



# CHINO BASIN WATERMASTER



## NOTICE OF MEETINGS

**Thursday, June 24, 2010**

11:00 a.m. – Watermaster Board Meeting

*(Lunch will be served)*

**AT THE CHINO BASIN WATERMASTER OFFICES**

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





# **CHINO BASIN WATERMASTER**

**Thursday, June 24, 2010**

11:00 a.m. – Watermaster Board Meeting

## **AGENDA PACKAGE**





**CHINO BASIN WATERMASTER  
WATERMASTER BOARD MEETING**

11:00 a.m. – June 24, 2010

WITH

*Mr. Ken Willis, Chair, Appropriative Pool  
Mr. Michael Camacho, Vice-Chair, Municipals*

**At The Offices Of**

**Chino Basin Watermaster**  
9641 San Bernardino Road  
Rancho Cucamonga, CA 91730

**AGENDA**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**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 Watermaster Board Meeting held May 27, 2010 *(Page 1)*

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of April 2010 *(Page 5)*
2. Watermaster Visa Check Detail for the month of April 2010 *(Page 9)*
3. Combining Schedule for the Period July 1, 2009 through April 30, 2010 *(Page 11)*
4. Treasurer's Report of Financial Affairs for the Period April 1, 2010 through April 30, 2010 *(Page 13)*
5. Budget vs. Actual July 2009 through April 2010 *(Page 15)*

**C. LOCAL AGENCY INVESTMENT FUND**

Revised Resolution 10-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF) - *(Page 17)*

**D. WATER TRANSACTION**

**Consider Approval for Notice of Sale or Transfer** – Monte Vista Water District will purchase 2,000 acre-feet of water from the Monte Vista Irrigation Company. This purchase is made first from the Irrigation Company's net underproduction, if any, in Fiscal Year 2009-2010, with any remainder to be recaptured from storage. Date of Application: April 5, 2010 *(Page 19)*

**II. BUSINESS ITEMS**

**A. CHINO CREEK WELL FIELD LOCATIONS**

Finds that the CDA's proposed locations of Wells I-16 and I-18, provided that they are constructed with perforations in the shallow aquifer in accordance with Wildermuth Environmental Inc. ongoing evaluation to achieve hydraulic control and will not conflict with the OBMP goal to minimize or abate permanent subsidence *(Page 31)*

**B. CHINO BASIN WATERMASTER 2010-2011 BUDGET**

Consider Approval of the Chino Basin Watermaster 2010-2011 Budget *(Page 35)*

**C. CONDITION SUBSEQUENT NO. 8**

Consider Approval of Resolution Adopting Updated Recharge Master Plan for Submittal to the Court in Fulfillment of Condition Subsequent Number 8 *(Page 57)*

**D. ACWA HEALTH BENEFITS AUTHORITY - *(Page 63)***

1. Consider Ratification of the Amended and Restated HBA Bylaws and JPA Agreement
2. Consider Designation of Agency Membership Representative in ACWA HBA
3. Consider Designation of Agency Personnel to Serve on HBA Advisory Committee(s)
4. Consider Nominations for Positions on ACWA HBA Board of Directors

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Paragraph 31 Motion Update
2. ACL Complaint
3. CDA Facilitation

**B. CEO/STAFF REPORT**

1. Legislative Update
2. Recharge Update
3. Potential Implementation of MWD's Water Supply Allocation Plan Update

**IV. INFORMATION**

1. Newspaper Articles *(Page 109)*

**V. BOARD MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster committee meeting for the purpose of discussion and possible action.

**VIII. FUTURE MEETINGS**

Thursday, June 24, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, July 1, 2010	1:00 p.m.	Appropriative Pool Meeting @ CBWM
Thursday, July 1, 2010	2:30 p.m.	Non-Agricultural Pool Meeting @ CBWM
Thursday, July 8, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, July 15, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, July 15, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, July 22, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM
Tuesday, July 27, 2010	9:00 a.m.	GRCC Technical Committee Meeting @ CBWM

**Meeting Adjourn**



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Watermaster Board Meeting held on May 27, 2010





**Draft Minutes**  
**CHINO BASIN WATERMASTER**  
**WATERMASTER BOARD MEETING**

*May 27, 2010*

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on May 27, 2010 at 11:00 a.m.

**WATERMASTER BOARD MEMBERS PRESENT**

Ken Willis, Chair  
Michael Camacho  
Charles Field  
Bob Kuhn  
Robert Young  
Bob Bowcock  
Tom Haughey  
Geoffrey Vanden Heuvel  
Paul Hofer

West End Consolidated Water Company  
Inland Empire Utilities Agency  
Western Municipal Water District  
Three Valleys Municipal Water District  
Fontana Water Company  
Vulcan Materials Company  
City of Chino  
Agricultural Pool  
Agricultural Pool

**WATERMASTER BOARD MEMBERS ABSENT**

Michael Whitehead

Fontana Water Company

**Watermaster Staff Present**

Kenneth R. Manning  
Joe Joswiak  
Ben Pak  
Danielle Maurizio  
Sherri Lynne Molino

Chief Executive Officer  
Chief Financial Officer  
Senior Project Engineer  
Senior Engineer  
Recording Secretary

**Watermaster Consultants Present**

Scott Slater  
Michael Fife  
Mark Wildermuth

Brownstein, Hyatt, Farber & Schreck  
Brownstein, Hyatt, Farber & Schreck  
Wildermuth Environmental, Inc.

**Others Present Who Signed In**

Rich Atwater  
Terry Catlin  
Ryan Shaw  
Chris Berch  
Robert DeLoach  
Mark Kinsey  
David DeJesus  
Rick Hansen  
Steve Kennedy  
Robert Young  
Josh Swift  
Steven G. Lee  
Jennifer Novak  
Jeff Pierson  
Bob Feenstra  
Ken Jeske  
Raul Garibay  
Dave Crosley

Inland Empire Utilities Agency  
Inland Empire Utilities Agency  
Inland Empire Utilities Agency  
Inland Empire Utilities Agency  
Cucamonga Valley Water District  
Monte Vista Water District  
Three Valleys Municipal Water District  
Three Valleys Municipal Water District  
Three Valleys Municipal Water District  
Fontana Union Water Company  
Fontana Water Company  
Reid & Hellyer for the Agricultural Pool  
State of California, Dept. of Justice, CIM  
Ag Pool – Crops  
Ag Pool - Dairy  
City of Ontario  
City of Pomona  
City of Chino

Ben Lewis  
Jack Safely  
Ron Craig  
Curtis Stubbings  
Roger Han

Golden State Water Company  
Western Municipal Water District  
City of Chino Hills  
Praxair  
Praxair

Chair Willis called the Watermaster Board meeting to order at 11:00 a.m.

**PLEDGE OF ALLEGIANCE**

**AGENDA - ADDITIONS/REORDER**

No additions or reorders were made to the agenda.

**I. CONSENT CALENDAR**

**A. MINUTES**

- 1. Minutes of the Watermaster Board Meeting held April 22, 2010

**B. FINANCIAL REPORTS**

- 1. Cash Disbursements for the month of March 2010
- 2. Watermaster Visa Check Detail for the month of March 2010
- 3. Combining Schedule for the Period July 1, 2009 through March 31, 2010
- 4. Treasurer's Report of Financial Affairs for the Period March 1, 2010 through March 31, 2010
- 5. Budget vs. Actual July 2009 through March 2010

**C. BANK OF AMERICA**

- 1. Bank of America Visa Request to Appoint Joe Joswiak, CFO as Authorized Agent at Chino Basin Watermaster with a Credit Limit of \$10,000.00 for the Visa Account No. XXXX-XXXX-XXXX-9341

**D. WATER TRANSACTION**

- 1. **Consider Approval for Notice of Sale or Transfer** – Jurupa Community Services District has agreed to purchase 1,200 acre-feet of water from Santa Ana River Water Company's annual production right, then any additional from storage. Date of Application: March 5, 2010
- 2. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District has agreed to lease 2,500 acre-feet of water from the City of Pomona's net underproduction, if any, with the remainder from Pomona's local storage account. The water is to be placed in Cucamonga Valley Water District's Excess Carryover account. Date of Application: February 22, 2010
- 3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 5,085.000 acre-feet of water from the City of Chino. The transfer will be made first from Chino's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO). Date of Application: March 18, 2010
- 4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 5,000.000 acre-feet of water from the Cucamonga Valley Water District (CVWD). The transfer will be made from CVWD's storage account. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO). Date of Application: March 18, 2010
- 5. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,000.000 acre-feet of water from the Santa Ana River Water Company (SARWC). The transfer will be made first from SARWC's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. Date of Application: March 3, 2010

6. **Consider Approval for Notice of Sale or Transfer** – On March 31, 2010, Watermaster received Consolidated Water Transfer Forms 3, 4, and 5 with Praxair, Inc. as the Transferor and the City of Ontario (as an Overlying Non-Agricultural party) as Transferee in the amount of 426.446 acre-feet--a permanent transfer of all but one acre-foot of its share of safe yield. Also to be transferred are all of Praxair's post-June 30, 2007 stored, carry-over and unpumped groundwater. Date of Application: March 31, 2010

*Motion by Kuhn, second by Haughey and by unanimous vote  
**Moved to approve items A and D, as presented***

*Motion by Camacho, second by Field and by majority vote – Bowcock voted no  
**Moved to approve items B and C, as presented***

**II. BUSINESS ITEMS**

**A. AMENDMENT NO. 1 TO AGREEMENT TO FORM A TASK FORCE**

Consider Approval of Amendment No. 1 to Form a Task Force to Conduct a Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed (Basin Monitoring Program)

*Motion by Vanden Heuvel, second by Field and by unanimous vote  
**Moved to approve items amendment no. 1 to agreement to form a task force, as presented***

**B. BUDGET TRANSFER**

Consider Budget Transfer Request T-10-05-01 relating to Watermaster Legal Fees, OBMP Engineering Services and MZ-1 Ground Level Monitoring

*Motion by Camacho, second by Kuhn and by majority vote – Bowcock voted no  
**Moved to approve budget transfer T-10-05-01 relating to Watermaster legal fees, OBMP engineering services and MZ1 ground level monitoring, as presented***

**III. REPORTS/UPDATES**

**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Paragraph 31 Motion  
Counsel Slater gave report.
2. ACL Complaint  
Counsel Slater gave report.
3. CDA Facilitation  
Counsel Slater gave report.

**B. CEO/STAFF REPORT**

1. Legislative Update  
Mr. Manning gave report.
2. Recharge Update  
Mr. Manning gave report.
3. 2010-2011 Watermaster Budget  
Mr. Joswiak gave report and gave presentation.
4. Agreement to Form a Task Force to Conduct the Annual Emerging Constituents Characterization Program for the Santa Ana River Watershed  
Mr. Manning gave report.



5. Chino Creek Well Field Locations

Mr. Manning gave report.

**IV. INFORMATION**

1. Newspaper Articles

No comment was made regarding this item.

**V. BOARD MEMBER COMMENTS**

Mr. Bowcock requested recent Non-Agricultural Pool Volume Vote motion be reviewed.

**VI. OTHER BUSINESS**

No comment was made regarding this item.

The regular open Watermaster Board meeting was convened to hold its confidential session at 11:50 a.m.

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster committee meeting for the purpose of discussion and possible action.

1. Consideration of Settlement Agreement with RWQCB Regarding Administrative Civil Liability Complaint No. R8-2010-0013

The confidential session was convened at 12:56 p.m.

Counsel Slater gave the following report from the confidential session:

1 and 2 -- Approve Proposed Principles for Facilitating Phase III of the Chino Basin Desalters and associated Revised Schedule by unanimous vote.

3 -- Approve settlement agreement with RWQCB by majority vote, with 1 dissenting vote

**VIII. FUTURE MEETINGS**

Thursday, May 27, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, June 3, 2010	1:00 p.m.	Appropriative Pool Meeting @ CBWM
Thursday, June 3, 2010	2:30 p.m.	Non-Agricultural Pool Meeting @ CBWM
Thursday, June 10, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, June 17, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, June 17, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
<b>Friday, June 18, 2010</b>	<b>10:30 a.m.</b>	<b>CBWM Court Hearing @ Chino Court Room C1</b>
Thursday, June 24, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM

The Watermaster Board meeting was dismissed by Chair Willis at 1:00 p.m.

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

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

**IMPORTANT NOTE: There is no tape recording for this meeting due to mechanical complications.**



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2010
2. Watermaster Check Detail for the month of April 2010
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4. Treasurer's Report of Financial Affairs for the Period April 1, 2010 through April 30, 2010
5. Budget vs. Actual July 2009 through April 2010





# 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:** June 24, 2010  
**TO:** Watermaster Board Members  
**SUBJECT:** Cash Disbursement Report

### SUMMARY

**Issue** – Record of cash disbursements for the month of April 2010.

**Recommendation** – Staff recommends the Cash Disbursements for April 2010 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 April 2010 were \$828,893.74. The most significant expenditures during the month were Wildermuth Environmental, Inc. in the amount of \$266,100.35, Brownstein Hyatt Farber Schreck in the amount of \$199,325.65 and Inland Empire Utilities Agency in the amount of \$161,866.25.

### Actions:

**6-03-10 Appropriative Pool** - Approved unanimously  
**6-03-10 Non-Agricultural Pool** – No action was taken  
**6-10-10 Agricultural Pool** - Approved unanimously  
**6-17-10 Advisory Committee** - Approved by majority – Non-Agricultural Pool voted no  
**6-24-10 Watermaster Board**



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**CHINO BASIN WATERMASTER**  
**Cash Disbursement Detail Report**  
**April 2010**

Apr 2010

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
General Journal	04/03/2010	04/03/10	PAYROLL 03/21/10-04/03/10	-6,760.28
General Journal	04/03/2010	04/03/10	PAYROLL 03/21/10-04/03/10	-22,424.87
Bill Pmt -Check	04/05/2010	14060	MWH LABORATORIES	-11,407.00
Bill Pmt -Check	04/05/2010	14061	PUMP CHECK	-4,973.08
Bill Pmt -Check	04/05/2010	14062	ARROWHEAD MOUNTAIN SPRING WATER	-35.42
Bill Pmt -Check	04/05/2010	14063	BLACK & VEATCH CORPORATION	-26,075.00
Bill Pmt -Check	04/05/2010	14064	CALPERS	-2,913.66
Bill Pmt -Check	04/05/2010	14065	INLAND EMPIRE UTILITIES AGENCY	-320.54
Bill Pmt -Check	04/05/2010	14066	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-7,136.48
Bill Pmt -Check	04/05/2010	14067	STANDARD INSURANCE CO.	-476.28
Bill Pmt -Check	04/05/2010	14068	STATE COMPENSATION INSURANCE FUND	-956.65
Bill Pmt -Check	04/05/2010	14070	W.C. DISCOUNT MOBILE AUTO DETAILING	-100.00
Bill Pmt -Check	04/05/2010	14071	SPECIALIZED SERVICES OF SO CAL	-400.00
Bill Pmt -Check	04/07/2010	14072	AMERICAN GROUND WATER TRUST	-250.00
Bill Pmt -Check	04/07/2010	14073	APPLIED COMPUTER TECHNOLOGIES	-3,951.50
Bill Pmt -Check	04/07/2010	14074	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	04/07/2010	14075	CAMACHO, MICHAEL	-625.00
Bill Pmt -Check	04/07/2010	14076	CITY OF RANCHO CUCAMONGA	-25.00
Bill Pmt -Check	04/07/2010	14077	DAN VASILE	-135.00
Bill Pmt -Check	04/07/2010	14078	DE BOOM, NATHAN	-375.00
Bill Pmt -Check	04/07/2010	14079	DIRECTV	-83.99
Bill Pmt -Check	04/07/2010	14080	DURRINGTON, GLEN	-375.00
Bill Pmt -Check	04/07/2010	14081	FEENSTRA, BOB	-1,125.00
Bill Pmt -Check	04/07/2010	14082	HAUGHEY, TOM	-125.00
Bill Pmt -Check	04/07/2010	14083	HSBC BUSINESS SOLUTIONS	-1,028.65
Bill Pmt -Check	04/07/2010	14084	HUITSING, JOHN	-375.00
Bill Pmt -Check	04/07/2010	14085	JAMES JOHNSTON	-993.00
Bill Pmt -Check	04/07/2010	14086	KOOPMAN, GENE	-375.00
Bill Pmt -Check	04/07/2010	14087	KUHN, BOB	-375.00
Bill Pmt -Check	04/07/2010	14088	MATHIS & ASSOCIATES	-500.00
Bill Pmt -Check	04/07/2010	14089	PARK PLACE COMPUTER SOLUTIONS, INC.	-3,975.00
Bill Pmt -Check	04/07/2010	14090	PIERSON, JEFFREY	-1,125.00
Bill Pmt -Check	04/07/2010	14091	PRINTING RESOURCES	-80.04
Bill Pmt -Check	04/07/2010	14092	PURCHASE POWER	-66.44
Bill Pmt -Check	04/07/2010	14093	STAPLES BUSINESS ADVANTAGE	-77.16
Bill Pmt -Check	04/07/2010	14094	UNION 76	-41.31
Bill Pmt -Check	04/07/2010	14095	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	04/07/2010	14096	VANDEN HEUVEL, ROB	-375.00
Bill Pmt -Check	04/07/2010	14097	VERIZON	-536.27
Bill Pmt -Check	04/07/2010	14098	WHITEHEAD, MICHAEL	-125.00
Bill Pmt -Check	04/07/2010	14099	WILLIS, KENNETH	-500.00
Bill Pmt -Check	04/07/2010	14100	YOUNG, ROBERT	-125.00
Bill Pmt -Check	04/07/2010	14102	COMPUTER NETWORK	-3,951.07
Bill Pmt -Check	04/07/2010	14103	PAYCHEX	-216.78

**CHINO BASIN WATERMASTER**  
**Cash Disbursement Detail Report**  
**April 2010**

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
Bill Pmt -Check	04/07/2010	14104	PREMIERE GLOBAL SERVICES	-161.58
Bill Pmt -Check	04/07/2010	14105	VISION SERVICE PLAN	-37.73
Bill Pmt -Check	04/07/2010	14106	W.C. DISCOUNT MOBILE AUTO DETAILING	-100.00
Bill Pmt -Check	04/07/2010	14107	YUKON DISPOSAL SERVICE	-142.88
Bill Pmt -Check	04/08/2010	14108	PETTY CASH	-493.37
Bill Pmt -Check	04/09/2010	14109	CITY OF RANCHO CUCAMONGA	-64.00
Bill Pmt -Check	04/13/2010	14110	INLAND EMPIRE UTILITIES AGENCY	-161,886.25
General Journal	04/17/2010	04/17/10	PAYROLL 04/04/10-04/17/10	-8,756.10
General Journal	04/17/2010	04/17/10	PAYROLL 04/04/10-04/17/10	-25,192.09
Bill Pmt -Check	04/21/2010	14111	ACWA SERVICES CORPORATION	-197.41
Bill Pmt -Check	04/21/2010	14112	BANC OF AMERICA LEASING	-3,215.74
Bill Pmt -Check	04/21/2010	14113	BANK OF AMERICA	-4,683.45
Bill Pmt -Check	04/21/2010	14114	CALPERS	-2,913.66
Bill Pmt -Check	04/21/2010	14115	COMPUTER NETWORK	-1,287.72
Bill Pmt -Check	04/21/2010	14116	CUCAMONGA VALLEY WATER DISTRICT	-5,792.00
Bill Pmt -Check	04/21/2010	14117	CUCAMONGA VALLEY IAAP	-50.00
Bill Pmt -Check	04/21/2010	14118	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	04/21/2010	14119	GUARANTEED JANITORIAL SERVICE, INC.	-865.00
Bill Pmt -Check	04/21/2010	14120	IDEAL GRAPHICS	-147.90
Bill Pmt -Check	04/21/2010	14121	INLAND EMPIRE UTILITIES AGENCY	-320.54
Bill Pmt -Check	04/21/2010	14122	MCI	-1,242.77
Bill Pmt -Check	04/21/2010	14123	MICHELLE M. PARSONS, C.S.R.	-240.00
Bill Pmt -Check	04/21/2010	14124	MIJAC ALARM	-141.00
Bill Pmt -Check	04/21/2010	14125	PITNEY BOWES CREDIT CORPORATION	-551.37
Bill Pmt -Check	04/21/2010	14126	PRINTING RESOURCES	-221.84
Bill Pmt -Check	04/21/2010	14127	BROWNSTEIN HYATT FARBER SCHRECK	-199,325.65
Bill Pmt -Check	04/21/2010	14128	BROWNSTEIN HYATT FARBER SCHRECK	0.00
Bill Pmt -Check	04/21/2010	14129	REID & HELLYER	-11,588.00
Bill Pmt -Check	04/21/2010	14130	STAPLES BUSINESS ADVANTAGE	-351.35
Bill Pmt -Check	04/21/2010	14131	STAULA, MARY L	-136.61
Bill Pmt -Check	04/21/2010	14132	TELECOM SERVICES	-126.25
Bill Pmt -Check	04/21/2010	14133	THE STANDARD INSURANCE COMPANY	-401.28
Bill Pmt -Check	04/21/2010	14134	UNITED PARCEL SERVICE	-173.05
Bill Pmt -Check	04/21/2010	14135	VERIZON WIRELESS	-878.76
Bill Pmt -Check	04/21/2010	14136	W.C. DISCOUNT MOBILE AUTO DETAILING	-75.00
Bill Pmt -Check	04/21/2010	14137	WESTERN DENTAL SERVICES, INC.	-28.06
Bill Pmt -Check	04/21/2010	14138	SAFEGUARD DENTAL & VISION	-7.91
Bill Pmt -Check	04/26/2010	14139	CITISTREET	-2,018.34
Bill Pmt -Check	04/26/2010	14140	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,942.29
Bill Pmt -Check	04/26/2010	14141	WILDERMUTH ENVIRONMENTAL INC	-266,100.35
Bill Pmt -Check	04/26/2010	14142	CITISTREET	-2,038.34
Bill Pmt -Check	04/26/2010	14143	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,935.07
Bill Pmt -Check	04/26/2010	14144	CITISTREET	-2,018.34
Bill Pmt -Check	04/26/2010	14145	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-6,779.22
				<u><b>-828,893.74</b></u>

Apr 2010



8:42 AM  
05/27/10

CHINO BASIN WATERMASTER  
Check Detail  
April 2010

<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Paid Amount</u>
Bill Pmt -Check	14113	04/21/2010	BANK OF AMERICA	1012 · Bank of America Gen'l Ckg	
Bill	4024420001939341	03/31/2010		6191 · Conferences	-4,368.70
				6054 · Computer Software	-251.91
				6909.1 · OBMP Meetings	-32.84
				6174 · Transportation	-30.00
TOTAL					<u>-4,683.45</u>

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CHINO BASIN WATERMASTER  
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL  
FOR THE

PERIOD JULY 1, 2009 THROUGH APRIL 30, 2010

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUNDWATER OPERATIONS		EDUCATION FUNDS	GRAND TOTALS	BUDGET 2009-2010
			POOL APPROPRIATE	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS			
<b>Administrative Revenues:</b>										
Administrative Assessments			7,215,654	-	268,376				7,484,030	\$7,340,839
Interest Revenue		28,975	2,434	1,249				5	32,663	191,540
Mutual Agency Project Revenue		-	-	-					-	148,410
Grant Income		188							-	0
Miscellaneous Income	111,000								111,188	0
<b>Total Revenues</b>	<b>111,000</b>	<b>-</b>	<b>7,244,818</b>	<b>2,434</b>	<b>269,624</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>7,627,881</b>	<b>7,680,789</b>
<b>Administrative &amp; Project Expenditures:</b>										
Watermaster Administration	549,872								549,872	580,238
Watermaster Board-Advisory Committee	56,984								56,984	61,901
Pool Administration		20,048	129,372	11,469					160,888	229,860
Optimum Basin Mgmt Administration		1,332,686							1,332,686	1,557,820
OBMP Project Costs		3,210,334							3,210,334	4,109,362
Debt Service		942,042							942,042	1,131,233
Education Funds Use									-	375
Mutual Agency Project Costs									-	10,000
<b>Total Administrative/OBMP Expenses</b>	<b>606,856</b>	<b>5,485,062</b>	<b>129,372</b>	<b>11,469</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,252,806</b>	<b>7,680,789</b>
<b>Net Administrative/OBMP Expenses</b>	<b>(495,856)</b>	<b>(5,485,062)</b>								
Allocate Net Admin Expenses To Pools		346,442	131,445	17,969						
Allocate Net OBMP Expenses To Pools		3,174,090	1,204,300	164,631						
Allocate Debt Service to App Pool		942,042								
Agricultural Expense Transfer*		1,465,117	(1,465,117)							
<b>Total Expenses</b>	<b>5,947,738</b>	<b>-</b>	<b>-</b>	<b>2,434</b>	<b>194,068</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>6,252,806</b>	<b>7,680,789</b>
<b>Net Administrative Income</b>	<b>1,297,079</b>	<b>-</b>	<b>2,434</b>	<b>75,556</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,375,075</b>	<b>-</b>
<b>Other Income/(Expense)</b>										
Replenishment Water Assessments						7,073,805			7,073,805	0
Interest Revenue						25,077			25,077	0
Water Purchases									-	0
Balance Adjustment									-	0
Other Water Purchases						(2,166,022)			(2,166,022)	0
Groundwater Replenishment						(1,021,346)			(1,021,346)	0
<b>Net Other Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,911,513</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,911,513</b>	<b>0</b>
<b>Net Transfers To/(From) Reserves</b>	<b>5,286,588</b>	<b>-</b>	<b>2,434</b>	<b>75,556</b>	<b>3,911,513</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>5,286,588</b>	<b>-</b>
<b>Working Capital, July 1, 2009</b>	<b>5,942,967</b>	<b>-</b>	<b>470,719</b>	<b>256,577</b>	<b>4,166,457</b>	<b>158,251</b>	<b>995</b>	<b>995</b>	<b>10,995,966</b>	<b>-</b>
<b>Working Capital, End Of Period</b>	<b>7,240,046</b>	<b>-</b>	<b>473,153</b>	<b>332,133</b>	<b>8,077,970</b>	<b>158,251</b>	<b>1,000</b>	<b>1,000</b>	<b>16,282,554</b>	<b>16,282,554</b>
<b>08/09 Assessable Production</b>	<b>84,716,450</b>	<b>-</b>	<b>32,142,764</b>	<b>4,393,990</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>121,253,204</b>	<b>-</b>
<b>08/09 Production Percentages</b>	<b>69.867%</b>	<b>-</b>	<b>26.509%</b>	<b>3.624%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.000%</b>	<b>-</b>

\*Fund balance transfer as agreed to in the Peace Agreement.

