



CHINO BASIN WATERMASTER



NOTICE OF MEETING

Thursday, May 26, 2011

11:00 a.m. – Watermaster Board Meeting

(Lunch will be served)

AT THE CHINO BASIN WATERMASTER OFFICES

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





CHINO BASIN WATERMASTER

Thursday, May 26, 2011

11:00 a.m. – Watermaster Board Meeting

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – May 26, 2011

WITH

Mr. Ken Willis, Chair

Mr. Bob Kuhn, Vice-Chair

At The Offices Of

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

Note: All matters listed under the Consent Calendar are considered to be routine and be no separate discussion on these items prior to voting unless any members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES

1. Minutes of the Watermaster Board Meeting held April 28, 2011 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2011 *(Page 9)*
2. Watermaster VISA Check Detail for the month of March 2011 *(Page 21)*
3. Combining Schedule for the Period July 1, 2010 through March 31, 2011 *(Page 25)*
4. Treasurer's Report of Financial Affairs for the Period March 1, 2011 through March 31, 2011 *(Page 29)*
5. Budget vs. Actual July through March 2011 *(Page 33)*

C. BANK OF AMERICA

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

D. LOCAL AGENCY INVESTMENT FUND – NEW CEO NAME ADDITION

Revised Resolution 11-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF) for Desi Alvarez to be Renamed as the Chief Executive Officer/Secretary for Chino Basin Watermaster *(Page 39)*

E. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company ("Company") has agreed to purchase from Monte Vista Water District water in storage in the amount of 500.000 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2010-2011. Date of Application: February 24, 2011 *(Page 41)*

2. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 4,055.720 acre-feet of water from the City of Chino (Chino). The transfer will be made first from Chino’s net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage. Date of Application: March 1, 2011 *(Page 55)*
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,595.170 acre-feet of water from the City of Pomona. The transfer will be made from the City’s Excess Carryover Account. Date of Application: March 1, 2011 *(Page 65)*
4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 957.102 acre-feet of water from the Santa Ana River Water Company (SARWC). The transfer will be made first from SARWC’s net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage. Date of Application: March 1, 2011 *(Page 75)*
5. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 2,233.238 acre-feet of water from the City of Upland (Upland). The transfer will be made first from Upland’s net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage. Date of Application: March 1, 2011 *(Page 85)*
6. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 47.855 acre-feet of water from the City of Ontario (Ontario). The transfer will be made first from Ontario’s net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage. Date of Application: March 1, 2011 *(Page 95)*

II. BUSINESS ITEMS

A. OUTSIDE AUDIT FIRM

Staff Recommends Approval of the Request to Award a Five Year Contract (with Optional Two Years) to Charles Z. Fedak & Company, an Outside Audit Firm *(Page 105)*

B. PURCHASE OF 50,000 ACRE-FEET WATER FROM METROPOLITAN WATER DISTRICT

Staff Recommends Approval of the Purchase of 50,000 Acre-Feet of Replenishment Water from Metropolitan Water District *(Page 139)*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Restated Watermaster Judgment
3. CDA Facilitation Effort

B. ENGINEERING REPORT

1. GE Application for Recharge Description and Status
2. Summary of HCMP Annual Report

C. CEO/STAFF REPORT

1. Recharge Update
2. FY 2010/11 Land Use Conversions and Voluntary Agreements

IV. INFORMATION

1. Cash Disbursements for April 2011 *(Page 147)*
2. Newspaper Articles *(Page 160)*

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

1. South Archibald Plume
2. Paragraph 31 Motion

VIII. FUTURE MEETINGS

Thursday, May 26, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, June 2, 2011	1:00 p.m.	Appropriative Pool Meeting @ CBWM
Thursday, June 2, 2011	2:30 p.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, June 9, 2011	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, June 16, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, June 16, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, June 23, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Friday, July 8, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court

Meeting Adjourn

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting held on April 28, 2011



Draft Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

April 28, 2011

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on April 28, 2011 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Ken Willis, Chair
Bob Kuhn
Steve Elie
Ken Jeske
Paula Lantz
Tom Haughey
Charles Field
Geoffrey Vanden Heuvel
Paul Hofer

West End Consolidated Water Company
Three Valleys Municipal Water District
Inland Empire Utilities Agency
California Steel Industries
City of Pomona
City of Chino
Western Municipal Water District
Agricultural Pool
Agricultural Pool

WATERMASTER BOARD MEMBERS ABSENT

Bob Bowcock

Vulcan Materials Company (Calmat Division)

Watermaster Staff Present

Danielle Maurizio
Joe Joswiak
Ben Pak
Sherri Molino

Senior Engineer – Interim CEO
Chief Financial Officer
Senior Project Engineer
Recording Secretary

Watermaster Consultants Present

Michael Fife
Andy Malone
Mark Wildermuth

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

Others Present Who Signed In

Marty Zvirbulis
Jolynne Russo-Pereyra
John Bosler
David DeJesus
Mohamed El Amamy
Dave Crosley
Ron Craig
Raul Garibay
Curtis Paxton
Steven G. Lee
Bob Feenstra
Jennifer Novak
Justin Scott-Coe
Van Jew
Jack Safely
Gary Meyerhofer
Terry Catlin
Michael Camacho

