



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, May 14, 2009

10:00 a.m. – Appropriative & Non-Ag Pool Meeting

AT THE CHINO BASIN WATERMASTER OFFICES

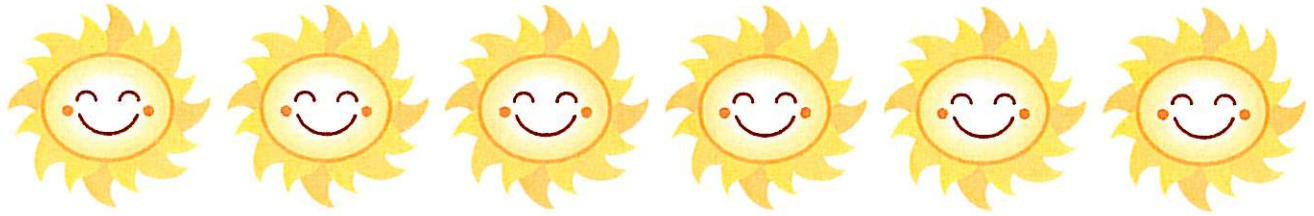
9641 San Bernardino Road
Rancho Cucamonga, CA 91730
(909) 484-3888

Tuesday, May 19, 2009

9:00 a.m. – Agricultural Pool Meeting

AT THE INLAND EMPIRE UTILITIES AGENCY OFFICES

6075 Kimball Ave. Bldg. A Board Room
Chino, CA 91710
(909) 993-1600



CHINO BASIN WATERMASTER

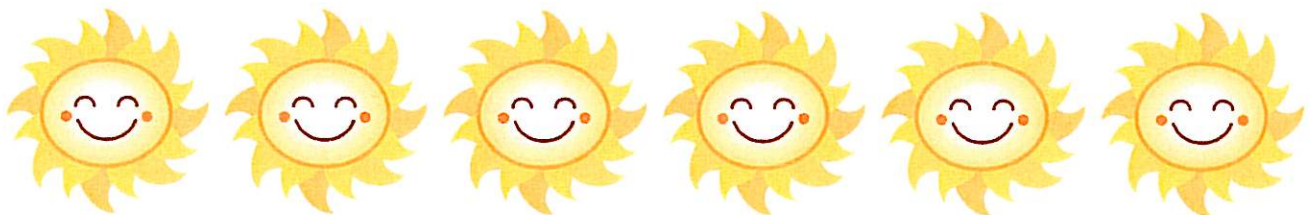
Thursday, May 14, 2009

10:00 a.m. – Appropriative & Non-Ag Pool Meeting

Tuesday, May 19, 2009

9:00 a.m. – Agricultural Pool Meeting

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
WITH**

*Mr. Ken Jeske, Chair, Appropriative Pool
Mr. Mark Kinsey, Vice-Chair, Appropriative Pool
Mr. Bob Bowcock, Chair, Non-Agricultural Pool
Mr. Kevin Sage, Vice-Chair Non-Agricultural Pool*

**10:00 a.m. – May 14, 2009
At The Offices Of
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730**

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

Note: All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by one motion in the form listed below. There will be no separate discussion on these items prior to voting unless any members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held March 12, 2009
(Page 1)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2009 (Page 13)
2. Watermaster Visa Check Detail (Page 17)
3. Combining Schedule for the Period July 1, 2008 through March 31, 2009 (Page 19)
4. Treasurer's Report of Financial Affairs for the Period March 1, 2009 through February 31, 2009 (Page 21)
5. Budget vs. Actual July 2008 through March 2009 (Page 23)

II. BUSINESS ITEM

**A. AUCTION PRICE FLOOR AGREEMENT AND STORAGE & RECOVERY AGREEMENT –
NON-ACTION ITEM FOR DISCUSSION ONLY**

Provide Feedback to Staff Regarding Broad Mutual Benefit of Auction Proceeds (Page 25)

B. CHINO BASIN WATERMASTER 2009-2010 BUDGET

Consider Approval of the Chino Basin Watermaster 2009-2010 Budget (Page 49)

C. APPLICATION FOR STORAGE ACCOUNT

Consider Approval for the Storage Account by Inland Empire Utilities Agency, Three Valleys Municipal Water District, and Western Municipal Water District on behalf of Metropolitan Water District of Southern California for an additional 74,000.000 acre-feet in addition to the 100,000.000 acre-feet existing Storage Account (Page 81)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. April 27, 2009 Hearing

B. ENGINEERING REPORT

1. Brooks Basin Recharge Recycled Water
2. Storage Losses (*additional material will be provided at the meeting*)
3. Recharge Master Plan Update

C. FINANCIAL REPORT

1. Hanson Settlement
2. Replenishment Obligation Update

D. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Update
3. Foothill Water Coalition
4. Zone 1 Repair to San Sevaine Channel Agreement

IV. INFORMATION

1. Newspaper Articles (*Page 187*)

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to the Appropriative and Non-Agricultural Pool Rules & Regulations, a Confidential Session may be held during the Watermaster Pool meeting for the purpose of discussion and possible action.

VIII. FUTURE MEETINGS

May 14 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
May 19, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
May 28, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
May 28, 2009	9:00 a.m.	Advisory Committee Meeting
May 28, 2009	11:00 a.m.	Watermaster Board Meeting
May 28, 2009	1:00 p.m.	WE Workshop #3 Tasks 8.2 through 8.5

Meeting Adjourn

**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

WITH

Mr. Bob Feenstra, Chair

Mr. Jeff Pierson, Vice-Chair

9:00 a.m. – May 19, 2009

At The Offices Of

Inland Empire Utilities Agency

6075 Kimball Ave., Bldg. A, Board Room

Chino, CA 91710

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

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A. MINUTES

1. Minutes of the Agricultural Pool Meeting held April 21, 2009 *(Page 7)*

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1. Cash Disbursements for the month of April 2009 *(Page 13)*
2. Watermaster Visa Check Detail *(Page 17)*
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*NON-ACTION ITEM FOR DISCUSSION ONLY***

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D. CEO/STAFF REPORT

1. Legislative Update
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IV. INFORMATION

1. Newspaper Articles (*Page 187*)

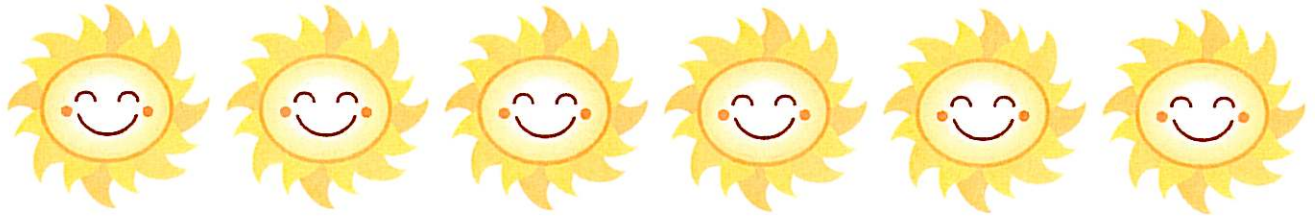
V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

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May 28, 2009	11:00 a.m.	Watermaster Board Meeting
May 28, 2009	1:00 p.m.	WE Workshop #3 Tasks 8.2 through 8.5

Meeting Adjourn

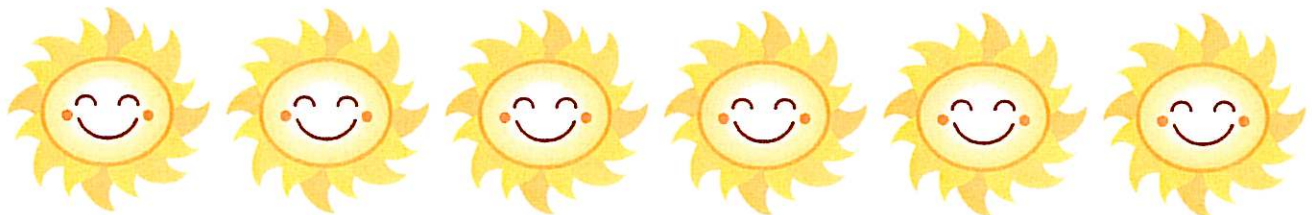


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Joint Appropriative and Non-Agricultural Pool Meeting – April 14, 2009



Draft Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
April 14, 2009

The Joint Appropriative and Non-Agricultural Pool Meeting were held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on April 14, 2009 at 10:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Ken Jeske, Chair	City of Ontario
John Bosler	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Robert Tock	Jurupa Community Services District
Charles Moorrees	San Antonio Water Company
Raul Garibay	City of Pomona
Dave Crosley	City of Chino

NON-AGRICULTURAL POOL MEMBERS PRESENT

Kevin Sage	Vulcan Materials Company (Calmat Division)
Mohamad El Amamy	City of Ontario

Watermaster Board Members Present

Michael Camacho	Inland Empire Utilities Agency
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Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	CFO/Asst. General Manager
Ben Pak	Senior Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental Inc.
Andy Malone	Wildermuth Environmental Inc.

Others Present

Jennifer Novak	State of California Dept. of Justice
Marv Shaw	Inland Empire Utilities Agency
Sandra Rose	Monte Vista Water District
Eunice Ulloa	Chino Basin Water Conservation District

Chair Jeske called the Joint Appropriative and Non-Agricultural Pool Meeting to order at 10:03 a.m.

AGENDA - ADDITIONS/REORDER

Chair Jeske asked that the closed session take place first prior to any items on the agenda.

Chair Jeske closed the regular open meeting at 10:04 a.m. to hold the confidential session.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to the Appropriative and Non-Agricultural Pool Rules & Regulations, a Confidential Session may be held during the Watermaster Pool meeting for the purpose of discussion and possible action.

1. Meeting with Agricultural Pool Regarding Special Projects
2. Personnel Committee Matters

No action was reported on.

Chair Jeske dismissed the confidential session at 10:36 a.m. to continue with the open meeting.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held March 12, 2009

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2009
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2008 through February 28, 2009
4. Treasurer's Report of Financial Affairs for the Period February 1, 2009 through February 28 2009
5. Budget vs. Actual July 2008 through February 2009

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District is purchasing 500 acre-feet of water from West valley Water District. This purchase is made from WVWD's water in storage and is to be placed in CVWD's Excess Carryover Account. Date of Application: March 10, 2009
2. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,000,000 acre-feet of water from the Jurupa Community Services District Toward Replenishment Obligation. Date of Application: March 17, 2009
3. **Consider Approval for Notice of Sale or Transfer** – On March 9, 2009, Watermaster received Form 5 "Application to Transfer Annual Production Right or Safe Yield, with KCO, LLC (Koll) as Transferor and the City of Ontario (as Overlying Non-Agricultural party) as Transferee in the amount of 22,000 acre-feet – a permanent transfer of its share of safe yield. Date of Application: March 9, 2009

*Motion by Tock, second by Garibay, and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar A through C, as presented*

II. BUSINESS ITEM**A. BUDGET TRANSFER T-09-04-02**

Chair Jeske offered comment on the Budget Transfer and noted the transfer is in the amount of \$30,000.00 for Agricultural Pool legal and technical services related to recent legal activity.

*Motion by Crosley, second by Garibay, and by unanimous vote – Non-Ag concurred
Moved to approve Budget Transfer Request T-09-04-2 for Agricultural Pool Legal & Technical services in the amount of \$30,000.00, as presented*

B. STATUS REPORT 2008-2

Mr. Manning stated this is a report that has been created and supplied to the court for several years; these were quarterly reports filed with the court. The reporting was changed by the court to every six months by Judge Gunn and those have been filed accordingly. When the changes were made from Judge Gunn to the new judge it was noted no more Status Reports were to be filed until further notice. At the February Watermaster hearing, Judge Wade asked that the reports continue and staff has put together the report which is in the meeting packet; however,

some minor editing changes have been made since the packet was sent out and a revised Status Report is available on the back table. Mr. Manning noted this report will be made available on the Watermaster website. Staff is seeking approval to file this with the court. A brief discussion regarding cost ensued.

*Motion by Tock, second by Crosley, and by unanimous vote – Non-Ag concurred
Moved to approve Status Report 2008-2 for filing with the court, as presented*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. April 27, 2009 Hearing

Counsel Fife stated the next hearing is scheduled for Monday, April 27, 2009 at 9:30 a.m. on OBMP Program Elements 1 through 3. The last hearing was pretty formal and staff and counsel feel this hearing will be much more relaxed and will require less preparation. Andy Malone will present Program Element #1, Mark Wildermuth will present Program Element #2, Ken Jeske will present Program Element #3, and Ken Manning will speak on reporting. Counsel has done some initial preparation with those parties and once materials are available they will be distributed. Counsel Fife stated the court has required a declaration be filed from legal counsel in advance of the hearing regarding reporting and that declaration will be distributed once it has been finalized. A discussion regarding the hearing and legal fees ensued.

2. Hanson Aggregates Update

Counsel Fife stated the case has been settled and the Watermaster Board approved the proposed settlement agreement last month and there is a copy of the signed settlement agreement on the back table. Under the settlement agreement, Hanson Aggregates is going to pay a total of \$450,000.00 in four payments. The first payment has already been received in the amount of \$117,000.00 which covers all the hard costs to clean up the basin. In addition Hanson is going to pay \$333,000 in lost opportunity costs and \$111,000 will be due on July 1, 2009. The balance of the payments will be received July 1, 2010 and July 1, 2011. A discussion regarding this matter ensued. Chair Jeske asked staff to put together a sheet on how/where the settlement will be parceled back out.

3. Notice Application for Storage Account by Inland Empire Utilities Agency, Three Valleys Municipal Water District, and Western Municipal Water District on behalf of Metropolitan Water District of Southern California for an additional 74,000 acre-feet in addition to the 100,000.000 acre-feet existing DYY Storage Account

Counsel Fife stated this is the Dry Year Yield Expansion Application. Staff has put it under report items this month to give a heads up that this will be on the May agenda for approval. This document has now been distributed and staff wants to make sure you all have an opportunity to review and comment prior to it coming back on the May agenda. A lengthy discussion regarding this item ensued. Counsel Fife stated this is a good start for dialog on this item and further discussions/comments will be taken at the May meeting. Chair Jeske stated this is a months' notice to get our thoughts together to determine if the parties want to look at this from a regional view point or a parochial view point.

4. Development and Use of the City of Upland's Storm Drains Agreement

Counsel Fife stated this item was placed under reports for this month for information and it will be on the agenda for approval in May. There is a draft agreement on the back table for your review which has been provided in red-line version for discussion. This is an agreement being proposed between the City of Upland, Inland Empire Utilities Agency (IEUA), and Watermaster to modify some of Uplands' facilities in order to assist in the use of those facilities to get water to the recharge basin. There are various terms stated in the agreement stating that Watermaster will be contributing \$50,000.00 to the project and IEUA would also be contributing \$50,000.00 to the project and doing the actual construction. This

will come back next month for approval. A lengthy discussion regarding this item, the construction that is going to be performed, and who owns the water ensued.

B. ENGINEERING REPORT

1. Recharge Master Plan Update and Schedule

Mr. Wildermuth stated as the Recharge Master Plan is progressing there are a lot of parallel activities going on behind the scenes. The production optimization work continues and as a practical matter the Peace II CEQA is occurring concurrently and both items will wrap up around the same time at the end of the month. The storm water recharge component is being done by Wagner and Bonsignore and the Conservation District; however, there are some data collection issues with some of the cities and the county. A workshop regarding groundwater production projections and what our estimate of supplemental water recharge capacity is was held recently. Please submit any comments on the projections and capacity as soon as you can. A discussion regarding Mr. Wildermuth's comments ensued.

Added Comment:

Mr. Wildermuth stated the Inland Empire Utilities Agency is proposing to amend the recharge permit that they are co-permittees with Watermaster to go to a 10 year dilution period from a 5 year period. IEUA is working with the Regional Board on this and the Regional Board responded to them stating they need to do a nitrogen TDS projection and that is underway. The City of Pomona has expressed concern and would like some more explanation and time to consider it before the amended permit goes through. Mr. Garibay noted this needs to be agendized for next month for what the analysis yields along with the possible impacts. A discussion regarding this matter ensued.

2. Summary of Findings from Max Benefit/Hydraulic Control Monitoring Report

Mr. Malone stated this year Watermaster is getting ready to publish a number of reports on the monitoring programs that it is conducting. Mr. Malone noted he is going to discuss Hydraulic Control and some of the subsidence monitoring that has been taking place basin wide. Mr. Malone stated Hydraulic Control is Watermaster and IEUA's attempt to hydraulically isolate the Chino Basin from impacts to downstream beneficial uses, specifically Orange County Water District. Mr. Malone reviewed several maps in detail. The Regional Board is requiring IEUA and Watermaster to demonstrate through pumping at the desalter well fields that we are modifying our groundwater flow directions and lowering groundwater levels to minimize the impact of rising groundwater on the water quality of the Santa Ana River. Groundwater levels are monitored specifically at all the noted wells and then an annual groundwater contour map is made from all the collected data. Mr. Malone reviewed the data received which is shown on the maps being presented. Mr. Malone stated it does not appear there is hydraulic control on the west side where the desalter wells that exist are perforated in the deep part of the aquifer system and there is not much shallow groundwater production in that region. Mr. Wildermuth stated Orange County Water District staff came to him two years ago and asked what was going on in the Santa Ana River because there was a clear reduction in discharge/base flow and when you review the desalters shown on the map including the Corona desalters it can be explained. When all the wastewater is factored out, the Santa Ana River is recharging more; the physical evidence is starting to show not just in the groundwater contours but the river flow is actually going down. A discussion regarding Mr. Wildermuth's comments ensued.

3. Results of InSAR Work

Mr. Malone reviewed a map of subsidence which is pre-OBMP conditions and discussed the map in detail. When the Peace Agreement was constructed there were two major elements that were associated with subsidence to develop, eliminate, or minimize subsidence or ground fissuring could occur in the future. InSAR gives us a cost effective way to give us a snapshot of what subsidence is doing across the entire basin. Mr. Malone showed some more recent maps and discussed them in detail. Mr. Malone noted in

Agricultural areas there is little to no data from the radar satellites. Mr. Malone reviewed the Management Zones and their subsidence occurrences which are displayed in more recent InSAR capture. A discussion regarding Mr. Malone's presentation ensued. Mr. Manning noted the InSAR costs are going to be absorbed by Watermaster and be just a part of the MZ1 budget because staff feels this technology is going to tell us a lot across the basin, not just in the MZ1 area and this will be discussed at the upcoming budget workshop.

C. FINANCIAL REPORT

1. Budget Workshop and Related Items

Ms. Rojo stated the budget workshop is scheduled for Tuesday, April 21, 2009 at 2:00 p.m.

D. CEO/STAFF REPORT

1. Legislative Update

No comment was made regarding this item.

2. Recharge Update

No comment was made regarding this item.

3. Zone 1 Repair to San Sevaine Channel Agreement

Mr. Manning stated this item is for information this month; however, it will be on the agenda next month for approval. This will memorialize an agreement with the County of San Bernardino to do the repairs which were actually caused by the Christmas Day storm that took place five years ago. The damage from that storm tore up the channel and there have been much back and forth discussions with the county on who should pay for the damages. It has been agreed that Watermaster will pick up 25% of the cost, IEUA will pick up 25% of the cost, and the county will pick up the other 50% of the cost for those damages that were occurred in that storm. The county is proposing additional repairs beyond what was from the damage and Watermaster has told them that we will not pick up those costs. The final agreement will come back next month for approval.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to the Appropriative and Non-Agricultural Pool Rules & Regulations, a Confidential Session may be held during the Watermaster Pool meeting for the purpose of discussion and possible action.

1. Meeting with Agricultural Pool Regarding Special Projects
2. Personnel Committee Matters

This item was taken out of order prior to the Consent Calendar and there was no reported action recorded.

VIII. FUTURE MEETINGS

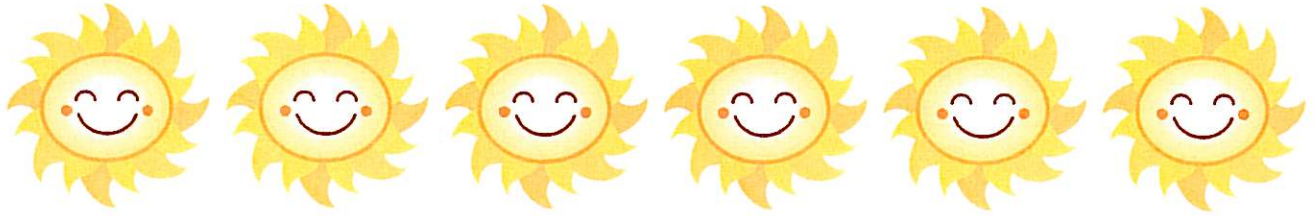
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April 23, 2009	9:00 a.m.	Advisory Committee Meeting

April 23, 2009	11:00 a.m.	Watermaster Board Meeting
April 23, 2009	1:00 p.m.	WE Workshop #2 Task 6.1
April 27, 2009	9:30 a.m.	Chino Basin Watermaster Hearing, San Bernardino Court
April 28, 2009	9:00 a.m.	GRCC Meeting

The Appropriative Pool meeting was dismissed by Chair Jeske at 11:45 a.m.

Secretary: _____

Minutes Approved: _____

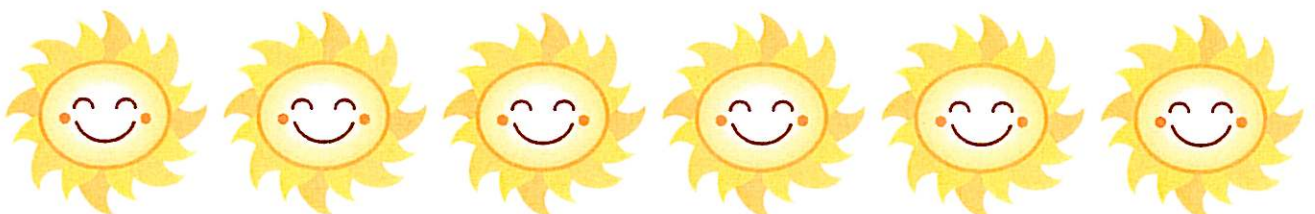


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool Meeting – April 21, 2009



Draft Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
April 21, 2009

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on April 21, 2009 at 9:00 a.m.