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**CHINO BASIN WATERMASTER  
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD  
APRIL 1 THROUGH APRIL 30, 2010**

<b>DEPOSITORIES:</b>			
Cash on Hand - Petty Cash		\$	500
Bank of America			
Governmental Checking-Demand Deposits		\$	274,029
Zero Balance Account - Payroll			
Local Agency Investment Fund - Sacramento			<u>16,801,930</u>
<b>TOTAL CASH IN BANKS AND ON HAND</b>	4/30/2010	\$	<b>17,076,459</b>
<b>TOTAL CASH IN BANKS AND ON HAND</b>	3/31/2010		<b>17,784,485</b>
		\$	<u><b>(708,027)</b></u>

**CHANGE IN CASH POSITION DUE TO:**

Decrease/(Increase) in Assets:			
Accounts Receivable		\$	23,289
Assessments Receivable			77,078
Prepaid Expenses, Deposits & Other Current Assets			33
(Decrease)/Increase in Liabilities			92,015
Accrued Payroll, Payroll Taxes & Other Current Liabilities			19,861
Transfer to/(from) Reserves			<u>(920,304)</u>
		\$	<u><b>(708,027)</b></u>

**SUMMARY OF FINANCIAL TRANSACTIONS:**

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 3/31/2010	\$ 500	\$ 305,345	\$ -	\$ 17,478,640	\$ 17,784,485
Deposits	-	797,578	-	23,289	820,867
Transfers	-	(63,133)	63,133	(700,000)	(700,000)
Withdrawals/Checks	-	(765,760)	(63,133)	-	(828,894)
Balances as of 4/30/2010	\$ 500	\$ 274,029	\$ -	\$ 16,801,930	\$ 17,076,459
<b>PERIOD INCREASE OR (DECREASE)</b>	\$ -	\$ (31,316)	\$ -	\$ (676,711)	\$ (708,027)





CHINO BASIN WATERMASTER  
Profit Loss Budget vs. Actual  
July 2009 through April 2010

	<u>YTD</u> <u>Actuals</u> <u>07/09 - 04/10</u>	<u>FY</u> <u>2009-2010</u> <u>Budget</u>	<u>\$Amt</u> <u>Over (Under)</u> <u>Budget</u>	<u>%</u> <u>of</u> <u>Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4010 · Local Agency Subsidies	111,000	148,410	-37,410	75%
4110 · Admin Asmnts-Approp Pool	7,215,654	7,185,411	30,243	100%
4120 · Admin Asmnts-Non-Agri Pool	268,376	155,427	112,949	173%
4700 · Non Operating Revenues	32,663	191,540	-158,877	17%
4900 · Miscellaneous income	188			
<b>Total Income</b>	<u>7,627,881</u>	<u>7,680,788</u>	<u>-52,907</u>	<u>99%</u>
<b>Gross Profit</b>	7,627,881	7,680,788	-52,907	99%
<b>Expense</b>				
6010 · Salary Costs	434,005	487,838	-53,833	89%
6020 · Office Building Expense	82,280	102,500	-20,220	80%
6030 · Office Supplies & Equip.	27,186	43,500	-16,314	62%
6040 · Postage & Printing Costs	57,908	84,300	-26,392	69%
6050 · Information Services	108,770	148,500	-39,730	73%
6060 · Contract Services	114,235	98,000	16,235	117%
6080 · Insurance	15,934	16,730	-796	95%
6110 · Dues and Subscriptions	18,096	17,000	1,096	106%
6140 · WM Admin Expenses	2,481	3,000	-519	83%
6150 · Field Supplies	271	2,800	-2,529	10%
6170 · Travel & Transportation	23,452	37,800	-14,348	62%
6190 · Conferences & Seminars	20,955	26,500	-5,545	79%
6200 · Advisory Comm - WM Board	16,346	18,078	-1,732	90%
6300 · Watermaster Board Expenses	40,638	43,823	-3,185	93%
8300 · Appr PI-WM & Pool Admin	20,048	23,069	-3,021	87%
8400 · Agri Pool-WM & Pool Admin	23,302	25,114	-1,812	93%
8467 · Ag Legal & Technical Services	96,020	98,000	-1,980	98%
8470 · Ag Meeting Attend -Special	10,050	12,000	-1,950	84%
8471 · Ag Pool Expense	0	65,000	-65,000	0%
8500 · Non-Ag PI-WM & Pool Admin	11,469	6,677	4,792	172%
6500 · Education Funds Use Expens	0	375	-375	0%
9500 · Allocated G&A Expenditures	<u>-355,702</u>	<u>-488,230</u>	<u>132,528</u>	<u>73%</u>
	767,744	872,374	-104,630	88%
6900 · Optimum Basin Mgmt Plan	1,218,034	1,399,371	-181,337	87%
6950 · Mutual Agency Projects	0	10,000	-10,000	0%
9501 · G&A Expenses Allocated-OBMP	<u>114,652</u>	<u>148,448</u>	<u>-33,796</u>	<u>77%</u>
	1,332,686	1,557,819	-225,133	86%

	YTD Actuals 07/09 - 04/10	FY 2009-2010 Budget	\$Amt Over (Under) Budget	% of Budget
7101 · Production Monitoring	81,419	107,047	-25,628	76%
7102 · In-line Meter Installation	26,956	56,179	-29,223	48%
7103 · Grdwtr Quality Monitoring	144,209	214,362	-70,153	67%
7104 · Gdwtr Level Monitoring	264,052	366,956	-102,904	72%
7105 · Sur Wtr Qual Monitoring	3,679	43,912	-40,233	8%
7107 · Ground Level Monitoring	267,953	550,059	-282,106	49%
7108 · Hydraulic Control Monitoring	394,172	567,022	-172,850	70%
7109 · Recharge & Well Monitoring Prog	9,113	9,152	-40	100%
7200 · PE2- Comp Recharge Pgm	1,464,923	1,478,560	-13,637	99%
7300 · PE3&5-Water Supply/Desalte	53,880	96,003	-42,123	56%
7400 · PE4- Mgmt Plan	77,236	91,985	-14,749	84%
7500 · PE6&7-CoopEfforts/SaltMgmt	144,312	163,727	-19,415	88%
7600 · PE8&9-StorageMgmt/Conj Use	37,380	29,550	7,830	126%
7690 · Recharge Improvement Debt Pymt	942,042	1,131,233	-189,191	83%
7700 · Inactive Well Protection Prgm	0	5,066	-5,066	0%
9502 · G&A Expenses Allocated-Projects	241,050	339,782	-98,732	71%
	4,152,376	5,250,595	-1,098,219	79%
<b>Total Expense</b>	<b>6,252,806</b>	<b>7,680,788</b>	<b>-1,427,982</b>	<b>81%</b>
<b>Net Ordinary Income</b>	<b>1,375,075</b>		<b>1,375,075</b>	<b>100%</b>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
4225 · Interest Income	25,077			
4210 · Approp Pool-Replenishment	4,887,364			
4220 · Non-Ag Pool-Replenishment	9,478			
4600 · Groundwater Sales	2,176,962			
<b>Total Other Income</b>	<b>7,098,882</b>			
<b>Other Expense</b>				
5010 · Groundwater Replenishment	1,021,346			
5100 · Other Water Purchases	2,166,022			
9999 · To/(From) Reserves	5,286,588			
<b>Total Other Expense</b>	<b>8,473,957</b>			
<b>Net Other Income</b>	<b>-1,375,075</b>			
<b>Net Income</b>	<b>0</b>		<b>0</b>	<b>0%</b>



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

- C. LOCAL AGENCY INVESTMENT FUND**  
Revised Resolution 10-02 Authorizing Investment of  
Monies in the Local Agency Investment Fund (LAIF)



# REVISED RESOLUTION 10-02 OF CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730 PHONE: 909-484-3888

## AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND

**WHEREAS**, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

**WHEREAS**, the Chino Basin Watermaster was appointed on January 27, 1978, under San Bernardino Superior Court Case No. WCV51010 (formerly Case No. SCV164327) entitled Chino Basin Municipal Water District V. City of Chino, et al., with powers to authorize the investment or deposit of surplus funds pursuant to the California Government Code, Section 53600; and

**WHEREAS**, upon filing of an appropriate resolution, local agencies are permitted to remit money to the State Treasurer for deposit in the fund for the purpose of investment; and pursuant to Section 16429.3 of said Government Code, such monies are not subject to impoundment of seizure by any state official or state agency.

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors does hereby authorize the deposit and withdrawal of Chino Basin Watermaster monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that record.

**BE IT FURTHER RESOLVED**, that the following Chino Basin Watermaster officers and designated employees or their successors in office/position shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund.

<u>Ken Willis</u> (NAME)	<u>Chairman of the Board</u> (TITLE)	_____ (SIGNATURE)
<u>Michael Camacho</u> (NAME)	<u>Vice-Chair</u> (TITLE)	_____ (SIGNATURE)
<u>Michael Whitehead</u> (NAME)	<u>Board Secretary/Treasurer</u> (TITLE)	_____ (SIGNATURE)
<u>Kenneth R. Manning</u> (NAME)	<u>Chief Executive Officer/Secretary</u> (TITLE)	_____ (SIGNATURE)
<u>Joseph S. Joswiak</u> (NAME)	<u>C.F.O.</u> (TITLE)	_____ (SIGNATURE)

**APPROVED** by the Advisory Committee this 17<sup>th</sup> day of June 2010.  
**ADOPTED** by the Watermaster Board on this 24<sup>th</sup> day of June 2010.



By: \_\_\_\_\_  
Chairman, Watermaster Board

APPROVED:

\_\_\_\_\_  
Chairman, Advisory Committee

ATTEST:

\_\_\_\_\_  
Board Secretary  
Chino Basin Watermaster

STATE OF CALIFORNIA            )  
  ) ss  
COUNTY OF SAN BERNARDINO    )

I, Ken Manning, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Revised Resolution being No. 10-02, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

AYES:            0  
NOES:            0  
ABSENT:          0  
ABSTAIN:        0

CHINO BASIN WATERMASTER

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### D. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Monte Vista Water District will purchase 2,000 acre-feet of water from the Monte Vista Irrigation Company. This purchase is made first from the Irrigation Company's net underproduction, if any, in Fiscal Year 2009-2010, with any remainder to be recaptured from storage.



***CHINO BASIN WATERMASTER***

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

May 5, 2010

This notice is to advise interested persons that the attached application(s) will come before the Watermaster Board on or after 30 days from the date of this notice.

**NOTICE OF APPLICATION(S) RECEIVED**

Date of Application: **April 5, 2010**

Date of this notice: **May 5, 2010**

Please take notice that the following Application has been received by Watermaster:

- Notice of Sale or Transfer – Monte Vista Water District will purchase 2,000 acre-feet of water from the Monte Vista Irrigation Company. This purchase is made first from the Irrigation Company’s net underproduction, if any, in Fiscal Year 2009-10, with any remainder to be recaptured from storage.

This *Application* will first be considered by each of the respective pool committees on the following dates:

Appropriative Pool:	May 13, 2010
Non-Agricultural Pool:	May 13, 2010
Agricultural Pool:	May 13, 2010

This *Application* will be scheduled for consideration by the Advisory Committee *no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days* after the last pool committee reviews it.

After consideration by the Advisory Committee, the *Application* will be considered by the Board.

Unless the *Application* is amended, parties to the Judgment may file *Contests* to the *Application* with Watermaster *within seven calendar days* of when the last pool committee considers it. Any *Contest* must be in writing and state the basis of the *Contest*.

Watermaster address:

Chino Basin Watermaster  
9641 San Bernardino Road  
Rancho Cucamonga, CA 91730

Tel: (909) 484-3888  
Fax: (909) 484-3890

# **CHINO BASIN WATERMASTER**

## **NOTICE OF TRANSFER OF WATER**

Notification Dated: May 5, 2010

A party to the Judgment has submitted a proposed transfer of water for Watermaster approval. Unless contrary evidence is presented to Watermaster that overcomes the rebuttable presumption provided in Section 5.3(b)(iii) of the Peace Agreement, Watermaster must find that there is "no material physical injury" and approve the transfer. Watermaster staff is not aware of any evidence to suggest that this transfer would cause material physical injury and hereby provides this notice to advise interested persons that this transfer will come before the Watermaster Board on or after 30 days from the date of this notice. The attached staff report will be included in the meeting package at the time the transfer begins the Watermaster process (comes before Watermaster).



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# 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**

**DATE:** May 5, 2010  
**TO:** Watermaster Interested Parties  
**SUBJECT:** Summary and Analysis of Application for Water Transaction

#### **Summary –**

There does not appear to be a potential material physical injury to a party or to the basin from the proposed transaction as presented.

#### **Issue –**

- **Notice of Sale or Transfer –** Monte Vista Water District will purchase 2,000 acre-feet of water from the Monte Vista Irrigation Company. This purchase is made first from the Irrigation Company's net underproduction, if any, in Fiscal Year 2009-10, with any remainder to be recaptured from storage.

#### **Recommendation –**

1. Continue monitoring as planned in the Optimum Basin Management Program.
2. Use all new or revised information when analyzing the hydrologic balance and report to Watermaster if a potential for material physical injury is discovered, and
3. Approve the transaction as presented.

#### **Fiscal Impact –**

- None
- Reduces assessments under the 85/15 rule
- Reduce desalter replenishment costs

#### **Background**

The Court approved the Peace Agreement, the Implementation Plan and the goals and objectives identified in the OBMP Phase I Report on July 13, 2000, and ordered Watermaster to proceed in a manner consistent with the Peace Agreement. Under the Peace Agreement, Watermaster approval is required for applications to store, recapture, recharge or transfer water, as well as for applications for credits or reimbursements and storage and recovery programs.

Where there is no material physical injury, Watermaster must approve the transaction. Where the request for Watermaster approval is submitted by a party to the Judgment, there is a rebuttable presumption that most of the transactions do not result in Material Physical Injury to a party to the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).

The following application for water transaction is attached with the notice of application.

- Monte Vista Water District will purchase 2,000 acre-feet of water from the Monte Vista Irrigation Company. This purchase is made first from the Irrigation Company's net underproduction, if any, in Fiscal Year 2009-10, with any remainder to be recaptured from storage.

Notice of the water transaction identified above was mailed on May 5, 2010 along with the materials submitted by the requestors.

**DISCUSSION**

Water transactions occur each year and are included as production by the respective entity (if produced) in any relevant analyses conducted by Wildermuth Environmental pursuant to the Peace Agreement and the Rules & Regulations. There is no indication additional analysis regarding this transaction is necessary at this time. As part of the OBMP Implementation Plan, continued measurement of water levels and the installation of extensometers are planned. Based on no real change in the available data, we cannot conclude that the proposed water transaction will cause material physical injury to a party or to the Basin.

**CONSOLIDATED WATER TRANSFER FORMS:**  
**FORM 3: APPLICATION FOR SALE OR TRANSFER OF RIGHT TO PRODUCE WATER FROM STORAGE**  
**FORM 4: APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE**  
**FORM 5: APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD**

FISCAL YEAR 20<sup>09</sup> - 20<sup>10</sup>

DATE REQUESTED: April 5, 2010

AMOUNT REQUESTED: 2,000 Acre-Feet

<p><b>TRANSFER FROM (SELLER / TRANSFEROR):</b>  <u>Monte Vista Irrigation Company</u>                  Name of Party  <u>10575 Central Avenue</u>                  Street Address  <u>Montclair</u>                      <u>CA</u>    <u>91763</u>                  City                                      State      Zip Code  <u>(909) 624-0035</u>                  Telephone  <u>(909) 624-0037</u>                  Facsimile</p>	<p><b>TRANSFER TO (BUYER / TRANSFEREE):</b>  <u>Monte Vista Water District</u>                  Name of Party  <u>10575 Central Avenue</u>                  Street Address  <u>Montclair</u>                      <u>CA</u>    <u>91763</u>                  City                                      State      Zip Code  <u>(909) 624-0035</u>                  Telephone  <u>(909) 624-0037</u>                  Facsimile</p>
---	--

Have any other transfers been approved by Watermaster between these parties covering the same fiscal year?      Yes       No

**PURPOSE OF TRANSFER:**

- Pump when other sources of supply are curtailed
- Pump to meet current or future demand over and above production right
- Pump as necessary to stabilize future assessment amounts
- Other, explain \_\_\_\_\_

**WATER IS TO BE TRANSFERRED FROM:**

- Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool)
- Storage
- Annual Production Right / Operating Safe Yield first, then any additional from Storage
- Other, explain \_\_\_\_\_

**WATER IS TO BE TRANSFERRED TO:**

- Annual Production Right / Operating Safe Yield (common)
- Storage (rare)
- Other, explain \_\_\_\_\_

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes  No   
 Is the Buyer an 85/15 Party? Yes  No   
 Is the purpose of the transfer to meet a current demand over and above production right? Yes  No   
 Is the water being placed into the Buyer's Annual Account? Yes  No

**IF WATER IS TO BE TRANSFERRED FROM STORAGE:**

<u>2-10,000 gpm</u>	<u>Current Fiscal Year</u>
Projected Rate of Recapture	Projected Duration of Recapture

**METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):**

Pumping

**PLACE OF USE OF WATER TO BE RECAPTURED:**

Regular production wells

**LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES):**

**WATER QUALITY AND WATER LEVELS**

Are the Parties aware of any water quality issues that exist in the area? Yes  No

If yes, please explain:

Nitrate concentrations range between 19-70 ppm

What are the existing water levels in the areas that are likely to be affected?

504-533

**MATERIAL PHYSICAL INJURY**

Are any of the recapture wells located within Management Zone 1? Yes  No

Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes  No

If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

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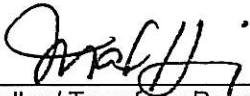


**SAID TRANSFER SHALL BE CONDITIONED UPON:**

- (1) Transferee shall exercise said right on behalf of Transferor under the terms of the Judgment, the Peace Agreement, the Peace II Agreement, and the Management Zone 1 Subsidence Management Plan for the period described above. The first water produced in any year shall be that produced pursuant to carry-over rights defined in the Judgment. After production of its carry-over rights, if any, the next (or first if no carry-over rights) water produced by Transferee from the Chino Basin shall be that produced hereunder.
- (2) Transferee shall put all waters utilized pursuant to said Transfer to reasonable beneficial use.
- (3) Transferee shall pay all Watermaster assessments on account of the water production hereby Transferred.
- (4) Any Transferee not already a party must Intervene and become a party to the Judgment.

**ADDITIONAL INFORMATION ATTACHED**

Yes  No



\_\_\_\_\_  
Seller / Transferor Representative Signature

Mark N. Kinsey

\_\_\_\_\_  
Seller / Transferor Representative Name (Printed)



\_\_\_\_\_  
Buyer / Transferee Representative Signature

Mark N. Kinsey

\_\_\_\_\_  
Buyer / Transferee Representative Name (Printed)

**TO BE COMPLETED BY WATERMASTER STAFF:**

DATE OF WATERMASTER NOTICE: \_\_\_\_\_

DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_

DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

HEARING DATE, IF ANY: \_\_\_\_\_

DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_

DATE OF BOARD APPROVAL: \_\_\_\_\_

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# MONTE VISTA WATER DISTRICT

## Recapture Plan

Location of where the recaptured water will be extracted by the District is within Management Zone 1 of the Chino Basin and will be accomplished by any or all of the 13 wells owned and operated by the District. The approximate daily production capacity of these wells is noted below.

The 2,000 AF transfer will be utilized for delivery to the District's retail customers, for delivery to the City of Chino Hills, or to offset the District's Fiscal Year 2009-10 replenishment obligation.

<u>Well</u>	<u>Production Acre-Feet/Day</u>
4	4.2
5	6.1
6	5.2
10	5.2
19	9.0
20	5.8
26	9.0
27	9.0
28	9.0
30	9.0
31	9.0
32	9.0
33	4.5

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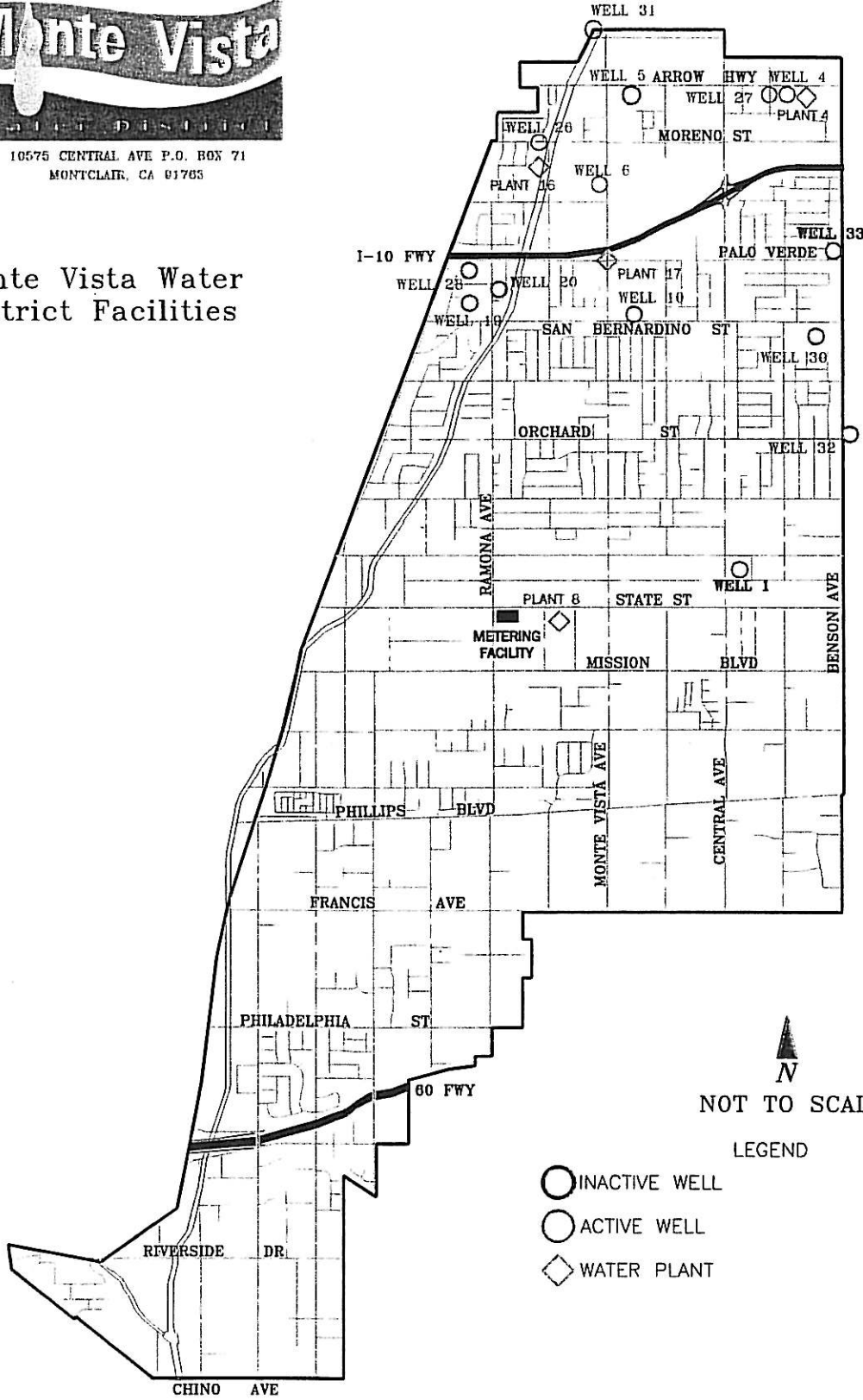
Daily Total	94.0
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A map showing the location of these wells is attached. The rate of extraction can vary significantly, depending upon system demand and seasonal changes.



