



# CHINO BASIN WATERMASTER



## NOTICE OF MEETINGS

Thursday, October 1, 2009

1:00 p.m. – Appropriative & Non-Ag Pool Meeting

*AT THE CHINO BASIN WATERMASTER OFFICES*

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





# CHINO BASIN WATERMASTER

Thursday, October 1, 2009

1:00 p.m. – Appropriative & Non-Ag 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*

**1:00 p.m. – October 1, 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 September 3, 2009 *(Page 1)*

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of August 2009 *(Page 5)*
2. Watermaster Visa Check Detail for the month of August 2009 *(Page 9)*
3. Combining Schedule for the Period July 1, 2009 through August 31, 2009 *(Page 11)*
4. Treasurer's Report of Financial Affairs for the Period August 1, 2009 through August 31, 2009 *(Page 13)*
5. Budget vs. Actual July through August 2009 *(Page 15)*

**II. BUSINESS ITEM**

**A. CHINO BASIN REPLENISHMENT**

Discussion and Possible Action to Consider Request from Fontana Water Company Regarding Disposition of 2,600 acre-feet of Water Purchased Through the Purchase and Sale Agreement *(Page 17)*

**B. CHINO BASIN WATERMASTER 2009-2010 ASSESSMENT PACKAGE**

Consider Approval of the Chino Basin Watermaster 2009-2010 Assessment Package *(Page 21)*

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Court Transition Process
2. DYY/Storage Update



**C. CEO/STAFF REPORT**

1. Legislative Update
2. Recharge Report
3. Auction Update
4. Strategic Planning Conference Recap

**IV. INFORMATION**

1. Newspaper Articles (*Page 59*)

**V. POOL MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. FUTURE MEETINGS**

October 1, 2009	1:00 p.m.	Appropriative & Non-Agricultural Pool Meeting @ CBWM
October 8, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
October 15, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
October 22, 2009	9:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
October 22, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM
October 22, 2009	1:00 p.m.	Recharge Master Plan Workshop @ CBWM
October 27, 2009	9:00 a.m.	GRCC Meeting @ CBWM
November 5, 2009	1:00 p.m.	Appropriative & Non-Agricultural Pool Meeting @ CBWM
November 12, 2009	9:00 a.m.	Agricultural Pool Meeting @ CBWM
November 19, 2009	8:00 a.m.	IUEA Dry Year Yield Meeting @ CBWM
November 19, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
November 19, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM
<b>* December 3, 2009</b>	<b>1:00 p.m.</b>	<b>Appropriative &amp; Non-Agricultural Pool Meeting @ CBWM</b>
December 10, 2009	9:00 a.m.	Agricultural Pool Meeting @ CBWM
December 17, 2009	8:00 a.m.	IUEA Dry Year Yield Meeting @ CBWM
December 17, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
December 17, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM

**\* Same day as ACWA Conference**

**Meeting Adjourn**



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Joint Appropriative and Non-Agricultural Pool Meeting – September 3, 2009





**Draft Minutes**  
**CHINO BASIN WATERMASTER**  
**JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING**  
September 3, 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 September 3, 2009 at 1:00 p.m.

**APPROPRIATIVE POOL MEMBERS PRESENT**

Ken Jeske, Chair	City of Ontario
Mark Kinsey	Monte Vista Water District
Robert DeLoach	Cucamonga Valley Water District
Mike McGraw	Fontana Water Company
Robert Young	Fontana Union Water Company
Charles Moorrees	San Antonio Water Company
Raul Garibay	City of Pomona
Ron Craig	City of Chino Hills
Dave Crosley	City of Chino
Robert Tock	Jurupa Community Services District
J. Arnold Rodriguez	Santa Ana River Water Company
Lonnie Curtis	City of Upland

**NON-AGRICULTURAL POOL MEMBERS PRESENT**

Kevin Sage	Vulcan Materials Company (Calmat Division)
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**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
Janine Wilson	Recording Secretary

**Watermaster Consultants Present**

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

**Others Present**

David De Jesus	Three Valleys Municipal Water District
Marty Zvirbulis	Cucamonga Valley Water District
Dave Batt	San Gabriel Valley Water Company
Josh Swift	Fontana Water Company
John Mura	City of Chino Hills
Eunice Ulloa	Chino Basin Water Conservation District
Harold Lea	FTI

Chair Jeske called the Joint Appropriative and Non-Agricultural Pool Meeting to order at 1:00 p.m.

**AGENDA - ADDITIONS/REORDER**

No additions or reorders were made to the agenda. It was noted the confidential session listed on the agenda will take place regarding Business Item IIB – Water Auction Presentation.

**I. CONSENT CALENDAR****A. MINUTES**

1. Minutes of the Special Appropriative Pool Meeting held July 30, 2009
2. Minutes of the Special Non-Agricultural Pool Meeting held July 30, 2009
3. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held August 13, 2009

**B. FINANCIAL REPORTS**

1. Watermaster Visa Check Detail for the month of July 2009
2. Combining Schedule for the Period July 1, 2009 through July 31, 2009
3. Treasurer's Report of Financial Affairs for the Period July 1, 2009 through July 31, 2009
4. Budget vs. Actual July 2009

*Motion by DeLoach, second by Kinsey, and by unanimous vote – Non-Ag concurred  
Moved to approve Consent Calendar item A through B, as presented*

**II. BUSINESS ITEM****A. AD-HOC COMMITTEE**

Mr. Manning stated Watermaster staff has discussed at past meetings the development of a Watermaster Policy Manual that would incorporate all of the different policies and findings that have been made over the years into one publication. This will help present and future Watermaster staff members and parties understand Watermaster. The first policy manual draft is not to make up anything new but to allow this manual to be the one-shop-stop manual for easy reference. Mr. Manning stated an Ad-Hoc Committee needs to be developed to review and oversee this development which will then be presented through the Watermaster process. A discussion regarding setting up the Ad-Hoc Committee ensued. It was noted Monte Vista Water District, Cucamonga Valley Water District, City of Ontario, City of Chino, City of Chino Hills, City of Upland, and a Non-Agricultural Pool delegate will have representatives on this committee and the first meeting will be held on September 14, 2009 at the Cucamonga Valley Water District office from 11:00 a.m. to 2:00 p.m. Mr. Manning stated he will send out a draft manual prior to the meeting.

No motion was made.

**B. WATER AUCTION PRESENTATION**

Mr. Manning introduced this item and noted Counsel Slater is here and available to answer questions. Mr. Manning stated Mr. Lea is here from FTI which is the firm hired to run the auction to answer any questions. Mr. Manning reviewed the Marketing Plan Objectives, Target Market Segments, Internal Auction Calendar, and Progress to Date, Outreach Campaign, and the Outreach Materials in a detailed presentation. Mr. Manning noted the Outreach Campaign kickoff will begin on September 8, 2009 along with having the Auction Website up and running. A lengthy discussion regarding the water auction process, press releases, auction budget, advertising documents, and environmental reports ensued.

No motion was made.

**III. REPORTS/UPDATES****A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. Auction Update**

Counsel Fife stated this item was previously discussed under the Business Item section of the agenda.



2. Court Transition Process

Counsel Fife stated Watermaster is getting a new judge because Judge Wade is retiring at the end of September. Two documents have been distributed recently; one is a letter to the presiding judge asking him to engage in a process with us to possibly take our input as to who our next judge would be and a conference call is scheduled today at 3:00 p.m. to discuss this. The other document is a draft case management order which will provide a roadmap to the next judge about Watermaster; a draft of this was distributed and only one comment has been received back and this will also be discussed on the conference call today. Counsel Fife noted if both documents are given the okay on the conference call today, Judge Wade indicated he would be willing to sign an order if it had been vetted and there was no objection. These will be submitted to the court at the hearing on September 17, 2009. A discussion regarding a possible new judge list ensued.

**B. FINANCIAL REPORT**

1. Financial Changes

Ms. Rojo stated as a result in the change in the meetings, normally there are five financial reports included in the meeting package and now there will be a month lag time for the cash disbursement report which is a listing of all the checks paid. There is not one in the package this month and it will be put back in the package starting next month.

2. Assessment Package Workshop

Ms. Rojo stated the Assessment Package Workshop is scheduled for September 9, 2009 at 2:00 p.m. Several topics will need to be discussed at the workshop prior to the Assessment Package being finalized to go through the Watermaster process.

**C. ENGINEERING REPORT**

1. Recharge Master Plan Update

No comment was made regarding this item.

2. State of the Basin Report

No comment was made regarding this item.

**D. CEO/STAFF REPORT**

1. Legislative Update

Mr. Manning stated legislative information has been put on the back table that was not in the meeting packet. M. Manning reviewed the handouts in detail. Mr. Manning offered comment on the joint senate and assembly committee meeting which met last week. The schedule from that meeting called for a water conference committee to be developed and that committee was finalized yesterday. A discussion regarding this matter and review of the schedule ensued. Mr. Manning stated AB1366 was passed by the senate and now is going to the governor's desk. Mr. Manning noted the governor vetoed a bill similar to this last year.

3. Recharge Update

Mr. Manning stated the most recent recharge update is available on the back table.

4. Open Meeting Rules Update

Mr. Manning stated this item was discussed under Business Item No. 1 Ad-Hoc Committee. No further comment was made.

**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.

The Appropriative and Non-Agricultural Pools meeting convened its meeting at 1:40 p.m.

The closed session was convened at 2:55 p.m.

**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.

No reportable action was provided from the confidential session.

**VIII. FUTURE MEETINGS**

September 1, 2009	9:00 a.m.	Special GRCC Meeting @ CBWM
September 3, 2009	1:00 p.m.	Appropriative & Non-Agricultural Pool Meeting @ CBWM
September 9, 2009	2:00 p.m.	Assessment Package Workshop @ CBWM
September 10, 2009	9:00 a.m.	MZ1 Technical Committee Meeting @ CBWM
September 15, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
September 17, 2009	8:30 a.m.	Tentative CBWM Hearing @ San Bernardino Court
September 22, 2009	10:00 a.m.	Water Quality Meeting @ CBWM
September 24, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
September 24, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
September 24, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM
September 28, 2009	11:00 a.m.	Golf Tournament @ Oak Quarry
September 28, 2009	5:00 p.m.	Strategic Planning Kick-Off Reception @ Oak Quarry
September 29, 2009	7:30 a.m.	Strategic Planning Conference @ Etiwanda Gardens
October 1, 2009	1:00 p.m.	Appropriative & Non-Agricultural Pool Meeting @ CBWM
October 8, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
October 15, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
October 15, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
October 22, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM
October 22, 2009	1:00 p.m.	Recharge Master Plan Workshop @ CBWM

The Appropriative Pool and Non-Agricultural Pool meeting was dismissed by Chair Jeske at 2:56 p.m.