Agricultural Pool Members Present

Jeff Pierson, Vice-Chair	Crops
Glen Durrington	Crops
Gene Koopman	Milk Producers Counsel
John Huitsing	Dairy
Jennifer Novak	State of California Department of Justice for CIM

Watermaster Board Members Present

Michael Camacho	Inland Empire Utilities Agency
Paul Hofer	Crops

Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	CFO/Assistant General Manager
Ben Pak	Senior Project Engineer
Danielle Maurizio	Senior Engineer
Sheri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Steven Lee	Reid & Hellyer
Eunice Ulloa	Chino Basin Water Conservation District
Marv Shaw	Inland Empire Utilities Agency

Vice-Chair Pierson called the Agricultural Pool meeting to order at 9:09 a.m.

AGENDA - ADDITIONS/REORDER

Mr. Pierson noted a quorum is not present and asked that the Consent Calendar and Business Items be taken last to see if more members show up to have a full quorum for voting purposes.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. April 27, 2009 Hearing

Counsel Fife stated the next hearing is scheduled for Monday, April 27, 2009 at 9:30 a.m. on OBMP Program Elements 1 through 3. The last hearing was pretty formal and staff and counsel feel this hearing will be much more relaxed and need less preparation. Andy Malone will present Program Element #1, Mark Wildermuth will present Program Element #2, Ken Jeske will present Program Element #3, and Ken Manning will speak on reporting.

2. Hanson Aggregates Update

Counsel Fife stated the case has been settled and the Watermaster Board approved the proposed settlement agreement last month and there is a copy of the signed settlement agreement on the back table. Under the settlement agreement, Hanson Aggregates is going to pay a total of \$450,000.00 in four payments. The first payment has already been received in the amount of \$117,000.00 which covers all the hard costs to clean up the basin. In addition Hanson is going to pay \$333,000 in lost opportunity costs and \$111,000.00 will be due on July 1, 2009. The compromise for the other two payments was to give Hanson extended amount of time to pay; July 1, 2010 and July 1, 2011. A discussion regarding costs ensued.

3. Notice Application for Storage Account by Inland Empire Utilities Agency, Three Valleys Municipal Water District, and Western Municipal Water District on behalf of Metropolitan Water District of Southern California for an additional 74,000.000 acre-feet in addition to the 100,000.000 acre-feet existing DYY Storage Account

Counsel Fife stated this is the Dry Year Yield Expansion Application. Staff has put it under report items this month to give a heads up that this will be on the May agenda for approval. This document has now been distributed and staff wants to make sure you all have an opportunity to review and comment it prior to it coming back on the May agenda. A brief discussion regarding this item ensued.

4. Development and Use of the City of Upland's Storm Drains Agreement

Counsel Fife stated this item was placed under reports for this month for information and it will be on the agenda for approval in May. There is a draft agreement on the back table for your review which has been provided in red-line version for discussion. This is an agreement being proposed between the City of Upland, Inland Empire Utilities Agency (IEUA), and Watermaster to modify Uplands' facilities in order to assist in the use of those facilities to get water to some of the recharge basin. There are various terms stated in the agreement stating that Watermaster will be contributing \$50,000.00 to the project and IEUA would also be contributing \$50,000.00 to the project and doing the actual construction. This will come back next month for approval.

B. ENGINEERING REPORT

Added Comment:

Mr. Wildermuth stated the Inland Empire Utilities Agency is proposing to amend the recharge permit that they are co-permittees with Watermaster to go to a 10 year dilution for recycled water recharge period from a 5 year period. IEUA is working with the Regional Board on this and the Regional Board responded to them stating they need to do a nitrogen TDS projection and that is underway. The City of Pomona has expressed concern and would like some more explanation and time to consider it before the amended permit goes through. A discussion regarding Pomona wells ensued.

1. Recharge Master Plan Update and Schedule

Mr. Wildermuth stated as the Recharge Master Plan is progressing there are a lot of parallel activities going on behind the scenes. The production optimization work continues and as a practical matter the Peace II CEQA is occurring concurrently and both items will wrap up around the same time at the end of the month. A workshop regarding groundwater production projections and what our estimate of supplemental water recharge capacity was held recently. Please submit any comments on the projections and capacity as soon as you can.

2. Summary of Findings from Max Benefit/Hydraulic Control Monitoring Report

Mr. Wildermuth stated Mr. Malone who was to give today's presentation was unable to attend and this report will be given by him in its entirety at the Advisory Committee meeting this Thursday and can be brought back to this pool next month.

3. Results of InSAR Work

Mr. Wildermuth stated Malone will give this report in its entirety at the Advisory Committee meeting this Thursday.

C. FINANCIAL REPORT

1. Budget Workshop and Related Items

Ms. Rojo stated the budget workshop is scheduled for today at 2:00 p.m. Ms. Rojo stated she spoke to Mr. Feenstra and in his absence today he asked that an update be given on the Agricultural Pool's actual budget category. Ms. Rojo stated the amounts budgeted Watermaster staff time as it relates to the Agricultural Pool, Agricultural pool member compensation, and extra compensation; the same numbers will be used this year as were used last year. The same number will also be used for legal and technical work. Ms. Rojo stated the only number that has substantially changed for the Agricultural Pool and is now where a separate category called Ag Pool Special Projects. \$50,000.00 will be budgeted. That amount will cover special projects as they come up and is going to be defined in the agreement that will be brought forward between the Agricultural Pool and the other Pools. This money if needed; gives Pool more money that is budgeted for their use. Ms. Rojo reviewed the budget amendment and budget transfer policies to cover shortfalls in a specific category that are in place. A lengthy discussion regarding this item, TMDL Study costs and category title name ensued. Ms. Rojo stated she will contact SAWPA on future TMDL Study costs and will try and have that number to present for the workshop today. Mr. Lee stated he will be for the workshop today and will report back to the Pool members after the workshop as to what transpired for costs.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning noted there are two handouts that were obtained in Sacramento at meetings he attended. These handouts contain the most current status on water bonds in the works. Mr. Manning reviewed these legislative charts in detail. Mr. Manning noted a more detailed legislative report will be given at the Advisory Committee meeting this Thursday.

2. Recharge Update

Mr. Manning stated a current recharge update spreadsheet is available on the back table for review.

3. Zone 1 Repair to San Sevaine Channel Agreement

Mr. Manning stated this item is for information this month; however, it will be on the agenda next month for approval. This will memorialize an agreement with the County of San Bernardino to do the repairs which were actually caused by the Christmas Day storm that took place five years ago. The damage from that storm tore up the channel and there have been much back and forth discussions with the county on who should pay for the damages. It has been agreed that Watermaster will pick up 25% of the cost, IEUA will pick up 25% of the cost, and the county will pick up the other 50% of the cost for those damages that were occurred in that storm. The county is proposing additional repairs beyond what was from the damage and Watermaster has told them that we will not pick up those costs. The final agreement will come back next month for approval.

Mr. Pierson noted a quorum still is not present, so an Advisory vote will be taken on the Consent Calendar items and Business Items to be given to the Advisory Committee and the Watermaster Board for their consideration on moving the items forward. The Consent Calendar and Business Items will be placed on the May agenda for an official Agricultural Pool vote.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Agricultural Pool Meeting held March 17, 2009

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2009
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2008 through February 28, 2009
4. Treasurer's Report of Financial Affairs for the Period February 1, 2009 through February 28 2009
5. Budget vs. Actual July 2008 through February 2009

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District is purchasing 500 acre-feet of water from West valley Water District. This purchase is made from WVWD's water in storage and is to be placed in CVWD's Excess Carryover Account. Date of Application: March 10, 2009
2. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,000.000 acre-feet of water from the Jurupa Community Services District Toward Replenishment Obligation. Date of Application: March 17, 2009
3. **Consider Approval for Notice of Sale or Transfer** – On March 9, 2009, Watermaster received Form 5 "Application to Transfer Annual Production Right or Safe Yield, with KCO, LLC (Koll) as Transferor and the City of Ontario (as Overlying Non-Agricultural party) as Transferee in the amount of 22.000 acre-feet – a permanent transfer of its share of safe yield. Date of Application: March 9, 2009

Motion by Novak, second by Koopman
Advisory vote only.

II. BUSINESS ITEM**A. BUDGET TRANSFER T-09-04-02**

Mr. Manning gave a brief description of this item.

Motion by Koopman, second by Novak
Advisory vote only.

B. STATUS REPORT 2008-2

Mr. Manning gave a brief description of this item.

Motion by Durrington, second by Koopman
Advisory vote only.

IV. INFORMATION**1. Newspaper Articles**

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

Mr. Durrington commented on the prison's need for service lines for reclaimed water for Agricultural use. Mr. Durrington noted there are two wells located at the prison that can be taken out or substituted for recycled water; however the prison can't afford a main line to access this water. A lengthy discussion regarding this topic ensued. It was noted this item will be placed on an upcoming agenda.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to the Agricultural Pool Rules & Regulations, a Confidential Session may be held during the Watermaster Pool meeting for the purpose of discussion and possible action.

No confidential session was held.

VIII. FUTURE MEETINGS

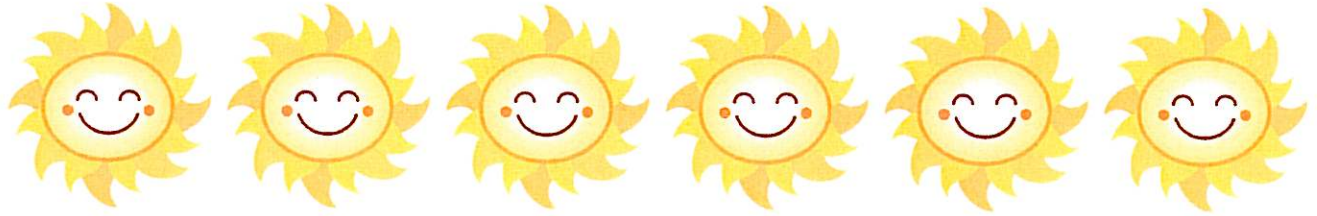
April 14, 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
April 21, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
April 21, 2009	2:00 p.m.	Budget Workshop
April 23, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
April 23, 2009	9:00 a.m.	Advisory Committee Meeting
April 23, 2009	11:00 a.m.	Watermaster Board Meeting
April 23, 2009	1:00 p.m.	WE Workshop #2 Task 6.1
April 27, 2009	9:30 a.m.	Chino Basin Watermaster Hearing, San Bernardino Court
April 28, 2009	9:00 a.m.	GRCC Meeting

The Agricultural Pool meeting was dismissed by Vice-Chair Pierson at 10:08 a.m.

Secretary: _____

Minutes Approved: _____

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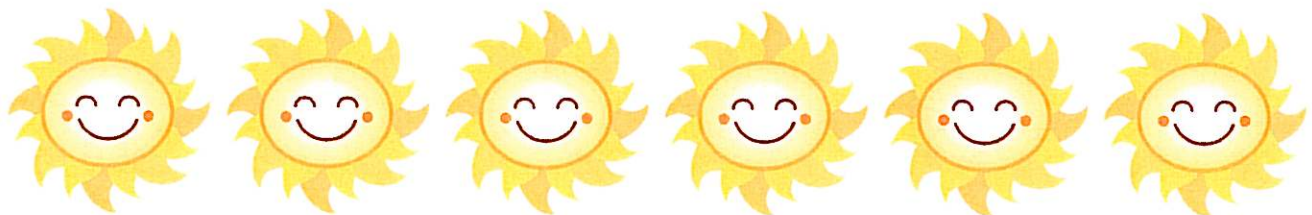


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2009
2. Watermaster Visa Check Detail
3. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2008 through March 31, 2009
4. Treasurer's Report of Financial Affairs for the Period March 1, 2009 through March 31, 2009
5. Profit & Loss Budget vs. Actual July 2008 through March 2009





CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: May 14, 2009
May 19, 2009
May 28, 2009

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report

SUMMARY

Issue – Record of cash disbursements for the month of April 2009.

Recommendation – Staff recommends the Cash Disbursements for April 2009 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2008-09 Watermaster Budget.

BACKGROUND

A monthly cash disbursement report is provided to keep all members apprised of Watermaster expenditures.

DISCUSSION

Total cash disbursements during the month of April 2009 were \$747,780.01. The most significant expenditures during the month were Wildermuth Environmental Inc. in the amount of \$333,074.87, Inland Empire Utilities Agency in the amount of \$149,915.07, and Brownstein Hyatt Farber Schreck in the amount of \$59,756.20.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
April 2009

Type	Date	Num	Name	Amount
Apr 09				
Bill Pmt -Check	4/1/2009	13157	ARROWHEAD MOUNTAIN SPRING WATER	-34.50
Bill Pmt -Check	4/1/2009	13158	BLACK & VEATCH CORPORATION	-9,697.50
Bill Pmt -Check	4/1/2009	13159	BOWCOCK, ROBERT	-250.00
Bill Pmt -Check	4/1/2009	13160	CAL CPA	-395.00
Bill Pmt -Check	4/1/2009	13161	CALIFORNIA GROUNDWATER COALITION	-9,500.00
Bill Pmt -Check	4/1/2009	13162	CAMACHO, MICHAEL	-250.00
Bill Pmt -Check	4/1/2009	13163	COMPUTER NETWORK	-4,901.85
Bill Pmt -Check	4/1/2009	13164	DAN VASILE	-90.00
Bill Pmt -Check	4/1/2009	13165	DE BOOM, NATHAN	-375.00
Bill Pmt -Check	4/1/2009	13166	DIRECTV	-76.98
Bill Pmt -Check	4/1/2009	13167	DURRINGTON, GLEN	-375.00
Bill Pmt -Check	4/1/2009	13168	FEENSTRA, BOB	-1,000.00
Bill Pmt -Check	4/1/2009	13169	HUITSING, JOHN	-375.00
Bill Pmt -Check	4/1/2009	13170	INLAND EMPIRE UTILITIES AGENCY	-250.50
Bill Pmt -Check	4/1/2009	13171	KONICA MINOLTA BUSINESS SOLUTIONS	-469.26
Bill Pmt -Check	4/1/2009	13172	KOOPMAN, GENE	-500.00
Bill Pmt -Check	4/1/2009	13173	KUHN, BOB	-250.00
Bill Pmt -Check	4/1/2009	13174	LOS ANGELES TIMES	-46.40
Bill Pmt -Check	4/1/2009	13175	OFFICE DEPOT	-732.26
Bill Pmt -Check	4/1/2009	13176	PAYCHEX	-202.70
Bill Pmt -Check	4/1/2009	13177	PIERSON, JEFFREY	-1,125.00
Bill Pmt -Check	4/1/2009	13178	PURCHASE POWER	-226.24
Bill Pmt -Check	4/1/2009	13179	QUILL	-87.12
Bill Pmt -Check	4/1/2009	13180	SAGE, KEVIN	-125.00
Bill Pmt -Check	4/1/2009	13181	STANDARD INSURANCE CO.	-580.01
Bill Pmt -Check	4/1/2009	13182	STATE COMPENSATION INSURANCE FUND	-756.57
Bill Pmt -Check	4/1/2009	13183	TLC STAFFING	-912.00
Bill Pmt -Check	4/1/2009	13184	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	4/1/2009	13185	VANDEN HEUVEL, ROB	-500.00
Bill Pmt -Check	4/1/2009	13186	VERIZON	-430.13
Bill Pmt -Check	4/1/2009	13187	VISION SERVICE PLAN	-62.19
Bill Pmt -Check	4/1/2009	13188	W.C. DISCOUNT MOBILE AUTO DETAILING	-150.00
Bill Pmt -Check	4/1/2009	13189	WHITEHEAD, MICHAEL	-125.00
Bill Pmt -Check	4/1/2009	13190	WILLIS, KENNETH	-375.00
Bill Pmt -Check	4/1/2009	13156	PARK PLACE COMPUTER SOLUTIONS, INC.	-4,200.00
Bill Pmt -Check	4/1/2009	13155	PUMP CHECK	-1,382.50
Bill Pmt -Check	4/2/2009	13191	CINDY NAVAROLI	-2,902.50
General Journal	4/4/2009	09/04/02	PAYROLL	-7,543.81
General Journal	4/4/2009	09/04/02	PAYROLL	-27,638.76
Bill Pmt -Check	4/8/2009	13192	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,791.08
Bill Pmt -Check	4/8/2009	13193	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,791.08
Bill Pmt -Check	4/8/2009	13194	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,833.57
Bill Pmt -Check	4/8/2009	13195	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,844.16
Bill Pmt -Check	4/8/2009	13196	CITISTREET	-2,595.66
Bill Pmt -Check	4/8/2009	13197	CITISTREET	-2,595.66
Bill Pmt -Check	4/8/2009	13198	ACWA SERVICES CORPORATION	-209.95
Bill Pmt -Check	4/8/2009	13199	ASSOCIATION OF GOVERNMENT ACCOUNTA...	-74.00
Bill Pmt -Check	4/8/2009	13200	CALPERS	-270.00
Bill Pmt -Check	4/8/2009	13201	CINDY NAVAROLI	-1,087.50
Bill Pmt -Check	4/8/2009	13202	HSBC BUSINESS SOLUTIONS	-307.93
Bill Pmt -Check	4/8/2009	13203	JAMES JOHNSTON	-885.00
Bill Pmt -Check	4/8/2009	13204	OFFICE DEPOT	-43.08
Bill Pmt -Check	4/8/2009	13205	PREMIERE GLOBAL SERVICES	-267.05
Bill Pmt -Check	4/8/2009	13206	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,394.44
Bill Pmt -Check	4/8/2009	13207	SAFEGUARD DENTAL & VISION	-58.06
Bill Pmt -Check	4/8/2009	13208	SAFETY CLEAN JANITORIAL SERVICES	-687.88
Bill Pmt -Check	4/8/2009	13209	SOFTCHOICE	-1,844.57
Bill Pmt -Check	4/8/2009	13210	TLC STAFFING	-288.00
Bill Pmt -Check	4/8/2009	13211	UNION 76	-114.51
Bill Pmt -Check	4/8/2009	13212	USA-FACT INC	-71.20
Bill Pmt -Check	4/8/2009	13213	YUKON DISPOSAL SERVICE	-142.88
Bill Pmt -Check	4/9/2009	13214	ADLIN, BEN	-200.00
Bill Pmt -Check	4/9/2009	13215	POWERS ELECTRIC PRODUCTS CO.	-693.24
Bill Pmt -Check	4/9/2009	13216	UNITED PARCEL SERVICE	-72.00
Bill Pmt -Check	4/17/2009	13217	BANC OF AMERICA LEASING	-3,186.17
Bill Pmt -Check	4/17/2009	13218	BANK OF AMERICA	-4,254.47
Bill Pmt -Check	4/17/2009	13219	COMPUTER NETWORK	-4,078.13
Bill Pmt -Check	4/17/2009	13220	CUCAMONGA VALLEY WATER DISTRICT	-5,495.00

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
April 2009

Type	Date	Num	Name	Amount
Bill Pmt -Check	4/17/2009	13221	CUCAMONGA VALLEY IAAP	-77.00
Bill Pmt -Check	4/17/2009	13222	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	4/17/2009	13223	IAAP	-98.00
Bill Pmt -Check	4/17/2009	13224	INLAND EMPIRE UTILITIES AGENCY	-149,915.07
Bill Pmt -Check	4/17/2009	13225	MCI	-1,226.37
Bill Pmt -Check	4/17/2009	13226	MIJAC ALARM	-141.00
Bill Pmt -Check	4/17/2009	13227	OFFICE DEPOT	-211.14
Bill Pmt -Check	4/17/2009	13228	PETTY CASH	-519.60
Bill Pmt -Check	4/17/2009	13229	PITNEY BOWES CREDIT CORPORATION	-473.07
Bill Pmt -Check	4/17/2009	13230	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	4/17/2009	13231	PUMP CHECK	-3,235.56
Bill Pmt -Check	4/17/2009	13232	REID & HELLYER	-12,588.20
Bill Pmt -Check	4/17/2009	13233	STAULA, MARY L	-136.61
Bill Pmt -Check	4/17/2009	13234	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	4/17/2009	13235	VERIZON WIRELESS	-480.27
Bill Pmt -Check	4/17/2009	13236	W.C. DISCOUNT MOBILE AUTO DETAILING	-50.00
Bill Pmt -Check	4/17/2009	13237	WESTERN DENTAL SERVICES, INC.	-28.06
Bill Pmt -Check	4/17/2009	13238	BROWNSTEIN HYATT FARBER SCHRECK	-59,756.20
Bill Pmt -Check	4/17/2009	13239	MAYER HOFFMAN MC CANN P.C.	-95.00
General Journal	4/18/2009	09/04/04	PAYROLL	-7,644.68
General Journal	4/18/2009	09/04/04	PAYROLL	-28,167.50
Bill Pmt -Check	4/22/2009	13240	WILDERMUTH ENVIRONMENTAL INC	-333,074.87
Bill Pmt -Check	4/23/2009	13241	EL TORITO	-318.97
Bill Pmt -Check	4/29/2009	13242	AMERICAN WATER WORKS ASSOCIATION	-2,263.00
Bill Pmt -Check	4/29/2009	13243	ARROWHEAD MOUNTAIN SPRING WATER	-47.31
Bill Pmt -Check	4/29/2009	13244	CALPERS	-4,008.12
Bill Pmt -Check	4/29/2009	13245	COMPUTER NETWORK	-163.13
Bill Pmt -Check	4/29/2009	13246	DIRECTV	-79.99
Bill Pmt -Check	4/29/2009	13247	IDEAL GRAPHICS	-19.40
Bill Pmt -Check	4/29/2009	13248	INLAND EMPIRE UTILITIES AGENCY	-250.50
Bill Pmt -Check	4/29/2009	13249	KONICA MINOLTA BUSINESS SOLUTIONS	-315.36
Bill Pmt -Check	4/29/2009	13250	OFFICE DEPOT	-21.74
Bill Pmt -Check	4/29/2009	13251	PUMP CHECK	-1,480.00
Bill Pmt -Check	4/29/2009	13252	RICOH BUSINESS SYSTEMS-Lease	-897.19
Bill Pmt -Check	4/29/2009	13253	SPECIAL DISTRICT & LOCAL GOVERNMENT I...	-1,540.00
Bill Pmt -Check	4/29/2009	13254	STANDARD INSURANCE CO.	-596.82
Bill Pmt -Check	4/29/2009	13255	VISION SERVICE PLAN	-62.19
Bill Pmt -Check	4/29/2009	13256	W.C. DISCOUNT MOBILE AUTO DETAILING	-75.00
Bill Pmt -Check	4/29/2009	13257	YUKON DISPOSAL SERVICE	-142.88
				-747,780.01