10575 CENTRAL AVE P.O. BOX 71  
MONTCLAIR, CA 91763

# Monte Vista Water District Facilities



N  
NOT TO SCALE

LEGEND

- INACTIVE WELL
- ACTIVE WELL
- ◇ WATER PLANT



# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### A. CHINO CREEK WELL FIELD LOCATIONS





# 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:** June 24, 2010  
**TO:** Watermaster Board Members  
**SUBJECT:** Chino Creek Well Field Locations

### SUMMARY

**Issue** — The Chino Desalter Authority (CDA) has requested that Watermaster approve the locations of soon-to-be-constructed Wells I-16 and I-18. The CDA requested that Watermaster evaluate the well locations and specifications to perform a material physical injury analysis and to evaluate if they (the wells) will achieve and maintain hydraulic control.

**Recommendation** — Finds that the CDA's proposed locations of Wells I-16 and I-18, provided that they are constructed with perforations in the shallow aquifer in accordance with Wildermuth Environmental Inc. ongoing evaluation to achieve hydraulic control and will not conflict with the OBMP goal to minimize or abate permanent subsidence.

**Financial Impact** — None.

### BACKGROUND

The Peace II Agreement requires that the Desalters cumulatively produce approximately 40,000 acre-feet per year of groundwater by 2012. It also, along with the Basin Plan Amendment, requires that hydraulic control must be met to reduce groundwater discharge to the Santa Ana River to de minimus quantities.

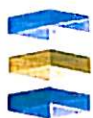
Wells I-16 and I-18 are the first two (out of six) production wells that will compose the Chino Creek Well Field. This Well Field will serve as raw groundwater for the Desalter expansion and will achieve and maintain hydraulic control on the west side of the Basin where it has not yet been fully achieved.

Wildermuth Environmental, Inc. (WEI), as part of its recent modeling study, performed a material physical injury analysis of these wells and evaluated their ability to achieve and maintain hydraulic control (attached). WEI's conclusion was that material physical injury will not occur, provided that the wells are perforated in the shallow aquifer (approximately 30-200 feet below ground surface). WEI also concluded that the proposed well locations, provided that they are perforated in the shallow aquifer and provided that the other four wells are installed as planned, are capable of achieving and maintaining hydraulic control.



**Actions:**

- 6-03-10 Appropriative Pool** - Approved unanimously
- 6-03-10 Non-Agricultural Pool** - Approved unanimously
- 6-10-10 Agricultural Pool** - Approved unanimously
- 6-17-10 Advisory Committee** - Approved unanimously
- 6-24-10 Watermaster Board**



**WILDERMUTH™**  
ENVIRONMENTAL INC.

May 27, 2010

Chino Basin Watermaster  
Attention: Mr. Kenneth R. Manning, Chief Executive Officer  
9641 San Bernardino Road  
Rancho Cucamonga, CA 91730

**Subject: Material Physical Injury Analysis – Wells I-16, I-18, I-MW16, I-MW18 of the Chino Creek Well Field**

Dear Mr. Manning:

Per your request, Wildermuth Environmental, Inc. (WEI) has reviewed the *Detailed Technical Specifications for Drilling, Construction, Development, and Testing of Chino Basin Desalter Authority Wells I-16, I-18, I-MW16 and I-MW18, December 24, 2009* prepared by Geoscience Support Services, Inc. for the Chino Desalter Authority (CDA), and has prepared this opinion on consistency with the Optimum Basin Management Program (OBMP) and the Peace II project description, and the potential for material physical injury that could be associated with these proposed wells.

Wells I-16 and I-18 are the first of six production wells that are planned for the so-called Chino Creek Well Field (CCWF), and these wells are the subject of the material physical injury analysis. Wells I-MW16 and I-MW18 are two companion monitoring wells that will be constructed adjacent to the production wells to assist in aquifer testing. We anticipate no material physical injury associated with the drilling, construction, development and testing of the monitoring wells.

There are two main objectives of the CCWF: (1) to develop a supply of raw groundwater for an expansion of the Chino Desalter facilities and (2) to achieve and maintain hydraulic control of groundwater outflow from the Chino Basin. Achievement and maintenance of hydraulic control is a requirement of the Basin Plan as updated in 2004 and the Peace II Agreement as approved by the Court in December 2007.

Our primary concerns for material physical injury associated with the CCWF are the inability to achieve and maintain hydraulic control and the potential for land subsidence and ground fissuring.

**Hydraulic Control.** Hydraulic control is defined as the elimination of the groundwater discharge from the Chino-North management zone into the Prado Basin management zone (PBMZ). Currently, hydraulic control is not being achieved in the area of the proposed CCWF. Current piezometric data indicates that groundwater originating in the Chino-North management zone is discharging to the south in this area, mainly through the shallow aquifer system, into the PBMZ. The water quality in the shallow aquifer system is generally high in TDS and nitrate concentrations. Watermaster's (and IEUA's) primary objective is to ensure that groundwater pumping at the CCWF achieves hydraulic control in this area, so that these shallow poor-quality groundwaters do not exit the Chino Basin as rising groundwater which could decrease basin yield and degrade the quality of the Santa Ana River. Therefore, the wells of the CCWF should be located, constructed and operated to cause the requisite drawdown in the shallow aquifer system to achieve hydraulic control.

**Land Subsidence.** Pumping from the deeper confined aquifers (<200 ft-bgs) in the western portion of the Chino Basin can lead to excessive drawdown in these deep aquifers, which can lead to compaction of clay

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and silt layers within the aquifer system, which can result in land subsidence and ground fissuring at the land surface. Pumping from the shallow unconfined aquifers typically causes less drawdown within the aquifer system and, hence, lessens the potential for material physical injury associated with land subsidence and ground fissuring.

*Preliminary Opinion on Material Physical Injury.* Watermaster recently completed and published a groundwater-flow modeling study of the Peace II project description called *2009 Production Optimization and Evaluation of the Peace II Project Description* (WEI, November 25, 2009). In this study, the CCWF was simulated to pump from six wells located in the southwestern portion of the Chino Basin. These wells were simulated to be screened exclusively across the shallow aquifer system which, in this region, is approximately 30-200 feet below ground surface (ft-bgs). The study demonstrated that this design and configuration of the CCWF was capable of (1) achieving and maintaining hydraulic control and (2) not causing excessive drawdown in the deeper confined aquifers that could lead to high rates and magnitudes of land subsidence.

In Figure 1 of the technical specifications referenced above, the production wells I-16 and I-18 are located in approximately the same locations as two of the CCWF wells that have been modeled and approved by Watermaster (WEI, November 25, 2009). If, in addition, these production wells are screened across the shallow aquifer system, then we anticipate no material physical injury associated with not achieving hydraulic control or with pumping-induced land subsidence and ground fissuring.

This opinion of no material physical injury is contingent upon the appropriate operation (pumping) of these wells in the future. We respectfully request the opportunity to opine on the appropriate operation of these wells and the potential for material physical injury after the entire CCWF has been installed and tested.

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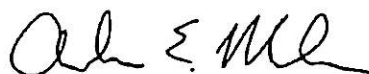
We appreciate the opportunity to serve the Watermaster and the Parties to the Judgment. Please call me if you have any questions or need additional information.

Very truly yours,

**Wildermuth Environmental, Inc.**



Mark J. Wildermuth, PE  
Chairman



Andrew E. Malone, PG  
Principal Geologist





# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### B. CHINO BASIN WATERMASTER 2010-2011 BUDGET





# 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:** June 24, 2010  
**TO:** Watermaster Board Members  
**SUBJECT:** Proposed Fiscal Year 2010/2011 Budget

### SUMMARY

**Issue** – Annual Budget for Watermaster Administration and OBMP tasks during FY 2010/2011.

**Recommendations** – Staff recommends the Committees and the Board consider approval/adoption of the Proposed FY 2010/2011 Budget.

**Fiscal Impact** – The FY 2010/2011 Proposed Budget expenses are \$6,640,490. The FY 2010/2011 Budget, as proposed, anticipates a decrease in all three expense categories of administrative costs, OBMP expenditures and 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 expenses are continually refined. The current version of the budget reflects the discussions with consultants and stakeholders.

On May 12, 2010 Watermaster conducted the annual Budget Workshop and discussed the preliminary draft budget in both detail and in summary. The consensus of the members of the workshop was the preliminary budget required reductions in several categories to reflect current economic trends and financial challenges. Staff took the recommendations and suggestions and developed a second version of the preliminary budget.

On May 13, 2010 the preliminary budget #2 was formally presented to the Ag Pool and the Appropriative Pool for discussion and comment. The Non-Ag Pool chose to table the presentation and discussion of the preliminary budget #2. The Appropriative Pool recommended that an Ad Hoc Budget Committee be

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created of Appropriative members to assist staff in the budget development. After discussions with the Ag Pool and the Appropriative Pool, staff took the recommendations and suggestions and developed a third version of the preliminary budget.

On May 20, 2010 the preliminary budget #3 was presented to the Advisory Committee and the Ad Hoc Budget Committee. After discussion with the Ad Hoc Budget Committee, staff took the recommendations and suggestions and developed a fourth version of the preliminary budget.

On May 25, 2010 the preliminary budget #4 was presented to the Budget Committee. After discussion on the preliminary budget, specific budget line items, and estimated assessment amounts, it was agreed that the preliminary budget of \$6,640,490 was acceptable to the committee.

For the Administrative expenses:

- The draft budget includes 10.5 FTE approved staff positions, a reduction of .5 FTE from the previous budget.
- The draft budget includes no COLA salary adjustments and no material changes in employee's fringe benefits.
- Reductions in the majority of Administrative expenses compared to the FY 2009-2010 Approved Budget.
- Overall, the Administrative section is 4.9% or \$42,872 below the previous year's budget.

For OBMP General costs:

- Meetings with staff, Wildermuth and legal counsel were held to determine where costs could be reduced or work delayed until next fiscal year.
- Wildermuth provided a 5% reduction in labor costs which provided decreases in the overall engineering budgets for OBMP costs.
- Overall, the OBMP section is 13.7% or \$214,146 below the previous year's budget.

OBMP Implementation Project costs:

Continued implementation of the recharge improvement project including recharge and well monitoring program.

- Wildermuth provided a 5% reduction in labor costs which provided decreases in the overall engineering budgets for OBMP Implementation Project costs.
- Reductions in the majority of OBMP Implementation Project expenses compared to the FY 2009-2010 Approved Budget.
- Increased expenses regarding the MZ1 Ground Level Monitoring of \$281,000.
- Overall, the OBMP Implementation Projects section is 14.9% or \$783,280 below the previous year's budget.

In summary, the FY 2010/11 Budget, as proposed, anticipates a decrease in total budgeted costs of \$1,040,298 or 13.5% below the previous year's approved budget. The final assessments will be refined when the assessment package is prepared this fall; however the Total Assessable Production is being projected at levels similar to the 2008-2009 actual production.



**Actions:**

**6-03-10 Appropriative Pool** - Approved unanimously

**6-03-10 Non-Agricultural Pool** – Action to defer

**6-10-10 Agricultural Pool** – Approved with amendment to accounts: 8467: \$100,000 – 8467-1: \$18,000  
– 8470: \$12,000 – 8471: \$65,000

**6-17-10 Advisory Committee** - Approved by majority including Agricultural Pool changes –  
Non-Agricultural Pool voted no (95% vote in favor)

**6-24-10 Watermaster Board**





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**CHINO BASIN WATERMASTER  
SUMMARY BUDGET FY 2010-2011**

**DRAFT**

	FY 08-09 June Actual	FY 09-10 December Actual	FY 09-10 Approved Budget	FY 10-11 Proposed Budget	Current vs. Proposed
<b>Ordinary Income</b>					
4000 Mutual Agency Revenue	\$51,217	\$111,000	\$148,410	\$148,410	\$0
4110 Appropriative Pool Assessments	7,993,307	7,115,654	7,185,411	6,113,552	-1,071,859
4120 Non-Agricultural Pool Assessments	172,817	225,016	155,427	203,518	48,091
4730 Prorated Interest Income	123,949	20,844	191,540	175,010	-16,530
4900 Miscellaneous Income	1,028	0	0	0	0
<b>Total Income</b>	<b>8,342,318</b>	<b>7,472,514</b>	<b>7,680,788</b>	<b>6,640,490</b>	<b>-1,040,298</b>
<b>Administrative Expenses</b>					
6010 Salary Costs	493,409	244,694	487,838	464,944	-22,894
6020 Office Building Expense	94,093	47,238	102,500	103,196	696
6030 Office Supplies & Equip.	44,822	19,903	46,500	40,500	-6,000
6040 Postage & Printing Costs	70,332	33,639	84,300	78,300	-6,000
6050 Information Services	142,730	67,913	148,500	147,200	-1,300
6060 WM Special Contract Services	69,660	68,136	98,000	75,000	-23,000
6080 Insurance Expense	15,713	15,934	16,730	17,575	845
6110 Dues and Subscriptions	10,053	17,205	17,000	16,000	-1,000
6150 Field Supplies & Equipment	1,091	271	2,800	1,800	-1,000
6170 Travel & Transportation	36,287	14,905	37,800	33,160	-4,640
6190 Conferences & Seminars	24,133	11,593	26,500	23,000	-3,500
6200 Advisory Committee Expenses	17,033	9,314	18,078	22,470	4,392
6300 Watermaster Board Expenses	41,232	18,882	43,823	50,603	6,780
6500 Education Fund Expenditures	375	0	375	375	0
8300 Appropriative Pool Administration	20,294	13,864	23,069	26,710	3,641
8400 Agricultural Pool Administration	167,194	70,569	200,114	182,147	-17,967
8500 Non-Agricultural Pool Administration	5,117	2,891	6,677	11,666	4,989
9400 Depreciation Expense	0	0	0	0	0
9500 Allocated G&A Expenditures	-472,182	-234,302	-488,230	-465,144	23,086
<b>Total Administrative Expenses</b>	<b>781,386</b>	<b>422,649</b>	<b>872,374</b>	<b>829,502</b>	<b>-42,872</b>
<b>General OBMP Expenditures</b>					
6900 Optimum Basin Mgmt Program	1,765,585	655,248	1,399,371	1,197,734	-201,637
6950 Cooperative Efforts	10,000	0	10,000	10,000	0
9501 Allocated G&A Expenditures	164,541	74,567	148,448	135,939	-12,509
<b>Total General OBMP Expenses</b>	<b>1,940,126</b>	<b>729,815</b>	<b>1,557,819</b>	<b>1,343,673</b>	<b>-214,146</b>
<b>OBMP Implementation Projects</b>					
7101 Production Monitoring	108,441	49,881	107,047	104,219	-2,828
7102 In-Line Meter Installation/Maintenance	55,732	20,440	56,179	66,679	10,500
7103 Groundwater Quality Monitoring	183,368	111,425	214,362	202,996	-11,366
7104 Groundwater Level Monitoring	378,889	175,844	366,956	336,282	-30,674

**CHINO BASIN WATERMASTER  
SUMMARY BUDGET FY 2010-2011**

**DRAFT**

	FY 08-09 June Actual	FY 09-10 December Actual	FY 09-10 Approved Budget	FY 10-11 Proposed Budget	Current vs. Proposed
7105 Recharge Basin Water Quality Monitoring	4,812	2,659	43,912	4,280	-39,632
7106 Water Level Sensors Install	0	0	0	0	0
7107 Ground Level Monitoring-MZ1	396,028	85,367	550,059	815,620	265,561
7108 Hydraulic Control Monitoring Program	600,571	188,615	567,022	493,700	-73,322
7109 Recharge & Well Monitoring Program	0	2,413	9,152	8,440	-712
7200 OBMP Pgm Element 2 - Comp Recharge	1,263,711	923,590	1,478,560	1,017,022	-461,538
7300 OBMP Pgm Element 3 & 5 - Water Supply Plan - Desalter	80,713	31,911	96,003	72,111	-23,892
7400 OBMP Pgm Element 4 - Mgmt Zone Strategies	241,019	63,880	91,985	91,955	-30
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt	70,454	76,635	163,727	154,180	-9,547
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use	28,359	28,317	29,550	68,250	38,700
7700 Inactive Well Protection Program	0	0	5,066	1,412	-3,654
7690 Recharge Improvement Debt Payment	1,261,894	567,042	1,131,233	700,964	-430,269
9502 Allocated G&A Expenditures	309,220	159,735	339,782	329,205	-10,577
<b>Total OBMP Implementation Projects</b>	<b>4,983,211</b>	<b>2,487,754</b>	<b>5,250,595</b>	<b>4,467,315</b>	<b>-783,280</b>
<b>Total Expenses</b>	<b>7,704,723</b>	<b>3,640,218</b>	<b>7,680,788</b>	<b>6,640,490</b>	<b>-1,040,298</b>
<b>Net Ordinary Income</b>	<b>637,595</b>	<b>3,832,296</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Income</b>					
4225 Interest Income	54,889	13,504	0	0	0
4210 Approp Pool-Replenishment	6,427,596	4,887,365	0	0	0
4220 Non-Ag Pool-Replenishment	10,047	9,478	0	0	0
4600 Groundwater Sales	0	2,176,962	0	0	0
<b>Total Other Income</b>	<b>6,492,532</b>	<b>7,087,309</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Expense</b>					
5010 Groundwater Recharge	2,326,075	1,019,746	0	0	0
<b>Total Other Expense</b>	<b>2,326,075</b>	<b>1,019,746</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Other Income</b>	<b>4,166,457</b>	<b>6,067,563</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>9900 From / (To) Reserves</b>	<b>-4,804,052</b>	<b>-10,139,076</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Income</b>	<b>\$0</b>	<b>-\$239,217</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**CHINO BASIN WATERMASTER  
DETAIL BUDGET FY 2010-2011**

**DRAFT**

	FY 08-09 June Actual	FY 09-10 December Actual	FY 09-10 Approved Budget	FY 10-11 Proposed Budget	Current vs. Proposed
<b>Income</b>					
<b>4000 Mutual Agency Revenue</b>					
4010 Local Agency Subsidies - Other	-\$50,167	\$111,000	\$148,410	\$148,410	\$0
4013 Local Agency Contr - OBMP	-41,667	0	0	0	0
4040 Cooperative Agreement	143,051	0	0	0	0
<b>Total 4000 Mutual Agency Revenue</b>	<b>51,217</b>	<b>111,000</b>	<b>148,410</b>	<b>148,410</b>	<b>0</b>
<b>4110 Appropriative Pool Assessments</b>					
4111 Administrative Assessment	635,991	609,111	654,327	579,551	-74,776
4111.2 OBMP Assessment	4,542,646	3,729,218	4,003,209	3,344,275	-658,934
4111.3 App Pool - Special Assessment	0	0	0	0	0
4112 Ag Pool Reallocation - Administrative	190,956	231,256	196,211	219,891	23,680
4113 Ag Pool Reallocation - OBMP	1,362,120	1,414,836	1,200,431	1,268,871	68,440
4115 Recharge Improvement Revenue	1,261,594	1,131,233	1,131,233	700,964	-430,269
4117 P/Y Adjustments & Pool Interest	0	0	0	0	0
<b>Total 4110 Appropriative Pool Assessments</b>	<b>7,993,307</b>	<b>7,115,654</b>	<b>7,185,411</b>	<b>6,113,552</b>	<b>-1,071,859</b>
<b>4120 Non-Agricultural Pool Assessments</b>					
4123 Administrative Assessment	21,224	31,593	21,836	30,060	8,224
4124 OBMP Assessment	151,593	193,423	133,591	173,458	39,867
4127 P/Y Adjustments	0	0	0	0	0
<b>Total 4120 Non-Agricultural Pool Assessments</b>	<b>172,817</b>	<b>225,016</b>	<b>155,427</b>	<b>203,518</b>	<b>48,091</b>
<b>4730 Prorated Interest Income</b>					
4713 Interest Income-Other	0	0	0	0	0
4731 Interest - Agricultural Pool	10,198	1,425	17,500	15,750	-1,750
4732 Interest - Appropriative Pool	110,899	18,574	170,000	155,750	-14,250
4733 Interest - Non-Agricultural Pool	2,825	842	4,000	3,500	-500
4739 Interest - Education Fund	27	3	40	10	-30
<b>Total 4730 Prorated Interest Income</b>	<b>123,949</b>	<b>20,844</b>	<b>191,540</b>	<b>175,010</b>	<b>-16,530</b>
<b>4900 Miscellaneous Income</b>					
	1,028	0	0	0	0
<b>Total Income</b>	<b>8,342,318</b>	<b>7,472,514</b>	<b>7,680,788</b>	<b>6,640,490</b>	<b>-1,040,298</b>



**CHINO BASIN WATERMASTER  
DETAIL BUDGET FY 2010-2011**

**DRAFT**

	FY 08-09 June Actual	FY 09-10 December Actual	FY 09-10 Approved Budget	FY 10-11 Proposed Budget	Current vs. Proposed
<b>Administrative Expenses</b>					
<b>6010 Salary Costs</b>					
6011 WM Staff Salaries & Payroll Burden	506,717	281,790	468,339	444,317	-24,022
6012 Payroll Services	2,957	1,594	2,000	3,120	1,120
6013 Human Resources Services	0	1,843	12,000	12,000	0
6016 New Employee Search Costs	524	0	500	500	0
6017 Temporary Services	0	0	5,000	5,000	0
Subtotal Wages	510,198	285,227	487,839	464,937	-22,902
6018 Fringe Benefits	471,709	282,347	474,334	482,775	8,441
60199 Payroll Burden Allocated	-488,498	-322,880	-474,335	-482,768	-8,433
<b>Total 6010 Salary Costs</b>	493,409	244,694	487,838	464,944	-22,894
<b>6020 Office Building Expense</b>					
6021 Office Lease	65,940	32,227	68,000	69,504	1,504
6022 Telephone	15,260	7,151	15,000	15,000	0
6024 Building Repairs & Janitorial	12,374	7,182	19,500	17,000	-2,500
6026 Security Services	519	678	0	1,692	1,692
6027 Other Expense	0	0	0	0	0
<b>Total 6020 Office Building Expense</b>	94,093	47,238	102,500	103,196	696
<b>6030 Office Supplies &amp; Equip.</b>					
6031 Office Supplies	40,363	18,200	43,500	37,500	-6,000
6038 Other Office Equipment	673	0	0	0	0
6039 Office Expenses	0	0	0	0	0
6141 Meeting Expenses	3,786	1,703	3,000	3,000	0
<b>Total 6030 Office Supplies &amp; Equip.</b>	44,822	19,903	46,500	40,500	-6,000
<b>6040 Postage &amp; Printing Costs</b>					
6042 Postage	6,984	720	12,000	6,000	-6,000
6043 Copy Machine Lease & Maintenance	57,148	28,222	63,000	60,000	-3,000
6044 Postage Meter Lease	1,919	946	2,800	2,800	0
6045 Outside Printing	4,281	3,751	6,500	9,500	3,000
<b>Total 6040 Postage &amp; Printing Costs</b>	70,332	33,639	84,300	78,300	-6,000