Cucamonga Valley Water District
Cucamonga Valley Water District
Cucamonga Valley Water District
Three Valleys Municipal Water District
City of Ontario
City of Chino
City of Chino Hills
City of Pomona
Chino Desalter Authority
Reid & Hellyer for the Agricultural Pool
Agricultural Pool
State of California, Dept. of Justice, CIM
Monte Vista Water District
Monte Vista Water District
Western Municipal Water District
Carollo Engineering
Inland Empire Utilities Agency
Inland Empire Utilities Agency

Eunice Ulloa
David DeJesus
Sheri Rojo

Chino Basin Water Conservation District
Three Valleys Municipal Water District
Consultant for Fontana Water Company

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

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board Meeting held March 24, 2011
2. Minutes of the Special Confidential Watermaster Board Meeting held March 31, 2011

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2011
2. Watermaster VISA Check Detail for the month of February 2011
3. Combining Schedule for the Period July 1, 2010 through February 28, 2011
4. Treasurer's Report of Financial Affairs for the Period February 1, 2011 through February 28, 2011
5. Budget vs. Actual July through February 2011

C. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 60.000 acre-feet of water from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's Annual Production Right, with any remainder to be recaptured from storage. Date of Application: January 26, 2011
2. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 60.000 acre-feet of water from San Antonio Water Company to the Monte Vista Water District. This lease is made first from San Antonio's Annual Production Right, with any remainder to be recaptured from storage. Date of Application: January 26, 2011
3. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 274.294 acre-feet of water from San Antonio Water Company to the Monte Vista Water District. This lease is made first from San Antonio's Annual Production Right, with any remainder to be recaptured from storage. Date of Application: January 28, 2011
4. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 880.000 acre-feet of water from San Antonio Water Company to the City of Upland. This lease is made first from San Antonio's Annual Production Right, with any remainder to be recaptured from storage. Date of Application: January 26, 2011
5. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 895.190 acre-feet of water from San Antonio Water Company to the City of Upland. This lease is made first from San Antonio's Annual Production Right, with any remainder to be recaptured from storage. Date of Application: February 1, 2011

Motion by Kuhn, second by Elie, and by unanimous vote

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

II. BUSINESS ITEMS

A. BUDGET AMENDMENT

Mr. Joswiak stated Watermaster staff is transferring \$145,000 from the groundwater monitoring/engineering budget account #7107-2 to a brand new category, account #6906-1, Watermaster Model Update. A discussion regarding the new category account #6906-1 ensued. Mr. Joswiak stated this dollar amount came directly from Wildermuth Environmental Inc. for them to execute the model update. Mr. Wildermuth offered comment regarding this item and noted

staff will attempt to perform \$145,000 of work this fiscal year's budget and \$165,000 on next year's budget. Mr. Vanden Heuvel inquired if the Pools had the benefit of all this information presented today when they passed this item earlier this month. Mr. Joswiak stated yes, the Pools did have that information and this is not an addition to the budget, it is only a transfer of funds into a new category. Mr. Wildermuth discussed the contents of the work to be performed. Ms. Maurizio stated it was discussed at the Appropriative Pool meeting and noted at that meeting that this project was budgeted; however, it is being pushed up on the schedule to be worked on sooner rather than later. Mr. Vanden Heuvel offered comment on budgeted items being moved around for a new initiative. Mr. Jeske stated this was discussed at both budget workshops (Appropriative and Non-Agricultural) and included at those workshops was the proposed budget for next year including the scope of work and task management for this item. Ms. Maurizio stated those documents were also available at the Advisory Committee meeting. Ms. Lantz stated she thought this item was taking funds from one item and putting them into another item and she is not used to approving work or studies as a line item change when the Board is actually approving a project to be performed. Ms. Maurizio stated this is why it is a budget amendment. Mr. Kuhn noted this was discussed last year during the budget process and it was delayed by one year so this was a previously approved project. Mr. Vanden Heuvel stated he does not remember approving this project previously and noted there was not sufficient information in the agenda package for reference purposes. A discussion regarding this matter ensued.

Motion by Kuhn, second by Jeske, and by unanimous vote

Moved to approve Budget Amendment A-11-04-01 in the amount of \$145,000, as presented

B. BUDGET TRANSFERS

Mr. Joswiak stated this budget transfer is standard Watermaster practice to review which budget items are over or under budget and then to transfer funds around by taking this through the Watermaster process. Mr. Joswiak reviewed the actual budget transfers form T-11-04-01 in detail. Ms. Joswiak noted the transferring of these funds does not change the budget financially in any way.

