



CHINO BASIN WATERMASTER



NOTICE OF MEETING

Thursday, March 15, 2012

9:00 a.m. – Advisory Committee Meeting

AT THE CHINO BASIN WATERMASTER OFFICES

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





CHINO BASIN WATERMASTER

Thursday, March 15, 2012

9:00 a.m. – Advisory Committee Meeting

AGENDA PACKAGES



**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

9:00 a.m. – March 15, 2012

WITH

Mr. Jeff Pierson, Chair

Ms. Rosemary Hoerning, Vice-Chair

At The Offices Of

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Advisory Committee Meeting held February 16, 2012 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2012 *(Page 7)*
2. Watermaster VISA Check Detail for the month of January 2012 *(Page 21)*
3. Combining Schedule for the Period July 1, 2011 through January 31, 2012 *(Page 25)*
4. Treasurer's Report of Financial Affairs for the Period January 1, 2012 through January 31, 2012 *(Page 29)*
5. Budget vs. Actual Report for the Period July 1, 2011 through January 31, 2012 *(Page 33)*

II. BUSINESS ITEMS

A. MATERIAL PHYSICAL INJURY ANALYSIS

Consider Approval to Receive and File Wildermuth Environmental Inc. Material Physical Injury Analysis for the City of Ontario Application for Local Storage Agreement *(Page 41)*

B. WATERMASTER ANNUAL AUDIT FISCAL YEAR 2010/2011

Consider to Receive and File the Watermaster Annual Audit performed by Charles Z. Fedak & Company as Presented to the Watermaster Board on February 23, 2012 *(Page 55)*

C. PROPOSED SUPPLEMENTAL ORDER FOR RESOLUTION 2010-04

Consider Approval of Proposed Supplemental Order for the Court Following the October 28, 2011 Hearing for Resolution 2010-04 *(Page 111)*

D. PROPOSED CASH RESERVE POLICY

Consider Approval of the Proposed Cash Reserve Policy 4.17 *(Page 115)*

E. CEO RECRUITMENT CONTRACT

Consider Approval to Appropriate \$32,000 to Fund the Watermaster CEO Recruitment Contract Cost *(Page 121)*

III. REPORTS/UPDATES

A. ENGINEERING REPORT

1. Extensometer Progress

B. CEO/STAFF REPORT

1. Recharge Master Plan Update/Storage Issues Review Process
2. Investment Policy
3. Record and Document Request
4. Restated Judgment

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update – Oral
2. Water Softener Initiative - Oral
3. State and Federal Legislative Reports *(Page 127)*
4. Community Outreach/Public Relations Report *(Page 157)*
5. IEUA Monthly Water Newsletter *(Page 161)*

D. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

1. Cash Disbursements for February 2012 *(Page 165)*

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

VIII. FUTURE MEETINGS AT WATERMASTER

Thursday, March 15, 2012	8:00 a.m.	IEUA DYY Meeting
Thursday, March 15, 2012	9:00 a.m.	Advisory Committee Meeting
Thursday, March 15, 2012	10:00 a.m.	CB RMPU Steering Committee Mtg.
Thursday, March 22, 2012	9:00 a.m.	Land Subsidence Committee Meeting
Thursday, March 22, 2012	11:00 a.m.	Watermaster Board Meeting
Tuesday, March 27, 2012	9:00 a.m.	GRCC Meeting
Thursday, April 5, 2012	10:00 a.m.	CB RMPU Steering Committee Mtg.
Thursday, April 12, 2012	9:00 a.m.	Appropriative Pool Meeting
Thursday, April 12, 2012	11:00 a.m.	Non-Agricultural Pool Conference Call Mtg.
Thursday, April 12, 2012	1:30 p.m.*	Agricultural Pool Meeting
Thursday, April 19, 2012	8:00 a.m.	IEUA DYY Meeting
Thursday, April 19, 2012	9:00 a.m.	Advisory Committee Meeting
Thursday, April 19, 2012	10:00 a.m.	CB RMPU Steering Committee Mtg.
Thursday, April 26, 2012	11:00 a.m.	Watermaster Board Meeting

*** PLEASE NOTE: THE AGRICULTURAL POOL HAS CHANGED THEIR REGULAR MEETING TIME FROM 2:00 P.M. TO 1:30 P.M.**

Meeting Adjourn



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting held on February 16, 2012



Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
February 16, 2012

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on February 16, 2012 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Agricultural Pool

Jeff Pierson, Chair
Pete Hall

Ag Pool – Crops
Ag Pool – State of California – CIM

Appropriative Pool

Marty Zvirbulis
Scott Burton
Rosemary Hoerning
Raul Garibay
Ron Craig
Dave Crosley
Mark Kinsey
Van Jew
Sheri Rojo
Josh Swift
Tom Harder

Cucamonga Valley Water District
City of Ontario
City of Upland
City of Pomona
City of Chino Hills
City of Chino
Monte Vista Water District
Monte Vista Irrigation Company
Fontana Water Company
Fontana Union Water Company
Jurupa Community Services District

Non-Agricultural Pool

Brian Geye

Auto Club Speedway

BOARD MEMBERS PRESENT

Bill Kruger

City of Chino Hills

Watermaster Staff Present

Danielle Maurizio
Joe Joswiak
Gerald Greene
Sherri Molino

Senior Engineer
Chief Financial Officer
Senior Environmental Engineer
Recording Secretary

Watermaster Consultants Present

Andy Malone

Wildermuth Environmental Inc.

Others Present Who Signed In

Seth Zielke
Mike Maestas
Jo Lynne Russo-Pereyra
John Bosler
Sandra Rose
Justin Scott-Coe
Terry Catlin
Ryan Shaw
Eunice Ulloa
Curtis Paxton

Fontana Water Company
City of Chino Hills
Cucamonga Valley Water District
Cucamonga Valley Water District
Monte Vista Water District
Monte Vista Water District
Inland Empire Utilities Agency
Inland Empire Utilities Agency
Chino Basin Water Conservation District
Chino Desalter Authority

Chair Pierson called the Advisory Committee meeting to order at 9:00 a.m.

AGENDA – ADDITIONS/REORDER

Ms. Maurizio stated there were no additions or reorders to the agenda.

Ms. Maurizio stated there is a replacement version of the staff letter for Business Item A. Watermaster Mid-Year Review, Budget Transfers and Budget Amendments. Ms. Maurizio stated this was emailed out and there is also a copy on the back table; this is the same staff letter that was presented to the Pools.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Annual Advisory Committee Meeting held January 19, 2012

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of December 2011
2. Watermaster VISA Check Detail for the month of December 2011
3. Combining Schedule for the Period July 1, 2011 through December 31, 2011
4. Treasurer's Report of Financial Affairs for the Period December 1, 2011 through December 31, 2011
5. Budget vs. Actual Report for the Current Month, Year-To-Date, and Projected Fiscal Year

C. INTERVENTION INTO THE AGRICULTURAL POOL

Consider Approval for the Intervention of Tad Nakase (TDN Land Company) into the Agricultural Pool

A discussion regarding the metering for the Intervention ensued. It was decided no language change needed to be made in the motion for approval.

D. ADVISORY COMMITTEE VOLUME VOTE

Consider Approval of the Calendar Year (February – December) 2012 Volume Vote

Motion by Zvirbulis second by Kinsey, and by unanimous vote

Moved to approve Consent Calendar items A through D, as presented

II. BUSINESS ITEMS**A. WATERMASTER MID-YEAR REVIEW, BUDGET TRANSFERS AND BUDGET AMENDMENTS**

Ms Maurizio stated this item is for the Watermaster Mid-Year Review, Budget Transfers and Budget Amendments. Ms. Maurizio stated as mentioned earlier, there is a corrected version which is actually the version seen and approved by the three Pools earlier this month. Ms. Maurizio stated this item has not changed since the Pool meetings and a presentation was given at those meetings on this matter. Ms. Maurizio inquired if this Committee wanted to hear the presentation again. It was noted the presentation did not need to be given at this meeting. A discussion regarding this matter ensued. Chair Pierson asked that when any revised or updated version of a document is sent out to have the document show that it has been updated on the front of the document, and to include the reason as to why there is a revision or update. Ms. Maurizio stated this one is unique because there was not a correction on the document. Mr. Joswiak stated Watermaster has now applied some different internal procedures for these types of transactions.

Motion by Craig, second by Crosley, and by unanimous vote

Moved to receive and file the Watermaster mid-year review, and approve the Budget Transfers and Budget Amendments, as presented

B. CHINO CREEK WELL FIELD EXTENSOMETER CONSTRUCTION CHANGE ORDER REIMBURSEMENT AGREEMENT

Ms Maurizio stated this is for the change order for the extensometer to be installed at the Chino Creek Well Field area. Ms Maurizio stated this is a reimbursement agreement between Watermaster and the Chino Desalter Authority (CDA) in the amount of \$295,000 plus a 10%

contingency. Ms Maurizio stated what this agreement will do is use the existing CDA contracts to install the extensometer, which will save some costs on this project. Ms. Maurizio stated nothing has changed since the Pool meetings.

Motion by Garibay, second by Burton, and by unanimous vote

Moved to approve staff recommendation for the Chino Creek Well Field Extensometer Construction Change Order Reimbursement Agreement, as presented

C. CHINO CREEK WELL FIELD EXTENSOMETER LAND LEASE AGREEMENT

Ms Maurizio stated this is again for the extensometer; however, this one is for the land lease agreement. Ms Maurizio stated nothing has changed since the Pool meetings. Ms Maurizio stated this agreement is for a 10 year lease with two 5-year extension options on it. Ms Maurizio stated this is for the lease from the County of San Bernardino. Ms Maurizio offered the history on this item with regard to the land lease.

Motion by Burton, second by Crosley, and by unanimous vote

Moved to approve staff recommendation for the Chino Creek Well Field Extensometer Land Lease Agreement, as presented

D. APPLICATIONS FOR RECHARGE

1. **Consider Approval for Application for Recharge** - The City of Upland has submitted an application for recharge for 9,500,000 acre-feet to be placed into a Local Supplemental Storage Account. Date of Application: November 29, 2011. Consider Approval of the City of Upland's application in so far as Recharge is concerned but expressly condition the Storage element so that it is expressly subject to subsequent Watermaster determinations on: (1) the quantity of Local Supplemental Water in Storage; (2) the priority among all competing applications for Local Storage Agreements; and (3) the general terms and conditions concerning Preemptive Replenishment and Storage.
2. **Consider Approval for Application for Recharge** - San Antonio Water Company has submitted an application for recharge for 2,000,000 acre-feet to be placed into a Local Supplemental Storage Account. Date of Application: December 1, 2011. Consider Approval of SAWCO's application in so far as Recharge is concerned but expressly condition the Storage element so that it is expressly subject to subsequent Watermaster determinations on: (1) the quantity of Local Supplemental Water in Storage; (2) the priority among all competing applications for Local Storage Agreements; and (3) the general terms and conditions concerning Preemptive Replenishment and Storage.

Ms Maurizio stated this item is regarding the applications for recharge for both the City of Upland and San Antonio Water Company (SAWCO). Ms Maurizio stated the City of Upland submitted an application for 9,500,000 acre-feet and SAWCO for 2,000,000 acre-feet of supplemental water. Ms. Maurizio reviewed this item in detail, including the history on applications for recharge. Ms Maurizio stated the Material Physical Injury Analysis (MPI) has been completed for these two applications as well as other applications for storage last month. Ms Maurizio stated the Pools unanimously approved both of these applications for recharge last month; however, they have a 30 day delay before they go to the Advisory Committee and Watermaster Board just like water transfers, which also have that time delay. Ms Maurizio stated these two applications have conditions placed on them, one of them is that storage issues still need to be worked through the Watermaster process, and there has been a commitment made to working on that. Ms Maurizio stated there is a condition on the City of Upland's application that they won't recharge any recycled water until a further MPI has been completed; the City of Upland has agreed with this condition. Ms Maurizio stated the City of Upland is a few years away from having that ability to recharge recycled water. Mr. Burton inquired about the timing on getting together on the storage topic. Ms Maurizio stated she is going to report on that under the CEO Staff Report item.

Motion by Zvirbulis, second by Garibay, and by unanimous vote

Moved to approve staff recommendation for the City of Upland and San Antonio Water Company Applications for Recharge, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Paragraph 31 Appeal Tentative Opinion

Ms. Maurizio stated a tentative opinion has been issued and now the request has been made for oral arguments on it; there is no date on that yet and as soon as there is a date it will be sent out.

B. CEO/STAFF REPORT

1. Recharge Master Plan Update/Storage Issues Review Process

Ms. Maurizio stated this item is for the Recharge Master Plan Update (RMPU). Ms. Maurizio stated there have been three steering committee meetings held since we have revamped the RMPU process. Ms. Maurizio stated at the last meeting a schedule was discussed that is now established to go forward; this was a task schedule. Ms. Maurizio stated there is now a set meeting schedule for this Steering Committee, which has been set for the first and third Thursdays of each month starting at 10:00 a.m. here at the Watermaster office beginning in March. Ms. Maurizio stated the plan with these meetings is to get the report to the court on schedule in June, and to develop the plan for the next few years which will amend the 2010 Recharge Master Plan.

Ms. Maurizio stated with regard to the other part of this item, the Storage Issues Review Process, the chair of the Appropriative Pool Mr. Zvirbulis has begun discussing a potential process with Mr. Jeske. Ms. Maurizio stated it is anticipated to begin that process in the March time frame to discuss storage issues, storage agreements, how to start processing the agreements, and how to deal with the cap, etc.

2. WEI Analysis of Well Design for CDA Well I-20 & I-21

Ms. Maurizio stated the State had requested to have an annular seal placed in the remaining CDA wells; however, well I-20 was already constructed and gravel packed so it was too late to install the annular seal in that one. Ms. Maurizio stated wells I-19 and I-21 will be contracted with the annular seal put in them as requested by the State.

3. Data Release Procedures

Ms. Maurizio stated this is really an Agricultural Pool issue; however, we wanted to provide the same report to all the parties. Ms. Maurizio stated Watermaster is in the process of drafting the letters regarding data release that will be sent to the owners and users of the wells and the taps which were recently duplicate tested by the ABGL Group and Watermaster. Ms. Maurizio stated the draft letter will be circulated shortly to a couple of key parties for review prior to it being sent out. Ms. Maurizio stated the Agricultural Pool recently asked for Watermaster's history regarding Data Release Policies. Ms. Maurizio stated staff looked up that information and that has been forwarded to them.

Added Item:

4. Basin Plan Amendment – Added

Ms. Maurizio stated this is to give you an update that the RWQCB approved the Basin Plan Amendment last Friday, which will reduce our surface monitoring requirements. Ms. Maurizio stated this is very good news. Ms. Maurizio stated it is unknown when this will become effective. A brief discussion regarding this matter ensued. Mr. Malone stated he believes this will be starting July 1, 2012.

C. INLAND EMPIRE UTILITIES AGENCY1. MWD Update – Oral

Mr. Shaw stated Metropolitan Water District (MWD) held another budget workshop this week. Mr. Shaw stated the original budget proposal was for a 2- year rate increase of 7.5% and a 5% increase over next 2 years, and there were a lot of mixed feelings on the proposed rate increase. Mr. Shaw stated MWD staff came back with 2 more proposals. Mr. Shaw stated it looks like they might end up with using the 7.5% and 5% increase. Mr. Kinsey offered comment on MWD replenishment rate approaches. Mr. Shaw offered comment on Mr. Kinsey's comment and noted Watermaster and Inland Empire Utilities Agency (IEUA) sent out a letter to MWD on this matter. Mr. Shaw stated MWD handed this item over to their long range financial workgroup for them to work on; their first meeting will be held in March. Mr. Garibay inquired about the development of this rate structure and what happens if something comes up before the rate structure has been set. Mr. Shaw stated that is a good question and he believes they will do what they did last year and have it be a board decision. Ms. Rojo asked that the letter that Mr. Shaw mentioned which was sent by IEUA and Watermaster on replenishment water be sent to her.

2. Recycled Water Groundwater Recharge Regulations Update - Oral

Mr. Shaw stated the DPH last year proposed new recycled water recharge and there have been several workshops and meetings taking place. Mr. Shaw stated the DPH is looking at the existing permit that we have as kind of a template for a starting point. Mr. Shaw stated that with the first review of their proposed changes, some of them are good and some of them are bad, their goal is to have revised regulations by the end of 2013. Mr. Shaw stated Water Reuse is taking the lead on taking in those comments initially. Mr. Kinsey inquired about contract renewals or the status of resetting Tier 1 allocation baselines. Mr. Shaw stated with the existing 10 year purchase orders coming up at the end of the calendar year, it is going to be part of this long range financial workgroup process and they are meeting monthly. Mr. Shaw offered further comment on this matter. A discussion regarding this topic ensued.

3. Water Softener Initiative - Oral

No comment was made on this item

4. State and Federal Legislative Reports

No comment was made on this item

5. Community Outreach/Public Relations Report

No comment was made on this item

6. IEUA Monthly Water Newsletter

No comment was made on this item.

D. OTHER METROPOLITAN MEMBER AGENCY REPORTS

No comment was made on this item.

IV. INFORMATION1. Cash Disbursements for January 2012

No comment was made on this item.

2. Newspaper Articles

Ms. Maurizio stated the newspaper articles which are provided in the monthly meeting packets have been discussed at all three Pool meetings, and it was decided at those meetings to remove them from the packets entirely. Ms. Maurizio inquired to the Advisory Committee members their preference on this matter. Chair Pierson stated this has been accepted by all three Pools, is that correct? Ms. Maurizio stated that was correct and noted this will be presented to the

Watermaster Board next week. Chair Pierson stated as far as the Advisory Committee is concerned, the newspaper articles can be removed from the meeting packages.

V. COMMITTEE MEMBER COMMENTS

No comment was made on this item.

VI. OTHER BUSINESS

No comment was made on this item.

Chair Pierson inquired if a confidential session needs to take place. Ms. Maurizio stated it was requested by the Watermaster Board that the CEO search be placed on all the agendas as a closed session item. Chair Pierson stated the Pools held a confidential session on this matter during their meetings and noted there was no need to go into confidential session today.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

1. CEO Search

No confidential session was called.

Ms. Maurizio stated the Agricultural Pool meetings are now going to be held at 2:00 p.m. instead of 1:00 p.m.

Ms. Maurizio stated starting March 1st and also on March 15th at 10:00 a.m. will be the Chino Basin Recharge Master Plan Update Steering Committee meeting dates and time. Ms. Maurizio stated this committee will be meeting on a regular basis on the 1st and 3rd Thursday's of every month at 10:00 a.m.

VIII. FUTURE MEETINGS AT WATERMASTER

Tuesday, February 14, 2012	9:00 a.m.	* CB RMPU Steering Committee Meeting
Thursday, February 16, 2012	8:00 a.m.	IEUA DYY Meeting
Thursday, February 16, 2012	9:00 a.m.	Advisory Committee Meeting
Thursday, February 16, 2012	10:30 a.m.	Land Subsidence Committee Meeting
Thursday, February 23, 2012	11:00 a.m.	Watermaster Board Meeting
Thursday, March 8, 2012	9:00 a.m.	Appropriative Pool Meeting
Thursday, March 8, 2012	11:00 a.m.	Non-Agricultural Pool Conference Call Mtg.
Thursday, March 8, 2012	2:00 p.m.	Agricultural Pool Meeting (NOTE NEW TIME)
Thursday, March 15, 2012	8:00 a.m.	IEUA DYY Meeting
Thursday, March 15, 2012	9:00 a.m.	Advisory Committee Meeting
Thursday, March 22, 2012	11:00 a.m.	Watermaster Board Meeting

* Chino Basin Recharge Master Plan Update Steering Committee

Chair Pierson adjourned the Advisory Committee meeting at 9:29 a.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2012
2. Watermaster VISA Check Detail for the month of January 2012
3. Combining Schedule for the Period July 1, 2011 through January 31, 2012
4. Treasurer's Report of Financial Affairs for the Period January 1, 2012 through January 31, 2012
5. Budget vs. Actual Report for the Period July 1, 2011 through January 31, 2012





CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: March 15, 2012
TO: Committee Members
SUBJECT: Cash Disbursement Report – Financial Report B1

SUMMARY

Issue – Record of cash disbursements for the month of January 2012.

Recommendation – Staff recommends the Cash Disbursements for January 2012 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2011-2012 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 January 2012 were \$3,004,442.90. The most significant expenditures during the month were the 3rd of 4 annual payments to the Non-Agricultural Pool for the sale of water. The total amount issued for the 3rd annual installment payments to the Non-Agricultural Pool for the sale was \$2,377,249.88. The largest checks were issued to The City of Ontario (check number 15709 dated January 10, 2012 in the amount of \$758,479.54), AQUA Capital Management LP (check number 15684 dated January 10, 2012 in the amount of \$503,912.94) and Genon West LP (check number 15695 dated January 10, 2012 in the amount of \$334,722.24).

If the Non-Agricultural Pool payments were excluded, the most significant expenditures during the month would have been to Wildermuth Environmental, Inc. (check number 15728 dated January 10, 2012 in the amount of \$176,555.02 and check number 15763 dated January 25, 2012 in the amount of \$144,626.83); and Brownstein Hyatt Farber Schreck (check number 15687 dated January 10, 2012 in the amount of \$56,320.61 and check number 15764 dated January 25, 2012 in the amount of \$42,793.40).

Actions:

March 8, 2012 Appropriative Pool – Approved unanimously
March 8, 2012 Non-Agricultural Pool – Moved to receive and file without approval
March 8, 2012 Agricultural Pool – Approved unanimously
March 15, 2012 Advisory Committee –
March 22, 2012 Watermaster Board –

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
January 2012

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check Bill	01/10/2012 11/30/2011	15682	AMERON	3rd of 4 payments 3rd of 4 payments, beginning 1/2010	1012 - Bank of America Gen'l Ckg 5105 - Purchase of Non-Ag Pool Water	109,071.65 109,071.65
TOTAL						
Bill Pmt -Check Bill	01/10/2012 12/31/2011	15683 2040	APPLIED COMPUTER TECHNOLOGIES	2040 Database Services - December 2011	1012 - Bank of America Gen'l Ckg 6052.2 - Applied Computer Technol	1,964.10 1,964.10
TOTAL						
Bill Pmt -Check Bill	01/10/2012 11/30/2011	15684	AQUA CAPITAL MANAGEMENT LP	3rd of 4 payments 3rd of 4 payments, beginning 1/2010	1012 - Bank of America Gen'l Ckg 5105 - Purchase of Non-Ag Pool Water	503,912.94 503,912.94
TOTAL						
Bill Pmt -Check Bill	01/10/2012 12/31/2011	15685 0023230253	ARROWHEAD MOUNTAIN SPRING WATER	0023230253 Office Water Bottle - December 2011	1012 - Bank of America Gen'l Ckg 6031.7 - Other Office Supplies	26.65 26.65
TOTAL						
Bill Pmt -Check Bill	01/10/2012 11/30/2011	15686	AUTO CLUB SPEEDWAY	3rd of 4 payments 3rd of 4 payments, beginning 1/2010	1012 - Bank of America Gen'l Ckg 5105 - Purchase of Non-Ag Pool Water	78,446.24 78,446.24
TOTAL						
Bill Pmt -Check Bill	01/10/2012 11/30/2011	15687 444585	BROWNSTEIN HYATT FARBER SCHRECK	444585 - BHFS Legal - Appropriative Pool 444585 - BHFS Legal - Agricultural Pool 444585 - BHFS Legal - Non-Ag Pool 444585 - BHFS Legal - Advisory Committee 444585 - BHFS Legal - Board Meeting 444585 - BHFS Legal - Restated Judgment 444585 - BHFS Legal - Personnel Matters 444585 - BHFS Legal - Interagency Issues 444585 - BHFS Legal - Replenishmt Water 444585 - BHFS Legal - Miscellaneous 444585 - Recharge Master Plan	1012 - Bank of America Gen'l Ckg 8375 - BHFS Legal - Appropriative Pool 8475 - BHFS Legal - Agricultural Pool 8575 - BHFS Legal - Non-Ag Pool 6275 - BHFS Legal - Advisory Committee 8375 - BHFS Legal - Board Meeting 6072 - BHFS Legal - Restated Judgment 6073 - BHFS Legal - Personnel Matters 6074 - BHFS Legal - Interagency Issues 6075 - BHFS Legal - Replenishmt Water 6078 - BHFS Legal - Miscellaneous 8907.39 - Recharge Master Plan	2,190.15 2,190.15 1,596.15 4,833.00 4,761.00 355.50 4,608.20 631.80 8,376.30 3,712.62 2,947.95
Bill Bill Bill Bill	11/30/2011 11/30/2011 11/30/2011 11/30/2011	444586 444587 444588 444589		444586 - BHFS Legal - Personnel Matters 444587 - Santa Ana River Water Rights 444588 - Desalter Negotiations 444589 - Paragraph 31 Motion	6073 - BHFS Legal - Personnel Matters 8907.34 - Santa Ana River Water Rights 8907.33 - Desalter Negotiations 8907.35 - Paragraph 31 Motion	16,900.65 1,979.84 777.15 462.15
TOTAL						56,320.61
Bill Pmt -Check Bill	01/10/2012 12/31/2011	15688 1394905143	CALPERS	1394905143 Medical Premiums - January 2012	1012 - Bank of America Gen'l Ckg 60182.1 - Medical Insurance	5,899.48 5,899.48
TOTAL						

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
January 2012

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	01/10/2012	15689	CSI	3rd of 4 payments	1012 - Bank of America Gen'l Ckg	
Bill	11/30/2011			3rd of 4 payments, beginning 1/2010	5105 - Purchase of Non-Ag Pool Water	175,900.55
TOTAL						175,900.55
Bill Pmt -Check	01/10/2012	15690	DE BOOM, NATHAN	AG Pool Member Meeting Compensation	1012 - Bank of America Gen'l Ckg	
Bill	12/08/2011	12/08 Ag Pool Mtg		12/08/11 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						125.00
Bill Pmt -Check	01/10/2012	15691	DGO AUTO DETAILING	Wash 3 trucks on 12/14/11	1012 - Bank of America Gen'l Ckg	
Bill	12/19/2011				6177 - Vehicle Repairs & Maintenance	75.00
TOTAL						75.00
Bill Pmt -Check	01/10/2012	15692	DIRECTV	019447404	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	019447404		Direct TV Service for 12/19/11-01/18/12	6031.7 - Other Office Supplies	86.99
TOTAL						86.99
Bill Pmt -Check	01/10/2012	15693	ELIE, STEVEN	12/15/11 Board Meeting	1012 - Bank of America Gen'l Ckg	
Bill	12/15/2011	12/15 Board Mtg		12/15/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	01/10/2012	15694	FEENSTRA, BOB	12/08/11 Ag Pool Meeting	1012 - Bank of America Gen'l Ckg	
Bill	12/08/2011	12/08 Ag Pool Mtg		12/08/11 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	12/13/2011	12/13 Personnel Comm		12/13/11 Personnel Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	12/15/2011	12/15 Advisory Comm		12/15/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	12/15/2011	12/15 Board Mtg		12/15/11 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						500.00
Bill Pmt -Check	01/10/2012	15695	GENON WEST LP	3rd of 4 payments	1012 - Bank of America Gen'l Ckg	
Bill	11/30/2011			3rd of 4 payments, beginning 1/2010	5105 - Purchase of Non-Ag Pool Water	334,722.24
TOTAL						334,722.24
Bill Pmt -Check	01/10/2012	15696	HALL, PETE*	12/15/11 Land Subsidence Meeting	1012 - Bank of America Gen'l Ckg	
Bill	12/15/2011	12/15 Meeting		12/15/11 Land Subsidence Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	12/15/2011	12/15 Advisory Comm		12/15/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	12/15/2011	12/15 Board Mtg		12/15/11 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						375.00
Bill Pmt -Check	01/10/2012	15697	HAUGHEY, TOM	12/15/11 Board Meeting	1012 - Bank of America Gen'l Ckg	
Bill	12/15/2011	12/15 Board Mtg		12/15/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	01/10/2012	15698	HSEC BUSINESS SOLUTIONS	7003-7309-1000-2744	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	7003730910002744		Miscellaneous office supplies	6031.7 - Other Office Supplies	627.09
TOTAL						627.09

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						627.09
Bill Pmt -Check	01/10/2012	15699	HUITSING, JOHN	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	125.00
Bill	12/08/2011	12/08 Ag Pool Mtg		12/08/11 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						250.00
Bill Pmt -Check	01/10/2012	15700	INLAND EMPIRE UTILITIES AGENCY	90008862	1012 - Bank of America Gen'l Ckg	552.90
Bill	12/31/2011	90008862		Readiness to Serve charges	8456 - IEUA Readiness To Serve	552.90
TOTAL						1104.90
Bill Pmt -Check	01/10/2012	15701	JAMES JOHNSTON	249	1012 - Bank of America Gen'l Ckg	855.00
Bill	12/31/2011	249		Website Consulting - December 2011	6052.3 - Website Consulting	855.00
TOTAL						1710.00
Bill Pmt -Check	01/10/2012	15702	JESKE, KEN	12/15/2011 Board Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	12/15/2011	12/15 Board Mtg		12/15/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	01/10/2012	15703	KOOPMAN, GENE	AG Pool Member Meeting Compensation	1012 - Bank of America Gen'l Ckg	25.00
Bill	12/08/2011	12/08 Ag Pool Mtg		12/08/11 Ag Pool Meeting	8411 - Compensation	25.00
TOTAL						50.00
Bill Pmt -Check	01/10/2012	15704	KUHN, BOB	AG Pool Member Meeting Compensation	1012 - Bank of America Gen'l Ckg	125.00
Bill	12/08/2011	12/08 Appro Pool Mtg		12/08/11 Appropriative Pool Meeting	6311 - Board Member Compensation	125.00
Bill	12/12/2011	12/12 Admin Mtg		12/12/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	12/13/2011	12/13 Personnel Comm		12/13/11 Personnel Committee Meeting	6311 - Board Member Compensation	125.00
Bill	12/15/2011	12/15 Board Mtg		12/15/11 Board Meeting	6311 - Board Member Compensation	125.00
Bill	12/19/2011	12/19 Admin Mtg		12/19/11 Administrative Meeting	6311 - Board Member Compensation	125.00
TOTAL						625.00
Bill Pmt -Check	01/10/2012	15705	LANTZ, PAULA	12/08/11 Appropriative Pool Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	12/08/2011	12/08 Appro Pool Mtg		12/08/11 Appropriative Pool Meeting	6311 - Board Member Compensation	125.00
Bill	12/15/2011	12/15 Board Mtg		12/15/11 Board Meeting	6311 - Board Member Compensation	125.00
Bill	12/19/2011	12/19 Admin Mtg		12/19/11 Administrative Meeting	6311 - Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	01/10/2012	15706	MCCALL'S METER SALES & SERVICE	21752	1012 - Bank of America Gen'l Ckg	675.00
Bill	12/09/2011	21752		21752	7102.8 - In-line Meter-Callb & Test	675.00
TOTAL						1350.00
Bill Pmt -Check	01/10/2012	15707	MOBILE COMMUNITY MGMT	3rd of 4 payments	1012 - Bank of America Gen'l Ckg	146,346.76
Bill	11/30/2011	11/30/2011		3rd of 4 payments, beginning 1/2010	5105 - Purchase of Non-Ag Pool Water	146,346.76

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Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						146,346.76
Bill Pmt -Check	01/10/2012	15708	MWH LABORATORIES		1012 - Bank of America Gen'l Ckg	
Bill	11/22/2011	L0074529		L0074529 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,066.00
Bill	11/22/2011	L0074065		L0074065 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,554.00
Bill	11/30/2011	L0073666		L0073666 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,475.00
Bill	11/30/2011	L0073528		L0073528 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,532.00
Bill	11/30/2011	L0073529		L0073529 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	11/30/2011	L0073530		L0073530 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	11/30/2011	L0073878		L0073878 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,830.00
Bill	11/30/2011	L0074071		L0074071 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	11/30/2011	L0074525		L0074525 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	11/30/2011	L0074681		L0074681 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,770.00
Bill	11/30/2011	L0074872		L0074872 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,135.00
TOTAL						16,722.00
Bill Pmt -Check	01/10/2012	15709	ONTARIO, CITY OF*	3rd of 4 payments	1012 - Bank of America Gen'l Ckg	
Bill	11/30/2011			3rd of 4 payments, beginning 1/2010	5105 - Purchase of Non-Ag Pool Water	758,479.54
TOTAL						758,479.54
Bill Pmt -Check	01/10/2012	15710	PARK PLACE COMPUTER SOLUTIONS, INC.	458	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	458		IT Services - December 2011	6052.1 - Park Place Comp Solutn	3,150.00
TOTAL						3,150.00
Bill Pmt -Check	01/10/2012	15711	PAUL HASTINGS LLP	1919701	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	1909701		Ag Pool Legal Services - November 2011	8467 - Ag Legal & Technical Services	8,117.50
TOTAL						8,117.50
Bill Pmt -Check	01/10/2012	15712	PETTY CASH	2386-2396	1012 - Bank of America Gen'l Ckg	
Bill	01/09/2012			Supplies for 10/25 RMP Workshop	7204 - Comp Recharge-Supplies	14.56
				Parking-G. Greene-10/18 CORO Luncheon	6191 - Conferences - General	35.00
				Water quality monitoring supplies	7103.6 - Grdwtr Qual-Supplies	45.98
				Supplies-11/07 Personnel Committee Meeting	6141.2 - Committee Meetings	62.26
				Supplies-11/10 & 12/08 Appropriative Pool Mtgs	8312 - Meeting Expenses	54.95
				MetroLink fare-Maurizio-MWD Replen. workshops	6170 - Travel & Transportation	49.50
				Reimburse-Maurizio for plug adapter for computer	6055 - Computer Hardware	9.67
				Supplies for 12/15 Advisory Committee mtg	6212 - Meeting Expense	35.97
				Purchase cake for Ken Willis-12/15 Board Mtg	6312 - Meeting Expenses	17.99
				Purchase remote for back office entry gate	6031.7 - Other Office Supplies	33.91
TOTAL						359.77
Bill Pmt -Check	01/10/2012	15713	PIERSON, JEFFREY		1012 - Bank of America Gen'l Ckg	
Bill	12/08/2011	12/08 Ag Pool Mtg		12/08/11 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00