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	FY 08-09 June Actual	FY 09-10 December Actual	FY 09-10 Approved Budget	FY 10-11 Proposed Budget	Current vs. Proposed
<b>6050 Information Services</b>					
6052 Consultants	88,534	39,025	87,000	82,000	-5,000
6053 Internet Services	14,258	12,343	16,500	23,200	6,700
6054 Computer Software & Hardware	39,938	16,545	45,000	42,000	-3,000
<b>Total 6050 Information Services</b>	<b>142,730</b>	<b>67,913</b>	<b>148,500</b>	<b>147,200</b>	<b>-1,300</b>
<b>6060 WM Special Contract Services</b>					
6061 Contract Services	40,016	28,186	40,000	46,000	6,000
6062 Audit Services	9,400	4,325	8,000	9,000	1,000
6063 Annual Report/Consultant	0	0	40,000	20,000	-20,000
6064 Consultant Services/Water Auction	20,244	35,625	0	0	0
6067 General Counsel	0	0	10,000	0	-10,000
<b>Total 6060 WM Special Contract Services</b>	<b>69,660</b>	<b>68,136</b>	<b>98,000</b>	<b>75,000</b>	<b>-23,000</b>
<b>6080 Insurance Expense</b>					
6085 Business Insurance Package	15,498	15,703	16,500	17,325	825
6086 Position Bond Insurance	215	231	230	250	20
<b>Total 6080 Insurance Expense</b>	<b>15,713</b>	<b>15,934</b>	<b>16,730</b>	<b>17,575</b>	<b>845</b>
<b>6110 Dues and Subscriptions</b>					
6111 Membership Dues	7,762	16,582	15,000	15,000	0
6112 Subscriptions	2,291	623	2,000	1,000	-1,000
<b>Total 6110 Dues and Subscriptions</b>	<b>10,053</b>	<b>17,205</b>	<b>17,000</b>	<b>16,000</b>	<b>-1,000</b>
<b>6150 Field Supplies &amp; Equipment</b>					
6151 Small Tools & Equipment	40	125	1,800	800	-1,000
6154 Uniforms	1,051	146	1,000	1,000	0
<b>Total 6150 Field Supplies &amp; Equipment</b>	<b>1,091</b>	<b>271</b>	<b>2,800</b>	<b>1,800</b>	<b>-1,000</b>
<b>6170 Travel &amp; Transportation</b>					
6170 Travel & Transportation	2,692	0	4,000	0	-4,000
6171 Vehicle Allowance	24,158	11,895	23,400	23,400	0
6173 Mileage Reimbursements	494	116	400	400	0
6174 Public Transportation	0	150	0	360	360
6175 Vehicle Fuel	1,543	877	3,000	3,000	0
6177 Vehicle Repairs & Maintenance	7,400	1,867	7,000	6,000	-1,000
<b>Total 6170 Travel &amp; Transportation</b>	<b>36,287</b>	<b>14,905</b>	<b>37,800</b>	<b>33,160</b>	<b>-4,640</b>

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	FY 08-09 June Actual	FY 09-10 December Actual	FY 09-10 Approved Budget	FY 10-11 Proposed Budget	Current vs. Proposed
<b>6190 Conferences &amp; Seminars</b>					
6191 Conferences & Seminars	15,367	9,235	20,000	18,000	-2,000
6192 Training & Continuing Education	8,766	2,358	6,500	5,000	-1,500
<b>Total 6190 Conferences &amp; Seminars</b>	<b>24,133</b>	<b>11,593</b>	<b>26,500</b>	<b>23,000</b>	<b>-3,500</b>
<b>6200 Advisory Committee Expenses</b>					
6201 WM Staff Salaries	14,789	7,976	16,078	20,470	4,392
6212 Meeting Expense	2,244	1,338	2,000	2,000	0
<b>Total 6200 Advisory Committee Expenses</b>	<b>17,033</b>	<b>9,314</b>	<b>18,078</b>	<b>22,470</b>	<b>4,392</b>
<b>6300 Watermaster Board Expenses</b>					
6301 WM Staff Salaries	19,893	10,052	22,023	28,803	6,780
6311 Board Member Compensation	18,125	7,500	18,500	18,500	0
6312 Meeting Expense	3,178	1,330	3,000	3,000	0
6313 Board Members' Expenses	36	0	300	300	0
<b>Total 6300 WM Board Expenses</b>	<b>41,232</b>	<b>18,882</b>	<b>43,823</b>	<b>50,603</b>	<b>6,780</b>
<b>6500 Education Fund Expenditures</b>	375	0	375	375	0
<b>8300 Appropriative Pool Administration</b>					
8301 WM Staff Salaries	20,009	13,795	22,569	26,210	3,641
8312 Meeting Expenses	285	69	500	500	0
<b>Total 8300 Appropriative Pool Administration</b>	<b>20,294</b>	<b>13,864</b>	<b>23,069</b>	<b>26,710</b>	<b>3,641</b>
<b>8400 Agricultural Pool Administration</b>					
8401 WM Staff	19,215	12,746	19,814	22,847	3,033
8411 Compensation	2,225	500	2,000	2,000	0
8412 Meeting Expenses	211	0	300	300	0
8456 IEUA RTS Meter Charge	3,006	1,923	3,000	3,000	0
8467 Ag-Pool Legal Service	122,431	42,969	80,000	80,000	0
8467.1 Frank B & Associates	8,831	5,681	18,000	12,000	-6,000
8470 Ag Pool Meeting Special Compensation	11,275	6,750	12,000	12,000	0
8471 Ag Pool Special Projects	0	0	65,000	50,000	-15,000
<b>Total 8400 Agricultural Pool Administration</b>	<b>167,194</b>	<b>70,569</b>	<b>200,114</b>	<b>182,147</b>	<b>-17,967</b>



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	FY 08-09 June Actual	FY 09-10 December Actual	FY 09-10 Approved Budget	FY 10-11 Proposed Budget	Current vs. Proposed
<b>8500 Non-Agricultural Pool Administration</b>					
8501 WM Staff	4,911	2,822	6,477	11,466	4,989
8512 Meeting Expense	206	69	200	200	0
<b>Total 8500 Non-Agricultural Pool Administration</b>	<b>5,117</b>	<b>2,891</b>	<b>6,677</b>	<b>11,666</b>	<b>4,989</b>
<b>9400 Depreciation Expense</b>	0	0	0	0	0
<b>9500 Allocated G&amp;A Expenditures</b>	-472,182	-234,302	-488,230	-465,144	23,086
	0				
<b>Total Administrative Expenses</b>	<b>781,386</b>	<b>422,649</b>	<b>872,374</b>	<b>829,502</b>	<b>-42,872</b>
<b>General OBMP Expenses</b>					
<b>6900 Optimum Basin Mgmt Program</b>					
6901 OBMP - Staff	266,425	106,829	214,368	206,620	-7,748
6902 OBMP - Temporary Staff	0	0	0	0	0
6903 OBMP - SARW Group	0	0	0	25,778	25,778
6906 OBMP - Engineering	349,205	149,083	495,003	350,336	-144,667
6906.4 OBMP - CEQA	183,509	18,514	75,000	0	-75,000
6906.6 OBMP - SAR TMDL	21,757	5,365	0	0	0
6906.7 OBMP - DataX	4,207	0	0	0	0
6906.8 OBMP - Reports	142,957	0	0	0	0
6907 OBMP - Legal					
6907.1 Ellison & Schneider	18,358	0	0	0	0
6907.2 Ludorff & Scalmanini	4,025	0	0	0	0
6907.3 WM Legal Counsel	712,629	356,846	595,000	450,000	-145,000
6907.4 WM Legal Counsel - Contingency	0	0	0	145,000	145,000
6907.34 SAR Accord	44,055	5,834	0	0	0
6909 OBMP - Other Expense	18,458	12,777	20,000	20,000	0
<b>Total 6900 Optimum Basin Mgmt Program</b>	<b>1,765,585</b>	<b>655,248</b>	<b>1,399,371</b>	<b>1,197,734</b>	<b>-201,637</b>
<b>Total 6950 Cooperative Efforts</b>	10,000	0	10,000	10,000	0
<b>9501 Allocated G&amp;A Expenditures</b>	164,541	74,567	148,448	135,939	-12,509
<b>Total General OBMP Expenses</b>	<b>1,940,126</b>	<b>729,815</b>	<b>1,557,819</b>	<b>1,343,673</b>	<b>-214,146</b>

**CHINO BASIN WATERMASTER  
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**7000 OBMP Implementation Projects**  
*7100 OBMP Pgm Element 1 - Comp Monitoring Program*

**7101 Production Monitoring**

7101.1 Production Monitoring - WM Staff	77,151	49,028	103,497	102,069	-1,428
7101.3 Production Monitoring - Engineering Services	30,540	478	2,800	1,400	-1,400
7101.4 Production Monitoring - Computer Services	750	375	750	750	0
<b>Total 7101 Production Monitoring</b>	<b>108,441</b>	<b>49,881</b>	<b>107,047</b>	<b>104,219</b>	<b>-2,828</b>

**7102 In-Line Meter Installation/Maintenance**

7102.1 In-Line Meter - WM Staff	14,468	2,579	13,179	10,679	-2,500
7102.5 In-Line Meter - Maintenance & Repair	0	2,795	5,000	8,000	3,000
7102.7 In-Line Meter - In-Line Meters	7,516	4,426	8,000	8,000	0
7102.8 In-Line Meter - Calibration & Testing	33,748	10,640	30,000	40,000	10,000
<b>Total 7102 In-Line Meter Installation/Maintenance</b>	<b>55,732</b>	<b>20,440</b>	<b>56,179</b>	<b>66,679</b>	<b>10,500</b>

**7103 Groundwater Quality Monitoring**

7103.1 Grdwtr Quality - WM Staff	33,949	13,007	74,871	76,355	1,484
7103.3 Grdwtr Quality - Engineering Services	118,592	75,000	110,736	87,008	-23,728
7103.5 Grdwtr Quality - Laboratory Services	30,046	22,945	28,005	36,883	8,878
7103.6 Grdwtr Quality - Supplies	31	98	0	2,000	2,000
7103.7 Grdwtr Quality - Computer Services	750	375	750	750	0
<b>Total 7103 Groundwater Quality Monitoring</b>	<b>183,368</b>	<b>111,425</b>	<b>214,362</b>	<b>202,996</b>	<b>-11,366</b>

**7104 Groundwater Level Monitoring**

7104.1 Grdwtr Level - WM Staff	103,972	54,290	96,010	90,713	-5,297
7104.3 Grdwtr Level - Engineering Services	258,763	109,028	235,646	206,144	-29,502
7104.4 Grdwtr Level - Contract Services (CBWM Staff)	260	0	11,500	1,000	-10,500
7104.6 Grdwtr Level - Supplies	2,995	504	2,500	2,500	0
7104.7 Grdwtr Level - Capital Equipment (CBWM Staff)	12,899	12,022	21,300	12,000	-9,300
7104.8 Grdwtr Level - Contract Services	0	0	0	10,000	10,000
7104.9 Grdwtr Level - Capital Equipment	0	0	0	13,925	13,925
<b>Total 7104 Groundwater Level Monitoring</b>	<b>378,889</b>	<b>175,844</b>	<b>366,956</b>	<b>336,282</b>	<b>-30,674</b>

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<b>7105 Recharge Basin Water Quality Monitoring</b>					
7105.1 Recharge Basin Water Quality - WM Staff	4,305	2,074	39,912	2,780	-37,132
7105.4 Recharge Basin Water Quality - Laboratory Services	195	585	3,500	1,000	-2,500
7105.6 Recharge Basin Water Quality - Supplies	312	0	500	500	0
<b>Total 7105 Recharge Basin Water Quality Monitoring</b>	<b>4,812</b>	<b>2,659</b>	<b>43,912</b>	<b>4,280</b>	<b>-39,632</b>
<b>7107 Ground Level Monitoring-MZ1</b>					
7107.1 Ground Level - WM Staff	153	0	1,406	1,421	15
7107.2 Ground Level - Engineering Services	277,894	71,997	244,127	336,538	92,411
7107.3 Ground Level - Synthetic Aperture Radar	95,000	12,400	95,000	95,000	0
7107.5 Ground Level - Laboratory Services	0	0	0	0	0
7107.6 Ground Level - Contract Services	22,981	970	209,526	351,393	141,867
7107.8 Ground Level - Capital Equipment	0	0	0	31,268	31,268
<b>Total 7107 Ground Level Monitoring-MZ1</b>	<b>396,028</b>	<b>85,367</b>	<b>550,059</b>	<b>815,620</b>	<b>265,561</b>
<b>7108 Hydraulic Control Monitoring</b>					
7108.1 Hydraulic Control Monitoring - WM Staff	6,919	842	13,543	6,829	-6,714
7108.2 Hydraulic Control Monitoring - Temporary Services	0	0	0	0	0
7108.3 Hydraulic Control Monitoring - Engineering Services	376,794	166,089	366,846	311,322	-55,524
7108.4 Hydraulic Control Monitoring - Laboratory Services	216,813	21,684	181,933	170,849	-11,084
7108.6 Hydraulic Control Monitoring - Supplies	45	0	0	0	0
7108.9 Hydraulic Control Monitoring - Contract Services	0	0	4,700	4,700	0
<b>Total 7108 Hydraulic Control Monitoring</b>	<b>600,571</b>	<b>188,615</b>	<b>567,022</b>	<b>493,700</b>	<b>-73,322</b>
<b>7109 Recharge &amp; Well Monitoring</b>					
7109.3 Recharge & Well Monitoring - Engineering Services	0	2,413	9,152	8,440	-712
7109.4 Recharge & Well Monitoring - Laboratory Services	0	0	0	0	0
<b>Total 7109 Recharge &amp; Well Monitoring</b>	<b>0</b>	<b>2,413</b>	<b>9,152</b>	<b>8,440</b>	<b>-712</b>



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<b>7200 OBMP Pgm Element 2 - Comp Recharge</b>					
7201 Comp Recharge - WM Staff	116,512	64,228	99,910	121,702	21,792
7202.1 Comp Recharge - Temp Services	18,551	22,968	522,425	0	-522,425
7202.2 Comp Recharge - Engineering Services	574,732	507,310	158,225	10,320	-147,905
7202.3 Comp Recharge - Implementation	0	0	0	150,000	150,000
7203 Comp Recharge - Contract Services	5,408	0	22,000	0	-22,000
7204 Comp Recharge - Supplies	2,420	369	16,000	10,000	-6,000
7205 Comp Recharge - Other Expenses	51	0	0	5,000	5,000
7206 Comp Recharge - Basin Program O&M	609,583	328,715	660,000	720,000	60,000
7207 Comp Recharge - Other	0	0	0	0	0
7208 Hansen Aggregate Damages	-63,546	0	0	0	0
<b>Total 7200 OBMP Pgm Element 2 - Comp Recharge</b>	<b>1,263,711</b>	<b>923,590</b>	<b>1,478,560</b>	<b>1,017,022</b>	<b>-461,538</b>
<b>7300 OBMP Pgm Element 3 &amp; 5 - Water Supply Plan - Desalter</b>					
7301 OBMP - WM Staff	29,032	7,371	23,694	24,271	577
7303 OBMP - Engineering Services	51,622	24,458	72,309	47,840	-24,469
7304 OBMP - Contract Services	0	0	0	0	0
7305 OBMP - Supplies	8	82	0	0	0
7306 OBMP - Other Expense	51	0	0	0	0
<b>Total 7300 OBMP Pgm Element 3 &amp; 5 - Water Supply Plan</b>	<b>80,713</b>	<b>31,911</b>	<b>96,003</b>	<b>72,111</b>	<b>-23,892</b>
<b>7400 OBMP Pgm Element 4 - Mgmt Zone Strategies</b>					
7401 OBMP - WM Staff	10,263	3,479	10,705	11,465	760
7402 OBMP - Engineering Services	179,676	59,986	71,280	69,410	-1,870
7403 OBMP - Contract Services	50,339	0	10,000	10,000	0
7404 OBMP - Supplies	55	30	0	0	0
7405 OBMP - Other Expenses	686	385	0	1,080	1,080
<b>Total 7400 OBMP Pgm Element 4 - Mgmt Zone Strategies</b>	<b>241,019</b>	<b>63,880</b>	<b>91,985</b>	<b>91,955</b>	<b>-30</b>
<b>7500 OBMP Pgm Element 6 &amp; 7 - Coop Efforts/Salt Mgmt</b>					
7501 OBMP - WM Staff	181	5,336	1,414	2,780	1,366
7502 OBMP - Engineering Services	70,273	71,299	116,913	113,400	-3,513
7503 OBMP - Contract Services	0	0	20,000	20,000	0
7505 OBMP - Other Expenses	0	0	25,400	18,000	-7,400
<b>Total 7500 OBMP Pgm Element 6 &amp; 7 - Coop Efforts/Salt Mgmt</b>	<b>70,454</b>	<b>76,635</b>	<b>163,727</b>	<b>154,180</b>	<b>-9,547</b>

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	FY 08-09 June Actual	FY 09-10 December Actual	FY 09-10 Approved Budget	FY 10-11 Proposed Budget	Current vs. Proposed
<b>7600 OBMP Pgm Element 8 &amp; 9 Storage Mgmt/Conj Use</b>					
7601 OBMP - WM Staff	46,385	25,897	9,463	48,900	39,437
7602 OBMP - Engineering Services	-19,649	2,138	20,087	19,000	-1,087
7604 OBMP - Supplies	71	282	0	350	350
7605 OBMP - Other Expenses	1,552	0	0	0	0
<b>Total 7600 OBMP Pgm Element 8 &amp; 9 Storage Mgmt/Conj Use</b>	<b>28,359</b>	<b>28,317</b>	<b>29,550</b>	<b>68,250</b>	<b>38,700</b>
<b>7700 Inactive Well Protection Program</b>					
7701 Inactive Well Protection Program - WM Staff	0	0	3,066	412	-2,654
7703 Inactive Well Protection Program - Contract Services	0	0	2,000	1,000	-1,000
<b>Total 7700 Inactive Well Protection Program</b>	<b>0</b>	<b>0</b>	<b>5,066</b>	<b>1,412</b>	<b>-3,654</b>
<b>7690 Recharge Improvement Debt Payment</b>	<b>1,261,894</b>	<b>567,042</b>	<b>1,131,233</b>	<b>700,964</b>	<b>-430,269</b>
<b>9502 Allocated G&amp;A Expenditures</b>	<b>309,220</b>	<b>159,735</b>	<b>339,782</b>	<b>329,205</b>	<b>-10,577</b>
<b>Total OBMP Implementation Projects</b>	<b>4,983,211</b>	<b>2,487,754</b>	<b>5,250,595</b>	<b>4,467,315</b>	<b>-783,280</b>
<b>Total General OBMP &amp; Implementation Projects</b>	<b>6,923,337</b>	<b>3,217,569</b>	<b>6,808,414</b>	<b>5,810,988</b>	<b>-997,426</b>
<b>Total Expenses</b>	<b>7,704,723</b>	<b>3,640,218</b>	<b>7,680,788</b>	<b>6,640,490</b>	<b>-1,040,298</b>
<b>Net Ordinary Income</b>	<b>637,595</b>	<b>3,832,296</b>	<b>0</b>	<b>0</b>	<b>0</b>

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	FY 08-09 June Actual	FY 09-10 December Actual	FY 09-10 Approved Budget	FY 10-11 Proposed Budget	Current vs. Proposed
<b>Other Income</b>					
<b>4225 Interest Income</b>					
4225 Interest Income	54,889	13,504	0	0	0
<b>Total 4225 Interest Income</b>	54,889	13,504	0	0	0
<b>Water Replenishment Assessments</b>					
<b>4210 Approp Pool-Replenishment</b>					
4211 15% Gross Assessments	893,722	560,954	0	0	0
4212 85% Net Assessments	5,064,427	3,178,738	0	0	0
4213 100% Net Assessments	469,447	592,787	0	0	0
4214 Prior Year Adjustment	0	0	0	0	0
4215 Prior Year Carryover	0	554,886	0	0	0
<b>Total 4210 Approp Pool-Replenishment</b>	6,427,596	4,887,365	0	0	0
<b>4220 Non-Ag Pool-Replenishment</b>					
4223 Net Replenishment	10,047	9,478	0	0	0
<b>Total 4220 Non-Ag Pool-Replenishment</b>	10,047	9,478	0	0	0
<b>4600 Groundwater Sales</b>					
4613 Stored Water Sales	0	2,176,962	0	0	0
<b>Total 4600 Groundwater Sales</b>	0	2,176,962	0	0	0
<b>Total Other Income</b>	<b>6,492,532</b>	<b>7,087,309</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Expense</b>					
<b>5010 Groundwater Recharge</b>					
5011.4 Replenishment Water	0	0	0	0	0
5011 Replenishment Water	2,326,075	1,019,746	0	0	0
5017 IEUA Surcharges	0	0	0	0	0
<b>Total 5010 Groundwater Recharge</b>	2,326,075	1,019,746	0	0	0
<b>Total Other Expense</b>	<b>2,326,075</b>	<b>1,019,746</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Other Income</b>	<b>4,166,457</b>	<b>6,067,563</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>9900 (To) / From Reserves</b>	<b>-4,804,052</b>	<b>-10,139,076</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Income</b>	<b>\$0</b>	<b>-\$239,217</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



CHINO BASIN WATERMASTER  
ACCOUNT NUMBER JUSTIFICATION  
FY 2010 - 2011 BUDGET

**DRAFT**

Budget Account Number	Account Description	Comments and Information
<b>ORDINARY INCOME/EXPENSE</b>		
<b>4000 COOPERATIVE EFFORT CONTRIBUTIONS</b>		
4010	Local Agency Subsidies - Other	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.
<b>4110 APPROPRIATIVE POOL ASSESSMENTS</b>		
4111	Administrative Assessment	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.
4111.2	OBMP Assessment	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.
4112	Agricultural Pool Reallocation-Administrative Assessment	The Appropriative Pool and the Overlying Agricultural Pool agreed that the unproduced portion of Ag Pool's annual share of safe yield (\$2,800 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.
4113	Agricultural Pool Reallocation- OBMP Assessment	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.
4115	Recharge Improvement Revenue	This account covers funds required to pay the budgeted debt service payment and the operating and maintenance expenses.
4117	PIY Adjustments	Consists of adjustments related to prior years, if any.
<b>4120 NON-AGRICULTURAL POOL ASSESSMENTS</b>		
4123	Administrative Assessment	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 production.
4124	OBMP Assessment	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.
4127	PIY Adjustments	Consists of adjustments related to prior years, if any.
<b>4730 PRORATED INTEREST INCOME</b>		
<b>6010 SALARY COSTS</b>		
6011	WM Staff Salaries & Payroll Burden	Interest is prorated between the Pools and the Education Fund using formula approved by the Advisory Committee and Pools several years ago.
6012	Payroll Services	Expenses related to administrative staff hours and costs not related to a particular project.
6013	Human Resources Services	Expenses related to processing of bi-weekly payroll and preparation of quarterly and annual tax returns, including year end W-2 processing.
6018	Fringe Benefits	Expenses related to processing of flexible spending medical and dependent care accounts.
60199	Payroll Burden Allocated	Benefits paid to employees such as medical, dental, vision, vacation, sick leave & holidays.
<b>6020 OFFICE BUILDING EXPENSE</b>		
6021	Office Lease	Fringe benefits allocated to salary costs.
6022	Telephone	Lease for Watermaster office.
6024	Building Repairs & Janitorial	Telephone expense includes office telephone system, cellular phones for management and field staff along with conference call service.
6025	Security Services	This account covers monthly housekeeping, along with repairs and maintenance requests for the office.
6027	Other Expense	After business hours and weekend building alarm monitoring services for the office building.
<b>6030 OFFICE SUPPLIES &amp; EQUIPMENT</b>		
6031	Office Supplies	Expenses to this category include office building improvements.
6038	Office Equipment	Office supplies include: copy paper, stationary, envelopes, checks and other miscellaneous office supplies.
6039	Office Expense	This budget item covers the cost of office equipment not included in office supplies referenced in account 6031.
6141	Meeting Expenses	This account covers the costs of items not covered under any of the above 6030 categories including file management consulting fees. Expenses charged to this category include administrative meeting expenses.



