for ten million dollars. Substantial savings have been realized in comparison to securing independent insurance coverage.

B) A Noticed Public Hearing was conducted by Watermaster on April 29, 1981 to approve the 1981/82 Administrative Budget and a summary of that budget is attached as Appendix "C".

C) OC-59 Use Agreement For Permanent Capacity was finalized between Orange County Water District (OCWD), Municipal Water District of Orange County (MWDOC) and CBMWD rather than Watermaster, as it is a service that is provided under the terms of the Service and Facilities Contract between CBMWD and Watermaster enabling better insurance coverage at a lower cost. This long term agreement to purchase a fixed share of capacity in OCWD's connection to the MWD State Water Delivery System at OC-59 calls for payments to the OCWD based on a \$2.00 per acre foot use charge for each acre foot until the debt is fully paid. By execution of this final agreement and pursuant to the December 31, 1980 Watermaster minutes, a Memorandum was initiated and approved which specified the terms and

conditions of the OC-59 Agreement to reflect the obligations of Watermaster. This Memorandum is shown as Appendix "I".

D) Legal Counsel Appointment - Due to the untimely death of Watermaster Attorney Donald D. Stark, the Legal Firm of Guido R. Smith was retained as Attorney for Watermaster.

## II. COMMITTEE ACTIVITIES

### A. Overlying (Agricultural) Pool

At the annual meeting of this pool the following individuals were selected to administer the pool activities and to serve as representatives on the Watermaster Advisory Committee:

<u>Regular</u>	<u>Alternate</u>
Fred Douma	Louis Aukeman
Gus Wybenga	John Vander Schaaf
Tom Carnesi	Phillip Lock
Robert DeBerard	Alex Becker
J.N. Albers	Floris Ykema
*Paula Martinez	Jim Fairchild
*Gene Koopman	R.A. "Bud" Wathen
*Herbert C. Hall	Joe D. Lopez
Edwin Dubiel	State Attorney General

\*Newly elected members for two year terms.

The following officers were duly nominated and elected:

Chairman	Fred Douma
Vice Chairman	Paula Martinez
Secretary	Don Peters Chief, Watermaster Services
Treasurer	John Anderson, CBMWD

Through June 30, 1981, a total of three (3) meetings were conducted to act on matters affecting the members of this pool and to review actions to be taken by Watermaster.

Interventions and assignments to this pool during 1980/81 are indicated in Appendix "G".

B. Overlying (Non-Agricultural) Pool

At the annual meeting of this pool, the following individuals were selected to serve as officers of this pool:

Chairman	Hooite Rugge
Vice Chairman	Dick Verrue
Secretary	Don Peters Chief, Watermaster Services
Treasurer	John Anderson, CBMWD

Watermaster Advisory Committee representatives for this pool are as follows:

Hooite Rugge	Kaiser
Dick Verrue	Edison
William Nelson	Ameron

Through June 30, 1981, two (2) meetings were conducted to act on matters affecting members of this pool and to review actions to be taken by Watermaster.

C. Appropriative Pool

At the annual meeting of this pool, the following individuals were selected to serve as officers of this pool:

Chairman	Lloyd Michael
Vice Chairman	City of Ontario Representative
Secretary	Don Peters Chief, Watermaster Services
Treasurer	John Anderson, CBMWD

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Through June 30, 1981, three (3) meetings were conducted to act on matters affecting members of this pool and to review actions to be taken by Watermaster.

D. Watermaster Advisory Committee

At the annual meeting of this committee, the following officers were selected:

Chairman	Hooite Rugge
1st Vice Chairman	Paula Martinez
2nd Vice Chairman	Lloyd Michael
Secretary	Don Peters Chief, Watermaster Services
Treasurer	John Anderson, CBMWD

Regular meetings were scheduled for the third Thursday of each month having five (5) Wednesdays at 12:00 noon. The annual meeting was held April 23, 1981 at 12:00 noon. The Advisory Committee conducted five (5) regular meetings whereby all actions recommended to Watermaster were reviewed and discussed.

Minutes of all meetings are available at the Watermaster Office at 8555 Archibald Avenue, Cucamonga, California.

ADMINISTRATION OF JUDGMENT

The Judgment provides for various administrative and accounting tasks to be performed on a regular basis, some of which are as follows:

(1) Water Rights Lease Agreements between Appropriative Pool Members for fiscal year 1980/81 totaled 3,852.9 acre feet. Individual lease agreements on forms approved by the Watermaster were as follows:

- (a) From: Etiwanda Water Company  
 To: Cucamonga County Water District.... 534.7
  - (b) From: Monte Vista Irrigation Co.  
 To: City of Chino..... 350.0
  - (c) From: West San Bernardino County  
 Water District  
 To: City of Chino..... 644.3
  - (d) From: Southern Calif. Water Co.  
 To: Park Water Company..... 823.9
  - (e) From: Fontana Union Water Company  
 To: City of Chino..... 1,500.0
- 3,852.9

(2) Unqualified Audit Opinion and Audit Report to the Chino Basin Watermaster from Reardon & McCallum, Certified Public Accountants, for the period ending June 30, 1981, is attached as Appendix "F".

(3) Mailing Lists of active parties are updated on a routine basis through the use of the United States Post Office "Address Correction Requested Service" whereby any address change reported to the Post Office is forwarded to the Watermaster after each mailing.