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 Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	12/15/2011	12/15 Advisory Comm		12/15/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	12/15/2011	12/15 Board Mtg		12/15/11 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						375.00
Bill Pmt -Check	01/10/2012	15714	PRAXAIR	3rd of 4 payments	1012 - Bank of America Gen'l Ckg	
Bill	11/30/2011			3rd of 4 payments, beginning 1/2010	5105 - Purchase of Non-Ag Pool Water	248,306.72
TOTAL						248,306.72
Bill Pmt -Check	01/10/2012	15715	LEGAL SHIELD	111802	1012 - Bank of America Gen'l Ckg	
Bill	12/20/2011	111802		Employee deductions - December 2011	60194 - Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	01/10/2012	15716	PRINTING RESOURCES	57504	1012 - Bank of America Gen'l Ckg	
Bill	12/20/2011	57504		Nameplates for Kathy Tieg, Joe LeClaire	6031.7 - Other Office Supplies	48.71
TOTAL						48.71
Bill Pmt -Check	01/10/2012	15717	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	12/24/2011	12/24/2011		CalPERS retirement for 12/11/11-12/24/11	2000 - Accounts Payable	8,357.23
TOTAL						8,357.23
Bill Pmt -Check	01/10/2012	15718	PURCHASE POWER	8009090000168851	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	8009090000168851		Postage refill, meter supplies, misc. shipments	6042 - Postage - General	2,419.50
TOTAL						2,419.50
Bill Pmt -Check	01/10/2012	15719	SAN BERNARDINO COUNTY - DEPT. AIRPORTS	3rd of 4 payments	1012 - Bank of America Gen'l Ckg	
Bill	11/30/2011			3rd of 4 payments, beginning 1/2010	5105 - Purchase of Non-Ag Pool Water	10,237.34
TOTAL						10,237.34
Bill Pmt -Check	01/10/2012	15720	SOUTHERN CALIFORNIA EDISON COMPANY	3rd of 4 payments	1012 - Bank of America Gen'l Ckg	
Bill	11/30/2011			3rd of 4 payments, beginning 1/2010	5105 - Purchase of Non-Ag Pool Water	11,825.90
TOTAL						11,825.90
Bill Pmt -Check	01/10/2012	15721	STANDARD INSURANCE CO.	Policy # 00-640888-0009	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	00640888-0009		Life and AD&D premium	60191 - Life & Disab. Ins Benefits	539.66
TOTAL						539.66
Bill Pmt -Check	01/10/2012	15722	STATE COMPENSATION INSURANCE FUND	1970970-11	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	1970970-11		Workers Comp Insurance - December 2011	60183 - Worker's Comp Insurance	1,708.82
TOTAL						1,708.82
Bill Pmt -Check	01/10/2012	15723	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	
Bill	12/20/2011	1VC070000017924		Week ending 12/11/11	6017 - Temporary Services	659.20
Bill	12/31/2011	1VC070000017954		Week ending 12/18/11	6017 - Temporary Services	659.20
TOTAL						1,318.40

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	12/31/2011	1VC070000017980		Week ending 12/23/11	6017 - Temporary Services	751.90
TOTAL						2,070.30
Bill Pmt -Check	01/10/2012	15724	UNITED HEALTHCARE	0026237178	1012 - Bank of America Gen'l Ckg	447.47
Bill	12/31/2011	0026237178		Dental premium - January 2012	60182.2 - Dental & Vision Ins	447.47
TOTAL						894.87
Bill Pmt -Check	01/10/2012	15725	VANDEN HEUVEL, GEOFFREY	6311	1012 - Bank of America Gen'l Ckg	125.00
Bill	12/08/2011	12/08 Ag Pool Mtg		12/08/11 Ag Pool Meeting	6311 - Board Member Compensation	125.00
Bill	12/15/2011	12/15 Board Mtg		12/15/11 Board Meeting	6311 - Board Member Compensation	250.00
TOTAL						500.00
Bill Pmt -Check	01/10/2012	15726	VERIZON		1012 - Bank of America Gen'l Ckg	167.27
Bill	12/20/2011	012561121521714508		012561121521714508	7405 - PE4-Other Expense	167.27
Bill	12/20/2011	012519116950792103		012519116950792103	6022 - Telephone	483.79
TOTAL						651.06
Bill Pmt -Check	01/10/2012	15727	VISION SERVICE PLAN	00-101789-0001	1012 - Bank of America Gen'l Ckg	26.71
Bill	12/20/2011	001017890001		Vision insurance premium - January 2012	60182.2 - Dental & Vision Ins	26.71
TOTAL						53.42
Bill Pmt -Check	01/10/2012	15728	WILDERMUTH ENVIRONMENTAL INC		1012 - Bank of America Gen'l Ckg	5,025.00
Bill	11/30/2011	2011435		2011435 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	5,025.00
Bill	11/30/2011	2011436		2011436 - OBMP - Watermaster Model Update	6906.1 - OBMP - Watermaster Model Update	39,123.28
Bill	11/30/2011	2011437		2011437 - OBMP Engineering Services	6906 - OBMP Engineering Services	7,095.00
Bill	11/30/2011	2011438		2011438 - OBMP Engineering Services	6906 - OBMP Engineering Services	125.00
Bill	11/30/2011	2011439		2011439 - OBMP Engineering Services	6906 - OBMP Engineering Services	530.00
Bill	11/30/2011	2011440		2011440 - OBMP Engineering Services	6908 - OBMP Engineering Services	3,210.00
Bill	11/30/2011	2011441		2011441 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	23,131.75
Bill	11/30/2011	2011442		2011442 - Grdwtr Qual-Engineering	7103.3 - Grdwtr Qual-Engineering	17,927.50
Bill	11/30/2011	2011443		2011443 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	9,774.00
Bill	11/30/2011	2011444		2011444 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	1,164.10
Bill	11/30/2011	2011445		2011445 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	9,393.12
Bill	11/30/2011	2011447		2011447 - PE3&5-Engineering	7303 - PE3&5-Engineering	2,000.00
Bill	11/30/2011	2011448		2011448 - PE4-Engineering	7402 - PE4-Engineering	5,111.34
Bill	11/30/2011	2011449		2011449 - Recharge & Well - Engineering	7109.3 - Recharge & Well - Engineering	1,990.00
Bill	11/30/2011	2011450		2011450 - Comp Recharge-Implementation	7202.3 - Comp Recharge-Implementation	13,135.00
Bill	11/30/2011	2011451		2011451 - PE6&7-Engineering	7502 - PE6&7-Engineering	13,745.00
Bill	11/30/2011	2011446		2011446 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	6,074.93
Bill	11/30/2011	2011446		2011446 - Grd Level-Contract Svcs	7107.6 - Grd Level-Contract Svcs	18,000.00
TOTAL						176,555.02
Bill Pmt -Check	01/10/2012	15729	WILLIS, KENNETH		1012 - Bank of America Gen'l Ckg	

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	12/13/2011	12/13 Personnel Comm		12/13/11 Personnel Committee Meeting	6311 - Board Member Compensation	125.00
Bill	12/15/2011	12/15 Board Mtg		12/15/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
General Journal	01/13/2012	01/13/2012	Record Payroll & Taxes for 12/25/11 - 01/07/12	Record Payroll & Taxes for 12/25/11 - 01/07/12	1012 - Bank of America Gen'l Ckg	11,013.34
				Payroll taxes for 12/25/11-01/07/12	1012 - Bank of America Gen'l Ckg	11,013.34
				Direct deposits for 12/25/11-01/07/12	1012 - Bank of America Gen'l Ckg	29,167.24
TOTAL						37,180.58
Bill Pmt -Check	01/17/2012	15730	CALIFORNIA GROUNDWATER COALITION	2012 Membership Dues	1012 - Bank of America Gen'l Ckg	4,750.00
Bill	01/16/2012			2012 Membership Dues-Jan/Jun	6111 - Membership Dues	4,750.00
				2012 Membership Dues-Jul/Dec	1433 - Prepaid Membership Dues	9,500.00
TOTAL						19,000.00
Bill Pmt -Check	01/17/2012	15731	CALPERS 457 PLAN	Record Payroll and Taxes for 12/25/11-01/07/12	1012 - Bank of America Gen'l Ckg	2,805.62
General Journal	01/13/2012	01/13/2012	CALPERS 457 PLAN	457 Employee payments for 12/25/11-01/07/12	2000 - Accounts Payable	2,805.62
TOTAL						5,611.24
Bill Pmt -Check	01/17/2012	15732	CHINO HILLS, CITY OF*	3	1012 - Bank of America Gen'l Ckg	733.50
Bill	01/10/2012	3		3	7107.6 - Grd Level-Contract Svcs	733.50
TOTAL						1,467.00
Bill Pmt -Check	01/17/2012	15733	CORELOGIC INFORMATION SOLUTIONS	80394552	1012 - Bank of America Gen'l Ckg	62.50
Bill	12/31/2011	80394552		80394552	7103.7 - Grdwtr Qual-Computer Svc	62.50
				80394552	7101.4 - Prod Monitor-Computer	125.00
TOTAL						250.00
Bill Pmt -Check	01/17/2012	15734	CUCAMONGA VALLEY WATER DISTRICT	Lease Due February 1, 2012	1012 - Bank of America Gen'l Ckg	5,984.00
Bill	01/16/2012			Lease Due February 1, 2012	1422 - Prepaid Rent	5,984.00
TOTAL						11,968.00
Bill Pmt -Check	01/17/2012	15735	GREAT AMERICA LEASING CORP.	11750190	1012 - Bank of America Gen'l Ckg	2,788.53
Bill	12/31/2011	11750190		Copier lease invoice	6043.1 - Ricoh Lease Fee	2,788.53
				Usage for Black Copies	6043.2 - Ricoh Usage & Maintenance Fee	180.51
				Usage for Color Copies	6043.2 - Ricoh Usage & Maintenance Fee	379.47
TOTAL						3,348.51
Bill Pmt -Check	01/17/2012	15736	GUARANTEED JANITORIAL SERVICE, INC.	28848	1012 - Bank of America Gen'l Ckg	865.00
Bill	01/16/2012	28848		Janitorial service - January 2012	6024 - Building Repair & Maintenance	865.00
TOTAL						1,730.00
Bill Pmt -Check	01/17/2012	15737	HAUGHEY, TOM	12/13/2011 Personnel Committee Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	12/13/2011	12/13 Personnel Comm		12/13/11 Personnel Committee Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						125.00
Bill Pmt -Check	01/17/2012	15738	HOGAN LOVELLS	2634088	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	2634088		Non-Ag Pool legal services - November 2011	8567 - Non-Ag Legal Service	1,455.74
TOTAL						1,455.74
Bill Pmt -Check	01/17/2012	15739	MIJAC ALARM	311502	1012 - Bank of America Gen'l Ckg	
Bill	01/16/2012	311502		Commercial monitoring from 1/01/12 - 3/31/12	6026 - Security Services	147.00
TOTAL						147.00
Bill Pmt -Check	01/17/2012	15740	PAYCHEX	2011122900	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	2011122900		Payroll services - December 2011	6012 - Payroll Services	244.02
TOTAL						244.02
Bill Pmt -Check	01/17/2012	15741	PREMIERE GLOBAL SERVICES	10285534	1012 - Bank of America Gen'l Ckg	
Bill	12/30/2011	10285534		11/29/11 call re: Archibald South Plume	7103.6 - Grdwtr Qual-Supplies	87.82
				12/01 call re: Supplemental Water Recharge	7204 - Comp Recharge-Supplies	42.31
				12/08 Non Ag Pool Mitg	8512 - Meeting Expense	167.78
				Monthly service fees	6022 - Telephone	21.98
TOTAL						319.89
Bill Pmt -Check	01/17/2012	15742	PRINTING RESOURCES	57586	1012 - Bank of America Gen'l Ckg	
Bill	01/16/2012	57586		Nameplates for Bill Kruger, Peter Rogers	6031.7 - Other Office Supplies	48.71
TOTAL						48.71
Bill Pmt -Check	01/17/2012	15743	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	01/13/2012	01/13/2012		CalPERS retirement pymts for 12/25/11-01/07/12	2000 - Accounts Payable	8,317.10
TOTAL						8,317.10
Bill Pmt -Check	01/17/2012	15744	R&D PEST SERVICES	0151257	1012 - Bank of America Gen'l Ckg	
Bill	01/10/2012	0151257		Continuing treatment outside/inside bldg.	6024 - Building Repair & Maintenance	85.00
TOTAL						85.00
Bill Pmt -Check	01/17/2012	15745	SAFEGUARD DENTAL & VISION	4135450	1012 - Bank of America Gen'l Ckg	
Bill	01/02/2012	4135450		Dental premium - January 2012	60182.2 - Dental & Vision Ins	7.91
TOTAL						7.91
Bill Pmt -Check	01/17/2012	15746	SPAM SOAP, INC	S63016	1012 - Bank of America Gen'l Ckg	
Bill	01/06/2012	S63016		Semi-annual billing-spam software licenses	6054 - Computer Software	201.60
TOTAL						201.60
Bill Pmt -Check	01/17/2012	15747	STAULA, MARY L	Retiree Medical	1012 - Bank of America Gen'l Ckg	
Bill	01/31/2012				60182.4 - Retiree Medical	136.61

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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						136.61
Bill Pmt -Check	01/17/2012	15748	UNION 76	300-732-989	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	300732989		Fuel costs - December 2011	6175 - Vehicle Fuel	153.47
TOTAL						153.47
Bill Pmt -Check	01/17/2012	15749	UNITED PARCEL SERVICE	2x81x0	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	2x81x0		Packages for the month	6042 - Postage - General	61.91
TOTAL						61.91
Bill Pmt -Check	01/17/2012	15750	VERIZON BUSINESS	63285938	1012 - Bank of America Gen'l Ckg	
Bill	01/16/2012	63285938			8053 - Internet Expense	1,562.96
TOTAL						1,562.96
Bill Pmt -Check	01/17/2012	15751	VILLEGAS, VICTORIA E.	10/28/2011 Hearing Transcript	1012 - Bank of America Gen'l Ckg	
Bill	01/16/2012			1/21/2011 Hearing Transcript	6909.4 - Printing	1,595.00
TOTAL						1,595.00
Bill Pmt -Check	01/17/2012	15752	WESTERN DENTAL SERVICES, INC.	002483	1012 - Bank of America Gen'l Ckg	
Bill	01/16/2012	002483		Dental premium - February 2012	60182.2 - Dental & Vision Ins	28.88
TOTAL						28.88
Bill Pmt -Check	01/17/2012	15753	YUKON DISPOSAL SERVICE	08-K2 213849	1012 - Bank of America Gen'l Ckg	
Bill	01/10/2012	08-K2 213849		Disposal service for January 2012	6024 - Building Repair & Maintenance	106.53
TOTAL						106.53
Bill Pmt -Check	01/25/2012	15754	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	XXXX-XXXX-XXXX-9341		Holiday luncheon for staff	6141.3 - Admin Meetings	308.80
				To purchase ink cartridges for CFO printer	6031.7 - Other Office Supplies	42.84
				Lunch for 12/15 Board meeting	6312 - Meeting Expenses	566.64
TOTAL						906.28
Bill Pmt -Check	01/25/2012	15755	g.Neil	0245951	1012 - Bank of America Gen'l Ckg	
Bill	01/18/2012	0245951		Poster guard protection-Federal HR Posters	6031.7 - Other Office Supplies	59.99
TOTAL						59.99
Bill Pmt -Check	01/25/2012	15756	GROOMAN'S PUMP & WELL DRILLING, INC.	12930	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	12930			7703 - Inactive Well-Contract Svcs	167.97
Bill	12/31/2011	12937			7103.4 - Grdwtr Qual-Contract Svc	475.00
Bill	12/31/2011	12927			7102.8 - In-line Meter-Callb & Test	208.74
Bill	12/31/2011	12936			7102.9 - In-line Meter-Callb & Test	593.33
Bill	12/31/2011	12926			7102.8 - In-line Meter-Callb & Test	453.72
TOTAL						1,899.76

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
January 2012

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	01/25/2012	15757	LEGAL SHIELD	111802	1012 - Bank of America Gen'l Ckg	51.80
Bill	01/18/2012	111802		Employee deductions - January 2012	60194 - Other Employee Insurance	51.80
TOTAL						
Bill Pmt -Check	01/25/2012	15758	MCCALL'S METER SALES & SERVICE	21853	1012 - Bank of America Gen'l Ckg	211.68
Bill	01/10/2012	21853		21853	7102.5 - In-line Meter-Computer	2,503.94
				21853	7102.7 - In-line Meter	1,500.00
				21853	7102.8 - In-line Meter-Calib & Test	4,215.62
TOTAL						
Bill Pmt -Check	01/25/2012	15759	PITNEY BOWES CREDIT CORPORATION	6684246	1012 - Bank of America Gen'l Ckg	546.30
Bill	01/18/2012	6684246		Leasing charge	6044 - Postage Meter Lease	546.30
TOTAL						
Bill Pmt -Check	01/25/2012	15760	PUMP CHECK	4482	1012 - Bank of America Gen'l Ckg	117.34
Bill	12/31/2011	4482		4482	7102.5 - In-line Meter-Computer	190.00
				4479	7102.8 - In-line Meter-Calib & Test	2,850.00
				4479	7102.5 - In-line Meter-Computer	75.00
				4479	7103.4 - Grdwtr Qual-Contract Svc	112.50
TOTAL						3,344.84
Bill Pmt -Check	01/25/2012	15761	TELECOM SERVICES	5478	1012 - Bank of America Gen'l Ckg	125.00
Bill	01/18/2012	5478		Changes to voice-mail system	6022 - Telephone	125.00
TOTAL						
Bill Pmt -Check	01/25/2012	15762	VERIZON WIRELESS	1045449179	1012 - Bank of America Gen'l Ckg	336.77
Bill	01/08/2012	1045449179		Monthly cell phone service	6022 - Telephone	336.77
TOTAL						
Bill Pmt -Check	01/25/2012	15763	WILDERMUTH ENVIRONMENTAL INC	2011468	1012 - Bank of America Gen'l Ckg	1,800.00
Bill	12/31/2011	2011468		2011468 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	10,453.75
				2011469 - OBMP Engineering Services	6906 - OBMP Engineering Services	4,081.51
				2011470 - OBMP Engineering Services	6906 - OBMP Engineering Services	23,420.94
				2011471 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	4,981.25
				2011472 - Grdwtr Qual-Engineering	7103.3 - Grdwtr Qual-Engineering	14,299.00
				2011473 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	1,102.50
				2011474 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	6,346.98
				2011475 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	6,271.88
				2011476 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	36,000.00
				2011476 - Associated Engineers	7107.6 - Grd Level-Contract Svcs	4,017.28
				2011476 - Michael C. Carpenter	7107.6 - Grd Level-Contract Svcs	
TOTAL						

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
January 2012

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	12/31/2011	2011477		2011476 - Western Gunn Hydrology, LLC	7107.6 - Grd Level-Contract Svcs	2,258.31
Bill	12/31/2011	2011478		2011477 - PE3&5-Engineering	7303 - PE3&5-Engineering	6,511.25
Bill	12/31/2011	2011479		2011478 - PE4-Engineering	7402 - PE4-Engineering	2,575.00
Bill	12/31/2011	2011480		2011479 - OBMP Engineering Services	6906 - OBMP Engineering Services	1,422.50
Bill	12/31/2011	2011481		2011480 - Comp Recharge-Implementation	7202.3 - Comp Recharge-Implementation	5,132.50
Bill	12/31/2011	2011482		2011481 - PE6&7-Engineering	7502 - PE6&7-Engineering	8,617.18
Bill	12/31/2011	2011482		2011482 - Bill To Lewis Brisobis	6906 - OBMP Engineering Services	5,335.00
TOTAL						144,626.83
Bill Pmt -Check	01/25/2012	15764	BROWNSTEIN HYATT FARBER SCHRECK		1012 - Bank of America Gen'l Ckg	1,560.96
Bill	12/31/2011	445074		445074 - BHFS Legal - Appropriative Pool	8375 - BHFS Legal - Appropriative Pool	1,560.96
				445074 - BHFS Legal - Agricultural Pool	8475 - BHFS Legal - Agricultural Pool	1,876.87
				445074 - BHFS Legal - Non-Ag Pool	8575 - BHFS Legal - Non-Ag Pool	2,865.38
				445074 - BHFS Legal - Advisory Committee	6275 - BHFS Legal - Advisory Committee	5,800.18
				445074 - BHFS Legal - Board Meeting	6375 - BHFS Legal - Board Meeting	1,146.70
				445074 - BHFS Legal - Personnel Matters	6073 - BHFS Legal - Personnel Matters	579.15
				445074 - BHFS Legal - Replenishmnt Water	6075 - BHFS Legal - Replenishmnt Water	10,348.65
				445074 - BHFS Legal - Miscellaneous	6078 - BHFS Legal - Miscellaneous	7,213.05
				445074 - Recharge Master Plan	6907.39 - Recharge Master Plan	9,630.90
				445075 - BHFS Legal - Personnel Matters	6073 - BHFS Legal - Personnel Matters	210.60
				445076 - S. Archibald Plume-Formerly O/A	6907.31 - S. Archibald Plume-Formerly O/A	42,793.40
TOTAL						50.00
Bill Pmt -Check	01/25/2012	15765	CUCAMONGA VALLEY IAAP	Jan. 23, 2012 Cucamonga Valley IAAP Mtg	1012 - Bank of America Gen'l Ckg	50.00
Bill	01/23/2012			Fee for J. Wilson and S. Molino	6192 - Training & Seminars	50.00
TOTAL						552.90
Bill Pmt -Check	01/25/2012	15766	INLAND EMPIRE UTILITIES AGENCY	90009071	1012 - Bank of America Gen'l Ckg	552.90
Bill	12/31/2011	90009071		Readiness to serve	8456 - IEUA Readiness To Serve	552.90
TOTAL						1,066.00
Bill Pmt -Check	01/25/2012	15767	MWH LABORATORIES	L0076453 - Grdwtr Qual-Lab Svcs	1012 - Bank of America Gen'l Ckg	1,066.00
Bill	12/31/2011	L0076453		L0077437 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,066.00
Bill	12/31/2011	L0077437		L0075987 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	578.00
Bill	12/31/2011	L0075987		L0076106 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	2,074.00
Bill	12/31/2011	L0076106		L0075979 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	838.00
Bill	12/31/2011	L0075979		L0074690 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,456.00
Bill	12/31/2011	L0074690		L0075313 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	488.00
Bill	12/31/2011	L0075313		L0074687 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,456.00
Bill	12/31/2011	L0074687		L0074688 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	578.00
Bill	12/31/2011	L0074688		L0074684 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	578.00
Bill	12/31/2011	L0074684		L0074980 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	3,684.00
Bill	12/31/2011	L0074980				

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
January 2012

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	12/31/2011	L0075977		L0075970 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,086.00
Bill	12/31/2011	L0076461		L0076461 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,458.00
TOTAL						16,424.00
Bill Pmt -Check	01/26/2012	15768	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	659.20
Bill	01/08/2012	1VC0700000018027		Week ending 1/08/12	6017 - Temporary Services	824.00
Bill	01/23/2012	1VC0700000018050		Week ending 1/15/12	6017 - Temporary Services	1,483.20
TOTAL						
General Journal	01/27/2012	01/27/2012	Payroll and taxes for 01/08/12-01/21/12	Payroll and taxes for 01/08/12-01/21/12	1012 - Bank of America Gen'l Ckg	12,143.73
			Payroll taxes for 01/08/12-01/21/12	Payroll taxes for 01/08/12-01/21/12	1012 - Bank of America Gen'l Ckg	29,198.49
			Direct deposits for 01/08/12-01/21/12	Direct deposits for 01/08/12-01/21/12	1012 - Bank of America Gen'l Ckg	41,342.22
TOTAL						
General Journal	01/31/2012	01/31/2012	Wage Works Direct Debits - January 2012	Wage Works Direct Debits - January 2012	1012 - Bank of America Gen'l Ckg	495.40
			Wage Works Direct Debits - January 2012	Wage Works Direct Debits - January 2012	1012 - Bank of America Gen'l Ckg	495.40
			Wage Works Direct Debits - January 2012	Wage Works Direct Debits - January 2012	1012 - Bank of America Gen'l Ckg	495.40
			Wage Works Direct Debits - January 2012	Wage Works Direct Debits - January 2012	1012 - Bank of America Gen'l Ckg	1,486.20
TOTAL						
Total Disbursements:						3,004,442.90



CHINO BASIN WATERMASTER

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STAFF REPORT

DATE: March 15, 2012
TO: Committee Members
SUBJECT: VISA Check Detail Report – Financial Report B2

SUMMARY

Issue – Record of VISA credit card payment disbursed for the month of January 2012.

Recommendation – Staff recommends the VISA Check Detail Report for January 2012 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2011-2012 Watermaster Budget.

BACKGROUND

A monthly VISA Check Detail report is provided to keep all members apprised of Watermaster expenditures charged against the CEO and/or CFO's Bank of America VISA card.

DISCUSSION

Total cash disbursement during the month of January 2012 was \$906.28. The monthly charges for January 2012 were for routine and customary expenditures and properly documented with receipts.

Actions:

March 8, 2012 Appropriative Pool – Approved unanimously
March 8, 2012 Non-Agricultural Pool – Moved to receive and file without approval
March 8, 2012 Agricultural Pool – Approved unanimously
March 15, 2012 Advisory Committee –
March 22, 2012 Watermaster Board –

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CHINO BASIN WATERMASTER
 VISA Check Detail Report
 January 2012

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt - Check	01/25/2012	15754	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	12/31/2011	XXXX-XXXX-XXXX-9341		Holiday luncheon for staff	6141.3 · Admin Meetings	306.80
				To purchase ink cartridges for CFO printer	6031.7 · Other Office Supplies	42.84
				Lunch for 12/15 Board meeting	6312 · Meeting Expenses	556.64
					Total Disbursements:	906.28

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STAFF REPORT

DATE: March 15, 2012
TO: Committee Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2011 through January 31, 2012 - Financial Report B3

SUMMARY

Issue – Record of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2011 through January 31, 2012.

Recommendation – Staff recommends the Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2011 through January 31, 2012 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2011-2012 Watermaster Budget.

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Working Capital for the period July 1, 2011 through January 31, 2012 is provided to keep all members apprised of the FY 2011/2012 cumulative Watermaster revenues, expenditures and changes in working capital for the period listed.

DISCUSSION

The Combining Schedule of Revenue, Expenses and Changes in Working Capital has been created from various financial reports and statements created from QuickBooks Enterprise Solutions 9.0, the Watermaster accounting system. The Combining Schedule provided balances to the supporting documentation in the Watermaster accounting system as presented.

Actions:

March 8, 2012 Appropriative Pool – Approved unanimously
March 8, 2012 Non-Agricultural Pool – Moved to receive and file without approval
March 8, 2012 Agricultural Pool – Approved unanimously
March 15, 2012 Advisory Committee –
March 22, 2012 Watermaster Board –

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE PERIOD JULY 1, 2011 THROUGH JANUARY 31, 2012

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS		GROUNDWATER OPERATIONS		EDUCATION FUNDS	GRAND TOTALS	BUDGET 2011-2012
			APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT			
Administrative Revenues:									
Administrative Assessments									\$6,097,177
Interest Revenue	7,674		912	286			1	8,872	150,010
Mutual Agency Project Revenue								705,777	622,580
Grant Income									0
Miscellaneous Income									0
Total Revenues	7,674	-	912	286	-	-	1	714,649	6,869,767
Administrative & Project Expenditures:									
Watermaster Administration	473,265							473,265	545,107
Watermaster Board-Advisory Committee	113,471							113,471	155,297
Ag Pool Misc. Expense - Ag Fund			99					99	-
Pool Administration		774,198	89,738	70,928				192,091	503,822
Optimum Basin Mgmt Administration		2,200,463						774,198	1,279,496
OBMP Project Costs		178,135						2,200,463	4,139,706
Debt Service								178,135	450,964
Education Funds Use							375	375	375
Mutual Agency Project Costs									10,000
Total Administrative/OBMP Expenses	586,736	3,152,796	89,738	70,928	-	-	375	3,932,097	7,084,767
Net Administrative Income	119,041	(3,152,796)	(82,117)	(4,100)				-	-
Allocate Net Admin Expenses To Pools		2,974,661	820,221	102,442				-	-
Allocate Net OBMP Expenses To Pools		178,135						-	-
Allocate Debt Service to App Pool		877,135	(877,135)					-	-
Agricultural Expense Transfer*									
Total Expenses	3,056,575	99	169,271	168,985	-	-	375	3,932,097	7,084,767
Net Administrative Income	(3,048,901)	812	(168,985)				(374)	(3,217,449)	(215,000)
Other Income/(Expense)									0
Replenishment Water Assessments									0
Non-Ag Stored Water Purchases	2,377,250							2,377,250	0
Interest Revenue						7		7	0
MWD Water Purchases									0
Non-Ag Stored Water Purchases									0
MWD Water Purchases	(2,377,250)							(2,377,250)	0
Groundwater Replenishment								(10,269,932)	0
Net Other Income/(Expense)								(25,146)	0
								(25,138)	0
Net Transfers To/(From) Reserves	(3,242,586)		812	(168,985)			(374)	(3,242,586)	(215,000)
Working Capital, July 1, 2011	6,922,600		475,807	282,721			630	7,875,387	
Working Capital, End Of Period	3,873,699		476,619	113,736			256	4,632,801	4,632,801
10/11 Assessable Production	78,410,414		31,342,082	3,914,499				113,666,995	
10/11 Production Percentages	68.983%		27.574%	3.444%				100.000%	

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

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CHINO BASIN WATERMASTER

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STAFF REPORT

DATE: March 15, 2012
TO: Committee Members
SUBJECT: Treasurer's Report of Financial Affairs for the Period January 1, 2012 through January 31, 2012 - Financial Report B4

SUMMARY

Issue – Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of January 1, 2012 through January 31, 2012.

Recommendation – Staff recommends the Treasurer's Report of Financial Affairs for the Period January 1, 2012 through January 31, 2012 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2011-2012 Watermaster Budget.

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period January 1, 2012 through January 31, 2012 is provided to keep all members apprised of the total cash in banks (Bank of America and LAIF) and on hand at the Watermaster office (petty cash) at the end of the period stated. The Treasurer's Report details the change (increase or decrease) in the overall cash position of Watermaster, as well as the changes (increase or decrease) to the assets and liabilities section of the balance sheet. The report also provides a detailed listing of all deposits and/or withdrawals in the California State Treasurer's Local Agency Investment Fund (LAIF), the most current effective yield as of the last quarter, and the ending balance in LAIF as of the reporting date.

DISCUSSION

The Treasurer's Report of Financial Affairs has been created from various financial reports and statements created from QuickBooks Enterprise Solutions 9.0, the Watermaster accounting system. The Treasurer's Report provided, balances to the supporting documentation in the Watermaster accounting system, as well as the supporting bank statements.

Actions:

- March 8, 2012 Appropriative Pool – Approved unanimously
- March 8, 2012 Non-Agricultural Pool – Moved to receive and file without approval
- March 8, 2012 Agricultural Pool – Approved unanimously
- March 15, 2012 Advisory Committee –
- March 22, 2012 Watermaster Board –

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CHINO BASIN WATERMASTER
 TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
 JANUARY 1 THROUGH JANUARY 31, 2012

DEPOSITORIES:		
Cash on Hand - Petty Cash	\$	500
Bank of America		
Governmental Checking-Demand Deposits	\$	1,147,512
Zero Balance Account - Payroll	\$	-
Local Agency Investment Fund - Sacramento		
TOTAL CASH IN BANKS AND ON HAND		1/31/2012
TOTAL CASH IN BANKS AND ON HAND		12/31/2011
	\$	5,116,836
		7,729,122
	\$	(2,612,286)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:		
Accounts Receivable	\$	25,306
Assessments Receivable		77,967
Prepaid Expenses, Deposits & Other Current Assets		2,435
(Decrease)/Increase in Liabilities		(2,681,804)
Accounts Payable		17,600
Accrued Payroll, Payroll Taxes & Other Current Liabilities		(53,790)
Transfer to/(from) Reserves		
	\$	(2,612,286)

SUMMARY OF FINANCIAL TRANSACTIONS:

	12/31/2011	1/31/2012	Zero Balance Account Payroll	Gov't'l Checking Demand	Local Agency Investment Funds	Totals
Balances as of	\$	\$	\$	\$	\$	\$
Deposits						
Transfers						
Withdrawals/Checks						
Balances as of	\$	\$	\$	\$	\$	\$
PERIOD INCREASE OR (DECREASE)						

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JANUARY 1 THROUGH JANUARY 31, 2012**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
1/10/2012	Withdrawal	L.A.I.F.	\$ (1,500,000)				
1/13/2012	Interest	L.A.I.F.	\$ 3,141				

TOTAL INVESTMENT TRANSACTIONS \$ (1,496,859)

* The earnings rate for L.A.I.F. is a daily variable rate; 0.38% was the effective yield rate at the Quarter ended December 31, 2011.

**INVESTMENT STATUS
January 31, 2012**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 3,968,824			
TOTAL INVESTMENTS	<u>\$ 3,968,824</u>			

Funds on hand are sufficient to meet all foreseen and planned Administrative and project expenditures during the next six months.

All investment transactions have been executed in accordance with the criteria stated in Chino Basin Watermaster's Investment Policy.

Respectfully submitted,

Joseph S. Joswiak
Chief Financial Officer
Chino Basin Watermaster



CHINO BASIN WATERMASTER

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STAFF REPORT

DATE: March 15, 2012
TO: Committee Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2011 through January 31, 2012 - Financial Report - B5

SUMMARY

Issue – Record of revenues and expenses of Watermaster for the Period of July 1, 2011 through January 31, 2012.

Recommendation – Staff recommends the Budget vs. Actual Report for the Period July 1, 2011 through January 31, 2012 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2011-2012 Watermaster Budget.