Apr 09

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CHINO BASIN WATERMASTER
Check Detail
April 2009

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Ch...	13218	4/17/2009	BANK OF AMER...	1012 · Bank of America Gen'l Ckg	
Bill	4024...	3/31/2009		6191 · Conferences	-3,096.21
				6212 · Meeting Expense	-136.26
				6312 · Meeting Expenses	-136.27
				6141.3 · Admin Meetings	-80.79
				7204 · Comp Recharge-Supplies	-58.99
				6112 · Subscriptions/Publications	-80.73
				6031.7 · Other Office Supplies	-507.15
				6909.1 · OBMP Meetings	-158.07
TOTAL					-4,254.47

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2008 THROUGH MARCH 31, 2009

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL	POOL	POOL	POOL	POOL	POOL	POOL	GROUNDWATER REPLENISHMENT	GROUNDWATER OPERATIONS SB222	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2008-2009
Administrative Revenues														
Administrative Assessments			7,993,307		172,817								8,166,124	\$7,841,054
Interest Revenue			85,175	8,433	2,014							24	95,646	174,368
Mutual Agency Project Revenue			466,371	-	11,973								478,344	148,410
Grant Income													-	0
Miscellaneous Income													-	0
Total Revenues			8,544,853	8,433	186,804							24	8,740,114	8,163,832
Administrative & Project Expenditures														
Watermaster Administration	458,703												458,703	619,960
Watermaster Board-Advisory Committee	44,419												44,419	61,201
Pool Administration		16,407	132,561	3,564									152,532	166,523
Optimum Basin Mgmt Administration		1,139,147											1,139,147	1,913,484
OBMP Project Costs		4,143,905											4,143,905	5,392,289
Education Funds Use												375	375	375
Mutual Agency Project Costs		10,000											10,000	10,000
Total Administrative/OBMP Expenses	503,122	5,293,052	132,561	3,564								375	5,949,081	8,163,832
Net Administrative/OBMP Income	(503,122)	(5,293,052)											-	-
Allocate Net Admin Income To Pools			377,368	113,160	12,593								-	-
Allocate Net OBMP Income To Pools			3,970,072	1,190,494	132,486								-	-
Agricultural Expense Transfer			1,414,742	(1,414,742)									-	-
Total Expenses	5,778,589	21,474	148,643	38,161								375	5,949,081	8,163,832
Net Administrative Income	2,766,264	(13,041)	38,161									(351)	2,791,033	-
Other Income/(Expense)														
Replenishment Water Assessments									6,437,643				6,437,643	0
Interest Revenue									34,126				34,126	0
Water Purchases													-	0
Balance Adjustment													-	0
Groundwater Replenishment													-	0
Net Other Income									6,471,769				6,471,769	0
Net Transfers To/(From) Reserves			2,766,264	(13,041)	38,161				6,471,769			(351)	9,262,802	-
Working Capital, July 1, 2008			5,413,216	481,995	143,157				294,397			1,343	6,492,359	
Working Capital, End Of Period			8,179,480	468,954	181,318				6,766,166			992	15,755,161	
07/08 Assessable Production			103,077,958	30,909,693	3,439,822								137,427,473	
07/08 Production Percentages			75.005%	22.492%	2.503%								100.000%	

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CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
FEBRUARY 1 THROUGH MARCH 31, 2009

DEPOSITORIES:		
Cash on Hand - Petty Cash	\$	500
Bank of America		
Governmental Checking-Demand Deposits	\$	365,456
Zero Balance Account - Payroll		-
Local Agency Investment Fund - Sacramento		14,940,455

TOTAL CASH IN BANKS AND ON HAND		3/31/2009
TOTAL CASH IN BANKS AND ON HAND		2/28/2009
	\$	15,306,411
		15,756,359
	\$	(449,948)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable	\$	86,543
Assessments Receivable		-
Prepaid Expenses, Deposits & Other Current Assets		-
Accounts Payable		(96,081)
Accrued Payroll, Payroll Taxes & Other Current Liabilities		13,238
Transfer to/(from) Reserves		(453,648)
	\$	(449,948)

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
\$	500	215,404	-	15,540,455	\$ 15,756,359
	-	384,498	-	-	384,498
	-	530,117	69,883	(600,000)	-
	-	(764,563)	(69,883)	-	(834,446)
	-----	-----	-----	-----	-----
\$	500	365,456	-	14,940,455	\$ 15,306,411
	-	-	-	-	-
	-	150,052	-	(600,000)	\$ (449,948)
	-----	-----	-----	-----	-----

SUMMARY OF FINANCIAL TRANSACTIONS:

Balances as of 2/28/2009	\$	15,306,411
Deposits		384,498
Transfers		-
Withdrawals/Checks		(834,446)
Balances as of 3/31/2009		15,306,411
	\$	(449,948)

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
FEBRUARY 1 THROUGH MARCH 31, 2009**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
3/16/2009	Withdrawal	L.A.I.F.	\$ 600,000				
TOTAL INVESTMENT TRANSACTIONS			\$ 600,000	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 1.91% was the effective yield rate at the Quarter ended March 31, 2009.

**INVESTMENT STATUS
March 31, 2009**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 14,940,455			
TOTAL INVESTMENTS	\$ 14,940,455			

Funds on hand are sufficient to meet all foreseen and planned Administrative and project expenditures during the next six months.
All investment transactions have been executed in accordance with the criteria stated in Chino Basin Watermaster's Investment Policy.

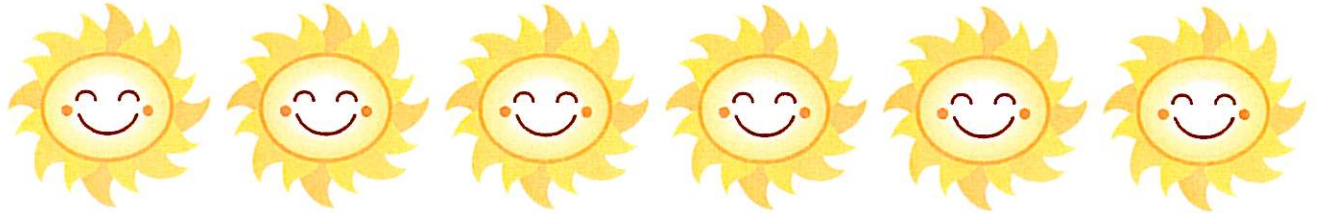
Respectfully submitted,



Sheri M. Rojo, CPA
Chief Financial Officer & Assistant General Manager
Chino Basin Watermaster

	<u>Jul '08 - Mar 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	478,344	148,410	329,934	322.31%
4110 · Admin Asmnts-Approp Pool	7,993,307	7,860,411	132,896	101.69%
4120 · Admin Asmnts-Non-Agri Pool	172,817	132,237	40,580	130.69%
4700 · Non Operating Revenues	95,646	174,368	-78,722	54.85%
Total Income	<u>8,740,114</u>	<u>8,315,426</u>	<u>424,688</u>	<u>105.11%</u>
Gross Profit	8,740,114	8,315,426	424,688	105.11%
Expense				
6010 · Salary Costs	403,846	484,302	-80,456	83.39%
6020 · Office Building Expense	66,925	102,000	-35,075	65.61%
6030 · Office Supplies & Equip.	19,530	46,500	-26,970	42.0%
6040 · Postage & Printing Costs	53,282	87,380	-34,098	60.98%
6050 · Information Services	97,780	144,000	-46,220	67.9%
6060 · Contract Services	72,673	98,000	-25,327	74.16%
6080 · Insurance	15,706	17,730	-2,024	88.58%
6110 · Dues and Subscriptions	11,971	16,750	-4,779	71.47%
6140 · WM Admin Expenses	1,191	4,000	-2,809	29.76%
6150 · Field Supplies	864	2,500	-1,636	34.54%
6170 · Travel & Transportation	20,758	39,200	-18,442	52.95%
6190 · Conferences & Seminars	23,646	26,500	-2,854	89.23%
6200 · Advisory Comm - WM Board	12,342	19,181	-6,839	64.34%
6300 · Watermaster Board Expenses	32,078	42,020	-9,942	76.34%
8300 · Appr PI-WM & Pool Admin	16,407	24,008	-7,601	68.34%
8400 · Agri Pool-WM & Pool Admin	16,908	24,820	-7,912	68.12%
8467 · Ag Legal & Technical Services	88,928	128,000	-39,072	69.48%
8470 · Ag Meeting Attend -Special	8,000	12,000	-4,000	66.67%
8471 · Ag Pool Expense	18,725	0	18,725	100.0%
8500 · Non-Ag PI-WM & Pool Admin	3,564	7,695	-4,131	46.32%
6500 · Education Funds Use Expens	375	375	0	100.0%
9500 · Allocated G&A Expenditures	<u>-329,466</u>	<u>-448,902</u>	<u>119,436</u>	<u>73.39%</u>
Subtotal G&A Expenditures	656,029	878,059	-222,030	74.71%
6900 · Optimum Basin Mgmt Plan	1,033,547	1,755,421	-721,874	58.88%
6950 · Mutual Agency Projects	10,000	10,000	0	100.0%
9501 · G&A Expenses Allocated-OBMP	<u>105,600</u>	<u>137,959</u>	<u>-32,359</u>	<u>76.54%</u>
Subtotal OBMP Expenditures	1,149,147	1,903,380	-754,233	60.37%
7101 · Production Monitoring	89,654	107,515	-17,861	83.39%
7102 · In-line Meter Installation	36,911	87,931	-51,020	41.98%
7103 · Grdwtr Quality Monitoring	129,078	210,458	-81,380	61.33%
7104 · Gdwtr Level Monitoring	315,950	372,538	-56,588	84.81%

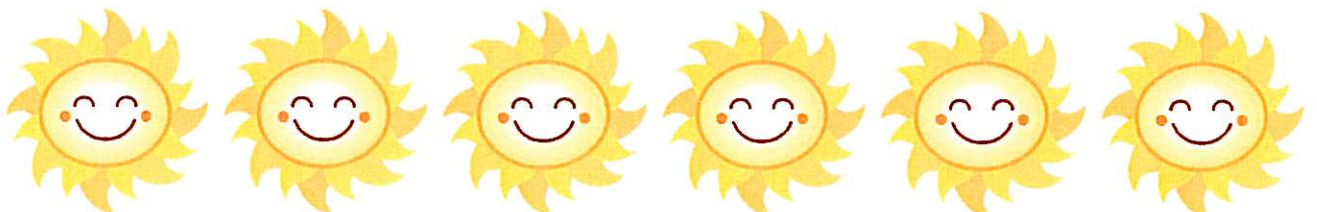
	<u>Jul '08 - Mar 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7105 · Sur Wtr Qual Monitoring	4,160	46,717	-42,557	8.91%
7107 · Ground Level Monitoring	294,963	651,468	-356,505	45.28%
7108 · Hydraulic Control Monitoring	430,479	713,949	-283,470	60.3%
7200 · PE2- Comp Recharge Pgm	999,695	1,245,266	-245,571	80.28%
7300 · PE3&5-Water Supply/Desalte	60,396	108,477	-48,081	55.68%
7400 · PE4- Mgmt Plan	228,835	272,515	-43,680	83.97%
7500 · PE6&7-CoopEfforts/SaltMgmt	41,162	76,411	-35,249	53.87%
7600 · PE8&9-StorageMgmt/Conj Use	25,284	61,909	-36,625	40.84%
7690 · Recharge Improvement Debt Pymt	1,261,894	1,261,594	300	100.02%
7700 · Inactive Well Protection Prgm	0	6,296	-6,296	0.0%
9502 · G&A Expenses Allocated-Projects	225,445	310,943	-85,498	72.5%
Subtotal Project Costs	<u>4,143,905</u>	<u>5,533,987</u>	<u>-1,390,082</u>	<u>74.88%</u>
Total Expense	<u>5,949,081</u>	<u>8,315,426</u>	<u>-2,366,345</u>	<u>71.54%</u>
Net Ordinary Income	2,791,033		2,791,033	100.0%
Other Income/Expense				
Other Income				
4225 · Interest Income	34,126			
4210 · Approp Pool-Replenishment	6,427,596			
4220 · Non-Ag Pool-Replenishment	10,047			
Total Other Income	<u>6,471,769</u>			
Other Expense				
9999 · To/(From) Reserves	9,262,802			
Total Other Expense	<u>9,262,802</u>			
Net Other Income	<u>-2,791,033</u>			
Net Income	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>



CHINO BASIN WATERMASTER

II. BUSINESS ITEM

A. AUCTION PRICE FLOOR AGREEMENT AND STORAGE & RECOVERY AGREEMENT





CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: May 14, 2009
TO: Committee Members
SUBJECT: Non-Agricultural Pool Stored Water Auction

SUMMARY

Non-action item; for Discussion only. The Appropriate Pool will be asked to provide feedback to staff regarding formalization of the broad mutual benefit to be obtained from the Storage and Recovery Agreement and auction proceeds.

Update on Auction Development

1. Auction administrator

Watermaster staff and counsel are actively engaged in research and interviews with potential auctioneers. Staff will be prepared to make a recommendation in June for the selection of a cost-effective auction administrator.

2. Draft Storage and Recovery Agreement

Watermaster staff and counsel are completing a first draft Storage and Recovery Agreement that will need to be approved prior to the auction. A draft copy of this agreement will be available for review under separate cover prior to or at the Pool meetings. Staff will request approval of this agreement on the June agendas and will propose scheduling a July hearing date to receive Court approval of the agreement.

3. Material Physical Injury Analysis

As a precondition to Board and Court approval of the Storage and Recovery Agreement, there must be finding that no unmitigated Material Physical Injury exists. Watermaster staff is engaged in preparation of an analysis of the potential for Material Physical Injury to result from the activities contemplated with the auction. This analysis will accompany the approval of the Storage and Recovery Agreement.

4. Recommendation Regarding Broad Mutual Benefit

As a precondition to Board and Court approval of the Storage and Recovery Agreement, there must be findings that the program will provide broad mutual benefit to the members of the Appropriative Pool and the Overlying (Non-Agricultural) Pool. Watermaster staff and counsel believe that the Pools themselves are the best situated to provide a recommendation as to how the proceeds from the auction will be used to provide broad mutual benefit.

Watermaster staff and counsel request that the Appropriative Pool and Overlying (Non-Agricultural) Pool provide direction to staff regarding broad mutual benefit so that this recommendation can be a part of the approval process described above to occur in June.

CHINO BASIN GROUNDWATER RESOURCES AUCTION PRICE FLOOR AGREEMENT

This Chino Basin Groundwater Resources Auction Price Floor Agreement (“Agreement”) is made by and between the Chino Basin Watermaster, a Court-appointed groundwater basin management entity (“Watermaster”) and Western Municipal Water District of Riverside County, a retail and wholesale California municipal water district (“Western”), and is effective as of the date last signed by a Party (“Effective Date”). The term “Buyer” as used herein shall refer to the buyer at Auction (as defined in Recital ___ herein) which may or may not be Western and may or may not occur under this Agreement. To the extent Western purchases the Groundwater Resources (as defined in Section 2, herein) under this Agreement and not as the Selected Bidder at Auction (as defined in the Bid Documents attached hereto as Exhibit “___”), Western shall be considered the “Buyer” and the terms of this Agreement shall govern all transactions between Western and Watermaster. Watermaster and Western are sometimes referred to herein collectively as “Parties” and individually as “Party.”

RECITALS

A. In 1978, the San Bernardino Superior Court entered judgment on Case No. 164327 (now designated No. RCV 51010), Chino Basin Municipal Water District v. City of Chino (the “Judgment”). The Judgment is a plenary adjudication of all rights to groundwater and storage capacity within the Chino Basin and established a physical solution to provide ongoing management of the Chino Basin water resources and an equitable and feasible method of allocating the cost of importing supplemental water to achieve a hydrologic balance within Chino Basin. The Judgment adjudicated the rights of several hundred overlying landowners as well as several substantial industrial and commercial producers of water for use on their overlying lands, and within the cities, public water districts, utilities, and mutual water companies that provide water service within and adjacent to the Chino Basin.

B. The Judgment authorized the appointment of a Watermaster with the express powers and duties as provided for in the Judgment or as the Court may subsequently order pursuant to its continuing jurisdiction. Watermaster holds no rights to produce groundwater, but is the entity responsible for monitoring and regulating the production of groundwater within the basin under the Judgment.

C. Each of the defendants named in the Judgment is a water producer or other water claimant or public water district within the Chino Basin. Each such defendant has been identified as a member of one of the following three groups: (1) Overlying (Agricultural) Producers, possessing lands overlying the Chino Basin and producing water from the basin for agricultural uses on overlying lands; (2) Overlying (Non-Agricultural) Producers (the “Non-Ag Pool”), possessing lands overlying Chino Basin, producing water from the basin for use on overlying lands for other than agricultural purposes; and (3) Appropriators, producing water from Chino Basin pursuant to appropriative or prescriptive rights.

D. On June 29, 2000, the Non-Ag Pool entered into the Chino Basin Peace Agreement (“Peace Agreement”) with various other Chino Basin right holders. The Peace Agreement enabled Watermaster to adopt and implement the Optimum Basin Management

Program (“OBMP”), a comprehensive program to monitor, develop, and manage groundwater and storage capacity in the Chino Basin. The Peace Agreement grants Watermaster significant authority to regulate storage and recovery programs in the Chino Basin. Specifically, Section 5.2(a)(i) provides that “all storage capacity shall be subject to regulation and control by Watermaster.” Under Section 5.2(c)(ix), Watermaster “reserves complete discretion” over any proposed storage and recovery program involving non-parties to the Judgment. Additionally, Section 5.3(e) provides that “parties to the Judgment with rights within the [Non-Ag Pool] shall have the additional rights to Transfer their rights to Watermaster for the purposes of Replenishment for a Desalter or for a Storage and Recovery Program.”

E. On September 21, 2007, Watermaster entered into a Purchase and Sale Agreement with the Non-Ag Pool. Under the terms of this agreement, Watermaster purchased an amount of water from the Non-Ag Pool equivalent to the total quantity of water held in storage by the Non-Ag Pool on June 30, 2007, less a ten percent dedication for Desalter Replenishment, less an additional quantity of water transferred to the San Antonio Water Company (SAWCO) and Vulcan Materials.

F. On October 25, 2007, the Non-Ag Pool entered into the Chino Basin Peace II Agreement (“Peace II”) with various other Chino Basin right holders to confirm support for Watermaster’s OBMP. As part of Peace II, Exhibit G to the Judgment was amended to grant members of the Non-Ag Pool “the discretionary right to transfer or lease their quantified production rights and carry-over water held in storage accounts ... to Watermaster in conformance with the procedures described in the Peace Agreement between the parties therein.” On the same date, Paragraph 8 of the Judgment was similarly amended to grant members of the Non-Ag Pool the “right to transfer or lease their quantified production rights to Watermaster in conformance with the procedures described in the Peace Agreement between the parties therein.” In conjunction with Watermaster’s “complete discretion” under the Peace Agreement to enter into Storage and Recovery Programs with non-parties to the Judgment, these Peace II amendments authorize Watermaster to purchase or lease water rights from the Non-Ag Pool to remarket those rights to other entities such as Western.

G. Watermaster intends to sell by auction the sole and exclusive contractual right and interest to certain Chino Basin related Groundwater Resources, as expressly defined in Section 2, herein.

H. Subject to Subsection ____ herein, it is Watermaster’s intention to hold one auction on [DATE] (as described in Section 9) by which it will offer for sale the Groundwater Resources (“Auction”).

I. Western desires to purchase the Groundwater Resources and seeks, by this Agreement, to establish (i) the purchase terms for the Groundwater Resources at Auction; and (ii) the price Western will pay for the Groundwater Resources if Watermaster does not obtain a Higher Conforming Bid (as defined in Section 3 herein) at Auction.

J. Watermaster and Western intend that the Groundwater Resources purchased by Western pursuant to this Agreement, if any, may be used or sold by Western, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements hereinafter set forth, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

1. Incorporation by Reference. The above Recitals and Exhibits hereto are incorporated herein by this reference.

2. Price; Purchase Terms.

2.1 This Agreement establishes the minimum price (“Minimum Price”) and purchase terms for the Groundwater Resources at Auction if Western becomes the Buyer. With the exception of the Minimum Price, and other terms specific to this Agreement, the material terms of this Agreement will be offered to any other Buyer under the applicable Groundwater Resources Auction Agreement (as defined in Subsection 9.4 herein) entered into between Watermaster and such other Buyer.

2.2 The Groundwater Resources are further defined as follows:

2.2.1 Forty thousand (40,000) acre-feet of Non-Ag Pool groundwater (“Groundwater”), less ten percent (10%) which shall be permanently dedicated to Desalter Replenishment, for a net amount of 36,000 acre-feet of groundwater available for immediate extraction from the Chino Basin. The Groundwater shall be divided and auctioned in separate but equal increments of 18,000 acre-feet each, referred to as “Groundwater Pool A” and “Groundwater Pool B.”

2.2.2 Exclusive use of forty thousand (40,000) acre-feet of storage capacity (“Storage Capacity”) in the Chino Basin for storage and subsequent extraction of stored water, for a term of 30 years. The Storage Capacity shall be divided and auctioned in separate but equal increments of 20,000 acre-feet each, referred to as “Storage Capacity Pool A” and “Storage Capacity Pool B.”

2.2.3 The Groundwater Pool A and Storage Capacity Pool A shall be auctioned together as a single unit referred to as Groundwater Resources Pool A and Groundwater Pool B and Storage Capacity Pool B shall be auctioned together as a single unit referred to as Groundwater Resources Pool B. Groundwater Resources Pool A and Groundwater Resources Pool B are collectively referred to as “Groundwater Resources”.

2.2.4 The 36,000 acre-feet of the available 40,000 acre-feet of Storage Capacity shall be considered initially occupied as of the Closing Date; 18,000 of the 20,000 acre-feet allocated each to Storage Capacity Pool A and B shall be considered initially occupied as of the Closing Date. The volume of Storage Capacity in either Storage Capacity Pool A or B occupied and useable at any time shall be based upon the use of the Groundwater within each pool, the subsequent replenishment and use of other water stored

over time, and shall be accounted for separately pursuant to Watermaster's ongoing accounting; and

2.2.5 The Groundwater Resources are taken subject to the Court's ongoing jurisdiction under the terms of the Judgment and Watermaster's ongoing authority subject to the Judgment and the Court's jurisdiction.