File changes are made upon receipt from this and other sources of address change. A current listing of active parties is available for review upon request to Watermaster.

(4) Quarterly Accounting of Water Production has been received for the Appropriative and Overlying (Non-Agricultural) Pools for fiscal year 1980/81. The Overlying (Agricultural) Pool's quarterly production was compiled on those wells having water measuring devices installed.

(5) Computer Programming and File Maintenance is a considerable effort with more than 1300 parties involved. Computer programs have been streamlined to more efficiently handle the various mailings necessary as well as making accommodations for the storage and handling of water production and other data.

(6) New Party Interventions are accumulated on a regular basis whereby land ownership changes and new producers are accounted for as they occur. Change of ownership is more frequently learned during production reporting periods. With all production reported on a quarterly basis, this has become a routine task. Parties having surrendered all property with water producing facilities are considered inactive parties and are accounted for as such.

(7) Special Project Task Orders have been initiated by separate work orders approved by the Watermaster Advisory Committee and Watermaster for projects other than general administration duties. Special projects designated by number for the budget period ending June 30, 1981 were as follows:



(a) (Task Order 78-1) Conjunctive Use/Cyclic Storage Study was set up to assure that all aspects of the Chino Groundwater Basin are explored relating to the desirability and feasibility of conjunctively using this basin for storing approximately one million acre feet of State Project Water. Having additional water in storage in the Basin should increase groundwater levels and decrease the amount of energy required to pump water to the surface. This could monetarily benefit all producers in the basin. The California Department of Water Resources (DWR) and the Metropolitan Water District of Southern California (MWD) have completed two (2) of the four (4) phases of this study and have met with Watermaster and the Watermaster Advisory Committee to present their results and recommendations. Watermaster and the pool committees have expressed institutional and water quality concerns to the DWR which has resulted in the formation of a Watermaster Advisory Ad Hoc Committee to meet with the DWR and their consultants to identify these concerns and to assure that the requirements mandated by the Judgment are addressed. This task is expected to continue through fiscal 1981/82.

(b) (Task Order 78-3) Meter Installation Study was initiated to be a service to those parties required to purchase and install meters. Under the contract, a recommendation regarding the type, size, and placement of a meter is made on an individual basis for each producer. This service is provided to orderly complete the installation of meters in the least amount of time, expense and inconvenience to each producer. Certain information considered

necessary for the Watermaster's files will also be accumulated through this effort. Although the contract has been terminated, necessary follow-up work will continue until all qualified wells are fitted with a water measuring device as mandated by the Judgment.

(c) (Task Order 78-4) Meter Testing Program is designed to test every meter in the basin at least once every two years as an ongoing program of the Watermaster. During this reporting period a total of 113 meters were tested under this program. Twenty-four in the Appropriative Pool, two in the Overlying (Non-Agricultural) Pool and eighty-six in the Overlying (Agricultural) Pool. Five agricultural producers who are grape growers maintain certain wells in outlying areas and are subject to constant vandalism and therefore the Edison Company's well test procedure will provide an acceptable record as to production based on their Edison billings submitted bi-monthly. However, these non-metered wells must undergo an Edison well test every two years pursuant to the Judgment. Two producers in the Appropriative Pool have established monthly meter testing programs and report results of those tests to Watermaster for review and approval, eliminating a duplication of effort.

(d) (Task Order 79-1) Water Well Data has been initiated to collect and analyze existing and new data to assist in the determination of key wells, to provide the Watermaster and Watermaster Advisory Committee with information to make future groundwater management decisions. This task is coordinated with other existing monitoring agencies' programs to prevent any duplication of work, and

will establish the ground rules and criteria for a long term groundwater monitoring program. Several key wells were located in both upper and lower portions of the basins which will be used to provide information for the Conjunctive Use Study and will assist in closing existing data gaps which have previously been experienced by the SARWQCB in their efforts to establish "Basin Plans". Monitoring these key wells will also determine the effects of the replenishment program currently underway making the data an effective tool which will benefit many producers in the future.

Subject to approval and recommendation of the Watermaster Advisory Committee or any affected Pool Committee, additional special project task orders may be designated and budgeted for as required to carry out the management plan.

(8) Local Storage Agreement - San Antonio Water Company entered into a local storage agreement to preserve 2,500 acre feet of water they anticipate to leave unpumped during the next five to seven years under the Judgment.

(9) Pursuant to the Marygold Mutual Water Company/Watermaster Agreement to replace Marygold's 654 A.F. of overproduction by underpumping its safe yield, Marygold has under produced 113.1 acre feet in Fiscal 80/81 and said amount will be applied to Marygold's obligation in Fiscal 1981/82 accounting year.

APPENDIX "A - 1"

OVERLYING (AGRICULTURAL) POOL COMMITTEE

Regular members and alternates for 1981. \*Newly elected members for two year terms.