BACKGROUND:

A Budget vs. Actual Report for the period July 1, 2011 through January 31, 2012 is provided to keep all members apprised of the total revenues and expenses for the current fiscal year. The expense section is categorized into four distinct sections. Those sections are: General and Administrative Expenses; Optimal Basin Management Program Expenses; Project Expenses; and Other Income/Expenses.

DISCUSSION:

The Budget vs. Actual report has been created from QuickBooks Enterprise Solutions 9.0, the Watermaster accounting system. The Budget vs. Actual report provided, balances to the supporting documentation in the Watermaster accounting system, as well as the supporting bank statements.

There were Budget Transfers and Budget Amendments approved during the February 2012 Pool, Advisory Committee and Board meeting processes. The "Amended" Total Revenues increased from \$6,658,187 to \$6,869,767 (an increase of \$211,580) while the "Amended" Total Expenses increased from \$6,873,187 to \$7,084,767 (an increase of \$211,580).

Year-To-Date (YTD) for the seven months ending January 31, 2012, all but six categories were at or below the projected budget. The categories above budget were the Watermaster Legal Services (6070's) of \$13,612; Advisory Committee Expenses (6200's) of \$2,491; Watermaster Board Expenses (6300's) of

\$14,090; Appropriative Pool Administration Expenses (8300's) of \$2,096; Non-Ag Pool Administration Expenses (8500's) of \$11,596; and Cooperative Efforts/Salt Management (7500's) of \$19,024.

The chart listed below summarized the Year-To-Date (YTD) Actual Watermaster salary costs compared to the Year-To-Date (YTD) Budget. Please be advised that the "\$ Over Budget" and the "% of Budget" columns are a comparison of the (YTD) Actual to the (YTD) Budget, not the 12-month Annual Budget. The 12-month Annual Budget column is presented only to provide the data in a full and complete format. As of January 31, 2012, the total (YTD) Watermaster salary expenses are \$10,622 or 1.2% above the YTD budgeted amount of \$890,349. The following details are provided:

	Jul '11 - Jan '12	Budget	\$ Over Budget	% of Budget	Annual Budget
WM Salary Expense					
6011 - WM Staff Salaries	262,133.78	258,536.34	3,597.44	101.39%	441,032.00
6011.2 - WM Staff - Admin. Paid Leave	49,192.40	20,000.00	29,192.40	245.96%	0.00
6011.3 - WM Staff - Temporary Upgrade	7,223.90	0.00	7,223.90	100.0%	0.00
6201 - Advisory Committee - WM Staff Salaries	12,705.71	12,390.60	315.11	102.54%	21,241.00
6301 - Watermaster Board - WM Staff Salaries	17,650.41	17,451.00	199.41	101.14%	29,916.00
8301 - Appropriative Pool - WM Staff Salaries	18,409.94	16,595.85	1,814.09	110.93%	28,450.00
8401 - Agricultural Pool - WM Staff Salaries	13,841.04	14,545.40	-704.36	95.16%	24,935.00
8501 - Non-Agricultural Pool - WM Staff Salaries	7,792.88	8,302.60	-509.72	93.86%	14,233.00
6901 - OBMP - WM Staff Salaries	135,570.36	126,578.65	8,991.71	107.1%	216,992.00
7101.1 - Production Monitor - WM Staff Salaries	60,571.81	69,754.15	-9,182.34	86.84%	104,150.00
7102.1 - In-line Meter - WM Staff Salaries	5,351.13	6,045.10	-693.97	88.52%	10,363.00
7103.1 - Grdwater Quality - WM Staff Salaries	45,716.21	56,780.40	-11,064.19	80.51%	80,195.00
7104.1 - Grdwater Level - WM Staff Salaries	26,278.88	52,420.10	-26,141.22	50.13%	89,863.00
7105.1 - Sur Wtr Qual - WM Staff Salaries	0.00	1,745.35	-1,745.35	0.0%	2,992.00
7107.1 - Grd Level Monitoring - WM Staff Salaries	0.00	913.50	-913.50	0.0%	1,566.00
7108.1 - Hydraulic Control - WM Staff Salaries	1,472.74	4,242.60	-2,769.86	34.71%	7,273.00
7201 - Comp Recharge - WM Staff Salaries	65,322.57	72,967.40	-7,644.83	89.52%	125,087.00
7301 - PE3&5 - WM Staff Salaries	18,957.29	21,900.10	-2,942.81	86.56%	37,543.00
7401 - PE4 - WM Staff Salaries	3,997.12	7,137.10	-3,139.98	56.01%	12,235.00
7501.1 - PE 6&7 - WM Staff Salaries (Plume)	19,011.81	0.00	19,011.81	100.0%	0.00
7501 - PE6&7 - WM Staff Salaries	2,274.45	1,745.35	529.10	130.32%	2,992.00
7601 - PE8&9 - WM Staff Salaries	25,674.85	26,496.75	-821.90	96.9%	45,423.00
7701 - Inactive Well - WM Staff Salaries	0.00	309.75	-309.75	0.0%	413.00
Subtotal WM Staff Costs	799,149.28	796,858.09	2,291.19	100.29%	1,296,894.00
60185 - Vacation	45,862.72	36,345.40	9,517.32	126.19%	51,922.00
60186 - Sick Leave	20,714.70	24,097.50	-3,382.80	85.96%	41,310.00
60187 - Holidays	35,244.58	33,048.00	2,196.58	106.65%	41,310.00
Subtotal WM Paid Leaves	101,822.00	93,490.90	8,331.10	108.91%	134,542.00
Total WM Salary Costs	900,971.28	890,348.99	10,622.29	101.19%	1,431,436.00

Added to the financial reports in the month of November 2011, the chart listed below summarizes the Brownstein Hyatt Farber Schreck (BHFS) expenses as of January 31, 2012 compared to the Year-To-Date (YTD) budget. Please be advised that the "\$ Over Budget" and the "% of Budget" columns are a comparison of the (YTD) Actual to the (YTD) Budget, not the 12-month Annual Budget. The 12-month Annual Budget column is presented only to provide the data in a full and complete format. As of January 31, 2012, the BHFS expenses are \$3,515 or 0.9% above the (YTD) budgeted amount of \$406,088. The following details are provided:

	Jul '11 - Jan '12	Budget	\$ Over Budget	% of Budget	Annual Budget
6070 - Watermaster Legal Services					
6071 - BHFS Legal - Court Coordination	0.00	22,808.35	-22,808.35	0.0%	39,100.00
6072 - BHFS Legal - Restated Judgment	18,306.96	62,400.00	-44,093.04	29.34%	62,400.00
6073 - BHFS Legal - Personnel Matters	47,576.29	5,760.40	41,815.89	825.92%	9,875.00
6074 - BHFS Legal - Interagency Issues	3,510.45	20,008.35	-16,497.90	17.55%	34,300.00
6075 - BHFS Legal - Replenishment Water	42,186.60	0.00	42,186.60	100.0%	0.00
6076 - BHFS Legal - Storage Agreements	5,054.07	0.00	5,054.07	100.0%	0.00
6078 - BHFS Legal - Miscellaneous	41,134.94	33,180.00	7,954.94	123.98%	56,880.00
Total 6070 - Watermaster Legal Services	157,769.31	144,157.10	13,612.21	109.44%	202,555.00
6275 - BHFS Legal - Advisory Committee	21,209.93	17,972.50	3,237.43	118.01%	30,810.00
6375 - BHFS Legal - Board Meeting	43,699.08	31,617.50	12,081.58	138.21%	45,630.00
8375 - BHFS Legal - Appropriative Pool	12,874.97	12,442.50	432.47	103.48%	21,330.00
8475 - BHFS Legal - Agricultural Pool	12,350.17	17,972.50	-5,622.33	68.72%	30,810.00
8575 - BHFS Legal - Non-Ag Pool	11,503.85	5,530.00	5,973.85	208.03%	9,480.00
Total BHFS Legal Services	101,638.00	85,535.00	16,103.00	118.83%	138,060.00
6907.3 - WM Legal Counsel					
6907.30 - Peace II - CEQA	0.00	0.00	0.00	0.0%	0.00
6907.31 - S. Archibald Plume-Formerly OIA	3,219.75	14,364.60	-11,144.85	22.41%	24,625.00
6907.32 - Chino Airport Plume	9,042.45	14,977.10	-5,934.65	60.38%	25,675.00
6907.33 - Desalter Negotiations	77,880.86	67,425.00	10,455.86	115.51%	67,425.00
6907.34 - Santa Ana River Water Rights	4,984.72	14,656.25	-9,671.53	34.01%	25,125.00
6907.35 - Paragraph 31 Motion	34,144.19	39,200.00	-5,055.81	87.1%	39,200.00
6907.36 - Santa Ana River Habitat	7,969.13	0.00	7,969.13	100.0%	0.00
6907.37 - Water Auction	0.00	0.00	0.00	0.0%	0.00
6907.38 - Reg. Water Quality Cntrl Board	0.00	8,020.85	-8,020.85	0.0%	13,750.00
6907.39 - Recharge Master Plan	12,954.29	17,752.00	-4,797.71	72.97%	25,360.00
6907.3 - WM Legal Counsel - Other	0.00	0.00	0.00	0.0%	0.00
Total 6907.3 - WM Legal Counsel	150,195.39	176,395.80	-26,200.41	85.15%	221,160.00
Total Brownstein, Hyatt, Farber, Schreck Costs	409,602.70	406,087.90	3,514.80	100.87%	561,775.00

OBMP Engineering Services and Legal Costs:

Several individual line items within the 6900 (Optimum Basin Mgmt Program) are above the Year-To-Date budget. These are the 6901 (WM Staff Salaries) of \$8,992 and the 6906 (OBMP Engineering Services-Other) of \$19,691. These overages totaling \$28,683 are a direct result of increased activities and allocating the budget in equal 1/12 portions throughout the fiscal year. The Year-To-Date expenses in these categories are running ahead of budget and should level off as the fiscal year progresses.

Within the category 6900 (Optimum Basin Mgmt Program) are the remaining Brownstein Hyatt Farber Schreck (BHFS) Watermaster's legal expenses. Within the legal expense category, some individual line item activities were above the budget \$18,425 while the majority of line item activities were below the budget \$44,625. Above the budget line items were the Desalter Negotiations of \$10,456 and the Santa Ana River Habitat of \$7,969. The individual legal projects/activities that were below budget for the Year-To-Date period were the South Archibald Plume (formerly the OIA Plume) of \$11,145, the Chino Airport Plume \$5,934, the Santa Ana River Water Rights Application of \$9,671, the Paragraph 31 Motion of \$5,056, the Regional Water Quality Control Board of \$8,021 and the Recharge Master Plan of \$4,798. For the seven months ended January 31, 2012, the overall cumulative (YTD) budget was \$176,396 and

the actual (BHFS) legal expenses totaled \$150,196 which resulted in an (Under) budget variance of (\$26,200) or (14.9%).

The chart listed below summarizes the Optimum Basin Management Program (OBMP) expenses as of January 31, 2012 compared to the Year-To-Date (YTD) budget. Please be advised that the "\$ Over Budget" and the "% of Budget" columns are a comparison of the (YTD) Actual to the (YTD) Budget, not the 12-month Annual Budget. The 12-month Annual Budget column is presented only to provide the data in a full and complete format. Overall, the Optimum Basin Management Program (OBMP) category was \$675,024 compared to a (YTD) budget of \$682,678 for an (Under) budget of (\$7,654) or (1.1%) as of January 31, 2012.

	Jul '11 - Jan '12	Budget	\$ Over Budget	% of Budget	Annual Budget
6900 - Optimum Basin Mgmt Plan					
6901 - WM Staff Salaries	135,570.36	126,578.65	8,991.71	107.1%	216,992.00
6903 - OBMP SAWPA Group	11,655.00	11,655.00	0.00	100.0%	11,655.00
6906 - OBMP Engineering Services					
6906.1 - OBMP - Watermaster Model Update	204,010.48	204,010.00	0.48	100.0%	354,010.00
6906 - OBMP Engineering Services - Other	169,146.37	149,455.25	19,691.12	113.18%	224,304.00
Total 6906 - OBMP Engineering Services	373,156.85	353,465.25	19,691.60	105.57%	578,314.00
6907 - OBMP Legal Fees					
6907.3 - WM Legal Counsel					
6907.30 - Peace II - CEQA	0.00	0.00	0.00	0.0%	0.00
6907.31 - S. Archibald Plume-Formerly OIA	3,219.75	14,364.60	-11,144.85	22.41%	24,625.00
6907.32 - Chino Airport Plume	9,042.45	14,977.10	-5,934.65	60.38%	25,675.00
6907.33 - Desalter Negotiations	77,880.86	67,425.00	10,455.86	115.51%	67,425.00
6907.34 - Santa Ana River Water Rights	4,984.72	14,656.25	-9,671.53	34.01%	25,125.00
6907.35 - Paragraph 31 Motion	34,144.19	39,200.00	-5,055.81	87.1%	39,200.00
6907.36 - Santa Ana River Habitat	7,969.13	0.00	7,969.13	100.0%	0.00
6907.37 - Water Auction	0.00	0.00	0.00	0.0%	0.00
6907.38 - Reg. Water Quality Cntrl Board	0.00	8,020.85	-8,020.85	0.0%	13,750.00
6907.39 - Recharge Master Plan	12,954.29	17,752.00	-4,797.71	72.97%	25,360.00
6907.3 - WM Legal Counsel - Other	0.00	0.00	0.00	0.0%	0.00
Total 6907.3 - WM Legal Counsel	150,195.39	176,395.80	-26,200.41	85.15%	221,160.00
Total 6907 - OBMP Legal Fees	150,195.39	176,395.80	-26,200.41	85.15%	221,160.00
6909 - OBMP Other Expenses					
6909.1 - OBMP Meetings	874.28	0.00	874.28	100.0%	0.00
6909.3 - Other OBMP Expenses	1,977.00	0.00	1,977.00	100.0%	0.00
6909.4 - Printing	1,595.00	0.00	1,595.00	100.0%	0.00
6909.5 - Ad Hoc Litigation Committee	0.00	0.00	0.00	0.0%	0.00
6909 - OBMP Other Expenses - Other	0.00	14,583.35	-14,583.35	0.0%	25,000.00
Total 6909 - OBMP Other Expenses	4,446.28	14,583.35	-10,137.07	30.49%	25,000.00
Total 6900 - Optimum Basin Mgmt Plan	675,023.88	682,678.05	-7,654.17	98.88%	1,053,121.00

The OBMP Implementation Projects (accounts 7100's - 7700's) were all under budget as of January 31, 2012 except for category 7500 (Cooperative Efforts/Salt Management) which was over budget by \$19,024. During the budget development, Watermaster anticipated and allocated a small amount of labor and effort towards this category. However, as a direct result of the enhanced efforts regarding the South Archibald Plume monitoring and testing, a larger unanticipated labor cost has been recorded.

Category 7107 (Ground Level Monitoring) contains the annual budget costs of \$365,945 for the installation of a vertical extensometer in the Chino Creek Well Field area at the new location. As of January 31, 2012, we have not received any progress billings and expect the first payment to the Chino

Basin Desalter Authority of approximately \$295,200 to be issued in March 2012. This category also includes the budgeted quarterly InSar Imagery costs of \$60,000 which are tracking well below the budget.

The Recharge Improvement Debt Payment (Category 7690) is another category which the budget and expense fluctuate due to the timing of expense receipts. Watermaster received a credit from IEUA in the amount of \$296,265 during the month of January. This credit is the direct result of the refinancing efforts by IEUA and a true-up of the budgeted costs vs. actual payments on the debt servicing to IEUA. Currently, this category is below the budgeted amount by \$272,829. Excess funds from this category could be used for the upcoming 3-year Turner Basin Improvements, which are estimated in the range of \$120K+.

Added to the financial reports during the month of November 2011, the chart listed below summarized the Year-To-Date (YTD) Actual Wildermuth Environmental, Inc., (WEI) and other Engineering costs compared to the Year-To-Date (YTD) Budget. Please be advised that the "\$ Over Budget" and the "% of Budget" columns are a comparison of the (YTD) Actual to the (YTD) Budget, not the 12-month Annual Budget. The 12-month Annual Budget column is presented only to provide the data in a full and complete format. As of January 31, 2012, the total (YTD) Engineering expenses are \$474,586 or 26.6% below the (YTD) budgeted amount of \$1,784,524. The following details are provided:

	Jul '11 - Jan '12	Budget	\$ Over Budget	% of Budget	Annual Budget
6906.1 · OBMP - Watermaster Model Update	204,010.48	204,010.00	0.48	100.0%	204,010.00
6906 · OBMP Engineering Services - Other	169,146.37	149,455.25	19,691.12	113.18%	256,209.00
7103.3 · Grdwtr Qual-Engineering	78,418.85	53,962.40	24,456.45	145.32%	80,507.00
7103.5 · Grdwtr Qual-Lab Svcs	31,330.00	25,515.10	5,814.90	122.79%	36,883.00
7104.3 · Grdwtr Level-Engineering	156,870.58	106,167.35	50,703.23	147.76%	151,144.00
7104.8 · Grdwtr Level-Contracted Serv	0.00	5,833.35	-5,833.35	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equip	0.00	10,443.75	-10,443.75	0.0%	13,925.00
7107.2 · Grd Level-Engineering	164,265.11	97,087.10	67,178.01	169.19%	166,435.00
7107.3 · Grd Level-SAR Imagery	0.00	60,000.00	-60,000.00	0.0%	120,000.00
7107.6 · Grd Level-Contract Svcs	125,896.76	131,095.40	-5,198.64	96.03%	224,735.00
7107.7 · Grd Level-Extensometer Install	0.00	365,945.00	-365,945.00	0.0%	365,945.00
7107.8 · Grd Level-Cap Equip Exte	0.00	12,881.00	-12,881.00	0.0%	25,762.00
7108.3 · Hydraulic Control-Engineering	115,145.78	163,136.15	-47,990.37	70.58%	279,662.00
7108.4 · Hydraulic Control-Lab Svcs	96,303.00	99,661.90	-3,358.90	96.63%	170,849.00
7108.9 · Hydraulic Control-Contract Svcs	0.00	1,166.65	-1,166.65	0.0%	2,000.00
7109.3 · Recharge & Well - Engineering	0.00	11,160.00	-11,160.00	0.0%	11,160.00
7202.2 · Engineering Svc	0.00	6,020.00	-6,020.00	0.0%	10,320.00
7202.3 · Comp Recharge-Implementation	48,767.68	134,750.00	-85,982.32	36.19%	231,000.00
7303 · PE3&5 Engineering - Other	34,520.74	47,840.00	-13,319.26	72.16%	47,840.00
7402 · PE4-Engineering	19,896.52	26,677.00	-6,780.48	74.58%	45,732.00
7403 · PE4-Contract Svcs	0.00	5,833.35	-5,833.35	0.0%	10,000.00
7502 · PE6&7-Engineering	27,838.43	28,093.35	-254.92	99.09%	48,160.00
7503 · PE6&7-Contract Svcs (Plume)	37,528.00	37,790.00	-262.00	99.31%	37,790.00
Total Wildermuth Environmental, Inc. Costs	1,309,938.30	1,784,524.10	-474,585.80	73.41%	2,550,068.00

Other Income and Expense:

In August 2011, Watermaster received two payments from the Metropolitan Water District. Metropolitan entered into agreements with Watermaster and other member agencies and partners for dry-year groundwater storage. Pursuant to Section VI of these agreements, Metropolitan committed to pay an annual administrative fee to one of the partners on each of the agreements for the 25-year term of the

each agreement a) beginning on July 1st after the initial storage of water in each program, and b) with the set fee dollar amount escalating annually by the lesser of 2.5% or CPI. Watermaster received \$145,568.70 for the FY 2009/2010 payment (due July 1, 2010) and \$149,207.92 for the FY 2010/2011 payment (due July 1, 2011). The total amount received of \$294,776.62 was recorded to account 4040 (Cooperative Agreements). A portion of the \$294,776.62 (the amount of \$211,580) has now been included in the FY 2011/2012 budget. This amount of \$211,580 is being used to offset and additional extensometer costs as well as other salary costs. The balance of un-appropriated revenue of \$83,196.62 ($\$294,776.62 - \$211,580.00 = \$83,196.62$) will be used for any unanticipated expenses that might arise before the end of the fiscal year.

With the exceptions previously noted, there were no other unusual or significant transactions or events during the month of January 2012. Looking ahead, the month of February should provide similar financial results.

Actions:

- March 8, 2012 Appropriative Pool – Approved unanimously
- March 8, 2012 Non-Agricultural Pool – Moved to receive and file without approval
- March 8, 2012 Agricultural Pool – Approved unanimously
- March 15, 2012 Advisory Committee –
- March 22, 2012 Watermaster Board –

	1/12th of the Total Budget			7/12th (58%) of the Total Budget			100% of the Total Budget		
	For The Month of January 2012			Year-To-Date as of January 31, 2012			Fiscal Year End as of June 30, 2012		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Projected	Budget	% of Budget
Income									
4010 · Local Agency Subsidies	300,000.00	511,580.00	58.64%	705,776.62	622,580.00	113.36%	705,776.62	622,580.00	113.36%
4110 · Admin Asmnts-Approp Pool	0.00	0.00	0.0%	0.00	0.00	0.0%	5,844,797.00	5,844,797.00	100.0%
4120 · Admin Asmnts-Non-Agr Pool	0.00	0.00	0.0%	0.00	0.00	0.0%	252,380.00	252,380.00	100.0%
4700 · Non Operating Revenues	0.00	0.00	0.0%	8,872.09	75,005.00	11.83%	150,010.00	150,010.00	100.0%
4900 · Miscellaneous Income	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
Total Income	300,000.00	511,580.00	58.64%	714,648.71	697,585.00	102.45%	6,952,963.62	6,869,767.00	101.21%
Gross Profit	300,000.00	511,580.00	58.64%	714,648.71	697,585.00	102.45%	6,952,963.62	6,869,767.00	101.21%
Expense									
6010 · Salary Costs	50,005.98	55,343.99	90.36%	324,539.57	327,683.09	99.04%	592,976.00	592,976.00	100.0%
6020 · Office Building Expense	8,370.56	9,268.00	90.32%	57,414.06	60,777.00	94.47%	103,369.00	103,369.00	100.0%
6030 · Office Supplies & Equip.	1,206.45	2,125.00	56.77%	11,109.86	14,875.00	74.69%	25,500.00	25,500.00	100.0%
6040 · Postage & Printing Costs	3,960.93	4,365.00	90.74%	29,302.69	39,955.00	73.34%	66,180.00	66,180.00	100.0%
6050 · Information Services	18,465.40	13,335.00	138.47%	74,033.82	88,845.00	83.33%	148,020.00	148,020.00	100.0%
6060 · Contract Services	2,028.75	0.00	100.0%	12,804.61	34,000.00	37.66%	34,000.00	34,000.00	100.0%
6070 · Watermaster Legal Services	24,400.40	11,679.59	208.92%	157,769.31	144,157.10	109.44%	202,555.00	202,555.00	100.0%
6080 · Insurance	0.00	0.00	0.0%	17,740.87	19,036.00	93.2%	19,036.00	19,036.00	100.0%
6110 · Dues and Subscriptions	11,935.00	12,010.00	99.38%	26,781.15	27,270.00	98.21%	30,000.00	30,000.00	100.0%
6140 · WM Admin Expenses	62.26	250.00	24.9%	696.57	1,750.00	39.8%	3,000.00	3,000.00	100.0%
6150 · Field Supplies	0.00	100.00	0.0%	297.58	600.00	49.6%	1,600.00	1,600.00	100.0%
6170 · Travel & Transportation	1,704.73	1,600.00	106.55%	10,355.14	12,565.00	82.28%	21,970.00	21,970.00	100.0%
6190 · Conferences & Seminars	545.00	4,375.00	12.46%	4,159.44	13,125.00	31.69%	17,500.00	17,500.00	100.0%
6200 · Advisory Comm - WM Board	5,715.23	4,504.25	126.69%	34,021.10	31,529.75	107.9%	54,051.00	54,051.00	100.0%
6300 · Watermaster Board Expenses	6,464.14	7,437.17	86.92%	79,449.74	65,360.15	121.56%	101,246.00	101,246.00	100.0%
8300 · Appr PI-WM & Pool Admin	6,458.58	4,190.00	154.14%	31,425.50	29,330.00	107.15%	50,280.00	50,280.00	100.0%
8400 · Agri Pool-WM & Pool Admin	5,618.06	5,319.09	105.62%	30,723.77	37,233.55	82.52%	63,829.00	63,829.00	100.0%
8467 · Ag Legal & Technical Services	8,670.81	17,583.33	49.31%	47,713.80	123,083.35	38.77%	211,000.00	211,000.00	100.0%
8470 · Ag Meeting Attend -Special	1,300.00	1,000.00	130.0%	11,300.00	7,000.00	161.43%	12,000.00	12,000.00	100.0%
8471 · Ag Pool Expense	0.00	0.00	0.0%	0.00	32,500.00	0.0%	65,000.00	65,000.00	100.0%
8485 · Ag Pool - Misc. Exp. - Ag Fund	0.00	0.00	0.0%	99.34	0.00	100.0%	0.00	0.00	0.0%
8500 · Non-Ag PI-WM & Pool Admin	5,217.17	8,476.08	61.55%	70,928.32	59,332.60	119.54%	101,713.00	101,713.00	100.0%
6500 · Education Funds Use Expense	0.00	0.00	0.0%	375.00	375.00	100.0%	375.00	375.00	100.0%
9400 · Depreciation Expense	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
9500 · Allocated G&A Expenditures	-36,000.93	-60,049.92	59.95%	-253,739.73	-420,349.40	60.36%	-720,599.00	-720,599.00	100.0%
6900 · Optimum Basin Mgmt Plan	84,320.93	89,114.07	94.62%	675,023.88	713,307.30	94.63%	1,053,121.00	1,053,121.00	100.0%
6950 · Mutual Agency Projects	0.00	0.00	0.0%	0.00	0.00	0.0%	10,000.00	10,000.00	100.0%
9501 · G&A Expenses Allocated-OBIMP	15,951.26	18,031.25	88.47%	99,174.49	126,218.75	78.57%	216,375.00	216,375.00	100.0%
7101 · Production Monitoring	10,926.45	8,741.67	124.99%	60,946.81	70,191.65	86.83%	104,900.00	104,900.00	100.0%
7102 · In-line Meter Installation	5,349.81	5,530.25	96.74%	31,142.04	38,711.75	80.45%	66,363.00	66,363.00	100.0%
7103 · Grdwtr Quality Monitoring	15,845.29	21,287.75	74.43%	158,791.11	165,239.25	96.1%	209,923.00	209,923.00	100.0%

	1/12th of the Total Budget For The Month of January 2012			7/12th (58%) of the Total Budget Year-To-Date as of January 31, 2012			100% of the Total Budget Fiscal Year End as of June 30, 2012		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Projected	Budget	% of Budget
7104 · Gdwtr Level Monitoring	27,293.65	26,570.16	102.72%	183,149.46	200,346.20	91.42%	297,806.00	297,806.00	100.0%
7105 · Sur Wtr Qual Monitoring	0.00	316.00	0.0%	0.00	2,112.00	0.0%	3,592.00	3,592.00	100.0%
7107 · Ground Level Monitoring	42,943.60	32,728.00	131.21%	290,161.87	667,922.00	43.44%	1,003,500.00	1,003,500.00	100.0%
7108 · Hydraulic Control Monitoring	43,677.04	37,743.17	115.72%	212,921.52	221,946.15	95.98%	427,078.00	427,078.00	100.0%
7109 · Recharge & Well Monitoring Prog	0.00	0.00	0.0%	0.00	0.00	0.0%	6,696.00	6,696.00	100.0%
7200 · PE2 · Comp Recharge Pgm	230,381.54	211,107.59	109.13%	915,637.45	922,365.05	99.27%	1,233,275.00	1,233,275.00	100.0%
7300 · PE3&5-Water Supply/Desalte	8,350.63	6,795.25	122.89%	55,555.19	59,787.75	92.92%	81,764.00	81,764.00	100.0%
7400 · PE4 · Mgmt Plan	4,522.12	5,827.91	77.59%	25,068.29	34,067.45	73.58%	74,457.00	74,457.00	100.0%
7500 · PE6&7-CoopEfforts/SaltMgmt	6,274.31	4,262.66	147.19%	86,652.69	67,628.70	128.13%	88,942.00	88,942.00	100.0%
7600 · PE8&9-StorageMgmt/Conj Use	5,040.60	3,872.75	130.16%	25,702.83	26,759.25	96.05%	45,773.00	45,773.00	100.0%
7690 · Recharge Improvement Debt Pymt	-293,265.00	-150,000.00	195.51%	178,135.00	450,964.00	39.5%	450,964.00	450,964.00	100.0%
7700 · Inactive Well Protection Prgm	0.00	353.25	0.0%	167.97	1,059.75	15.85%	1,413.00	1,413.00	100.0%
9502 · G&A Expenses Allocated-Projects	20,049.66	42,018.67	47.72%	154,565.28	294,130.65	52.55%	504,224.00	504,224.00	100.0%
Total Expense	353,790.41	467,211.97	75.72%	3,932,097.39	4,812,710.84	81.7%	7,084,767.00	7,084,767.00	100.0%
Net Ordinary Income	-53,790.41	44,368.03	-121.24%	-3,217,448.68	-4,115,125.84	78.19%	-131,803.38	-215,000.00	61.3%
Other Income									
4225 · Interest Income	0.00	0.00	0.0%	7.01	0.00	7.01	150.00	0.00	150.0%
4210 · Approp Pool-Replenishment	0.00	0.00	0.0%	0.00	0.00	0.0%	686,814.15	0.00	686,814.15
4220 · Non-Ag Pool-Replenishment	0.00	0.00	0.0%	0.00	0.00	0.0%	27,469.75	0.00	27,469.75
4600 · Groundwater Sales	0.00	0.00	0.0%	12,647,183.31	0.00	12,647,183.31	12,647,183.31	0.00	12,647,183.31
Total Other Income	0.00	0.00	0.0%	12,647,190.32	0.00	12,647,190.32	13,361,617.21	0.00	13,361,617.21
Other Expense									
5010 · Groundwater Replenishment	0.00	0.00	0.0%	10,269,932.04	0.00	10,269,932.04	10,269,932.04	0.00	10,269,932.04
5100 · Other Water Purchases	0.00	0.00	0.0%	2,402,395.88	0.00	2,402,395.88	2,402,395.88	0.00	2,402,395.88
9999 · To/(From) Reserves	-53,790.41	44,368.03	-121.24%	-3,242,586.28	-4,115,125.84	78.8%	557,485.91	-215,000.00	-259.3%
Total Other Expense	-53,790.41	44,368.03	-121.24%	9,429,741.64	-4,115,125.84	-229.15%	13,229,813.83	-215,000.00	-6,153.4%
Net Other Income	53,790.41	-44,368.03	-121.24%	3,217,448.68	4,115,125.84	78.19%	131,803.38	215,000.00	61.3%
Net Income	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%

Note: Please see the staff report (Financial Report-B5) for additional detailed information on the account categories.



CHINO BASIN WATERMASTER

II. BUSINESS ITEM

A. MATERIAL PHYSICAL INJURY ANALYSIS





CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: March 15, 2012
TO: Committee Members
SUBJECT: Material Physical Injury Analysis for the City of Ontario's Application for a Local Supplemental Storage Agreement

SUMMARY

Issue – Material physical injury analyses were performed, and received and filed by the Watermaster Board in January 2012, on the seven pending Applications for Local Supplemental Storage Agreements that had been received as of December 15, 2011. The City of Ontario recently submitted an Application for a Local Supplemental Storage Agreement, and it needs to have a Material Physical Injury analysis performed in on it as well.

Recommendation – Staff recommends receiving and filing Wildermuth Environmental, Inc.'s (WEI's) Material Physical Injury analysis for the City of Ontario's Application for a Local Storage Agreement (LSA).

Fiscal Impact – None.

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.

In January 2012, as directed by the Board, Staff performed Material Physical Injury analyses on all of the pending Applications for Local Storage Agreements that had been received as of December 15, 2011. There were seven pending Applications, which had been submitted by Cucamonga Valley Water District, City of Fontana, Monte Vista Water District, Fontana Water Company, Inland Empire Utilities Agency (IEUA), City of Upland, and San Antonio Water Company (SAWCO). They dated as far back as May 2006, and were for a total of 81,500.000 acre-feet. The applications had not been acted upon by Watermaster because there are many pending issues regarding supplemental storage, particularly regarding the rules for priority among competing applications, the classification of the types of storage

and regarding the current cap on Storage of Supplemental Water described in paragraph 5.2(b)(iv) and 5.2(b)(vii) of the Peace Agreement the Peace II Agreement increased from 50,000 to 100,000 acre-feet.

The analyses were performed, and it was determined that none of the storage programs in the proposed Applications would cause a Material Physical Injury under the assumptions in which they were analyzed. It was also noted that some changes in the Applications should be formally submitted to the Watermaster prior to approving the Applications to ensure that the Applications are complete and that the proposed storage programs are implemented consistent with the Material Physical Injury analysis described.

At the January 2012 Advisory Committee meeting, in addition to receiving and filing the Material Physical Injury analyses, the Committee took action to initiate a process in which representatives of all three Pools, Watermaster staff, technical experts, and legal counsel start to work through the identification of potential storage issues. Then, once that group develops a draft process to address the storage issues, it will be brought through the entire Watermaster process.

DISCUSSION

On January 26, 2012, the City of Ontario submitted an Application for a Local Supplemental Storage Agreement (attached). The Application states that the requested amount is 20,000,000 acre-feet and the purpose of the storage account is to store recycled water that is currently being recharged on behalf of the City of Ontario by IEUA. The City of Ontario is entitled to approximately 21 percent of the total amount of recycled water recharged by IEUA, and in addition, a purchase of up to 3,000,000 acre-feet of recharged recycled water from the City of Fontana.