Secretary: \_\_\_\_\_

Minutes Approved: \_\_\_\_\_



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### B. FINANCIAL REPORTS

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







# CHINO BASIN WATERMASTER

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

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**KENNETH R. MANNING**  
Chief Executive Officer

## STAFF REPORT

**DATE:** October 1, 2009  
**TO:** Committee Members  
**SUBJECT:** Cash Disbursement Report

### SUMMARY

**Issue** – Record of cash disbursements for the month of August 2009.

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

**Fiscal Impact** – Funds disbursed were included in the FY 2009-2010 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 August 2009 were \$2,457,085.68. The most significant expenditures during the month were Marygold Mutual Water Company in the amount of \$1,003,000.00, Inland Empire Utilities Agency in the amount of \$684,570.51, and Wildermuth Environmental Inc. in the amount of \$476,288.70.



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**CHINO BASIN WATERMASTER**  
**Cash Disbursement Detail Report**  
**August 2009**

Type	Date	Num	Name	Amount
Aug 09				
Bill Pmt -Check	8/4/2009	13487	WILDERMUTH ENVIRONMENTAL INC	-274,590.99
Bill Pmt -Check	8/4/2009	13488	DIRECTV	-79.99
Bill Pmt -Check	8/4/2009	13489	MARYGOLD MUTUAL WATER CO.	-1,003,000.00
Bill Pmt -Check	8/4/2009	13490	STATE COMPENSATION INSURANCE FU...	-1,288.66
Bill Pmt -Check	8/4/2009	13491	VISION SERVICE PLAN	-64.98
Bill Pmt -Check	8/4/2009	13470	APPLIED COMPUTER TECHNOLOGIES	-3,593.75
Bill Pmt -Check	8/4/2009	13471	BOWCOCK, ROBERT	-375.00
Bill Pmt -Check	8/4/2009	13472	FEENSTRA, BOB	-250.00
Bill Pmt -Check	8/4/2009	13473	HSBC BUSINESS SOLUTIONS	-592.42
Bill Pmt -Check	8/4/2009	13474	JAMES JOHNSTON	-810.00
Bill Pmt -Check	8/4/2009	13475	KUHN, BOB	-375.00
Bill Pmt -Check	8/4/2009	13476	LIATTI & ASSOCIATES	-231.00
Bill Pmt -Check	8/4/2009	13477	MWH LABORATORIES	-38,082.00
Bill Pmt -Check	8/4/2009	13478	PARK PLACE COMPUTER SOLUTIONS, I...	-3,450.00
Bill Pmt -Check	8/4/2009	13479	PUMP CHECK	-833.52
Bill Pmt -Check	8/4/2009	13480	R&D PEST SERVICES	-85.00
Bill Pmt -Check	8/4/2009	13481	STAPLES BUSINESS ADVANTAGE	-317.53
Bill Pmt -Check	8/4/2009	13482	VANDEN HEUVEL, GEOFFREY	-250.00
Bill Pmt -Check	8/4/2009	13483	VERIZON	-450.43
Bill Pmt -Check	8/4/2009	13484	WHITEHEAD, MICHAEL	-250.00
Bill Pmt -Check	8/4/2009	13485	WILLIS, KENNETH	-500.00
Bill Pmt -Check	8/4/2009	13486	YUKON DISPOSAL SERVICE	-142.88
Bill Pmt -Check	8/4/2009	13492	CAMACHO, MICHAEL	-750.00
Bill Pmt -Check	8/6/2009	13493	PAYCHEX	-334.03
Bill Pmt -Check	8/6/2009	13494	REID & HELLYER	-7,173.55
Bill Pmt -Check	8/7/2009	13495	PREMIERE GLOBAL SERVICES	-196.54
Bill Pmt -Check	8/7/2009	13496	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	8/7/2009	13497	UNION 76	-320.55
Bill Pmt -Check	8/7/2009	13498	UNITED PARCEL SERVICE	-67.86
Bill Pmt -Check	8/7/2009	13499	W.C. DISCOUNT MOBILE AUTO DETAILI...	-100.00
Bill Pmt -Check	8/12/2009	13500	JASON KARNER	-110.00
Bill Pmt -Check	8/12/2009	13501	STAULA, MARY L	-409.83
General Journal	8/14/2009	090803	PAYROLL	-8,444.83
General Journal	8/14/2009	090803	PAYROLL	-32,716.35
Bill Pmt -Check	8/18/2009	13502	A&R BRIDGESTONE FIRESTONE AUTO ...	-774.22
Bill Pmt -Check	8/18/2009	13503	ACWA SERVICES CORPORATION	-209.95
Bill Pmt -Check	8/18/2009	13504	BANK OF AMERICA	-1,602.59
Bill Pmt -Check	8/18/2009	13505	BROWNSTEIN HYATT FARBER SCHRECK	-74,984.80
Bill Pmt -Check	8/18/2009	13506	CINDY NAVAROLI	-1,050.00
Bill Pmt -Check	8/18/2009	13507	CITISTREET	-800.00
Bill Pmt -Check	8/18/2009	13508	CUCAMONGA VALLEY WATER DISTRICT	-9,059.00
Bill Pmt -Check	8/18/2009	13509	ESRI	-2,818.14
Bill Pmt -Check	8/18/2009	13510	GUARANTEED JANITORIAL SERVICE, INC.	-865.00
Bill Pmt -Check	8/18/2009	13511	SAFEGUARD DENTAL & VISION	-57.68
Bill Pmt -Check	8/18/2009	13512	STAULA, MARY L	-136.61
Bill Pmt -Check	8/18/2009	13513	VERIZON WIRELESS	-566.35
Bill Pmt -Check	8/18/2009	13514	CITISTREET	-2,621.85
Bill Pmt -Check	8/18/2009	13515	INLAND EMPIRE UTILITIES AGENCY	-684,570.51
Bill Pmt -Check	8/20/2009	13516	PETTY CASH	-460.33
Bill Pmt -Check	8/20/2009	13517	BANC OF AMERICA LEASING	-3,215.74
Bill Pmt -Check	8/20/2009	13518	BLACK & VEATCH CORPORATION	-22,967.50
Bill Pmt -Check	8/20/2009	13519	CALPERS	-4,007.27
Bill Pmt -Check	8/20/2009	13520	CUCAMONGA VALLEY IAAP	-50.00
Bill Pmt -Check	8/20/2009	13521	FIRST AMERICAN REAL ESTATE SOLUTI...	-125.00
Bill Pmt -Check	8/20/2009	13522	IAAP MULTI-CHAPTER SYMPOSIUM	-150.00
Bill Pmt -Check	8/20/2009	13523	MCI	-1,232.93
Bill Pmt -Check	8/20/2009	13524	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	8/20/2009	13525	RICOH BUSINESS SYSTEMS-Lease	-897.19
Bill Pmt -Check	8/20/2009	13526	SOLINST CANADA LTD.	-970.00
Bill Pmt -Check	8/20/2009	13527	W.C. DISCOUNT MOBILE AUTO DETAILI...	-46.00
General Journal	8/22/2009	090806	PAYROLL	-6,494.37
General Journal	8/22/2009	090806	PAYROLL	-27,313.66
Bill Pmt -Check	8/26/2009	13528	ARROWHEAD MOUNTAIN SPRING WATER	-56.53
Bill Pmt -Check	8/26/2009	13529	BETTY J. KELLEY, C.S.R.	-520.00
Bill Pmt -Check	8/26/2009	13530	DIRECTV	-79.99
Bill Pmt -Check	8/26/2009	13531	INLAND EMPIRE UTILITIES AGENCY	-18,514.34
Bill Pmt -Check	8/26/2009	13532	KONICA MINOLTA BUSINESS SOLUTIONS	-634.99
Bill Pmt -Check	8/26/2009	13533	SANTA ANA WATERSHED PROJECT AU...	-5,365.38

CHINO BASIN WATERMASTER  
Cash Disbursement Detail Report  
August 2009

Type	Date	Num	Name	Amount
Bill Pmt -Check	8/26/2009	13534	STANDARD INSURANCE CO.	-601.41
Bill Pmt -Check	8/26/2009	13535	VISION SERVICE PLAN	-64.98
Bill Pmt -Check	8/26/2009	13536	WESTERN DENTAL SERVICES, INC.	-28.06
Bill Pmt -Check	8/26/2009	13537	WILDERMUTH ENVIRONMENTAL INC	-201,697.71
Bill Pmt -Check	8/26/2009	13538	COMPUTER NETWORK	-978.75
<b>Aug 09</b>				<b><u>-2,457,085.68</u></b>

5:57 PM  
09/23/09

CHINO BASIN WATERMASTER  
Check Detail  
August 2009

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Ch...	13504	8/18/2009	BANK OF AMER...	1012 · Bank of America Gen'l Ckg	
Bill	4024...	7/31/2009		6909.1 · OBMP Meetings	-390.01
				6191 · Conferences	-721.46
				6055 · Computer Hardware	-30.42
				6174 · Transportation	-60.00
				6312 · Meeting Expenses	-200.35
				6212 · Meeting Expense	-200.35
TOTAL					-1,602.59