2.2.6 The Groundwater Resources do not include access to facilities either to extract Groundwater from or replenish water in the Storage Capacity of the Chino Basin.

3. Challenge to Rights of Third-Party. Except as provided in Subsection 9.8 herein, Western commits and agrees not to appeal, contest, enjoin, protest or otherwise challenge the Auction or sale of the Groundwater Resources to a third party that (i) is a Qualified Bidder, (ii) submits a Conforming Bid at Auction, and (iii) closes on such Conforming Bid within the time frame specified in Subsection 9.9 herein. The terms "Qualified Bidder," "Higher Conforming Bid" and "Conforming Bid" are further defined in the Instructions to Bidders. Instructions to Bidders along with the Qualified Bidder Form, Bid Form, Bid Confirmation Form, Groundwater Resources Auction Agreement and Groundwater Resources Auction Escrow Agreement (collectively, "Bid Documents") are attached hereto as Exhibit "C."

4. Interference with Auction. Except for Western's right to challenge a bid as set forth in Subsection 9.8 herein, Western commits and agrees that it shall not take any action to disrupt, delay, enjoin or otherwise interfere with the timing and conduct of the Auction or disseminate any information regarding the Auction without the knowledge and consent of Watermaster. Western further commits and agrees to refer all inquiries it receives regarding the Auction to Watermaster and to cooperate with Watermaster in formulating mutually-acceptable materials for public disclosure in connection with the Auction. Western covenants that it will not collaborate, collude or conspire with any other bidders or third parties to fix or otherwise affect the bid price at Auction. Notwithstanding the foregoing, nothing herein shall preclude Western from conferring with third parties about the Auction or the Groundwater Resources as part of its due diligence efforts or investigation of the potential uses for or assignment of the Groundwater Resources or any interest therein. Watermaster acknowledges that Western may have discussions with developers and other third parties regarding acquisition of all or some portion of Western's potential interest in the Groundwater Resources and that such discussions do not constitute a violation of this Section 4 or any other provision of this Agreement.

5. Minimum Price. Subject to Western's termination rights herein, if Watermaster does not Close with a Higher Conforming Bid at Auction from Western or another bidder, Western agrees to purchase from Watermaster and Watermaster agrees to sell to Western, subject to the payment terms described herein and otherwise pursuant to the terms of this Agreement, the Groundwater Resources for the following ("Minimum Price"):

5.1 \$600.00 per acre-foot for Groundwater, for a total of \$21,600,000 (\$600 per acre-foot times 36,000 acre-feet) ("Groundwater Purchase Price"); and

- 5.2 \$25 per acre-foot per year, adjusted annually according to the index described below, for Storage Capacity (“Storage Payment”). The Storage Payment shall be due and payable annually subject to the following:
- 5.2.1 Upon the Closing Date, and each annual anniversary thereafter up to but not including the fifth anniversary of the Closing Date, for each acre-foot of Storage Capacity that is available for recharge after extraction of each acre-foot of the Groundwater (“Available Storage Capacity”). Upon the Closing Date, 4,000 acre-feet of Available Storage Capacity is immediately available for recharge as a result of the 10% Desalter Replenishment. Thus, at Closing, the first Storage Payment shall be \$100,000 (4,000 acre-feet multiplied by \$25 per acre-foot). As an additional example, if during the first year following the Closing Date, 10,000 acre-feet of the Groundwater has been extracted (in addition to the initial 4,000 acre-feet of Desalter Replenishment), the Storage Payment shall be the product of 14,000 acre-feet multiplied by the applicable Indexed Storage Fee, as defined in Section 5.2.4 herein; and
- 5.2.2 On the fifth anniversary of the Closing Date and annually thereafter through the term of this Agreement, the Storage Payment shall be equal to the product of 40,000 acre-feet multiplied by the applicable Indexed Storage Fee; and
- 5.2.3 The Storage Payment shall be due and payable annually on the anniversary of the Closing Date, whether or not the Storage Capacity is actually used for replenishment; and
- 5.2.4 The per acre-foot Storage Payment shall be adjusted annually prior to calculating the then due and payable Storage Payment, according to the {SET INDEX} (“Indexed Storage Fee”).

6. Form and Timing of Payments. All payments for the Groundwater Resources shall be made in cash or cash equivalent on the schedule set forth in this Agreement and in accordance with the terms of the “Minimum Price Escrow Agreement” among Watermaster, Western and XXXX (“Escrow Agent”). The Minimum Price Escrow Agreement is attached hereto as Exhibit “ ”. Watermaster and Western shall execute and deliver the Minimum Price Escrow Agreement to the Escrow Agent no later than the Closing Date. Where payments are required, actual payment is to be made in accordance with the Minimum Price Escrow Agreement, or the Auction Escrow Agreement, as applicable. Watermaster shall be solely responsible for all escrow fees and escrow expenses incurred by Escrow Agent in discharging its duties under the Minimum Price Escrow Agreement.

7. Term. The term of this Agreement shall commence on the Effective Date and shall terminate as provided in Section 17 herein.

8. Breakup Fee. In the event this Agreement terminates because Watermaster closes on a Higher Conforming Bid with a Buyer other than Western for either or both the Groundwater

Resources Pool A and Groundwater Resources Pool B within the time provided in Subsection 9.9 herein, Western shall receive in the manner set forth in the Groundwater Resources Auction Escrow Agreement a "Breakup Fee" from Watermaster as follows: 10% of every payment Watermaster receives from Buyer for the Groundwater Pool A and Groundwater Pool B under the Groundwater Resources Auction Agreement; provided, however, that Western shall receive a minimum of \$ [REDACTED] within three years of the Closing Date ("Minimum Breakup Fee"). If Western's total share of the payments received by Watermaster for the Groundwater during this three year period is less than Minimum Breakup Fee, Watermaster shall pay any deficit to Western on or before the third anniversary of the Closing Date. Any such "deficit payment" by Watermaster shall be deducted from Western's 10% share of the next payment(s) received by Watermaster for the Groundwater until the deficit payment is recouped in full by Watermaster. The Breakup Fee shall not apply if Western is the Buyer or if Western exercises its right under Subsection 20.1(i) herein to terminate this Agreement.

9. Auction.

- 9.1 **Date.** Watermaster shall conduct an Auction of the Groundwater Resources on [DATE].
- 9.2 **Notice.** Watermaster shall provide written notice of the date of the Auction (via postings, press releases, email, website, newspaper or other means calculated to reach potential bidders, including Western) at least 30 days prior to the Auction date.
- 9.3 **Disclosure of Agreement.** This Agreement shall be disclosed to potential bidders along with the notice provided in Section 9.2, above.
- 9.4 **Terms.** The Groundwater Resources Pool A and Groundwater Resources Pool B shall be offered and auctioned separately. However, Any Qualified Bidder may bid and be the Selected Bidder on either or both Groundwater Resources Pool. The form of purchase agreement to be used at Auction in the event Watermaster closes on a Higher Conforming Bid at Auction with either Western or another bidder is included in the Bid Documents attached hereto as Exhibit "[REDACTED]" ("Groundwater Resources Auction Agreement").
- 9.5 **Opening Bids.** Subject to Subsection 9.7 herein, all bids for the Groundwater Resources at Auction shall be not less than \$700 per acre-foot for Groundwater and \$33 per acre-foot per year for Storage Capacity ("Minimum Auction Bid"). Any bid (a) to purchase less than the full increment of either of the Groundwater Resources Pool A or Pool B, (b) to purchase on terms different than the Groundwater Resources Auction Agreement, (c) that is not in conformance with the Bid Documents, or (d) that is made by a person other than a Qualified Bidder, shall be rejected as a nonconforming bid.
- 9.6 **Participants.** Any Qualified Bidder, including Western, may participate in the Auction. The bidder qualification requirements are set forth in the Bid Documents.

- 9.7 **Procedure.** Pursuant to the Bid Documents, Watermaster has (i) determined the Auction structure, (ii) developed the Instructions to Bidders, and (iii) set forth the standard for Qualified Bidders. Pursuant to the Bid Documents, Watermaster shall (i) identify Qualified Bidders at Auction, (ii) identify Conforming Bids at Auction, (iii) conduct the Auction, and (iv) determine the Selected Bidder. For purposes of the Auction, Western shall be deemed a Qualified Bidder, this Agreement shall be deemed its sealed, Conforming Bid for the terms described in this Agreement in round one (sealed bids) of the Auction, and Western shall be eligible to participate in round two (oral bids) of the Auction. In the event that Western is the Selected Bidder at Auction, Western shall timely comply with the requirements to close its bid set forth in the Bid Documents, and shall also deliver to the Escrow Agent an original, fully-completed and executed Groundwater Resources Auction Escrow Agreement (with exhibits) on or before the deadline specified in the Instructions to Bidders. If Western is the Selected Bidder and fails to timely close its bid in the manner and time-frame specified in the Bid Documents and in accordance with the Groundwater Resources Auction Agreement, Western shall pay Watermaster the Minimum Breakup Fee within 10 business days of the deadline specified in the Instructions to Bidders as negotiated and agreed upon liquidated damages for its failure to consummate the transaction contemplated by its bid at Auction, the parties hereby agreeing that said amount is a reasonable forecast of just compensation for the harm that may be caused Watermaster as a result of Western's failure to close on its bid and that Watermaster's harm in the event of Western's failure to close on its bid would be incapable of accurate estimation or very difficult to estimate accurately. Unless this Agreement terminates as provided in Section 20, payment of said liquidated damages shall not relieve Western of its obligation to close on this Agreement in accordance with the terms of Subsection 9.9 herein in the event that Watermaster is either unable to close on a Higher Conforming Bid at Auction or timely elects to close this Agreement.
- 9.8 **Disclosure of Buyer/Bid.** At the conclusion of the Auction, Watermaster shall (i) post the name of the Selected Bidder(s) outside the Watermaster office and on Watermaster's Auction website, and (ii) provide Western with a copy of the bid(s) selected by Watermaster, the Bid Form(s), Bid Confirmation Form(s) (if applicable), Qualified Bidder Form(s), the Groundwater Resources Auction Agreements, and the Groundwater Resources Auction Escrow Agreements to be entered into between the Selected Bidder(s) and Watermaster. Western must notify Watermaster in writing within 10 business days of receipt by Western of the selected bid if it intends to challenge the bid, and Watermaster shall not close with the Selected Bidder until the expiration of such 10-business-day period and not thereafter pending the final resolution of any challenge brought by Western under this Section 9. Otherwise, Western shall be deemed to have waived its right to challenge the selected bid(s). The only basis upon which Western may challenge the selected bid(s) is Watermaster's alleged failure to comply with this Section 9. Any challenge to the selected bid(s) will be subject to the dispute resolution provisions in Section [redacted] herein and the remedial provisions in Section [redacted] herein.

- 9.9 **Closing Date.** Subject to the provisions of Subsection 9.8 herein, the Buyer shall have 20 business days from the Auction date to close its bid with Watermaster. In the event the Buyer does not timely close, Watermaster shall immediately notify in writing the next highest bidder, with a bid that is equal to or greater than the Minimum Auction Bid. If the next highest bidder, with a bid that is equal to or greater than the Minimum Auction Bid fails to close its bid within 20 business days of receipt of Watermaster's written notice, subject to the provisions of Subsection 9.8 herein, Watermaster shall immediately notify the next such highest bidder, with a bid that is equal to or greater than the Minimum Auction Bid, in writing, until a close is timely effected. If ultimately no close is timely effected, Watermaster shall so notify Western in writing within 5 days of the final date on which Watermaster was entitled to close with another Buyer, and Western shall close within 10 business days of receipt of Watermaster's written notice; provided, however, Western shall have the sole and absolute discretion whether to close if the Watermaster's written notice is not delivered on or before the 60th day after the Auction date. Notwithstanding the foregoing, Watermaster reserves the right to waive any and all bids and to close the Agreement by notice to Western, and, in such event, Western shall have 10 business days from receipt of Watermaster's written notice to close on this Agreement; provided, however, Western shall have the sole and absolute discretion whether to close if the Watermaster's written notice is not delivered on or before the 60th day after the Auction date. The date of closing with the Buyer as the case may be is referred to herein as the "Closing Date".
- 9.10 **Closing Location.** Closing will take place in the office of the Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA 91730 commencing at 10:00 a.m. Pacific Standard Time.

10. Groundwater Resources; Payment Timing. In the event Watermaster does not receive a Higher Conforming Bid at Auction or no close is timely effected with a bidder other than Western, subject to the terms of Subsection 9.9 herein, Western shall purchase from Watermaster the Groundwater Resources for the Minimum Price under the terms of this Agreement.

10.1 **Payment Options.**

- 10.1.1 Concurrent with the Closing Date, Western shall pay Watermaster either:
a) a lump sum equal to the Groundwater Purchase Price and the first Storage Payment; or b) the first payment pursuant to the "Payment Stream Option," defined below.
- 10.1.2 As an alternative to the lump sum payment, concurrent with the Closing, Western may elect to pay Watermaster XXX% of the sum of the Groundwater Purchase Price and first year Storage Payment, and finance the remaining balance over a period of ten years from the Closing Date (the "Payment Stream Option"). If Western elects the Payment Stream Option, Watermaster shall finance the balance of the money owed at a rate of interest equal to the then-prevailing Federal 5-Year Treasury Rate plus

2%, compounded quarterly. Payments will be due and payable quarterly, with the first payment due exactly three months after the Closing Date, and the final payment due on the fifth anniversary of the Closing Date, according to amortization schedule attached as Exhibit “___”; and

10.1.3 Annually, on the anniversary of each Closing Date during the term, Western shall pay to Watermaster the then applicable Storage Payment.

10.2 **Taxes and Liabilities.**

10.2.1 **Transfer Tax.** In the unlikely event that there is are taxes associated with Watermaster’s sale of the Groundwater Resources, Watermaster shall be responsible for payment of such taxes in accordance with the terms of the Minimum Price Escrow Agreement or within 30 days of identification of such transfer tax(es) by Western.

10.2.2 **Existing Liabilities.** To the extent that there are any existing liabilities applicable to the Groundwater Resources prior to the Closing Date, Watermaster shall be responsible for payment of such existing liabilities in accordance with the terms of the Minimum Price Escrow Agreement or within 30 days of the identification of such existing liabilities by Western.

11. Extraction of Groundwater Resources. If Western becomes the Buyer of the Groundwater Resources under this Agreement, concurrent with the Closing, Watermaster shall provide Western with a true and correct copy of Watermaster’s annual report that quantifies and certifies that: (i) the total acre-feet of Groundwater subject to this Agreement is available to be recovered by Western, (ii) the total Storage Space necessary to retain the Groundwater and any subsequent replenishment up to the Storage Capacity shall remain available in the Chino Basin; and (iii) a copy of the Court approved storage agreement for 40,000 acre-feet. Each year thereafter, Western shall have the right to extract the Groundwater in whole or in part as set forth in this Section 11.

11.1 **Limitations on Extraction of Groundwater.** Western shall make whatever arrangements as may be required to access and extract the Groundwater and utilize the Storage Capacity, subject to the terms of the Judgment and Watermaster’s oversight.

11.2 **Requirements for Court Approval.** Western must obtain Court approval, as may be appropriate, to implement a storage and recovery plan to make use of the Groundwater Resources. Watermaster shall make every reasonable effort to facilitate such approval, provided Western’s implementation plans are consistent with the Judgment.

12. Security Interests. If Western becomes the Buyer of the Groundwater Resources under this Agreement, Watermaster shall have all of the rights and remedies provided to a secured party in law or equity under the laws of the State of California with respect to the security interests, liens or other security granted it in this Section 12 or in any of the Documents to secure Western’s payment obligations under the Documents. Western hereby irrevocably authorizes

Watermaster at any time (and from time to time) to file and/or record in any jurisdiction any UCC-1 financing statements or other documents and amendments thereto in order to reflect, preserve and perfect the liens and security interests granted to it in this Section 12 and in the Documents. Western shall execute and deliver to Watermaster, upon request from time to time, such additional documents and grants as Watermaster may require relative to the liens and/or security interests granted it in this Section 12 and the Documents. In order to secure Western's obligations with respect to the unpaid purchase price for any Groundwater Resources purchased hereunder, Western hereby grants to Watermaster a first priority security interest in and to such Groundwater Resources. Western shall not grant any other security interest, lien or other encumbrance in and to any Groundwater Resources without the prior written consent of Watermaster.

13. Watermaster Responsibilities.

- 13.1 **Authority to Sell.** It is expressly understood by the Parties that Watermaster assumes no responsibility under this Agreement to arrange for Western's ability to make use of the Groundwater Resources, other than making reasonable efforts to facilitate any Court approval consistent with the terms of the Judgment. Nothing contained herein shall relieve Western of the obligation to conduct its own due diligence prior to entering into this Agreement.
- 13.2 **No Guarantee of Water Resources Reliability.** If Western becomes the Buyer of the Groundwater Resources under this Agreement, it is expressly acknowledged that this Agreement memorializes a transaction involving the sale of Groundwater Resources to Western for use by Western as a reliable water supply. This Agreement does not, by its express terms or by implication, constitute (in whole or part) any grant, issuance, decision, order, permit, finding, conclusion, holding, recommendation, approval, determination or other form of governmental action as to any other matter whatsoever. Western expressly acknowledges and agrees that Watermaster hereby gives no express or implied assurances or guarantees of any kind as to the outcome of any reliance upon the Groundwater Resources for planning purposes, including the preparation or validity of water supply assessments, water supply verifications, or environmental impact reports or analyses which may include such water supply reliability analyses.
- 13.3 **Due Diligence.** Each Party expressly acknowledges that it has been provided the opportunity to inspect and make such investigations regarding this Agreement (including, but not limited to, the Groundwater Resources), and has performed such due diligence inspections and investigations thereof and of its suitability for such Party's purposes (including review of documents and information provided by or on behalf of the other Party and interviews with the other Party's employees and consultants), as such Party deems appropriate, necessary and prudent for such Party to enter into this Agreement and consummate the transaction contemplated hereunder.

- 13.4 **Physical Delivery of Water.** Western expressly acknowledges that this Agreement provides Western with a contractual right to the Groundwater Resources; provided however, this Agreement provides Western with no independent physical access to make use of the Groundwater Resources. It is Western's sole and exclusive responsibility to arrange for such physical access as Western determines is necessary and appropriate to make use of the Groundwater Resources. Western expressly acknowledges and agrees that such access must be consistent with the Judgment and may require court approval.
- 13.5 **Storage and Recovery Facilities.** Western expressly acknowledges that this Agreement provides Western with no independent right to construct, operate, maintain or repair any facilities, including but not limited to, groundwater wells, recharge facilities, or conveyance facilities. It is Western's sole and exclusive responsibility to arrange for such access to such facilities as Western determines is necessary and appropriate to make use of the Groundwater Resources. Western expressly acknowledges and agrees that such access and use of such facilities must be consistent with the Judgment and may require court approval.

14. Watermaster's Representations, Warranties and Covenants. Watermaster represents, warrants and covenants to Western as follows:

- 14.1 Watermaster is an entity authorized under the Judgment with a nine-member Board appointed by the Superior Court of San Bernardino County to account for and implement the management of the Chino Basin.
- 14.2 Watermaster has the authority to dispose of the Groundwater Resources subject to, and in accordance with, the requirements of the Judgment and applicable law.
- 14.3 Watermaster is duly authorized to conduct the Auction, select and administer all Auction procedures, bidder and bid requirements, and determine the Buyer at Auction based on the bidder and bid requirements.
- 14.4 Watermaster is authorized to execute this Agreement, and subject to the Court approval(s) that may be required to implement this Agreement, no further actions or approvals (including actions by members of the Non-Ag Pool) are necessary before execution of this Agreement.
- 14.5 Neither the execution and delivery of this Agreement, nor Watermaster's performance of its obligations hereunder, shall breach any known obligation, right or interest of a third party, regulatory agency, Watermaster Party or other governing body with authority over Watermaster.
- 14.6 The Offered Groundwater Resources have not been, and shall not during the term of this Agreement be, pledged or committed to any other use by Watermaster (except as otherwise provided herein).

- 14.7 This is the only agreement entered into by Watermaster that will set a price floor for the Auction. Watermaster has not, and shall not, enter into any other similar agreement prior to Auction.
- 14.8 Watermaster has provided, or otherwise made available, to Western true and accurate copies of all material information in its possession relevant to the Groundwater Resources.
- 14.9 This Agreement does not involve the offer for sale or sale of any "security" pursuant to any state or federal securities law, rule or regulation, and that neither this Agreement or the Groundwater Resources sold herein, nor the offer or sale of either, will require registration under the federal Securities Act of 1933, as amended, or any state securities or "blue sky" law, rule or regulation.
- 14.10 No warrant, either express or implied, is made as to the water quality of the Groundwater or the water that may be introduced into the Storage Capacity for subsequent recapture. The Parties expressly acknowledge that areas of the Chino Basin have compromised quality, and extraction of groundwater, including the Groundwater, may require subsequent treatment before being fit for human consumption.

15. Western's Representations, Warranties and Covenants. Western represents, warrants and covenants to Watermaster as follows:

- 15.1 Western is a retail and wholesale California water agency duly organized, validly existing and in good standing under the laws of the State of California.
- 15.2 Western has the authority to participate in the Auction, execute and deliver this Agreement, and perform its obligations hereunder, and all such actions have been duly authorized and approved by all necessary partnership action.
- 15.3 Western has received all consents required in order for it to execute, deliver and perform its obligations under this Agreement.
- 15.4 To the best of Western's knowledge, neither the execution and delivery of this Agreement nor Western's performance of its obligations hereunder shall breach any (i) provision of Western's governing documents, (ii) resolution adopted by Western's governing body, (iii) law, regulation or order to which Western may be subject; or (iv) contract to which Western is a party or to which it may be bound.
- 15.5 To the best of Western's knowledge, there is no pending litigation against Western or any of its partners that may affect its ability to close on this Agreement or to perform its obligations hereunder.
- 15.6 Western has not colluded or conspired with any person or entity to fix the price or terms for the Groundwater Resources.