Attached, please find WEI's Analysis of Material Physical Injury for the City of Ontario's pending Application for a Local Supplemental Storage Agreement. WEI's analysis concludes:

- The proposed Application will not cause a Material Physical Injury under the assumptions in which it was analyzed.
- The City of Ontario will have to submit an application to Watermaster to recapture the water stored in the proposed LSA, and a separate Material Physical Injury analysis will need to be done on the recapture plan.

Staff recommends receiving and filing WEI's Material Physical Injury Analysis for the City of Ontario's Application. Staff further recommends that this Application be considered with the other seven pending applications at the appropriate time as the process is developed.

Actions:

March 8, 2012 Appropriative Pool – Approved unanimously to receive and file the Material Physical Injury Analysis for the City of Ontario

March 8, 2012 Non-Agricultural Pool – Moved to approve to receive and file the Material Physical Injury Analysis for the City of Ontario and to direct the Pool representatives to support at the Advisory

Committee and Watermaster Board meetings subject to changes which they determine to be appropriate
March 8, 2012 Agricultural Pool – Approved unanimously to receive and file the Material Physical Injury Analysis for the City of Ontario

March 15, 2012 Advisory Committee –

March 22, 2012 Watermaster Board –



February 28, 2012

Chino Basin Watermaster
Attention: Mr. Kenneth Jeske, Interim CEO
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Subject: Analysis of Material Physical Injury for the City of Ontario Local Storage Agreement Application, Pending as of January 26, 2012

Dear Mr. Jeske:

Pursuant to your direction, Wildermuth Environmental, Inc. (WEI) conducted a material physical injury (MPI) analysis of the City of Ontario's January 26, 2012 Local Storage Agreement (LSA) application. This MPI analysis has been done pursuant to the Watermaster Rules and Regulations and the Peace Agreement. Specifically, Article 10 of Watermaster Rules and Regulations (paragraph 10.10) requires that:

“[...] Watermaster prepare a written summary and analysis (which will include an analysis of the potential for material physical injury) of the Application and provide the Parties with a copy of the written summary and advanced notice of the date of Watermaster's scheduled consideration and possible action on any pending Applications.”

Per the Peace Agreement, material physical injury is defined as:

“[...] material injury that is attributable to Recharge, Transfer, storage and recovery, management, movement or Production of water or implementation of the OBMP, including, but not limited to, degradation of water quality, liquefaction, land subsidence, increases in pump lift and adverse impacts associated with rising groundwater” (Peace Agreement, page 8).

The City's proposed LSA project description does not contain the operational detail required to apply the Watermaster groundwater models to evaluate MPI. The City's LSA application does not include a recapture plan, and, as such, the MPI analysis considers only recharge and storage. The MPI analysis presented herein is based on our professional experience and judgment in the Chino Basin, including the collection and analysis of monitoring data, past evaluation of Chino Basin storage programs, groundwater modeling of various groundwater management alternatives in the Chino Basin, and prior MPI analyses—specifically, the recent past modeling investigations for the Dry-year Yield Program Expansion (2007-2008), the *Production Optimization and Evaluation of the Peace II Project Description* (2009), and the draft 2010 *State of the Basin Report*.

City of Ontario LSA Application of January 26, 2012

The City of Ontario applied for an LSA for 20,000 acre-ft and intends to fill that storage with recycled water that is recharged by the Inland Empire Utilities Agency (IEUA) pursuant to the joint

Watermaster and IEUA recharge permit. The City is entitled to about 21 percent of the recycled water recharged by the IEUA and to purchase up to 3,000 acre-ft/yr of the City of Fontana's share of recycled water recharged by IEUA. The City did not include a recapture plan in its LSA application, so it is unclear as to how the stored water will be recaptured and used. A recharge application for the current IEUA and Watermaster recycled water recharge program was approved by Watermaster in 2007 pursuant to the Watermaster Rules and Regulations and the Peace Agreement, and therefore the recharge of recycled water for the City's proposed storage program has already been reviewed and approved by Watermaster.

Groundwater Level Impacts (liquefaction, land subsidence, and increases in pump lift). This is a put-and-take program, and, as such, the general impact will be to increase storage and thereby increase groundwater levels in the Basin slightly, followed by a return to the groundwater levels that would exist if this storage program never occurred. The proposed project will produce a localized increase in groundwater levels in the vicinity of the recharge basins where the recycled water recharge occurs, and this mounding will continue at a near constant level for a duration equal to the minimum of the of the City's LSA term or the duration of Watermaster and IEUA's recycled water recharge program, whichever is shorter. The depth to groundwater beneath the recycled water recharge facilities ranges from 230 ft-bgs to 680 ft-bgs. There will be no adverse impacts from the groundwater level changes caused by the proposed program.

Balance of Recharge and Discharge in Every Area and Subarea. As mentioned above, this is a put-and-take program, and, as such, the general impact will be to increase storage and thereby increase groundwater levels in the Basin slightly, followed by a return to the groundwater levels that would exist if this proposed storage program never occurred. There may be a regional imbalance because recharge may not occur or be tributary to where the stored water is actually produced. The impact of the proposed storage program on the balance of recharge discharge cannot be determined until a recapture plan is filed and approved by Watermaster.

Total Dissolved Solids and Total Nitrogen Concentration of the Recharge Water. This issue was already covered in the recharge application for the current recycled water recharge program, and it was determined that there will be no material physical injury.

Water Quality Impacts on Other Pumpers. This issue was already covered in the recharge application for the current recycled water recharge program, and it was determined that there will be no material physical injury.

Conclusion

There will be no potential material physical injury from the proposed LSA for the recharge and storage of recycled water. The City will have to submit an application to Watermaster to recapture the water stored in the proposed LSA, and a separate MPI analysis will need to be done on the recapture plan.

Please call me if you have any questions or need further assistance.

Wildermuth Environmental, Inc.

A handwritten signature in black ink, appearing to read "Mark J. Wildermuth". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Mark J. Wildermuth, PE
President

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CITY OF



ONTARIO

ONTARIO MUNICIPAL UTILITIES COMPANY

PAUL S. LEON
MAYOR

SHEILA MAUTZ
MAYOR PRO TEM

ALAN D. WAPNER
JIM W. BOWMAN
DEBRA DORST-PORADA
COUNCIL MEMBERS

CHRIS HUGHES
CITY MANAGER

MARY E. WIRTES, MMC
CITY CLERK

JAMES R. MILHISER
TREASURER

SCOTT BURTON
UTILITIES GENERAL MANAGER

January 26, 2012

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

Attn: Ken Jeske

Subject: Application for Local Storage Agreement

This correspondence transmits the City of Ontario's application for a local supplemental storage agreement in the amount of 20,000 acre-feet. The purpose of the storage account would be to store recycled water recharged on behalf of the City by IEUA.

Should you have any questions or require any additional information, please contact Tom O'Neill at (909) 395-2676.

Sincerely,

Scott Burton
Utilities General Manager

Enclosures

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APPLICATION FOR LOCAL STORAGE AGREEMENT

APPLICANT

City of Ontario January 26, 2012
Name of Party Date Requested Date Approved
1425 South Bon View Avenue 20,000 Acre-feet Acre-feet
Street Address Amount Requested Amount Approved
Ontario CA 91761
City State Zip Code
Telephone: (909) 395-2682 Facsimile: (909) 395-2601

TYPE OF WATER TO BE PLACED IN STORAGE

[] Excess Carry Over [X] Local Supplemental or Imported [] Both

PURPOSE OF STORAGE - Check all that may apply

- [X] Stabilize or reduce future water costs/assessments.
[X] Facilitate utilization of other available sources of supply.
[] Facilitate replenishment under certain well sites.
[] Preserve pumping right for a changed future potential use.
[] Other, explain

METHOD AND LOCATION OF PLACEMENT IN STORAGE - Check and attach all that may apply

- [X] Recharge (Form 2)
[] Transfer of Right to Water in Storage (Form 3)
[] Transfer from another party to the Judgment (Form 5)

METHOD AND LOCATION OF RECAPTURE FROM STORAGE - Check and attach all that may apply

- [X] Pump from my wells (Form 4)
[X] Transfer to another party to the Judgment (Form 3)

WATER QUALITY AND WATER LEVELS

What is the existing water quality and what are the existing water levels in the areas that are likely to be affected?

This request is to establish a storage account for City's share of the recharge currently taking place through the Regional recharge Master Plan. Water levels and quality will not be affected.

MATERIAL PHYSICAL INJURY

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 [X]

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?

ADDITIONAL INFORMATION ATTACHED Yes [] No []

Scott Burton
Applicant Scott Burton

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION FOR RECHARGE

APPLICANT

City of Ontario January 26, 2012
Name of Party Date Requested Date Approved
1425 South Bon View Avenue 20,000 Acre-feet
Street Address Amount Requested Amount Approved
Ontario CA 91761
City State Zip Code Projected Rate of Recharge Projected Duration of Recharge
Telephone: (909) 395-2682 Facsimile: (909) 395-2601

SOURCE OF SUPPLY

Water from:
[] State Water Project
[] Colorado River
[] Local Supplemental Source:
[X] Recycled Water
[] Other, explain

METHOD OF RECHARGE

Basin Name All basins included in the recharge plan
[X] PERCOLATION Location
Well Number
[] INJECTION Location (attach map) See map for recycle water recharge basins
Facility Name
[] EXCHANGE Share of Safe Yield 0
Carry Over Right
Water in Storage 0
Pumping Capacity (cfs) 0

WATER QUALITY AND WATER LEVELS

What is the existing water quality and what are the existing water levels in the areas that are likely to be affected?
Water quality and water levels will not be affected since we are not increasing the amount of recharge. We are requesting a storage account for recharge that is currently taking place. The City is entitled to approximately 21% of the total recharged by IEUA and to purchase up to 3,000 AF per year of recycle recharge water from the City of Fontana.

MATERIAL PHYSICAL INJURY

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 [X]

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?

ADDITIONAL INFORMATION ATTACHED

Yes [X] No []

Scott Burton

Applicant Scott Burton

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

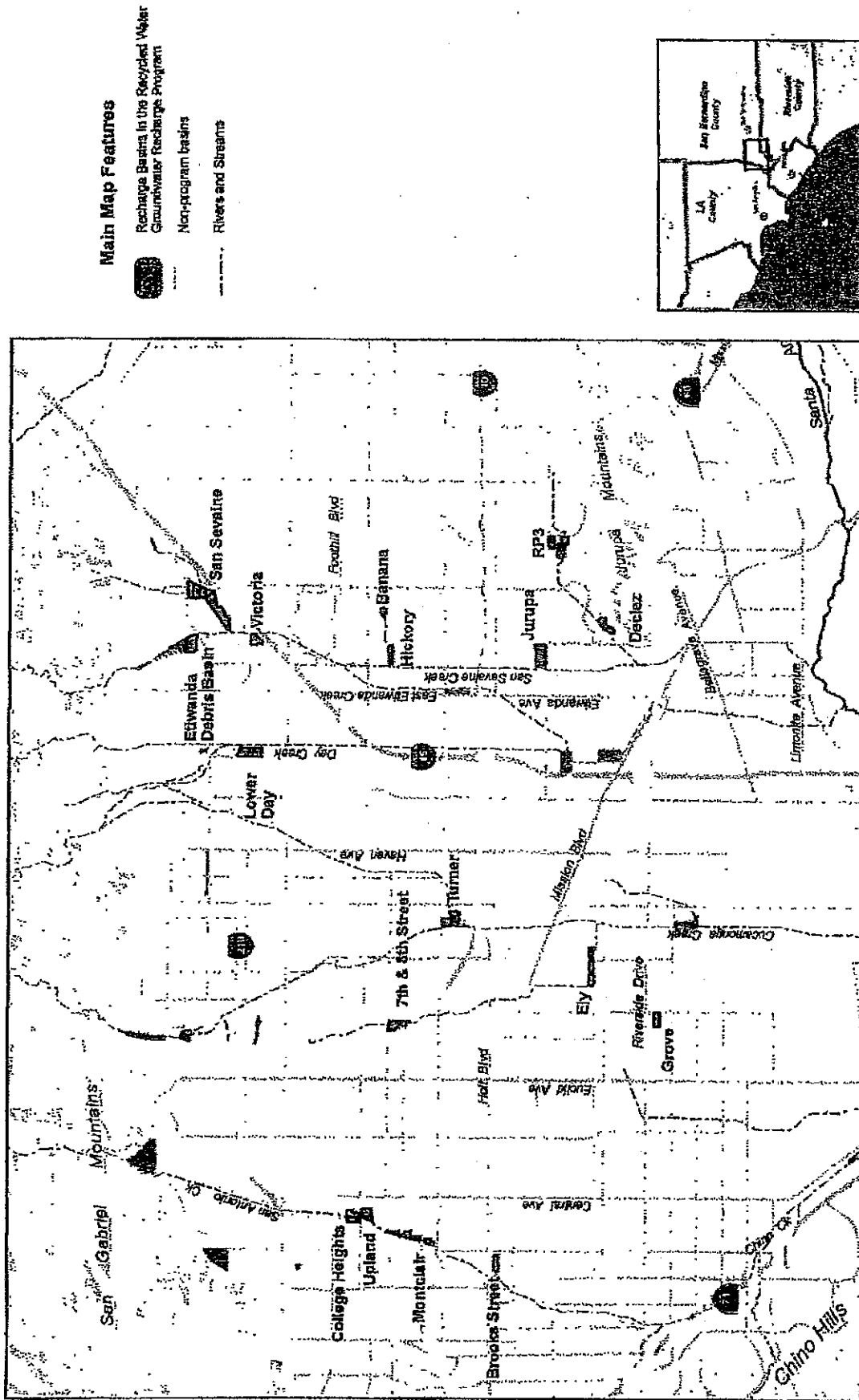
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

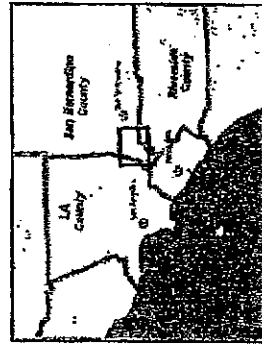
DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



Main Map Features

- Recharge Basins in the Recycled Water Groundwater Recharge Program
- Non-program basins
- Rivers and Streams



Chino Basin Recycled Water Groundwater Recharge Programs
Basin Locations






Figure 1-1

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

B. WATERMASTER ANNUAL AUDIT FISCAL YEAR 2010/2011





CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: March 15, 2012
TO: Committee Members
SUBJECT: Fiscal Year 2010/2011 Audit

SUMMARY

Issue – (1) The Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2011 and 2010 Dated January 26, 2012 and (2) The Chino Basin Watermaster Management Report for June 30, 2011 Dated January 26, 2012.

Recommendation – Receive and File

Financial Impact – None

Background

Chino Basin Watermaster is required to have an annual audit every year. At the February 23, 2012 Board meeting, Chris Brown, Senior Manager with Charles Z. Fedak & Company, presented the Annual Financial Report for the Fiscal Years Ended June 30, 2011 and 2010 along with the Management Report for June 30, 2011. Attached are the Chino Basin Watermaster Management Report for June 30, 2011; and the Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2011 and 2010. Both the Management Report and the Annual Financial Report was issued by the audit firm of Charles Z. Fedak & Company, Chino Basin Watermaster's new auditor. (Recall that the firm of Charles Z. Fedak & Company was awarded the audit contract by the Watermaster Board on May 26, 2011).

The Independent Auditor's Report is detailed on pages 4 and 5 of the Annual Financial Report. Charles Z. Fedak & Company audited the financial statements of Chino Basin Watermaster as of and for the year ended June 30, 2011. The comparative financial information as of June 30, 2010 was audited by our previous audit firm, (Mayer Hoffman McCann, P.C.) whose report dated October 11, 2010, expressed an unqualified opinion on those financial statements. An unqualified opinion concludes that the Financial Statements give a true and fair view in accordance with the financial framework used for the preparation and presentation of the Financial Statements. The Financial Statements are free of material misstatements and are represented fairly in accordance with the Generally Accepted Accounting Principles (GAAP).

In the opinion of Charles Z. Fedak & Company, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Chino Basin Watermaster as of

June 30, 2011, and the respective changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Furthermore, Charles Z. Fedak & Company made the following comments with respect to the audit:

1. Performed the audit according to the planned scope and timing requirements previously communicated in the Audit Engagement letter dated June 10, 2011.
2. Noted no transactions entered into by Watermaster during fiscal year 2011 for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transactions occurred.
3. Noted no issues with Management's Judgments, Accounting Estimates and Financial Disclosures.
4. Noted one audit adjustment entry to adjust the original trial balance presented to the auditors at the start of the audit.
5. Watermaster did not consult with other accountants about auditing and accounting matters.
6. There were no other audit findings or issues.
7. Encountered no significant difficulties in dealing with management in performing and completing the audit process and test work.
8. No disagreements with Watermaster management arose during the course of the audit of Watermaster.

Actions:

February 23, 2012 Watermaster Board – Unanimously Approved to Receive and File

March 8, 2012 Appropriative Pool – Unanimously Approved to Receive and File

March 8, 2012 Non-Agricultural Pool – Moved to approve staff recommendation and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

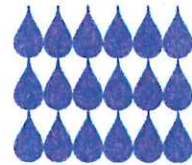
March 8, 2012 Agricultural Pool – Unanimously Approved to Receive and File

March 15, 2012 Advisory Committee –

Chino Basin Watermaster

Management Report

June 30, 2011



Charles Z. Fedak & Company

Certified Public Accountants
An Accountancy Corporation

**Chino Basin Watermaster
Management Report
June 30, 2011**

Chino Basin Watermaster

Management Report

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Schedule of Audit Adjusting Journal Entries	

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Charles Z. Fedak, CPA, MBA
Paul J. Kaymark, CPA
Christopher J. Brown, CPA

Charles Z. Fedak & Company

Certified Public Accountants
An Accountancy Corporation

6081 Orange Avenue
Cypress, California 90630
(714) 527-1818
(562) 598-6565
FAX (714) 527-9154
EMAIL czfco@czfcpa.com
WEB www.czfcpa.com

Board of Directors
Chino Basin Watermaster
Rancho Cucamonga, California

Dear Members of the Board:

We have audited the basic financial statements of the Chino Basin Watermaster (Watermaster) as of and for the year ended June 30, 2011 in accordance with auditing standards generally accepted in the United States of America, we considered Watermaster's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Watermaster's internal control. Accordingly, we do not express an opinion on the effectiveness of Watermaster's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

Our consideration on internal control was for the limited period described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above; however, we did note a control deficiency on the following page.

Our comments, all of which have been discussed with the appropriate members of management, are summarized as follows:

Summary of Current Year Comments and Recommendations

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of Watermaster are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present Watermaster's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management's Response

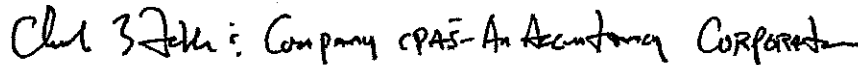
We have reviewed and approved the audit adjustment entry provided by the auditor and have entered the entry into Watermaster's accounting system to close-out Watermaster's year-end trial balance.

Status of Comments and Recommendations Made in the Previous Year

None Noted

This report is intended solely for the information and use of management and the Board of Directors of Watermaster. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.



Charles Z. Fedak and Company, CPA's – An Accountancy Corporation
Cypress, California
January 26, 2012

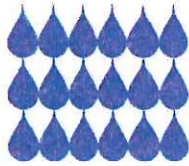
APPENDIX

Chino Basin Watermaster

Audit/Finance Committee Letter

June 30, 2011

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Charles Z. Fedak, CPA, MBA
Paul J. Kaymark, CPA
Christopher J. Brown, CPA

Charles Z. Fedak & Company

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Board of Directors
Chino Basin Watermaster
Rancho Cucamonga, California

We have audited the basic financial statements of the Chino Basin Watermaster (Watermaster) for the year ended June 30, 2011 and have issued our report thereon dated January 26, 2012. Generally accepted auditing standards require that we provide the Governing Board and management with the following information related to our audit of Watermaster's basic financial statements.

Auditor's Responsibility under United States Generally Accepted Auditing Standards

As stated in our Audit Engagement Letter dated June 10, 2011, our responsibility, as described by professional standards, is to express an opinion about whether the basic financial statements prepared by management with oversight of the Governing Board are fairly presented, in all material respects, in conformity with United States generally accepted accounting principles. Our audit of the financial statements does not relieve the Governing Board or management of its responsibilities of oversight in Watermaster's external financial reporting process or any other processes.

In planning and performing our audit, we considered Watermaster's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of Watermaster's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Watermaster's internal control over financial reporting.

As part of obtaining reasonable assurance about whether Watermaster's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing requirements previously communicated in our Audit Engagement letter dated June 10, 2011.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Watermaster are described in Note 1 to the basic financial statements.

We noted no transactions entered into by Watermaster during fiscal year 2011 for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Management's Judgments, Accounting Estimates and Financial Disclosures

Accounting estimates play an integral part in the preparation of basic financial statements by management and are based upon management's knowledge, experience and current judgment(s) about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the position in the basic financial statements is (are):

Management's estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the basic financial statements are neutral, consistent and clear. Certain basic financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the basic financial statements is (are):

The disclosure of fair value of cash and investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 3 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

Corrected and Uncorrected Misstatements

Generally Accepted Auditing Standards require us to accumulate all known and likely misstatements identified during the audit, except those that are considered trivial, and communicate them to the appropriate level of management as follows:

There was one audit adjustment entry recorded to adjust the original trial balance presented to us to begin our audit. Please see the one audit adjustment entry at the end of this report.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principal to Watermaster's basic financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Watermaster's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit processes and testwork.

Charles Z. Fedak & Company • Certified Public Accountants • An Accountancy Corporation

Member of: *American Institute of Certified Public Accountants • California Society of Certified Public Accountants*

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit of Watermaster.

Management Representations

We have requested certain representations from management that are included in the Management Representational Letter to the Auditor dated January 26, 2012.

Conclusion

We appreciate the cooperation extended us by Joseph S. Joswiak, Chief Financial Officer, and Watermaster staff in the performance of our audit testwork.

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to Watermaster.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than the specified, parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

Charles Z. Fedak and Company CPA's - An Accountancy Corporation

Charles Z. Fedak and Company, CPA's - An Accountancy Corporation
Cypress, California
January 26, 2012

**Chino Basin Watermaster
June 30, 2011
Audit Adjusting Journal Entries**

<u>Entry #</u>	<u>Status</u>	<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
AJE 1	Posted	11070-000	LAIF FMV	13,450.07	
		42250-000	Interest Income		13,450.07
AJE - To record LAIF FMV at 6/30/11					
TOTALS				<u>13,450.07</u>	<u>13,450.07</u>



Chino Basin Watermaster

Annual Financial Report

For the Fiscal Years Ended June 30, 2011 and 2010

Our Mission Statement

“The Chino Basin Watermaster is a consensus-based organization facilitating development and utilization of the Chino groundwater basin”

<u>Name</u>	<u>Title</u>	<u>Current Term Ending or Ongoing</u>
Kenneth Willis	Chairman	December 2011
Bob G. Kuhn	Vice-Chair	Ongoing
Tom Haughey	Secretary/Treasurer	December 2011
Robert Bowcock	Member	Ongoing
Geoffrey Vanden Heuvel	Member	Ongoing
Paul Hofer	Member	Ongoing
Charles D. Field	Member	Ongoing
Paula Lantz	Member	Ongoing
Steve Elie	Member	Ongoing

**Chino Basin Watermaster
Ken Jeske, Interim CEO
9641 San Bernardino Road
Rancho Cucamonga, California 91730
(909) 484-3888 – www.cbwm.org**

Chino Basin Watermaster

Annual Financial Report

For the Fiscal Years Ended June 30, 2011 and 2010

**Chino Basin Watermaster
Annual Financial Report
For the Fiscal Years Ended June 30, 2011 and 2010**

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Introductory Section

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January 26, 2012

Board of Directors
Chino Basin Watermaster

Introduction

It is our pleasure to submit the Annual Financial Report for the Chino Basin Watermaster (Watermaster) for the fiscal years ended June 30, 2011 and 2010, following guidelines set forth by the Governmental Accounting Standards Board. Watermaster staff prepared this financial report. The Watermaster is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the Watermaster's financial position and activities.

This report is organized into three sections: (1) Introductory, (2) Financial, and (3) Supplemental. The Introductory section offers general information about the Watermaster's organization and current Watermaster activities and reports on a summary of significant financial results. The Financial section includes the Independent Auditor's Report, Management's Discussion and Analysis of the Watermaster's basic financial statements, and the Watermaster's audited basic financial statements with accompanying Notes. The Supplemental section includes combining revenue and expense schedules.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Watermaster's MD&A can be found immediately after the Independent Auditor's Report.

Watermaster Structure and Leadership

The Chino Basin Watermaster ("Watermaster") was established under a judgment entered in Superior Court of the State of California for the County of San Bernardino as a result of Case No. RCV 51010 (formerly Case No. SCV 164327) entitled "Chino Basin Municipal Water District v. City of Chino, et al.", signed by the Honorable Judge Howard B. Wiener on January 27, 1978. The effective date of this Judgment for accounting and operations was July 1, 1977. Pursuant to the Judgment, the Chino Basin Municipal Water District (CBMWD) five member Board of Directors was initially appointed as "Watermaster". Their term of appointment as Watermaster was for five years, and the Court, by subsequent orders, provides for successive terms or for a successor Watermaster. Pursuant to a recommendation of the Advisory Committee, the Honorable J. Michael Gunn appointed a nine-member board as Watermaster on September 28, 2000. Under the Judgment, three Pool committees were formed: (1) Overlying (Agricultural) Pool which includes the State of California and all producers of water for overlying uses other than industrial or commercial purposes; (2) Overlying (Non-Agricultural) Pool which represents producers of water for overlying industrial or commercial purposes; and (3) Appropriative Pool which represents cities, special districts, other public or private entities and utilities. The three Pools act together to form the "Advisory Committee".

The Chief Executive Officer administers the day-to-day operations of the Watermaster in accordance with policies and procedures established by the Board of Directors. The Watermaster employs nine regular and one part-time employee. The Watermaster's three Pools, the Advisory Committee and the Board of Directors meet each month.

Watermaster Mission and Services

Chino Basin Watermaster's mission is "To manage the Chino Groundwater Basin in the most beneficial manner and to equitably administer and enforce the provisions of the Chino Basin Watermaster Judgment", Case No. RCV 51010 (formerly Case No. SCV 164327). The Watermaster provides the Chino Groundwater Basin service area with services which primarily include: accounting for water appropriations and components of acre footage of stored water by agency, purchase of replenishment water, groundwater monitoring and implementation of special projects. The Watermaster is progressively and actively implementing the Basin's Optimum Basin Management Program which includes extensive monitoring, further developing recharge capabilities, storage and recovery projects, managing salt loads, developing new yield such as reclaimed and storm water recharge and continuing to work with other agencies and entities to enhance this significant natural resource.

Watermaster expenditures are allocated to the pools based on the prior year's production volume (or the same percentage used to set the annual assessments).

Economic Condition and Outlook

The Watermaster's office is located in the City of Rancho Cucamonga in San Bernardino County which has experienced significant economic growth and also recession within the region. The economic outlook for the Southern California region is one of cautious growth due to the prolonged real estate correction, the financial crisis that may impact customers, suppliers, and the ongoing California State budget challenges which are projected to continue in the future.

Internal Control Structure

Watermaster management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the Watermaster are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Watermaster's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The Watermaster's Board of Directors annually adopts an operating budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the Watermaster's enterprise operations. The budget and reporting treatment applied to the Watermaster is consistent with the accrual basis of accounting and the financial statement basis.

Investment Policy

The Board of Directors has adopted an investment policy that conforms to state law, Watermaster's ordinance and resolutions, prudent money management, and the "prudent person" standards. The objective of the Investment Policy is safety, liquidity and yield. Watermaster funds are invested in the State Treasurer's Local Agency Investment Fund and an institutional checking account.

Water Rates and Watermaster Revenues

The Judgment prescribes Watermaster's authority and specifies classes of water production assessments to be used to fund certain activities. Those assessment categories are: Administration, Optimal Basin Management Program, Special Projects and Replenishment. Each class of assessment has a prescribed purpose and water production base. Assessment revenue is Watermaster's principal source of income.

Audit and Financial Reporting

State Law requires the Watermaster to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Charles Z. Fedak & Company, CPAs has conducted the audit of the Watermaster's financial statements. Their unqualified Independent Auditor's Report appears in the Financial Section.


Other References

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

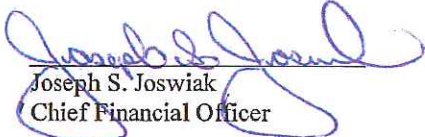
Acknowledgements

Preparation of this report was accomplished by the combined efforts of Watermaster staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the Watermaster. We would also like to thank the members of the Board of Directors for their continued support in planning and implementation of the Chino Basin Watermaster's fiscal policies.

Respectfully submitted,



Ken Jeske
Interim CEO



Joseph S. Joswiak
Chief Financial Officer

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Financial Section

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Christopher J. Brown, CPA

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Independent Auditor's Report

Board of Directors
Chino Basin Watermaster
Rancho Cucamonga, California

We have audited the accompanying financial statements of the Chino Basin Watermaster (Watermaster) as of and for the year ended June 30, 2011, which collectively comprise the Watermaster's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Watermaster's management. Our responsibility is to express an opinion on these financial statements based on our audit. The comparative financial information as of June 30, 2010 was audited by other auditors whose report dated October 11, 2010, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Chino Basin Watermaster as of June 30, 2011, and the respective changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 26, 2012, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits. That report can be found on page 26.

Accounting principals generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Independent Auditor's Report, continued

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Watermaster's basic financial statements as a whole. The introductory section and the supplemental information on pages 24 through 25 are presented for purposes of additional analysis and are not required parts of the basic financial statements. The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Charles Z. Fedak and Company CPAs - An Accountancy Corporation

Charles Z. Fedak and Company, CPAs - An Accountancy Corporation
Cypress, California
January 26, 2012

Chino Basin Watermaster
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2011 and 2010

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Chino Basin Watermaster (Watermaster) provides an introduction to the financial statements of the Watermaster for the fiscal years ended June 30, 2011 and 2010. The two year presentation is provided for comparative purposes. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The Watermaster's net assets decreased 7.11% or \$602,977 to \$7,875,388 in fiscal year 2011 as the result of operations. In 2010, the Watermaster's net assets decreased 22.90% or \$2,517,601 to \$8,478,365 as the result of operations.
- The Watermaster's operating revenues increased 11.29% or \$1,647,301 in 2011 primarily due to a 35.95% or \$2,543,323 increase in replenishment water revenues that was offset by a 12.10% or \$895,834 decrease in administrative assessments. In 2010, the Watermaster's operating revenues decreased 0.5% or \$65,988 to \$14,588,996.
- The Watermaster's operating expenses decreased 1.59% or \$272,346 in 2011 primarily due to a 22.63% decrease in optimum basin management plan costs that was offset by a 11.09% increase in groundwater replenishment costs. In 2010, the Watermaster's operating expenses increased 71.4% or \$7,144,738 to \$17,156,007 due to increased groundwater replenishment costs.

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets and Statement of Cash Flows provide information about the activities and performance of the Watermaster using accounting methods similar to those used by private sector companies.

The Statement of Net Assets includes all of the Watermaster's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the Watermaster and assessing the liquidity and financial flexibility of the Watermaster. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Assets. This statement measures the success of the Watermaster's operations over the past year and can be used to determine if the Watermaster has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the Watermaster's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the Watermaster

One of the most important questions asked about the Watermaster's finances is, "Is the Watermaster better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets report information about the Watermaster in a way that helps answer this question.

Chino Basin Watermaster
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2011 and 2010

Financial Analysis of the Watermaster, continued

These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Watermaster's *net assets* and changes in them. You can think of the Watermaster's net assets – the difference between assets and liabilities – as one way to measure the Watermaster's financial health, or *financial position*. Over time, *increases or decreases* in the Watermaster's net assets are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in federal and state water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 13 through 23.

Statement of Net Assets

Condensed Statements of Net Assets				
	2011	2010	Change	Percentage Change
Assets:				
Current assets	\$ 11,075,096	10,614,785	460,311	4.34%
Capital assets, net	26,190	46,889	(20,699)	-44.14%
Total assets	\$ 11,101,286	10,661,674	439,612	4.12%
Liabilities:				
Current liabilities	\$ 3,135,273	2,057,049	1,078,224	52.42%
Non-current liabilities	90,625	126,260	(35,635)	-28.22%
Total liabilities	3,225,898	2,183,309	1,042,589	47.75%
Net assets:				
Invested in capital assets	26,190	46,889	(20,699)	-44.14%
Unrestricted	7,849,198	8,431,476	(582,278)	-6.91%
Total net assets	7,875,388	8,478,365	(602,977)	-7.11%
Total liabilities and net assets	\$ 11,101,286	10,661,674	439,612	4.12%

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Watermaster, assets of the Watermaster exceeded liabilities by \$7,875,388 and \$8,478,365 as of June 30, 2011 and 2010, respectively.

The Watermaster's investment in capital assets is comprised of capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The Watermaster uses these capital assets to provide services to customers within the Watermaster's service area; consequently, these assets are not available for future spending.

Chino Basin Watermaster
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2011 and 2010

Statement of Net Assets, continued

At the end of fiscal years 2011 and 2010, the Watermaster showed a positive balance in its unrestricted net assets of \$7,849,198 and \$8,431,476, respectively, which may be utilized in future years. See note 7 for further discussion.

Statement of Revenues, Expenses and Changes in Net Assets

Condensed Statements of Revenues, Expenses and Changes in Net Assets

	2011	2010	Change	Percentage Change
Operations:				
Operating revenues	16,236,297	14,588,996	1,647,301	11.29%
Operating expenses	16,883,661	17,156,007	(272,346)	-1.59%
Net loss from operations	(647,364)	(2,567,011)	1,919,647	-74.78%
Depreciation	20,699	29,103	(8,404)	-28.88%
Operating loss	(668,063)	(2,596,114)	1,928,051	-74.27%
Non-operating:				
Interest earnings	65,086	78,513	(13,427)	-17.10%
Total non-operating revenues	65,086	78,513	(13,427)	-17.10%
Change in net assets	(602,977)	(2,517,601)	1,914,624	-76.05%
Net assets, beginning of year	8,478,365	10,995,966	(2,517,601)	-22.90%
Net assets, end of year	7,875,388	8,478,365	(602,977)	-7.11%

The statement of revenues, expenses and changes of net assets shows how the Watermaster's net assets changed during the fiscal years. In the case of the Watermaster, net assets decreased by \$602,977 and \$2,517,601 for the fiscal years ended June 30, 2011 and 2010, respectively.