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL APPROPRIATIVE	POOL AGRICULTURAL	NON-AGRIC. POOL	GROUNDWATER REPLENISHMENT	GROUNDWATER OPERATIONS SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS
Administrative Revenues	111,000	-	-	-	-	-	-	-	111,000
Administrative Assessments	111,000	-	-	-	-	-	-	-	111,000
Interest Revenue	-	-	-	-	-	-	-	-	-
Mutual Agency Project Revenue	-	-	-	-	-	-	-	-	-
Grant Income	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-
Total Revenues	111,000	-	-	-	-	-	-	-	111,000
Administrative & Project Expenditures	82,796	-	-	-	-	-	-	-	82,796
Watermaster Administration	9,888	-	-	-	-	-	-	-	9,888
Watermaster Board-Advisory Committee	-	-	-	-	-	-	-	-	-
Pool Administration	-	6,804	24,483	-	1,398	-	-	-	32,685
Optimum Basin Mgmt Administration	-	297,115	-	-	-	-	-	-	297,115
OBMP Project Costs	-	1,344,625	-	-	-	-	-	-	1,344,625
Debt Service	-	-	-	-	-	-	-	-	-
Education Funds Use	-	-	-	-	-	-	-	-	-
Mutual Agency Project Costs	-	-	-	-	-	-	-	-	-
Total Administrative/OBMP Expenses	92,684	1,641,740	24,483	-	1,398	-	-	-	1,767,109
Net Administrative/OBMP Expenses	18,316	(1,641,740)	-	-	-	-	-	-	(1,623,424)
Allocate Net Admin Expenses To Pools	-	(13,738)	(4,120)	-	(458)	-	-	-	(18,316)
Allocate Net OBMP Expenses To Pools	-	1,641,740	369,254	-	41,093	-	-	-	2,052,087
Allocate Debt Service to App Pool	-	-	-	-	-	-	-	-	-
Agricultural Expense Transfer*	-	389,618	(389,618)	-	42,032	-	-	-	42,032
Total Expenses	1,614,077	-	-	-	(42,032)	-	-	-	1,572,045
Net Administrative Income	(1,614,077)	-	-	-	(42,032)	-	-	-	(1,656,109)
Other Income/(Expense)	-	-	-	-	-	-	-	-	-
Replenishment Water Assessments	-	-	-	-	-	-	-	-	-
Interest Revenue	-	-	-	-	-	-	-	-	-
Water Purchases	-	-	-	-	-	-	(1,003,000)	-	(1,003,000)
Balance Adjustment	-	-	-	-	-	-	-	-	-
Groundwater Replenishment	-	-	-	-	-	-	(1,003,000)	-	(1,003,000)
Net Other Income	-	-	-	-	-	-	(1,003,000)	-	(1,003,000)
Net Transfers To/(From) Reserves	(2,659,109)	(1,614,077)	-	-	(42,032)	-	(1,003,000)	-	(2,659,109)

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

<b>DEPOSITORIES:</b>			
Cash on Hand - Petty Cash		\$	500
Bank of America			
Governmental Checking-Demand Deposits		\$	388,281
Zero Balance Account - Payroll			388,281
Local Agency Investment Fund - Sacramento			8,494,199
<b>TOTAL CASH IN BANKS AND ON HAND</b>	8/31/2009	\$	<b>8,882,980</b>
<b>TOTAL CASH IN BANKS AND ON HAND</b>	7/31/2009		<b>11,339,494</b>
<b>PERIOD INCREASE (DECREASE)</b>		\$	<b><u>(2,456,514)</u></b>

**CHANGE IN CASH POSITION DUE TO:**

Decrease/(increase) in Assets:	Accounts Receivable	\$	-
	Assessments Receivable		-
	Prepaid Expenses, Deposits & Other Current Assets		-
(Decrease)/Increase in Liabilities	Accounts Payable		(1,079,031)
	Accrued Payroll, Payroll Taxes & Other Current Liabilities		(11,262)
	Transfer to/(from) Reserves		(1,366,221)
<b>PERIOD INCREASE (DECREASE)</b>		\$	<b><u>(2,456,514)</u></b>

**SUMMARY OF FINANCIAL TRANSACTIONS:**

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 7/31/2009	\$ 500	\$ 944,795	\$ -	\$ 10,394,199	\$ 11,339,494
Deposits	-	750	-	-	750
Transfers	-	1,825,031	74,969	(1,900,000)	-
Withdrawals/Checks	-	(2,382,295)	(74,969)	-	(2,457,264)
Balances as of 8/31/2009	\$ 500	\$ 388,281	\$ -	\$ 8,494,199	\$ 8,882,980
<b>PERIOD INCREASE OR (DECREASE)</b>	\$ -	\$ (556,514)	\$ -	\$ (1,900,000)	\$ (2,456,514)

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

**INVESTMENT TRANSACTIONS**

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
8/19/2009	Withdrawal	L.A.I.F.	\$ (1,900,000)				
<b>TOTAL INVESTMENT TRANSACTIONS</b>			<b>\$ (1,900,000)</b>				

\* The earnings rate for L.A.I.F. is a daily variable rate; 1.51% was the effective yield rate at the Quarter ended June 30, 2009.

**INVESTMENT STATUS  
August 31, 2009**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 8,494,199			
<b>TOTAL INVESTMENTS</b>	<b>\$ 8,494,199</b>			

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

CHINO BASIN WATERMASTER  
Profit & Loss Budget vs. Actual  
July through August 2009

	<u>Jul - Aug 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4010 · Local Agency Subsidies		148,410	-148,410	
4110 · Admin Asmnts-Approp Pool		7,185,411	-7,185,411	
4120 · Admin Asmnts-Non-Agri Pool		155,427	-155,427	
4700 · Non Operating Revenues		191,540	-191,540	
4900 · Miscellaneous income	111,000			
<b>Total Income</b>	<u>111,000</u>	<u>7,680,788</u>	<u>-7,569,788</u>	<u>1.45%</u>
<b>Gross Profit</b>	111,000	7,680,788	-7,569,788	1.45%
<b>Expense</b>				
6010 · Salary Costs	62,953	487,838	-424,885	12.9%
6020 · Office Building Expense	12,415	102,500	-90,085	12.11%
6030 · Office Supplies & Equip.	4,754	43,500	-38,746	10.93%
6040 · Postage & Printing Costs	9,802	84,300	-74,498	11.63%
6050 · Information Services	28,609	148,500	-119,891	19.27%
6060 · Contract Services	34,050	98,000	-63,950	34.75%
6080 · Insurance	15,934	16,730	-796	95.24%
6110 · Dues and Subscriptions	46	17,000	-16,954	0.27%
6140 · WM Admin Expenses	814	3,000	-2,186	27.13%
6150 · Field Supplies	24	2,800	-2,776	0.87%
6170 · Travel & Transportation	4,856	37,800	-32,944	12.85%
6190 · Conferences & Seminars	732	26,500	-25,768	2.76%
6200 · Advisory Comm - WM Board	2,772	18,078	-15,306	15.34%
6300 · Watermaster Board Expenses	7,115	43,823	-36,708	16.24%
8300 · Appr PI-WM & Pool Admin	6,804	23,069	-16,265	29.5%
8400 · Agri Pool-WM & Pool Admin	4,071	25,114	-21,043	16.21%
8467 · Ag Legal & Technical Services	20,413	98,000	-77,588	20.83%
8470 · Ag Meeting Attend -Special		12,000	-12,000	0.0%
8471 · Ag Pool Expense		65,000	-65,000	0.0%
8500 · Non-Ag PI-WM & Pool Admin	1,398	6,677	-5,279	20.93%
6500 · Education Funds Use Expens		375	-375	0.0%
9500 · Allocated G&A Expenditures	-92,193	-488,230	396,037	18.88%
	<u>125,369</u>	<u>872,374</u>	<u>-747,005</u>	<u>14.37%</u>
6900 · Optimum Basin Mgmt Plan	273,653	1,399,371	-1,125,718	19.56%
6950 · Mutual Agency Projects		10,000	-10,000	0.0%
9501 · G&A Expenses Allocated-OBMP	23,462	148,448	-124,986	15.81%
	<u>297,115</u>	<u>1,557,819</u>	<u>-1,260,704</u>	<u>19.07%</u>
7101 · Production Monitoring	27,972	107,047	-79,075	26.13%
7102 · In-line Meter Installation	4,398	56,179	-51,781	7.83%
7103 · Grdwtr Quality Monitoring	52,915	214,362	-161,447	24.69%



CHINO BASIN WATERMASTER  
 Profit & Loss Budget vs. Actual  
 July through August 2009

	<u>Jul - Aug 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7104 · Gdwtr Level Monitoring	69,363	366,956	-297,593	18.9%
7105 · Sur Wtr Qual Monitoring	434	43,912	-43,478	0.99%
7107 · Ground Level Monitoring	16,839	550,059	-533,220	3.06%
7108 · Hydraulic Control Monitoring	42,413	567,022	-524,609	7.48%
7109 · Recharge & Well Monitoring Prog	1,105	9,152	-8,047	12.07%
7200 · PE2- Comp Recharge Pgm	421,640	1,478,560	-1,056,920	28.52%
7300 · PE3&5-Water Supply/Desalte	5,988	96,003	-90,015	6.24%
7400 · PE4- Mgmt Plan	22,609	91,985	-69,376	24.58%
7500 · PE6&7-CoopEfforts/SaltMgmt	28,267	163,727	-135,460	17.27%
7600 · PE8&9-StorageMgmt/Conj Use	14,909	29,550	-14,641	50.45%
7690 · Recharge Improvement Debt Pymt	567,042	1,131,233	-564,191	50.13%
7700 · Inactive Well Protection Prgm		5,066	-5,066	0.0%
9502 · G&A Expenses Allocated-Projects	68,731	339,782	-271,051	20.23%
	<u>1,344,625</u>	<u>5,250,595</u>	<u>-3,905,970</u>	<u>25.61%</u>
 Total Expense	 <u>1,767,108</u>	 <u>7,680,788</u>	 <u>-5,913,680</u>	 <u>23.01%</u>
 Net Ordinary Income	 -1,656,108		 -1,656,108	 100.0%
 Other Income/Expense				
Other Expense				
5100 · Other Water Purchases	1,003,000			
9999 · To/(From) Reserves	-2,659,108			
Total Other Expense	<u>-1,656,108</u>			
 Net Other Income	 <u>1,656,108</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. CHINO BASIN REPLENISHMENT







# 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:** October 1, 2009  
**TO:** Appropriative Pool  
**SUBJECT:** Auction Water Disposition

### SUMMARY

**Issue** – Consider request from Fontana Water Company re disposition of 2,600 AF of water purchased through the Purchase and Sale Agreement

**Recommendation** – Staff recommends dedicating the water to desalter replenishment

**Financial Impact** – unknown at this time

The *Purchase and Sale Agreement for the Purchase of Water by Watermaster from Overlying (Non-Agricultural) Pool* identifies the "Storage Transfer Quantity" as that amount held in storage by the members of the Non-Agricultural Pool as of June 30, 2007 less a ten percent dedication for the purpose of Desalter Replenishment. (Purchase and Sale Agreement Section B.) Watermaster planning for the auction of the Storage Transfer Quantity has assumed an amount of 36,000 AF. The actual amount is 38,600 AF, leaving a remainder of 2,600 AF.

Initial discussion at the Appropriative Pool indicated to Watermaster that the remainder of 2,600 AF should be dedicated to Desalter Replenishment. Following this discussion Fontana Water Company sent a letter dated August 28, 2009 requesting that the Appropriative Pool consider using the 2,600 AF for the purpose of reducing the Cumulative Unmet Replenishment Obligation (CURO). Watermaster has placed the item on the Appropriative Pool agenda pursuant to this request.

According to the Purchase and Sale Agreement, there are essentially three options for disposition of this water. The first two are the use and distribution pursuant to Section F of the Purchase and Sale Agreement. According to Section F, the purchased water may be used in a manner consistent with Section 5.3(e) of the Peace Agreement. Section 5.3(e) allows the water to be used either for Desalter Replenishment or in connection with a Storage and Recovery Program.