16. Dispute Resolution. Upon the occurrence of any dispute or disagreement between the Parties hereto arising out of, or in connection with, any term or provision of this Agreement, the subject matter hereof, or the interpretation or enforcement hereof ("Dispute"), the Parties shall engage in informal, good faith discussions and attempt to resolve the Dispute. In connection therewith, upon written notice of either Party each of the Parties will appoint a designated officer whose task it shall be to meet for the purpose of attempting to resolve such Dispute. The designated officers shall meet as often as the Parties shall deem to be reasonably necessary. Such officers will discuss the Dispute. If the Parties are unable to resolve the Dispute in accordance with this Section 16 within 30 days (or such other period mutually agreed to by Western and Watermaster, not to exceed 90 days), and in the event that either of the Parties concludes in good faith that amicable resolution through continued negotiation with respect to the Dispute is not reasonably likely, then the Parties agree to submit to mediation. The mediation shall be held under the commercial mediation rules of the American Arbitration Association. The matter in dispute shall be submitted to a mediator mutually selected by the Parties. In the event the Parties cannot agree upon the selection of a mediator within 7 days, then within 3 days thereafter the Parties shall jointly request the Judge administering the Judgment to appoint an independent mediator. The mediator selected shall have at least 5 years' experience in mediating or arbitrating disputes. The cost of any such mediation shall be divided equally among the Parties. The results of the mediation shall be nonbinding on the Parties, and any Party shall thereafter be free to initiate litigation pursuant to paragraph 15 of the Judgment.

17. Termination of Agreement.

17.1 **Expiration of Agreement.** This Agreement shall expire on [DATE] unless earlier terminated as provided in this Agreement. [30 YEAR TERM]

17.2 **Automatic Termination.** This Agreement shall automatically terminate, and neither Party shall thereafter have any further obligations or responsibilities to the other Party except as expressly set forth herein, upon the first of the following dates to occur: (i) the date Western elects to terminate this Agreement because Buyer has failed to timely close and Watermaster has deferred closing on the Agreement for at least 60 days after the Auction date to complete the process specified in Subsection 9.9 herein, (ii) the date Watermaster closes on an Groundwater Resources Auction Agreement based on a Higher Conforming Bid for the Offered Groundwater Resources submitted by Western or another bidder at Auction (provided the closing is timely under Subsection 9.9 herein); (iii) the date each of the Parties has completed in full its obligations under this Agreement or (iv) 5:00 p.m. Pacific Standard Time on [DATE].

17.3 **Termination by Party.** This Agreement may be terminated (i) by mutual consent of the Parties; (ii) by either Party if the other Party is in breach of a material provision of this Agreement, including without limitation, the failure to hold the Auction as set forth in Subsection 9.1 herein, and the breach has not been (a) cured within 45 days of receipt of written notice reasonably detailing the breach; provided, however, such cure period shall not apply to the obligation to close on or before the Closing Date or to hold the Auction in Accordance with Section 9.1 herein; (b) resolved pursuant to the Dispute Resolution process in

Section 19 herein; (c) waived in writing by the non-breaching Party; or (iii) by either Party in the event any of Sections _____ herein are held to be invalid or unenforceable. Notwithstanding the foregoing, the non-breaching Party may not terminate this Agreement if the material breach is curable but cannot be cured within the 45-day period set forth above for reasons beyond the control of the breaching Party, and the breaching Party is diligently pursuing reasonable efforts to cure such breach.

17.4 **Effect of Termination.** The right to terminate as set forth in Subsection _____ herein shall be in addition to any other rights that may be available to Western or Watermaster in law or equity and shall not be construed as an election of remedies.

17.5 **Procedures Upon Termination.** The termination of this Agreement shall not relieve either Party of any liability that accrued prior to such termination. Subject to the terms of Subsection 17.3 and Section 18 herein, upon the termination of this Agreement all of the provisions of this Agreement shall terminate and, if Western purchased the Groundwater Resources under this Agreement:

17.5.1 Western shall, within 30 days from the date of termination relinquish to Watermaster in a written notice ("Notice") all rights and interest in the Groundwater Resources.

17.5.2 Watermaster shall, within 30 days of receipt of the Notice, (i) refund to Western the money received by Watermaster for the Groundwater Resources (without interest except as provided in Subsection ____ herein).

18. **Survival.** Each of the following shall survive the termination of this Agreement: (a) Section ____ herein (Breakup Fee), Section ____ herein (Security Interests), Section ____ herein (Watermaster Responsibilities), Section ____ herein (Watermaster's Representations, Warranties and Covenants), Section ____ herein (Western's Representations, Warranties and Covenants), Section ____ herein (Dispute Resolution), Section ____ herein (Remedies), and Section ____ herein (Indemnification); (b) Subsection ____ herein (Procedure), Subsection ____ herein (Taxes and Liabilities), Subsection ____ herein (Taxes and Liabilities), Subsection ____ herein (Procedures upon Termination); Subsection ____ herein (Assignments; Successors; No Third-Party Rights), Subsection ____ herein (Governing Law), Subsection ____ herein (Notices), Subsection ____ herein (No Liability), Subsection ____ herein (Cooperation and Further Documentation), Subsection ____ herein (Cooperation in the Event of Third-Party Litigation); and (c) those provisions, and the rights and obligations therein, set forth in this Agreement which either by their terms state or evidence the intent of the Parties that the provisions survive the expiration or termination of this Agreement (or must survive to give effect to the provisions of this Agreement); PROVIDED, HOWEVER, THAT THIS SECTION SHALL NOT APPLY IF WESTERN IS THE SELECTED BIDDER AT AUCTION AND TIMELY CLOSES ON THE GROUNDWATER SUPPLY AUCTION AGREEMENT.

19. Remedies.

- 19.1 **Remedies upon Breach or Default.** In the event of a breach or default by a Party hereto, which is not cured within the period specified in Subsection ____ herein, and in addition to its other remedies specified in this Agreement or available under applicable law, the non-breaching Party shall have the right to: (i) seek specific performance of the breaching Party's duties and obligations under this Agreement to the extent the non-breaching Party has not elected to terminate this Agreement pursuant to Subsection ____ herein, (ii) recover from the breaching Party all damages and losses incurred or suffered by the non-breaching Party as a result of such breach or default, and (iii) perform the breaching Party's unperformed duties and obligations (in which event the breaching Party shall, within 5 days of request by the non-breaching Party, reimburse the non-breaching Party for all sums, amounts, costs and expenses expended by said Party in connection therewith).
- 19.2 **Successful Challenge.** To the extent any legal action or proceeding is initiated challenging the validity of the Auction or the effectiveness of Watermaster's material obligations under this Agreement (a "Challenge Proceeding"), Watermaster will be solely responsible for the defense of such Challenge Proceeding, subject to the cooperation provisions in Subsections ____ herein, including any and all costs and expenses associated therewith. To the extent that the results of any Challenge Proceeding is to deem the Auction or Watermaster's material obligations under this Agreement unlawful or unenforceable, Western may relinquish, in writing, all rights and interest in the Groundwater Resources to Watermaster in exchange for Watermaster refunding to Western the money received by Watermaster for the applicable Groundwater Resources without interest. Such refund shall be paid by Watermaster within 30 days of receipt of the aforementioned notice and refund demand from Western, or within such other period as mutually agreed to by the Parties.

20. Indemnification.

- 20.1 **Indemnification by Watermaster.** Watermaster shall indemnify and hold harmless Western and its partners, directors, officers, managers, employees, agents, consultants, advisors, accountants, financial advisors, legal counsel or other representatives (collectively, "Western Indemnified Persons"), and will reimburse the Western Indemnified Persons for any loss, liability, claim, damage, expense (including costs of investigation and defense and reasonable attorneys' fees and expenses), whether or not involving a claim by a third party (collectively, "Damages"), arising from or in connection with:
- 20.1.1 any breach of any representation or warranty made by Watermaster in this Agreement or any other agreement, certificate, document or other writing delivered in connection herewith;

- 20.1.2 any breach of any covenant, agreement or obligation of Watermaster in this Agreement or any other agreement, certificate, document or other writing delivered in connection herewith;
 - 20.1.3 any liability arising out of the ownership of any Groundwater Resources prior to the time that such Groundwater Resources are transferred in full to Western pursuant to this Agreement;
 - 20.1.4 any brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding made, or alleged to have been made, by any person with Watermaster (or any person acting on its behalf) in connection with this Agreement or the Groundwater Resources;
 - 20.1.5 any noncompliance by Watermaster with any laws applicable to the Groundwater Resources or this Agreement;
 - 20.1.6 any Challenge Proceeding, including without limitation any and all Damages incurred by Western as a result of a Challenge Proceeding resulting in either the Auction or Watermaster's material obligations under this Agreement being deemed unlawful or unenforceable; and
 - 20.1.7 any misrepresentation by Watermaster or its agents relating to the Auction or the interests being sold thereunder.
- 20.2 **Indemnification by Western.** Western shall indemnify and hold harmless Watermaster and its directors, officers, managers, employees, agents, consultants, advisors, accountants, financial advisors, legal counsel or other representatives (collectively, "Watermaster Indemnified Persons"), and will reimburse the Watermaster Indemnified Persons for any Damages arising from or in connection with:
- 20.2.1 any breach of any representation or warranty made by Western in this Agreement or any other agreement, certificate, document or other writing delivered to Watermaster in connection herewith;
 - 20.2.2 any breach of any covenant, agreement or obligation of Western in this Agreement or any other agreement, certificate, document or other writing delivered to Watermaster in connection herewith;
 - 20.2.3 any brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding made, or alleged to have been made, by any person with Western (or any person acting on its behalf) in connection with this Agreement; and
 - 20.2.4 any noncompliance by Western with any laws applicable to the Groundwater Resources or this Agreement.

20.3 **Indemnification Procedures.** In the event of any claim, action or demand (“Claim”) where any Party hereto seeks indemnification from the other, the Party seeking indemnification (“Indemnified Party”) shall give the Party from whom indemnification is sought (“Indemnifying Party”) written notice of such Claim promptly after the Indemnified Party first becomes aware thereof. Provided, however, that failure to give such notice shall not preclude indemnification with respect to such Claim except to the extent of any additional or increased Losses or other actual prejudice directly caused by such failure. The Indemnifying Party shall have the right to choose counsel to defend such Claim (subject to the approval of such counsel by the Indemnified Party, which approval shall not be unreasonably withheld, conditioned or delayed), and to control, compromise and settle such Claim, and the Indemnified Party shall have the right to participate in the defense at its sole expense. Provided further, however, the Indemnified Party shall have the right to take over the control of the defense or settlement of such Claim at any time if the Indemnified Party irrevocably waives all rights to indemnification from and by the Indemnifying Party. The Indemnifying Party and the Indemnified Party shall cooperate in the defense or settlement of any Claim and no Party shall have the right to enter into any settlement agreement that materially affects the other Party’s material rights or material interests without such Party’s prior written consent (which consent will not be unreasonably withheld or delayed).

21. **Assignments Successors No Third-Party Rights.** Except as expressly provided herein, no Party may assign, in whole or in part, any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Party (which consent shall not be unreasonably withheld or delayed). Furthermore, no Party may convey all or any portion of its rights hereunder unless either (a) the corresponding obligations of that Party are completely assumed by the assignee, the assignee accepts such obligations and demonstrates its ability to perform them to the reasonable satisfaction of the other Party, the obligations are specifically listed in the assignment and the assignee expressly agrees to be bound by the provisions of Sections ____, or (b) the Party remains obligated to perform said corresponding obligations after such assignment; provided, however, Western (after written notice to Watermaster), may assign any of its rights and delegate any of its obligations under this Agreement to any solvent, duly authorized, and lawfully existing affiliate of Western that can fulfill the representations and warranties and other covenants herein, and may collaterally assign its rights hereunder to any financial institution providing financing in connection with the transactions contemplated herein provided that the financial institution shall take such rights subject to Watermaster’s security interests set forth herein. Subject to the foregoing, this Agreement will apply to, be binding in all respects upon, and inure to the benefit of, the successors and permitted assigns of the Parties. Except as set forth in Section ____ herein, nothing expressed or referred to in this Agreement will be construed to give any Person other than the Parties to this Agreement any legal or equitable right, remedy or claim under this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to this Subsection ____.

22. **Miscellaneous.**

- 22.1 **Expenses.** Except as otherwise provided in this Agreement, each Party to this Agreement shall bear its respective fees and expenses incurred in connection with this Agreement.
- 22.2 **Counterparts.** This Agreement may be executed in counterparts, each of which shall be considered part of the whole. Further, the Parties agree that valid execution of this Agreement may be accomplished by signatures exchanged between the Parties by facsimile transmission and that such signatures shall be valid and binding as though they were original signatures.
- 22.3 **Attorneys' Fees.** Should a Party be required to consult or engage attorneys to represent it with regard to enforcement of any material part of this Agreement, the prevailing Party shall be entitled to (and the non-prevailing Party shall be responsible for), the payment of all costs and expenses incurred by the prevailing Party, including reasonable attorneys' fees.
- 22.4 **Waivers.** No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver be a continuing waiver. Except as expressly provided for in this Agreement, no waiver shall be binding unless executed in writing, by the Party making the waiver. Any Party may waive any provision of this Agreement intended for its benefit, Provided, however, such waiver shall in no way excuse the other Party from the performance of any of its other obligations under this Agreement.
- 22.5 **Governing Law.** This Agreement shall be deemed an California contract and construed according to California law. This Agreement shall only be enforceable in a court of competent jurisdiction in the State of California, and not in any other state.
- 22.6 **Construction.** The Parties acknowledge that they were each represented by counsel in connection with this Agreement, that each of them (and their respective counsel) reviewed this Agreement, that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement, and that the language in all parts of this Agreement shall in all cases be construed as a whole and in accordance with its fair meaning. Any provision of this Agreement which requires a Party to perform an action shall be construed so as to require the Party to perform the action or to cause the action to be performed. Any provision of this Agreement which prohibits a Party from performing an action shall be construed so as to prohibit the Party from performing the action or from permitting others to perform the action. Except to the extent, if any, to which this Agreement specifies otherwise, each Party shall be deemed to be required to perform its obligations under this Agreement at its own expense, and each Party shall be permitted to exercise its rights and privileges only at its own expense.

- 22.7 **Severability.** Except as otherwise provided herein (including, without limitation, Subsection [REDACTED] herein), if any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect and the Parties shall negotiate an equitable adjustment in the provisions of this Agreement with a view toward effecting the purpose of this Agreement. The validity and enforceability of the remaining provisions or portions, or applications thereof, shall not be affected thereby.
- 22.8 **Notices.** Notices shall be in writing and shall be given by personal or air courier service delivery to a responsible person, by telephone facsimile, or by deposit in the United States mail, certified mail, and return-receipt requested, postage prepaid. Notices shall be delivered or addressed to Watermaster and Western at the addresses set forth below, or at such other address as a Party may designate in writing. The date notice is deemed to have been given, received and become effective shall be the date on which the notice is delivered (if notice is given by personal or air courier service delivery or by telephone facsimile), or 2 days following the date of deposit in the mail (if the notice is sent through the United States mail).

If to Watermaster: [ADDRESS]

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If to Western: ADDRESS

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Copy to: ADDRESS

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ADDRESS

All notices served by a Party, that may trigger a right, obligation or duty to be fulfilled by the other Party under this Agreement, shall be served by Certified Mail, return receipt requested.

- 22.9 **No Liability.** Watermaster and Western expressly acknowledge and agree that neither the Watermaster Council members, other officers, employees, attorneys or agents of Watermaster nor Western's members, managers, employees, officers or agents shall have any personal obligation or liability under this Agreement.
- 22.10 **Cooperation and Further Documentation.** Each Party agrees in good faith to (i) cooperate with one another, the Court having jurisdiction over the Judgment and/or other third parties, and (ii) execute such further or additional documents as

may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

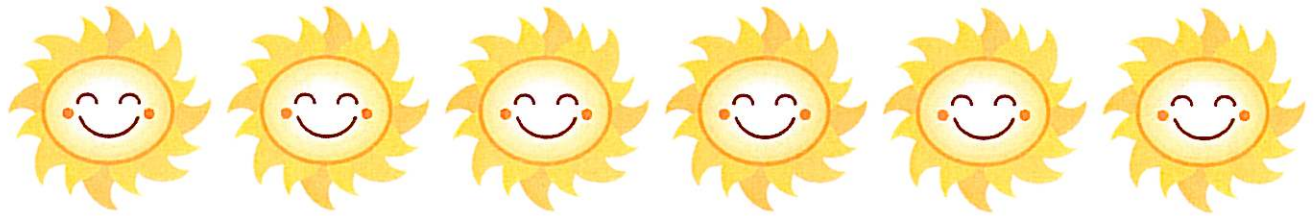
- 22.11 **Cooperation in the Event of Third-Party Litigation.** Subject to Subsection [redacted] herein and the indemnification provisions of Section [redacted] herein, in the event that any legal action is instituted by a third party or other governmental entity or official against the Parties challenging the validity or enforceability of any provision of this Agreement, or any other action by a Party performing hereunder, the Parties hereby agree to affirmatively cooperate in defending such action and to pay their own expenses associated with such defense. In the event of any litigation challenging the effectiveness of this Agreement (or any portion hereof), this Agreement shall remain in full force and effect while such litigation (including any appellate review) is pending.
- 22.12 **No Agency Created.** Nothing contained in this Agreement shall create any partnership, joint venture, or agency relationship between the Parties.
- 22.13 **Time Periods.** If the time for performance of any obligation or taking any action under this Agreement falls or expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.
- 22.14 **Headings.** The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement.
- 22.15 **Entire Agreement.** This Agreement and the exhibits hereto and the Minimum Price Escrow Agreement constitute the entire agreement between the Parties pertaining to the subject matter contained herein and therein. All prior and contemporaneous agreements, representations and understandings of the Parties, oral or written, are superseded by, and merged into, this Agreement and the exhibits hereto and the Minimum Price Escrow Agreement. This Agreement shall not be modified, changed or amended by any subsequent written or oral agreement unless agreed to in writing by Western and Watermaster.
- 22.16 **Authorizations.** The signatories to this Agreement represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for which they sign, and that no further action or approvals (including actions by Watermaster. Council) are necessary before execution of this Agreement.
- 22.17 **Conflict of Interest.** Notice is hereby given of the provisions of [Cal. Code re: Conflicts], as amended by this reference, the provisions of this statute are incorporated in this Agreement to the extent of their applicability to contracts of the nature of this Agreement under the laws of the State of California
- 22.18 **Knowledge.** For purposes of this Agreement, (a) an individual will be deemed to have "knowledge" of a particular fact or other matter if that individual is actually aware of that fact or matter or if a prudent individual could be expected to discover or otherwise become aware of that fact or matter in the course of

conducting a reasonably comprehensive investigation regarding the accuracy of any representation or warranty contained in this Agreement, and (b) a person other than an individual will be deemed to have 'knowledge' of a particular fact or other matter if any individual who is serving, or who has at any time served as a director, officer, partner, official, executor or trustee of that person (or in any similar capacity) has or at any time had, knowledge of that fact or other matter, and any such individual (and any individual party to this Agreement) will be deemed to have conducted a reasonably comprehensive investigation regarding the accuracy of the representations and warranties made herein by that person or individual.

22.19 **Days.** Any and all references to a number of days herein, unless otherwise specified, shall refer to calendar days.

IN WITNESS WHEREOF, the Parties hereto have executed this instrument by and through their authorized representatives effective on the day and year first-above written.

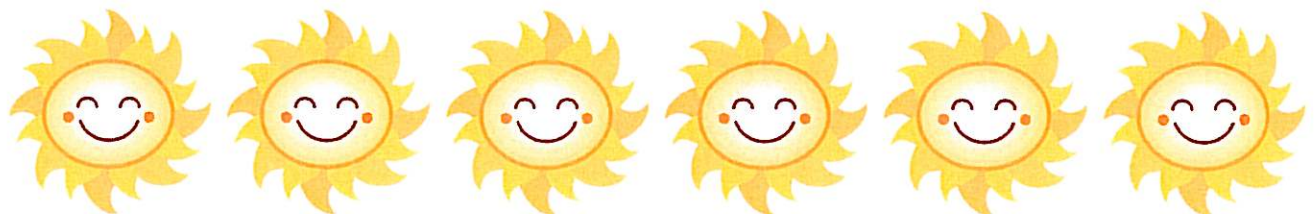
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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

B. CHINO BASIN WATERMASTER BUDGET





CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: May 14, 2009
May 19, 2009
May 28, 2009

TO: Committee Members
Watermaster Board Members

SUBJECT: Proposed Fiscal Year 2009/2010 Budget

SUMMARY

Issue – Annual Budget for Watermaster Administration and OBMP tasks during FY 2009/10.

Recommendations – Staff recommends the Committees and the Board consider approval/adoption of the Proposed FY 2009/10 Budget.

Fiscal Impact – The FY 2009/10 Proposed Budget expenses are \$7,680,789. The FY 2009/10 Budget, as proposed, anticipates a slight increase in Administrative costs, a decrease in OBMP expenditures and a decrease in OBMP project costs over the prior year “amended” budget.

DISCUSSION

Each year, Watermaster staff conducts meetings internally and with consultants to discuss upcoming projects and anticipated work flow. As the budget is developed, the related budgeted costs are continually refined. The current version of the budget reflects the discussions with consultants and stakeholders.

On April 21, 2009 Watermaster conducted the annual Budget Workshop and discussed the draft budget in detail and in summary. The categories and accounts that were discussed in detail at the workshop included:

For the Administrative costs:

- The draft budget includes no salary adjustment based on COLA for March, 2009.
- The draft budget includes 11 approved staff positions.
- The draft budget includes an increase in the amount budgeted for potential Agricultural Pool expenditures.
-

For OBMP General costs: (See attached "Budget and Description of Engineering Tasks" for additional detail.)

- Decreases in both legal and engineering budgets for OBMP costs

Staff has compiled a draft budget for OBMP Implementation Project costs: (See attached "Budget and Description of Engineering Tasks" for additional detail.)

- Continued implementation of the recharge improvement project including recharge and well monitoring program.
- Development of a recharge master plan update pursuant to Condition Subsequent #5 – which will be budgeted over 2 years.
- Management of subsidence and related monitoring and analysis based upon recommendations from the MZ-1 technical committee.
- Continued implementation of the Hydraulic Control Monitoring Program and collection of water quality data from the Santa Ana River as mandated in the Basin Plan. However, staff will be working with the Regional Water Quality Control Board in an attempt to reduce the future scope of work in this category, thereby reducing future budgeted costs.

In summary, the FY 2009/10 Budget, as proposed, anticipates a decrease in total budgeted costs. Final assessments will be refined when the assessment package is prepared this fall; actual assessment amounts are dependent on prior year pumping which will affect the final assessment amounts.