<u>Regular</u>	<u>Alternate</u>
Fred Douma 14350 Cleveland Ontario, CA 91761 (714) 947-5192	Louis Aukeman 12391 Schliesman Mira Loma, CA 91752 (714) 986-6580
Gus Wybenga 13950 Haven Avenue Ontario, CA 91761 (714) 947-5540	John Vander Schaaf 7849 Schaefer Avenue Ontario, CA 91761 (714) 628-0381
Tom Carnesi 1604 N. Palm Avenue Upland, CA 91786 (714) 982-5008	Phillip Lock 825 East Third Street San Bernardino, CA 92415 (714) 383-2437
Robert DeBerard 1294 East 13th Street Upland, CA 91786 (714) 982-7023	Alex Becker C.I.M. 14901 Central Avenue Chino, CA 91710 (714) 597-1821
J.N. Albers P.O. Box 235 Upland, CA 91786 (714) 982-5891	Floris Ykema 6882 Chino Avenue Chino, CA 91710 (714) 628-2411
*Paula Martinez Orange Co. Water District P.O. Box 8300 Fountain Valley, CA 92708 (714) 963-5661	Jim Fairchild Orange Co. Water District P.O. Box 8300 Fountain Valley, CA 92708 (714) 963-5661
*Gene Koopman 13898 S. Archibald Avenue Ontario, CA 91761 (714) 947-4350	R.A. "Bud" Wathen Y.T.S. P.O. Box 800 Ontario, CA 91761 (714) 597-1861
*Herbert C. Hall 9430 Lomita Drive Alta Loma, CA 91701 (714) 987-9365	Joe D. Lopez P.O. Box 246 Etiwanda, CA 91739 (714) 987-2164
Edwin Dubiel Deputy Attorney General 3580 Wilshire Boulevard Los Angeles, CA 90010 (213) 736-2116	State Attorney General 3580 Wilshire Boulevard Los Angeles, CA 90010 (213) 736-2116

APPENDIX "A - 2"

OVERLYING (NON-AGRICULTURAL) POOL COMMITTEE

Ameron Steel & Wire Division  
ATTN: Bill Nelson  
12459 Arrow Highway  
P.O. Drawer 8  
Etiwanda, CA 91739  
(714) 987-2521

Swan Lake  
ATTN: John Ruble  
5800 Hamner Avenue  
Mira Loma, CA 91752  
(714) 685-7044

Conrock Company  
ATTN: Gene Block  
3200 San Fernando Road  
Los Angeles, CA 90065  
(213) 258-2777

Kaiser Steel Corporation  
ATTN: Hooite Ruge  
P.O. Box 217  
Fontana, CA 92335  
(714) 829-4603

Space Center Mira Loma, Inc.  
ATTN: Michael Thies  
3401 Etiwanda Avenue, Bldg. 504  
Mira Loma, CA 91752  
(714) 685-5221

Quaker Chemical  
ATTN: Russell Collins  
P.O. Box 973  
Pomona, CA 91769  
(714) 629-9776

Red Star Fertilizer Company  
ATTN: Paul Bernhard  
17132 Hellman Avenue  
Corona, CA 91720  
(714) 597-4801

San Bernardino Co. Aviation Div.  
ATTN: Phil Lock  
825 East Third Street  
San Bernardino, CA 92415  
(714) 383-2437

Southern California Edison Co.  
ATTN: Ed Ryan  
P.O. Box 513  
Ontario, CA 91761  
(714) 947-2996

Southern Service Company  
dba Blue Seal Linen  
ATTN: G.G. Whyte  
P.O. Box 2709  
Pomona, CA 91766  
(714) 622-1214

Sunkist Growers  
ATTN: Vern Renaud  
616 East Sunkist Street  
Ontario, CA 91761  
(714) 983-9811

Union Carbide Corporation  
Linde Division  
ATTN: Guy Nolan  
Etiwanda Avenue & I-10  
Fontana, CA 92335  
(714) 829-4000

APPENDIX "A - 3"

APPROPRIATIVE POOL COMMITTEE

Chino, City of  
ATTN: Marc Carpenter  
P.O. Box 667  
Chino, CA 91710  
(714) 627-7577

Cucamonga County Water District  
ATTN: Lloyd Michael  
P.O. Box 638  
Cucamonga, CA 91730  
(714) 987-2591

Etiwanda Water Company  
ATTN: Lloyd Michael  
P.O. Box 726  
Cucamonga, CA 91730  
(714) 987-2591

Felspar Gardens Mut. Water Co.  
ATTN: Roy Grace  
4453 Avon Street  
Riverside, CA 92509  
(714) 685-2252

Fontana Union Water Company  
ATTN: Roger Brett  
P.O. Box 309  
Fontana, CA 92335  
(714) 822-2209

Jurupa Community Services Dist.  
ATTN: Bill Huckle  
8621 Jurupa Road  
Riverside, CA 92509  
(714) 685-7435

Marygold Mutual Water Company  
ATTN: M. D. Funk  
9715 Alder  
Bloomington, CA 92316  
(714) 877-0516

Monte Vista Water District  
ATTN: Bob Thompson  
10575 Central Avenue  
Montclair, CA 91763  
(714) 624-0035

Monte Vista Irrigation Co.  
ATTN: H. R. Anderson  
2529 W. Temple  
Los Angeles, CA 90026  
(213) 387-2460

Mutual Water Company of  
Glen Avon Heights  
ATTN: Dave Martinez  
9643 Mission  
Riverside, CA 92509  
(714) 685-6441

Norco, City of  
ATTN: Jack Dievers  
P.O. Box 428  
Norco, CA 91760  
(714) 735-3900