The third option falls under the Early Termination provision of Section H of the Purchase and Sale Agreement. Under this provision if the Notice of Intent to Purchase is not issued by December 21, 2009, then the water is distributed to members of the Appropriative Pool according to the amended Paragraph 9 of the Appropriative Pool pooling plan (Exhibit G to the Judgment). Under Exhibit G, paragraph 9, the members of the Non-Agricultural Pool may, in their discretion, make water available to Watermaster to be distributed pro-rata to members of the Appropriative Pool. It is an open question whether the Early Termination provisions of Section H can be applied to only a portion of the Storage Transfer Quantity, but regardless, utilization of this process does not appear to accomplish the goals of Fontana Water Company as stated in the August 28, 2009 letter. First, it would be up to the individual discretion of the members of the Non-Agricultural Pool whether or not to make this water available, and even if they did, the water would be distributed pro rata to the members of the Appropriative Pool. Each individual Appropriator would receive a relatively small portion of the water and whether that individual would choose to use the water in some manner to reduce the CURO is not known.

Watermaster therefore recommends that the 2,600 be used according to Section F of the Purchase and Sale Agreement for either Desalter Replenishment or for use in a Storage and Recovery Program. Since the previous Appropriative Pool discussions have indicated that as between these two options the preference of the Pool was to use it for Desalter Replenishment, Watermaster recommends this as the final disposition.






# FONTANA WATER COMPANY

A DIVISION OF SAN GABRIEL VALLEY WATER COMPANY

8440 NUEVO AVENUE • P.O. BOX 987, FONTANA, CALIFORNIA 92334 • (909) 822-2201


August 28, 2009



Mr. Ken Manning  
Chief Executive Officer  
Chino Basin Watermaster  
9641 San Bernardino Road  
Rancho Cucamonga, California 91730


Subject: Chino Basin Replenishment

Dear Mr. Manning:



I am writing to express serious concern about how an additional 2,600 acre-feet of non-ag overlying pool water can be put to the highest and best beneficial use.

As you know, the Chino Basin is a primary source of groundwater for 15 water producers. Unfortunately, California has been confronted with drought conditions for over three years and potentially facing another year of lower than average precipitation. The Basin's cumulative unmet replenishment obligation ("CURO") is a key topic at the Strategic Planning Conference in September, but even so, sound Basin management policy and practices require Watermaster and water producers to focus on reducing the CURO now.



Over the last year, the Chino Basin Watermaster Board and Pools have discussed an auction of non-ag overlying rights in storage with the resulting revenue being devoted to Basin recharge projects that provide a broad mutual benefit to all appropriators and is essential for the future of the basin. However, at the last Appropriative Pool meeting there was discussion about an additional 2,600 acre-feet of non-ag overlying rights that could be purchased for the auction, or utilized for desalter replenishment, or for a separate storage and recovery agreement. At the August 13, 2009 meeting, the Appropriative Pool

Mr. Ken Manning  
Chino Basin Watermaster  
Page 2  
September 1, 2009

recommended that this water should be used for desalter replenishment. Upon further review of the auction and the additional water that has become available, Fontana Water Company urges the Appropriative Pool and Watermaster to allocate this additional water to reduce the Basin's CURO.

The requirements of the auction provide 10 percent or 4,000 acre-feet of the total non-ag pool water to desalter replenishment. For that reason, there is no need to allocate the additional 2,600 acre-feet to desalter replenishment. On the other hand, there is a compelling need for Watermaster to take action to reduce the CURO. That could readily be accomplished by either Watermaster purchasing it to offset part of the CURO or add it to the auction and expressly earmark it for that purpose. Accordingly, I respectfully urge Watermaster and the Appropriators to allocate this additional 2,600 acre-feet as recommended above to assure that the water is devoted to its highest and best and most urgently needed beneficial use. Thank you.

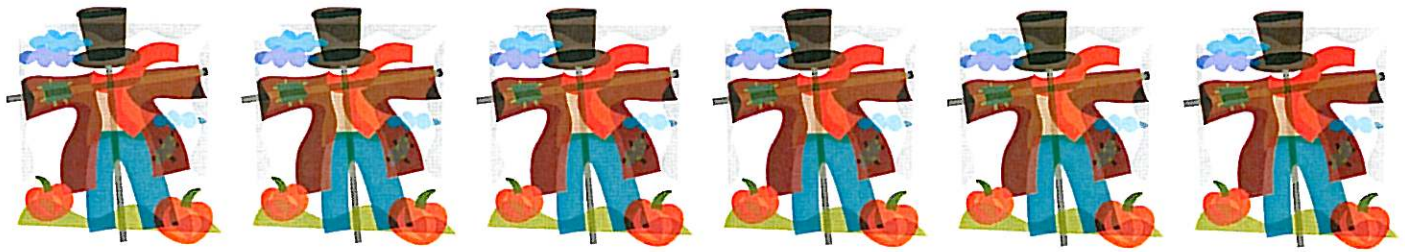
Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Young', with a large, stylized flourish extending to the right.

Robert K. Young  
Assistant General Manager

RKY:yn

cc: Ken Jeske, Chairman-Appropriative Pool



# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### B. CHINO BASIN WATERMASTER 2009-2010 ASSESSMENT PACKAGE









# CHINO BASIN WATERMASTER

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

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**KENNETH R. MANNING**  
Chief Executive Officer

## STAFF REPORT

**DATE:** October 1, 2009  
**TO:** Appropriate & Non-Agricultural Pool Members  
**SUBJECT:** FY 2009-2010 Assessment Package

### RECOMMENDATION

Staff recommends approval of the Fiscal Year 2009-2010 Assessment Package as presented.

### BACKGROUND

In March 2009, Watermaster, at the request of Appropriators, published a schedule of annual reporting deadlines, including those that relate to the Assessment Package. Per that schedule, production, land use conversion, assignment/voluntary agreement, and water transfer data were all due back to Watermaster by July. Watermaster compiled the data and on July 31, 2009, the members of the Overlying Non-Agricultural Pool and the Appropriate Pool were each sent a copy of their Water Activity Report that summarized their water activity for the previous year—including production, land use conversions, water transfers and voluntary agreements/assignments—and were each asked to verify the data gathered and summarized by Watermaster. Most of the approved and signed Water Activity Reports were received back by Watermaster by the August 14, 2009 deadline. (Watermaster followed-up with the overdue submittals, and all were eventually received.) All identified discrepancies in the reports were addressed and resolved.

Watermaster held an Assessment Package Workshop on September 9, 2009. The purpose of the workshop was to review the prior year reconciliation of production and transfers and to review the current year cash requirements pursuant to the adopted budget and the resulting impact on assessments. Discussion at the workshop covered the breakdown of how assessments are calculated, including adding administrative and OBMP budgeted costs. During the workshop, it was noted that the current Assessment Package does not address any of the issues regarding reassigning the MWD DYY losses, as approved during the August 2009 Board meeting. That will be addressed in a future Assessment Package. The Cumulative Unmet Replenishment Obligation (CURO) was also discussed at the workshop. The resulting increase attributed to the CURO from the 2007-2008 production year is included in the current Assessment Package in the column titled "prior year adjustment". Although the budgeted costs went down this year, the Assessment Package identifies a decrease in assessable production by 16,174 AF resulting in assessments of \$44.02 for OBMP and \$7.19 for general administration, excluding recharge debt service and assessments for replenishment water. For production year 2008-2009, there is a replenishment obligation of 11,426 AF, in addition to the carry-over obligation of 9,527 AF from the previous year.

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**CHINO BASIN WATERMASTER**

**DRAFT ASSESSMENT PACKAGE**

**SEPTEMBER 25, 2009**

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**CHINO BASIN WATERMASTER  
ASSESSMENT CALCULATION  
FISCAL YEAR 2009-2010**

**MEMO ONLY  
FISCAL YEAR 2009-2010  
BUDGET TOTALS**

	ASSESSMENT	APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AG POOL
2007-08 Production & Exchanges in Acre-Feet	137,427.473	103,077.958	30,909.693	3,439.822
2008-09 Production & Exchanges in Acre-Feet	121,253.204	84,716.450	32,142.764	4,393.990
		75.005%	22.492%	2.503%
		69.867%	26.509%	3.624%

**BUDGET**

		General			OBMP	General		
		Administration	OBMP	Administration		Administration	OBMP	Administration
Administration, Advisory Committee & OBMP & Implementation Projects(1)	\$872,374	\$609,505	\$3,966,499	\$231,256	\$1,504,953	\$31,613	\$205,730	
Debt Service #7690	5,677,182		0					
<b>General Admin &amp; OBMP Assessments</b>	<b>6,549,556</b>	<b>609,505</b>	<b>3,966,499</b>	<b>231,256</b>	<b>1,504,953</b>	<b>31,613</b>	<b>205,730</b>	

**TOTAL BUDGET**

Less Budgeted Interest Income	(191,540)				(50,775)		(6,941)
Contributions from Outside Agencies	(148,410)				(39,342)		(5,378)
<b>CASH DEMAND</b>	<b>6,209,606</b>	<b>609,505</b>	<b>3,728,985</b>	<b>231,256</b>	<b>1,414,836</b>	<b>31,613</b>	<b>193,411</b>

**FUNDS REQUIRED TO BE ASSESSED**

	\$6,209,606	\$609,505	\$3,728,985	\$231,256	\$1,414,836	\$31,613	\$193,411
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Proposed Assessments

General Administration Assessments	Per Acre-Foot	\$7.19	\$44.02	\$7.19	\$44.02	\$7.19	\$44.02
Minimum Assessments	Per Producer	\$5.00				\$5.00	

Prior Year Assessments (For Information Only)

	Per Acre-Foot	\$6.35	\$38.84	\$6.35	\$38.84	\$6.35	\$38.84
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(1) Total costs are allocated to Pools by actual production percentages. Does not include Recharge Debt Payment or Replenishment water purchases. Cash on Hand is June 30 fund balances less funds required for carryover replenishment obligations, SB 22 funds, Education funds, & Agricultural Pool Reserves.