CHINO BASIN WATERMASTER  
ACCOUNT NUMBER JUSTIFICATION  
FY 2010 - 2011 BUDGET

**DRAFT**

Budget Account Number	Account Description	Comments and Information
<b><u>6040 POSTAGE &amp; PRINTING COSTS</u></b>		
6042	Postage	The postage account covers the cost of mailing or shipping all meeting notices and agendas; correspondence; Annual Reports; outgoing bills and payments, etc. Charges also include FedEx, United Parcel Service costs as well as US postage.
6043	Copy Machine Lease	This account 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.
6044	Postage Meter Lease	Postage meter costs includes the annual lease fees, quarterly reset fees and postage meter ink cartridge replacements.
6045	Printing	Printing jobs done by outside printers and include the Annual Report, blueprints, special area street maps, color prints and emergency printing when our in-house copiers are down for repairs, etc. Also includes printing of color brochures and annual financial statements.
<b><u>6050 INFORMATION SERVICES</u></b>		
6052	Computer Consultant Support Services	Watermaster uses IT consultants to maintain the computer network and workstations, as well as to develop and maintain databases.
6053	Internet Services	Website maintenance costs & T-1 internet connection.
6054	Computer Software & Hardware	Costs include new software, software upgrades, new computer hardware, upgraded computer hardware, servers, printers, back up power supplies, etc.
<b><u>6060 WATERMASTER SPECIAL CONTRACT SERVICES</u></b>		
6061	Other Contract Services	Watermaster retains consultants to develop and implement strategic plans, develop brochures, and design the Annual Report.
6062	Audit Services	Services provided by the audit firm to ensure compliance and field work related for the annual financial statement audit.
6063	Public Relations Consultant	Watermaster retains outside consultants on a per contract basis as our Public Relations Consultant, to keep us up to date regarding relevant legislative issues.
6067	Legal Services - General Counsel	Watermaster's general counsel expenses related to personnel and non-project specific matters.
<b><u>6080 INSURANCES</u></b>		
6085	Business Insurance Package	All insurance policies are now included under Business Insurance Package, including auto & general liability.
6086	Position Bond Insurance	Insures key positions for risk of misappropriation and/or fraud.
<b><u>6110 DUES &amp; SUBSCRIPTIONS</u></b>		
6111	Membership Dues	Watermaster memberships include: American Water Works Assoc Research Foundation, Association of California Water Agencies, Association of Ground Water Agencies.
6112	Subscriptions	Watermaster subscribes to the periodicals and trade journals.
<b><u>6150 FIELD SUPPLIES &amp; EQUIPMENT</u></b>		
6151	Small Tools & Equipment	Small tools and equipment includes any tool which might be required while working in the field.
6154	Uniforms & Safety Shoes	T-shirts, polo shirts, hats and 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 the field staff.
<b><u>6170 TRAVEL &amp; TRANSPORTATION</u></b>		
6170	Travel & Transportation	Travel and transportation costs related to Watermaster business, not related to conferences and seminars.
6171	Vehicle Allowances	Employment agreement provides the Chief Executive Officer a vehicle allowance of \$750 per month. Other Watermaster management staff receive \$400 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.
6174	Public Transportation	Cost of tolls and transponders for Watermaster vehicles on the toll roads (Transportation Corridor Agency and 91 Express Lanes) in Orange County.
6175	Vehicle Fuel	Fuel expenses for Watermaster owned vehicles.
6177	Vehicle Repairs	Covers repairs and maintenance to Watermaster's vehicles.
6179	Vehicle Purchase	This account includes purchases of additional vehicles.
<b><u>6190 CONFERENCES &amp; SEMINARS</u></b>		
6191	Conferences & Seminars	Costs associated with staff attending conferences or seminars for information, training, or making presentations regarding the Chino Basin Watermaster activities.
6192	Training & Continuing Education	Attendance at training and continuing education for Watermaster staff.

CHINO BASIN WATERMASTER  
ACCOUNT NUMBER JUSTIFICATION  
FY 2010 - 2011 BUDGET

**DRAFT**

Budget Account Number	Account Description	Comments and Information
<u>6200</u>	<u>ADVISORY COMMITTEE</u>	
6201	WM Staff Salaries	Salary and burden costs of WM staff in attending and preparing for Advisory Committee meetings.
6212	Meeting Expense	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 and/or refreshments are served. Those related costs are reflected in this account.
<u>6300</u>	<u>WATERMASTER BOARD EXPENSES</u>	
6301	WM Staff Salaries	Salary and burden costs of WM staff in preparing for and attending Watermaster Board Meetings.
6311	Board Member Compensation	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	Meeting Expenses	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 and/or refreshments are served. Those related costs are reflected in this account.
6313	Board Member's Expenses	Board Members are entitled to receive reimbursement for expenses incurred on behalf of Watermaster business. Upon request, mileage is reimbursed to any Board Member using a personal vehicle for Watermaster business.
<u>6500</u>	<u>EDUCATION FUND EXPENDITURES</u>	This account disburses funds from the educational account as directed.
<u>8300</u>	<u>APPROPRIATIVE POOL ADMINISTRATION AND SPECIAL PROJECTS</u>	
8301	WM Staff Salaries	Salary and burden costs of WM staff in attending and preparing for Pool Meetings, and any other Appropriative Pool administrative activity.
8312	Meeting Expenses	This item covers meeting expenses, including the cost of refreshments.
<u>8400</u>	<u>AGRICULTURAL POOL ADMINISTRATION AND SPECIAL STUDIES</u>	
8401	WM Staff Salaries	Salary and burden costs of WM staff in attending and preparing for Pool Meetings, along with any other Agricultural Pool administrative activity.
8411	Compensation - AG Pool Members	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	Meeting Expenses	This account covers meeting expenses, including the cost of refreshments.
8456	IEUA RTS Meter Charge	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	Agri-Pool Legal Services	The Agricultural Pool retains its own legal council to represent them in all Watermaster matters.
8467.1	Frank B & Associates	The Agricultural Pool has contracted with a water management consultant to assist them in following Watermaster activities important to the Agricultural Pool.
8470	Ag Pool Meeting Special Compensation	See account #8411 for details of this line item.
<u>8500</u>	<u>NON-AGRICULTURAL POOL ADMINISTRATION AND SPECIAL PROJECTS</u>	
8501	WM Staff Salaries	Salary and burden costs of WM staff in attending and preparing for Pool Meetings, along with any other Non-Agricultural Pool administrative activity.
8512	Meeting Expense	This item covers meeting expenses, including the cost of refreshments.
<u>9500</u>	<u>ALLOCATED G&amp;A EXPENDITURES</u>	Administrative overhead that is allocated to OBMP and Project jobs as a percentage of total Watermaster salaries.
<u>6900</u>	<u>OPTIMUM BASIN MANAGEMENT PROGRAM - GENERAL ENGINEERING</u>	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.
<u>6950</u>	<u>COOPERATIVE EFFORTS</u>	On an ad hoc basis, Watermaster and other agencies agree to share the costs of various projects that will benefit both parties.
<u>9501</u>	<u>ALLOCATED G&amp;A EXPENDITURES</u>	Administrative overhead that is allocated to OBMP and Project jobs as a percentage of total Watermaster salaries.
<u>7000</u>	<u>OPTIMUM BASIN MANAGEMENT PROGRAM IMPLEMENTATION PROJECTS</u>	
7101	PRODUCTION MONITORING	Watermaster staff collects and processes production information for the approximately 600 wells within the Basin, including approximately 205 Appropriator wells, 15 Non-Ag wells, and approximately 380 private wells. Watermaster staff read the meters for the private wells, while the Appropriators and Non-Ag parties report their meter readings to Watermaster. The data is inputted into a production database that is updated quarterly, and 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 account 7103 - Groundwater Quality Monitoring).



CHINO BASIN WATERMASTER  
ACCOUNT NUMBER JUSTIFICATION  
FY 2010 - 2011 BUDGET

**DRAFT**

Budget Account Number	Account Description	Comments and Information
7102	IN-LINE METER INSTALLATION	Approximately 280 in-line flow meters are now installed on the previously unmetered private wells. Approximately half of all Ag and Non-Ag meters must be calibrated each year and other maintenance and repairs are required. Each calibration is expected to cost \$200. Approximately 12 broken meters are expected to be replaced this fiscal year, as these wells are expected to remain for at least another 12 months.
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 appropriate and overlying 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 130 wells are included within the water quality key well program, with approximately 65 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. Required supplies for this line item include sampling equipment such as piping and valving. Computer services are for the subscription for parcel lot information (split 50/50 with account 7101 - Production Monitoring).
7104	GROUNDWATER LEVEL MONITORING PROJECT	Pursuant to the OBMP and Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater-level monitoring program. The key well monitoring program has now been implemented. For the key well program, about 75 wells are measured monthly, about 70 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 appropriate and overlying non-ag pools, RWQCB, DTSC, USGS, OCWD, and others. All data is 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. This data is 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 category 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 category include sounder replacement lines, rubber gloves, distilled water, and fittings for installing transducers. Capital equipment for this category include transducers and 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 previously included measuring water quality at recharge and flood retention basins within the Chino Basin. This was typically done during the rainy season only; approximately 3-4 samplings per basin per year. Enough data has now been collected and catalogued for this activity and only minor amounts of money are now budgeted for use on an as-needed basis.
7107	GROUND LEVEL MONITORING-MZ1	Required supplies for this line item include rubber gloves, sample bags, tools, and field lab equipment. Pursuant to the OBMP and 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 is 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) will also be collected and analyzed for subsidence. A pilot ASR test at a well owned by the City of Chino Hills will be initiated. Watermaster is implementing these efforts as part of the MZ1 Subsidence Management Plan. A web page for real-time water level reading at the PA-7 Piezometer (Ayala Park) has been implemented, which is a requirement of the MZ-1 Long-Term Management Plan. A new Central MZ1 piezometer is also planned; as well as an extensive ground-level survey to determine reference points for several wells near the piezometer.
7108	HYDRAULIC CONTROL MONITORING PROGRAM	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 stations along the SAR every-other-week for water quality analyses. Stream flow measurements are also collected from stations along the SAR. Four near-river wells are monitored monthly and 21 HCMP SAR wells are monitored annually. Water discharge and quality data area collected from all POTWS and other non-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. A 2010 aerial photograph of the Chino Basin will also be purchased.
7109	RECHARGE AND WELL MONITORING PROGRAM	Engineering services to review quarterly and annual reports for Chino Basin Recycled Water Groundwater Recharge Program.
7200	OBMP PROGRAM ELEMENT 2 -- COMPREHENSIVE RECHARGE PROGRAM	This budget category 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.
7300	OBMP PROGRAM ELEMENTS 3 & 5 -- WATER SUPPLY PLAN - DESALTER	The expenses in this budget 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 category also includes the design support for the proposed Chino Creek Desalter well field.



CHINO BASIN WATERMASTER  
ACCOUNT NUMBER JUSTIFICATION  
FY 2010 - 2011 BUDGET

**DRAFT**

Budget Account Number	Account Description	Comments and Information
7400	OBMP PROGRAM ELEMENT 4 - MANAGEMENT ZONE/MANAGEMENT STRATEGIES	Pursuant to the OBMP and 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 2008-2009 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 2005-2006 and FY 2006-2007. A technical memorandum will be completed this fiscal year and a revised monitoring program will be developed.
7500	OBMP PROGRAM ELEMENTS 6 & 7 - COOPERATIVE EFFORTS AND SALT MANAGEMENT	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.
7600	OBMP PROGRAM ELEMENTS 8 & 9 - STORAGE MANAGEMENT AND CONJUNCTIVE USE PROGRAMS	Pursuant to the OBMP and 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 Stringfellow 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.
7700	INACTIVE WELL PROTECTION PROGRAM	This budget category includes Watermaster's effort to expand the existing DYY Program and to develop new groundwater storage programs.
7690	RECHARGE IMPROVEMENT DEBT PAYMENT	Pursuant to the OBMP and Peace Agreement, Watermaster is responsible for 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 two or three inactive wells will need to be equipped with such devices.
9502	ALLOCATED G&A EXPENDITURES	Repayment of debt as agreed to in contract with Inland Empire Utilities Agency for improvement of recharge basins within the Chino Basin. This expense is to be paid by the Appropriators.
<b>SUPPLEMENTAL &amp; REPLENISHMENT WATER INCOME AND EXPENSES</b>		
4210	App Pool Replenishment Assessments	Administrative overhead that is allocated to OBMP and Project jobs as a percentage of total Watermaster salaries.
4211	15% Gross Assessments	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.
4212	85% Gross Assessments	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, plus fees.
4213	100% Net 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.
4220	Non-Aq Pool Replenishment	Costs levied against the 15%/85% group for replacing water.
5010	Groundwater Recharge	Costs levied against the 15%/85% group for replacing water.
5011	Replenishment Water	Costs levied against those subject to 100% assessments for replacing water.
5017	IEUA Surcharges	Non-Aq members (primarily industrial producers) are required to replace any water produced which exceeds their assigned water rights.
		Costs of Replenishment or Supplemental Water.
		This budget line covers the costs of purchasing replenishment water from MWD at \$233/AF.
		Inland Empire Utilities Agencies charges a fee for water delivered.

**CHINO BASIN WATERMASTER  
ASSESSMENT CALCULATION  
FISCAL YEAR 2010-2011**

**DRAFT**

**\*\*ESTIMATED, BASED ON PREVIOUS YEARS ASSESSMENT PACKAGE**

PRODUCTION BASIS	FISCAL YEAR 2010-2011 BUDGET	ASSESSMENT	APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AG POOL			
						General Administration	OBMP	Administration
2008-09 Production & Exchanges in Acre-Feet (Actuals)	\$829,503	121,253,204	84,716,450	69,867%	32,142,764	26,509%	4,393,990	3,624%
2009-10 Production & Exchanges in Acre-Feet (Projected Estimate)	<u>\$5,939,527</u>	<u>121,253,204</u>	<u>84,716,450</u>	<u>69,867%</u>	<u>32,142,764</u>	<u>26,509%</u>	<u>4,393,990</u>	<u>3,624%</u>
<b>BUDGET</b>								
Administration, Advisory Committee & Watermaster Board (1)	\$829,503	\$829,503	\$579,552		\$219,891		\$30,060	
OBMP & Implementation Projects(1)	5,110,024	5,110,024	3,570,240		219,891		30,060	185,178
<b>General Admin &amp; OBMP Assessments</b>		<u>5,939,527</u>	<u>579,552</u>		<u>219,891</u>		<u>30,060</u>	<u>185,178</u>
<b>TOTAL BUDGET</b>		<u>5,939,527</u>	<u>579,552</u>		<u>219,891</u>		<u>30,060</u>	<u>185,178</u>
Less Budgeted Interest Income	(175,010)	(175,010)				(122,275)		(6,342)
Contributions from Outside Agencies	(148,410)	(148,410)				(103,690)		(5,378)
<b>CASH DEMAND</b>		<u>5,616,107</u>	<u>579,552</u>		<u>219,891</u>		<u>30,060</u>	<u>173,458</u>
<b>OPERATING RESERVE</b>								
Administrative	0	\$0	\$0		\$0		\$0	0
OBMP	0	0	0		0		0	0
<b>Less: Funds On Hand Utilized for Assessments</b>	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>		<u>0</u>	<u>0</u>
<b>FUNDS REQUIRED TO BE ASSESSED</b>		<u>\$5,616,107</u>	<u>\$579,552</u>		<u>\$219,891</u>		<u>\$30,060</u>	<u>\$173,458</u>
Proposed Assessments								
General Administration Assessments	A		<u>\$6.84</u>	<u>\$39.48</u>	<u>\$6.84</u>	<u>\$39.48</u>	<u>\$6.84</u>	<u>\$39.48</u>
Minimum Assessments			<u>\$5.00</u>				<u>\$5.00</u>	
Prior Year Assessments (Actuals)	B		\$7.19	\$44.02	\$7.19	\$44.02	\$7.19	\$44.02
	A - B		(\$0.35)	(\$4.54)		(\$4.54)		(\$4.89)

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



# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### C. CONDITION SUBSEQUENT NO. 8







# CHINO BASIN WATERMASTER

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**KENNETH R. MANNING**  
Chief Executive Officer

## STAFF REPORT

**DATE:** June 24, 2010

**TO:** Watermaster Board Members

**SUBJECT:** Approval of Resolution 10-03 regarding updated Recharge Master Plan in satisfaction of December 21, 2007 Court Order Condition Subsequent Number 8.

### SUMMARY

**Financial Impact** - Adoption of Resolution has no direct fiscal impact. Implementation of projects described in Recharge Master Plan will have impacts as described in the Plan.

### Background

On December 21, 2007, the Court adopted an Order approving the Peace II Measures. This Order required Watermaster to satisfy eight conditions subsequent.<sup>1</sup> To date Watermaster has satisfied the first seven conditions subsequent. Condition subsequent number eight requires:

By July 1, 2010, Watermaster shall prepare and submit to the Court for approval an updated Recharge Master Plan. The updated Recharge Master Plan shall include all elements listed in the Special Referee's Final Report and Recommendations.

Throughout 2009 and 2010, Watermaster, working with IEUA and the Chino Basin Water Conservation District, developed and updated Recharge Master Plan that complies with the Court's direction. As the updated Plan was developed, numerous workshops were held to keep the parties informed of its progress. These workshops culminated in workshops held on April 21, 2010 and May 19, 2010, at which the completed update was presented to the parties.

Attached to this staff report is a table that lists all of the elements contained in the Special Referee's Final Report and Recommendations and indicates how and where they are addressed in the updated Recharge Master Plan.

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<sup>1</sup> The Order also contains a ninth condition subsequent which is a catch-all requirement that Watermaster comply with all commitments made in the Peace II Documents.



Under the Peace II Agreement, both Watermaster and IEUA must approve the updated Recharge Master Plan. Section 8.1 of the Peace II Agreement requires that:

Update to the Recharge Master Plan. Watermaster will update and obtain Court approval of its update to the Recharge Master Plan to address how the Basin will be contemporaneously managed to secure and maintain Hydraulic Control and subsequently operated at a new equilibrium at the conclusion of the period of Re-Operation. The Recharge Master Plan will be jointly approved by IEUA and Watermaster and shall contain recharge estimations and summaries of the projected water supply availability as well as the physical means to accomplish the recharge projections. Specifically, the Plan will reflect an appropriate schedule for planning, design, and physical improvements as may be required to provide reasonable assurance that following the full beneficial use of the groundwater withdrawn in accordance with the Basin Re-Operation and authorized controlled overdraft, that sufficient Replenishment capability exists to meet the reasonable projections of Desalter Replenishment obligations. With the concurrence of IEUA and Watermaster, the Recharge Master Plan will be updated and amended as frequently as necessary with Court approval and not less than every five (5) years.

Watermaster has prepared a draft Resolution that provides context for such approval. It is Watermaster's understanding that IEUA will approve a similar Resolution. In order to coordinate between Watermaster and IEUA, the precise language of the Resolution may be amended prior to Board approval.

Due to its length, a complete copy of the updated Recharge Master Plan is not included in the agenda package, but can be found on the Watermaster's website at [www.cbwm.org](http://www.cbwm.org).

A draft pleading transmitting the updated Recharge Master Plan to the Court will be available at the Advisory Committee meeting.

Staff Recommendation: recommend that the Advisory Committee and Board adopt the draft Resolution.

**Actions:**

**6-03-10 Appropriative Pool** - Approved unanimously as follows: Recommend Watermaster approval of Resolution 10-03 subject to reconsideration if terms and conditions for purchase of water from the Non-Agricultural Pool changes as a result disposition of Paragraph 31 Motion

**6-03-10 Non-Agricultural Pool** – Approved by majority – City of Ontario voted no

**6-10-10 Agricultural Pool** - Approved unanimously

**6-17-10 Advisory Committee** - Approved unanimously

**6-24-10 Watermaster Board**

**Table \_\_\_\_\_**  
**Comparison of the Court's RMPU Requirements and How That Requirement is Addressed in the RMPU**

Requirement		How Requirement is Met in the RMPU	
		Where in RMPU	Specific Actions
<b>Special Referee's December 21 Report</b>			
1	Baseline conditions must be clearly defined and supported by technical analysis. The baseline definition should encompass factors such as pumping, demand, recharge capacity, total Basin water demand, and availability of replenishment water.	Sections 4, 6 and 7	Section 4 describes total projected water demand and the associated water supply plans based on projections by IEUA and the Watermaster. Section 6 describes the supplemental water recharge capacity and the availability of supplemental water for replenishment and in particular reviews the ability to acquire water for replenishment from Metropolitan. Section 7 contains specific recommendations in the acquisition of supplemental water through the next recharge master plan update.
2	Safe Yield should be estimated annually, though it is recognized that it is not to be formally recalculated until 2011. Watermaster should develop a technically defensible approach to estimating Safe Yield annually.	Sections 3 and 7	Section 3 describes the computation of safe yield and presents a recommended method to compute safe yield during 2010-11 and subsequent years. Watermaster will likely use its discretion to determine when to recompute safe yield after 2010-11.
3	Measures should be evaluated to lessen or stop the projected Safe Yield decline. All practical measures should be evaluated in terms of their potential benefits and feasibility.	Section 3, 5 and 7	Section 3 describes the causes of a declining safe yield and suggest that the safe yield could drop from the current value of 140,000 acre-ft/yr to 129,000 acre-ft/yr by 2030. Section 3 also describes the expected increase in safe yield of 5,300 acre-ft/yr to 10,500 acre-ft/yr due to compliance with the 2010 MS4 permits. Section 5 includes descriptions of new stormwater recharge projects that could yield between 10,000 to 15,000 acre-ft/yr. Most of the projects described in Section 5 will require more detailed planning and new agreements with the Counties to determine their ultimate feasibility. Section 7 summarizes the next steps in the implementation of the MS4 and new stormwater recharge projects.
5	Total demand for groundwater should be forecast for 2015, 2020, 2025, and 2030. The availability of imported water for supply and replenishment, and the availability of recycled water should be forecast on the same schedule. The schedules should be refined in each Recharge Master Plan update. Projections should be supported by thorough technical analysis.	Sections 4 and 6	Section 4 contains the demand for groundwater forecasted for 2010, 2015, 2020, 2025, 2030 and 2035. Section 6 describes the availability of imported water for supply and replenishment is forecasted through 2030 based on the draft 2009 SWP Delivery Reliability Report (DWR, 2010).
6	The Recharge Master Plan must include a detailed technical comparison of current and projected groundwater recharge capabilities and current and projected demands for groundwater. The Recharge Master Plan should provide guidance as to what should be done if recharge capacity cannot meet or is projected not to be able to meet replenishment needs. This guidance should detail how Watermaster will provide sufficient recharge capacity or undertake alternative measures so that Basin operation in accordance with the Judgment and the Physical Solution can be resumed at any time.	Section 6	Section 6 describes the recharge capacity of existing spreading basins, existing ASR wells, future ASR wells and existing in-lieu recharge capacity. Section 6 concludes that the Watermaster, given present knowledge and agreements, will not be replenishment constrained by the capacity. That is, Watermaster has enough installed recharge capacity to meet current and future replenishment obligations.
8	Contain recharge estimations and summaries of the projected water supply availability as well as the physical means to accomplish the recharge projections.	Sections 3, 4, 5 and 6	Section 3 contains recharge projections for stormwater for existing facilities and new recharge from the 2010 MS4 permit. Section 4 contains a schedule of the future recharge requirements for Watermaster to meet its replenishment obligations. Section 5 contains descriptions of new recharge projects, recharge performance, cost and implementation issues. Section 6 describes supplemental water supplies available to Watermaster to meet its replenishment obligation and new supplemental water recharge projects that could be implemented to provide Watermaster additional recharge capacity and flexibility in meeting its replenishment obligation.
9	Reflect an appropriate schedule for planning, design, and physical improvements as may be required to provide reasonable assurance that sufficient Replenishment capacity exists to meet the reasonable projections of Desalter Replenishment obligations following the implementation of Basin Re-Operation.	Section 7	Section 7 describes the recommended recharge master plan. This section describes the means to stop abate the projected loss of safe yield, increase stormwater recharge, and acquire supplemental water for replenishment purposes. No new recharge facilities are required to meet replenishment obligations. Detailed scheduling of new stormwater recharge facilities should be deferred until additional planning information is developed to refine these projects. The decision to acquire new supplemental water sources should be deferred until updated groundwater production projections become available in late 2011. The RMPU should be updated in the second half of 2011.