Ontario, City of  
ATTN: Michael Teal  
303 East "B" Street  
Ontario, CA 91764  
(714) 986-1151

Park Water Company  
ATTN: Tom Snodgrass  
P.O. Box "J"  
Downey, CA 90241  
(213) 923-0711

Pomona Valley Water Company  
ATTN: Ray Gonzales  
14575 Pipeline Avenue  
Chino, CA 91710  
(714) 597-1785

Pomona, City of  
ATTN: Jim Lundie  
P.O. Box 660  
Pomona, CA 91768  
(714) 620-2231

San Antonio Water Company  
ATTN: Charlie Thomas  
P.O. Box 877  
Upland, CA 91786  
(714) 982-4107

APPENDIX "A - 3"

APPROPRIATIVE POOL COMMITTEE (Continued)

Santa Ana River Water Company  
ATTN: E. T. Tanner  
P.O. Box 61  
Mira Loma, CA 91752  
(714) 685-6503

Southern California Water Company  
ATTN: Mr. William Downey  
P.O. Box 188  
San Dimas, CA 91773  
(714) 599-1389

Upland, City of  
ATTN: Lee Travers  
P.O. Box 460  
Upland, CA 91786  
(714) 982-1352

West End Consolidated Water Co.  
ATTN: Charlie Thomas  
P.O. Box 877  
Upland, CA 91786  
(714) 982-4107

West San Bernardino County  
Water District  
ATTN: Ira Pace  
P.O. Box 188  
Rialto, CA 92376  
(714) 875-1804

APPENDIX "B"  
PRODUCTION BY POOL  
 (ACRE FEET)

<u>FISCAL YEAR</u>	<u>APPROPRIATIVE POOL</u>	<u>OVERLYING (AGRICULTURAL) POOL</u>	<u>OVERLYING (NON-AGRICULTURAL) POOL</u>	<u>TOTAL</u>
1974/75	70,312	96,567	8,878	175,757
1975/76	79,312	95,349	6,356	181,017
1976/77	72,707	91,450	9,198	173,355
1977/78	60,659	83,934	*10,082	154,675
1978/79	60,597	74,026	7,127	141,750
1979/80	63,834	70,377	7,363	140,566
1980/81	70,726	68,040	5,650	144,416

\* Includes 3,945 Acre Feet of mined water pumped by the Edison Company as agent for the Chino Basin Municipal Water District

APPENDIX "B"



CHINO BASIN WATERWASTER  
BUDGET 1981-1982  
SUMMARY OF ADMINISTRATIVE BUDGETS

OVERLYING  
-NON-AGRICULTURAL POOL-  
- - - AGRICULTURAL POOL-  
- - - APPROPRIATIVE POOL-  
Amount      Per Acre Foot      Amount      Per Acre Foot      Amount      Per Acre Foot

	Amount	Per Acre Foot	Amount	Per Acre Foot	Amount	Per Acre Foot
<b>Totals</b>	<u>151,200</u>	<u>70,000</u>	<u>74,000</u>	<u>74,000</u>	<u>2,200</u>	<u>2,200</u>
Estimated 80/81 Production						
GENERAL ADMINISTRATIVE:						
Joint Watermaster -						
Advisory Committee	\$ 45,350	\$ 20,995	\$ 22,195	\$ 2,999	\$ 2,160	\$ 0.2999
Pool Administration	6,000	2,050	2,550	0.0358	1,360	0.1806
TOTAL ADMINISTRATIVE ASSESSMENT	51,350	23,045	24,845	0.3357	3,460	0.4805
SPECIAL PROJECTS:						
Conjunctive Use/Cyclic Storage	4,975	2,303	2,435	0.0329	237	0.0329
Meter Installation	2,125	984	1,040	0.0141	101	0.0141
Well Water Data	3,175	1,470	1,554	0.0210	151	0.0210
Meter Testing Program	18,450	4,275	13,475	0.0611	700	0.0972
TOTAL SPECIAL PROJECTS	28,725	9,032	18,504	0.2501	1,139	0.1652
TOTAL ADMINISTRATIVE BUDGETS	80,075	32,077	43,349	0.5883	4,549	0.6457
25% Operating Reserve:	20,018	8,019	10,837	0.1464	1,162	0.1614
Projected Carry Forward From 80/81:	(59,982)	(15,155)	(40,743)	(0.5506)	(4,084)	(0.5672)
PROJECTED ASSESSMENTS:	\$ 40,111	\$ 24,941	\$ 13,443	\$ 0.1816	\$ 1,727	\$ 0.2399

NOTE: All amounts have been rounded. This may affect extensions of the per acre foot rates.