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## Assessment Year 2009-2010 (Production Year 2008-2009)

# Recycled Water Storage Accounts

	Water Transactions					Reference
	Beginning Balance	2% Loss	Current Year Recharged Recycled	Transfer to ECO Account	Ending Balance	<i>Production + Exchanges (RW Agencies Only)</i>
Arrowhead Mtn Spring Water Co	0.000	0.000	0.000	0.000	0.000	0.000
Chino Hills, City Of	215.600	(4.312)	241.300	0.000	452.588	1,987.917
Chino, City Of	242.500	(4.850)	281.600	0.000	519.250	2,244.148
Cucamonga Valley Water District	539.000	(10.780)	656.900	0.000	1,185.120	11,005.480
Desalter Authority	0.000	0.000	0.000	0.000	0.000	0.000
Fontana Union Water Company	0.000	0.000	0.000	0.000	0.000	0.000
Fontana Water Company	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	0.000	0.000	0.000	0.000	0.000	0.000
Inland Empire Utilities Agency	0.000	0.000	0.000	0.000	0.000	0.000
Jurupa Community Services District	31.400	(0.628)	0.000	0.000	30.772	17,159.255
Marygold Mutual Water Company	0.000	0.000	0.000	0.000	0.000	0.000
Metropolitan Water District	0.000	0.000	0.000	0.000	0.000	0.000
Monte Vista Irrigation Company	0.000	0.000	0.000	0.000	0.000	0.000
Monte Vista Water District	105.300	(2.106)	119.200	0.000	222.394	9,519.203
Niagara Water Company	0.000	0.000	0.000	0.000	0.000	0.000
Nicholson Trust	0.000	0.000	0.000	0.000	0.000	0.000
Norco, City Of	0.000	0.000	0.000	0.000	0.000	0.000
Ontario, City Of	966.400	(19.328)	1,110.500	0.000	2,057.572	13,221.901
Pomona, City Of	0.000	0.000	0.000	0.000	0.000	0.000
San Antonio Water Company	0.000	0.000	0.000	0.000	0.000	0.000
San Bernardino County Shtg Prk	0.000	0.000	0.000	0.000	0.000	0.000
Santa Ana River Water Company	0.000	0.000	0.000	0.000	0.000	0.000
Upland, City Of	239.900	(4.798)	274.100	0.000	509.202	1,021.373
West End Consolidated Water Company	0.000	0.000	0.000	0.000	0.000	0.000
West Valley Water District	0.000	0.000	0.000	0.000	0.000	0.000
	<b>2,340.100</b>	<b>(46.802)</b>	<b>2,683.600</b>	<b>0.000</b>	<b>4,976.898</b>	<b>56,159.277</b>
	<b>4A</b>	<b>4B</b>	<b>4C</b>	<b>4D</b>	<b>4E</b>	<b>4F</b>



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Assessment Year 2009-2010 (Production Year 2008-2009)

# Pool 3 Water Transactions

**Water Transactions**

	Assigned Rights	General Transfer	Transfers to (from)	Total Water Transactions
Arrowhead Mtn Spring Water Co	0.000	0.000	0.000	0.000
Chino Hills, City Of	0.000	0.000	0.000	0.000
Chino, City Of	(5,085.000)	0.000	0.000	(5,085.000)
Cucamonga Valley Water District	8,614.725	0.000	1,265.000	9,879.725
Desalter Authority	0.000	0.000	0.000	0.000
Fontana Union Water Company	(9,879.725)	0.000	0.000	(9,879.725)
Fontana Water Company	4,270.619	0.000	0.000	4,270.619
Golden State Water Company	0.000	0.000	0.000	0.000
Inland Empire Utilities Agency	0.000	0.000	0.000	0.000
Jurupa Community Services District	0.000	0.000	1,000.000	1,000.000
Marygold Mutual Water Company	(5,900.000)	16.000	5,900.000	16.000
Metropolitan Water District	0.000	0.000	0.000	0.000
Monte Vista Irrigation Company	0.000	0.000	0.000	0.000
Monte Vista Water District	3,500.000	212.678	0.000	3,712.678
Niagara Water Company	0.000	0.000	0.000	0.000
Nicholson Trust	(5.619)	0.000	0.000	(5.619)
Norco, City Of	0.000	0.000	0.000	0.000
Ontario, City Of	765.000	80.000	0.000	845.000
Pomona, City Of	(3,500.000)	219.678	0.000	(3,280.322)
San Antonio Water Company	(765.000)	0.000	0.000	(765.000)
San Bernardino County Shtg Prk	0.000	0.000	0.000	0.000
Santa Ana River Water Company	(2,800.000)	31.000	0.000	(2,769.000)
Upland, City Of	0.000	160.678	0.000	160.678
West End Consolidated Water Company	0.000	0.000	0.000	0.000
West Valley Water District	(500.000)	15.000	500.000	15.000
	<b>(11,285.000)</b>	<b>735.034</b>	<b>8,665.000</b>	<b>(1,884.966)</b>
	<b>5A</b>	<b>5B</b>	<b>5C</b>	<b>5D</b>

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# Chino Basin Watermaster Assessment Breakdown 2009-2010 Water Transactions

Assessment Year 2009-2010 (Production Year 2008-2009)

To:	From:	Date of Submittal	Quantity	\$ / Acre Feet	Total \$	85%	15% WM Pays
Chino Basin Watermaster	Chino, City Of Annual Account	3/2/2009	5,085,000	295.00	\$1,500,075.00		
	<i>Purchased by Watermaster to be used toward Production Year 2007-2008 replenishment obligation.</i>						
	Jurupa Community Services District Storage Account	3/2/2009	1,000,000	295.00	\$295,000.00		
	<i>Purchased by Watermaster to be used toward Production Year 2007-2008 replenishment obligation.</i>						
	Marygold Mutual Water Company Storage Account	6/2/2009	3,400,000	295.00	\$1,003,000.00		
	<i>Purchased by Watermaster to be used toward Production Year 2007-2008 replenishment obligation.</i>						
	Santa Ana River Water Company Annual Account	3/2/2009	1,800,000	295.00	\$531,000.00		
	<i>Purchased by Watermaster to be used toward Production Year 2007-2008 replenishment obligation.</i>						
Cucamonga Valley Water District	Marygold Mutual Water Company Storage Account	8/13/2008	2,500,000	230.00	\$575,000.00		
	<i>The transfer does not qualify for 85/15 consideration because CVWD had water placed in storage.</i>						
	West Valley Water District Storage Account	3/10/2009	500,000	219.00	\$109,500.00		
	<i>The transfer does not qualify for 85/15 consideration because CVWD had water placed in storage.</i>						
Fontana Water Company	Cucamonga Valley Water District Storage Account	10/6/2008	4,265,000	214.61	\$915,311.65	\$778,014.90	\$137,296.75 Cucamonga Valley Water District
	Nicholson Trust Annual Account	5/21/2009	5,619	295.00	\$1,657.61	\$1,408.96	\$248.64 Fontana Water Company
Jurupa Community Services District	Santa Ana River Water Company Annual Account	2/2/2009	1,000,000	244.00	\$244,000.00	\$207,400.00	\$36,600.00 Santa Ana River Water Company
Monte Vista Water District	Pomona, City Of Annual Account	5/11/2009	3,500,000	295.00	\$1,032,500.00	\$877,625.00	\$154,875.00 Pomona, City Of
	<i>The transfer qualifies for 85/15 credit because MVWD would have been an overproducer if not for the transfer</i>						
Ontario, City Of	San Antonio Water Company Annual Account	6/23/2009	765,000	182.95	\$139,956.75		
			<b>23,820,619</b>		<b>\$6,347,001.01</b>	<b>\$1,864,448.87</b>	<b>\$329,020.39</b>
				<b>Total Credits</b>			<b>\$329,020.39</b>

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# Chino Basin Watermaster Assessment Breakdown 2009-2010 Water Transactions

Assessment Year 2009-2010 (Production Year 2008-2009)

## Applied Recurring Transactions:

From:	To:	Quantity	\$ / Acre Feet	
Fontana Union Water Company Annual Account - 32,800 AF Early Transfer	Fontana Union Water Company Annual Account - Lease / Assigned Rights	3,823.496	0.00	Transfer FUWC Ag Pool Reallocation Early Transfer to CVWD.
Fontana Union Water Company Annual Account - Difference - Potential vs. Net	Fontana Union Water Company Annual Account - Lease / Assigned Rights	-335.507	0.00	Transfer FUWC Ag Pool Reallocation Difference (Potential vs. Net) to CVWD.
Fontana Union Water Company Annual Account - New Yield	Fontana Union Water Company Annual Account - Lease / Assigned Rights	0.000	0.00	Transfer FUWC New Yield to CVWD.
Fontana Union Water Company Annual Account - Assigned Share of Safe Yield	Fontana Union Water Company Annual Account - Lease / Assigned Rights	6,391.736	0.00	Transfer FUWC Share of Safe Yield to CVWD.

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Assessment Year 2009-2010 (Production Year 2008-2009)

# Watermaster Replenishment Calculation

**Cost of Replenishment Water per acre foot:**

MWD Replenishment Rate	\$366.00
Pre-purchased Credit	\$0.00
Projected Spreading - IEUA Surcharge	\$12.00
Projected Spreading - OCWD Connection Fee	\$2.00
<b>Total Replenishment Cost per acre foot</b>	<b>\$380.00</b>

Replenishment Obligation:	AF @ \$380.00	15%	85%	Total
Appropriative - 100	1,559.965	-	-	\$592,786.70
Appropriative - 15/85	9,841.294	\$560,953.76	\$3,178,737.96	\$3,739,691.72
Non-Agricultural - 100	24.943	-	-	\$9,478.34
	<b>11,426.202</b>			<b>\$4,341,956.76</b>

Company	AF Production and Exchanges	85/15 Producers	Percent	15% Replenishment Assessments	15% Water Transaction Debits
Arrowhead Mtn Spring Water Co	349.756			-	-
Chino Hills, City Of	1,987.917	1,987.917	2.789%	\$15,643.62	\$9,175.57
Chino, City Of	2,244.148	2,244.148	3.148%	\$17,659.99	\$10,358.25
Cucamonga Valley Water District	11,005.480	11,005.480	15.439%	\$86,606.01	\$50,797.68
Desalter Authority	32,920.453			-	-
Fontana Union Water Company	0.000	0.000	0.000%	\$0.00	\$0.00
Fontana Water Company	13,201.901	13,201.901	18.520%	\$103,890.43	\$60,935.63
Golden State Water Company	747.545	747.545	1.049%	\$5,882.70	\$3,450.42
Inland Empire Utilities Agency	0.000	0.000	0.000%	\$0.00	\$0.00
Jurupa Community Services Distric	17,159.255	17,159.255	24.072%	\$135,032.25	\$79,201.48
Marygold Mutual Water Company	142.411			-	-
Metropolitan Water District	0.000			-	-
Monte Vista Irrigation Company	0.000	0.000	0.000%	\$0.00	\$0.00
Monte Vista Water District	9,519.203	9,519.203	13.354%	\$74,909.97	\$43,937.51
Niagara Water Company	1,210.209			-	-
Nicholson Trust	0.000	0.000	0.000%	\$0.00	\$0.00
Norco, City Of	0.000	0.000	0.000%	\$0.00	\$0.00
Ontario, City Of	13,221.901	13,221.901	18.548%	\$104,047.81	\$61,027.95
Pomona, City Of	11,730.748			-	-
San Antonio Water Company	992.081	992.081	1.392%	\$7,807.04	\$4,579.12
San Bernardino County Shtg Prk	22.348	22.348	0.031%	\$175.86	\$103.15
Santa Ana River Water Company	160.174	160.174	0.225%	\$1,260.47	\$739.31
Upland, City Of	1,021.373	1,021.373	1.433%	\$8,037.55	\$4,714.32
West End Consolidated Water Co	0.000	0.000	0.000%	\$0.00	\$0.00
West Valley Water District	0.000	0.000	0.000%	\$0.00	\$0.00