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**Resolution Number 10-03  
of the Chino Basin Watermaster  
Regarding Ongoing Support for the Chino Basin Recharge Master Plan**

Whereas, in 2000, the Chino Basin Watermaster adopted a Recharge Master Plan which established the technical foundation for the development of the recharge facilities and practices in the Chino Basin.

Whereas, in 2001, Watermaster, in cooperation with the Inland Empire Utilities Agency (“IEUA”), initiated the Chino Basin Facilities Improvement Project (“CBFIP”) which implemented facilities recommendations in the Recharge Master Plan.

Whereas, in 2006, Watermaster, in cooperation with IEUA, initiated Phase II of the CBFIP in order to implement additional facilities recommendations in the Recharge Master Plan.

Whereas, on December 21, 2007, the Court approved the Peace II Measures which set forth a modified approach to management of the Chino Basin known as Basin Re-Operation whose ultimate goal is the achievement of Hydraulic Control.

Whereas, as a condition of approval of Basin Re-Operation and Hydraulic Control, the Court required Watermaster to update the Recharge Master Plan to account for the new Basin management regime and to account for other changes that have occurred since the creation of the original Recharge Master Plan.

Whereas, during 2009 and 2010, Watermaster staff and technical consultants, in cooperation with IEUA and the Chino Basin Water Conservation District, have developed an updated Recharge Master Plan and have conducted numerous workshops with the Chino Basin stakeholders as the update was developed.

On the basis of the foregoing, the Chino Basin Watermaster finds and resolves that:

1. The updated Recharge Master Plan is based on sound technical analysis and adequately updates the 2000 Recharge Master Plan in light of Basin Re-Operation and Hydraulic Control and in light of changed economic and hydrologic conditions within the State of California.
2. Watermaster adopts the updated Recharge Master Plan as the guidance document for the further development of the recharge facilities for the Chino Basin.
3. Pursuant to the Peace II Agreement section 8.1, Watermaster and IEUA will update this plan not less than once every five years. In particular, the Plan will be updated following the completion of the parties’ Urban Water Management Plans by June 30, 2011.

**APPROVED** by the Advisory Committee this 17<sup>th</sup> day of June 2010.

**ADOPTED** by the Watermaster Board on this 24<sup>th</sup> day of June 2010.

By: \_\_\_\_\_  
Chairman, Watermaster Board

APPROVED:

\_\_\_\_\_  
Chairman, Advisory Committee

ATTEST:

\_\_\_\_\_  
Board Secretary  
Chino Basin Watermaster

STATE OF CALIFORNIA            )  
  ) ss  
COUNTY OF SAN BERNARDINO    )

I, Ken Manning, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Revised Resolution being No. 10-03, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

AYES:            0  
NOES:            0  
ABSENT:          0  
ABSTAIN:        0

CHINO BASIN WATERMASTER

\_\_\_\_\_  
Secretary





# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### D. ACWA HEALTH BENEFITS AUTHORITY







# 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:** June 24, 2010

**TO:** Watermaster Board Members

**SUBJECT:** ACWA Health Benefits Authority

1. Consider Ratification of the Amended and Restated HBA Bylaws and JPA Agreement
2. Consider Designation of Agency Membership Representative in ACWA HBA
3. Consider Designation of Agency Personnel to Serve on HBA Advisory Committee(s)
4. Consider Nominations for Positions on ACWA HBA Board of Directors

### SUMMARY

**Issue –** As an ACWA Health Benefits Authority member, Chino Basin Watermaster is being asked to provide the Authority direction on a number of important issues. That would include Ratification of the Amended and Restated HBA Bylaws and JPA Agreement, the designation of an Agency Representative(s) in ACWA HBA, designation of Agency Personnel to serve on HBA Advisory Committee(s) and provide nominations for positions on ACWA HBA Board of Directors.

Included in your package is a memo from Barbara Duggan, Director of Membership for ACWA HBA, as well as detailed information on the HBA issues. Staff is looking for direction from the Board and authorization to transmit any nomination being made.

**Financial Impact – None**

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**ACWA  
Health Benefits  
Authority**



To: The Membership of the ACWA Health Benefits Authority May 26, 2010

From: Barbara Duggen, Director of Member Benefits

**SUBJECT: Ratification of the Amended and Restated HBA Bylaws and JPA Agreement  
Designation of Agency Membership Representatives in ACWA HBA  
Designation of Agency Personnel to Serve on HBA Advisory Committee(s)  
Nominations for Positions on ACWA HBA Board of Directors**

**Important times require important decisions!** ACWA Health Benefits Authority is evolving and we are working to strengthen it to give you a greater voice in the structure and operations as well as protect your health plan benefits and premium rates into the future. Your agency currently participates in the ACWA HBA medical, dental, vision, life and / or employee assistance programs. The medical and dental PPO plans are self-funded. Your input is critical!

We need your assistance.

- The Bylaws and JPA Agreement need to be ratified in order to proceed
- We need to know who your designated agency representatives are
- You have the opportunity to name agency personnel to serve on the advisory committees to provide member input into the plans, rates, benefits and administration
- You may nominate agency personnel to serve on the ACWA HBA Board of Directors

To accomplish the above we have provided you with the following information:

- Overview of changes to the ACWA HBA Bylaws and JPA Agreement
- Amended and restated Bylaws and JPA Agreement
- Ratification form
- Agency Personnel form (Membership Representatives and Advisory Committees)
- Board of Directors nomination form and overview of process

**Please return the following forms to us by Wednesday, June 30, 2010:**

1. Ratification form
2. Designation form for HBA Representatives and Advisory Committee members
3. Nomination form(s)

We appreciate your time to review and respond. Don't hesitate to call me and I can provide a quick overview on the phone if you prefer.

***Thank you for your continued participation in the ACWA HBA Health plans.***

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# ACWA Health Benefits Authority

ACWA Health Benefits Authority  
May 2010

## Overview of ACWA HBA Restructure Review of HBA Bylaws and Joint Powers Authority Agreement

### BACKGROUND

Over the years ACWA HBA has sponsored and provided administrative services for employee benefit coverage with insurance carriers for medical, dental, vision, disability, life and employee assistance programs. These programs were all fully insured until 2009. In 2009, after having established sufficient reserves in the medical PPO program and maintaining large group enrollment numbers in the medical and dental PPO programs, these programs were converted to a self-funded platform.

The introduction of the self-funded platform has increased the fiduciary responsibilities of the Trustees and the advisory bodies to the Trustees. The existing structure of the Trustee board requires that each Trustee participate in at least one HBA sponsored program. The structure of the ACWA Insurance and Personnel Committee requires that at least one of the two members from each ACWA region participate in at least one HBA sponsored program. Members of the ACWA Finance Committee are not required to participate in any HBA plan.

### CURRENT SITUATION

As directed by the Trustees at the meeting on December 17, 2009, the HBA Bylaws and Joint Powers Agreement were redrawn to reflect the proposed changes for strengthening the HBA structure in fulfilling its fiduciary responsibility to the participating membership. As the changes in the new structure are fairly significant it was felt that the documents needed to be amended and restated in lieu of solely amending them. Attached is a summary of the changes that are included in the new documents, based on 2010 input from the Trustees on February 3<sup>rd</sup> and March 25<sup>th</sup>; and from a trustee workgroup on April 23<sup>rd</sup>.

### TRUSTEE ACTION ON May 4, 2010

After fully reviewing and discussing the documents, the Trustees adopted the amended and restated Bylaws and JPA Agreement.

### CURRENT ACTION REQUIRED

These documents are now presented to the membership of the ACWA Health Benefits Authority for ratification.

## **Bylaws:**

The Bylaws designate that all groups below have representation from both large and small employer groups from both the northern and southern sections of the State of California. In addition to outlining the groups below the document outlines the mechanical functions of meetings, quorums, notices and voting while abiding to the terms of the Brown Act and following Roberts Rules of Order.

### **1) Structure of Governing Bodies**

#### **Membership**

- Oversight of JPA Agreement and structure
- Elects the members of the Board of Directors
- Elections are done by mailed ballots

#### **Board of Directors**

- Consists of 11 members
  - President of Board of Directors
  - Vice President of Board of Directors
  - Eight members at large (with representation from North, South, large and small agencies)
  - Chair of the ACWA Insurance and Personnel Committee, or designee if Chair does not participate in the self-funded medical or dental plans
- Rotating four year terms
- For continuity, grandfather current Trustees who participate in the self funded plans into the new Board of Directors
- Eligible persons must be enrolled in one of the self funded plans (medical or dental)
- Oversight of plans, rates, budgets, audits and administration

### **2) Structure of Advisory Committees**

#### **Health Benefits Program Committee**

- Consists of seven representatives from participating agencies, appointed by the President of the Board of Directors and ratified by the entire Board. Three members from the north, 3 members from the south and at least one member from each region with 20 or more employees and one with less than 20 employees
- Chaired by a member of the Board of Directors



- Advisory capacity to Board of Directors on the medical plans in terms of rates, benefits and administration

#### **Ancillary Benefits Program Committee**

- Consists of seven representatives from participating agencies and appointed by the President of the Board of Directors and ratified by the entire Board. Three members from the north, 3 members from the south and at least one member from each region with 20 or more employees and one with less than 20 employees
- Chaired by a member of the Board of Directors
- Advisory capacity to Board of Directors on the dental, vision, life and AD&D, disability and employee assistance plans in terms of rates, benefits and administration

#### **Finance and Audit Committee**

- Consists of seven representatives from participating agencies and appointed by the President of the Board of Directors and ratified by the entire Board. Each representative will have professional or practical experience in finance.
- Chaired by a member of the Board of Directors
- Advisory capacity to Board of Directors on financial issues such as the annual budget, annual audit, investment and reserve policies

#### **Joint Powers Authority Agreement**

The first 5 pages are largely unchanged in outlining the government codes under which the JPA was formed, the purpose, the parties to the agreement and the powers of the Authority. Streamlined the definition of "Agency" ...

Pages 6, 7 and 8 outline the structure of the Board of Directors as referenced in the Bylaws. These pages outline the powers of the Board of Directors and the officers of the Authority.

Page 9 references the new advisory committees as set forth in the Bylaws.

The rest of the agreement is largely unchanged in that the Articles reference the same topics, duties and responsibilities as before but references to the advisory committees and the Board of Directors were changed to reflect the new bodies established.

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**Ratification of the Amended and Restated  
ACWA Health Benefits Authority  
Joint Powers Agreement and Bylaws**

I have reviewed the amended and restated JPA Agreement and Bylaws approved by the ACWA HBA Board of Trustees on May 4, 2010

I wish to go on record with the following:

\_\_\_\_\_ Yes, I **am** in favor of ratifying the JPA Agreement and Bylaws

\_\_\_\_\_ No, I **am not** in favor of ratifying the JPA Agreement and Bylaws

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Participating Agency (District)

**Please mail to:  
Barbara Duggen  
ACWA-HBA  
910 K Street, Suite 100  
Sacramento, CA 95814**

**Or fax to:  
(916) 325-2598**

**The deadline for your response is Wednesday, June 30, 2010**

*Important: Please complete the next page if you voted in favor of the ratifying these agreements.*

**If in favor, please designate the following:**

My Agency Membership Regular Representative (General Manager or Board President):

Name:  
Position Title:  
Phone:  
Fax:  
Email:

My Agency Membership Alternate Representative to serve in absence of Regular Representative:

Name:  
Position Title:  
Phone:  
Fax:  
Email:

.....  
Also, the following people from my district would be willing to serve on the following committees:

**Health Benefits Program Committee**

\_\_\_\_\_  
(Name) (Title) (Phone) (Email)

\_\_\_\_\_  
(Name) (Title) (Phone) (Email)

**Ancillary Benefits Program Committee**

\_\_\_\_\_  
(Name) (Title) (Phone) (Email)

\_\_\_\_\_  
(Name) (Title) (Phone) (Email)

**Finance and Audit Committee** (each of whom shall have professional or practical experience in finance)

\_\_\_\_\_  
(Name) (Title) (Phone) (Email)

\_\_\_\_\_  
(Name) (Title) (Phone) (Email)



**ACWA Health Benefits Authority  
Board of Directors**

**NOMINATION FORM**

\_\_\_\_\_  
Nominee – print full name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name of Participating Agency (District)

\_\_\_\_\_  
Name of Person Making this Nomination

\_\_\_\_\_  
Date of Nomination

.....  
\_\_\_\_\_  
Concurring Agency #1 -- attach written confirmation of concurrence from this Agency

\_\_\_\_\_  
Concurring Agency #2 -- attach written confirmation of concurrence from this Agency

\_\_\_\_\_  
Concurring Agency #3 -- attach written confirmation of concurrence from this Agency

**Please mail to:  
Barbara Duggen  
ACWA-HBA  
910 K Street, Suite 100  
Sacramento, CA 95814**

**Or fax to:  
(916) 325-2598**

**The deadline for your response is Wednesday, June 30, 2010**



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**Nominations for Elections**  
**Following Ratification of the Amended and Restated**  
**ACWA Health Benefits Authority**  
**Joint Powers Agreement and Bylaws**

If you have indicated you are in favor of ratifying the amended and restated JPA Agreement and Bylaws approved by the ACWA HBA Board of Trustees on May 4, 2010, then we will need to have an election to fill 6 positions on the HBA Board of Directors.

We are looking to you for nominations of interested, willing persons to serve on the ACWA HBA board of Directors. In consideration of your time and money all nominations and elections will be conducted by mail. We sincerely appreciate your prompt response.

**THE PROCESS**

**Bylaws, Article III, Section 7. Nominations of Board of Directors.** Member Agencies, who participate in one of the self-funded plans offered through the Authority, may nominate one of its Directors or Management Staff for Membership on the Board of Directors in the following manner:

- (a) On forms provided by the Authority, **an Agency may place into nomination its Director or Management Staff for any open position with the written concurrence of at least three Agencies which are Members of the Authority in addition to the nominating Agency.**

**Bylaws, Article IV, Section 2. Composition and Selection.**

- (a) The Board of Directors shall consist of eleven members, as provided in the Bylaws. The members of the Board of Directors shall be ten members elected by the Membership so that there are five members from the Northern region, five members from the Southern region, and the Chair of the ACWA Insurance and Personnel Committee or his/her appointee, who shall serve in accordance with the terms of the ACWA board. Each region must have at least one member with less than twenty employees participating in HBA Benefit Coverage and one member with twenty or more employees participating in HBA Benefit Coverage. **Any eligible person must be enrolled in one of the HBA self-funded plans.** The Board of Directors is responsible for defining the areas of the Northern and Southern regions and may periodically review and modify by majority vote of this Board

(note: current North / South boundary line is the northern most Kern county line as drawn across the State of California)

(b) **Terms of Office.** Board of Directors first elected by the Membership in 2010 shall serve as follows:

<b>Board of Directors</b>		
	<b>Position</b>	<b>Term</b>
<b>1 Opening</b>	North Region Member *	2 years
<b>1 Opening</b>	North Region Member *	4 years
<b>1 Opening</b>	North Region member with less than 20 Employees .	4 years
	<b>Position</b>	<b>Term</b>
<b>1 Opening</b>	South Region Member	4 years
<b>1 Opening</b>	South Region Member	4 years
<b>1 Opening</b>	South Region member with less than 20 Employees	4 years

\* The two North region positions: the person receiving the highest number of votes will fill the 4 year position and the person receiving the next highest will fill the 2 year position.

## ACWA Health Benefits Authority Proposed Initial Board of Directors

		Agency	Category	Position on New Board of Directors
	<b>OPEN</b>		North Region	
	<b>OPEN</b>		South Region	
Current eligible trustee	Tim Quinn	ACWA	North Region 20+	Director
	<b>OPEN</b>		North Region 20-	
Current eligible trustee	Duane Frink	Foresthill PUD	North Region	Director
	<b>OPEN</b>		North Region	
Current eligible trustee	Glen Peterson	Las Virgenes MWD	South Region 20+	Director
	<b>OPEN</b>		South Region 20-	
Current eligible trustee	Bob Gomperz	Foothill MWD	South Region	Vice President
	<b>OPEN</b>		South Region	
Current eligible trustee	Rick Gilmore	Byron-Bethany ID	Ins & Pers Comm Chair	President

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**BYLAWS**  
**OF THE**  
**ASSOCIATION OF CALIFORNIA WATER AGENCIES**  
**HEALTH BENEFITS AUTHORITY**  
**AMENDED AND RESTATED AS OF JUNE 1, 2010**

These Bylaws of the Board of Directors of the Association of California Water Agencies Health Benefits Authority are adopted pursuant to Article 26 of the Joint Exercise of Powers Agreement as Amended and Restated effective June 1, 2010.

**ARTICLE I—DEFINITIONS**

The definition of terms used in these Bylaws shall be those definitions contained in the Joint Exercise of Powers Agreement creating the Association of California Water Agencies Health Benefits Authority unless the context requires otherwise.

**ARTICLE II—PRINCIPAL OFFICES**

The principal office for the transaction of business of the Authority is hereby fixed and located at 910 K Street, Sacramento, California 95814. The location of the principal office may be changed by resolution of the Board of Directors from time to time.

**ARTICLE III—MEMBERSHIP**

**Section 1. Composition and Selection.** Membership in the Authority shall be composed of one Representative from each Agency participating in any of the Benefit Coverage offered by the Authority. The Representative shall be the General Manager, or if notified otherwise, President or Chairman of the governing body. Each participating Agency shall appoint at least one alternate Representative who is a member of the governing body to serve in the absence of the regular Representative. The alternate shall have the same authority to represent the District as the regular Representative who is absent

**Section 2. Duration of Membership.** An Agency may continue its membership in the Authority as long as it continues its participation in any of the Benefit plans offered through the Authority and maintains its active membership in the Association of California Water Agencies.

**Section 3. Special Meetings.** Special meetings of the Membership, for the purpose of taking any action permitted by statute or by the Agreement creating the Authority, may be called at any time by the

President, or by the Vice President in the absence or disability of the President, or by three (3) Members of the Board of Directors of the Authority or by not less than 25% of the Membership. Upon request in writing that a special meeting of the Membership be called for any proper purpose, directed to the President, Vice President, or Secretary of the Authority, by any person or persons entitled to call a special meeting of the Membership, the officer receiving such request forthwith shall cause notice to be given to the Member Agencies that a meeting will be held at a time requested by the person or persons calling the meeting, not less than thirty-five (35) or more than sixty (60) days after receipt of the request. Notice of any special meeting shall be given in compliance with the Ralph M. Brown Act, California Government Code Section 54950, et seq. Such notice shall specify the place, date and hour of such meeting, the nature of the business to be transacted, and if applicable, the names of nominees for the Board of Directors intended at the time of the notice to be presented for election. No business other than that specified in the notice of a special meeting may be transacted at that meeting.

**Section 4. Place of Meetings.** Meetings of the Membership shall insofar as possible be held at the location of the Association of California Water Agencies' Spring or Fall Conference and at a time immediately before or after such conference. Meetings at other times shall be held at locations designated by the President of the Board of Directors or approved by the written consent of 25% or more of Membership given either before or after the meeting and filed with the Secretary of the Authority.

**Section 5. Quorum.** At any meeting, the presence in person by the Representative or alternate of at least 20% of the Member Agencies shall constitute a quorum for the transaction of business. The Agencies present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough Agencies to leave less than a quorum. If any action taken (other than adjournment) is approved by a number of Agencies at least equal to a majority of the Agencies required to constitute a quorum, except for actions specifically requiring more than a majority, the validity of such action shall not be subject to question on the basis that a quorum was not present at the time such action was taken.

**Section 6. Adjourned Meetings.**

**(a) Adjournment.** Any Membership meeting, whether or not a quorum is present may be adjourned from time to time by the vote of a majority of the Representatives or their alternates present, but in the absence of a quorum, except as provided in Section 6 of this Article III, no other business may be transacted at such a meeting.

**(b) Notice.** When any Membership meeting is adjourned for forty-five (45) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as specifically provided herein, or by the Ralph M. Brown Act, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted there at, other than by announcement of the time and place thereof at the meeting at which such adjournment is taken and posting such notice as required by Section 54955 of the Government Code.

**Section 7. Nominations of Board of Directors.** Member Agencies, who participate in one of the self-funded plans offered through the Authority, may nominate one of its Directors or Management Staff for Membership on the Board of Directors in the following manner:

**(a)** On forms provided by the Authority, an Agency may place into nomination its Director or Management Staff for any open position with the written concurrence of at least three Agencies which are Members of the Authority in addition to the nominating Agency.

- (b) Nomination forms must be completed and received by the Authority no later than the date specified on the nomination form.
- (c) This Agency nomination process shall be the sole method for placing candidates into nomination for Membership on the Board of Directors or officer positions.

**Section 8. Ballot by Mail.** In conformance with the following rules, the Health Benefits Authority shall conduct elections for Board Membership or Board Officers by written ballots submitted during the Balloting Period

- (a) **Balloting Period.** The Board of Directors shall set dates for the opening and closing of the Balloting Period and the date and place for a ballot count. The Board shall publish the dates for the Balloting Period and circulate ballot forms no later than 30 days prior to a 30 day ballot period. All ballots must be received by the closing date of the Ballot Period.
- (b) **Ballot Delivery.** The Board of Directors shall cause one ballot to be mailed to each Member Agency by first class mail not less than ten (10) business days prior to the opening date of the Balloting Period.
- (c) **Election.** The Board of Directors shall provide public notice of the date and place for the ballot count in conformance with the Ralph M. Brown Act. The date of this ballot count shall be within 30 days of the close of the balloting period. All interested Members may attend the ballot tabulation.
- (d) **Valid Election.** For an election to be valid, the Inspectors of election must receive completed ballots from no less than 20% of the Membership on or before the closing of the Ballot Period. Each Member Agency shall have one vote for each open position.. . Ballots will only be accepted when signed by the designated agency Representative appointed according to Article III, Section 1 of these Bylaws.
- (e) **Certification and Publication.** Upon completion of the ballot tabulation, the Inspectors of election shall prepare a written certification of the election results and present it to the Secretary of the Board of Directors who shall publish the results to the Membership.

**Section 9. Inspectors of Election.**

- (a) **Appointment.** In advance of any Balloting Period, the Board of Directors may appoint any persons, other than nominees for office, as inspectors of election. The number of inspectors shall be three (3), at least one of whom shall be a voting Member of the Board of Directors. In case any person appointed as inspector fails to appear or fails or refuses to act, a vacancy shall be deemed to exist, and on the request of any Agency, shall be filled by appointment by the Board of Directors in advance of the election date.
- (b) **Duties.** The duties of such inspectors shall include: determining the current number of Agencies; receiving all ballots; counting and tabulating all ballots; determining the results; preparing the election certification; and all other such acts as may be proper to conduct the election or vote with fairness to all Member Agencies.
- (c) **Procedure.** The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical at the time and place designated for the election. The decision, act or certificate of a majority of the inspectors shall be effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

## ARTICLE IV — BOARD OF DIRECTORS

**Section 1. Number of Members.** The authorized number of Members of the Board of Directors shall be eleven (11).

**Section 2. Composition and Selection.**

(a) The Board of Directors shall consist of eleven members, as provided in the Bylaws. The members of the Board of Directors shall be ten members elected by the Membership so that there are five members from the Northern region, five members from the Southern region, and the Chair of the ACWA Insurance and Personnel Committee or his/her appointee, who shall serve in accordance with the terms of the ACWA board. Each region must have at least one member with less than twenty employees participating in HBA Benefit Coverage and one member with twenty or more employees participating in HBA Benefit Coverage. Any eligible person must be enrolled in one of the HBA self-funded plans. The Board of Directors is responsible for defining the areas of the Northern and Southern regions and may periodically review and modify by majority vote of this Board.

(b) **Terms of Office.** Board of Directors first elected by the Membership in 2010 shall serve as follows:

### Board of Directors

Position	Term
1 Nominee North Region Member *	2 years
1 Nominee North Region Member *	4 years
1 Nominee North Region member with less than 20 Employees	4 years
Position	Term
1 Nominee South Region Member *	4 years
1 Nominee South Region Member *	4 years
1 Nominee South Region member with less than 20 Employees	4 years

\* Between the two North region positions, the person receiving the highest number of votes will fill the 4 year position and the person receiving the next highest will fill the 2 year position.