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

The Watermaster's operating revenues increased 11.29% or \$1,647,301 in 2011 primarily due to a 35.95% or \$2,543,323 increase in replenishment water revenues that was offset by a 12.10% or \$895,834 decrease in administrative assessments.

In 2010, the Watermaster's operating revenues decreased 0.5% or \$65,988 to \$14,588,996 primarily due to a 9.9% or \$636,162 increase in replenishment water revenues and a 100.0% or \$111,188 increase in miscellaneous revenue that was offset by a 9.3% or \$762,121 decrease in administrative assessments and a 100.0% or \$51,217 decrease in mutual agency project revenue.

The Watermaster's operating expenses decreased 1.59% or \$272,346 in 2011 primarily due to a 22.63% decrease in Optimum Basin Management Plan costs that was offset by a 11.09% increase in groundwater replenishment costs.

In 2010, the Watermaster's operating expenses increased 71.4% or \$7,144,738 to \$17,156,007 due to increased Groundwater replenishment costs.

Chino Basin Watermaster
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2011 and 2010

Capital Asset Administration

At the end of fiscal year 2011 and 2010, the Watermaster's investment in capital assets amounted to \$26,190 and \$46,889 (net of accumulated depreciation), respectively. This investment in capital assets includes leasehold improvements, office equipment, and vehicles. There were no major capital assets additions during the year ended June 30, 2011.

Changes in capital assets in 2011 were as follows:

	Balance 2010	Additions	Disposals/ Transfers	Balance 2011
Capital assets:				
Depreciable assets	273,808	-	-	273,808
Accumulated depreciation	(226,919)	(20,699)	-	(247,618)
Total capital assets	46,889	(20,699)	-	26,190

Changes in capital assets in 2010 were as follows:

	Balance 2009	Additions	Disposals/ Transfers	Balance 2010
Capital assets:				
Depreciable assets	250,992	22,816	-	273,808
Accumulated depreciation	(197,816)	(29,103)	-	(226,919)
Total capital assets	53,176	(6,287)	-	46,889

Conditions Affecting Current Financial Position

Management is unaware of any conditions which could have a significant impact on the Watermaster's current financial position, net assets or operating results based on past, present and future events.

Requests for Information

This financial report is designed to provide the Watermaster's funding sources, customers, stakeholders and other interested parties with an overview of the Watermaster's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Watermaster's Chief Financial Officer at 9641 San Bernardino Road, Rancho Cucamonga, CA 91730.

Basic Financial Statements

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Chino Basin Watermaster
Statement of Net Assets
June 30, 2011 and 2010

<i>Assets</i>	2011	2010
Current assets:		
Cash and cash equivalents (note 2)	\$ 7,187,623	10,578,034
Accrued interest receivable	14,729	20,658
Accounts receivable	3,750,628	800
Prepaid expenses	122,116	15,293
Total current assets	11,075,096	10,614,785
Non-current:		
Capital assets, net (note 3)	26,190	46,889
Total non-current assets	26,190	46,889
Total assets	\$ 11,101,286	10,661,674
<i>Liabilities</i>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 3,064,607	1,970,273
Accrued salaries and benefits	21,868	18,790
Long-term liabilities – due within one year:		
Compensated absences (note 4)	48,798	67,986
Total current liabilities	3,135,273	2,057,049
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 4)	90,625	126,260
Total non-current liabilities	90,625	126,260
Total liabilities	3,225,898	2,183,309
Net assets: (note 6)		
Investment in capital assets, net of related debt	26,190	46,889
Unrestricted	7,849,198	8,431,476
Total net assets	7,875,388	8,478,365
Total liabilities and net assets	\$ 11,101,286	10,661,674

See accompanying notes to the basic financial statements

Chino Basin Watermaster
Statement of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating revenues:		
Administrative assessments	\$ 6,508,169	7,404,003
Replenishment water revenue	9,617,128	7,073,805
Other revenue	<u>111,000</u>	<u>111,188</u>
Total operating revenue	<u>16,236,297</u>	<u>14,588,996</u>
Operating expenses:		
Groundwater replenishment and other water purchases	10,991,245	9,894,321
Optimum basin management plan	4,895,469	6,327,400
Watermaster administration	544,784	657,236
Pool, advisory, and board administration	<u>452,163</u>	<u>277,050</u>
Total operating expense	<u>16,883,661</u>	<u>17,156,007</u>
Operating loss before depreciation	(647,364)	(2,567,011)
Depreciation expense	<u>(20,699)</u>	<u>(29,103)</u>
Operating loss	<u>(668,063)</u>	<u>(2,596,114)</u>
Non-operating revenues:		
Interest earnings	<u>65,086</u>	<u>78,513</u>
Total non-operating revenues	<u>65,086</u>	<u>78,513</u>
Change in net assets	(602,977)	(2,517,601)
Net assets at beginning of year	<u>8,478,365</u>	<u>10,995,966</u>
Net assets at end of year	<u>\$ 7,875,388</u>	<u>8,478,365</u>

See accompanying notes to the basic financial statements

Chino Basin Watermaster
Statement of Cash Flows
For the Fiscal Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Cash received from stakeholders	\$ 12,486,469	14,765,511
Cash paid to employees for salaries and wages	(892,464)	(900,275)
Cash paid to vendors and suppliers for materials and services	<u>(15,055,431)</u>	<u>(14,708,441)</u>
Net cash used in operating activities	<u>(3,461,426)</u>	<u>(843,205)</u>
Cash flows from capital financing activities:		
Acquisition of capital assets	<u>-</u>	<u>(22,816)</u>
Net cash used in capital financing activities	<u>-</u>	<u>(22,816)</u>
Cash flows from investing activities:		
Interest earnings received	<u>71,015</u>	<u>78,513</u>
Net cash provided by investing activities	<u>71,015</u>	<u>78,513</u>
Net decrease in cash	(3,390,411)	(787,508)
Cash and cash equivalent at the beginning of year	<u>10,578,034</u>	<u>11,365,542</u>
Cash and cash equivalent at the end of year	\$ <u>7,187,623</u>	<u>10,578,034</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ <u>(668,063)</u>	<u>(2,596,114)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	20,699	29,103
Changes in assets and liabilities		
(Increase) decrease in assets:		
Accounts receivable	(3,749,828)	176,515
Prepaid expenses	(106,823)	18,170
Increase (decrease) in liabilities:		
Accounts payable and accrued expense	1,094,334	1,581,185
Accrued salaries and benefits	3,078	(61,124)
Compensated absences	<u>(54,823)</u>	<u>9,060</u>
Total adjustments	<u>(2,793,363)</u>	<u>1,752,909</u>
Net cash used in operating activities	\$ <u>(3,461,426)</u>	<u>(843,205)</u>
Non-cash investing, capital and financing transactions:		
Change in fair-market value of investments	\$ <u>13,450</u>	<u>-</u>
See accompanying notes to the basic financial statements		

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2011 and 2010

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Chino Basin Watermaster ("Watermaster") was established under a judgment entered in Superior Court of the State of California for the County of San Bernardino as a result of Case No. RCV 51010 (formerly Case No. SCV 164327) entitled "Chino Basin Municipal Water District v. City of Chino, et al.", signed by the Honorable Judge Howard B. Weiner on January 27, 1978. The effective date of this Judgment for accounting and operations was July 1, 1977.

Pursuant to the Judgment, the Chino Basin Municipal Water District (CBMWD) five member Board of Directors was initially appointed as "Watermaster". Their term of appointment as Watermaster was for five years, and the Court, by subsequent orders, provides for successive terms or for a successor Watermaster. Pursuant to a recommendation of the Advisory Committee, the Honorable J. Michael Gunn appointed a nine-member board as Watermaster on September 28, 2000.

Under the Judgment, three Pool committees were formed: (1) Overlying (Agricultural) Pool which includes the State of California and all producers of water for overlying uses other than industrial or commercial purposes; (2) Overlying (Non-Agricultural) Pool which represents producers of water for overlying industrial or commercial purposes; and (3) Appropriative Pool which represents cities, districts, other public or private entities and utilities. The three Pools act together to form the "Advisory Committee".

The Watermaster provides the Chino Groundwater Basin service area with services which primarily include: accounting for water appropriations and components of acre-footage of stored water by agency, purchase of replenishment water, groundwater monitoring and implementation of special projects.

Watermaster expenditures are allocated to the pools based on the prior year's production volume (or the same percentage used to set the annual assessments). Allocations for fiscal year 2010-11 expenses are based on the 2009-2010 production volume.

Production volume	Fiscal Year 2010	
	Acre Feet	Percentage
Appropriative Pool	78,733	68.765%
Agricultural Pool	31,855	27.822%
Non-agricultural Pool	3,908	3.413%
Total production volume	114,496	100.000%

The Agricultural Pool members ratified an agreement with the Appropriative Pool at their meeting of June 16, 1988, wherein the Appropriative Pool assumes Agricultural Pool administrative expenses and special project cost allocations in exchange for an accelerated transfer of unpumped agricultural water to the Appropriative Pool. In addition the Agricultural Pool transferred all pool administrative reserves at June 30, 1988 to the Appropriative Pool effective July 1, 1988.

In July of 2000, the principal parties in the Basin signed an agreement, known as the Peace Agreement, which among other things formalized the commitment of the Basin parties to implement an Optimum Basin Management Program. The Peace Agreement was signed by all of the parties, and the Court has approved the agreement and ordered the Watermaster to proceed in accordance with the terms of the agreement. The Court has approved revisions to the Chino Basin Watermaster Rules and Regulations.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2011 and 2010

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

B. Basis of Accounting and Measurement Focus

The Watermaster reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Watermaster is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as replenishment water revenues and groundwater replenishment, result from exchange transactions associated with the principal activity of the Watermaster. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

C. Financial Reporting

The Watermaster's basic financial statements are presented in conformance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, "*Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments*" (GASB No. 34). This statement established revised financial reporting requirements for state and local governments throughout the United States for the purpose of enhancing the understandability and usefulness of financial reports.

GASB No. 34 and its related GASB pronouncements provide for a revised view of financial information and restructure the format of financial information provided prior to its adoption. A statement of net assets replaces the balance sheet and reports assets, liabilities, and the difference between them as net assets, not equity. A statement of revenues, expenses and changes in net assets replaces both the income statement and the statement of changes in retained earnings and contributed capital. GASB No. 34 also requires that the statement of cash flows be prepared using the direct method. Under the direct method, cash flows from operating activities are presented by major categories.

Under GASB No. 34, enterprise funds, such as the Watermaster, have the option of consistently following or not following pronouncements issued by the Financial Accounting Standards Board (FASB) subsequent to November 30, 1989. The Watermaster has elected not to follow FASB standards issued after that date, unless such standards are specifically adopted by GASB.

D. Assets, Liabilities and Net Assets

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net assets during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Substantially all of the Watermaster's cash is invested in interest bearing accounts. The Watermaster considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2011 and 2010

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

D. Assets, Liabilities and Net Assets, continued

3. Investments

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

4. Accounts Receivable and Allowance for Uncollectible Accounts

The Watermaster extends credit to customers in the normal course of operations. Management has determined that all amounts are considered collectable. As a result, the Watermaster has not recorded an allowance for doubtful accounts at June 30, 2011.

5. Prepaid Expenses

Certain payments to vendors reflects costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

6. Compensated Absences

The Watermaster's policy is to permit employees to accumulate earned vacation up to a total of 320 hours with amounts exceeding the limit being paid out as part of the employee's regular compensation. Upon termination of employment, employees are paid all unused vacation and forfeit any unused sick time.

7. Water Production Assessments

Water Production Assessment categories include: Administration, Optimal Basin Management Program, Special Projects, and Water Replenishment. Assessments are billed on a yearly basis.

8. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment and software	5 years
Office furniture and fixtures	7 years
Leasehold improvements	10 years
Automotive equipment	7 years

9. Budgetary Policies

The Watermaster adopts an annual operational budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2011 and 2010

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

D. Assets, Liabilities and Net Assets, continued

10. Net Assets

The financial statements utilize a net assets presentation. Net assets are categorized as follows:

- **Investment in Capital Assets, net of related debt** – This component of net assets consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt against the acquisition, construction or improvement of those assets.
- **Restricted Net Assets** – This component of net assets consists of constraints placed on net assets use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Assets** – This component of net assets consists of net assets that do not meet the definition of *restricted* or *investment in capital assets, net of related debt*.

(2) Cash and Investments

Cash and investments as of June 30, are classified in the Statements of Net Assets as follows:

	2011	2010
Cash and cash equivalents	\$ 7,187,623	10,578,034
Total cash and cash equivalents	\$ 7,187,623	10,578,034

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

	2011	2010
Cash on hand	\$ 500	500
Deposits with financial institutions	141,907	603,604
Investments	7,045,216	9,973,930
Total cash and investments	\$ 7,187,623	10,578,034

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

	2011	2010
Deposits held with the California Local Agency Investment Fu:	237 days	203 days

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

The table below identifies the investment types that are authorized by the Watermaster in accordance with the California Government Code (or the Watermaster's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Watermaster's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2011 and 2010

(2) Cash and Investments, continued

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury obligations	5 years	None	None
Federal agency and bank obligations	5 years	None	None
Certificates-of-deposit (negotiable or placed)	5 years	30%	10%
Commercial paper (prime)	270 days	10%	10%
Money market mutual funds	N/A	20%	None
State and local bonds, notes and warrants	N/A	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Watermaster's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the Watermaster's bank balances, up to \$250,000 at June 30, 2011 and 2010, were federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Watermaster's name.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the Watermaster's investment policy contains legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The Watermaster is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Watermaster's investment in this pool is reported in the accompanying financial statements at amounts based upon the Watermaster's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2011 and 2010

(2) Cash and Investments, continued

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Watermaster manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Watermaster's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Concentration of Credit Risk

The Watermaster's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Watermaster's investments at June 30, 2011 and 2010, respectively.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2011 and 2010

(3) Capital Assets

Changes in capital assets for 2011 were as follows:

	<u>Balance 2010</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 2011</u>
Depreciable assets:				
Computer equipment	\$ 117,590	-	-	117,590
Furniture and fixtures	42,291	-	-	42,291
Leasehold improvements	23,443	-	-	23,443
Vehicles and equipment	90,484	-	-	90,484
Total depreciable assets	<u>273,808</u>	<u>-</u>	<u>-</u>	<u>273,808</u>
Accumulated depreciation:				
Computer equipment	(87,620)	(8,469)	-	(96,089)
Furniture and fixtures	(42,292)	-	-	(42,292)
Leasehold improvements	(16,413)	(2,344)	-	(18,757)
Vehicles and equipment	(80,594)	(9,886)	-	(90,480)
Total accumulated depreciation:	<u>(226,919)</u>	<u>(20,699)</u>	<u>-</u>	<u>(247,618)</u>
Total capital assets, net	<u>\$ 46,889</u>			<u>26,190</u>

There were no major capital assets additions during the fiscal year.

Changes in capital assets for 2010 were as follows:

	<u>Balance 2009</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 2010</u>
Depreciable assets:				
Computer equipment	\$ 94,774	22,816	-	117,590
Furniture and fixtures	42,291	-	-	42,291
Leasehold improvements	23,443	-	-	23,443
Vehicles and equipment	90,484	-	-	90,484
Total depreciable assets	<u>250,992</u>	<u>22,816</u>	<u>-</u>	<u>273,808</u>
Accumulated depreciation:				
Computer equipment	(74,055)	(13,565)	-	(87,620)
Furniture and fixtures	(36,953)	(5,339)	-	(42,292)
Leasehold improvements	(14,068)	(2,345)	-	(16,413)
Vehicles and equipment	(72,740)	(7,854)	-	(80,594)
Total accumulated depreciation:	<u>(197,816)</u>	<u>(29,103)</u>	<u>-</u>	<u>(226,919)</u>
Total capital assets, net	<u>\$ 53,176</u>			<u>46,889</u>

Major capital assets additions during the year include upgrades to computer equipment.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2011 and 2010

(4) Compensated Absences

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

Balance 2010	Additions	Deletions	Balance 2011	Current	Long Term
\$ 194,246	118,816	(173,639)	139,423	48,798	90,625

Balance 2009	Additions	Deletions	Balance 2010	Current	Long Term
\$ 185,186	102,238	(93,178)	194,246	67,986	126,260

(5) Defined Benefit Pension Plan

Plan Description

The Agency contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multi-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public agencies within the State of California. Benefit provisions and all other requirements are established by state statute and the Agency. Copies of CalPERS annual financial report may be obtained from their executive Office: 400 P Street, Sacramento, CA, 95814.

Funding Policy

The Watermaster participates in the 2.5% at 55 Risk Pool. Participants are required to contribute 8% of their annual covered salary. The Watermaster makes the contributions required of the employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and the Watermaster contract with employee bargaining groups.

Also, the Watermaster is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates are equal to the annual pension costs (APC) percentage of payroll for fiscal years 2011, 2010 and 2009 as noted below. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS. For Fiscal years 2011, 2010 and 2009, the Watermaster's annual contributions for the CalPERS plan were equal to the Agencies required and actual contributions for each fiscal year as follows:

Three Year Trend Information:

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	APC Percentage of Payroll
2008-2009	176,576	100%	-	11.346%
2009-2010	165,298	100%	-	11.417%
2010-2011	163,231	100%	-	14.298%

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2011 and 2010

(6) Net Assets

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

	2011	2010
Net investment in capital assets:		
Capital assets, net	\$ 26,190	46,889
Total net investment in capital assets	26,190	46,889
Unrestricted net assets:		
Non-spendable net assets:		
Prepaid expenses and deposits	122,116	15,293
Total non-spendable net assets	122,116	15,293
Spendable net assets are designated as follows:		
Undesignated net assets reserve	7,727,082	8,416,183
Total spendable net assets	7,727,082	8,416,183
Total unrestricted net assets	7,849,198	8,431,476
Total net assets	\$ 7,875,388	8,478,365

(7) Risk Management

The Watermaster is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Watermaster is insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the Watermaster as of June 30, 2011:

- Commercial General Liability: \$2,000,000 General Aggregate Limit (Other than Products/Completed Operations); \$2,000,000 Products/Completed Operations Aggregate Limit (Any One Person or Organization); \$1,000,000 Personal and Advertising Injury Limit; \$1,000,000 Each Occurrence Limit; \$100,000 Rented To You Limit; \$5,000 Medical Expenses Limit (Any One Person).
- Commercial Excess Liability: Limits of Liability are \$10,000 Retained Limit, \$4,000,000 Each Occurrence, \$4,000,000 General Aggregate Limit, \$4,000,000 Products/Completed Operations to Aggregate.
- Automobile: \$1,000,000 Combined Bodily Injury and Property Damage Single Limit (Each Accident); \$500,000 Uninsured Motorists Single Limit. \$500 deductible for Comprehensive and \$1,000 deductible for Collision.
- Property: \$525,000 with liability limits varying by property type with a \$1,000 deductible.
- Crime coverage: \$50,000 per claim with a \$1,000 deductible.
- Director and Officer/Crisis Management: \$5,000 to \$50,000 with liability limits varying by type of coverage.
- Workers compensation: \$2,000,000 each accident or each employee by disease.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2011 and 2010

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2011, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 60

In November 2010, the GASB issued Statement No.60, *Accounting and Financial Reporting for Service Concession Arrangements*. This standard address how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. This statement is effective for financial statements for periods beginning after January 26, 2012. The impact of the implementation of this Statement to the Watermaster's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 61

In November 2010, the GASB issued Statement No.61, *The Financial Reporting Entity, Omnibus*. This standard is designed to improve financial reporting for governmental entities by amending the requirements of GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 34, *Basic Financial Statement and Management's Discussion and Analysis for State and local Governments*. This statement is effective for financial statements for periods beginning after January 26, 2012. The impact of the implementation of this Statement to the Watermaster's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 63

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standard is designed to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. This statement is effective for financial statements for periods beginning after January 26, 2012. The impact of the implementation of this Statement to the Watermaster's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 64

In June 2011, the GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*. This standard is designed to improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or swap counterparty's credit support provider, is replaced. This statement is effective for financial statements for periods beginning after January 26, 2012. The impact of the implementation of this Statement to the Watermaster's financial statements has not been assessed at this time.

(9) Commitments and Contingencies

Grant Awards

Grant funds received by the Watermaster are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the Watermaster believes that such disallowances, if any, would not be significant.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2011 and 2010

(9) Commitments and Contingencies, continued

Litigation

In the ordinary course of operations, the Watermaster is subject to claims and litigation from outside parties. After consultation with legal counsel, the Watermaster believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(10) Subsequent Events

Events occurring after June 30, 2011 have been evaluated for possible adjustment to the financial statements or disclosure as of January 26, 2012, which is the date the financial statements were available to be issued.

Supplemental Information Section

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Chino Basin Watermaster
 Combining Schedule of Revenue, Expenses, and Changes in Net Assets
 For the Fiscal Year Ended June 30, 2011

	Watermaster Administration	Optimum Basin Management	Appropriative Pool	Agricultural Pool	Non-Agricultural Pool	Groundwater Replenishment	Groundwater Operations SB 222 Funds	Education Funds	Grand Totals	Budget 2010-2011
Administrative revenues:										
Administrative assessments	\$ -	-	6,165,079	-	343,090	-	-	-	6,508,169	6,508,070
Interest revenue	(272)	-	33,547	2,324	1,227	-	-	4	36,930	175,010
Mutual agency project revenue	111,000	-	-	-	-	-	-	-	111,000	148,410
Grant income	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-	-	-	-
Total revenues	110,728	-	6,198,626	2,324	344,417	-	-	4	6,656,099	6,831,490
Administrative & project expenditures:										
Watermaster administration	565,108	-	-	-	-	-	-	-	565,108	512,546
Watermaster board-advisory committee	68,732	-	-	-	-	-	-	-	68,732	73,073
Pool administration	-	-	51,778	186,152	145,903	-	-	-	383,833	474,856
Optimum basin management administration	-	1,626,892	-	-	-	-	-	-	1,626,892	1,550,390
OBMP project costs	-	2,901,787	-	-	-	-	-	-	2,901,787	3,772,619
Debt service	-	366,790	-	-	-	-	-	-	366,790	700,964
Education funds use	-	-	-	-	-	-	-	375	375	375
Mutual agency project costs	-	-	-	-	-	-	-	-	-	10,000
Total administrative/OBMP expenses	633,840	4,895,469	51,778	186,152	145,903	-	-	375	5,913,517	6,894,823
Net administrative/OBMP expenses:										
Allocate net admin expenses to pools	\$ (523,112)	(4,895,469)	359,719	145,559	17,855	-	-	-	-	-
Allocate net OBMP expenses to pools	523,112	4,528,679	3,114,151	1,259,958	154,570	-	-	-	-	-
Allocate debt service to app pool	-	366,790	366,790	-	-	-	-	-	-	-
Agricultural expense transfer*	1,591,649	(1,591,649)	-	-	-	-	-	-	-	-
Total expenses	5,484,086	-	5,484,086	-	318,328	-	-	375	5,913,517	6,894,823
Net administrative income	714,540	2,324	2,324	26,089	(63,333)	-	-	(371)	742,582	(63,333)
Other income/(expense)										
Replenishment water assessments	-	-	3,622,004	-	-	3,622,004	-	-	3,622,004	-
Non-Ag stored water purchases	-	-	2,244,496	-	-	2,244,496	-	-	2,244,496	-
Interest revenue	-	-	28,158	-	-	28,158	-	-	28,158	-
MWD water purchases	-	-	3,750,628	-	-	3,750,628	-	-	3,750,628	-
Non-Ag stored water purchases	-	-	(2,255,436)	-	-	(2,255,436)	-	-	(2,255,436)	-
MWD water purchases	-	-	(3,750,628)	-	-	(3,750,628)	-	-	(3,750,628)	-
Groundwater replenishment	-	-	(4,984,780)	-	-	(4,984,780)	-	-	(4,984,780)	-
Net other income	(10,940)	-	(1,334,618)	-	-	(1,334,618)	-	-	(1,345,558)	-
Net transfers to/(from) reserves	703,600	2,324	26,089	256,631	(371)	-	-	(371)	(602,976)	(63,333)
Net Assets July 1, 2010	6,219,006	473,483	1,369,992	158,251	158,251	-	-	1,001	8,478,364	7,875,388
Net Assets, End of Period	6,922,606	475,807	283,720	35,374	158,251	-	-	650	7,875,388	7,875,388
2009/2010 assessable production	78,733,238	31,854,766	3,907,911	3,413%	114,495,915	-	-	-	114,495,915	100.000%
2009/2010 production percentages	68.765%	27.822%	3.413%	-	-	-	-	-	100.000%	-

* Fund balance transfer as agreed to in the Peace Agreement

Chino Basin Watermaster
Combining Schedule of Revenue, Expenses, and Changes in Net Assets
For the Fiscal Year Ended June 30, 2010

	Watermaster Administration	Optimum Basin Management		Pool Administration and Special Projects		Groundwater Operations		Education Funds	Grand Totals	Budget 2009-2010
		Appropriative Pool	Agricultural Pool	Non-Agricultural Pool	Groundwater Replenishment	SB 222 Funds				
Administrative revenues:										
Administrative assessments	-	7,178,987	-	-	225,016	-	-	-	7,404,003	7,340,839
Interest revenue	-	39,009	2,764	-	1,744	-	-	6	43,523	191,540
Mutual agency project revenue	-	-	-	-	-	-	-	-	-	148,410
Grant income	-	-	-	-	-	-	-	-	-	-
Other	111,000	188	-	-	-	-	-	-	111,188	-
Total revenues	111,000	7,218,184	2,764	226,760	-	-	-	6	7,558,714	7,680,789
Administrative & project expenditures:										
Watermaster administration	686,338	-	-	-	-	-	-	-	686,338	580,238
Watermaster board-advisory committee	61,245	-	-	-	-	-	-	-	61,245	61,901
Pool administration	-	22,733	186,478	6,596	-	-	-	-	215,807	229,860
Optimum basin management administration	-	-	-	-	-	-	-	-	1,710,617	1,557,820
OBMP project costs	-	-	-	-	-	-	-	-	3,726,780	4,109,362
Debt service	-	-	-	-	-	-	-	-	890,006	1,131,233
Education funds use	-	-	-	-	-	-	-	-	-	375
Mutual agency project costs	-	-	-	-	-	-	-	-	-	10,000
Total administrative/OBMP expenses	747,583	22,733	186,478	6,596	-	-	-	-	7,290,793	7,680,789
Net administrative/OBMP expenses:	(636,583)									
Allocate net admin expenses to pools	636,583	444,761	168,752	23,070	-	-	-	-	-	-
Allocate net OBMP expenses to pools	-	3,798,946	1,441,400	197,051	-	-	-	-	-	-
Allocate debt service to app pool	-	890,006	-	-	-	-	-	-	-	-
Agricultural expense transfer*		1,796,629	(1,796,629)	-	-	-	-	-	7,290,793	7,680,789
Total expenses		6,953,076	-	226,717	-	-	-	6	7,290,793	7,680,789
Net administrative income		265,108	2,764	43	-	-	-	-	267,921	-
Other income/(expense)										
Replenishment water assessments	-	-	-	-	7,073,805	-	-	-	7,073,805	-
Interest revenue	-	-	-	-	34,994	-	-	-	34,994	-
Water purchases	-	-	-	-	-	-	-	-	-	-
Balance adjustment	-	10,939	-	-	(2,176,961)	-	-	-	(2,166,022)	-
Other water purchases	-	-	-	-	(7,728,299)	-	-	-	(7,728,299)	-
Groundwater replenishment	-	-	-	-	(2,796,461)	-	-	-	(2,785,522)	-
Net other income		10,939	-	-	(2,796,461)	-	-	6	(2,517,601)	-
Net transfers to/(from) reserves		276,047	2,764	43	-	-	-	-	281,254	-
Net Assets July 1, 2009		5,942,967	470,719	256,577	-	-	-	995	10,995,966	-
Net Assets, End of Period		6,219,014	473,483	256,620	-	-	-	1,001	8,478,365	8,478,365
2008/2009 assessable production		84,716,450	32,142,764	4,309,990	-	-	-	-	121,253,204	-
2008/2009 production percentages		69.867%	26.509%	3.624%	-	-	-	-	100.000%	-

* Fund balance transfer as agreed to in the Peace Agreement

Report on Internal Controls and Compliance

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Charles Z. Fedak, CPA, MBA
 Paul J. Kaymark, CPA
 Christopher J. Brown, CPA

Charles Z. Fedak & Company

Certified Public Accountants
 An Accountancy Corporation

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
 Chino Basin Watermaster
 Rancho Cucamonga, California

We have audited the basic financial statements of the Chino Basin Watermaster (Watermaster) as of and for the year ended June 30, 2011, and have issued our report thereon dated January 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Watermaster's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Watermaster's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Watermaster's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Watermaster's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

Charles Z. Fedak & Company CPAs - An Accountancy Corporation

Charles Z. Fedak and Company, CPAs - An Accountancy Corporation
 Cypress, California
 January 26, 2012

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

- C. PROPOSED
SUPPLEMENTAL ORDER
FOR RESOLUTION 2010-04





CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: March 15, 2012
TO: Committee Members
SUBJECT: Supplemental Order re Resolution 2010-04

SUMMARY

Issue - The proposed Supplemental Order clarifies that Resolution 2010-04 does not impair the rights of private well owners to seek judicial review of alleged harm caused to those well owners from desalter pumping in the Chino Creek Wellfield.

Recommendation – Recommend that the Board direct Watermaster counsel to file the proposed Supplemental Order with the Court and request that the Court either sign the Order without a hearing, or hear argument on the proposed Order at whatever hearing is scheduled pursuant to the Recharge Master Plan update that is scheduled to be filed with the Court in June

Background

On October 28, 2011 a hearing was held regarding Court approval of Watermaster Resolution 2010-04. Among other things, Resolution 2010-04 confirms a process whereby private well owners object to the Chino Basin Desalter Authority ("CDA") if those owners believe that CDA pumping in the Chino Creek Well Field ("CCWF") is causing harm to their wells. This process is articulated in detail in the Monitoring and Mitigation Plan for the CCWF and forms are provided for private well owners to file a complaint with CDA.

Pursuant to this process, CDA is the ultimate arbiter of whether the private well owner's complaint has merit. During the October 28, 2011 hearing, the Court raised a due process concern about whether his approval of Resolution 2010-04 would eliminate any judicial review rights that the private well owner might possess. (See October 28, 2011 Hearing Transcript page 112 line 16 to page 115 line 15.)

In order to clarify the Court's intent on this issue in approving Resolution 2010-04, Watermaster has prepared a Supplemental Order for the Court's signature. The operative portion of the Proposed Order confirms that Watermaster Resolution 2010-04, and the Court's October 28, 2011 Order approving the Resolution, shall not be construed to limit the legal rights of any private well owner to claim that the operation of the Chino Basin Desalter Authority wells has caused harm to that party.

Watermaster counsel has circulated the proposed Order to counsel for the Agricultural Pool and counsel for CDA and it appears that the proposed Order is consistent with the understanding of these parties.

Watermaster proposes to submit the Order to the Court and request the Court to sign the Order without holding a hearing, or in the alternative to hear the matter at whatever hearing is scheduled pursuant to Watermaster's filing with respect to the Recharge Master Plan progress update that is to be filed with the Court in June.

Actions:

March 8, 2012 Appropriative Pool – Approved unanimously to approve supplemental order re Resolution 2010-04

March 8, 2012 Non-Agricultural Pool – Moved to approve supplemental order re Resolution 2010-04 and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

March 8, 2012 Agricultural Pool – Approved unanimously to approve supplemental order re Resolution 2010-04

March 15, 2012 Advisory Committee –

March 22, 2012 Watermaster Board –

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO**

CHINO BASIN MUNICIPAL WATER
DISTRICT,

Plaintiff,

v.

CITY OF CHINO, ET AL.,

Defendant.

Case No. RCV 51010

**[PROPOSED] SUPPLEMENTAL ORDER
AFTER HEARING ON MOTION FOR
APPROVAL OF WATERMASTER
RESOLUTION 2010-04**

On October 28, 2011 the Court issued its *Order After Hearing on Motion for Approval of Watermaster Resolution 2010-04*. During the October 28, 2011 hearing, the Court raised a concern regarding the scope of its Order concerning the procedures to address claims by private well owners. Specifically, the Court was concerned that its approval of the procedures described in the mitigation measures and the emergency response plan (See Exhibits "F" and "H" to Resolution 2010-04) would not be construed to limit the legal rights of any such private well owners to pursue claims independent of these procedures.

Watermaster has submitted this *Supplemental Order* as a means to provide confirmation of the Court's understanding of the effect of its October 28, 2011 Order. It does not appear that any party objects to the Court adopting this Order.

1 Accordingly, IT IS HEREBY ORDERED THAT:

2 Watermaster Resolution 2010-04, and the Court's October 28, 2011 Order approving the
3 Resolution, shall not be construed to limit the legal rights of any private well owner to claim that
4 the operation of the Chino Basin Desalter Authority wells has caused harm to that party.

5

6 Dated: _____, 2012

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HON. STANFORD E. REICHERT
JUDGE OF THE SUPERIOR COURT

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

D. PROPOSED CASH RESERVE POLICY 4.17





CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: March 15, 2012
TO: Committee Members
SUBJECT: Watermaster Operating Cash Reserve Policy 4.17

SUMMARY

Issue – Consider Approval of Operating Cash Reserve Policy 4.17

Recommendation – Approve Watermaster Operating Cash Reserve Policy 4.17

Financial Impact – The Proposed Policy will lower the Operating Cash Reserves held by Watermaster and will be based on the annual “Approved” budget.