\*\* Fee assessment total is 15% of  
Appropriate 15/85 replenishment

**117,636.903**

**71,283.326**

**\*\* \$560,953.70**

**\$329,020.39**

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# Assessment Year 2009-2010 (Production Year 2008-2009) Watermaster Cumulative Unmet Replenishment Obligation (CURO)

\$ 380.00 Current Year Replenishment Rate  
 \$ 321.76 Previous Year Replenishment Rate + Accumulated Interest - Cost of Purchases Made  
 \$ 58.24 CURO Adjustment / AF

Remaining Replenishment Obligation:	Acre-Feet	AF @ \$58.24	15%	85%	Total		
Appropriative - 100	991.295	57,733.02			\$ 57,733.02		
Appropriative - 15/85	8536.286		\$ 74,572.99	\$ 422,580.30	\$ 497,153.30		
Non-Agricultural - 100	0.000						
<b>Total</b>	<b>9527.581</b>	<b>57,733.02</b>	<b>\$ 74,572.99</b>	<b>\$ 422,580.30</b>	<b>\$ 554,886.32</b>		
Company	Outstanding Obligation (Acre-Feet)	AF Production and Exchanges	85/15 Producers	Percent	15%	85% & 100%	Total
Arrowhead Mtn Spring Water Co	238.993	349.756				\$ 13,918.95	\$ 13,918.95
Chino Hills, City of		1,987.917	1,987.917	2.789%	\$ 2,079.66		\$ 2,079.66
Chino, City of		2,244.148	2,244.148	3.148%	\$ 2,347.71		\$ 2,347.71
Cucamonga Valley Water District		11,005.480	11,005.480	15.439%	\$ 11,513.37		\$ 11,513.37
Desalter Authority		32,920.453					
Fontana Union Water Company		0.000	0.000	0.000%			
Fontana Water Company	8,525.775	13,201.901	13,201.901	18.520%	\$ 13,811.16	\$ 422,059.97	\$ 435,871.12
Golden State Water Company		747.545	747.545	1.049%	\$ 782.04		\$ 782.04
Inland Empire Utilities Agency		0.000	0.000	0.000%			
Jurupa Community Services Dist		17,159.255	17,159.255	24.072%	\$ 17,951.14		\$ 17,951.14
Marygold Mutual Water Company		142.411					
Metropolitan Water District		0.000					
Monte Vista Irrigation Company		0.000	0.000	0.000%			
Monte Vista Water District		9,519.203	9,519.203	13.354%	\$ 9,958.51		\$ 9,958.51
Niagara Water Company	752.302	1,210.209				\$ 43,814.07	\$ 43,814.07
Nicholson Trust		0.000	0.000	0.000%			
Norco, City of		0.000	0.000	0.000%			
Ontario, City of		13,221.901	13,221.901	18.548%	\$ 13,832.08		\$ 13,832.08
Pomona, City of		11,730.748					
San Antonio Water Company		992.081	992.081	1.392%	\$ 1,037.86		\$ 1,037.86
San Bernardino County Shtg Prk	10.511	22.348	22.348	0.031%	\$ 23.38	\$ 520.34	\$ 543.72
Santa Ana River Water Company		160.174	160.174	0.225%	\$ 167.57		\$ 167.57
Upland, City of		1,021.373	1,021.373	1.433%	\$ 1,068.51		\$ 1,068.51
West End Consolidated Water Co		0.000	0.000	0.000%			
West Valley Water District		0.000	0.000	0.000%			
<b>Total</b>	<b>9,527.581</b>	<b>117,636.903</b>	<b>71,283.326</b>	<b>100.000%</b>	<b>\$ 74,572.99</b>	<b>\$ 480,313.32</b>	<b>\$ 554,886.32</b>

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# Chino Basin Watermaster Assessment Breakdown 2009-2010 Land Use Conversion Summary

Assessment Year 2009-2010 (Production Year 2008-2009)

AGRICULTURAL POOL SUMMARY IN ACRE FEET	
Agricultural Pool Safe Yield	82,800.000
Agricultural Total Pool Production	(32,142.764)
Early Transfer	(32,800.000)
Total Land Use Conversions	(22,729.910)
Under(Over) Production:	(4,872.674)

	Acres Converted @ 1.3 a/lac		Total Prior to Peace Agrmt Converted AF	Acres Converted @ 2.0 a/lac		Total Land Use Conversions Acre-Feet
	Acres	Acre Feet		Acres	Acre Feet	
Chino Hills, City Of	0.000	670.266	871.346	58.000	116.000	987.346
Chino, City Of	196.235	1,454.750	2,087.410	2,164.945	4,329.890	6,417.300
Cucamonga Valley Water District	0.000	460.280	598.364	0.000	0.000	598.364
Fontana Water Company	0.000	0.000	0.000	417.000	834.000	834.000
Jurupa Community Services District	0.000	2,756.920	3,583.996	4,414.239	8,828.478	12,412.474
Monte Vista Water District	0.000	28.150	36.595	9.240	18.480	55.075
Ontario, City Of	209.400	527.044	685.157	265.397	530.794	1,425.351
	<b>405.635</b>	<b>5,897.410</b>	<b>8,072.268</b>	<b>7,328.821</b>	<b>14,657.642</b>	<b>22,729.910</b>

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Assessment Year 2009-2010 (Production Year 2008-2009)

# Pool 3 Agricultural Pool Reallocation Summary

	Reallocation of Agricultural Pool Safe Yield						
	% Share of Operating Safe Yield	32,800 AF Early Transfer	Land Use Conversions	Potential for Reallocation (AF)	% of Potential	Difference: Potential vs. Net	Net Ag Pool Reallocation
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000
Chino Hills, City Of	3.851%	1,263.128	987.346	2,250.473	4.053%	(197.476)	2,052.997
Chino, City Of	7.357%	2,413.096	6,417.300	8,830.396	15.902%	(774.855)	8,055.541
Cucamonga Valley Water District	6.601%	2,165.128	598.364	2,763.492	4.977%	(242.493)	2,520.999
Desalter Authority	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000
Fontana Union Water Company	11.657%	3,823.496	0.000	3,823.496	6.885%	(335.507)	3,487.989
Fontana Water Company	0.002%	0.656	834.000	834.656	1.503%	(73.240)	761.416
Golden State Water Company	0.750%	246.000	0.000	246.000	0.443%	(21.586)	224.414
Inland Empire Utilities Agency	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000
Jurupa Community Services District	3.759%	1,232.952	12,412.474	13,645.426	24.573%	(1,197.368)	12,448.058
Marygold Mutual Water Company	1.195%	391.960	0.000	391.960	0.706%	(34.394)	357.566
Metropolitan Water District	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000
Monte Vista Irrigation Company	1.234%	404.752	0.000	404.752	0.729%	(35.516)	369.236
Monte Vista Water District	8.797%	2,885.416	55.075	2,940.491	5.295%	(258.024)	2,682.467
Niagara Water Company	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000
Nicholson Trust	0.007%	2.296	0.000	2.296	0.004%	(0.201)	2.095
Norco, City Of	0.368%	120.704	0.000	120.704	0.217%	(10.592)	110.112
Ontario, City Of	20.742%	6,803.376	1,425.351	8,228.727	14.819%	(722.060)	7,506.667
Pomona, City Of	20.454%	6,708.912	0.000	6,708.912	12.082%	(588.698)	6,120.214
San Antonio Water Company	2.748%	901.344	0.000	901.344	1.623%	(79.092)	822.252
San Bernardino County Shtg Prk	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000
Santa Ana River Water Company	2.373%	778.344	0.000	778.344	1.402%	(68.299)	710.045
Upland, City Of	5.202%	1,706.256	0.000	1,706.256	3.073%	(149.722)	1,556.534
West End Consolidated Water Company	1.728%	566.784	0.000	566.784	1.021%	(49.735)	517.049
West Valley Water District	1.175%	385.400	0.000	385.400	0.694%	(33.818)	351.582
	<b>100.000%</b>	<b>32,800.000</b>	<b>22,729.910</b>	<b>55,529.909</b>	<b>100.000%</b>	<b>(4,872.676)</b>	<b>50,657.233</b>
	<b>6A</b>	<b>6B</b>	<b>6C</b>	<b>6D</b>	<b>6E</b>	<b>6F</b>	<b>6G</b>



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Assessment Year 2009-2010 (Production Year 2008-2009)

## Pool 3 Assessment Package Notes

	Company	Account	Note
A	Desalter Authority	Local Storage	There is no loss assessed on the native basin water allocated to offset desalter production as a result of basin reoperation as approved in Peace II.
B	Metropolitan Water District	Local Storage	On August 27, 2009, the Watermaster Board authorized Watermaster to assign the uniform storage loss to the DYY account, and then redistribute the obligation to other stakeholders.