APPENDIX "D"

SUMMARY OF IN LIEU DELIVERIES  
(Acre Feet)

June 30, 1981

	<u>CITY OF POMONA</u>	<u>CITY OF CHINO</u>	<u>MONTE VISTA CO. W. D.</u>	<u>CITY OF ONTARIO</u>	<u>PARK WATER C.O.</u>	<u>POMONA VALLEY W.C.</u>	<u>SO. CAL. EDISON</u>	<u>SO. CAL WATER CO.</u>	<u>CUCA CO.</u>	<u>TOTAL</u>
FEB.	159.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	159.4
MARCH	284.6	0.0	5.7	245.7	6.8	188.0	104.8	27.3	0.0	862.9
APRIL	420.4	52.8	124.3	372.9	0.0	255.3	133.0	49.5	0.0	1408.2
MAY	421.4	31.8	139.2	585.4	0.0	422.5	264.6	61.3	29.2	1955.4
JUNE	<u>511.2</u>	<u>150.2</u>	<u>143.2</u>	<u>679.9</u>	<u>0.0</u>	<u>709.5</u>	<u>282.1</u>	<u>56.9</u>	<u>61.1</u>	<u>2594.9</u>
TOTALS	1797.0	234.8	412.4	1883.9	6.8	1575.3	784.5	195.0	90.3	7139.4

GROUNDWATER REPLENISHMENT DELIVERIES  
(Acre Feet)

	<u>SAN SEVAINE</u>	<u>MONTCLAIR BASINS</u>		<u>DAY CREEK BASIN</u>		<u>ETIWANDA</u>	<u>PURCHASE FROM CYCLIC STORAGE</u>	<u>TOTAL</u>
		<u>CRW</u>	<u>SPW</u>		<u>SPW</u>			
JULY	0.0	57.6	0.0	0.0	0.0	0.0		57.6
AUG.	0.0	0.0	0.0	0.0	0.0	0.0		0.0
SEPT.	0.0	20.5	0.0	0.0	0.0	0.0		20.5
OCT.	343.3	0.0	0.0	0.0	200.3		1356.4	1900.0
NOV.	483.4	0.0	464.4	59.0	230.0		1664.2	2901.0
DEC.	84.0	0.0	1120.1	79.0	36.0			1319.0
JAN.	45.0	0.0	1269.6	350.0	43.8			1708.4
FEB.	0.0	0.0	1020.0	287.6	0.0			1307.6
MARCH	0.0	0.0	677.8	59.6	0.0			737.4
APRIL	673.8	0.0	1770.0	411.8	411.8			3267.4
MAY	<u>1200.0</u>	<u>0.0</u>	<u>0.0</u>	<u>774.0</u>	<u>55.8</u>			<u>2029.8</u>
TOTALS	2829.5	78.1	6321.9	2021.0	977.7		3020.6	15248.8

SUMMARY OF CYCLIC STORAGE DELIVERIES

FISCAL YEAR 1980-81

State Project Water

	<u>SAN SEVAINE</u>	<u>MONTCLAIR BASINS</u>	<u>DAY CREEK BASIN</u>	<u>ETIWANDA</u>	<u>TOTAL</u>
JULY - 1980	886.1	0.0	0.0	540.0	1426.1
AUG.	805.1	0.0	0.0	490.6	1295.7
SEPT.	472.5	0.0	0.0	290.1	762.6
OCT. '80 to APRIL '81	0.0	0.0	0.0	0.0	0.0
MAY	0.0	1972.0	0.0	396.0	2368.0
JUNE	<u>1240.0</u>	<u>843.6</u>	<u>380.5</u>	<u>345.1</u>	<u>2809.2</u>
TOTALS	3403.7	2815.6	380.5	2061.8	8661.6

APPENDIX "D"

APPENDIX "E"  
 OTHER IMPORTED SUPPLIES  
 (Acres Feet)

Fiscal Year	Fantone Union Water Co.	City of Ontario	Coca. Co. Water District	San Bdo. County	West End Consolidated Water Co.	San Antonio Water Company	West San Bdo. Co. Water Dist.	Marygold (Pueblo) Water Co.	Mo(1) of 10 Cc)	Total
1975										
Other Basins	6,446		8,323		1,635	5,478	2,103			23,985
Surface Diversions	10,325		1,051			7,193				18,579
Other Imported Surface Deliveries										
Reclaimed Water		468		-0-					6,819	<u>6,819</u> 48,382
1976										
Other Basins	10,480		11,168		2,113	7,039	1,538			33,148
Surface Diversions	9,219		646			9,850				18,715
Other Imported Surface Deliveries										
Reclaimed Water		602		364					8,820	<u>8,820</u> 57,886
1976/77										
Other Basins	7,925		9,950		1,960	8,440	1,966			30,241
Surface Diversions	7,110		1,109		6,436					14,655
Other Imported Surface Deliveries										
Reclaimed Water		270		475					10,869	<u>10,869</u> 55,765
1977/78										
Other Basins	8,553		9,507		1,384	7,736	1,940			29,120
Surface Diversions	6,297		2,042			9,756				18,195
Other Imported Surface Deliveries										
Reclaimed Water		299		765					14,246	<u>14,246</u> 61,567
1979										
Other Basins	4,456		12,700		814	6,153	1,914			25,741
Surface Diversions	17,595		1,496		533	13,144				32,768
Other Imported Surface Deliveries										
Reclaimed Water		248		420					17,388	<u>17,388</u> 75,864
1979/80										
Other Basins	5,519		12,009		1,290	8,991	1,177			28,996
Surface Diversions	15,185		4,301		8	6,292				25,793
Other Imported Surface Deliveries										
Reclaimed Water		431		1,720					17,940	<u>17,940</u> 76,727
1980/81										
Other Basins	3,620		11,840		821	6,872	1,828			31,779
Surface Diversions	9,659		8,418			9,910				29,907
Other Imported Surface Deliveries										
Reclaimed Water		548		906				668	21,334	<u>21,334</u> 77,765

includes deliveries to City of Panama and in lieu

APPENDIX "F"

TOTAL WATER USED WITHIN CHINO BASIN\*

(Acre Feet)

<u>Fiscal Year</u>	<u>Chino Basin Extractions</u>	<u>Other Imported Supplies</u>	<u>Total</u>
1974/75	175,757	49,383	225,140
1975/76	181,017	57,686	238,703
1976/77	173,355	55,765	229,120
1977/78	154,675	61,567	216,242
1978/79	141,412	75,864	217,276
1979/80	141,574	70,727	212,301
1980/81	144,416	77,765	222,181

\* Includes water used over Cucamonga Basin.