Background

Assessments are collected annually to fund the Watermaster operations for the entire fiscal year. The Assessment consists of two parts: one to fund the annual Operating Budget; and the second to finance water purchases required to acquire replenishment water. The Operating Budget consists of General Administrative (GA) expenses, Optimum Basin Management Program (OBMP) and Project (Project) expenses. Because the Operating Budget cannot be predicted with total accuracy, Watermaster historically has maintained Operating Cash Reserves (Contingency) to cover unexpected expenses. In addition, because the budget year expenses begin on July 1 each year but the Assessments are not often collected until December, there is a need to carry Cash Flow Reserves to fund operations during the first six months of the fiscal year. It has been the practice of Watermaster to carry a six month Cash Flow Reserve at the beginning of each fiscal year.

The practice of establishing an Operating Cash Reserve started in FY 1980/1981 with the establishment of a 25 percent Operating Cash Reserve. In FY 1993/1994, the Operating Cash Reserve was increased from 25 percent to 33 percent. In FY 2001/2002 the Operating Cash Reserve was changed to include a 33 percent reserve for budgeted General Administrative expenses and 15 percent for budgeted OBMP and Project expenses. Effective with the FY 2006/2007 budget, the percentages were changed to 30 percent for both the General Administrative and OBMP/Project budgeted expenses.

The current practice of Watermaster is to maintain Operating Cash Reserves equal to 30 percent of the Administrative Budget and 30 percent of the OBMP/Project Budget referred to as the 30/30 Reserve. Once the required Operating Cash Reserves calculation is determined, any Excess Cash Reserves are returned with the Assessment package.

The current Operating Cash Reserves practice has been discussed with Watermaster's current audit firm of Charles Z. Fedak & Company and they have stated that there is currently no GASB requirement to maintain a set amount, percentage or period of time for Operating Cash Reserves. The auditors are of the opinion that the policy and practice of Operating Cash Reserves and level of cash to operate is for Watermaster to determine. The auditors do recommend that Watermaster should maintain some level of Operating Cash Reserves, but they are leaving the exact details of the level of cash and reserves up to Watermaster.

At the direction of the Appropriative Pool, Advisory Committee and Board, a meeting was held at the Watermaster offices on Wednesday, February 8, 2012 at 3:00pm for any interested Watermaster parties to discuss the overall Cash Reserve Policy. Among other discussion, the participants recommended establishing a six month Working Capital Reserve, Administrative Operating Reserves (Contingency) of 10-15 percent and OBMP/Project Operating Reserves (Contingency) of 10-15 percent and no Preemptive Replenishment Water Reserves. The participant comments, suggestions and recommendations were used by Watermaster staff in the development the attached recommended policy.

Staff recommendation is to establish a six month Working Capital Reserve, a 10 percent Administrative Operating Reserve, a 15 percent OBMP/Project Operating Reserve, and provide a method for carryover expenses, Recharge Improvement Debt Payments, over production replenishment obligation and return of Excess Cash Reserves.

This recommendation does not provide for Reserves for Preemptive Water purchases at the action of all three Pools on March 8, 2012.

Actions:

March 8, 2012 Appropriative Pool – Approve unanimously the Reserve Policy, direct staff to get together and look at the Investment Policy, and to direct staff to strike 4.17.9 from the Policy

March 8, 2012 Non-Agricultural Pool – Moved to approve the Reserve Policy, with the direction to strike 4.17.9 from the Policy, and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

March 8, 2012 Agricultural Pool – Approve unanimously the Reserve Policy with the direction to strike 4.17.9 from the Policy

March 15, 2012 Advisory Committee –

March 22, 2012 Watermaster Board –

Chino Basin Watermaster WATERMASTER POLICY			
Subject	Policy Number	Date Adopted	Date Revised
OPERATING CASH RESERVE POLICY	4.17		

Purpose

4.17.1 The purpose of this policy is to establish an Operating Cash Reserve Policy for Chino Basin Watermaster.

Background

4.17.2 The annual Watermaster budget begins on July 1 each year but the Assessments are not often collected until December. Watermaster’s main source of operating income is derived from the annual Assessments. There is a need to carry Cash Flow Reserves at the beginning of each fiscal year.

The Watermaster budget is approved before the end of the fiscal year. Watermaster Assessments are collected annually to fund Watermaster operations based upon the “Approved” Watermaster budget. There is no contingency provision provided for in the Watermaster budget. There is no mechanism or process to fund for any unanticipated expenses or projects. To provide a funding source for unanticipated expenses, Watermaster historically has maintained Operating Cash Reserves to cover these unexpected expenses.

Policy

4.17.3 Working Capital Cash Reserve: Watermaster will maintain a Working Capital Reserve amount at the beginning of each fiscal year equal to six months of the annual budget to ensure that Watermaster can meet its budgeted financial obligations. The required Working Capital Reserve amount will be based upon the current “Approved” fiscal year budget. In the event that the annual budget has not been approved, the Working Capital Reserve amount will be based upon the previous fiscal year’s “Approved” budget plus ten percent.

4.17.4 Operating Cash Reserve – Administrative: During the budget process, Watermaster shall provide for an Operating Cash Reserve of 10 percent of the “Proposed” General Administrative (GA) fiscal year budget.

4.17.5 Operating Cash Reserve – OPBM/Projects: During the budget process, Watermaster shall provide for an Operating Cash Reserve of 15 percent of the “Proposed” Optimum Basin Management Program (OBMP) and Project (Project) fiscal year budget.

4.17.6 Carry-over Expenses: During the budget process, Watermaster may need to carryover unfinished capital projects or related expenses from one fiscal year to the next. These expenses will be included in the next year’s budget. However, because these unfinished capital projects or related expenses have been previously funded from the Assessment process, they will be excluded from the next Assessment. They will also be excluded from the Operating Cash Reserve calculations in Sections 4.17.4 and 4.17.5 listed above. Any such carryover of funds from one fiscal year to the next will be brought to the attention of the parties during the normal budget process.

If the carryover unfinished capital projects and related expenses are greater than what was previously funded, the difference shall be included as part of the “Proposed” budget or by use of the appropriate Operating Cash Reserve.

4.17.7 Recharge Improvement Debt Payments: As part of the Watermaster budget process, Watermaster staff will determine if any adjustments (increase or decrease) to the Recharge Improvement Debt Payments are required. If the previous year’s Recharge Improvement Debt Payment assessment amount is higher than the actual previous year’s expenses, a decrease in the expense category will be processed for the current budget. If the previous year’s Recharge Improvement Debt Payment assessment amount is lower than the previous year’s actual expenses, an increase in the expense category will be processed.

4.17.8 Overproduction Replenishment Funds: As part of the Watermaster annual Assessment process, overproducers are charged an amount equal to their overproduction to replenish the supply of water. Watermaster will use these funds to purchase water whenever water is available. Watermaster will maintain a Replenishment Water Reserve for these funds. These funds will be maintained on a case by case, unit value basis for each overproducer. Any purchase of Replenishment Water made from these funds will offset the oldest overproduction first. After purchase of Replenishment Water, any excess funds will be returned on a case by case unit cost basis. When Replenishment Water is available, if the cost is greater than the amount on hand for that purchase, a “Special Assessment” or other authorized sources of funding to the applicable overproducer will be processed to fund the purchase of Replenishment Water. Other authorized sources of funding may include pre-paid deposits, advanced payments or billing/invoice to individual parties from Watermaster.

4.17.9 Unanticipated Project/Programs: Watermaster currently does not maintain an Operating Cash Reserve for future or unanticipated Projects/Programs. If and when unanticipated Projects/Programs occur, a "Special Assessment" or other authorized sources of funding to the applicable parties will be processed to fund the unanticipated expenses. Other authorized sources of funding may include pre-paid deposits, advanced payments or billing/invoice to individual parties from Watermaster.

4.17.10 Return of Excess Cash Reserves: During the Assessment process, normally conducted in November, Watermaster staff will determine if any Excess Cash Reserves exist (excluding any amounts pertaining to the Recharge Improvement Debt Payments). If Excess Cash Reserves exist, these funds will be distributed to the parties as a credit on the Assessment invoice. The distribution of Excess Cash Reserves will be based upon the percentage of Total Assessment dollars paid by each party against the Total Assessments Paid. For example, if a party paid 3 percent of the Total Assessment dollars, they would receive a 3 percent portion of the available Excess Cash Reserve credit.

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

E. CEO RECRUITMENT CONTRACT





CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: March 15, 2012
TO: Committee Members
SUBJECT: Consider Approval to Appropriate \$32,000 to Fund the Watermaster CEO Recruitment Contract Cost.

SUMMARY

Issue – Consider Approval to Appropriate \$32,000 to Fund the Watermaster CEO Recruitment Contract Cost.

Recommendation – Approve to Appropriate \$32,000 to Fund the Watermaster CEO Recruitment Contract Cost.

Financial Impact – The balance of un-appropriated funds from the MWD revenue is \$83,196. The amount of \$32,000 will be appropriated from the remaining balance, leaving an un-appropriated balance of \$51,196. The "Amended" Watermaster Expense Budget will increase from \$7,084,767 to \$7,116,767, an increase of \$32,000.

Background

During the three Pool meetings held on March 8, 2012, unanimous approval was provided for the Interim CEO to bring a request to the Advisory Committee to request approval to appropriate \$32,000 to fund the Watermaster CEO Recruitment Contract cost.

During the mid-year review presentations last month, Watermaster currently has a balance of \$83,196 of un-appropriated funds from the MWD revenue. Appropriating \$32,000 to fund the Watermaster CEO Recruitment Contract cost would leave an un-appropriated balance of \$51,196 which can be used to fund other expenses as needed.

Staff recommendation is to appropriate \$32,000 from the un-appropriated balance of \$83,196 to fund the Watermaster CEO Recruitment Contract cost.

Actions:

March 8, 2012 Appropriative Pool – Approved to request action at Advisory Committee meeting
March 8, 2012 Non-Agricultural Pool – Approved to request action at Advisory Committee meeting
March 8, 2012 Agricultural Pool – Approved to request action at Advisory Committee meeting
March 15, 2012 Advisory Committee –
March 22, 2012 Watermaster Board –

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CHINO BASIN WATERMASTER BUDGET AMENDMENT

To: **All Parties**

Fiscal Year 2011-2012

From : Joseph S. Joswiak, CFO Date:

March 15, 2012

Describe reason for the budget amendment here: The Watermaster approved FY 2011/2012 budget did not include the Watermaster CEO Recruitment Contract cost of \$32,000. The remaining MWD unbudgeted revenue of \$83,196 will be partially appropriated, leaving a remaining balance of \$51,196 to be appropriated at later date, if required.

Expenditure Amendment

<i>Line Item Description</i>	<i>Account Number</i>	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Amendment Amount</i>
Staff Recruitment Costs	6064	\$0	\$32,000	\$32,000
TOTAL:				\$ 32,000

Revenue Source

<i>Line Item Description</i>	<i>Account Number</i>	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Amendment Amount</i>
Cooperative Agreement - MWD	4040	\$0	(\$32,000)	(\$32,000)
TOTAL:				\$ (32,000)

Amendment Procedure

1. Staff takes amendment requests to the Pools, Advisory Committee & Board for approval.
2. The Chief Financial Officer will prepare and process the budget entry.
4. A log will be maintained by the Finance Department detailing the adjustment.
5. A fiscal year file will also be kept to hold all budget amendment forms for auditor review.

Finance Use Only

Date Board Approved _____

Entered into System By _____

Finance Log # _____

Date Posted _____

Approved By _____

Date Approved _____

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CHINO BASIN WATERMASTER

III. REPORTS / UPDATES

C. INLAND EMPIRE UTILITIES AGENCY

3. State and Federal Legislative Reports
4. Community Outreach/Public Relations Report
5. IEUA Monthly Water Newsletter



CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

March 15, 2012

AGENDA

INTERAGENCY WATER MANAGER'S REPORT

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

Discussion Items:

- MWD Update (oral)
- Water Softener Initiative (oral)

Written Items:

- State and Federal Legislative Reports
- Community Outreach/Public Relations Report
- IEUA Monthly Water Newsletter

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Date: March 21, 2012
To: The Honorable Board of Directors
Through: Public, Legislative Affairs, and Water Resources Committee (3/14/12)
From: Thomas A. Love
General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: February Legislative Report from Dolphin Group

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

BACKGROUND

Michael Boccadoro provides a monthly report (attached) on the Dolphin Group's activities on behalf of the Chino Basin/Optimum Basin Management Program Coalition.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

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February 29, 2012

To: Inland Empire Utilities Agency
From: Michael Boccadoro
President
RE: February Status Report



Overview:

On the election front, the California Supreme Court ruled that the state Senate maps drawn by the California Citizens Redistricting Commission would be used in the 2012 election, regardless of the success of a ballot measure to overturn the legislative districts recently drawn by the California Citizens Redistricting Commission.

Also, a proposal to reduce the total amount of time a person may serve in the state legislature from 14 years to 12, served in either house, has qualified for the June 2012 ballot and will be before voters as Proposition 28.

The California Public Utilities Commission (CPUC) issued a staff proposal on the continuation of the Public Goods Charge, now known as the Electric Program Investment Charge (EPIC). The proposal contains program funding levels that are very concerning to wastewater and broader biogas proponents.

Republican leadership in the Legislature has introduced a package of pension reform legislation that is identical to the Governor's plan. The legislation would require the use of a hybrid system for public employees and make other changes to current employee's contributions. This legislation is not expected to receive a warm welcome from Democratic legislators.

Discussions over what to do with the water bond have heated up in Sacramento. Senate Pro Tem, Darrel Steinberg and Assembly Speaker John Perez convened a meeting in the Capitol to talk about what to do with the bond. There has been no decision on whether to move the bond to another ballot, reduce it, or let it go as planned in November. These discussions are ongoing.

Controller John Chiang has reported that spending is running \$2.5 billion above budget estimates in the current fiscal year and revenue is coming in at \$2.5 billion below expectations. The Legislative Analyst has also forecast that revenue for the 2012-13 proposed budget is likely to be \$6.5 billion short of the Governor's expectations, even with his proposed tax increase.

The Legislative Analyst's Office (LAO) released a report recommending changes to the Cap and Trade program, echoing concerns voiced by industrial trade groups worried about high costs of compliance with greenhouse gas reduction requirements and rising energy costs.

The bill introduction deadline was February 24. Legislators must now tackle the over 1900 bills that have been introduced. Many bills are just "spot bills," place holders to be amended at a later date with substantive policy changes. Throughout the spring, Legislators will shepherd their bills through the committee process.

Inland Empire Utilities Agency

Status Report – February 2012

Senate District Maps

Republican efforts to change how new district lines are drawn for the state Senate suffered a major blow in early February. The California Supreme Court ruled that the districts drawn by the California Citizens Redistricting Commission will be used in the November 2012 election regardless of an initiative that qualified for the November 2012 ballot to overturn the districts. Proponents of the ballot initiative argued that the old districts should be used until voters can decide how to proceed. Democrats stand to gain several Senate seats with the new districts in place.

Term Limits

One of the first ballot initiatives to qualify for the June 2012 ballot is Proposition 28. Current law only allows members to serve three two-year terms in the Assembly and two four-year terms in the Senate. This initiative would allow a member to serve a total of twelve years in either house. Notably, the proposal does not apply to sitting members of the Legislature. The initiative is supported by the Los Angeles Federation of Labor and the Los Angeles Chamber of Commerce.

Public Goods Charge

On February 10, the California Public Utilities Commission (CPUC) issued the Phase 2 staff proposal for the Public Goods Charge, now known as Electric Program Investment Charge. The Public Goods Charge expired on December 31, 2011. The Legislature made an attempt to extend the charge at the end of the last legislative session, but failed to get the two-thirds majority vote needed to extend the program. IEUA was very supportive of extending the Public Goods Charge and worked hard to include some dedicated funding for biogas in the proposed legislation.

Because the Legislature failed to reauthorize the program in time, the Governor asked the CPUC to extend the program, utilizing their broad constitutional authority. In order to provide stability on ratepayer bills, the CPUC quickly extended the program so that the funds would continue to be collected on an interim basis- Phase 1 of the proceeding. Phase 1 was adopted on the CPUC consent calendar on December 15, 2011 and the funds are being collected at the same levels, but are being deposited into holding accounts until Phase 2 is resolved and the California Energy

Commission (CEC) develops a specific spending plan. If funding levels are altered, or the program is discontinued, the funds will be returned to ratepayers.

The staff proposal provides minimum finding of \$10 million annually for bioenergy research, development and demonstration, but fails to provide "market support" funding for bioenergy projects. The staff proposal, in fact eliminates all funding for the existing Emerging Renewables Program which has historically incubated solar and wind projects. Comments are due in March with a decision expected in April or May.

Proposed Program Funding Levels:

Applied Research	\$55M
Demonstration (bioenergy min of 20%)	\$50M
Market Facilitation- Program tracking and market research	\$5M
Market Facilitation- Regulatory assistance and streamlining	\$8M
Market Facilitation- Workforce development	\$2M
Program Administration- Administrator	\$21.3M
Program Oversight- CPUC	\$0.7M
Total	\$142M

The major problem with the staff proposal is that there is no funding for bioenergy in the market support part of the program. \$10M for bioenergy in the demonstration category is not sufficient to help get a biogas program in California up and running.

The CPUC process will continue with many parties, including IEUA, asking for a more collaborative process to allocate these resources. Dolphin Group will continue to monitor the CPUC process and the legislative processes to ensure that biogas gets the funding needed for a successful incubation program.

The Legislature could also make a move to allocate the money. Legislative direction could be passed, now that the charge has been extended, by a simple majority vote.

Pension Reform

Governor Brown released the details of his pension reform plan in early February. The plan called for the introduction of a hybrid plan for new employees, elimination of purchasing air time for all employees, requirements that employees pay at least part of the employee match, and the elimination of pension spiking. The Governor was unable to find a Democratic author for his plan, but on February 22, Republican leadership introduced several bills that encompass the Governor's pension plan word for word. The Governor was unable to get a Democrat to carry his legislation because labor unions tend to not be supportive of pension reform, and it is an election year. Republicans are likely counting on Democrats not moving the legislation through the committee process, and using that inaction to campaign against Democrats in the fall. The four bill package includes two constitutional amendments which would need a two thirds vote of the legislature to be put before voters in the November 2012 election.

Proposed pension reform initiatives targeting the November 2012 ballot have also been scrapped, further complicating any chance of success of legislative action this year.

Water Bond

The comprehensive water package that was passed in 2010 included an \$11.2 billion bond set for the November 2012 ballot. With the state of the California economy, experts are skeptical if the bond can pass at its current size at this time. Legislative leadership convened a meeting in the Capitol to discuss the possibility of moving the bond to another ballot, reducing its size, or letting the election continue without alteration. A group of stakeholders, including the Dolphin Group, attended the meeting and subsequent meetings to discuss all of these possibilities. The Association of California Water Agencies (ACWA) is taking the lead on representing the water community in these discussions, with a heavy influence from the Metropolitan Water District of Southern California (MWD).

ACWA and MWD are having conversations with members about potential proposed cuts and what should be preserved. There has been no clear indication about what level of cuts are necessary to ensure passage.

ACWA is working on a detailed survey to probably go in the field in late February or early March with results to be released three weeks later. The results of the survey are expected to help determine what total amount voters are willing to pass and what specific areas of the bond are important to voters. Also expected to be tested is if having the bond on the ballot will hurt the Governor's tax proposal. Support from the Governor will be crucial to getting the bond passed.

Stakeholder groups are unwilling to detail where cuts should be made until a targeted amount needed to be cut is identified. Therefore conversations are staying relatively quiet until the survey information is compiled. All parties are working together, hoping to avoid significant and ugly battles on specific provisions of the bond. This will be an ongoing issue that will be reported on monthly.

Cap and Trade

The Legislative Analyst's Office (LAO) has released a report on some of the significant issues discussed during the development of the Cap and Trade program at the California Air Resources Board (CARB). The intent of the report is to lay out the tradeoffs of one of the most wide ranging and complex regulatory efforts in California history, and for the Legislature to evaluate the choices that CARB made during program development.

The LAO found that CARB made a reasonable effort to balance various policy tradeoffs, but urges the Legislature to consider several policy areas to help reduce overall compliance costs. None of the recommendations would affect IEUA in the short-term, because it only concerns those entities that are under the cap. However, any discussion about legislation on cap and trade could open an avenue for further amendments to the program that would be favorable to agencies such as IEUA to be able to generate offsets for sale to covered entities. It is unclear if any member of the Legislature is willing to take on such a complicated and politically hot issue.

LEGISLATION – Bill introduction deadline was Feb 24. Over 1900 pieces of legislation have been introduced since January 1, 2012. Below is a sampling of bills that are of interest. Further analysis is required and a comprehensive report will be included in the March report.

**AB
1558** (Eng D) Liability: flood control and water conservation facilities.

Introduced: 1/26/2012

Status: 2/2/2012-Referred to Com. on JUD.

Location: 2/2/2012-A. JUD.

Summary: Current law, until January 1, 2013, provides that neither a public agency that operates flood control and water conservation facilities nor its employees shall be liable for injuries caused by the condition or use of unlined flood control channels or adjacent groundwater recharge spreading grounds under prescribed conditions, except as specified, and specifies that nothing in that provision exonerates a public agency or public employee subject to that provision from liability for injury proximately caused by a dangerous condition of public property under specified circumstances. This bill would extend the operation of those provisions indefinitely.

**AB
1669** (Perea D) Safe drinking water and water quality projects: groundwater contamination.

Introduced: 2/14/2012

Status: 2/23/2012-Referred to Com. on W., P. & W.

Location: 2/23/2012-A. W.,P. & W.

Summary: The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative bond act approved by the voters at the November 7, 2006, statewide general election, authorizes the issuance of bonds in the amount of \$5,388,000,000 for the purposes of financing a safe drinking water, water quality and supply, flood control, and resource protection program. Current law appropriates from those bond funds \$50,400,000 to the State Department of Public Health for grants for projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water and requires that the funds be available for immediate projects needed to protect public health, as prescribed. This bill would eliminate the requirement that the projects be immediate. By removing a restriction on the expenditure of appropriated funds, this bill would make an appropriation.

**AB
1750** (Solorio D) Rainwater Capture Act of 2012.

Introduced: 2/17/2012

Status: 2/21/2012-From printer. May be heard in committee March 22.

Location: 2/17/2012-A. PRINT

Summary: Would enact the Rainwater Capture Act of 2012, which would authorize residential, commercial, and governmental landowners to install, maintain, and operate rain barrel systems, as defined, and rainwater capture systems, as defined, for specified purposes, provided that the systems comply with specified requirements. The bill would

require a local agency to provide notification to the operator of a public water system, as defined, if the local agency chooses to adopt a permitting program for rainwater capture systems and approves a permit for a rainwater capture system connected to the public water system. This bill contains other related provisions and other current laws.

AB
1813 **(Buchanan D) Sacramento-San Joaquin Delta Reform Act of 2009.**

Introduced: 2/21/2012

Status: 2/22/2012-From printer. May be heard in committee March 23.

Location: 2/21/2012-A. PRINT

Summary: Current law, the Sacramento-San Joaquin Delta Reform Act of 2009, establishes the Delta Stewardship Council as an independent agency of the state. Current law requires the State Water Resources Control Board to establish an effective system of Delta watershed diversion data and public reporting by December 31, 2010. Current law requires the board to develop new flow criteria for the Delta ecosystem, as specified. Current law requires the board to submit those determinations to the council. This bill would make a technical, nonsubstantive change to those provisions.

AB
1871 **(Logue R) Water supplies: drought preparedness.**

Introduced: 2/22/2012

Status: 2/23/2012-From printer. May be heard in committee March 24.

Location: 2/22/2012-A. PRINT

Summary: Current law authorizes the Department of Water Resources to operate the State Water Project and to undertake various other functions relating to the water resources of the state. This bill would require the department to prepare and submit to the appropriate committees of the Legislature a report that includes recommendations relating to drought preparedness and to conduct an annual survey of public and private water suppliers relating to water supply reliability in the event of a drought.

AB
1900 **(Gatto D) Renewable energy resources: biomethane.**

Introduced: 2/22/2012

Status: 2/23/2012-From printer. May be heard in committee March 24.

Location: 2/22/2012-A. PRINT

Summary: Would provide that the PUC's duty to specify the maximum amount of vinyl chloride that may be found in landfill gas applies to gas that is to be injected into a common carrier pipeline. This bill would require the PUC to develop reasonable, prudent, and minimally restrictive testing protocols for gas collected from a solid waste landfill that is to be injected into a common carrier pipeline to determine if the gas contains chemicals known to the state to cause cancer or reproductive toxicity. This bill would prohibit a gas producer from knowingly selling, supplying, transporting, or purchasing gas collected from a hazardous waste landfill. This bill contains other related provisions and other current laws.

AB 1906 (Nestande R) California Global Warming Solutions Act of 2006: market-based compliance mechanisms.

Introduced: 2/22/2012

Status: 2/23/2012-From printer. May be heard in committee March 24.

Location: 2/22/2012-A. PRINT

Summary: The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating greenhouse gas emission sources. The act requires the state board to adopt regulations to require the reporting and verification of statewide greenhouse gas emissions and to monitor and enforce compliance with this program. The act also requires the state board to adopt regulations to provide for a statewide greenhouse gas emissions limit to be achieved by 2020, equivalent to the statewide greenhouse gas emissions levels in 1990. Current law authorizes the state board to include market-based compliance mechanisms, as defined, to comply with the regulations. This bill would make technical, nonsubstantive changes to the authorization to include market-based compliance mechanisms.

AB 2000 (Huber D) Sacramento-San Joaquin Delta: Delta Plan.

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be heard in committee March 25.

Location: 2/23/2012-A. PRINT

Summary: Would state findings and declarations regarding the lack of information about the regulatory and environmental consequences of incorporating the BDCP into the Delta Plan. This bill would state the intent of the Legislature to enact legislation that would include elements in the environmental impact report and environmental impact statement for the BDCP and to include certain changes in the BDCP, as specified.

AB 2051 (Campos D) Public drinking water standards: hexavalent chromium.

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be heard in committee March 25.

Location: 2/23/2012-A. PRINT

Summary: The Calderon-Sher Safe Drinking Water Act of 1996 requires the State Department of Public Health to, among other things, adopt regulations relating to primary and secondary standards for contaminants in drinking water. Current law requires the department to establish a primary drinking water standard for hexavalent chromium on or before January 1, 2004. This bill would express the intent of the Legislature to enact legislation that would set a deadline for the department to establish a maximum contaminant level for hexavalent chromium in drinking water.

AB 2056 (Chesbro D) Drinking water: point-of-entry and point-of-use treatments.

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be heard in committee March 25.

Location: 2/23/2012-A. PRINT

Summary: Would not require a water system to demonstrate that centralized treatment is economically infeasible and would not require the water system to submit a preapplication with the department for funding before the water system may use a point-of-entry and point-of-use treatment. This bill contains other related provisions and other current laws.

AB
2069 **(Solorio D) Sanitation, sewerage, and water charges: collection.**

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be heard in committee March 25.

Location: 2/23/2012-A. PRINT

Summary: Current law authorizes various local public entities to prescribe fees or other charges for services and facilities furnished by them in connection with their water, sanitation, storm drainage, or sewerage system, as well as for the privilege of connecting to these sanitation or sewerage facilities. These charges, under specified circumstances, may be collected on the tax roll in the same manner as property taxes and the amount of the charges constitutes a lien against the lot or parcel against which the charge has been imposed, unless the real property has been transferred or conveyed to a bona fide purchaser for value, or a lien of a bona fide encumbrancer for value has been created and attached prior to the date upon which the first installment of the property taxes would become delinquent. This bill would instead require the transfer, conveyance, or attachment to occur during the year preceding the date on which the first installment of property taxes that evidence the charges appears on the tax roll, in order to preclude the local public entity's lien from attaching to the real property of the bona fide purchaser or encumbrancer for value. This bill contains other related provisions and other current laws.

AB
2075 **(Fong D) State water policy.**

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be heard in committee March 25.

Location: 2/23/2012-A. PRINT

Summary: Current law establishes various state water policies, including the policy that the growing water needs of the state require the use of water in an efficient manner and that the efficient use of water requires certainty in the definition of property rights to the use of water and transferability of such rights. This bill would declare that it is the policy of the state to promote water conservation, water efficiency, and water recycling as the most cost-effective means of increasing water supply and protecting the environment.

AB
2117 **(Achadjian R) Waste discharge requirements: storm water.**

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be heard in committee March 25.

Location: 2/23/2012-A. PRINT

Summary: Would prohibit implementation of any new storm water effluent standards or limitations more stringent than the provisions of the Federal Water Pollution Control Act until January 1, 2017. This bill would require the state board, in consultation with affected stakeholders to prepare a comprehensive statewide storm water plan, as prescribed, and submit it to the Legislature by January 1, 2016. This bill contains other related provisions and other current laws.

AB
2157 **(Mansoor R) Drinking water act.**

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be heard in committee March 25.

Location: 2/23/2012-A. PRINT

Summary: Current law, the California Safe Drinking Water Act, provides for the operation of public water systems, and imposes on the State Department of Public Health various responsibilities and duties. Current law requires the department to conduct research, studies, and demonstration projects relating to the provision of a dependable, safe supply of drinking water, to adopt regulations to implement the California Safe Drinking Water Act, and to enforce provisions of the federal Safe Drinking Water Act. This bill would make technical, nonsubstantive changes to these provisions.

AB
2180 **(Alejo D) California Safe Drinking Water Act.**

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be heard in committee March 25.

Location: 2/23/2012-A. PRINT

Summary: The Calderon-Sher Safe Drinking Water Act of 1996 establishes a drinking water regulatory program within the State Department of Public Health in order to provide for the orderly and efficient delivery of safe drinking water within the state and to establish primary drinking water standards that are at least as stringent as those established under the federal Safe Drinking Water Act. This bill would make technical, nonsubstantive changes to those provisions.

AB
2208 **(Perea D) Community water systems: consolidation and merger.**

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be heard in committee March 25.

Location: 2/23/2012-A. PRINT

Summary: Would require the State Department of Public Health to promote the consolidation and merger of small community water systems that serve disadvantaged communities, as specified. This bill would require certain studies to include the feasibility of consolidating community water systems or merging a community water system with a city water system, as specified, unless the department determines

consolidation or merger is not feasible. This bill would also require the department to give priority to funding projects involving the physical restructuring and managerial consolidation of 2 or more community water systems or the merger of community water systems into a single, consolidated system when it is shown that the consolidation or merger would further specified goals.

AB
2230 (**Gatto D**) **Recycled water: car washes.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Would require an in-bay car wash, as defined, or a conveyor car wash, as defined, permitted and constructed after January 1, 2014, to either install, use, and maintain a water recycling system, as defined, that recycles and reuses at least 60% of the wash and rinse water, or to enter into a contract to use recycled water provided by a retail water supplier to wash and rinse vehicles.

AB
2234 (**Hill D**) **Electricity net energy metering.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Would include in the definition of an eligible customer-generator, a public agency customer, as defined, meeting the current requirements applicable to residential, small commercial, commercial, industrial, or agricultural customers, except that that generation facility have a total capacity of not more than 5 megawatts. This bill contains other related provisions and other current laws.

AB
2238 (**Perea D**) **Public water systems: drinking water.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Would require the State Department of Public Health to promote the consolidation and merger of small community water systems that serve disadvantaged communities, as specified, and would require the studies performed prior to a construction project to include the feasibility of consolidating or merging community water systems. This bill would also require the department to give priority to funding projects involving managerial consolidation or merger when the consolidation or merger would further specified goals. This bill contains other related provisions and other current laws.

AB
2311 (**Atkins D**) **Stormwater Resource Planning Act.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Under current law, the State Water Resources Control Board and the California regional water quality control boards prescribe waste discharge requirements for the discharge of stormwater in accordance with the national pollutant discharge elimination system (NPDES) permit program and the Porter-Cologne Water Quality Control Act. Current law, the Stormwater Resource Planning Act, authorizes a city, county, or special district to develop, jointly or individually, a stormwater resource plan that meets certain standards. This bill would make technical, nonsubstantive changes in these provisions.

AB
2334

(Fong D) California Water Plan: drinking water and wastewater services.

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Would require the Department of Water Resources to include an analysis in the California Water Plan, of possible mechanisms to address the lack of affordability of drinking water and wastewater services in updates of the California Water Plan.

AB
2341

(Williams D) : Distribution grid: distributed generation.

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Would require the PUC to ensure, through its decisions in electrical corporation general rate cases and related proceedings, that all investments in the distribution grid are compatible with optimal deployment of distributed generation, to the extent grid upgrades are required to meet a goal of 12,000 megawatts of distributed generation by 2020.

AB
2347

(Achadjian R) California Global Warming Solutions Act of 2006: emission reduction measures.

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions. This bill would make a technical, nonsubstantive

change to that provision.

**AB
2390 (Chesbro D) Biomass: incentive program.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Would state legislative findings and declarations regarding the use of waste products from forest thinning and fire prevention activities to generate electricity at biomass facilities. The bill would state the intent of the legislature to establish an incentive program to compensate biomass facilities for processing waste associated with forest thinning and fire prevention activities.

**AB
2398 (Hueso D) Water recycling.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Would enact the Water Recycling Act of 2012 to revise and consolidate those and other provisions relating to recycled water, and make other conforming changes to current law. The act would establish a statewide goal to recycle a total of 1.5 million acre-feet of water per year by the year 2020 and 2.5 million acre-feet of water per year by the year 2030. The act would require the state board and regional boards, the department, the Public Utilities Commission, the Department of Water Resources, and other state agencies to exercise the authority and discretion granted to them by the Legislature to encourage the use of recycled water and meet the goals of the act. The act would state that it is the intent of the Legislature that the department permit potable reuse projects using advanced treated purified water and that the state board and regional boards permit nonpotable reuse projects and potable reuse projects using potable water other than advanced treated purified water. Because certain reports submitted as part of the permit application process would be submitted under penalty of perjury, this bill would impose a state-mandated local program by creating a new crime. The act would establish the Water Recycling Research Fund and require that certain civil penalties be deposited into the fund, to be expended by the state board, upon appropriation by the Legislature, to conduct or fund research necessary to support the continued and safe use of recycled water in the state. This bill contains other related provisions and other current laws.