CHINO BASIN WATERMASTER

DRAFT BUDGET

May 14, 2009

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**CHINO BASIN WATERMASTER
SUMMARY BUDGET 2009-2010**

	FY 07-08 June Actual	FY 08-09 December Actual	FY 08-09 Amended Budget	FY 09-10 Proposed Budget	Current vs. Proposed
Ordinary Income					
4000 Mutual Agency Revenue	\$237,370	\$0	\$148,410	\$148,410	\$0
4110 Appropriative Pool Assessments	7,480,676	7,993,307	7,860,411	7,185,411	-675,000
4120 Non-Agricultural Pool Assessments	122,298	172,817	132,237	155,427	23,190
4730 Prorated Interest Income	186,184	60,829	174,368	191,540	17,172
Total Income	8,061,582	8,227,982	8,315,426	7,680,789	-634,637
Administrative Expenses					
6010 Salary Costs	486,402	297,801	484,302	487,838	3,536
6020 Office Building Expense	91,236	41,986	102,000	102,500	500
6030 Office Supplies & Equip.	39,086	10,381	50,500	46,500	-4,000
6040 Postage & Printing Costs	89,126	34,653	87,380	84,300	-3,080
6050 Information Services	139,480	66,989	144,000	148,500	4,500
6060 WM Special Contract Services	95,138	38,797	98,000	98,000	0
6080 Insurance Expense	15,414	15,706	17,730	16,730	-1,000
6110 Dues and Subscriptions	17,453	10,286	16,750	17,000	250
6150 Field Supplies & Equipment	554	864	2,500	2,800	300
6170 Vehicle Maintenance Costs	18,443	14,541	39,200	37,800	-1,400
6190 Conferences & Seminars	24,172	13,523	26,500	26,500	0
6200 Advisory Committee Expenses	17,065	7,667	19,181	18,078	-1,103
6300 Watermaster Board Expenses	37,819	21,913	42,020	43,823	1,803
6500 Education Fund Expenditures	375	0	375	375	0
8300 Appropriative Pool Administration	20,280	11,496	24,008	23,069	-939
8400 Agricultural Pool Administration	137,820	64,372	134,820	200,114	65,294
8500 Non-Agricultural Pool Administration	6,561	2,412	7,695	6,677	-1,018
9400 Depreciation Expense	25,131	0	0	0	0
9500 Allocated G&A Expenditures	-506,732	-204,742	-448,902	-488,230	-39,328
Total Administrative Expenses	754,824	448,648	848,059	872,374	24,315
General OBMP Expenditures					
6900 Optimum Basin Mgmt Program	2,282,059	603,285	1,785,421	1,399,372	-386,049
6950 Cooperative Efforts	10,000	0	10,000	10,000	0
9501 Allocated G&A Expenditures	177,356	60,562	137,959	148,448	10,489
Total General OBMP Expenditures	2,469,415	663,847	1,933,380	1,557,820	-375,560

**CHINO BASIN WATERMASTER
SUMMARY BUDGET 2009-2010**

	FY 07-08		FY 08-09		FY 08-09		FY 09-10		Current vs. Proposed
	June Actual	December Actual	Amended Budget	Proposed Budget	Proposed Budget	Proposed Budget			
7000 OBMP Implementation Projects									
7101 Production Monitoring	104,920	63,293	107,515	107,047	107,047	107,047	107,047	-468	
7102 In-Line Meter Installation/Maintenance	24,844	24,714	87,931	56,179	56,179	56,179	56,179	-31,752	
7103 Groundwater Quality Monitoring	98,466	95,584	210,458	214,362	214,362	214,362	214,362	3,904	
7104 Groundwater Level Monitoring	189,377	218,154	372,538	366,956	366,956	366,956	366,956	-5,582	
7105 Recharge Basin Water Quality Monitoring	13,527	2,433	46,717	43,912	43,912	43,912	43,912	-2,805	
7107 Ground Level Monitoring	275,165	123,949	651,468	550,059	550,059	550,059	550,059	-101,409	
7108 Hydraulic Control Monitoring Program	193,337	244,213	713,949	567,022	567,022	567,022	567,022	-146,927	
7109 Recharge & Well Monitoring Program	33,157	0	0	9,152	9,152	9,152	9,152	9,152	
7200 OBMP Pgm Element 2 - Comp Recharge	918,727	509,652	1,245,266	1,478,560	1,478,560	1,478,560	1,478,560	233,294	
7300 OBMP Pgm Element 3 & 5 - Water Supply Plan - Desalter	131,340	56,084	108,477	96,003	96,003	96,003	96,003	-12,474	
7400 OBMP Pgm Element 4 - Mgmt Zone Strategies	147,404	137,989	272,515	91,985	91,985	91,985	91,985	-180,530	
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt	111,259	21,588	76,411	163,727	163,727	163,727	163,727	87,316	
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use	93,140	387,503	61,909	29,550	29,550	29,550	29,550	-32,359	
7700 Inactive Well Protection Program	295	0	6,296	5,066	5,066	5,066	5,066	-1,230	
7690 Recharge Improvement Debt Payment	1,368,373	511,894	1,261,594	1,131,233	1,131,233	1,131,233	1,131,233	-130,361	
9502 Allocated G&A Expenditures	322,589	144,179	310,943	339,782	339,782	339,782	339,782	28,839	
Total OBMP Implementation Projects	4,025,921	2,541,229	5,533,987	5,250,595	5,250,595	5,250,595	5,250,595	-283,392	
Total Expenses	7,250,160	3,653,724	8,315,426	7,680,789	7,680,789	7,680,789	7,680,789	-634,637	
Net Ordinary Income	811,422	4,574,257	0	0	0	0	0	0	
Other Income									
4210 Approp Pool-Replenishment	3,393,110	6,427,596	0	0	0	0	0	0	
4220 Non-Ag Pool-Replenishment	9,256	10,047	0	0	0	0	0	0	
4230 Groundwater Recharge Activity	0	0	0	0	0	0	0	0	
Total Other Income	3,402,366	6,437,643	0	0	0	0	0	0	
Other Expense									
5010 Groundwater Recharge	3,325,123	0	0	0	0	0	0	0	
Total Other Expense	3,325,123	0	0	0	0	0	0	0	
Net Other Income	77,244	6,437,643	0	0	0	0	0	0	
9800 From / (To) Reserves	-913,796	-11,011,900	0	0	0	0	0	0	
Net Income	-\$25,130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

CHINO BASIN WATERMASTER

FY 2009/2010

DETAIL BUDGET

	FY 07-08	FY 08-09	FY 08-09	FY 08-09	FY 09-10	Current
	June	December	Amended	Proposed	Proposed	vs.
	Actual	Actual	Budget	Budget	Budget	Proposed

Ordinary Income						
Income						
4000 Cooperative Effort Contributions						
4010 Local Agency Subsidies - Other	\$237,370	\$0	\$148,410	\$148,410	\$148,410	\$0
Total 4000 Mutual Agency Revenue	237,370	0	148,410	148,410	148,410	0

4110 Appropriative Pool Assessments

4111 Administrative Assessment	588,748	635,991	646,964	654,327	654,327	7,363
4111.2 OBMP Assessment	4,160,273	4,542,646	4,487,998	4,003,209	4,003,209	-484,789
4112 Ag Pool Reallocation - Administrative	167,967	190,956	184,434	196,211	196,211	11,777
4113 Ag Pool Reallocation - OBMP	1,186,136	1,362,120	1,279,421	1,200,431	1,200,431	-78,990
4115 Recharge Improvement Revenue	1,377,552	1,261,594	1,261,594	1,131,233	1,131,233	-130,361
4117 P/Y Adjustments & Pool Interest	0	0	0	0	0	0
Total 4110 Appropriative Pool Assessments	7,480,676	7,993,307	7,860,411	7,185,411	7,185,411	-675,000

4120 Non-Agricultural Pool Assessments

4123 Administrative Assessment	15,161	21,224	16,661	21,836	21,836	5,175
4124 OBMP Assessment	107,137	151,593	115,576	133,591	133,591	18,015
4127 P/Y Adjustments	0	0	0	0	0	0
Total 4120 Non-Agricultural Pool Assessments	122,298	172,817	132,237	155,427	155,427	23,190

4730 Prorated Interest Income

4731 Interest - Agricultural Pool	20,699	6,258	17,500	17,500	17,500	0
4732 Interest - Appropriative Pool	161,051	53,225	152,000	170,000	170,000	18,000
4733 Interest - Non-Agricultural Pool	4,370	1,328	4,800	4,000	4,000	-800
4739 Interest - Education Fund	64	18	68	40	40	-28
Total 4730 Prorated Interest Income	186,184	60,829	174,368	191,540	191,540	17,172

4900 Miscellaneous Income

	35,054	1,028	0	0	0	0
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Total Income	8,061,582	8,227,982	8,315,426	7,680,789	7,680,789	-634,637
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CHINO BASIN WATERMASTER

FY 2009/2010

DETAIL BUDGET

	FY 07-08 June Actual	FY 08-09 December Actual	FY 08-09 Amended Budget	FY 09-10 Proposed Budget	Current vs. Proposed
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Administrative Expenses

6010 Salary Costs					
6011 WM Staff Salaries & Payroll Burden	514,582	281,482	484,304	468,339	-15,965
6012 Payroll Services	2,539	1,492	0	2,000	2,000
6013 Human Resources Services	14,558	11,051	0	12,000	12,000
6016 New Employee Search Costs	1,410	362	0	500	500
6017 Temporary Services	16,445	11,725	0	5,000	5,000
Subtotal Wages	549,534	306,112	484,304	487,839	3,535
6018 Fringe Benefits	-63,131	-8,311	480,203	474,334	-5,869
60199 Payroll Burden Allocated	0	0	-480,205	-474,335	5,870
Total 6010 Salary Costs	486,402	297,801	484,302	487,838	3,536

6020 Office Building Expense

6021 Office Lease	63,135	27,475	66,000	68,000	2,000
6022 Telephone	12,289	8,384	12,000	15,000	3,000
6024 Building Repairs & Janitorial	15,812	6,127	24,000	19,500	-4,500
Total 6020 Office Building Expense	91,236	41,986	102,000	102,500	500

6030 Office Supplies & Equip.

6031 Office Supplies	21,872	8,687	46,500	43,500	-3,000
6038 Other Office Equipment	541	866	0	0	0
6039 Office Expenses	14,104	0	0	0	0
6141 Meeting Expenses	2,569	828	4,000	3,000	-1,000
Total 6030 Office Supplies & Equip.	39,086	10,381	50,500	46,500	-4,000

6040 Postage & Printing Costs

6042 Postage	15,464	3,560	15,000	12,000	-3,000
6043 Copy Machine Lease & Maintenance	64,958	30,116	63,000	63,000	0
6044 Postage Meter Lease	1,947	977	2,880	2,800	-80
6045 Outside Printing	6,757	0	6,500	6,500	0
Total 6040 Postage & Printing Costs	89,126	34,653	87,380	84,300	-3,080

CHINO BASIN WATERMASTER

FY 2009/2010

DETAIL BUDGET

	FY 07-08 June Actual	FY 08-09 December Actual	FY 08-09 Amended Budget	FY 09-10 Proposed Budget	Current vs. Proposed
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6050 Information Services

6052 Consultants	75,549	22,808	89,000	87,000	-2,000
6053 Internet Services	19,172	12,300	13,000	16,500	3,500
6054 Computer Software & Hardware	44,759	31,881	42,000	45,000	3,000
Total 6050 Information Services	139,480	66,989	144,000	148,500	4,500

6060 WM Special Contract Services

6061 Contract Services	67,715	38,247	40,000	40,000	0
6062 Audit Services	12,307	551	8,000	8,000	0
6063 Public Relations Consultant	15,115	0	40,000	40,000	0
6067 General Counsel	0	0	10,000	10,000	0
Total 6060 WM Special Contract Services	95,138	38,797	98,000	98,000	0

6080 Insurance Expense

6085 Business Insurance Package	15,254	15,498	17,500	16,500	-1,000
6086 Position Bond Insurance	160	208	230	230	0
Total 6080 Insurance Expense	15,414	15,706	17,730	16,730	-1,000

6110 Dues and Subscriptions

6111 Membership Dues	15,177	8,640	16,000	15,000	-1,000
6112 Subscriptions	2,276	1,646	750	2,000	1,250
Total 6110 Dues and Subscriptions	17,453	10,286	16,750	17,000	250

6150 Field Supplies & Equipment

6151 Small Tools & Equipment	438	40	1,500	1,800	300
6154 Uniforms	116	824	1,000	1,000	0
Total 6150 Field Supplies & Equipment	554	864	2,500	2,800	300

6170 Vehicle Maintenance Costs

6170 Travel & Transportation	0	0	4,000	4,000	0
6171 Vehicle Allowance	7,838	12,555	23,400	23,400	0
6173 Mileage Reimbursements	1,663	39	1,600	400	-1,200
6175 Vehicle Fuel	1,928	813	3,200	3,000	-200
6177 Vehicle Repairs & Maintenance	7,015	1,134	7,000	7,000	0
Total 6170 Travel & Transportation	18,443	14,541	39,200	37,800	-1,400

CHINO BASIN WATERMASTER

FY 2009/2010

DETAIL BUDGET

	FY 07-08 June Actual	FY 08-09 December Actual	FY 08-09 Amended Budget	FY 09-10 Proposed Budget	Current vs. Proposed
6190 Conferences & Seminars					
6191 Conferences & Seminars	21,589	10,445	20,000	20,000	0
6192 Training & Continuing Education	2,583	3,077	6,500	6,500	0
Total 6190 Conferences & Seminars	24,172	13,523	26,500	26,500	0
6200 Advisory Committee Expenses					
6201 WM Staff Salaries	15,227	6,731	16,681	16,078	-603
6212 Meeting Expense	1,838	937	2,500	2,000	-500
Total 6200 Advisory Committee Expenses	17,065	7,667	19,181	18,078	-1,103
6300 Watermaster Board Expenses					
6301 WM Staff Salaries	18,479	11,101	20,220	22,023	1,803
6311 Board Member Compensation	16,522	9,750	18,500	18,500	0
6312 Meeting Expense	2,354	1,030	3,000	3,000	0
6313 Board Members' Expenses	464	32	300	300	0
Total 6300 WM Board Expenses	37,819	21,913	42,020	43,823	1,803
6500 Education Fund Expenditures	375	0	375	375	0
8300 Appropriative Pool Administration					
8301 WM Staff Salaries	20,093	11,355	23,508	22,569	-939
8312 Meeting Expenses	187	141	500	500	0
Total 8300 Appropriative Pool Administration	20,280	11,496	24,008	23,069	-939
8400 Agricultural Pool Administration					
8401 WM Staff	22,080	7,551	21,020	19,814	-1,206
8411 Compensation	2,200	800	2,000	2,000	0
8412 Meeting Expenses	0	17	300	300	0
8456 IEUA RTS Meter Charge	1,528	1,503	1,500	3,000	1,500
8467 Ag-Pool Legal & Technical Service	87,704	47,042	80,000	80,000	0
8467.1 Frank B & Associates	9,999	2,760	18,000	18,000	0
8470 Ag Pool Meeting Special Compensation	14,309	4,700	12,000	12,000	0
8471 Ag Pool Special Projects	0	0	0	65,000	65,000
Total 8400 Agricultural Pool Admin	137,820	64,372	134,820	200,114	65,294

CHINO BASIN WATERMASTER

FY 2009/2010

DETAIL BUDGET

	FY 07-08	FY 08-09	FY 08-09	FY 08-09	FY 09-10	Current
	June	December	Amended	Budget	Proposed	vs.
	Actual	Actual	Budget	Budget	Budget	Proposed

8500 Non-Agricultural Pool Administration

8501 WM Staff	6,373	2,350	7,495	6,477	6,477	-1,018
8512 Meeting Expense	187	63	200	200	200	0
Total 8500 Non-Agricultural Pool Admin	6,561	2,412	7,695	6,677	6,677	-1,018

9400 Depreciation Expense

9500 Allocated G&A Expenditures	25,131	0	0	0	0	0
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9500 Allocated G&A Expenditures

	-506,732	-204,742	-448,902	-488,230	-488,230	-39,328
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Total Administrative Expenses

	754,824	448,648	848,059	872,374	872,374	24,315
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General OBMP Expenses

6900 Optimum Basin Mgmt Program

6901 OBMP - Staff	214,119	92,132	217,402	214,369	214,369	-3,033
6903 OBMP - SARW Group	37,512	0	0	0	0	0
6906 OBMP - Engineering	638,127	119,263	275,535	495,003	495,003	219,468
6906.4 OBMP - CEQA	0	0	200,000	75,000	75,000	-125,000
6906.7 OBMP - DataX	4,207	4,207	0	0	0	0
6906.8 OBMP - Reports	177,600	560	109,984	0	0	-109,984
6907 OBMP - Legal						
6907.1 Ellison & Schneider	237,614	18,358	150,000	0	0	-150,000
6907.2 Ludorff & Scalmanini	100,049	4,025	37,500	0	0	-37,500
6907.3 WM Legal Counsel	742,220	358,801	775,000	595,000	595,000	-180,000
6907.34 SAR Accord	121,303	0	0	0	0	0
6909 OBMP - Other Expense	9,308	5,941	20,000	20,000	20,000	0
Total 6900 OBMP	2,282,059	603,285	1,785,421	1,399,372	1,399,372	-386,049

Total 6950 Cooperative Efforts

	10,000	0	10,000	10,000	10,000	0
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9501 Allocated G&A Expenditures

	177,356	60,562	137,959	148,448	148,448	10,489
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Total General OBMP Expenses

	2,469,415	663,847	1,933,380	1,557,820	1,557,820	-375,560
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CHINO BASIN WATERMASTER

FY 2009/2010

DETAIL BUDGET

	FY 07-08	FY 08-09	FY 08-09	FY 08-09	FY 09-10	Current
	June	December	Amended	Proposed	Proposed	vs.
	Actual	Actual	Budget	Budget	Budget	Proposed

7000 OBMP Implementation Projects
 7100 OBMP Pgm Element 1 - Camp Monitoring Program

7101 Production Monitoring

7101.1 Production Monitoring - WM Staff	74,267	48,686	74,737	103,497	28,760	
7101.3 Production Monitoring - Engineering Services	29,903	14,295	32,028	2,800	-29,228	
7101.4 Production Monitoring - Computer Services	750	313	750	750	0	
Total 7101 Production Monitoring	104,920	63,293	107,515	107,047	-468	

7102 In-Line Meter Installation/Maintenance

7102.1 In-Line Meter - WM Staff	1,846	5,421	27,231	13,179	-14,052	
7102.5 In-Line Meter - Maintenance & Repair	2,582	75	9,000	5,000	-4,000	
7102.7 In-Line Meter - In-Line Meters	2,691	3,978	8,000	8,000	0	
7102.8 In-Line Meter - Calibration & Testing	17,725	15,240	43,700	30,000	-13,700	
Total 7102 In-Line Meter Installation/Maintenance	24,844	24,714	87,931	56,179	-31,752	

7103 Groundwater Quality Monitoring

7103.1 Grdwtr Quality - WM Staff	45,488	14,682	70,084	74,871	4,787	
7103.3 Grdwtr Quality - Engineering Services	52,126	52,080	109,684	110,736	1,052	
7103.5 Grdwtr Quality - Laboratory Services	0	28,509	28,440	28,005	-435	
7103.6 Grdwtr Quality - Supplies	102	0	1,500	0	-1,500	
7103.7 Grdwtr Quality - Computer Services	750	313	750	750	0	
Total 7103 Groundwater Quality Monitoring	98,466	95,584	210,458	214,362	3,904	

7104 Groundwater Level Monitoring

7104.1 Grdwtr Level - WM Staff	81,084	49,108	98,326	96,010	-2,316	
7104.3 Grdwtr Level - Engineering Services	99,147	166,782	232,212	235,646	3,434	
7104.4 Grdwtr Level - Contract Services	595	260	11,500	11,500	0	
7104.6 Grdwtr Level - Supplies	1,677	264	2,500	2,500	0	
7104.7 Grdwtr Level - Capital Equipment	6,874	1,741	28,000	21,300	-6,700	
Total 7104 Groundwater Level Monitoring	189,377	218,154	372,538	366,956	-5,582	

CHINO BASIN WATERMASTER

FY 2009/2010

DETAIL BUDGET

	FY 07-08 June Actual	FY 08-09 December Actual	FY 08-09 Amended Budget	FY 09-10 Proposed Budget	Current vs. Proposed
7105 Recharge Basin Water Quality Monitoring					
7105.1 Recharge Basin Water Quality - WM Staff	7,959	2,238	42,717	39,912	-2,805
7105.4 Recharge Basin Water Quality - Laboratory Services	273	195	3,500	3,500	0
7105.6 Recharge Basin Water Quality - Supplies	5,295	0	500	500	0
Total 7105 Recharge Basin Water Quality Monitoring	13,527	2,433	46,717	43,912	-2,805
7107 Ground Level Monitoring					
7107.1 Ground Level - WM Staff	1,575	153	2,758	1,406	-1,352
7107.2 Ground Level - Engineering Services	157,071	102,742	298,600	244,127	-54,473
7107.3 Ground Level - Synthetic Aperture Radar	25,000	12,400	95,000	95,000	0
7107.5 Ground Level - Laboratory Services	0	0	10,000	0	-10,000
7107.6 Ground Level - Contract Services	89,990	8,654	245,110	209,526	-35,584
7107.9 Ground Level - Supplies	1,529	0	0	0	0
Total 7107 Ground Level Monitoring	275,165	123,949	651,468	550,059	-101,409
7108 Hydraulic Control Monitoring					
7108.1 Hydraulic Control Monitoring - WM Staff	9,798	4,822	12,836	13,543	707
7108.2 Hydraulic Control Monitoring - Temporary Services	7,968	21,654	0	0	0
7108.3 Hydraulic Control Monitoring - Engineering Services	175,571	101,132	397,899	366,846	-31,053
7108.4 Hydraulic Control Monitoring - Laboratory Services	0	116,605	263,214	181,933	-81,281
7108.9 Hydraulic Control Monitoring - Contract Services	0	0	40,000	4,700	-35,300
Total 7108 Hydraulic Control Monitoring	193,337	244,213	713,949	567,022	-146,927
7109 Recharge & Well Monitoring					
7109.3 Recharge & Well Monitoring - Engineering Services	33,157	0	0	9,152	9,152
7109.4 Recharge & Well Monitoring - Laboratory Services	0	0	0	0	0
Total 7109 Recharge & Well Monitoring	33,157	0	0	9,152	9,152