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# Assessment Year 2009-2010 (Production Year 2008-2009)

## Pool 2 Assessment Fee Summary

	Non-Agricultural Pool			Replenishment Assessments			
	AF Production	\$7.19 Per AF Admin	\$44.02 Per AF OBMP	AF Exceeding Safe Yield	\$380.00 Per AF	Previous Year Adj	Total Assessments Due
Ameron Inc	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Angelica Textile Service	31.010	222.96	1,365.06	14.100	5,358.00	0.00	6,946.02
Aqua Capital Management	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Auto Club Speedway	504.538	3,627.63	22,209.76	0.000	0.00	0.00	25,837.39
California Steel Industries Inc	1,125.631	8,093.29	49,550.28	0.000	0.00	0.00	57,643.56
CCG Ontario, Llc	0.000	0.00	0.00	0.000	0.00	0.00	0.00
General Electric Company	10.320	74.20	454.29	10.320	3,921.60	0.00	4,450.09
Kaiser Ventures Inc	0.000	0.00	0.00	0.000	0.00	0.00	0.00
KCO, LLC / The Koll Company	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Loving Savior Of The Hills	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Ontario City Non-Ag	1,803.027	12,963.76	79,369.25	0.000	0.00	0.00	92,333.01
Praxair Inc	112.758	810.73	4,963.61	0.000	0.00	0.00	5,774.34
RRI Etiwanda, Inc.	535.860	3,852.83	23,588.56	0.000	0.00	0.00	27,441.39
San Antonio Winery	0.523	3.76	23.02	0.523	198.74	0.00	225.52
San Bernardino Cty (Chino Airport)	93.979	675.71	4,136.96	0.000	0.00	0.00	4,812.66
Southern California Edison Company	0.000	0.00	0.00	0.000	0.00	0.00	0.00
Space Center Mira Loma Inc.	93.708	673.76	4,125.03	0.000	0.00	0.00	4,798.79
Sunkist Growers Inc	42.599	306.29	1,875.21	0.000	0.00	0.00	2,181.49
Swan Lake Mobile Home Park	35.716	256.80	1,572.22	0.000	0.00	0.00	1,829.02
Vulcan Materials Company	4.321	31.07	190.21	0.000	0.00	0.00	221.28
West Venture Development	0.000	0.00	0.00	0.000	0.00	0.00	0.00
<b>TOTAL</b>	<b>4,393.990</b>	<b>31,592.79</b>	<b>193,423.44</b>	<b>24.943</b>	<b>9,478.34</b>	<b>0.00</b>	<b>234,494.57</b>

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# Assessment Year 2009-2010 (Production Year 2008-2009) Pool 2 Water Production Summary

	Carryover Beginning Balance	Prior Year Adjustments	2% Carryover Storage Loss	Assigned Share of Operating Safe Yield (AF)	Water Transaction Activity	Annual Production Right	Actual Fiscal Year Production	Net Over Production	Under Production Balances		
									Total Under-Produced	Carryover: Next Year Begin Bal	To Local Storage Account
Ameron Inc	97.858	0.000	(1.957)	97.858	(9.786)	183.973	0.000	0.000	183.973	97.858	86.115
Angelica Textile Service	0.000	0.000	0.000	18.789	(1.879)	16.910	31.010	14.100	0.000	0.000	0.000
Aqua Capital Management	948.118	0.000	(18.962)	948.118	(94.811)	1,782.463	0.000	0.000	1,782.463	948.118	834.345
Auto Club Speedway	1,000.000	0.000	(20.000)	1,000.000	(100.000)	1,880.000	504.538	0.000	1,375.462	1,000.000	375.462
California Steel Industries Inc	975.373	0.000	(19.507)	1,300.000	(130.000)	2,125.866	1,125.631	0.000	1,000.234	1,000.234	0.000
CCG Ontario, Llc	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
General Electric Company	0.000	0.000	0.000	0.000	0.000	0.000	10.320	10.320	0.000	0.000	0.000
Kaiser Ventures Inc	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
KCO, LLC / The Koll Company	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Loving Savior Of The Hills	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Ontario City Non-Ag	1,871.202	0.000	(37.424)	1,826.070	(182.607)	3,477.241	1,803.027	0.000	1,674.214	1,674.214	0.000
Praxair Inc	427.446	0.000	(8.548)	427.446	(42.745)	803.599	112.758	0.000	690.841	427.446	263.395
RRI Etiwanda, Inc.	954.540	0.000	(19.090)	954.540	(95.454)	1,794.536	535.860	0.000	1,258.676	954.540	304.136
San Antonio Winery	0.000	0.000	0.000	0.000	0.000	0.000	0.523	0.523	0.000	0.000	0.000
San Bernardino Cty (Chino Airport)	51.932	0.000	(1.038)	133.870	(13.387)	171.377	93.979	0.000	77.398	77.398	0.000
Southern California Edison Company	27.959	0.000	(0.559)	27.959	(2.796)	52.563	0.000	0.000	52.563	27.959	24.604
Space Center Mira Loma Inc.	0.000	0.000	0.000	104.121	(10.412)	93.708	93.708	0.000	0.000	0.000	0.000
Sunkist Growers Inc	0.000	0.000	0.000	47.332	(4.733)	42.599	42.599	0.000	0.000	0.000	0.000
Swan Lake Mobile Home Park	464.240	0.000	(9.284)	464.240	(46.424)	872.772	35.716	0.000	837.056	464.240	372.816
Vulcan Materials Company	0.000	0.000	0.000	0.000	4.321	4.321	4.321	0.000	0.000	0.000	0.000
West Venture Development	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>TOTAL</b>	<b>6,818.668</b>	<b>0.000</b>	<b>(136.369)</b>	<b>7,350.343</b>	<b>(730.713)</b>	<b>13,301.928</b>	<b>4,393.990</b>	<b>24.943</b>	<b>8,932.880</b>	<b>6,672.007</b>	<b>2,260.873</b>

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Assessment Year 2009-2010 (Production Year 2008-2009)

**Pool 2 Water / Storage Account Transactions**

		Local Storage Account		
	Carryover Beginning Balance	2% Carryover Storage Loss	Transfers to (from)	Ending Balance
Ameron Inc	2,007.444	(40.148)	86.115	2,053.411
Angelica Textile Service	0.000	0.000	0.000	0.000
Aqua Capital Management	9,431.213	(188.624)	834.345	10,076.934
Auto Club Speedway	1,660.367	(33.207)	375.462	2,002.622
California Steel Industries Inc	3,098.539	(61.970)	0.000	3,036.569
CCG Ontario, Llc	0.000	0.000	0.000	0.000
General Electric Company	0.000	0.000	0.000	0.000
Kaiser Ventures Inc	0.000	0.000	0.000	0.000
KCO, LLC / The Koll Company	0.000	0.000	0.000	0.000
Loving Savior Of The Hills	0.000	0.000	0.000	0.000
Ontario City Non-Ag	14,813.809	(296.276)	0.000	14,517.533
Praxair Inc	4,622.077	(92.441)	263.395	4,793.031
RRI Etiwanda, Inc.	5,942.979	(118.859)	304.136	6,128.256
San Antonio Winery	0.000	0.000	0.000	0.000
San Bernardino Cty (Chino Airport)	180.334	(3.606)	0.000	176.728
Southern California Edison Company	232.921	(4.658)	24.604	252.867
Space Center Mira Loma Inc.	0.000	0.000	0.000	0.000
Sunkist Growers Inc	0.000	0.000	0.000	0.000
Swan Lake Mobile Home Park	2,942.714	(58.854)	372.816	3,256.676
Vulcan Materials Company	315.637	(6.312)	(4.321)	305.004
West Venture Development	0.000	0.000	0.000	0.000
	<b>45,248.034</b>	<b>(904.955)</b>	<b>2,256.552</b>	<b>46,599.631</b>



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## Assessment Package References and Definitions

REPORT REFERENCE	NAME	DESCRIPTION
1A	AF Production	Total production and exchanges, excluding Desalter production. Copied from [2L].
1B	Appropriative Pool—AF/Admin	Production [1A] <times> per acre foot Admin fee.
1C	Appropriative Pool—AF/OBMP	Production [1A] <times> per acre foot OBMP fee.
1D	Ag Pool SY Reallocation—AF Total Reallocation	Reallocation of Ag Pool Safe Yield. Copied from [2F] and [6F].
1E	Ag Pool SY Reallocation—AF/Admin	Party Ag Pool reallocation [1D] <divided by> Total Ag Pool Reallocation [1D Total] <times> total dollar amount needed for Ag Pool administration.
1F	Ag Pool SY Reallocation—AF/OBMP	Party Ag Pool reallocation [1D] <divided by> Total Ag Pool Reallocation [1D Total] <times> total dollar amount needed for Ag Pool OBMP.
1G	Replenishment Assessments—AF/15%	For parties participating in the 85/15 Rule: Percentage of total 85/15 participant production <times> required credit amount.
1H	Replenishment Assessments—AF/85%	For parties participating in the 85/15 Rule: Total overproduced [2M] <times> 85% of the replenishment rate.
1I	Replenishment Assessments—AF/100%	For parties not participating in the 85/15 Rule: Total overproduced [2M] <times> 100% of the replenishment rate.
1J	85/15 Water Transaction Activity—15% Producer Credits	For parties participating in the 85/15 Rule: Credit amount equals 15% of the cost of the water purchased.
1K	85/15 Water Transaction Activity—15% Pro-rated Debits	For parties participating in the 85/15 Rule: Percentage of total 85/15 participant production <times> required credit amount.
1L	Pomona Credit	Debit amount to Pomona <times> -1 <times> percent share of operating safe yield [2A].
1M	Previous Year Adj	This number reflects the difference between the assessment amount reported in the last period Assessment Package and the adjusted assessment amount from a revised package, if necessary.
1N	ASSESSMENTS DUE—Total Production Based	Total fees assessed based on party production. [1B] + [1C] + [1E] + [1F] + [1G] + [1H] + [1I] + [1J] + [1K] + [1L] + [1M].
1O	ASSESSMENTS DUE—MZ1 Supplemental Water	Total AF required to purchase <times> AF price <times> percent share of operating safe yield [2A].
1P	ASSESSMENTS DUE—Recharge Debt Payment	Total recharge debt payment <times> percent share of operating safe yield [2A].
1Q	ASSESSMENTS DUE—Total Due	Total production based assessments [1N] + MZ1 Supplemental Water [1O] + Recharge Debt Payment [1P].

## Assessment Package References and Definitions

REPORT REFERENCE	NAME	DESCRIPTION
2A	Percent of Safe Operating Yield	The Party's yearly percentage of operating safe yield as delineated in the judgment.
2B	Assigned Share of Operating Safe Yield	The Party's yearly volume of operating safe yield as delineated in the judgment.
2C	Carryover Beginning Balance	The beginning balance in each Annual Account. This number carries forward from the ending balance in the previous period Assessment Package.
2D	Prior Year Adjustments	This number reflects the adjusted production rights from a previous Assessment Package, in the event that corrections are needed.
2E	2% Carryover Storage Loss	Carryover beginning balance [2C] $\times$ 0.02.
2F	Net Ag Pool Reallocation	Reallocation of Ag Pool Safe Yield. Copied from [6F]. The calculations that lead to this are made on Page 6.
2G	Water Transaction Activity	Water transactions. Copied from [5E]. The calculations that lead to this are made on Page 5.
2H	New Yield	New yield $\times$ percent share of operating safe yield [2A].
2I	Annual Production Right	Current Year Production Rights. [2B] + [2C] + [2D] + [2E] + [2F] + [2G] + [2H].
2J	Actual Fiscal Year Production	Actual production from CBWM's production system (as verified by each party on their Water Activity Report).
2K	Storage and Recovery Program(s)	Total exchanges for the period (July 1- June 30) including MZ1 forbearance and DYY deliveries (as reported to CBWM by IEUA and TVMWD and as verified by each party on their Water Activity Report).
2L	Total Production and Exchanges	Actual production [2J] $+$ Storage and Recovery exchanges [2K]. Includes a sub note subtracting Desalter production.
2M	Net Over-Production—85/15%	For 85/15 rule participants: Production rights [2I] $-$ total production and exchanges [2L], equaling less than zero.
2N	Net Over-Production—100%	For non-85/15 rule participants: Production rights [2I] $-$ total production and exchanges [2L], equaling less than zero.
2O	Under Production Balances—Total Under-Produced	Production rights [2I] $-$ total production and exchanges [2L], equaling more than zero.
2P	Under Production Balances—Carryover: Next Year Begin Bal	Either total under-produced [2O] or share of operating safe yield [2B], whichever is less.
2Q	Under Production Balances—To Excess Carryover Account	Total under produced [2O] $-$ carryover to next year [2P].