(c) For 2012 and later each election shall be for a 4 year term and the Membership shall elect 5 Members

**Officers of the Board of Directors.** The officers of the Authority shall be the President of the Health Benefits Authority; the Vice President of the Health Benefits Authority, however in the absence of the President, the Vice President shall preside over the meeting(s); The Executive Director/Secretary and the Treasurer. For the period preceding January 1, 2012, the current HBA Trustees participating in the HBA medical plans shall serve on the Board of Directors as follows: One each - Northern and Southern Regions

with 20 or more employees and one each - Northern and Southern Region with no size designation. Once elected by the Membership the Board of Directors will elect their own officers. Furthermore, for the period preceding January 1, 2012, the current HBA Chair shall serve as the President of the Board of Directors and the current HBA Vice Chair will serve as the Vice President of the Board of Directors.

**(d) Removal.** The unexcused absence of a Member of the Board of Directors from two consecutive meetings shall be the cause for the removal of said Member and appointment of a new Member to the Board of Directors by the remaining Members of the Board.

**Section 3. Vacancies.** A vacancy or vacancies on the Board of Directors shall be deemed to exist in case of death, incapacity, resignation, expiration of the term of the office or resignation from the office that is the basis for selection to be a Member, removal by the Agency that the Board Member represents or when the Agency represented by the Board Member ceases to be a Member of the Authority. Vacancies in the positions of Board Member shall be filled in the manner provided for regular appointment of such persons in these Bylaws.

**Section 4. Regular Meetings.** Regular meetings of the Board of Directors shall be scheduled at least quarterly and in accordance with the Brown Act. The Board shall meet at the Authority's principal office or at such other place as may be designated by the Board of Directors. The time and place of the regular Board meetings shall be established by action of the Board taken from time to time. Such action shall be taken at least 30 days before the first regular meeting established by action. At least 15 days prior to the first meeting established by action of the Board, a copy of such action shall be provided in accordance with the Brown Act to each Board Member, and each Agency, and provided in accordance with the Brown Act to each interested member of the public or representative of the media who has requested, in writing, written notice of Authority meetings, and posted at the Authority office in a location that is freely accessible to members of the public.

**(a) Notice.** Before each regular meeting, the Secretary shall prepare a written agenda in accordance with the Brown Act. A copy of the agenda shall also be provided in accordance with the Brown Act to each Board Member, and each Agency, and provided in accordance with the Brown Act to each interested member of the public or representative of the media who has requested in writing written notice of meetings, at least ten (10) days before the regular meeting.

**(b) Quorum.** At any meeting, the presence in person by at least a majority of Board Members shall constitute a quorum for the transaction of business. A majority of all of the Members of the Board shall be required to approve any resolution or motion, unless a different voting requirement to approve a particular action is specified under laws of the State of California, in the JPA Agreement or elsewhere in these Bylaws.

**Section 5. Special Meetings.** Special meetings of the Board of Directors, for the purpose of taking any action permitted by statute or the Agreement creating the Authority may be called at any time by the President or by the Vice President in the absence or disability of the President, or by three (3) Members of the Board and shall be held in accordance with the Brown Act.

**Section 6. Quorum.** At any meeting, the presence in person by at least a majority of Board Members shall constitute a quorum for the transaction of business. A majority of all of the Board Members shall be required to approve any resolution or motion, unless a different voting requirement to approve a particular action is specified under laws of the State of California, in the Agreement creating the Authority or elsewhere in these Bylaws.



**Section 7. Record of Vote.** Except where action is taken by the unanimous vote of all Board Members present and voting, the ayes, noes and abstentions taken upon the passage of all resolutions, motions or other action shall be entered upon the minutes.

**Section 8. Adjourned Meetings.** Any Board of Directors meeting, whether or not a quorum is present, may be adjourned from time to time by (a) the loss of a quorum, (b) the vote of a majority of the Board Members present, or (c) by declaration of the President, or by the Vice President in the absence or disability of the President, that the meeting is adjourned when the agenda has been completed and there is no further business to come before the Board.

**Section 9. Authority to Act on Matters Not on the Agenda.** The Board of Directors shall take no action on any item not appearing on the posted agenda, except under the following conditions: (a) upon a determination by a two-thirds vote of the Board, or, if less than two-thirds of the Board Members are present, a unanimous vote of those Board Members present, that the need to take action arose subsequent to the agenda being posted, except with respect to amending or restating these Bylaws; or (b) the item was posted for a prior meeting of the Board occurring not more than five (5) calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

**Section 10. Oral Information Reports.** Any Board Member may make an oral report for the purpose of informing the Board of any matter of interest to the Authority. The Board may also call upon the Secretary, staff, consultants or legal counsel for oral informational reports on matters not on the agenda. Unless the Board makes the determination required under Article IV Section 9 of these Bylaws, there shall be no action on matters covered in such oral reports.

**Section 11. Public Forum.** Every agenda for a regular meeting shall provide an opportunity for members of the public to directly address the Board on items of interests that are within the subject matter jurisdiction of the Board and which do not appear on the agenda. The Board may discuss, but not take action, on any matter raised during the public forum, unless the Board first makes the determination set forth in Article IV Section 9 of the Bylaws. It is the general policy of the Board to refer complaints to the Secretary for resolution. If the complaint cannot be resolved, the Secretary will place it on a meeting agenda for consideration by the Board. In order to facilitate public participation during the public forum session of the meeting, the Board may limit the total amount of time allocated for public comment on a particular issue, and may limit the time allocated for public comment of an individual speaker.

**Section 12. Closed Sessions.** A closed session may be held on any subject authorized under provisions of the Brown Act. Subject to the Brown Act, the agenda for a regular or special meeting may include the following standard language: "A closed session may be held at the discretion of the Board of Directors on any subject matter authorized under the Brown Act, including but not limited to pending litigation, property acquisition negotiations, the appointment, employment, evaluation of performance, or dismissal of an Authority employee, or the hear complaints of charges brought against an employee." The Board shall not keep minutes of its closed session.

## **ARTICLE V—STANDING COMMITTEES**

**Section 1.** There shall be established the following Standing Committees: Health Benefits Program Committee, the Ancillary Benefits Program Committee, and the Finance and Audit Committee appointed

by the Board of Directors. These Committees shall meet from time to time as directed by the Board, and shall make recommendations to the Board based upon the expertise of its Members.

**(a) Health Benefits Program Committee.** The Health Benefits Program Committee shall be chaired by a member of the Board of Directors and composed of seven committee members appointed by the Board President and ratified by the Board of Directors.

- (1) **Composition.** The Health Benefits Program Committee shall be composed of at least three Members from the Northern Region, three Members from the Southern Region. Each Region must have at least one Member with less than twenty employees participating in HBA Health Benefits Program and one Member with more than twenty employees participating in HBA Health Benefits Program.
- (2) **Duties.** The Health Benefits Program Committee shall advise the Board of Directors regarding the implementation, maintenance, renewals and administration of the HBA Health Plans. It will monitor the Health Benefits Program policies established for participation in the Health Benefits Program including eligibility, underwriting, and other participation criteria. It will make recommendations to the Board of Directors, as requested by the Board.

**(b) Ancillary Benefits Program Committee.** The Ancillary Benefits Program Committee shall be chaired by a member of the Board of Directors and composed of seven committee members appointed by the Board President and ratified by the Board of Directors.

- (1) **Composition.** The Ancillary Benefits Committee shall be composed of at least three Members from the Northern Region, three Members from the Southern Region. Each region must have at least one Member with less than twenty employees participating in HBA Ancillary Benefits Programs and one Member with more than twenty employees participating in HBA Ancillary Benefits Programs.
- (2) **Duties.** The Ancillary Benefits Program Committee shall advise the Board of Directors regarding the implementation, maintenance, renewals and administration of the following HBA Ancillary Programs: Group term life and AD&D; Employee Assistance Plan; Dental and Vision plans; and, Long Term and Short Term Disability plans. It will monitor the implementation and maintenance of these plans, and when asked, provide recommendations to the Board of Directors regarding plan administration.

**(c) The Finance and Audit Committee.** The Finance and Audit Committee shall be composed of seven (7) members, each of whom shall have professional or practical experience in finance. The committee will be chaired by a member of the Board of Directors. The committee members will be appointed by the Board President, ratified by the Board of Directors and the Board of Directors shall specify the duties delegated to this Committee. These shall include, but not be limited to, reviewing and advising the Board of Directors on issues such as the annual budget, annual audit, investment and reserve policies.

**Section 2. Vacancies.** The President of the Board of Directors shall appoint committee members to fill seats made vacant on these Committees for any reason including resignation, removal, expiration of terms of office in their respective Agencies or for any other cause consistent with the Authority's Bylaws. These appointments will be ratified by the Board of Directors

**Section 3. Meetings.** The Board of Directors shall direct each Committee to meet as needed for the proper administration of the Authority.

**Section 4. Term of Office.** Committee Members shall serve at the will of the Board of Directors for terms consistent with the needs of the Authority and as long as the Agency they represent remains a Member of the Authority.

## ARTICLE VI—OFFICERS OF THE AUTHORITY

### **Section 1. Officers.**

- (a) President.** The Board of Directors shall elect a President of the Authority for four year terms. In the event the President so elected ceases to be a Member of the Board, the resulting vacancy in the office of President shall be filled at the next regular meeting of the Board held after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President. The President, or in his or her absence the Vice President, shall preside at and conduct all meetings of the Board, and shall chair the Board. The President shall be ex-officio a member of all the standing committees.
- (b) Vice President.** The Board of Directors shall elect a Vice President of the Authority for four year terms. In the event the Vice President so elected ceases to be a Member of the Board, the resulting vacancy in the office of Vice President shall be filled at the next regular meeting of the Board held after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President, and when so acting shall have all the powers of and be subject to all the restrictions of the President.
- (c) Executive Director/Secretary.** The Executive Director/Secretary shall have the general administrative responsibility for the activities of the Authority and shall hire or cause to be hired necessary employees thereof, subject to prior authorization of each position by the Board, and shall be responsible for all minutes, notices and records of the Authority and shall perform such other duties as may be assigned by the Board of Directors. This person shall be selected by, and serve at the will of, the Board of Directors.
- (d) Treasurer.** The Treasurer shall be appointed by the Board of Directors. The duties of the Treasurer shall be as set forth in Articles 14 and 15 of the Joint Powers Agreement.
- (e) Other Officers.** The Board of Directors shall have the power to appoint such other officers as may be necessary to carry out the purposes of this Agreement.

### **Section 2. Removal and Resignation.**

- (a) Removal.** Any officer may be removed from their officer position, without cause, by the Board of Directors at any regular or special meeting thereof by a two-thirds vote of the Members of the Board.
- (b) Resignation.** Any officer or Board Member may resign at any time by giving written notice to the President or Executive Director/Secretary of the Authority, without prejudice, however, to the rights, if any, of the Authority under any contract to which such officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

## ARTICLE VII—MISCELLANEOUS

**Section 1. Checks and Drafts.** All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payment to the Authority, shall be signed and endorsed by the Treasurer and a Board Member, or by such other person or persons and in such manner as from time to time shall be determined by the Board of Directors.

**Section 2. Contracts.** All contracts of the Authority may be executed by the President or the Vice President of the Authority or a designee appointed by the Board of Directors.

**Section 3. Rules of Procedure for Meetings.** Notwithstanding any provision of these Bylaws to the contrary, all meetings of the Board of Directors including, without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Brown Act, and in accordance with Roberts Rules of Order.

**Section 4. Inspection of Authority Records.** The accounting books and records, the list of Member's designated Representatives, and minutes of proceedings of the Board of Directors and Membership meetings and all other committees of the Authority shall be open to the inspection of any Member at any reasonable time. Such inspection by a Member may be made in person or by agent or attorney, and the right of inspection includes the right to copy and make extracts.

**Section 5. Construction.** If there is any inconsistency between a provision of these Bylaws and a provision of the Agreement creating the Authority, the provision of the Agreement shall govern.

**Section 6. Fiscal Year.** Unless and until changed by resolution of the Board of Directors, the fiscal year of the Authority shall be the period from January 1 of each year to and including the following December 31.

## ARTICLE VIII—AMENDMENTS

Amendments to these Bylaws, other than amendments changing the authorized number of Members of the Board of Directors, may be adopted by the Board of Directors. Any amendment adopted by the Board of Directors shall be on the agenda of the next meeting of the Membership for ratification or may be ratified by the Membership through the mailed voting process.

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**JOINT EXERCISE OF POWERS AGREEMENT  
CREATING THE  
ASSOCIATION OF CALIFORNIA WATER AGENCIES  
HEALTH BENEFITS AUTHORITY  
Amended and Restated as of June 1, 2010**

**THIS JOINT EXERCISE OF POWERS AGREEMENT** (the "Agreement") amends and restates the Agreement originally dated as of May 1, 1994, by and among water districts and agencies organized and existing under the laws of the State of California, herein-after collectively referred to as the "Agencies" and individually as an "Agency" which are parties signatory to this agreement and listed in Appendix "A", which is attached hereto and made a part hereof. Said Agencies are sometimes referred to herein as "parties."

**RECITALS**

**WHEREAS**, Section 6500 et seq. of the Government Code of the State of California (Government Code) provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

**WHEREAS**, Section 989 et seq. of the Government Code, more particularly Section 990.4 thereof, provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

**WHEREAS**, Section 990.8 of the Government Code provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Section 990.4 of the Government Code; and

**WHEREAS**, each of the parties to this Agreement desire to join together with the other parties for the purpose of pooling their purchasing needs for health benefit coverage for their employees to provide said employees with a comprehensive Health Benefit Plan at a lower cost than might be available generally to the parties individually; and

**WHEREAS**, it appears economically feasible and practical for the parties to this Agreement to do so;

**NOW, THEREFORE**, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

**ARTICLE 1—DEFINITIONS**

The following definitions shall apply to the provisions of this Agreement:

**"Agency" or "Agencies" or "Member" or "District"** shall mean those entities of local government empowered by law, commonly known as **"Water Agencies"** to provide water-related services within the State of California, who are signatories to this Agreement, including any amendments thereto, and members of the Association of California Water Agencies.

**"Ancillary Benefit Programs"** shall mean the dental, vision, life and AD&D, Employee Assistance Plan, LTD, and Short Term Disability programs offered by the HBA to its members.

**"Ancillary Benefit Program Committee"** shall mean the Committee designated by the Board of Directors.

**"Treasurer"** shall mean the individual who is so appointed by the Board of Directors.

**"Authority"** shall mean the Association of California Water Agencies Health Benefits Authority.

**"Benefit Coverage"** shall mean employee benefits coverage provided through the HBA's Health and Ancillary Benefit Programs.

**"Board of Directors"** or **"Board"** shall mean the governing body of the Authority.

**"Contributions"** shall mean any health insurance premium or cash contribution required to maintain or fund the Health Benefit Plans.

**"Executive Director/Secretary"** shall mean the employee of the Authority who is employed by the Board of Directors.

**"Finance and Audit Committee"** shall mean the Committee of the Authority appointed by the Board of Directors.

**"Health Benefit Programs"** shall mean the medical care offered by the HBA to its members.

**"Health Benefits Authority"** shall mean the Joint Powers Authority created by and among the Public Agencies who are signatory to the Joint Exercise of Powers Agreement.

**"HBA Employee Benefit Trust (EBT)"** shall mean the tax exempt Trust established by the HBA to hold certain Plan assets of the HBA Welfare Benefit Coverage.

**"Health Benefit Program Committee"** shall mean the Committee of the Authority appointed by the Board of Directors.

**"Member"** shall mean Agency members of the Health Benefits Authority.

**"Program Rules"** shall mean those rules as established by the Board of Directors regarding participation in HBA programs.

**"Representative"** shall mean the individual designated as the individual representing a participating Agency or District.

**"Standing Committees"** shall mean the Health Benefit Program Committee, Ancillary Benefit Program Committee, and the Finance and Audit Committee, as formed by the Board of Directors pursuant to Article 11 herein.

## **ARTICLE 2—PURPOSE**

This Agreement is entered into by the Agencies pursuant to Sections 990.4, and 990.8 of the Government Code and Section 6500 et seq. of the Government Code in order to enable those Agencies to pool their purchasing needs to provide their employees with comprehensive and economical health and welfare benefits through its Health Programs and Ancillary Programs.

This purpose shall be accomplished through the exercise of the common powers of such Agencies jointly in the creation of a separate entity, the Association of California Water Agencies Health Benefits Authority (the "Authority"), to combine the employees of the participating Agencies collectively into a single pool for the purposes of negotiating and providing Welfare Benefit Coverage including administrative services related to the welfare benefit coverage and to provide various administrative activities relative to the management of the pool and purchasing of insurance, including, but not limited to billing participating Agencies for premiums, making premium payments to the insurance carrier and determining eligibility for coverage of individual employees and their dependents.

It is the further purpose of this Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional agencies organized and existing under the laws of the State of California who qualify as an Agency as may desire to become parties to the Agreement and members of the Authority, and who agree to the participation rules applicable to the Welfare Benefit Coverage elected.

## **ARTICLE 3—PARTIES TO THE AGREEMENT**

Each party to this Agreement certifies that it intends to and does contract with all other parties who are signatories of this Agreement and, in addition, with such other parties as may later be added as parties to and signatories of this Agreement pursuant to Article 18. Each party to this Agreement certifies that the deletion of any party from this Agreement, pursuant to Articles 19 and 20 shall not affect this Agreement nor such party's intent to contract as described above with other parties to the Agreement then remaining. Each party to the Agreement must at all times participate in the Welfare Benefit Coverage offered hereunder.

## **ARTICLE 4—TERM OF AGREEMENT**

- (a) This Amended and Restated Agreement shall become effective on June 1, 2010 in full force and effect and a legal, valid and binding obligation of each Agency, who were signatories on or before May 31, 2010, and for Agencies who submit to the Authority an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing board of each such Agency agreeing to the terms of this Agreement and the execution and delivery hereof, and shall continue subject to the terms of this Agreement until and unless terminated as hereinafter provided.

## ARTICLE 5—THE AUTHORITY

As provided in Section 6500 et seq. of the Government Code, the Authority shall be a public entity separate from each of the Agencies possessing the common powers of the Agencies. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of any of the Agencies.

## ARTICLE 6—POWERS OF AUTHORITY

- (a) The Authority shall have the powers common to Agencies and is hereby authorized to do all acts necessary for the exercise of said common powers to provide comprehensive and economical health benefit coverage, including, but not limited to, any of the following:
- (1) To pay all Authority expenses, including, without limitation, insurance premiums, benefit plan claims, administration and operation expenses;
  - (2) To determine and select all health benefit plans or insurance policies necessary to carry out the programs of the Authority. The determination shall include the scope of such plans or policies; and to determine the method such plans or policies are to be insured or self insured in conformance with 990 et seq. of the Government Code for providing a health benefit plan to the parties to this agreement;
  - (3) To establish contribution rates for Agencies and to modify those rates from time to time upon written notice to the Agencies. Such contribution rates shall be established to fund the premiums to the insurance carrier and to fund self insured health benefits, Authority expenses, and a reasonable Authority reserve not to exceed the maximum reserve permitted by law;
  - (4) To assess Agencies in accordance with Program Rules for the purpose of recoupment of deficits due to insufficiency of contribution rates in the previous policy or plan year or to pay dividends to participating Agencies as declared by the Board of Directors.
  - (5) To establish such rules and regulations as may be necessary in administering the business of the Authority;
  - (6) To borrow money to carry out the purposes of the Authority and to pledge, assign or hypothecate any of the Authority assets to secure such loans subject to Article 5 of the Agreement;
  - (7) To accept, compromise, arbitrate or otherwise settle any obligation, liability or claim involving the Authority, including, but not by way of limitation, any claim for contributions or other sums payable hereto, and to enforce or contest any other obligation, liability or claim by appropriate legal proceedings if, in the sole discretion of the Directors, it is in the interest of the Authority to do so, or to assign any such claim and allow the assignee to institute legal or arbitration proceedings in its own name to enforce collection;

- (8) To require any person with obligation or rights hereunder to furnish, or permit an audit of, any reasonable information, data and documents that are pertinent in verifying the accuracy of contribution and acting upon claims for benefits under the Health Benefit Plan, or which are otherwise pertinent in administering the Authority;
  - (9) To publish, file and distribute all reports required by law;
  - (10) To determine all questions relating to eligibility for benefits, how benefits will be provided and similar questions. Such determinations shall be binding on all persons, except as may otherwise specifically be provided herein or in regulations duly adopted by the Board;
  - (11) To retain or employ attorneys, accountants, actuaries, auditors, office personnel, professional administrators and consultants and other suitable agents and employees;
  - (12) To exercise all powers granted under any insurance contract purchased with Authority funds;
  - (13) To decline or terminate the participation of an Agency in the Health Benefit or Ancillary Benefit Programs if there are repeated delinquencies or other failures to comply with the terms of the corresponding Program, this Agreement or the Bylaws provided for in Article 24;
  - (14) To enforce all obligations of Agencies to make contributions including assessments to the Authority by any means the Authority deems appropriate and to collect such contributions at such rates as may be established from time to time;
  - (15) To adopt uniform, specific, reasonable and diligent collection procedures with respect to Agencies who are delinquent in the payment of contributions or assessments;
  - (16) To cause to be prepared the operating budget of the Authority for each fiscal year;
  - (17) To receive and review periodic accounting of all funds under Articles 14 and 15 of the Agreement;
  - (18) To conduct on behalf of the Authority all business of the Authority which the Authority may conduct under the provisions hereof and pursuant to law;
  - (19) To implement such other powers and functions as are provided for in this Agreement or in the Bylaws.
- (b)** Except as otherwise provided herein, such powers shall be exercised subject only to such restrictions upon the manner of exercising such power as are imposed upon any participating agency in the exercise of similar powers, as provided in Section 6509 et seq. of the Government Code.
- (c)** Notwithstanding the foregoing, the Authority shall have any additional powers conferred under the Government Code or other applicable law, insofar as such additional powers may be necessary to accomplish the purposes set forth in Article 2 hereof.



## ARTICLE 7—BOARD OF DIRECTORS

- (a) The Authority shall be governed by the Board of Directors which is hereby established and which shall be elected by the Representatives from each Member Agency.
- (b) Each Member of the Board shall serve until a successor is appointed or elected.
- (c) Each Member of the Board shall have one vote.
- (d) In any instrument in writing in the name of the Authority, the Board of Directors shall be bound by the record of votes and / or signatures of any six Directors, and all persons, partnerships, corporations and associations may rely thereon that such instrument has been duly authorized in accordance with this Agreement unless otherwise authorized by resolution of the Authority.
- (e) To the extent permitted by law, no Director shall be liable for any action on good faith taken or omitted nor for any act or omission of any other Director. The Authority shall indemnify and hold harmless the Directors to the extent and in the amounts provided by the laws of the State of California from and against all claims, damages and losses, and expenses arising out of the performance by the Directors of any duty or responsibility undertaken or performed in connection with the obligations of the Directors arising out of the Agreement. The funds of the Authority shall be used to defend, indemnify and hold harmless the Authority and any Director for actions taken within the scope of the Authority. Notwithstanding any provision of the Agreement, the Authority shall have the right to purchase insurance to provide coverage for its Directors and employees with respect to the foregoing.