APPENDIX "F"

APPENDIX "G"  
LIST OF INTERVENTIONS AND ASSIGNMENTS

INTERVENOR

Ontario Planned Residential  
Joint Venture

Pete Boersma

David Chez  
Judith Collins  
Sharon Schacht

Andy Dyt

J.D. Smith

Charlie Tedama  
Maynard Troost

Ralph D. Wenger  
Walter W. Wurster  
Jeannette Wurster

Theodore Zwicker

INACTIVE PARTY

Frank Bosman

Sam Boersma

Joseph C. Chez

Leonard Imbach

None

Maurice Weidman

Etiwanda Grape Products

Etiwanda Grape Products

APPENDIX "G"

APPENDIX "H"

CHINO BASIN WATERMASTER

FINANCIAL STATEMENTS

JUNE 30, 1981

APPENDIX "H"

WALTER F. REARDON, C.P.A.  
JOHN L. MCCALLUM, C.P.A.  
HELENE W. BLUMNER, C.P.A.  
RYA C. HANSEN, C.P.A.  
SACHIRO M. STARRS, C.P.A.  
LEE M. GARDNER, C.P.A.  
\*ACCOUNTANCY CORPORATION

**REARDON & MCCALLUM**  
CERTIFIED PUBLIC ACCOUNTANTS  
848 WEST FOOTHILL BOULEVARD, SUITE C  
UPLAND, CALIFORNIA 91788  
TELEPHONE (714) 988-7288

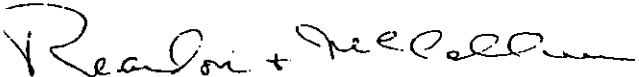
MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
CALIFORNIA SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

Chino Basin Watermaster  
8555 Archibald Avenue  
Cucamonga, CA 91730

Gentlemen:

We have examined the financial statements of the Chino Basin Watermaster for the year ended June 30, 1981. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the Chino Basin Watermaster at June 30, 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles for governmental agencies.



September 9, 1981  
Upland, California

CHINO BASIN WATERMASTER  
STATEMENT OF FINANCIAL POSITION

June 30, 1981

<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash in bank - checking	\$ 4,460
Cash in bank - savings	<u>26,039</u>
Time certificates of deposit	\$ 30,499
Accounts receivable - trade	565,000
	1,609
Assessments receivable - Appropriative Pool (Note 3)	24,321
Assessments receivable - Agricultural Pool	<u>48</u>
	<u>24,369</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>\$621,477</u></b>

<u>LIABILITIES AND FUND BALANCE</u>	
<u>CURRENT LIABILITIES</u>	
Accounts payable	\$145,893
Prepaid assessments - Appropriative Pool	<u>29,150</u>
<b>Total Current Liabilities</b>	<b>\$175,043</b>
DEFERRED CREDITS (Note 3)	29,359
FUND BALANCE	<u>417,075</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$621,477</u></b>

See Accompanying Notes  
Reardon & McCallum, Certified Public Accountants

APPENDIX "H-2"



CHINO BASIN WATERMASTER

STATEMENT OF REVENUE AND EXPENSES AND FUND BALANCES

For the Fiscal Year Ended June 30, 1981

	<u>WATERMASTER ADMINISTRATION</u>		
	<u>Adminis-</u>	<u>Special</u>	<u>Total</u>
<u>REVENUES</u>	<u>tration</u>	<u>Projects</u>	
Assessment revenue			
Replenishment water			
Application of prior year balance to assessments			
Administration			
Prepurchased water sales			
Interest revenue	\$38,033		\$38,033
TOTAL REVENUES	<u>38,033</u>	<u>-0-</u>	<u>38,033</u>
<u>EXPENSES</u>			
CBMWD services contract			
Salaries, payroll burden & overheads	\$28,279	5,028	33,307
Materials & supplies	319		319
Printing & mailing	521		521
Other expenses	197		197
General & administrative	<u>1,852</u>	<u>318</u>	<u>2,170</u>
TOTAL CBMWD SERVICES CONTRACT	31,168	5,346	36,514
Replenishment water purchases			
Materials & supplies			
Printing & mailing	317		317
Contract labor & materials			
Audit fees	1,515		1,515
Legal fees	160		160
Meeting compensation	1,500		1,500
Over & short expense	<u>23</u>		<u>23</u>
TOTAL EXPENSES	<u>34,683</u>	<u>\$ 5,346</u>	<u>40,029</u>
EXCESS (DEFICIT) REVENUE OVER EXPENSES	<u>\$ 3,350</u>	<u>\$ (5,346)</u>	<u>(1,996)</u>
FUND BALANCE July 1, 1980			<u>86,720</u>
FUND BALANCE June 30, 1981			<u>\$84,724</u>