**AB
2404 (Fuentes D) California Global Warming Solutions Act of 2006: Local Emission Reduction Fund.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Would create the Local Emission Reduction Fund and would require

specified moneys collected under the market-based compliance mechanisms be deposited in that fund. The bill would provide that the moneys in that fund be available, upon appropriation by the Legislature, for award to specified local governmental entities for specified purposes by the state board. The bill would require the state board, in coordination with other state agencies, as appropriate, to develop standards and guidelines to ensure the funded projects maximize the funds appropriated, provide environmental and economic benefits, and do not conflict with the act.

AB
2409 **(Allen D) Energy efficiency.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Would state the intent of the Legislature to enact legislation to create a task force to study the feasibility of creating a Sustainable Energy Utility for the purposes of expanding renewable energy development and improving energy efficiency programs and its further intent to enact legislation to require the task force to report its findings to the Legislature on or before January 1, 2014.

AB
2421 **(Berryhill, Bill R) Sacramento-San Joaquin Delta: peripheral canal.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Current law requires various state agencies to administer programs relating to water supply, water quality, and flood management in the Sacramento-San Joaquin Delta. The bill would require the Legislative Analyst's Office to complete a prescribed economic feasibility analysis prior to the enactment of a statute authorizing the construction of a peripheral canal, as defined.

AB
2423 **(Berryhill, Bill R) Comprehensive Sacramento-San Joaquin Delta planning.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Current law, the Sacramento-San Joaquin Delta Reform Act of 2009, establishes the Delta Stewardship Council as an independent agency of the state. Current law requires the council, on or before January 1, 2012, to develop, adopt, and commence implementation of a comprehensive management plan for the Delta (Delta Plan), as specified. This bill would make a technical, nonsubstantive change to those provisions.

AB
2443 **(Williams D) Vessels: registration fee: mussels.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Current law prohibits, except as authorized by the Department of Fish and Game, a person from possessing, importing, shipping, or transporting in the state, or from placing, planting, or causing to be placed or planted in any water within the state, dreissenid mussels, which are regulated by the department as an invasive species. This bill, beginning July 1, 2013, would authorize a county to assess a fee in an unspecified amount on a vessel registered in that county. The bill would require funds from the fee to be used to establish and operate a dreissenid mussel monitoring, inspection, and eradication program in the county. This bill contains other current laws.

AB
2446

(Perea D) Parks and recreation: grants: water conservation measures.

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Current law requires criteria and procedures adopted by the department for evaluating applications for certain grants made available relating to the development of neighborhood, community, and regional parks and recreation lands and facilities in urban and rural areas, to include recommendations that the grant applicant consider water conservation measures in their proposed project. This bill would make technical, nonsubstantive changes to that law.

AB
2450

(Hall D) Electrical rates.

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Under current law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Current law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Current law requires the commission to designate a baseline quantity of electricity and gas necessary to supply a significant portion of the reasonable energy needs of the average residential customer, and requires that electrical and gas corporations file rates and charges, to be approved by the commission, providing baseline rates. Current law requires the commission, in establishing the baseline rates, to avoid excessive rate increases for residential customers. Current law requires the commission to establish a program of assistance to specified low-income electric and gas customers, referred to as the California Alternate Rates for Energy or CARE program. This bill would make a technical, nonsubstantive change to that provision.

AB
2529

(Beall D) Safe Drinking Water: Revolving Fund.

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Would authorize the department to adopt interim regulations for purposes of implementing provisions relating to the Safe Drinking Water State Revolving Fund. The bill would require an applicant for funding to demonstrate that it has the technical, managerial, and financial capacity to operate and maintain its water system for at least 20 years, as specified. The bill would authorize an applicant, subject to specified conditions, to receive up to the full cost of a project in the form of a loan. The bill would require that contracts entered into between the department and an applicant include certain additional information, and authorize the contracts to include certain additional information. This bill contains other related provisions and other current laws.

AB
2539

(Nielsen R) Water treatment devices.

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Current law prohibits a water treatment device that makes product performance claims or product benefit claims that the device affects health or the safety of drinking water from being sold or otherwise distributed if the water treatment device has not been certified by the State Department of Public Health or by another entity, as specified. Current law provides definitions for, among other terms, "water treatment device" and "department." This bill would make a technical, nonsubstantive change to these provisions.

AB
2551

(Hueso D) Infrastructure financing districts: renewable energy zones.

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Would authorize a legislative body to establish an infrastructure financing district in a renewable energy zone area, as defined, for the purpose of promoting renewable energy projects. The bill would exempt the creation of the district from the voter-approval requirement. This bill contains other current laws.

AB
2567

(Carter D) Sewer collection agency: schedule of fees.

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Would authorize a sewer collection agency that charges a fee that includes a pass through increase in water treatment fees charged by a water treatment agency to adopt a schedule of fees or charges authorizing automatic adjustments in the amount of

that fee, if that agency complies with specified procedures.

AB
2595 **(Hall D) Desalination.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Would require the council to report to the Legislature, by December 31, 2013, on opportunities for streamlining the current statewide permitting processes for seawater desalination facilities, including an evaluation of impediments to desalination projects relative to the current permitting process and to recommend potential administrative and legislative actions for streamlining the permitting process while maintaining current regulatory protections. The bill would require the council to convene the Seawater Desalination Permit Streamlining Task Force to review the current permitting processes required by all state regulatory agencies for the planning, design, construction, monitoring, and operation of seawater desalination facilities, to identify opportunities for streamlining the permitting process, and to advise the council in making the report. This bill contains other related provisions and other current laws.

SB
250 **(Rubio D) Sacramento-San Joaquin Delta: Delta Plan: conveyance facility.**

Introduced: 2/10/2011

Last Amend: 8/29/2011

Status: 8/29/2011-Referred to Com. on RLS. From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.

Location: 8/29/2011-A. RLS.

Summary: Current law imposes requirements on the Department of Water Resources in connection with the preparation of a Bay Delta Conservation Plan (BDCP). This bill would require that the department's development of certain Delta conveyance facilities be completed on or before February 15, 2013, and would require that the construction of those facilities be completed by December 31, 2025. This bill contains other current laws.

SB
900 **(Steinberg D) California regional water quality control boards: members.**

Introduced: 2/18/2011

Last Amend: 5/9/2011

Status: 7/1/2011-Ordered to inactive file on request of Assembly Member Charles Calderon.

Location: 7/1/2011-A. INACTIVE FILE

Summary: Under current law, the State Water Resources Control Board and the 9 California regional water quality control boards prescribe waste discharge requirements in accordance with the federal national pollutant discharge elimination system (NPDES) permit program established by the federal Clean Water Act and the Porter-Cologne Water Quality Control Act (state act). This bill, with regard to a regional board, would provide

that a person would not be disqualified from being a member of that board because that person receives, or has received during the previous 2 years, a significant portion of his or her income directly or indirectly from a person subject to waste discharge requirements, or an applicant for waste discharge requirements, that govern discharges not within the jurisdiction of that regional board. The bill would provide that this revised eligibility provision relating to members of a regional board shall be implemented only if certain requirements are met. This bill contains other current laws.

**SB (Wright D) Administrative Procedure Act: State Water Resources Control Board
964 and California regional water quality control boards.**

Introduced: 1/11/2012

Status: 2/2/2012-Referred to Com. on E.Q.

Location: 2/2/2012-S. E.Q.

Summary: Would provide that the exemption for the adoption of regulations for the issuance, denial, or revocation of specified waste discharge requirements and permits shall not apply to any waste discharge requirements, general permits, and waivers that apply on a statewide, regionwide, or industrywide basis, thereby requiring the State Water Resources Control Board and the California regional water quality control boards to comply with provisions that require the adoption of regulations under those circumstances.

**SB (Alquist D) Emergency preparedness: earthquakes and fires: water supplies.
1065**

Introduced: 2/13/2012

Status: 2/14/2012-From printer. May be acted upon on or after March 15.

Location: 2/13/2012-S. PRINT

Summary: Current law creates within state government the Alfred E. Alquist Seismic Safety Commission as an independent entity within the State and Consumer Services Agency. Current law requires the commission to initiate a comprehensive program to prepare the state for responding to major earthquakes and earthquake hazard mitigation. This bill would require the commission to formulate a task force on postearthquake firefighting with regard to water supplies, as specified. The bill would require the task force to recommend statewide guidelines and an implementation plan on postearthquake firefighting and water supplies, and report those findings to the Governor and the Legislature by July 1, 2013.

**SB (La Malfa R) The State Water Resources Law of 1945.
1085**

Introduced: 2/14/2012

Status: 2/15/2012-From printer. May be acted upon on or after March 16.

Location: 2/14/2012-S. PRINT

Summary: The State Water Resources Law of 1945 declares that the people of this state have a primary interest in the control and conservation of flood waters, prevention of damage by flood waters, the washing away of river and stream banks by floods, and in the determination of the manner in which flood waters shall be controlled for the

protection of life and property and the control, storage, and use of this state's water resources in the general public interest. This bill would make technical, nonsubstantive changes to that declaration.

**SB
1128** **(Padilla D) Energy: alternative energy financing.**

Introduced: 2/21/2012

Status: 2/22/2012-From printer. May be acted upon on or after March 23.

Location: 2/21/2012-S. PRINT

Summary: Current law authorizes the California Alternative Energy and Advanced Transportation Financing Authority, until January 1, 2021, to provide financial assistance in the form of the sales and use tax exclusion for a project to promote California-based manufacturing, California-based jobs, the reduction of greenhouse gases, or the reduction in air and water pollution or energy consumption. This bill would additionally authorize the authority to grant the above financial assistance to projects that promote the utilization of advanced manufacturing, as defined.

**SB
1146** **(Pavley D) Wells: reports: public availability.**

Introduced: 2/21/2012

Status: 2/22/2012-From printer. May be acted upon on or after March 23.

Location: 2/21/2012-S. PRINT

Summary: Would require the Department of Water Resources to make a report of completion available to the public. The bill would require the department to provide specified disclaimers when providing the reports to the public. The bill would also allow the department to charge a reasonable fee to recover the cost of reproducing the report and for compliance with the Information Practices Act of 1977.

**SB
1176** **(Huff R) Public employees' retirement.**

Introduced: 2/22/2012

Status: 2/23/2012-From printer. May be acted upon on or after March 24.

Location: 2/22/2012-S. PRINT

Summary: On and after January 1, 2013, this bill would prohibit a public retirement system from allowing the purchase of additional retirement service credit. The bill would except from this prohibition an official application to purchase this type of service credit received by the retirement system prior to January 1, 2013. The bill would prohibit any member who does not have at least 5 years of service credit before the operative date of this bill, or any person hired on or after that date, from purchasing additional retirement service credit. This bill contains other related provisions and other current laws.

**SB
1247** **(Gaines R) Watermaster service areas: cost of administration.**

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be acted upon on or after March 25.

Location: 2/23/2012-S. PRINT

Summary: Would reduce the amount of costs to be paid by a water rightholders and instead would require the Department of Water Resources to pay an unspecified percent of watermaster costs and make conforming changes.

SB
1251

(Evans D) Invasive aquatic species: quagga mussels.

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be acted upon on or after March 25.

Location: 2/23/2012-S. PRINT

Summary: Would state the intent of the Legislature to enact legislation to require the Department of Fish and Game to develop a new statewide quagga mussel prevention and management plan dependent on criteria, including, but not limited to, inspection protocols and the tracking of vessels.

SB
1306

(Blakeslee R) State Water Resources Control Board.

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be acted upon on or after March 25.

Location: 2/23/2012-S. PRINT

Summary: The Porter-Cologne Water Quality Control Act requires the State Water Resources Control Board to formulate and adopt state policies for water quality control, and requires the regional boards to adopt regional water quality control plans in compliance with the state policies. This bill would add findings and declarations to the act. This bill contains other related provisions and other current laws.

SB
1332

(Negrete McLeod D) Renewable energy resources: electric utilities.

Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be acted upon on or after March 25.

Location: 2/23/2012-S. PRINT

Summary: Current law requires a local publicly owned electric utility that sells electricity at retail to 75,000 or more customers to adopt and implement a tariff for electricity purchased from an electric generation facility meeting certain size, deliverability, and interconnection requirements and to consider certain factors. This bill would move this requirement to that portion of the Public Utilities Code concerning the California Renewables Portfolio Standard Program and would require that the tariff be adopted by March 1, 2013. The bill would make other technical and nonsubstantive changes. This bill contains other related provisions and other current laws.

SB
1354

(Dutton R) California Environmental Quality Act: project.

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-S. PRINT

Summary: Current law, the California Environmental Quality Act, requires a lead agency, as defined, to prepare, or cause to be prepared by contract, and certify the completion of, an environmental impact report (EIR) on a project, as defined, that may have a significant effect on the environment, or to adopt a negative declaration if it finds that the project will not have that effect. This bill would make a technical, nonsubstantive change in the provisions defining a project.

SB
1364 **(Huff R) Water corporations.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-S. PRINT

Summary: The Public Utilities Act authorizes the PUC, each commissioner, and each officer and person employed by the PUC at any time to inspect the accounts, books, papers, and documents of any public utility. This bill would make the authorization to inspect the accounts, books, papers, and documents of any business that is a subsidiary or affiliate of, or a corporation that hold a controlling interest in, a water corporation. This bill contains other related provisions and other current laws.

SB
1387 **(Emmerson R) Metal theft.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-S. PRINT

Summary: Would prohibit any junk dealer or recycler from possessing a public fire hydrant, fire department connection, including, but not limited to, bronze or brass fittings or parts, a public manhole cover or lid, or any part of that cover or lid, or a public backflow device and connections to that device without a written certification on the letterhead of the public agency or utility that owns or previously owned the material and that the entity has sold or is offering the material for sale, and that the person possessing the certificate and identified in the certificate is authorized to negotiate the sale of the material. The bill would make junk dealers and recyclers civilly liable and would also provide that if a junk dealer or recycler lacks the certification described above, the lack of that certification would give rise to the presumption that the property was stolen for purposes of the provisions proscribing receiving stolen property. This bill contains other related provisions and other current laws.

SB
1484 **(Pavley D) California Infrastructure and Economic Development Bank: clean energy technology.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-S. PRINT

Summary: Would modify one of the legislative findings and declarations relating to the need for providing greater access to capital in specified industries and define the term "clean energy technology."

**SB
1495** **(Wolk D) Sacramento-San Joaquin Delta Reform Act of 2009.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-S. PRINT

Summary: The Sacramento-San Joaquin Delta Reform Act of 2009 defines "covered action" to mean a plan, program, or project that meets specified conditions. This bill would exclude from the definition of "covered action" specified leases approved by specified special districts, and dredging activities and projects conducted by the federal government or specified special districts to improve interstate and international commerce through the navigable waters of the United States.

**SB
1512** **(Cannella R) Environmental quality: California Environmental Quality Act: litigation.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-S. PRINT

Summary: The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would make technical, nonsubstantive changes to that provision. This bill contains other current laws.

**SB
1537** **(Kehoe D) Energy: rates.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-S. PRINT

Summary: Would state the intent of the Legislature to enact legislation to establish a transparent and stable rate structure for electrical generation by eligible renewable energy resources.

**SB
1538** **(Simitian D) Drinking water: Safe Drinking Water Plan for California.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-S. PRINT

Summary: Would require the State Department of Public Health to include in the Safe Drinking Water Plan for California a discussion of current and post bond moneys available and spent to improve California's water quality and an accounting of which water systems received bond moneys and the types of projects that were funded.

SB
1558 **(Kehoe D) Urban water management plans.**

Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-S. PRINT

Summary: The Urban Water Management Planning Act requires an urban water supplier to prepare and adopt an urban water management plan that identifies and quantifies the current and planned sources of water available to the water supplier's service area, based on specified factors. The act states the intent of the Legislature, in enacting the act, to permit levels of water management planning commensurate with the number of customers served and the volume of water supplied. This bill would make technical, nonsubstantive changes to that intent provision.

SCA
18 **(Huff R) Public employees' retirement.**

Introduced: 2/22/2012

Status: 2/22/2012-Introduced. Read first time. To Com. on RLS. for assignment. To print.

Location: 2/22/2012-S. PRINT

Summary: Would require each public retirement system, as defined in statute, to provide one or more hybrid pension plans meeting the requirements of this measure to each public employer that provides its employees a defined benefit pension plan administered by the public retirement system. The measure would require that a hybrid pension plan consist of a defined benefit component and a defined contribution or alternative plan design component, as specified. The measure would require, among other things, that a hybrid pension plan be designed with a goal of providing annually during retirement, based on a full career in public service, as defined, replacement income of 75% of a public employee's final compensation. The measure would require the Director of Finance, on or before January 1, 2013, to establish initial criteria and requirements for one or more hybrid pension plans, as specified. The measure would require, on and after July 1, 2013, each public retirement system to administer, and make available to each public employer that provides a defined benefit pension plan, one or more hybrid pension plans, except as specified, for public employees hired in each member classification in the public retirement system. This bill contains other current laws.



Date: March 21, 2012
To: The Honorable Board of Directors
Through: Public, Legislative Affairs, and Water Resources Committee (3/14/12)
From: Thomas A. Love
General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: February Legislative Report from Innovative Federal Strategies, LLC

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

BACKGROUND

Letitia White provides a monthly report (attached) on their federal activities on behalf of IEUA.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

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Comprehensive Government Relations

MEMORANDUM

To: Tom Love and Martha Davis, IEUA
From: Letitia White and Heather Hennessey
Date: March 1, 2012
Re: February Monthly Legislative Update

February was a short month on Capitol Hill, both in terms of days on the job as well as legislative accomplishments. One very significant thing did happen this month though: the House and Senate and their political leaders achieved some important legislative compromises! After listening to the President repeatedly bashing the Congress as dysfunctional, the parties made significant compromises, passing important legislation to reauthorize the FAA and extend the payroll tax holiday. Compromise on both of these bills had been elusive for a long time and many "Congress watchers" thought it would never happen!

IEUA enjoyed a very successful trip to Washington for this year's ACWA conference. We were able to conduct ten meetings on Capitol Hill with Members of Congress and their staff. During each of those meetings, we highlighted our legislative priorities for FY 2012 and asked for support for our initiatives. IFS will coordinate with Dave Weiman's office to complete all necessary follow up items and will report to IEUA leadership on those actions. While our IEUA delegation was in DC, we got the breaking news that Congressman Dreier will retire at the end of his current term. IEUA will miss his leadership on our issues.

HR 1837, the San Joaquin Valley Water Reliability Act

The House has passed, HR 1837, the San Joaquin Valley Water Reliability Act, after an especially contentious debate on the House floor yesterday. Timed to coincide with the ACWA Conference in DC, the bill brought California water issues into the national spotlight. With the aim of relieving the devastating drought conditions in the Central Valley, the bill would require that the Interior Department increase the amount of water delivered by the Central Valley Project by 800,000 acre feet by the end of Fiscal Year 2016. That water would be diverted from the current mandated environmental uses, including supplying water for the Delta Smelt. The bill passed the House by a vote of 246 to 175, but the bill is not expected to be considered by the Senate and has drawn a veto threat from the White House.

Payroll Tax Holiday Extension

The agreement between the parties and both chambers on the payroll tax cut extension was one of two legislative accomplishments in February. After a long and divisive battle to find \$100 billion in cuts to pay for the legislation, both sides came together quickly once House Republicans abandoned their demands for offsets to cover the deal's costs. The final agreement

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maintains the current Social Security payroll tax rate for workers and benefits for the long-term unemployed, as well as prevents a cut in the reimbursement rate to physicians treating Medicare patients. The tax rate will likely bring workers an average of \$1,000 a year and the long-term jobless benefits will be renewed until January 2013. However, the final package will add about \$100 billion to the federal deficit for the current fiscal year, perhaps hastening the next time that the national debt limit will need to be raised.

FAA, Finally!

After 1,590 days and 23 short-term extensions, Congress finally passed a \$64 billion, four-year bill for the Federal Aviation Administration that will give the agency funding stability for the next three and a half years. The FAA has been on a rocky road lately: it has been operating under short-term funding extensions for over four years and, during the past few months, it has dealt with a two-week partial shutdown that put thousands out of work, and the resignation of FAA Administrator Randy Babbitt in December after his arrest on suspicion of drunken driving.

The final bill was a true compromise in that no one was 100% happy with it. The legislation would tighten some barriers to labor elections, trim the Essential Air Service program, allow eight new daily round trip long-distance flights at Ronald Reagan Washington National Airport, and codify 90 percent of Obama's "Passenger Bill of Rights." It would not, however, codify the Obama Administration's rule requiring planes to return to the terminal after excessive delays on the tarmac.

President's Budget Request

February saw the kick-off of the fiscal year 2013 budget process with President Obama sending Congress his fiscal year 2013 budget proposal on February 13th, one week late. While federal law stipulates the budget is to be released on the first Monday in February, there is certainly precedent for a tardy release, and last year's budget request was also delayed. Despite the delay, House and Senate Committees and Subcommittees are already in full swing with their oversight hearings, the second step in the annual process.

In many respects, this year's Presidential budget proposal is similar to those of recent years. Efforts have been made by the Office of Management and Budget (OMB) to cut or at least pretend to cut as much as possible for political sound bites. In reality, while OMB suggested deep reductions in many programs, it did so fully expecting Congress to back-fill the popular, important or necessary programs during the normal appropriations process or through off-budget "emergency" spending bills. This Presidential "smoke and mirrors" practice apparently started in earnest during the Clinton Administration, was used annually – and aggressively – by the Bush Administration, and continues under President Obama today. This practice frequently shortchanges things like disaster aid, EPA revolving funds, the Army Corps or specific, small projects in the Presidential budget request, allowing press releases touting "deep cuts", while knowing full well that Congress will fund priority programs in the final analysis.

Transportation (TEA) Reauthorization

The political pressure to pass a transportation reauthorization bill in this legislative session has increased. Not only will the current extension of the law will expire on March 31st, both political parties are now viewing a transportation bill as a "jobs" package and want to be able to tout a

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political victory during this election year and bad economy. (There are only 252 days before the 2012 election!) But, contrary to the bi-partisan desire to move the bill, February was not the month.

As promised, prior to the February President's Day recess, House Republicans attempted to move their five year, \$260 billion version of a surface transportation reauthorization bill. In an attempt to make it more palatable, to bring it to the House floor, House Republican leaders split H.R. 7 into three parts, but the procedural tricks did not work. Many Democrats opposed the bill for its expansion of domestic drilling; many Republicans hated it for its huge price tag; and many from both sides of the aisle were wary of ending dedicated Highway Trust Fund support for transit riders and eliminating a program that helps bike and pedestrian projects. With both Democrats and Republicans opposed, the legislation had no chance of passage, causing Speaker John Boehner (R-OH) pulled the bill and sent it back to Committee. The new bill under discussion appears to be much more like the Senate's bill. We hear that it will be approximately two years long and will not include the divisive transit changes to the Highway Trust Fund.

The Senate also attempted to bring its two- year, \$109 billion version of a surface transportation reauthorization to the floor prior to the President's Day recess. Despite fairly bi-partisan support, the bill was bogged down by a flood of unrelated amendments and could not move. But, after the amendment situation is resolved, the Senate's bill is expected to pass that chamber. The House, on the other hand, has much more work to do on its version before it can pass and meet the Senate version in a conference committee.

Since highway and transit policy runs out in 33 days, we will likely need another extension of the current law – SAFETEA-LU – before we see a new law enacted. For the record, it's been 881 days and eight extensions since SAFETEA-LU expired!

As always, we will keep you posted.

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Date: March 21, 2012

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee
(03/14/12)

From: Thomas A. Love
General Manager

Submitted by: Sondra Elrod
Administration and Public Affairs Officer

Subject: Public Outreach and Communications

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

BACKGROUND

2012 Calendar of Events

March 2012

- March 1, Inland Empire Garden Friendly will showcase program at Home Depot's annual road show
- March 10, Chino Walk Day at the Park
- March 12-18, "Fix a Leak Week"
- March 14, Leadership Breakfast at 7:30am in the Event Room
- March 21, World Water Day (w/ Scout Troops), Chino Creek Park
- March 31, Volunteer Day, IEUA Event Room, Earth Day Prep

April 2012

- April 2, Wind Turbine Dedication, IEUA Regional Plant No. 4, 10am
- April 19, IEUA Annual Earth Day Event, Chino Creek Wetlands and Educational Park
- April 21, CVWD Earth Day Event, Frontier Project
- April 21, Healthy Kids Day, Chino Valley YMCA, 9am-12noon

Public Outreach and Communications

March 21, 2012

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May 2012

- May 7-12, International Compost Awareness Week
- May 18, NW Recycled Water Dedication
- May 18-20, MWD Solar Cup Competition, Lake Skinner

Outreach/Educational Inland Valley Daily Bulletin Newspaper Campaign

The monthly tips on ways to help conserve water continue to appear in our local newspapers each month.

Water Conservation Outreach

Regional Conservation Outreach Campaign

- Ongoing monthly ¼-page ads in the Inland Valley Daily Bulletin, Champion Newspaper, Fontana Herald News.
- 8-page ad “Water Agencies Working Together” ran in the Daily Bulletin on Wednesday, February 29, 2012
- Ongoing water wise gardening classes.
- High Efficiency Toilet Installation Program ad ran in Daily Bulletin on Sunday, March 4th and Sunday, March 11th
- IEGF is examining billboard options to promote program
- IEUA is working with member agencies to promote “Fix a Leak Week”

Educational Updates

- Schools have applied for Bussing Mini-Grants to participate in the IEUA Earth Day Event for 2012. Over 800 students are expected to participate in the event. Schools participating so far include: Our Lady of Lourdes (Montclair), Peppertree (Upland), Coyote Canyon (Rancho Cucamonga), Montera (Montclair), Preserve School (Chino), Rhodes (Chino), Wickman (Chino Hills), Oxford Prep (Chino). The Event will be open to participating schools from 10am to 2pm and open to the public from 3pm to 6pm.
- The Water Education Water Awareness Committee (WEWAC) is in the process of finalizing the Curiosity Quest video featuring information on water in general, watersheds, treatment, etc.
- IEUA’s website is currently being updated to be more user friendly. Buttons and links are being added and initial changes have been live since mid-January. Updates will continue to be coordinated with departments in an ongoing manner.
- Garden in Every School workshop was held on February 25th, eight schools attended and an additional three were will be attending a makeup session. We have seen a recent growth of interest particularly from Ontario-Montclair School District.

PRIOR BOARD ACTION

None.

Public Outreach and Communications
March 21, 2012
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IMPACT ON BUDGET

The above-mentioned activities are budgeted in the FY 20011/12 Administrative Service Fund, Public Information Services budget.

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IEUA MONTHLY WATER NEWSLETTER

FEBRUARY 2012 (REPORTING JANUARY 2012 DATA)

Highlights

- **Second Snow Survey of 2012 Shows Continuing Dry Conditions** - On February 1st, the second snow survey results show that California's mountain snowpack is far below normal for this time of year. (Page 1)
- **State Water Project 2011 Draft Reliability Report** - State Water Project estimates are similar to those in the 2009 Reliability Report. (Page 1)

Second Snow Survey Results on SWP

On February 1, 2012, the Department of Water Resources (DWR) released the results of the second snow survey of the year. The DWR snow surveyors confirmed that water content in California's mountain snowpack is far below normal for this time of year. Manual and electronic readings record the snowpack's statewide water content at only 37% of normal for the date. That is just 23% of the average April 1 reading, when the snowpack normally is at its peak before the spring melt. "So far, we just haven't received a decent number of storms," said DWR Director Mark Cowin. "We have good reservoir storage thanks to wet conditions last year, but we also need more rain and snow this winter."

2011 Draft SWP Reliability Report

In January 2012, DWR issued its draft State Water Project Delivery Reliability Report. Below are a few highlights from the report:

- Estimates of average annual SWP exports under conditions that exist for 2011 are 2,607 taf, 350 taf or 12% less than the estimate under 2005 conditions.
- The estimated average annual SWP exports decrease from 2,607 taf/year to 2,521 taf/year (about 3%) between the existing and future conditions scenarios.
- Under existing conditions, the average annual delivery of Table A water estimated for this 2011 Report is 2,524 taf/year, 41 taf (2%) more than the 2,483 taf/year estimated for the 2009 Report.
- Under future conditions, the average annual delivery of Table A water estimated for this 2011 Report is 2,466 taf/year, about 1% less than the 2,487 taf/year estimate for the future conditions scenario presented in the 2009 Report.
- The likelihood of SWP Article 21 deliveries being equal to or less than 20 taf/year has increased relative to that estimated in the 2009 Report. However, both this report and the 2009 Report show a high likelihood that Article 21 water deliveries will be equal to or less than 20 taf/year, ranging between 71% and 78% for both existing and future conditions.



IEUA Water Supply Programs

Imported Water Deliveries

In January 2012, IEUA and its member agencies purchased an estimated 3,000 AF of Tier I water (approximately 5% of the annual Tier I limit). This does not include approximately 35,000 AF of replenishment water purchases that IEUA purchased between May and September 2011.

Dry Year Yield (DYY) Program

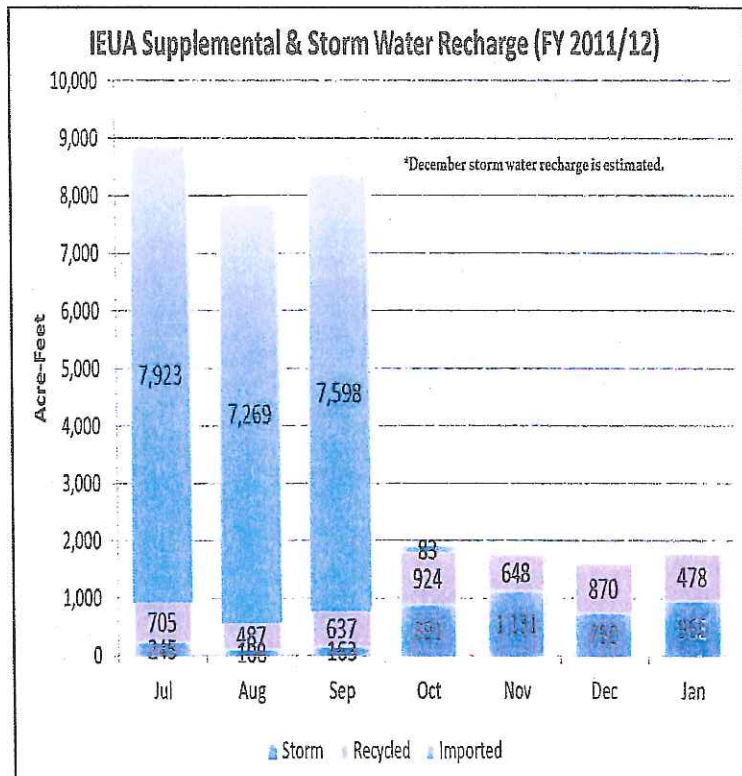
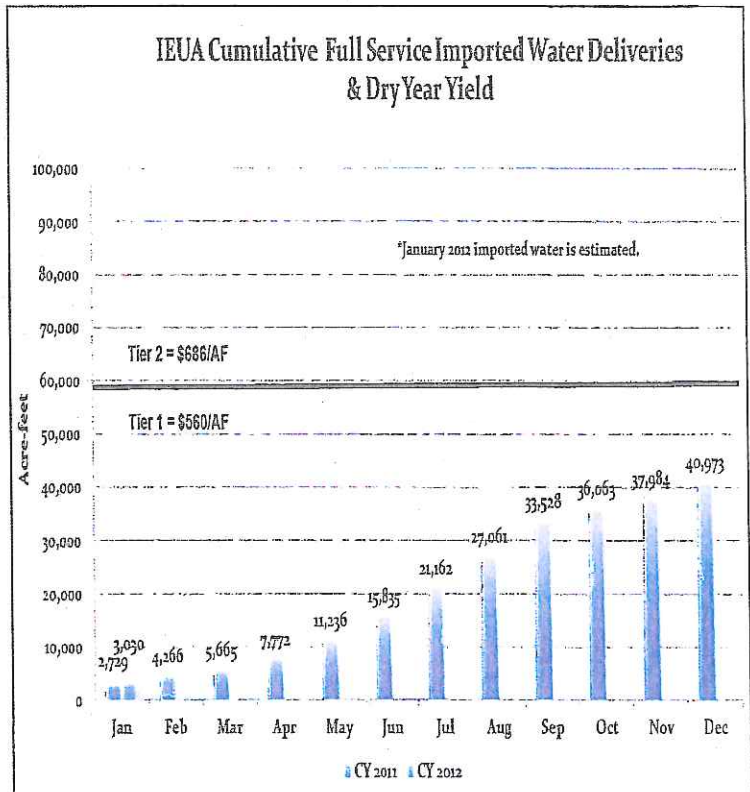
MWD has made a third consecutive call on the DYY Program. This call is considered to be a partial call because there is only 17,200 AF left in the storage account. The remaining water in the storage account will be split amongst the DYY participants based on a pre-defined "pro-rata" methodology. To date, DYY participants have certified all 17,200 AF (of which 4,707 AF will receive additional ion-exchange treatment credit from MWD).