## ARTICLE 8—POWERS OF THE BOARD OF DIRECTORS

Subject to their powers of allocation and delegation set forth elsewhere in this Agreement and to Article 6 hereof, the Board of Directors of the Authority shall have exclusive authority to control and manage the operation and administration of the Authority and its assets. The Board of Directors may exercise all lawful powers appropriate to the exercise of their authority hereunder, including the following powers and functions:

- (a) To pay all Authority expenses, including , without limitation, insurance premiums, benefit plan claims, administration and operation expenses;
- (b) To determine and select all health benefit plans or insurance policies necessary to carry out the programs of the Authority. The determination shall include the scope of such plans or policies; and to determine the method such plans or policies are to be insured or self insured in conformance with 990 et seq. of the Government Code for providing a health benefit plan to the parties to this agreement;
- (c) To establish contribution rates for Agencies and to modify those rates from time to time upon written notice to the Agencies. Such contribution rates shall be established to fund the premiums to the insurance carrier and to fund self insured health benefits, Authority expenses, and a reasonable Authority reserve not to exceed the maximum reserve permitted by law;

- (d) To assess Agencies in accordance with Program Rules for the purpose of recoupment of the deficits due to insufficiency of contribution rates in the previous policy or plan year or to pay dividends to participating Agencies as declared by the Board of Directors;
- (e) To establish such rules and regulations as may be necessary in administering the business of the Authority including such recommendations of the Standing Committees or the ACWA Insurance and Personnel Committee as may be deemed appropriate;
- (f) To borrow money to carry out the purposes of the Authority and to pledge, assign or hypothecate any of the Authority assets to secure such loans subject to Article 5 of the Agreement;
- (g) To accept, compromise, arbitrate or otherwise settle any obligation, liability or claim involving the Authority, including, but not by way of limitation, any claim for contributions or other sums payable hereto, and to enforce or contest any other obligation, liability or claim by appropriate legal proceedings if, in the sole discretion of the Directors, it is in the interest of the Authority to do so, or to assign any such claim and allow the assignee to institute legal or arbitration proceedings in its own name to enforce collection;
- (h) To require any person with obligation or rights hereunder to furnish, or permit an audit of, any reasonable information, data and documents that are pertinent in verifying the accuracy of contribution and acting upon claims for benefits under the Health Benefit Plan, or which are otherwise pertinent in administering the Authority;
- (i) To publish, file and distribute all reports required by law;
- (j) To determine all questions relating to eligibility for benefits, how benefits will be provided and similar questions. Such determinations shall be binding on all persons, except as may otherwise specifically be provided herein or in regulations duly adopted by the Board;
- (k) To retain or employ attorneys, accountants, actuaries, auditors, office personnel, professional administrators and consultants and other suitable agents and employees;
- (l) To exercise all powers granted under any insurance contract purchased with Authority funds;
- (m) To decline or terminate the participation of an Agency in the Health Benefits Plan if there are repeated delinquencies or other failures to comply with the terms of the Health Benefit Plan, this Agreement or the Bylaws provided for in Article 24;
- (n) To enforce all obligations of Agencies to make contributions to the Authority by any means the Authority deems appropriate and to collect such contributions at such rates as may be established from time to time by the Board;
- (o) To adopt uniform, specific, reasonable and diligent collection procedures with respect to delinquent Agencies;
- (p) To cause to be prepared the operating budget of the Authority for each fiscal year;
- (q) To receive and review periodic accounting of all funds under Articles 14 and 15 of the Agreement;

- (r) To conduct on behalf of the Authority all business of the Authority which the Authority may conduct under the provisions hereof and pursuant to law;
- (s) To implement such other powers and functions as are provided for in this Agreement or in the bylaws.

#### **ARTICLE 9—MEETING OF THE BOARD OF DIRECTORS**

- (a) **Meetings.** The Board shall provide for its regular, adjourned regular and special meetings or upon call of the President of the Authority; provided, however, that it shall hold at least one regular meeting annually as set forth in the bylaws.
- (b) **Minutes.** The Secretary shall cause minutes of regular, adjourned regular and special meetings to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board. Copies of such minutes shall be available on request to the parties to this Agreement.
- (c) **Quorum.** At any meeting, the presence in person by at least a majority of Board Members shall constitute a quorum for the transaction of business. A majority of all of the Members of the Board shall be required to approve any resolution or motion, unless a different voting requirement to approve a particular action is specified under laws of the State of California, in the JPA Agreement or elsewhere in these Bylaws.
- (d) **Compliance with the Brown Act.** All meetings of the Board, including, without limitation, regular, adjourned regular and special meeting, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, Sections 54950 et seq. of the Government Code of the State of California, or any successor legislation thereto (the "Brown Act").

#### **ARTICLE 10—OFFICERS OF THE AUTHORITY**

- (a) **President.** The Board of Directors shall elect a President of the Authority for four year terms. In the event the President so elected ceases to be a member of the Board, the resulting vacancy in the office of President shall be filled at the next regular meeting of the Board held after such vacancy occurs. The President, or in his or her absence the Vice President, shall preside at and conduct all meetings of the Board, and shall chair the Board of Directors. . The President shall be ex-officio a member of all the standing committees.
- (b) **Vice President.** The Board of Directors shall elect a Vice President of the Authority for four year terms. In the event the Vice President so elected ceases to be a member of the Board, the resulting vacancy in the office of Vice President shall be filled at the next regular meeting of the Board held after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President.
- (c) **Executive Director/Secretary.** The Executive Director/Secretary shall have the general administrative responsibility for the activities of the Authority and shall hire or cause to be hired all necessary employees thereof, subject to prior authorization of each position by the

Board of Directors, and shall be responsible for all minutes, notices and records of the Authority and shall perform such other duties as may be assigned by the Board of Directors. This person shall be selected by, and serve at the will of, the Board of Directors.

**(d) Treasurer.** The Treasurer shall be appointed by the Board of Directors. The duties of the Auditor shall be as set forth in Articles 14 and 15 of this Agreement.

**(e)** The Board of Directors shall have the power to appoint such other officers as may be necessary to carry out the purposes of this Agreement.

#### **ARTICLE 11—STANDING COMMITTEES**

There shall be established the following Standing Committees: Health Benefit Program Committee, the Ancillary Benefit Program Committee, and the Finance and Audit Committee, each appointed by the Board of Directors. The number of members of each Committee and its duties shall be set forth in the Bylaws. These Committees shall meet from time to time as directed by the Board of Directors, and shall make recommendations to the Board of Directors based upon the expertise of its members.

#### **ARTICLE 12—INSURANCE COVERAGE**

**(a)** The Authority shall purchase or otherwise arrange for workers' compensation coverage, unemployment, health and welfare benefits or other such coverage for the employees of the HBA.

**(b)** The Authority shall purchase directors and officers and fiduciary liability insurance coverage for officers of the Authority with regard to the performance of their duties as officers of the Authority.

#### **ARTICLE 13—IMPLEMENTATION OF BENEFIT COVERAGE**

**(a)** The Board of Directors shall review and approve all participation rules and guidelines applicable to the Benefit Coverage offered by the Authority.

**(b)** These rules and guidelines shall apply to all member agencies seeking participation in any of the Benefit Coverage offered by the Authority.

**(c)** The HBA shall maintain participation rules and guidelines in a Program Policy Manual.

#### **ARTICLE 14—ACCOUNTS AND RECORDS**

**(a) Annual Budget.** The Board of Directors shall adopt an annual operating budget prepared pursuant to Article 6(a)(16) of this Agreement.

**(b) Funds and Accounts.** The Treasurer of the Authority shall establish and maintain such funds and accounts as required by the Board and as required by generally accepted auditing standards. Books and records of the Authority in the hands of the Treasurer shall be open to

any inspection at all reasonable times by authorized Representatives of Agencies and as otherwise required by law.

- (c) **Treasurer's Report.** The Treasurer, within 120 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board of Directors and make copies of such report available to parties to this Agreement on request.
- (d) **Annual Audit.** The Treasurer shall provide for a certified, annual audit of the accounts and records of the authority, which audit shall be made by a Certified Public Accountant and shall conform to generally accept auditing standards. A report thereof shall be filed as a public record in the office of the Authority. Such report shall be filed within six months of the end of each year or years under examination.

### **ARTICLE 15—RESPONSIBILITY FOR MONIES**

- (a) The Treasurer of the Authority shall have the custody of and the duty to disburse the Authority's funds including all funds held in the Health Benefits Authority Employee Benefits Trust (Trust) on a non-discretionary basis and subject to the direction provided by the Board of Directors of the Trust who shall have sole authority as to their use and disposition. The Treasurer shall have the authority to delegate the signatory function of the Treasurer to such persons as are authorized by the Board of Directors.
- (b) A bond in the amount determined adequate by the Board shall be required for all officers and personnel who have charge of, handle, or have access to any property of the Authority, such bond to be paid for by the Authority.
- (c) The Treasurer of the Authority shall assume the duties required by the JPA Act as may be amended, including the following duties:
  - (1) To receive and acknowledge receipt for all money of the Authority and to place it in the treasury of the Authority;
  - (2) To be responsible upon his or her official bond for the safekeeping and disbursement of all the Authority's money so held by him or her;
  - (3) To pay, when due, out of money of the Authority so held by him or her, all sums payable on outstanding bonds and coupons of the Authority.
  - (4) To pay any other sums due from the Authority;
  - (5) To verify and to report in writing on the first day of July, October, January and April of each year to the Authority and, on request, to Agencies the amount of money held for the Authority, the amount of receipt since the last report and the amount paid out since the last report.
- (d) All funds received by the Authority hereunder shall be invested in accordance with the Authority's investment policy by the Board of Directors in any instrument declared by state law to be permissible as an investment for any local public agency in the State of California or deposited in such bank or banks as the Board of Directors may designate for that purpose, and



all withdrawals shall be made only by check signed by not less than two individuals with signatory authority as authorized by the Bylaws of the Authority or unanimous vote of the Board of Directors.

- (e) The Directors of the HBA Employee Benefit Trust shall have sole authority to invest Trust assets in a prudent manner.

#### **ARTICLE 16—RESPONSIBILITIES OF THE AUTHORITY**

The Authority shall perform the following functions in discharging its responsibilities under this Agreement:

- (a) Maintain and administer the Benefit Coverage in instruments offered to the Authority's member agencies.
- (b) Assist each Member's Representative with the implementation of the Welfare Benefit Coverage applicable to the member agency.
- (c) Review the Benefit Coverage to maintain their fiscal integrity.
- (d) Such other responsibilities as deemed necessary by the Board of Directors.

#### **ARTICLE 17—RESPONSIBILITIES OF MEMBERS**

Members shall have the following responsibilities:

- (a) Each Member shall appoint an employee of the Member to be responsible for the implementation and maintenance of the applicable program function and to serve as a liaison between the Member and the Authority as to the programs in which it participates.
- (b) Each Member shall maintain its own set of records regarding the programs in which it participates.
- (c) Each Member shall pay its premium and or contributions within thirty (30) days of the invoice date. After withdrawal or termination, each Member or its successor shall pay promptly to the Authority its share of any additional premium, when and if required of it by the Board of Directors under Article 21 or 22 of this Agreement.
- (d) Each Member shall provide the Authority with such other information or assistance as may be necessary for the Authority to carry out Benefit Coverage provided under this Agreement.
- (e) Each Member shall in any and all ways cooperate with and assist the Authority, and any insurer of the Authority, in all matters relating to this Agreement and covered claims and will comply with all Bylaws, rules and regulations adopted by the Board of Directors.

## **ARTICLE 18—NEW MEMBERS**

Staff designated by the Board of Directors shall review and approve all Agency requests for participation by those Agencies who agree to adhere to the applicable Program Rules specified in Article 1 in the definition of "Agency" or "Agencies". Qualifying entities may be added as parties to this Agreement and become Agencies upon (i) the filing by the entity of an executed Appendix A to this Agreement, together with a certified copy of the resolution of the governing body of such entity agreeing to the terms of this Agreement and the execution and delivery hereof. Upon satisfaction of such conditions, the Board of Directors shall file such executed Appendix A of this Agreement as an amendment hereto, effective upon the date such filing. Agencies denied participation may appeal to the Board of Directors for reconsideration as a participating Agency.

## **ARTICLE 19—WITHDRAWAL**

An Agency may withdraw as a party to this Agreement to be effective on the first day of any month by providing written intention of withdrawing to the Secretary at least 60 days prior to the proposed effective date of the withdrawal. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Secretary who shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon the proposed filing date, or such other date as the Board of Directors may designate which is not more than 90 nor less than 60 days from the notice in order to bring such notice of withdrawal in compliance with the terms hereof.

## **ARTICLE 20—CANCELLATION**

- (a) Notwithstanding any other provision of this Agreement, the Board of Directors shall have the right to cancel any Agency's participation in any Benefit Coverage of the Authority if the Agency is more than 30 days in arrears in the payment of monthly contributions for Benefit Coverage.
- (b) Notwithstanding any other provision of this Agreement, the participation of any Agency, including participation in the programs of the Authority, shall cease and be cancelled automatically whenever such Agency's membership in the Association of California Water Agencies ceases. Such automatic cancellation shall not relieve the Agency of its responsibilities as provided for in Article 21 (b).

## **ARTICLE 21—EFFECT OF WITHDRAWAL OR CANCELLATION**

- (a) The withdrawal or cancellation of any Agency from this Agreement shall not terminate this Agreement and an Agency by withdrawing or being cancelled pursuant to Articles 19 and 20 shall not be entitled to payment or return of any contribution, consideration or property paid, or donated by the Agency to the Authority, or to any distribution of assets.
- (b) The withdrawal or cancellation of any Agency pursuant to Articles 19 and 20 shall not terminate its responsibilities with respect to the payment of its share of contributions due or in arrears at the time of such withdrawal or cancellation.

## **ARTICLE 22—TERMINATION AND DISTRIBUTION.**

- (a) This Agreement may be terminated by the Board of Directors subject to ratification by the written consent of three-fourths of the Membership within 90 days of the Board of Directors' approval of the motion to terminate the Agreement, provided, however, that this Agreement and the Authority shall continue to exist for the purpose of concluding all functions necessary to wind up the affairs of the Authority.
- (b) The Board of Directors is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority.
- (c) Upon termination of this agreement, all assets of the Authority shall be distributed only among those parties that have been signatory's hereto during the 12 months preceding the date upon which the written consent required by paragraph (a) hereof was determined to have been completed by the Board of Directors. The Board of Directors shall determine such distribution within six months after all other business of the Authority has been concluded.

## **ARTICLE 23—TERMINATION OF THE AUTHORITY**

The Authority may be terminated or its powers changed, restricted or eliminated by the Board of Directors along with the written consent of three-fourths of the Membership.

## **ARTICLE 24—BYLAWS AND GOVERNING DOCUMENTS**

The Bylaws shall be effective upon ratification of this Agreement. Each party to the Agreement shall receive a copy of the Bylaws and other such governing documents.

## **ARTICLE 25—NOTICES**

Any notice or instrument authorized or required to be given or delivered pursuant to this Agreement shall be deemed to have been given or delivered when the same is deposited in any United States Post Office, postage prepaid, or is shipped by United Parcel Service, addressed to the principal office of the respective Agency and shall be deemed to have been received by the Agency to whom the same is addressed at the expiration of three business days after deposit in the United States Post Office of delivery to or pick up at the Authority's principal office by United Parcel Service.

## **ARTICLE 26—AMENDMENT TO THE AGREEMENT**

Except as provided by Article 18 hereof, this Agreement may be amended by the Board of Directors subject to ratification by the written consent of a majority of the Agencies within 90 days of the Board 's approval of the motion to amend the Agreement.

### **ARTICLE 27—AGREEMENT NOT EXCLUSIVE**

This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements entered into by or among any of the Agencies, except as the terms of this Agreement shall conflict therewith, in which case the terms of this Agreement shall prevail.

### **ARTICLE 28—CONFLICT OF INTEREST CODE**

The Board of Directors by resolution shall adopt a Conflict of Interest Code as required by law.

### **ARTICLE 29—PROHIBITION AGAINST ASSIGNMENT**

No Agency may assign any right, claim or interest it may have under this Agreement and no creditor, assignee or third party beneficiary of any Agency shall have any right, claim or title or any part, share, interest, fund, premium or asset of the Authority, except as otherwise provided for under Article 6 (e).

### **ARTICLE 30—COUNTERPARTS**

This Agreement may be executed by the Agencies in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

### **ARTICLE 31—CHOICE OF LAW**

This Agreement shall be governed by the laws of the State of California.

### **ARTICLE 32—SEVERABILITY**

If one or more clauses, sentences, paragraphs, provisions or articles of the Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Agencies that the remainder of the Agreement shall not be affected thereby.

### **ARTICLE 33—HEADINGS**

The titles of articles and paragraphs of this Agreement are for convenience only, and no presumption or implication of the intent of the parties as to the construction of this Agreement shall be drawn therefrom.

### **ARTICLE 34—AGREEMENT COMPLETE**

The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

### **ARTICLE 35—ADOPTION**

The parties to this Agreement evidence their adoption of this Agreement by (1) executing Appendix A, which is attached to and made a part of this Agreement and (2) by providing the Authority a copy of a formal resolution from its governing body adopting the amended and restated Agreement as of June 1, 2010, or such later date as specified in its resolution.



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## Appendix A

ACWA	Chino Basin WCD
ACWA-JPIA	Chowchilla WD
Alameda County WD	Citrus Heights WD
Alpaugh ID	City of Blue Lake
Alta ID	City of Buellton
Amador WA	City of Fillmore
American River FCD	City of San Juan Bautista
Angiola WD	City of Tehachapi
Antelope Valley-East Kern WA	Clearlake Oaks CWD
Aromas WD	Coastside CWD
Banta-Carbona ID	Consolidated ID
Bay Area Water Supply & Conserv Dist	Contra Costa WD
Bella Vista WD	Corcoran ID
Belridge WSD	Cordua ID
Berrenda Mesa WD	Cottonwood WD
Big Bear Area Regional Wastewater	Crescenta Valley WD
Big Bear City CSD	Crestline-Lake Arrowhead WA
Big Bear MWD	Crestline Village WD
Biggs-W Gridley WD	Cucamonga Valley WD
Bighorn-Desert View WA	Del Paso Manor WD
Bodega Bay PUD	Del Puerto WD
Bolinas Community PUD	Delano-Earlimart ID
Boron CSD	Delhi County WD
Borrego WD	Desert WA
Brookstrail Township CSD	Diablo Water District
Browns Valley ID	Dunnigan WD
Buena Vista WSD	East Bay MUD
Burney WD	East Contra Costa ID
Butte WD	East Orange CWD
Byron-Bethany ID	East Valley WD
Cachuma Oper & Maint Board	El Toro WD
Calaveras CWD	Elk Grove Water Services
Calaveras PUD	Elsinore Valley MWD
Calleguas MWD	Fair Oaks WD
Camrosa WD	Fallbrook PUD
Carlsbad MWD	Firebaugh Canal WD
Carmichael WD	Foothill MWD
Carpinteria Valley WD	Forresthill PUD
Casitas MWD	Forestville WD
Castaic Lake WA	Frazier Park PUD
Castroville WD	Fresno ID
Cawelo WD	Fresno Metro Flood Control Dist.
Centerville CSD	Friant Power Authority
Central Basin MWD	Friant Water Authority
Central California ID	Georgetown Divide PUD
Central Coast WA	Glenn Colusa ID
Central San Joaquin WCD	Golden Hills CSD
Central WD	Goleta WD
Channel Island Beach CSD	Grassland WD
Chino Basin Watermaster	Greenfield CWD

## Appendix A

Helix WD  
Henry Miller Reclamation Dist #2131  
Hi-Desert WD  
Hidden Valley Lake CSD  
Humboldt Bay MWD  
Humboldt Bay Harbor Rec  
Humboldt CSD  
Idyllwild WD  
Indian Wells VWD  
Irvine Ranch WD  
Ivanhoe ID  
Ivanhoe PUD  
James ID  
Joshua Basin WD  
Jurupa CSD  
Kanawha WD  
Kaweah Delta WCD  
Kern CWA  
Kern Tulare / Rag Gulch  
Kings CWD  
Kings River Conservation District  
Kings River Water District  
Kern Tulare WD  
Kinnetoa ID  
Kirkwood Meadows PUD  
La Canada ID  
La Habra Heights CWD  
La Puente Valley CWD  
Laguna Beach CWD  
Laguna ID  
Lake Arrowhead CSD  
Lake Don Pedro CSD  
Lakeside Irrigation WD  
Lakeside WD  
Las Virgenes MWD  
Le Grand CSD  
Littlerock Creek ID  
Los Alamos CSD  
Lost Hills WD  
Lower San Joaquin Levee District  
Madera/Chowchilla WPA  
Madera ID  
Madera WD  
Main San Gabriel Basin Wtrmstr  
Maine Prairie WD  
Malaga CWD  
Mammoth CWD  
Marina Coast WD  
Mariposa PUD  
McKinleyville CSD  
Merced ID

Mid-Peninsula WD  
Millview CWD  
Mission Hills CSD  
Mission Springs WD  
Mojave PUD  
Mojave WA  
Montara Water & Sanitary District  
Montecito Sanitary District  
Montecito WD  
Monterey Peninsula WMD  
Mountain Gate CSD  
MWD of Orange County  
Nevada ID  
Newhall CWD  
North Coast CWD  
North Delta Water Agency  
North Kern WSD  
North of the River MWD  
North San Joaquin WCD  
Oakdale ID  
Olivenhain MWD  
Orange Cove ID  
Orange CWD  
Orchard Dale WD  
Orland-Artois WD  
Pacheco WD  
Padre Dam MWD  
Pajaro Valley WMA  
Pajaro/Sunny Mesa CSD  
Palm Ranch ID  
Palmdale WD  
Panoche WD  
Paradise ID  
Patterson ID  
Pebble Beach CSD  
Pescadero Reclamation Dist. #2058  
Phelan Pinon Hills CSD  
Pico WD  
Pinedale CWD  
Planada CSD  
Porterville ID  
Princeton-Codora-Glenn ID  
Quartz Hill CWD  
Rainbow MWD  
Ramirez WD  
Rancho California WD  
Rand Communities WD  
Reclamation District #108  
Reclamation District #2068  
Reclamation District #999  
Reclamation District #1000

## Appendix A

Reclamation District #1004	Terra Bella ID
Redwood Valley CWD	The West Side ID
Richvale ID	Thermalito Water & Sewer
Rincon Del Diablo MWD	Three Valleys MWD
Rio Alto Water District	Trabuco Canyon WD
Rio Linda-Elverta Community WD	Tranquility ID
Riverdale ID	Tri-Dam Project
Rosamond Community Services Dist	Tulare ID
Rosedale-Rio Bravo WSD	Tulare Lake Basin WSD
Rowland WD	Tulelake ID
Sacramento Suburban WD	Tuolumne Utilities District
San Andreas SD	Twentynine Palms WD
San Benito CWD	United WCD
San Bernardino VMWD	Upper San Gabriel Valley MWD
San Bernardino VWCD	Vallecitos WD
San Francisquito Creek JPA	Valley Center WD
San Gabriel Basin WQA	Valley CWD
San Gabriel CWD	Valley of the Moon WD
San Gabriel Valley MWD	Vandenberg Village CSD
San Geronio Pass WA	Ventura River CWD
San Juan Water District	Vista ID
San Luis & Delta-Mendota WA	Walnut Valley WD
Santa Ana Watershed PA	Weaverville CSD
Santa Clara VWD	West Basin MWD
Santa Fe ID	West Kern WD
Santa Margarita WD	West Valley WD
Santa Maria Valley WCD	West Stanislaus ID
Santa Ynez River WCD	Westborough WD
Saucelito ID	Western MWD
Scotts Valley WD	Wheeler Ridge-Maricopa WSD
Semitropic WSD	WRD of Southern California
Serrano WD	Yolo County FC & WCD
Shafter-Wasco ID	Yorba Linda WD
Solano County WA	Yuima MWD
Solano ID	
Soquel Creek WD	
South Coast WD	
South Feather Water & Power (hydro)	
***South Feather Power (water)	
South Montebello ID	
South San Joaquin ID	
South Sutter WD	
South Tahoe PUD	
Southern San Joaquin MUD	
Stockton East WD	
Stone Corral ID	
Sutter Extension WD	
Tehachapi-Cummings CWD	

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# CHINO BASIN WATERMASTER

## IV. INFORMATION

1. Newspaper Articles



[dailybulletin.com](http://dailybulletin.com)

## Agency fires CEO

Rebecca U. Cho, Staff Writer

Created: 05/20/2010 07:36:26 PM PDT

The longtime head of an Inland Empire wastewater agency was ousted from his position this week.

The Inland Empire Utilities Agency board of directors voted Wednesday to terminate Richard W. Atwater as chief executive officer and general manager. He had held the position since 1999.

"The board wanted to take a different direction and decided there was a need for change," Terry Catlin, the agency's board president, said Thursday.

Catlin declined to go into further detail. He said Atwater was in the process of receiving a severance package. Catlin is the general manager of the Water Facilities Authority based in Upland.

The board, on a 3-2 vote, made the decision in closed session.

Atwater learned of his firing after the meeting, when Catlin approached him and said the board was terminating him without cause, Atwater said.

The decision left him baffled, he said.

"I had never had a discussion with [Catlin] or any of the board members about it," Atwater said. "He never explained why he did that."

The Inland Empire Utilities Agency, a municipal water district based in Chino, operates a sewage-treatment plant and is a distributor of wholesale water and recycled water. During Atwater's tenure, the agency had received several environmental awards, including twice winning the Governor's Environmental and Economic Leadership Award.

Ken Willis, chairman of the Chino Basin Watermaster and an Upland councilman,

said he was surprised to hear of Atwater's removal.

"I wasn't hearing any complaints from anybody," Willis said.

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