## Assessment Package References and Definitions

REPORT REFERENCE	NAME	DESCRIPTION
3A	Storage and Recovery Program(s)—Carryover Beginning Balance	The beginning balance in each S&R partner's account. This number carries forward from the ending balance in the previous period Assessment Package.
3B	Storage and Recovery Program(s)—2% Carryover Storage Loss	Carryover beginning balance [3A] $\times$ 0.02.
3C	Storage and Recovery Program(s)—Storage Exchanges/Adjustments	Total exchanges with each S&R partner for the period, including MZ1 forbearance and DYY deliveries.
3D	Storage and Recovery Program(s)—Ending Balance	The current balance in each S&R partner's account. [3A] + [3B] + [3C].
3E	Excess Carry Over Account (ECO)—Carryover Beginning Balance	The beginning balance in the ECO account. This carries forward from the ending balance in the previous period Assessment Package.
3F	Excess Carry Over Account (ECO)—2% Carryover Storage Loss	ECO beginning balance [3E] $\times$ 0.02.
3G	Excess Carry Over Account (ECO)—Transfers to (from)	Total of water transferred to the Annual Account. Desalter account includes 400,000 AF of SAR inflow based on Basin Re-operation as approved in Peace II documents.
3H	Excess Carry Over Account (ECO)—From Local Supplemental Storage	Total of water transfers from Local Supplemental Storage.
3I	Excess Carry Over Account (ECO)—From Under Production	Total of water transferred from the Annual Account due to under production.
3J	Excess Carry Over Account (ECO)—Ending Balance	The current balance in each ECO account. [3E] + [3F] + [3G] + [3H] + [3I].
3K	Local Supplemental Storage Account—Carryover Beginning Balance	The beginning balance in the Local Supplemental Storage account. This number carries forward from the ending balance in previous period Assessment Package.
3L	Local Supplemental Storage Account—2% Carryover Storage Loss	Local Supplemental Storage account beginning balance [3K] $\times$ 0.02.
3M	Local Supplemental Storage Account—Transfers to (from)	General transfers to the Local Supplemental Storage account.
3N	Local Supplemental Storage Account—MZI 6,500 Eligible for Storage	Total MZI amount eligible for storage $\times$ percent share of safe yield [2].
3O	Local Supplemental Storage Account—Transfer to Excess Carryover	Local Supplemental Storage water transferred to the ECO account.
3P	Local Supplemental Storage Account—Ending Balance	The current balance in each Local Supplemental Storage account. [3K] + [3L] + [3M] + [3N] + [3O].
3Q	Combined—Combined Storage Account Balance	The combined amount in all storage accounts [3D] + [3J] + [3P].

## Assessment Package References and Definitions

REPORT REFERENCE	NAME	DESCRIPTION
4A	Water Transactions—Beginning Balance	The beginning balance in each Partner's account. This number carries forward from the ending balance in the previous period Assessment Package.
4B	Water Transactions—2% Loss	Beginning balance [4A] $\times$ 0.02.
4C	Water Transactions—Current Recharged Recycled	Total recycled water recharges for each partner for the period.
4D	Water Transactions—Transfer to ECO Account	Total transfers to the Excess Carryover Account for each partner for the period.
4E	Water Transactions—Ending Balance	The current balance in each partner's account. [4A] + [4B] + [4C] + [4D].
4F	Reference—Production and Exchanges (RW Agencies Only)	For parties participating in the recycled water program, their current year production from [2L]. This reference information is used by IEUA for LRP Recharged Recycled Water Accounting.

REPORT REFERENCE	NAME	DESCRIPTION
5A	Water Transactions—Assigned Rights	Total of assignment transactions for this period.
5B	Water Transactions—General Transfer	Total of water transfers between parties for this period. Transfers in this column include the annual transfer of 10-percent of the Non-Ag OSY to the seven Appropriator parties, as stated in Peace II.
5C	Water Transactions—Transfers to (from)	Water transferred from ECO Account [3G], excluding Desalter transfer.
5D	Water Transactions—Total Water Transactions	Total water transactions. [5A] + [5B] + [5C].

REPORT REFERENCE	NAME	DESCRIPTION
6A	% Share of Operating Safe Yield	The Party's yearly percentage of operating safe yield as delineated in the judgment. Copied from [2A].
6B	Reallocation of Agricultural Pool Safe Yield—32,800 AF Early Transfer	The Party's percent share of operating safe yield [2A] multiplied by 32,800.
6C	Reallocation of Agricultural Pool Safe Yield—Land Use Conversions	Total land use conversions claimed (as verified by each party on their Water Activity Report).
6D	Reallocation of Agricultural Pool Safe Yield—Potential for Reallocation (AF)	Ag Pool early transfer [6B] $+$ land use conversions [6C].
6E	Reallocation of Agricultural Pool Safe Yield—Difference: Potential vs. Net	(Total Ag Pool Safe Yield $-$ total Ag Pool production $-$ Ag Pool early transfer [6A] $-$ land use conversions [6C]) $\times$ party's percent of potential for reallocation [6D].
6F	Reallocation of Agricultural Pool Safe Yield—Net Ag Pool Reallocation	Net Ag Pool reallocation to each party. [6D] + [6E].



# CHINO BASIN WATERMASTER

## IV. INFORMATION

1. Newspaper Articles







latimes.com/business/la-fi-water-auction24-2009sep24,0,1797172.story

# latimes.com

## UTILITIES

### Water to be auctioned by Chino Basin Watermaster

**The auction is bound to raise the price. Putting water up for bid seems to be a first in California.**

By Bettina Boxall

September 24, 2009

Need more water? If you've got \$30 million or so, you can bid for it at an auction this fall.

In what officials believe is a first for the state, a Southern California water agency is planning to auction off enough water to supply about 70,000 homes for a year.

Water sales are not uncommon in California, especially when supplies are tight, as they are in the current drought.

But putting water up for bid in an auction -- which is bound to drive up the price -- appears to be unprecedented in the state.

"Water in general has always been a very low-priced commodity, and I think the reality is, it's going to start catching up with other utilities. It's going to fluctuate with markets," said Ken Manning, chief executive of Chino Basin Watermaster, a quasi-public entity that manages the basin. "Whether that's right or wrong, I don't know. I just know where it's going."

The Chino Basin, most of which lies in western San Bernardino County, is one of the largest groundwater basins in Southern California.

Pumping rights were settled in a 1978 state court judgment that divvied them up among local farms, industry and water agencies.

Some of the businesses, including a Sunkist packing plant, have since closed operations and don't need all of their supplies.

So in a court-approved deal, the companies are selling the unused water to Chino Basin Watermaster.

The water agency, in turn, intends to auction the supplies at a much higher price and use the proceeds to pay for new facilities to replenish the aquifer.





The town of Prescott Valley, Ariz., helped blaze the water-bidding trail two years ago when it auctioned off permanent rights to a small block of its water for about \$67 million.

The buyer was a New York investment firm that is marketing the water options to developers, who will need the supplies to get approval for any new residential projects in the area.

"You have to get creative," Assistant Town Atty. Colleen Auer said. "We knew if we sat in a typical backroom deal with the development community, there was no guarantee we would get the best price."

Prescott Valley, which was experiencing explosive growth until the real estate bust, is planning to spend the money on new water infrastructure.

Michael Hanemann, a resource economics professor at UC Berkeley, called water auctions "an idea that makes sense" but wasn't sure whether they would take off as a trend.

Water "is a limited resource and we need to be aware of that. Putting a price on that is good. It makes the real value of the water transparent," he said. "Raising the price, while unpleasant, is telling us something we need to know."

Manning said that three categories of potential bidders are surfacing: local water agencies, Southland developers who under state law have to demonstrate there is enough water to supply new projects, and private investment groups that deal in natural resources.

Chino Basin Watermaster will offer a total of 36,000 acre-feet, sold in four blocks, in the online auction to be held Nov. 4. An acre-foot is roughly a year's supply for two Southern California households.

Manning anticipates that the water will fetch \$800 to \$1,000 an acre-foot, or roughly \$30 million. Underground storage in the basin will cost another \$30 million.

"We think we're offering a reliable product. It's in the ground. So it will demand a higher price," he said.

Federal officials estimate that about 600,000 acre-feet -- slightly less than Los Angeles residents, combined, use in a year -- will change hands in California water sales in 2009 thanks to a supply shortage caused by the statewide drought and environmental restrictions on pumping water from Northern California.

The sellers are typically agricultural irrigation districts that leave some of their land unplanted for a year and negotiate short-term, individual deals with other farm districts or municipal water agencies that need water.

Supplies sold through the state's Drought Water Bank this year are going for \$275 an acre-foot plus conveyance costs, which can amount to an additional \$150 or more per acre-foot, depending on how far the water is piped.

Under fallowing agreements with the Palo Verde Irrigation District in southeastern California, the Metropolitan Water District of Southern California is paying roughly \$210 and \$410 an acre-foot, including transport, for two separate large blocks of water.

The higher rate is for drought supplies.

When the Mojave Water Agency looked for more long-term supplies for Victorville and the other high

desert towns it serves, it pursued a different tack.

It is buying a portion of a state water contract from a Kings County farm enterprise for \$73.5 million.

The deal, which is awaiting state approval, would entitle the Mojave district to an additional 14,000 acre-feet a year.

Kirby Brill, the agency's general manager, said it took a while to find a state contractor willing to give up water not just for a season or two, but forever.

"Everybody's just hanging on to what they have to sustain their operation. We're never going to have a real loose, EBay type of water market in California," he said. "There are so many hurdles."

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