Chino Desalter Authority (CDA)

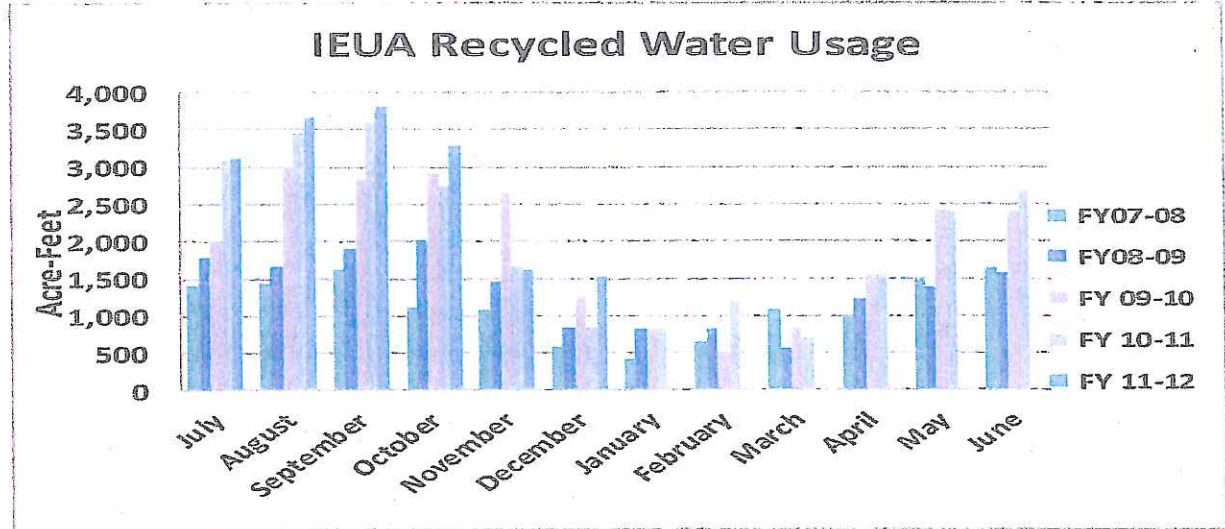
For the month of January, the two desalters produced 2,019 AF of water (of which 1,172 AF was delivered to IEUA retail agencies). The contracted entitlement is 24,600 AFY (but actual production is 25,000 to 26,000 AFY) and is scheduled for expansion to produce approximately 40,000 AFY by 2014, with the implementation of CDA Phase III.

Groundwater Recharge Program

Through January of Fiscal Year 2011/12, approximately 32,225 AF of storm, recycled and imported water has been recharged in the Chino Basin.

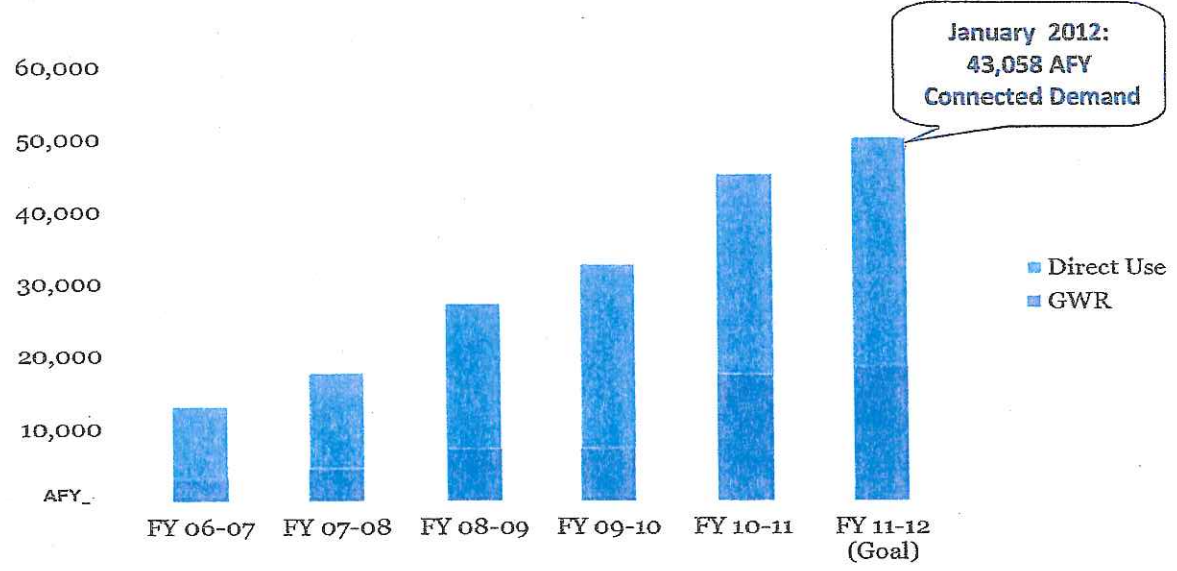


Recycled Water News



Recycled Water Usage:
January 2012 Estimates
 Recharge: 800 AF
 Direct Sales: 500 AF
 Total Usage: 1,300 AF

IEUA Connected Recycled Water Demand



Conservation Program News

IEUA's Lunch n' Learn Workshop

The Agency, in partnership with MWD, will host a Lunch n' Learn Workshop for commercial, industrial, and institutional customers on February 21, 2012 in the Event Center. This workshop will provide information on IEUA and MWD regional water use efficiency programs and rebates available. All interested parties must register at www.mwdsaveabuck.com.

FreeSprinklerNozzles.com Program

The residential portion of the Free Sprinkler Nozzles Voucher Program that was launched in September 2011 was completed in December 2011. There were 1,595 vouchers issued and 39,691 nozzles redeemed at local suppliers throughout the IEUA service area. There are approximately 10,000 nozzles that remain to be distributed to commercial customers through the month of April in order to complete the annual program.

Re-Launch of MWD's Strategic Focus Group-Proper Irrigation Control

The Strategic Focus Group on proper irrigation control will resume meeting on February 23, 2012 to begin development on a spring public outreach campaign. This group was formed to work on key strategies identified in MWD's Long-Term Conservation Plan and on outdoor landscaping, proper irrigation control, and public awareness of outdoor water use. The goal of the workgroup is to drive market transformation through awareness and communication that will help the public to identify and understand the relationship between the weather, their controller, water use, and their water bill. In support of MWD's regional campaign and strategic focus, IEUA ran a six-week series on proper irrigation control in fall 2011.



MWD Regional Water Use Efficiency Programs

To date, 48% of the budget for the residential rebate program remains for the fiscal year and 22% for the Save-A-Buck (CII) program. To date, the member agency administered programs are fully committed at \$6.1 million with \$1.3 million worth of activity processed. The agricultural program has \$140,000 committed to date with \$30,000 worth of activity processed out of the \$500,000 total budget.

FY 2011/12 Regional Landscape Evaluation and Audit Program (LEAP)

Launched in August 2010 and administered by the Chino Basin Water Conservation District, a total of 184 landscape audits have been completed to date (January 30, 2012), constituting a potential water savings of 238.39 AFY, if all recommendations are implemented. Of the completed audits, 84 were single family sites and 100 were commercial sites, with a total landscaped area of 102.56 acres.



CHINO BASIN WATERMASTER

IV. INFORMATION

1. Cash Disbursements for February 2012



CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
February 2012

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	02/02/2012	15769	ACWA SERVICES CORPORATION	00498	1012 - Bank of America Gen'l Ckg	
Bill	01/26/2012	00198		Prepayment - February 2012	1409 - Prepaid Life, BAD&D & LTD	129.07
				January 2012	60191 - Life & Disab. Ins Benefits	129.06
TOTAL						258.13
Bill Pmt -Check	02/02/2012	15770	CALPERS 457 PLAN	Payroll and taxes for 01/08/12-01/21/12	1012 - Bank of America Gen'l Ckg	
General Journal	01/27/2012	01/27/2012	CALPERS 457 PLAN	Employee Deductions for 01/08/12-01/21/12	2000 - Accounts Payable	2,805.62
TOTAL						2,805.62
Bill Pmt -Check	02/02/2012	15771	DIRECTV	019447404	1012 - Bank of America Gen'l Ckg	
Bill	01/26/2012	019447404		1/19/12 - 2/18/12	6031.7 - Other Office Supplies	86.99
TOTAL						86.99
Bill Pmt -Check	02/02/2012	15772	HOGAN LOVELLS	2638336	1012 - Bank of America Gen'l Ckg	
Bill	01/26/2012	2638336		Non-Ag Pool Legal Services for December 2011	8567 - Non-Ag Legal Service	1,842.75
TOTAL						1,842.75
Bill Pmt -Check	02/02/2012	15773	PAUL HASTINGS LLP	1912510	1012 - Bank of America Gen'l Ckg	
Bill	01/26/2012	1912510		Ag Pool Legal Services for December 2011	8467 - Ag Legal & Technical Services	8,670.81
TOTAL						8,670.81
Bill Pmt -Check	02/02/2012	15774	STANDARD INSURANCE CO.	Policy # 00-640888-0009	1012 - Bank of America Gen'l Ckg	
Bill	01/26/2012	006408880009		Policy # 00-640888-0009	60191 - Life & Disab. Ins Benefits	539.66
TOTAL						539.66
Bill Pmt -Check	02/02/2012	15775	STATE COMPENSATION INSURANCE FUND	1970970-11	1012 - Bank of America Gen'l Ckg	
Bill	01/26/2012	1970970-11		January 2012	60183 - Worker's Comp Insurance	1,210.90
TOTAL						1,210.90
Bill Pmt -Check	02/02/2012	15776	UNITED HEALTHCARE	0026627593	1012 - Bank of America Gen'l Ckg	
Bill	01/26/2012	0026627593		Dental Insurance - February 2012	60182.2 - Dental & Vision Ins	447.47
TOTAL						447.47
Bill Pmt -Check	02/02/2012	15777	VISION SERVICE PLAN	00-101789-0001	1012 - Bank of America Gen'l Ckg	
Bill	01/26/2012	001017890001		Vision Insurance - February 2012	60182.2 - Dental & Vision Ins	26.71
TOTAL						26.71
Bill Pmt -Check	02/02/2012	15778	WATSON WINDOW WASHING	Office window cleaning	1012 - Bank of America Gen'l Ckg	
Bill	01/26/2012				6024 - Building Repair & Maintenance	179.00
TOTAL						179.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						179.00
Bill Pmt -Check	02/02/2012	15779	CALPERS	1394905143	1012 - Bank of America Gen'l Ckg	
Bill	01/26/2012	1394905143		Medical Insurance - February 2012	60182.1 - Medical Insurance	5,782.68
TOTAL						5,782.68
General Journal	02/04/2012	02/04/2012	Payroll and Taxes for 01/22/12-02/04/12	Payroll and Taxes for 01/22/12-02/04/12	1012 - Bank of America Gen'l Ckg	
				Payroll Taxes for 01/22/12-02/04/12	1012 - Bank of America Gen'l Ckg	11,962.43
				Direct Deposits for 01/22/12-02/04/12	1012 - Bank of America Gen'l Ckg	25,395.83
TOTAL						37,358.26
Bill Pmt -Check	02/06/2012	15780	DGO AUTO DETAILING	Wash on 01/11/12 and 01/26/12	1012 - Bank of America Gen'l Ckg	
Bill	01/31/2012				6177 - Vehicle Repairs & Maintenance	125.00
TOTAL						125.00
Bill Pmt -Check	02/07/2012	15781	KRUGER, W. C. "BILL"	1/04/12 Assessment Package Workshop	1012 - Bank of America Gen'l Ckg	
Bill	01/04/2012	1/04 Assmnt Pkg		1/12/12 Appropriative Pool Meeting	6311 - Board Member Compensation	125.00
Bill	01/12/2012	1/12 Appro Pool Mtg		1/19/12 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	01/19/2012	1/19 Advisory Comm		1/26/12 Board Meeting	6311 - Board Member Compensation	125.00
Bill	01/26/2012	1/26 Board Mtg				500.00
TOTAL						125.00
Bill Pmt -Check	02/07/2012	15782	VANDEN HEUVEL, GEOFFREY	6311	1012 - Bank of America Gen'l Ckg	
Bill	01/12/2012	1/12 Admin Conf Call		1/26/12 Board Meeting	6311 - Board Member Compensation	125.00
Bill	01/26/2012	1/26 Board Mtg				250.00
TOTAL						125.00
Bill Pmt -Check	02/07/2012	15783	APPLIED COMPUTER TECHNOLOGIES	2044	1012 - Bank of America Gen'l Ckg	
Bill	01/31/2012	2044		Database Services - January 2012	6052.2 - Applied Computer Technol	3,133.75
TOTAL						3,133.75
Bill Pmt -Check	02/07/2012	15784	ARROWHEAD MOUNTAIN SPRING WATER	0023230253	1012 - Bank of America Gen'l Ckg	
Bill	01/31/2012	0023230253		Office Water Bottle - January 2012	6031.7 - Other Office Supplies	38.94
TOTAL						38.94
Bill Pmt -Check	02/07/2012	15785	HSBC BUSINESS SOLUTIONS	7003-7309-1000-2744	1012 - Bank of America Gen'l Ckg	
Bill	01/31/2012	7003730910002744		Miscellaneous office supplies	6031.7 - Other Office Supplies	321.73
TOTAL						321.73
Bill Pmt -Check	02/07/2012	15786	JAMES JOHNSTON	251	1012 - Bank of America Gen'l Ckg	

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
February 2012

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	01/31/2012	251		Website Services - January 2012	6052.3 · Website Consulting	855.00
TOTAL						855.00
Bill Pmt -Check	02/07/2012	15787	MCCALL'S METER SALES & SERVICE	21887	1012 · Bank of America Gen'l Ckg	225.00
Bill	01/31/2012	21887		21887	7102.8 · In-line Meter-Callib & Test	225.00
TOTAL						225.00
Bill Pmt -Check	02/07/2012	15788	PARK PLACE COMPUTER SOLUTIONS, INC.	459	1012 · Bank of America Gen'l Ckg	2,325.00
Bill	01/31/2012	459		IT Services - January 2012	6052.1 · Park Place Comp Soluth	2,325.00
TOTAL						2,325.00
Bill Pmt -Check	02/07/2012	15789	PRINTING RESOURCES	57675	1012 · Bank of America Gen'l Ckg	110.93
Bill	01/31/2012	57675		Setup/Business cards for Ken Jeske (250)	6031.7 · Other Office Supplies	110.93
TOTAL						110.93
Bill Pmt -Check	02/07/2012	15790	UNION 76	300-732-989	1012 · Bank of America Gen'l Ckg	180.23
Bill	01/31/2012	300732989		Fuel costs - January 2012	6175 · Vehicle Fuel	180.23
TOTAL						180.23
Bill Pmt -Check	02/07/2012	15791	VERIZON		1012 · Bank of America Gen'l Ckg	168.47
Bill	01/31/2012	0125661121521714508		Field Operations - 0125661121521714508	7405 · PE4-Other Expense	168.47
Bill	01/31/2012	012519116950792103		Monthly office - 012519116950792103	6022 · Telephone	435.73
TOTAL						604.20
Bill Pmt -Check	02/07/2012	15792	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	8,293.04
General Journal	01/27/2012	01/27/2012	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS for 01/08/12-01/21/12	2000 · Accounts Payable	8,293.04
TOTAL						8,293.04
Bill Pmt -Check	02/07/2012	15793	PURCHASE POWER	8000909000168851	1012 · Bank of America Gen'l Ckg	84.50
Bill	01/31/2012	8000909000168851		Send invoices to and from WM	6042 · Postage - General	84.50
TOTAL						84.50
Bill Pmt -Check	02/07/2012	15794	STAPLES BUSINESS ADVANTAGE	8020821652	1012 · Bank of America Gen'l Ckg	424.47
Bill	01/31/2012	8020821652		Miscellaneous office supplies	6031.7 · Other Office Supplies	424.47
TOTAL						424.47
Bill Pmt -Check	02/07/2012	15795	THE LAWTON GROUP	6017	1012 · Bank of America Gen'l Ckg	659.20
Bill	01/31/2012	1VC070000018076		Week ending 1/22/12	6017 · Temporary Services	659.20
TOTAL						659.20

CHINO BASIN WATERMASTER
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	02/07/2012	15796	YUKON DISPOSAL SERVICE	08-K2 213849	1012 - Bank of America Gen'l Ckg	
Bill	01/31/2012	08-K2 213849		Service for February 2012	6024 - Building Repair & Maintenance	106.53
TOTAL						106.53
Bill Pmt -Check	02/07/2012	15797	BOWCOCK, ROBERT		1012 - Bank of America Gen'l Ckg	
Bill	01/04/2012	1/04 Assmnt Pkg		1/04/12 Assessment Package Workshop	6311 - Board Member Compensation	125.00
Bill	01/26/2012	1/26 Board Mtg		1/26/12 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	02/07/2012	15798	CURATALO, JAMES		1012 - Bank of America Gen'l Ckg	
Bill	01/26/2012	1/26 Board Mtg		1/26/12 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	02/07/2012	15799	ELIE, STEVEN		1012 - Bank of America Gen'l Ckg	
Bill	01/26/2012	1/26 Board Mtg		1/26/12 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	02/07/2012	15800	KUHN, BOB		1012 - Bank of America Gen'l Ckg	
Bill	01/12/2012	1/12 Admin Conf Call		1/12/12 Administrative Conference Call	6311 - Board Member Compensation	125.00
Bill	01/19/2012	1/19 Advisory Comm		1/19/12 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	01/26/2012	1/26 Board Mtg		1/26/12 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	02/07/2012	15801	LANTZ, PAULA		1012 - Bank of America Gen'l Ckg	
Bill	01/12/2012	1/12 Admin Conf Call		1/12/12 Administrative Conference Call	6311 - Board Member Compensation	125.00
Bill	01/17/2012	1/17 RMP Wkshp		1/17/12 RMP Meeting	6311 - Board Member Compensation	125.00
Bill	01/19/2012	1/19 Advisory Comm		1/19/12 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	01/26/2012	1/26 Board Mtg		1/26/12 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	02/07/2012	15802	DE BOOM, NATHAN		1012 - Bank of America Gen'l Ckg	
Bill	01/12/2012	1/12 Ag Pool Mtg		AG Pool Member Meeting Compensation	8411 - Compensation	25.00
				Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	02/07/2012	15803	DURRINGTON, GLEN		1012 - Bank of America Gen'l Ckg	
Bill	01/12/2012	1/12 Ag Pool Meeting		AG POOL MEMBER COMPENSATION	8411 - Compensation	25.00
				Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	02/07/2012	15804	FEENSTRA, BOB		1012 - Bank of America Gen'l Ckg	
Bill	01/19/2012	1/19 Advisory Comm		1/19/12 Advisory Committee Meeting	8411 - Compensation	25.00
Bill	01/26/2012	1/26 Board Mtg		1/19/12 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	01/31/2012	1/12 Ag Pool Mtg		1/26/12 Board Meeting	8411 - Compensation	25.00
Bill	01/31/2012	1/12 Ag Pool Mtg		1/26/12 Board Meeting	8470 - Ag Meeting Attend -Special	100.00
					8411 - Compensation	25.00
					8470 - Ag Meeting Attend -Special	100.00
TOTAL						375.00
Bill Pmt -Check	02/07/2012	15805	HALL, PETE*		1012 - Bank of America Gen'l Ckg	
Bill	01/19/2012	1/19 Advisory Comm		1/19/12 Advisory Committee Meeting	8411 - Compensation	25.00
Bill	01/26/2012	1/26 Board Mtg		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	02/07/2012	15806	HUITSING, JOHN		1012 - Bank of America Gen'l Ckg	
Bill	01/12/2012	1/12 Ag Pool Mtg		Ag Pool Member Compensation	8411 - Compensation	25.00
Bill	01/12/2012	1/12 Ag Pool Mtg		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	02/07/2012	15807	KOOPMAN, GENE		1012 - Bank of America Gen'l Ckg	
Bill	01/12/2012	1/12 Ag Pool Mtg		AG Pool Member Meeting Compensation	8411 - Compensation	25.00
Bill	01/12/2012	1/12 Ag Pool Mtg		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	02/07/2012	15808	PIERSON, JEFFREY		1012 - Bank of America Gen'l Ckg	
Bill	01/12/2012	1/12 Ag Pool Mtg		1/12/12 Ag Pool Meeting	8411 - Compensation	25.00
Bill	01/19/2012	1/19 Advisory Comm		1/12/12 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	01/26/2012	1/26 Board Meeting		1/19/12 Advisory Committee Meeting	8411 - Compensation	25.00
Bill	01/26/2012	1/26 Board Meeting		1/19/12 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	100.00
TOTAL						375.00
Bill Pmt -Check	02/07/2012	15809	VANDEN HEUVEL, ROB		1012 - Bank of America Gen'l Ckg	
Bill	01/12/2012	1/12 Ag Pool Mtg		AG POOL MEMBER COMPENSATION	8411 - Compensation	25.00
Bill	01/12/2012	1/12 Ag Pool Mtg		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	02/08/2012	15810	INLAND EMPIRE UTILITIES AGENCY	1800001994	1012 · Bank of America Gen'l Ckg	3,000.00
Bill	01/31/2012	1800001994		1800001994	7690 · Recharge Improvement Debt Pymt	3,000.00
TOTAL						
Bill Pmt -Check	02/08/2012	15811	MWH LABORATORIES		1012 · Bank of America Gen'l Ckg	1,770.00
Bill	01/31/2012	L0076838		L0076838	7108.4 · Hydraulic Control-Lab Svcs	615.00
Bill	01/31/2012	L0076456		L0076456	7108.4 · Hydraulic Control-Lab Svcs	2,065.00
Bill	01/31/2012	L0076455		L0076455	7108.4 · Hydraulic Control-Lab Svcs	1,532.00
Bill	01/31/2012	L0077462		L0077462	7108.4 · Hydraulic Control-Lab Svcs	615.00
Bill	01/31/2012	L0076452		L0076452	7108.4 · Hydraulic Control-Lab Svcs	2,065.00
Bill	01/31/2012	L0076451		L0076451	7108.4 · Hydraulic Control-Lab Svcs	1,475.00
Bill	01/31/2012	L0076450		L0076450	7108.4 · Hydraulic Control-Lab Svcs	10,137.00
TOTAL						
Bill Pmt -Check	02/08/2012	15812	SAN BERNARDINO COUNTY FLOOD CONTROL IFC 124/12		1012 · Bank of America Gen'l Ckg	23,805.39
Bill	01/31/2012	FC 124/12		San Sevaine Channel Reconstruction Project	7207 · Comp Recharge-Other	23,805.39
TOTAL						
Bill Pmt -Check	02/08/2012	15813	COMPUTER NETWORK		1012 · Bank of America Gen'l Ckg	221.98
Bill	01/31/2012	83405		83405	6055 · Computer Hardware	221.98
TOTAL						
Check	02/15/2012	15814	FONTANA WATER COMPANY		1012 · Bank of America Gen'l Ckg	138,931.82
Credit Memo	02/06/2012	AP12-06CR		Refund of Excess Reserves-Assessments	9996 · Refund-Excess Reserves-Approp.	6.75
				Refund of Excess Reserves-Recharge Debt	9998 · Refund-Recharge Debt-Approp.	138,938.57
TOTAL						
Check	02/15/2012	15815	GENERAL ELECTRIC COMPANY		1012 · Bank of America Gen'l Ckg	70.58
Credit Memo	02/06/2012	NAG12-05CR		CURO Adjustment	4224 · CURO Adjustment	169.72
				Non-Agricultural Pool Adjustment of Legal	4123.3 · Non-Ag Pool-Special Assessment	200.07
				Refund of Excess Reserves-Assessments	9997 · Refund-Excess Reserve-NonAg	440.37
TOTAL						
Check	02/15/2012	15816	VULCAN MATERIALS COMPANY		1012 · Bank of America Gen'l Ckg	74.46
Credit Memo	02/06/2012	NAG12-16CR		Refund of Excess Reserves-Assessments	9997 · Refund-Excess Reserve-NonAg	7.85
				Non-Agricultural Pool Adjustment of Legal	4123.3 · Non-Ag Pool-Special Assessment	82.31
TOTAL						
General Journal	02/18/2012	02/18/2012	Payroll and Taxes for 02/05/12-02/18/12		1012 · Bank of America Gen'l Ckg	9,660.91
			Payroll Taxes for 02/05/12-02/18/12		1012 · Bank of America Gen'l Ckg	

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
February 2012

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL				Direct Deposits for 02/05/12-02/18/12	1012 · Bank of America Gen'l Ckg	22,499.60
Bill Pmt -Check	02/22/2012	15817	AMERICAN GROUND WATER TRUST	CD of Presentations Jan. 30-31, 2012 Conf.	1012 · Bank of America Gen'l Ckg	32,160.51
Bill	02/13/2012			Purchase cd of presentations	6191 · Conferences - General	20.00
TOTAL						20.00
Bill Pmt -Check	02/22/2012	15818	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	30.00
Bill	01/31/2012	XXXX-XXXX-XXXX-9341		Fastrack replenishment	6174 · Transportation	460.00
				Registration fee-Maurizio & Greene-AGWT	6191 · Conferences - General	25.86
				1099 Tax Forms	6031.7 · Other Office Supplies	392.06
				Lunch for 1/28/12 Board meeting	6312 · Meeting Expenses	907.92
TOTAL						
Bill Pmt -Check	02/22/2012	15819	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	2,316.10
Bill	01/31/2012	445627		445627 - BHFS Legal - Appropriative Pool	8375 · BHFS Legal - Appropriative Pool	2,316.10
				445627 - BHFS Legal - Agricultural Pool	8475 · BHFS Legal - Agricultural Pool	1,806.95
				445627 - BHFS Legal - Non-Ag Pool	8575 · BHFS Legal - Non-Ag Pool	2,534.96
				445627 - BHFS Legal - Advisory Committee	6275 · BHFS Legal - Advisory Committee	2,427.00
				445627 - BHFS Legal - Board Meeting	6375 · BHFS Legal - Board Meeting	1,621.14
				445627 - BHFS Legal - Personnel Matters	6073 · BHFS Legal - Personnel Matters	5,054.07
				445627 - BHFS Legal - Storage Agreements	6076 · BHFS Legal - Storage Agreements	5,249.69
				445627 - BHFS Legal - Miscellaneous	6078 · BHFS Legal - Miscellaneous	5,266.35
				445627 - Paragraph 31 Motion	6907.35 · Paragraph 31 Motion	2,793.29
				445627 - Recharge Master Plan	6907.39 · Recharge Master Plan	12,475.50
Bill	01/31/2012	445628		445628 - BHFS Legal - Personnel Matters	6073 · BHFS Legal - Personnel Matters	175.50
Bill	01/31/2012	445629		445629 - Chino Airport Plume	6907.32 · Chino Airport Plume	14,772.13
Bill	01/31/2012	445630		445630 - Paragraph 31 Motion	6907.35 · Paragraph 31 Motion	58,808.78
TOTAL						
Bill Pmt -Check	02/22/2012	15820	CALPERS 457 PLAN	Payroll and Taxes for 01/22/12-02/04/12	1012 · Bank of America Gen'l Ckg	11,435.10
General Journal	02/04/2012	02/04/2012	CALPERS 457 PLAN	Employee Deductions for 01/22/12-02/04/12	2000 · Accounts Payable	11,435.10
TOTAL						
Bill Pmt -Check	02/22/2012	15821	COMPUTER NETWORK		1012 · Bank of America Gen'l Ckg	1,535.44
Bill	01/31/2012	82950		HP Designjet Postscript Upgrade	6054 · Computer Software	8,620.00
Bill	01/31/2012	82949		HP Designjet T2300 Printer - Replacement	6055 · Computer Hardware	300.00
Bill	02/03/2012	83446		Repair projector in board room	6057 · Computer Maintenance	10,455.44
TOTAL						

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
February 2012

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	02/22/2012	15822	CUCAMONGA VALLEY WATER DISTRICT	Lease Due March 1, 2012	1012 - Bank of America Gen'l Ckg	5,984.00
Bill	02/15/2012			Lease Due March 1, 2012	1422 - Prepaid Rent	5,984.00
TOTAL						
Bill Pmt -Check	02/22/2012	15823	GREAT AMERICA LEASING CORP.	11862159	1012 - Bank of America Gen'l Ckg	2,788.53
Bill	01/31/2012	11862159		Monthly Lease Invoice	6043.1 - Ricoh Lease Fee	2,788.53
				Usage for Black Copies	6043.2 - Ricoh Usage & Maintenance Fee	292.15
				Usage for Color Copies	6043.2 - Ricoh Usage & Maintenance Fee	224.08
TOTAL						
Bill Pmt -Check	02/22/2012	15824	GUARANTEED JANITORIAL SERVICE, INC.	1-28887	1012 - Bank of America Gen'l Ckg	865.00
Bill	02/01/2012	1-28887		Janitorial Service - February 2012	6024 - Building Repair & Maintenance	865.00
TOTAL						
Bill Pmt -Check	02/22/2012	15825	MWH LABORATORIES		1012 - Bank of America Gen'l Ckg	615.00
Bill	01/31/2012	L0077444		L0077444 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	01/31/2012	L0077445		L0077445 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	01/31/2012	L0077645		L0077645 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,770.00
Bill	01/31/2012	L0077447		L0077447 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,532.00
Bill	01/31/2012	L0078443		L0078443 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	01/31/2012	L0078444		L0078444 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	01/31/2012	L0078445		L0078445 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,770.00
TOTAL						
Bill Pmt -Check	02/22/2012	15826	PAYCHEX	2012020200	1012 - Bank of America Gen'l Ckg	393.57
Bill	01/31/2012	2012020200		Payroll Service - January 2012	6012 - Payroll Services	393.57
TOTAL						
Bill Pmt -Check	02/22/2012	15827	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	8,074.07
General Journal	02/04/2012	02/04/2012		CalPERS for 01/22/12-02/04/12	2000 - Accounts Payable	8,074.07
TOTAL						
Bill Pmt -Check	02/22/2012	15828	RAUCH COMMUNICATION CONSULTANTS, LLC Feb-1206		1012 - Bank of America Gen'l Ckg	2,028.75
Bill	01/31/2012	Feb-1206		Progress Billing - CBWM Annual Report	6061.3 - Rauch	2,028.75
TOTAL						
Bill Pmt -Check	02/22/2012	15829	SAFEGUARD DENTAL & VISION	4190814	1012 - Bank of America Gen'l Ckg	7.91
Bill	02/01/2012	4190814		Vision Insurance - February 2012	60182.2 - Dental & Vision Ins	7.91
TOTAL						

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	02/22/2012	15830	STAPLES BUSINESS ADVANTAGE		1012 - Bank of America Gen'l Ckg	
Bill	01/31/2012	8020887455		Miscellaneous office supplies	6031.7 - Other Office Supplies	54.92
Bill	02/04/2012	8020968323		Miscellaneous office supplies	6031.7 - Other Office Supplies	39.52
TOTAL						94.44
Bill Pmt -Check	02/22/2012	15831	STAULA, MARY L		1012 - Bank of America Gen'l Ckg	
Bill	02/29/2012			Retiree Medical	60182.4 - Retiree Medical	136.61
TOTAL						136.61
Bill Pmt -Check	02/22/2012	15832	THE LAWTON GROUP		1012 - Bank of America Gen'l Ckg	
Bill	01/31/2012	1VC070000018102		Week ending 1/29/12	6017 - Temporary Services	824.00
TOTAL						824.00
Bill Pmt -Check	02/22/2012	15833	UNITED PARCEL SERVICE		1012 - Bank of America Gen'l Ckg	
Bill	01/31/2012	2x81x0		Package to Andy Malone @ WE Inc.	6042 - Postage - General	25.37
TOTAL						25.37
Bill Pmt -Check	02/22/2012	15834	VERIZON BUSINESS		1012 - Bank of America Gen'l Ckg	
Bill	02/13/2012	64217340			6053 - Internet Expense	1,562.96
TOTAL						1,562.96
Bill Pmt -Check	02/22/2012	15835	VERIZON WIRELESS		1012 - Bank of America Gen'l Ckg	
Bill	02/13/2012	1054382992		Monthly service	6022 - Telephone	406.91
TOTAL						406.91
Bill Pmt -Check	02/22/2012	15836	WESTERN DENTAL SERVICES, INC.		1012 - Bank of America Gen'l Ckg	
Bill	02/13/2012	002483		Dental Insurance - March 2012	60182.2 - Dental & Vision Ins	28.88
TOTAL						28.88
Bill Pmt -Check	02/22/2012	15837	WILDERMUTH ENVIRONMENTAL INC		1012 - Bank of America Gen'l Ckg	
Bill	01/31/2012	2012010		2012010 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	6,212.50
Bill	01/31/2012	2012011		2012011 - OBMP Engineering Services	6906 - OBMP Engineering Services	5,262.50
Bill	01/31/2012	2012012		2012012 - OBMP Engineering Services	6906 - OBMP Engineering Services	575.00
Bill	01/31/2012	2012013		2012013 - OBMP Engineering Services	6905 - OBMP Engineering Services	3,825.26
Bill	01/31/2012	2012014		2012014 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	21,813.44
Bill	01/31/2012	2012015		2012015 - Grdwtr Qual-Engineering	7103.3 - Grdwtr Qual-Engineering	13,393.75
Bill	01/31/2012	2012016		2012016 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	12,913.65
Bill	01/31/2012	2012017		2012017 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	907.43
Bill	01/31/2012	2012018		2012018 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	8,373.72
Bill	01/31/2012	2012019		2012019 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	24,997.60

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	01/31/2012	2012020		Associated Engineers - Contract Svcs	7107.6 · Grd Level-Contract Svcs	11,000.00
Bill	01/31/2012	2012021		2012020 - PE3&5-Engineering	7303 · PE3&5-Engineering	4,300.00
Bill	01/31/2012	2012022		2012021 - PE4-Engineering	7402 · PE4-Engineering	3,825.00
Bill	01/31/2012	2012023		2012022 - OBMP Engineering Services	6906 · OBMP Engineering Services	4,727.50
Bill	01/31/2012	2012024		2012023 - Comp Recharge-Implementation	7202.3 · Comp Recharge-Implementation	15,957.59
Bill	01/31/2012	2012025		2012024 - PE6&7-Engineering	7502 · PE6&7-Engineering	5,476.25
				2012025 - OBMP Engineering Services	6906 · OBMP Engineering Services	440.00
TOTAL						144,001.19
General Journal	02/29/2012	02/29/2012	Wage Works Direct Debits - February 2012	Wage Works Direct Debits - February 2012	1012 · Bank of America Gen'l Ckg	495.40
					1012 · Bank of America Gen'l Ckg	495.40
					1012 · Bank of America Gen'l Ckg	76.25
TOTAL						1,067.05
Total Disbursements:						550,097.34