CHINO BASIN WATERMASTER

FY 2009/2010

DETAIL BUDGET

	FY 07-08	FY 08-09	FY 08-09	FY 09-10	Current
	June	December	Amended	Proposed	vs.
	Actual	Actual	Budget	Budget	Proposed

7200 OBMP Pgm Element 2 - Comp Recharge

7201 Comp Recharge - WM Staff	69,646	47,772	111,819	99,910	-11,909
7202 Comp Recharge - Engineering Services	36,337	118,984	8,100	158,225	150,125
7202.1 Comp Recharge - Recharge Master Plan	0	0	394,847	522,425	127,578
7203 Comp Recharge - Contract Services	5,304	0	22,500	22,000	-500
7204 Comp Recharge - Supplies	389	65	18,000	16,000	-2,000
7205 Comp Recharge - Other Expenses	51	52	0	0	0
7206 Comp Recharge - Basin Program O&M	760,000	299,830	690,000	660,000	-30,000
7207 Comp Recharge - Other	0	0	0	0	0
7208 Hansen Aggregate Damages	47,000	42,948	0	0	0
Total 7200 Comprehensive Recharge	918,727	509,652	1,245,266	1,478,560	233,294

7300 OBMP Pgm Element 3 & 5 - Water Supply Plan - Desalter

7301 OBMP - WM Staff	22,606	20,308	22,965	23,694	729
7303 OBMP - Engineering Services	103,601	35,768	85,512	72,309	-13,203
7304 OBMP - Contract Services	5,128	0	0	0	0
7305 OBMP - Supplies	5	8	0	0	0
Total 7300 OBMP Elements 3 & 5 Water Supply Plan	131,340	56,084	108,477	96,003	-12,474

7400 OBMP Pgm Element 4 - Mgmt Zone Strategies

7401 OBMP - WM Staff	16,204	2,487	11,379	10,705	-674
7402 OBMP - Engineering Services	130,591	131,904	214,036	71,280	-142,756
7403 OBMP - Contract Services	0	3,339	47,000	10,000	-37,000
7404 OBMP - Supplies	103	0	100	0	-100
7405 OBMP - Other Expenses	505	259	0	0	0
Total 7400 OBMP Element 4 - Mgmt Zone Strategies	147,404	137,989	272,515	91,985	-180,530

7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt

7501 OBMP - WM Staff	12,606	1,147	1,411	1,414	3
7502 OBMP - Engineering Services	98,654	20,441	55,000	116,913	61,913
7503 OBMP - Contract Services	0	0	20,000	20,000	0
7505 OBMP - Other Expenses	0	0	0	25,400	25,400
Total 7500 OBMP Element 6 & 7 - Coop Efforts/Salt Mgmt	111,259	21,588	76,411	163,727	87,316

CHINO BASIN WATERMASTER

FY 2009/2010

DETAIL BUDGET

	FY 07-08	FY 08-09	FY 08-09	FY 09-10	Current
	June	December	Amended	Proposed	vs.
	Actual	Actual	Budget	Budget	Proposed
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use					
7601 OBMP - WM Staff	35,446	19,606	9,441	9,463	22
7602 OBMP - Engineering Services	57,693	366,365	52,468	20,087	-32,381
7605 OBMP - Other Expenses	0	1,532	0	0	0
Total 7600 OBMP Element 8 & 9 Storage Mgmt/Conj Use	93,140	387,503	61,909	29,550	-32,359
7700 Inactive Well Protection Program					
7701 Inactive Well Protection Program - WM Staff	0	0	4,296	3,066	-1,230
7703 Inactive Well Protection Program - Contract Services	295	0	2,000	2,000	0
Total 7700 Inactive Well Protection Program	295	0	6,296	5,066	-1,230
7690 Recharge Improvement Debt Payment					
9502 Allocated G&A Expenditures	1,368,373	511,894	1,261,594	1,131,233	-130,361
	322,589	144,179	310,943	339,782	28,839
Total OBMP Implementation Projects	4,025,921	2,541,229	5,533,987	5,250,595	-283,392
Total General OBMP & Implementation Projects	6,495,336	3,205,077	7,467,367	6,808,415	-658,952
Total Expenses	7,250,160	3,653,724	8,315,426	7,680,789	-634,637
Net Ordinary Income	811,422	4,574,257	0	0	0

CHINO BASIN WATERMASTER

FY 2009/2010

DETAIL BUDGET

	FY 07-08 June Actual	FY 08-09 December Actual	FY 08-09 Amended Budget	FY 09-10 Proposed Budget	Current vs. Proposed
Other Income					
Water Replenishment Assessments					
4210 Approp Pool-Replenishment					
4211 15% Gross Assessments	451,217	893,722	0	0	0
4212 85% Net Assessments	2,556,870	5,064,427	0	0	0
4213 100% Net Assessments	385,023	469,447	0	0	0
4214 Prior Year Adjustment	0	0	0	0	0
Total 4210 Approp Pool-Replenishment	3,393,110	6,427,596	0	0	0
4220 Non-Ag Pool-Replenishment					
4223 Net Replenishment	9,256	10,047	0	0	0
Total 4220 Non-Ag Pool-Replenishment	9,256	10,047	0	0	0
Total Other Income	3,402,366	6,437,643	0	0	0
Other Expense					
5010 Groundwater Recharge					
5011 Replenishment Water	3,227,218	0	0	0	0
5015 OC-59 Use Fees	0	0	0	0	0
5015.1 OC-59 Use Fees - Other	0	0	0	0	0
5017 IEUA Surcharges	97,905	0	0	0	0
Total 5010 Groundwater Recharge	3,325,123	0	0	0	0
Total Other Expense	3,325,123	0	0	0	0
Net Other Income	77,244	6,437,643	0	0	0
(To) / From Reserves	-913,796	-11,011,900	0	0	0
Net Income	-\$25,130	\$0	\$0	\$0	\$0

CHINO BASIN WATERMASTER
2009-2010 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments
ORDINARY INCOME/EXPENSE	
4000 COOPERATIVE EFFORT CONTRIBUTIONS	
4010	Local Agency Subsidies - Other
4110 APPROPRIATIVE POOL ASSESSMENTS	
4111	Administrative Assessment
4111.2	OBMP Assessment
4112	Agricultural Pool Reallocation-Administrative Assessment
4113	Agricultural Pool Reallocation- OBMP Assessment
4115	Recharge Improvement Revenue
4117	P/Y Adjustments
4120 NON-AGRICULTURAL POOL ASSESSMENTS	
4123	Administrative Assessment
4124	OBMP Assessment
4127	P/Y Adjustments
4730 PRORATED INTEREST INCOME	
4900 MISCELLANEOUS INCOME	
4900	Miscellaneous Income
6010 SALARY COSTS	
6011	WM Staff Salaries & Payroll Burden
6012	Payroll Services
6013	Human Resource Services
6016	Employee Search Costs
6017	Temporary Services
6018	Fringe Benefits
60199	Payroll Burden Allocated
6020 OFFICE BUILDING EXPENSE	
6021	Office Lease
6022	Telephone
6024	Building Repair & Maintenance
6030 OFFICE SUPPLIES & EQUIPMENT	
6031	Office Supplies
6038	Office Equipment
6039	Office Expense
6141	Meeting Expenses

This account represents funds which are to be received from Metropolitan Water District to offset our costs related to administering the Dry Year Yield Program.

Appropriative Pool Assessments equal the Pool's share of all General Administrative Expenses levied to the Appropriators on a per acre-foot basis levied based on the prior year's production.

Appropriative Pool Assessments equal the Pool's share of all Optimum Management costs levied to the Appropriators on a per acre-foot basis based on the prior year's production.

The Appropriative Pool and the Overlaying Agricultural Pool agreed that the unproduced portion of Ag Pool's annual share of safe yield (82,800 acre-feet) would be immediately reallocated to the Appropriative Pool members provided the Appropriative Pool would pay the Agricultural Pool's share of Administrative and Special Project expenses.

With separate assessments levied for General Administration and Optimum Basin Management Plan and Implementation Costs, the Agricultural Pool costs charged through the reallocation levy have been separated to differentiate between the revenues from the two levies.

This line item covers funds required to pay the budgeted debt service payment and the operating & maintenance expenses.

Consists of adjustments related to prior years, if any.

Non-Agricultural Pool Assessments equal the Pool's share of all General Administrative Expenses levied to the Non-Agricultural Pool based on the prior year's

Non-Agricultural Pool Assessments equal the Pool's share of all Optimum Basin Management costs levied to the Pool members based on the prior year's production.

Consists of adjustments related to prior years, if any.

Interest is prorated between the Pools and the Education Fund using formula approved by the Advisory Committee and Pools several years ago.

Miscellaneous income, such as fees collected for late assessments, data requests, rebates, etc.

Expenses related to administrative staff hours and costs not related to a particular project.

Expenses related to processing of bi-weekly payroll and preparation of quarterly and annual tax returns, including year end W-2 processing.

Employee medical reimbursement plan, paid for by Watermaster staff.

Costs cover "help wanted" advertisements, pre-employment physicals & non-staff or consultant interviewer's time (if applicable).

Temporary help on special administrative projects and staffing for vacant positions.

Benefits paid to employees such as medical, dental, vacation, sick leave & holidays.

Fringe benefits allocated to salary costs.

Lease for Watermaster office.

Telephone expense includes office telephone system, cellular phones for management & field staff along with conference call service.

This line item covers monthly housekeeping & maintenance requests to the office.

Office supplies include: copy paper, stationary, envelopes, checks and other miscellaneous office supplies.

This Budget line covers the cost of office equipment not included in office supplies referenced in account 6031.

This line covers the costs of items not covered under any of the above #6030 lines including file management consulting fees.

Expenses charged to this line include administrative meeting expenses.

CHINO BASIN WATERMASTER
2009-2010 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments
5040 POSTAGE & PRINTING COSTS	
6042	Postage Postage reflected here covers the cost of mailing or shipping all meeting notices and agendas; correspondence; Annual Reports; outgoing bills and payments, etc. Charges include FedEx and United Parcel Service costs as well as postage. This line covers the cost of leasing copy machines as well as the costs for copies exceeding the minimum number per month/year as stipulated in the lease agreements.
6043	Copy Machine Lease
6044	Postage Meter Lease
6045	Printing Postage meter costs includes the annual lease fees, quarterly reset fees and postage meter ink cartridge replacements. Printing costs covered here are those done by outside printers and include the Annual Report, blueprints, special area street maps, color prints, emergency printing when copiers are down for repairs, etc. Color brochures and annual financial statements will be printed.
6050 WATERMASTER INFORMATION SERVICES	
6052	Computer Consultant Support Services
6053	Internet Services
6054	Computer Software & Hardware Watermaster uses consultants to maintain its computer network & workstations as well as to develop & maintain databases. Website maintenance costs & T-1 internet connection. Costs include new software, software upgrades, upgraded computer hardware, servers printers, back up power supplies, etc.
6060 WATERMASTER SPECIAL CONTRACT SERVICES	
6061	Other Contract Services
6062	Audit Services
6063	Public Relations Consultant Watermaster retains consultants to develop and implement strategic plans and develop brochures and the Annual Report. This line item budgets funds to pay for the required annual financial statement audit.
6067	Legal Services - General Counsel Watermaster retains outside consultants on a per contract basis as our Public Relations Consultant, to keep us up to date regarding relevant legislative issues. Watermaster's general counsel expenses related to personnel and non-project specific matters.
6080 INSURANCES	
6085	Business Insurance Package
6086	Position Bond Insurance All insurance policies are now included under Business Insurance Package, including auto & general liability. Insures key positions for risk of misappropriation and/or fraud.
6110 DUES & SUBSCRIPTIONS	
6111	Membership Dues Watermaster memberships include: American Water Works Assoc Research Foundation, Association of California Water Agencies, Association of Ground Water Agencies. Watermaster subscribes to the periodicals and trade journals.
6112	Subscriptions
6150 FIELD SUPPLIES & EQUIPMENT	
6151	Small Tools & Equipment Small tools include: any tool which might be required while work in the field.
6154	Uniforms & Safety Shoes T-shirts, hats & jackets are provided to staff with Watermaster's logo to wear while in the field and while representing Watermaster. This line item also includes work boots for field staff.
6170 TRAVEL & TRANSPORTATION	
6170	Travel & Transportation
6171	Vehicle Allowances Travel & Transportation costs related to Watermaster business, not related to conferences & seminars. Employment agreement allows the Chief Executive Officer a vehicle allowance of \$650 per month.
6173	Mileage Reimbursements Reimbursements paid to Watermaster employees for use of personal vehicles for Watermaster business at the federally approved rate per mile.
6175	Vehicle Fuel Fuel expenses for Watermaster owned vehicles.
6177	Vehicle Repairs Covers repairs & maintenance to Watermaster's vehicles.

CHINO BASIN WATERMASTER
2009-2010 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments
6190 CONFERENCES & SEMINARS	
6191	Staff attends conferences for information, training, or making presentations regarding the Chino Basin Watermaster activities.
6192	Attendance at training & continuing education for staff.
6200 ADVISORY COMMITTEE	
6201	Salary and burden costs of WM staff in attending and preparing for Advisory Committee meetings.
6212	Advisory Committee meetings are normally scheduled to cover the lunch hour so that members are absent from their normal jobs the least amount of time possible. To accommodate the members, a luncheon or refreshments are served and those costs are reflected here.
6300 WATERMASTER BOARD EXPENSES	
6301	Salary and burden costs of WM staff in preparing for and attending Watermaster Board Meetings.
6311	Board Members are entitled to, but may waive, compensation for each day of service. Those who have not waived, receive \$125 per day served at various meetings including Board meetings, Committee meetings and other water agency meetings, including conference calls.
6312	Board and Committee meetings may be scheduled to cover the lunch hour so that attendees are absent from their normal jobs the least amount of time possible. If this occurs, a luncheon or refreshments are served and those costs are reflected here.
6313	Board Members are entitled to receive reimbursement for expenses incurred on behalf of Watermaster. Upon request, mileage is reimbursed to any Board Member using a personal vehicle on Watermaster business.
6500 EDUCATION FUND EXPENDITURES	This account disburses funds from the educational account as directed.
8300 APPROPRIATIVE POOL ADMINISTRATION AND SPECIAL PROJECTS	
8301	Salary and burden costs of WM staff in attending and preparing for Pool Meetings, and any other Appropriate Pool administrative activity.
8312	This item covers meeting expenses, including the cost of refreshments.
8400 AGRICULTURAL POOL ADMINISTRATION AND SPECIAL STUDIES	
8401	Salary and burden costs of WM staff in attending and preparing for Pool Meetings, and any other Agricultural Pool administrative activity.
8411	AG Pool Members are reimbursed \$25 for each Pool, Committee or Board Meeting attended. Ag Pool voted to increase reimbursement to \$125 per meeting with the extra \$100 to be paid out of Ag Pool accumulated interest. This additional \$100 is shown under account #8470.
8412	This item covers meeting expenses, including the cost of refreshments.
8456	Inland Empire Utilities Agency implemented a 'readiness to serve' charge against Watermaster for future provision of service to the land in the Agricultural preserve.
8467	The Agricultural Pool retains its own legal council to represent them in all Watermaster matters.
8467.1	The Agricultural Pool has contracted with a water management consultant to assist them in following Watermaster activities important to the Agricultural Pool.
8470	See account #8411 for details of this line item.
8471	Funds set aside for projects related to the Agricultural Pool projects.
8500 NON-AGRICULTURAL POOL ADMINISTRATION AND SPECIAL PROJECTS	
8501	Salary and burden costs of WM staff in attending and preparing for Pool Meetings and any other Non-Agricultural Pool administrative activity.
8512	This item covers meeting expenses, including the cost of refreshments.
9400	Non Cash depreciation expense related to fixed asset purchases from the current and previous fiscal years.
9500	Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.
9900 OPTIMUM BASIN MANAGEMENT PROGRAM	
6900	This work includes general engineering services requested by Watermaster to support implementation of the OBMP. The current budget request includes general, non-project specific as well as ad hoc requests for services and data requests promoting the ongoing efforts to implement the OBMP. Items include all aspects of preparing reports as required by the OBMP including the State of the Basin Report and the conditions subsequent pursuant to Judge Gunn's December 21, 2007 court order approving Peace II.

CHINO BASIN WATERMASTER
2009-2010 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments
6950 COOPERATIVE EFFORTS	On an ad hoc basis, Watermaster and other agencies agree to share the costs of various projects that will benefit both parties.
9501 ALLOCATED G&A EXPENDITURES	Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.
7000 OPTIMUM BASIN MANAGEMENT PROGRAM IMPLEMENTATION PROJECTS	
7101 PRODUCTION MONITORING	Watermaster staff collects and processes production information for the approximately 600 wells within the Basin, including approximately 200 Appropriator wells and approximately 400 private wells. Watermaster staff reads the meters for the private wells, while the Appropriators and Overlaying Non-Agricultural Pools report their meter readings to Watermaster. The data are inputted into a production database that is updated quarterly, and that is used at the end of the fiscal year to provide essential data for the Assessment Package. Computer services are for the subscription for parcel lot information (split 50/50 with 7103-Groundwater Quality Monitoring).
7102 IN-LINE METER INSTALLATION	Approximately 315 in-line flow meters are now installed on the previously unmeasured private wells. Approximately 150 meters must be calibrated each year and other maintenance and repairs are required. Each calibration is expected to cost \$200. Ten meters are expected to be replaced this fiscal year due to failures, at an average cost of \$800 each.
7103 GROUNDWATER QUALITY MONITORING	Pursuant to the OBMP & Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater quality monitoring program. Previously, Watermaster annually collected water quality data from approximately 200 private wells and obtained other water quality data from other cooperators so that approximately one-third of the active wells were sampled every third year. Other cooperators include members of the Appropriative and Overlaying Non-Agricultural Pools, the Regional Water Quality Control Board, the Department of Toxic Substances Control, the United States Geological Survey, the Orange County Water District and others. The key well monitoring program has now been implemented. Approximately 120 wells are included within the water quality key well program, with approximately 60 wells being sampled and analyzed each year. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use. The ad hoc Water Quality Committee oversees the surface water and groundwater quality programs to ensure that necessary data are collected to effectively manage the Basin. No supplies are budgeted for this line item this year. Computer services are for the subscription for parcel lot information (split 50/50 with 7101-Production Monitoring).
7104 GROUNDWATER LEVEL MONITORING PROJECT	Pursuant to the OBMP & Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater-level monitoring program. Groundwater-level measurements are collected and compiled from about 600 wells. Of the 600 wells, about 65 wells are measured monthly, about 250 wells are measured semi-annually, about 60 wells are measured by transducers, about 200 wells are measured by municipal well owners (which are collected by Watermaster staff), and about 100 wells are measured by cooperators (which are collected by Watermaster staff). Cooperators include members of the Appropriative and Overlaying Non-Agricultural Pools, RWQCB, DTSC, USGS, OCWD, and others. All data are checked for reasonableness with regard to historical data at the well, converted from depth-to-water to groundwater-level elevation, and compiled into a centralized database. The majority of this effort is concentrated in the southern half of the Basin to support Desalter/HCMP monitoring programs. These data are analyzed in time series charts and maps annually to support the annual HCMP report and the semi-annual State of the Basin Report. Contract services for this item include the construction of aluminum covers for transducers not otherwise enclosed in structures and ground-level surveys of well reference points. Required supplies for this line item include sounder replacement lines, rubber gloves, distilled water, and fittings for installing transducers. Capital equipment for this line item include 25 new/replacement transducers and 17 transducer download cables.
7105 BASIN WATER QUALITY MONITORING	Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the surface water quality monitoring program. Work in this line item includes sampling and analysis of water quality at recharge and flood retention basins within the Chino Basin. This is typically done during the rainy season only, approximately 3-4 samplings per basin per year. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use. Required supplies for this line item include rubber gloves, sample bags, tools, and field lab equipment.