APPENDIX "H-3"

GROUNDWATER REPLENISHMENT		POOL ADMINISTRATION AND SPECIAL PROJECTS			GRAND TOTAL
SB 222 Funds	Watermaster Assessments	Approp. Pool	Agri. Pool	Non-Agric. Pool	
	\$996,612				\$ 996,612
		\$(71,368)			(71,368)
\$ 39,492		105	\$22,559	\$ 60	22,724
	<u>1,022</u>	<u>54,552</u>	<u>5,045</u>	<u>2,669</u>	<u>39,492</u>
<u>39,492</u>	<u>997,634</u>	<u>(16,711)</u>	<u>27,604</u>	<u>2,729</u>	<u>1,088,781</u>
56	149	807	1,361	331	36,011
		3	142		319
		130	6		666
<u>7</u>	<u>20</u>	<u>59</u>	<u>96</u>	<u>21</u>	<u>333</u>
					<u>2,373</u>
63	169	999	1,605	352	39,702
1,200	953,163				954,363
305	821				1,126
		75	414	25	831
16,312	43,878		6,355		66,545
					1,515
			450	50	160
					2,000
					<u>23</u>
<u>17,880</u>	<u>998,031</u>	<u>1,074</u>	<u>8,824</u>	<u>427</u>	<u>1,066,265</u>
21,612	(397)	(17,785)	18,780	2,302	22,516
<u>187,948</u>	<u>21,406</u>	<u>81,023</u>	<u>14,585</u>	<u>2,877</u>	<u>394,559</u>
<u>\$209,560</u>	<u>\$ 21,009</u>	<u>\$ 63,238</u>	<u>\$33,365</u>	<u>\$5,179</u>	<u>\$ 417,075</u>

See Accompanying Notes  
Reardon & McCallum, Certified Public Accountants  
APPENDIX "H-3"

CHINO BASIN WATERMASTER

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Fiscal Year ended June 30, 1981

SOURCES OF WORKING CAPITAL

Operations		
Excess of revenue over expenses		\$ 22,516
Increase in deferred credits		<u>8,282</u>

INCREASE IN WORKING CAPITAL \$ 30,798

INCREASE (DECREASE) IN WORKING CAPITAL ITEMS

	<u>7/1/80</u>	<u>6/30/81</u>	
Current Assets			
Cash	\$ 31,290	\$ 30,499	\$ (791)
Short term investment	800,000	565,000	(235,000)
Receivables	18,964	25,978	7,014

850,254      621,477

Current Liabilities			
Accounts payable	409,688	145,893	263,795
Prepaid assessments	24,930	29,150	<u>(4,220)</u>

434,618      175,043

Working Capital \$415,636      \$446,434

INCREASE IN WORKING CAPITAL \$ 30,798

**CHINO BASIN WATERMASTER**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 1981

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

- A. Books and records are kept on the accrual basis.
- B. Fund accounting is used to segregate the Watermaster's different activities.
- C. Short-term investments are recorded at cost.

**NOTE 2**

The Chino Basin Watermaster was formally appointed on January 27, 1978 in the Superior Court of the State of California for the County of San Bernardino. The Board of Directors of Chino Basin Municipal Water District was named as the Watermaster. In general, the Judgement provided for levying assessments to cover the cost of Watermaster administration and of replenishment water to maintain current water levels in the Chino Hydrological Basin. The Watermaster organizational meeting was held on February 15, 1978, at which time rules and regulations were discussed, meeting dates were established, and the Services and Facilities contract was signed with Chino Basin Municipal Water District.

On the same date, at a regular Chino Basin Municipal Water District Board meeting, authorization was given to transfer the balance of Senate Bill 222 funds to the Chino Basin Watermaster for use in Watermaster administration with the understanding that \$400,000 of these funds would be used for the purchase of replenishment water.

**NOTE 3 - ASSESSMENTS RECEIVABLE - APPROPRIATIVE POOL AND DEFERRED CREDITS**

Section 7 (c) of Exhibit "H" of the Judgement provides for purchase of replenishment water required of appropriators within San Bernardino Valley Municipal Water District to be from San Bernardino Valley Municipal Water District or Metropolitan Water District of Southern California. In order to deliver replenishment water to this area, it would be necessary to lease lines from MWD. In order to avoid these "wheeling costs" an arrangement has been made to use surface deliveries in this area and to replace the over-production which has occurred by leaving water in place, (i.e., unpumped). An agreement implementing this procedure was approved by the Watermaster on July 30, 1980. As the over-production is replaced, the replenishment assessments will be written off and the assessments paid in 78/79 and interest earned thereon totaling \$9,671.52 will be returned to the appropriators involved. Of the amount carried as assessments receivable at June 30, 1981, \$19,687.67 will be recovered in this manner and the corresponding deferred credits will be eliminated.