**CHINO BASIN WATERMASTER
2009-2010 BUDGET
LINE ITEM JUSTIFICATION**

Budget Line Number	Comments
<u>7107 GROUND LEVEL MONITORING</u>	<p>Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the development and implementation of a ground-level monitoring and testing program. Watermaster is interested in determining how much, if any, subsidence has occurred in the Basin and in monitoring the effectiveness of the OBMP in minimizing it. Data will be collected from a network of ground elevation stations (surveys), from a multi-piezometer and from a dual borehole extensometer in the subsidence-prone area (mainly Management Zone 1). Satellite imagery (InSAR) also will be collected and analyzed for subsidence. Watermaster is implementing these efforts as part of the MZ-1 Subsidence Management Plan.</p> <p>A pilot ASR test at a well owned by the City of Chino Hills will be initiated, and monies are budgeted to assist Chino Hills with that effort.</p> <p>As part of the Basin Plan, a monitoring plan to evaluate the state of hydraulic control in the southern end of the basin has been developed. Hydraulic control will be used to maximize the safe yield of the basin. Watermaster, OCWD and the Regional Board have developed a monitoring plan to assess the state of hydraulic control to provide information to Watermaster to manage future production and recharge. Samples are collected from seven stations along the SAR every-other-week for water quality analyses. Stream flow measurements are also collected from five stations along the SAR. Water discharge and quality data area collected from all POTWS and other non-in tributary dischargers between the Riverside Narrows and below Prado dam. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use.</p> <p>A 2009 aerial photograph of the Chino Basin area will also be purchased to assist in this effort.</p> <p>Due to the recent agreement with IEUA, this expense is no longer cost-shared with IEUA. However, some money is budgeted in this category for Watermaster consultants to coordinate with IEUA when necessary.</p> <p>This line item includes the recharge master plan update required by Judge Gunn's December 21, 2008 order approving Peace II, GRCC participation, and recharge basin O&M.</p>
<u>7108 HYDRAULIC CONTROL MONITORING PROGRAM</u>	
<u>7109 RECHARGE AND WELL MONITORING PROGRAM</u>	
<u>7200 OBMP PROGRAM ELEMENT 2 - COMPREHENSIVE RECHARGE PROGRAM</u>	
<u>7300 OBMP PROGRAM ELEMENTS 3 & 5 - WATER SUPPLY PLAN - DESALTER</u>	
<u>7400 OBMP PROGRAM ELEMENT 4 - MANAGEMENT ZONE MANAGEMENT STRATEGIES</u>	<p>The work in this line item includes engineering services for the technical review of non-Watermaster consultant work products for consistency with OBMP, Basin Plan and other Watermaster interests. Work in this line item also includes the design support for the proposed Chino Creek Desalter well field.</p> <p>Pursuant to the OBMP & Peace Agreement, Watermaster has developed a long-term management plan for MZ1. Watermaster and the Court approved the MZ1 Subsidence Management Plan in 2007. Watermaster will be implementing the MZ1 Subsidence Management Plan in FY 2008-09 and in years thereafter, and adapting the plan as new data and understanding dictates. Data collected and analyzed will be presented and discussed at the MZ1 Technical Group meetings. New monitoring wells were installed in MZ-3 and monitored during FY 2005/06 and 2006/07. A technical memorandum will be completed this fiscal year and a revised monitoring program will be developed.</p> <p>In Management Zone 3, Watermaster will conduct a thorough ground water quality survey to locate contaminant plumes which might impact appropriator wells. Plans include quarterly sampling and analyses of two new "sentry" wells to provide on-going monitoring of plume management.</p> <p>Pursuant to the OBMP & Peace Agreement, Watermaster will complete specific activities to improve water quality monitoring and analyze the effectiveness of the OBMP to accomplish its goals. The work in this line item includes coordinating the Water Quality committee activities, coordinating with RWQCB and DTSC on several groundwater plumes - including VOC plumes potentially emanating from the Ontario International Airport and the Chino Airport, and the Stingfellow perchlorate plume, which has now reached the Santa Ana River, the Basin Monitoring Task Force pursuant to Watermaster's Maximum Benefit obligation, and participating in the TMDL process for Santa Ana River, Chino and Mill Creeks.</p> <p>This line item includes Watermaster's effort to expand the existing DYY Program and to develop new groundwater storage programs.</p>
<u>7500 OBMP PROGRAM ELEMENTS 6 & 7 - COOPERATIVE EFFORTS AND SALT MANAGEMENT</u>	
<u>7600 OBMP PROGRAM ELEMENTS 8 & 9 - STORAGE MANAGEMENT AND CONJUNCTIVE USE PROGRAMS</u>	
<u>7700 INACTIVE WELL PROTECTION PROGRAM</u>	
7690 RECHARGE IMPROVEMENT DEBT PAYMENT	<p>Pursuant to the OBMP & Peace Agreement, Watermaster has compiled a list of inactive wells that have not been properly abandoned. Watermaster equips inactive wells with devices that meet the requirement of well abandonment to protect the integrity of the groundwater. These devices also allow for access to the well for monitoring purposes, if necessary. This fiscal year, approximately six more inactive wells will be equipped with such devices.</p> <p>Repayment of debt as agreed to in contract with Inland Empire Utilities Agency for improvement of recharge basins within the Chino Basin, to be paid by the Appropriators.</p>
9502 ALLOCATED G&A EXPENDITURES	<p>Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.</p>

CHINO BASIN WATERMASTER
2009-2010 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments
SUPPLEMENTAL & REPLENISHMENT WATER INCOME AND EXPENSES	
	Water rights were assigned in the Judgment entered in 1978. It established the terms and conditions regarding replenishment water and how the assessments would be levied to cover the water for each pool. No amounts are budgeted in this category as Watermaster is unable to determine what the overproduction will be at year, if any. Replenishment water is a "pass-thru" expense meaning all amounts overproduced by an agency are billed to them at the rate Watermaster pays for the cost of the water.
4210	App Pool Replenishment Assessments Certain Appropriators under the Judgment have 15% of the cost of replenishment water required by their group and 85% of the cost is paid by the appropriator overproducing water in the prior year. Other Appropriators have the obligation to pay 100% of the costs of replacing any overproduced water.
4211	15% Gross Assessments Costs levied against the 15%/85% group for replacing water.
4212	85% Gross Assessments Costs levied against the 15%/85% group for replacing water.
4213	100% Net Assessments Costs levied against those subject to 100% assessments for replacing water.
4220	Non-Ag Pool Replenishment Non-Ag members (primarily industrial producers) are required to replace any water produced which exceeds their assigned water rights.
5010	GROUNDWATER RECHARGE Costs of Replenishment or Supplemental Water.
5011	Replenishment Water This line covers the costs of purchasing replenishment water from MWD at \$233/AF.
5015	OC-59 Use Fees Connection Fees.
5017	IEUA Surcharges Inland Empire Utilities Agencies charges a fee for water delivered.

**CHINO BASIN WATERMASTER
ASSESSMENT CALCULATION
FISCAL YEAR 2009-2010
ESTIMATED, BASED ON PREVIOUS YEARS ASSESSMENT PACKAGE

	MEMO ONLY		FISCAL YEAR 2009-2010		ASSESSMENT	APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AG POOL
	FISCAL YEAR 2009-2010	BUDGET TOTALS						
PRODUCTION BASIS								
2006-07 Production & Exchanges in Acre-Feet			130,826,204	76.288%	21.748%	3,369,080	1.965%	
2007-08 Production & Exchanges in Acre-Feet			103,077,958	75.005%	22.492%	3,439,822	2.503%	
BUDGET								
Administration, Advisory Committee & Watermaster Board (1)	\$872,374		\$654,327	\$196,211		\$21,836		
OBMP & Implementation Projects(1)	5,677,182		\$4,258,190		\$1,276,891		\$142,100	
General Admin & OBMP Assessments	6,549,556		654,327	4,258,190	1,276,891	21,836	142,100	
TOTAL BUDGET			654,327	4,258,190	1,276,891	21,836	142,100	
Less Budgeted Interest Income	(191,540)							
Contributions from Outside Agencies	(148,410)		(143,665)		(43,080)		(4,794)	
CASH DEMAND			654,327	4,003,210	1,200,431	21,836	133,591	
OPERATING RESERVE								
Administrative	0	\$0	\$0	\$0	\$0	\$0	\$0	
OBMP	0	0	\$0	\$0	\$0	\$0	\$0	
Less: Funds On Hand Utilized for Assessments			0	0	0	0	0	
FUNDS REQUIRED TO BE ASSESSED			\$6,209,607	\$4,003,210	\$1,200,431	\$21,836	\$133,591	
Proposed Assessments								
General Administration Assessments		\$6.35	\$38.84	\$6.35	\$38.84	\$6.35	\$38.84	
Minimum Assessments		\$5.00				\$5.00		
Prior Year Assessments (For Information Only)		\$6.17	\$44.07	\$6.17	\$44.07	\$6.17	\$44.07	

(1) Total costs are allocated to Pools by actual production percentages. Does not include Recharge Debt Payment or Replenishment water purchases.

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**Chino Basin Watermaster
Budget and Description of Engineering Tasks
Fiscal Year 2009/2010**

6906 – Optimum Basin Management Program: General Engineering			
Tasks			
<ul style="list-style-type: none"> • Pool, Advisory, Watermaster Meetings • Other General Meetings as Requested • Evaluation of Transfers, Assessment of Supplemental Water Recharge • Miscellaneous Data Requests • Miscellaneous CEO Requests • Project Management • Annual Engineering Updates • Correct New Yield Estimate for Storm Water Recharge. This includes the following subtasks: <ul style="list-style-type: none"> • Update Recharge Information • Storm Water Recharge Quantification • Prepare Reports • Meetings 			
Milestones/Accomplishments			
•			
Budget	Billed	ECAC	Projected (Over)/Under
\$455,003	\$0	\$455,003	\$0

7101 – PEI: Groundwater Production Monitoring Program			
Tasks			
<p><i>Purpose: [Basin Operation] Obtain groundwater production data for private wells. This task is performed jointly by Watermaster and WEI staff.</i></p> <ul style="list-style-type: none"> • Provide Support for Quarterly Meter Reads. This task comprises obtaining quarterly meter reads from about 325 private wells. 			
Milestones/Accomplishments			
•			
Budget	Billed	ECAC	Projected (Over)/Under
\$2,800	\$0	\$2,800	\$0

7103 – PEI: Groundwater Quality Monitoring Program			
Tasks			
<p><i>Purpose: [Basin Plan and Max Benefit] Obtain groundwater quality information in and adjacent to Chino Basin. These data are required for the triennial ambient water quality update mandated by the Basin Plan and for the Hydraulic Control Monitoring Program – a maximum benefit requirement in the Basin Plan. The data are also</i></p>			

used for the Biannual State of the Basin report and estimating influent water quality to desalter wells.

- Obtain Groundwater Quality Data Routinely from about 200 Wells from All Appropriators and Cooperators in and Adjacent to Chino Basin. This represents about 20,000 records in Watermaster's database. Subtasks include:
 - phone calls and meetings with water quality staff
 - uploading hardcopy, spreadsheet, and laboratory electronic data deliverables to Watermaster's database.
- Collect and Analyze Groundwater Quality Samples from About 45 Private Wells. Subtasks include:
 - annual re-evaluation of the key well program due to abandoned and destroyed wells
 - scheduling the field work and coordinating with the analytical laboratory
 - performing the field work
 - uploading field and laboratory data to Watermaster's database.
 - The field work follows the standard operating procedures (SOPs) and the Quality Assurance Project Plan (QAPP) defined in the 2004 HCMP Work Plan.
- Characterize Groundwater Quality Conditions and Trends. Subtasks include:
 - create time-history plots of key water quality constituents, e.g., TDS and nitrate-nitrogen.
 - Create maps showing the spatial distribution of water quality constituents.
 - Attend meetings on regional water quality issues as required (e.g., SAWPA's Emerging Contaminants Workgroup meetings)

Milestones/Accomplishments

Budget	Billed	ECAC	Projected (Over)/Under
\$138,741	\$0	\$138,741	\$0

7104 – PEI: Groundwater Level Monitoring Program

Tasks

Purpose: [Basin Plan and Max Benefit] Obtain groundwater level information in and adjacent to Chino Basin. These data are required for the triennial ambient water quality update mandated by the Basin Plan and for the Hydraulic Control Monitoring Program – a maximum benefit requirement in the Basin Plan. The data are also used for the Biannual State of the Basin report and for the Chino Basin Groundwater Model.

- Collect and Analyze Groundwater Level Measurements from About 122 Wells. Subtasks include:
 - annual re-evaluation of the key well program due to abandoned and destroyed wells
 - scheduling the field work
 - performing the field work: manual measurements are collected monthly at 80 wells and transducer data is downloaded quarterly at 42 wells.
 - process, QC, and upload of manual water level measurements to Watermaster's database

<ul style="list-style-type: none"> • process, QC, and upload of transducer data to Watermaster's database • field work follows the SOPs and the QAPP defined in the 2004 HCMP Work Plan. • Routinely collect, process, QC, and upload water level measurements to Watermaster's database that were compiled by CBWM staff from all Appropriators and Cooperators in and Adjacent to Chino Basin. • Routinely collect, process, QC, and upload transducer data from about 40 wells that was downloaded in the field by CBWM staff. • Characterize Groundwater Level Conditions and Trends. Subtasks include: <ul style="list-style-type: none"> • create time-history plots of groundwater elevations • create maps showing groundwater elevation contours 			
Milestones/Accomplishments			
•			
Budget	Billed	ECAC	Projected (Over)/Under
\$266,946	\$0	\$266,946	\$0

7107 – PEI: Ground Level Monitoring Program			
Tasks			
<p><i>Purposes: 1) To verify the protective nature of the current MZ-I Plan with regard to permanent land subsidence and ground fissuring in the Managed Area.</i></p> <p><i>2) To develop a pumping and recharge plan to minimize the risk of future land subsidence and ground fissuring across all of MZ-I.</i></p> <ul style="list-style-type: none"> • Setup and Maintenance of Monitoring Network. Subtasks include: <ul style="list-style-type: none"> • Equipment maintenance at the Ayala Park Extensometer and across entire monitoring network • Aquifer System Monitoring and Testing. Subtasks include: <ul style="list-style-type: none"> • Collection and organization of groundwater-level and groundwater-production data from wells in MZI monitoring network • Conduct ASR pilot test at Well CH-16 • Aquifer System Monitoring and Testing – Outside Pro (ASR pilot test at Well CH-16) • Ground Level Surveys. Subtasks include: <ul style="list-style-type: none"> • Conduct Fall 2009 ground-level survey and EDMs (horizontal monitoring) in Managed Area • Conduct Spring 2010 survey (EDMs only) • Replace destroyed benchmarks • Ground Level Surveys - Outside Pro • InSAR – multiple interferograms across entire Chino Basin for 2009-10 • InSAR - Outside Pro • Water-supply Planning within the Managed Area 			
Milestones/Accomplishments			

Budget	Billed	ECAC	Projected (Over)/Under
\$548,653	\$0	\$548,653	\$0

7108 – PEI: Hydraulic Control Monitoring Program

Tasks

Purpose: [Basin Plan and Max Benefit] Obtain surface water discharge and water quality data from the Santa Ana River and its tributaries and groundwater quality information in and adjacent to Chino Basin. These data are required by the Basin Plan (the surface water stations and frequencies are specified in Table 5-8a) and for the Hydraulic Control Monitoring Program – a maximum benefit requirement in the Basin Plan. The data are also used for the Biannual State of the Basin report and for the Chino Basin Groundwater Model.

- Measure Discharge at Specified Surface Water Stations in the Santa Ana River and Tributaries. Direct Discharge measurements are made at 6 stations every other week. Subtasks include:
 - scheduling the field work
 - performing the field work
 - QA/QC'ing the discharge calculations
 - uploading the discharge data to Watermaster's database.
 - The field work follows the SOPs and the QAPP defined in the 2004 HCMP Work Plan.
- Collect Grab Surface Water Quality Samples at Specified Surface Water Stations in the Santa Ana River and Tributaries. Samples are collected at 14 stations every other week. Samples are also collected from three POTWs. Data from IEUA's POTW discharges are obtained from IEUA. Subtasks include:
 - scheduling the field work and coordinating with the analytical laboratory
 - performing the field work
 - uploading field and laboratory data to Watermaster's database.
- Collect annual groundwater quality samples from the 21 HCMP monitoring wells. Subtasks include:
 - scheduling the field work and coordinating with the analytical laboratory
 - performing the field work
 - uploading field and laboratory data to Watermaster's database.
- Collect near-river groundwater samples at the NAWQA and SARWC Wells. The 2 NAWQA and 2 SARWC wells are sampled monthly. Subtasks include:
 - scheduling the field work and coordinating with the analytical laboratory
 - performing the field work
 - uploading field and laboratory data to Watermaster's database.
- Routinely collect discharge data from the Santa Ana River and its tributaries measured by the USGS and collect treatment plant effluent discharge and water quality data collected by The City of Riverside, the City of Corona, and the WRRCRWA. All data are processed, checked for QA/QC and loaded to Watermaster's database.
- Interpretation of HCMP Data and Data Analyses/Comparison with Metrics. All data generated in

the HCMP, as well as the GWQMP and the GWLMP will be analyzed and used to demonstrate the degree of hydraulic control obtained by basin re-operation and desalter production.			
<ul style="list-style-type: none"> • 2009 Aerial Photograph. Watermaster will purchase a compressed, digital 2009 Aerial Photograph of the Chino Basin Area in support of the HCMP. • HCMP Monitoring Well Master Plan and Grant Applications. Watermaster and IEUA will develop a master plan of new monitoring wells that will be required to demonstrate hydraulic control in Chino Basin as part of the Maximum Benefit requirement. Approximately two nests of wells are proposed per year beginning in FY 2010/11. The agencies will endeavor to seek grant funding whenever possible. • Reports—Compose four quarterly data reports and one annual HCMP report (draft and final). • Meetings 			
Milestones/Accomplishments			
.			
Budget	Billed	ECAC	Projected (Over)/Under
\$553,479	\$0	\$553,479	\$0

7109 – PE1: Recharge and Well Monitoring Program: Pursuant to the Groundwater Recharge Permit and Maximum Benefit			
Tasks			
<ul style="list-style-type: none"> • Review Quarterly and Annual Reports for Chino Basin Recycled Water Groundwater Recharge Program • Review results of the Brooks Basin Tracer Test. • Review Start-Up Protocol Reports as needed. 			
Milestones/Accomplishments			
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Budget	Billed	ECAC	Projected (Over)/Under
\$9,152	\$0	\$9,152	\$0

7202 – PE2: Recharge Master Plan (Conducted over a Two-Year Period) (FY 08/09 and FY 09/10)			
Tasks			
<p><i>Purpose: December 21, 2007 Court Order, Condition Subsequent No. 5: “By July 1, 2008, Watermaster shall submit to the Court a detail outline of the scope and content of its first Recharge Master Plan Update, and shall report its progress by January 1, 2009 and July 1, 2009. December 21, 2007 Court Order, Condition Subsequent No. 8: “By July 1, 2010, Watermaster shall submit to the Court for approval an updated Recharge Master Plan. The updated Recharge Master Plan shall include all the elements listed in the <u>Special Referee’s</u></i></p>			

Final Report and Recommendations.

- Task 1 Project Management
- Task 2: Collect, Compile, and Review Data and Reports
- Task 3: Develop Planning Criteria
- Task 4: Characterize How Land Use Decisions and Storm Water Management Affect Safe Yield
- Task 5: Conduct Initial Integrated Review of Water Demands and Water Supply Plans
- Task 6: Describe Storm Water Recharge and Recharge Enhancement Opportunities
- Task 7: Describe Supplemental Water Recharge and Supplemental Water Recharge Enhancement Opportunities
- Task 8: Integrate Storm and Supplemental Water Recharge Projects
- Task 9: Conduct Final Integrated Review of Water Demands and Water Supply Plans
- Task 10: Prepare Recharge Master Plan
- Task 11: Prepare Final Report

Milestones/Accomplishments

Budget	Billed	ECAC	Projected (Over)/Under
\$560,425	\$0	\$560,425	\$0

7202.Y – PE3: Subsurface Investigation of the Wineville Basin

Tasks

- Develop and Implement the Field Program
- Review the Field Program Data
- Prepare Reports

Milestones/Accomplishments

Budget	Billed	ECAC	Projected (Over)/Under
\$77,625	\$0	\$77,625	\$0

7303 – PE3/5: Water Supply Plan for Desalter

Tasks

Purpose: [Basin Plan and Max Benefit] Plan, site, drill, and construct wells for the Chino Creek Desalter Well Field. This well field is required for hydraulic control in the southwest portion of Chino Basin – hydraulic control is a necessary condition for maximum benefit in the Basin Plan.

- Chino Creek Desalter Well Field. Subtasks include:

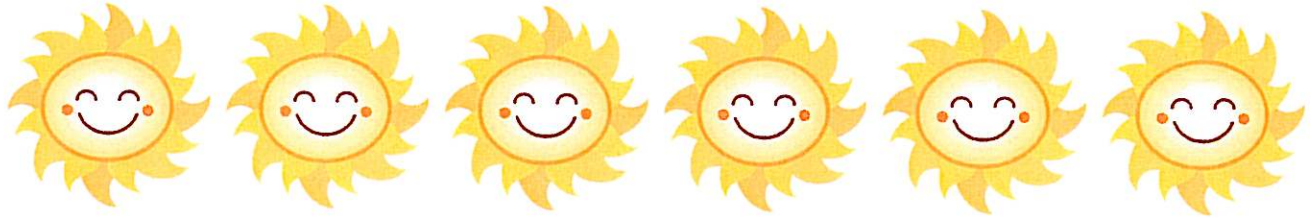
<ul style="list-style-type: none"> • Coordination with CDA, other agencies, and consultant for desalter well field development. • Review conceptual siting. • Review test well siting. • Review of lithologic geophysical logs and review well design. • Provide groundwater flow modeling to assess the effects of planned desalter well field operations, including the addition of new wells. 			
Milestones/Accomplishments			
•			
Budget	Billed	ECAC	Projected (Over)/Under
\$72,309	\$0	\$72,309	\$0

7402 – PE4: Management Zone Strategies			
Tasks			
<p><i>Purposes: 1) To verify the protective nature of the current MZ-1 Plan with regard to permanent land subsidence and ground fissuring in the Managed Area.</i></p> <p><i>2) To develop a pumping and recharge plan to minimize the risk of future land subsidence and ground fissuring across all of MZ-1.</i></p> <p><i>3) To assess groundwater quality conditions in Management Zone 3. MZ-3 monitoring program has been on-going for three years. The monitoring program will be completed this fiscal year with the completion of the final report.</i></p> <ul style="list-style-type: none"> • PE4/MZ-1: Data Analyses and Reports. Subtasks include: <ul style="list-style-type: none"> • Analysis of production, piezometric, extensometer, ground-level survey, horizontal strain, InSAR, and seismic data • Preparation of MZ1 Annual Report • Update of MZ1 Plan • PE4/MZ-1: Meetings and Admin 			
Milestones/Accomplishments			
•			
Budget	Billed	ECAC	Projected (Over)/Under
\$81,280	\$0	\$81,280	\$0

7502 – PE6/7: Cooperative Efforts/Salt Management			
Tasks			
<p><i>Purpose: These tasks address special water quality issues that impact Chino Basin.</i></p> <ul style="list-style-type: none"> • Water Quality Committee Meetings. This task assumes four, quarterly meetings with the WQC. 			

<ul style="list-style-type: none"> As Needed Investigations (e.g., perchlorate isotopes). This task is for special water quality studies, for example, a perchlorate isotope source study of Hole Lake, and/or a study of low detection limit perchlorate in the Santa Ana River and potential impacts to Chino Basin due to increased desalter and JCSD pumping. Ontario International Airport VOC Plume. Subtasks include: <ul style="list-style-type: none"> coordination and negotiation with OIA PRPs oversight of monitoring well drilling, construction, and testing Chino Airport VOC Plume. Subtasks include: <ul style="list-style-type: none"> coordination and negotiation with Chino Airport PRP. Bloomington Divide Water Level Investigation 			
Milestones/Accomplishments			
.			
Budget	Billed	ECAC	Projected (Over)/Under
\$162,313	\$0	\$162,313	\$0

7602 – PE8/9: Storage Management & Conjunctive Use			
Tasks			
<ul style="list-style-type: none"> General Consulting SDCWA and CLWA Program Metropolitan 			
Milestones/Accomplishments			
.			
Budget	Billed	ECAC	Projected (Over)/Under
\$20,087	\$0	\$20,087	\$0



CHINO BASIN WATERMASTER

II. BUSINESS ITEM

C. APPLICATION FOR STORAGE ACCOUNT