Reardon & McCallum, Certified Public Accountants

APPENDIX "H-5"

CHINO BASIN WATERMASTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1981

NOTE 4 - IMPACT OF PROPOSITION 4: APPROPRIATIONS LIMITATIONS

On November 6, 1979 the State of California voters approved Article XIII B of the State Constitution whereby governmental agencies are limited in the amount of tax revenues which can be appropriated to the amount which was appropriated in the base year, 1978/79, adjusted for increases in population served and consumer price indices. User charge rates are to be set to cover only the costs of operations, administration and reasonable reserves required to provide each specific service. Any excess revenue received is to be returned to the user within two (2) years either through rate adjustments or direct rebates.

On April 29, 1981, the Watermaster adopted Resolution 81-4-1 which set forth findings that all Watermaster revenues are the result of benefit assessments and interest earned thereon. Based on these findings, the Watermaster determined that there were no proceeds of taxes during the 1978/79 base years and that the appropriations limit for fiscal year 1981-82 was zero.

In this regard, the rates of each year's assessments are computed based on the balance of funds on hand at the end of the prior year and the budgeted needs of the coming fiscal year.

Reardon & McCallum, Certified Public Accountants

APPENDIX "H-6"

APPENDIX "I"

WATERMASTER ACTIVITY SUBSEQUENT TO AUDIT  
RELATIVE TO S.B.V.M.W.D. PRODUCERS

On July 30, 1980, the Watermaster entered into an agreement with Marygold Mutual Water Company whereby surface water deliveries would be taken over the next five years to replace that Appropriator's over-production during the three prior fiscal years.

Assessments had been levied for each of the three years, with the 78/79 assessment having been paid by both San Bernardino Valley Municipal Water District (SBVMWD) producers, Marygold and West San Bernardino County Water District (WSBCWD). WSBCWD has not over-produced since that year. The 79/80 assessment was levied during negotiations with Metropolitan Water District for use of their facilities to deliver the replenishment water from SBVMWD to the east side of the Chino Basin and the rate per acre foot was set to cover \$15.00 for "wheeling" costs and \$3.20 for delivery costs as well as the \$17.16 cost to purchase the water from SBVMWD.

The 80/81 assessment was levied at \$17.16 per acre foot to reflect only the cost of purchasing replenishment water from SBVMWD. At that time it was recognized by all parties to the Judgment that these assessments were only bookkeeping entries which would be written off as water is left in place over the term of the agreement. When all water has been replaced the 78/79 replenishment assessments will be returned to Marygold and WSBCWD.

On December 30, 1981, the Advisory Committee, following action of the Appropriative Pool, recommended to the Watermaster that the groundwater replenishment assessment levied by Resolution 79-2 for water produced exceeding safe yield allocations during fiscal 78/79 by appropriators located within San Bernardino Valley Municipal Water District be lowered from \$35.36 per acre foot to \$17.16 per acre foot. It was also recommended that delinquency charges assessable pursuant to Paragraph 55 (c) of the Judgment not be considered as applicable to the Marygold receivables as the 1980 Marygold agreement does not provide for delinquency assessment. Watermaster approved the recommendations and directed staff to make the appropriate adjustments to the accounts.

APPENDIX "J"

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING made and entered into as of this 31st day of December, 1980, by and between CHINO BASIN MUNICIPAL WATER DISTRICT ("District") and CHINO BASIN MUNICIPAL WATER DISTRICT in its capacity as Watermaster pursuant to appointment of the Court in Judgment entered in Chino Basin Municipal Water District vs. City of Chino, et al., San Bernardino Superior Court Case No. 164327, ("Watermaster").

WHEREAS, District and Watermaster entered into contract dated the 15th day of February, 1978, wherein District agreed to provide certain services and facilities and perform certain acts for and on behalf of Watermaster as therein provided; and

WHEREAS, District, Orange County Water District ("OCWD") and Municipal Water District of Orange County ("MWDOC") entered into an agreement dated the 24th day of July, 1979, wherein OCWD and MWDOC have granted to District a perpetual right to 70 CFS in Service Connection OC-59 located in the Rialto Reach of the Foothill Feeder upon such terms as provided therein; and

WHEREAS, it is the intent of District and Watermaster to memorialize the understanding of the parties with respect to the operation of the aforementioned contract and agreement;

NOW, THEREFORE, District and Watermaster agree as follows:

1. District shall deliver replenishment or cyclic storage water for and on behalf of Watermaster as provided in the Services and Facilities Contract through the OC-59 Connection;

2. Watermaster shall reimburse District the actual cost of use of the OC-59 Connection as provided in the OC-59 Agreement, provided, however, that cost shall not exceed the amount specified in Paragraph 2 of said agreement;

3. Upon completion of District's financial requirements of said Agreement, all water delivered to Watermaster through this connection shall be made at no additional charge other than those costs covered under said Services and Facilities Contract; and

4. Any other party seeking use of the OC-59 connection for water delivery will be subject to the extent of the terms and conditions set forth in said OC-59 Agreement and further will be directed to enter into a financial arrangement with Watermaster regarding charges pertinent to this use right prior to delivery being made to any party(s) within the Chino Basin.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed by their duly authorized representatives on the date first above appearing.

"WATERMASTER"

By John R. Gudy  
Chairman

ATTEST:

By John L. Anderson  
Secretary

"DISTRICT"

By John R. Gudy  
President of the Board of  
Directors of Chino Basin Municipal  
Water District

ATTEST:

By John L. Anderson

APPROVED BY WATERMASTER ADVISORY COMMITTEE

By Thomas R. Ross