Motion by Vanden Heuvel, second by Haughey, and by unanimous vote

Moved to approve Budget Transfer T-11-04-01, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Paragraph 31 Appeal

Counsel Fife stated the opening briefs have been filed by both the Non-Agricultural Pool and by California Steel Industries; Watermaster counsel is currently preparing the response brief which is due by May 17, 2011. Counsel Fife stated the response brief will be filed on time. Mr. Vanden Heuvel inquired if this item was going to be discussed during closed session. Counsel Fife stated it was not anticipated; however, it could be added to the closed session agenda. Mr. Vanden Heuvel stated he wanted to inquire into costs for the appeal. Counsel Fife stated he does not have dollar amounts with him; although, there will be a significantly less amount of work performed than when the original motion was filed. The arguments that are being made are largely repeats of the arguments that were made at the superior court level. Watermaster's response is like the original response, and there are no new exhibits to prepare. A discussion regarding the Court of Appeals process ensued. Counsel Fife offered comment and noted he was not exactly sure how long an appeal decision would take.

2. Court Hearing Update

Counsel Fife stated a hearing was scheduled for April 22, 2011; however, all the documents that needed to be completed for that hearing are not 100% completed. The CDA Resolution was one of the items being presented to the court and there is still one

contingency being worked on. There will be a few other small items being presented as well as the Restated Judgment at the July 8, 2011 rescheduled hearing date.

Added Comment:

Counsel Fife stated with regard to Water Rights Permit No. 20753, comments have been received back from the State Board last week. Counsel Fife stated several years ago Watermaster went through a very lengthy process with the State Board in terms of water rights permitting on the Santa Ana River. It was not just Watermaster, it was Orange County Water District, Western Municipal Water District and basically everybody in the watershed. Chino Basin was given a permit for making diversions out of all the creeks in the Chino Basin. Counsel Fife stated one of the legal issues the State Board confronted when giving Watermaster its permit was how to deal with permitting in the context of very flashy streams, which is normal in the Chino Basin. Some years there is a lot of water, and other years there is almost nothing, which is what they call flashy streams, and then the dilemma of how the State Board fits that scenario into their permit. Counsel Fife stated there are many issues associated with this matter. One of the ways the State Board worked through this issue was to give Watermaster an extended period of time to go from permit to license; the State Board gave Watermaster fifty years to accomplish this process. Counsel Fife stated there are two other permits that were pre-existing that have the traditional shorter time periods of going from permit to license, which is exactly the case with permit no. 20753. Counsel Fife stated moving 20753 from permit to license expires this year and a request was filed by Watermaster with the State Board for an extension. The protest period has already expired on that extension request and there were no protests. Counsel Fife stated a forty-seven year extension was asked for on permit 20753, which will then make that permit coterminous with the other permits. Counsel Fife stated this is being requested for approval without a hearing. Counsel Fife stated he would keep the parties apprised on the outcome of the extension request.

B. ENGINEERING REPORT

1. GE Application for Recharge Description and Status

Mr. Malone stated Engineering has one information item only today. Mr. Malone stated Watermaster received a Recharge Application from the General Electric Company associated with their GE Flatiron plume. Mr. Malone reviewed a map of the area from which the application is being discussed. Mr. Malone stated when Watermaster receives a recharge application it is required to do a finding of material physical injury that might be associated with that recharge. Mr. Malone provided information on the project and discussed the analysis which is being performed presently for material physical injury. Mr. Malone stated this item will be coming back at a future meeting with the findings; this is an information item only. Mr. Malone continued his presentation on this item. Mr. Vanden Heuvel inquired if GE ever discussed the potential of putting this water into the recycled water line and distributing it. Mr. Jeske stated this project is the result of several years of negotiations. Watermaster staff went to the GRCC Committee meeting and requested that GE find another site other than the Ely Basins to take this in; this has been in the works since approximately 2004. The well sites are on City of Ontario property and the entire time GE was looking for sites, Watermaster was involved in reviewing sites and at no time during that process was a recharge application even contemplated as its not supplemental water. It is basin water treated to better standards than it was, and then would be put back into the basin. The recharge portion which triggers the findings by Watermaster was recently brought up to GE when they submitted a request that there be no losses from this closed loop system. This would explain why this had not come through the Watermaster process before; however, there was a lot of involvement from Watermaster and other agencies in this matter. Mr. Jeske stated GE could see using Ely Basins was compromising their ability to run the plant, the extraction wells, and the clean up to the point where GE wanted to be responsible and not lose control over the plume, which could affect other downstream wells. GE has invested a considerable amount of money and time in developing an alternative through an agreement with the City of Ontario for using the City of Ontario property. Mr. Jeske stated part of the project included additions to the treatment system and GE did

do groundwater modeling and submitted that to the Regional Board in order to get their waste discharge requirements. They are now completing the process as requested by Watermaster. Mr. Vanden Heuvel inquired about the recycled water line. Mr. Jeske stated there is no recycled water line anywhere near that facility and at the time that was considered. Inland Empire Utilities Agency had represented they had more than enough recycled water and the City of Ontario looked at whether or not that water could be used either into their potable water system or building a separate recycled water system – none of which were economically or corporately feasible. The City of Ontario entered into the agreement to put this water back into the ground and have that local resource available for others to use. A lengthy discussion regarding these comments ensued. Mr. Malone stated the existing groundwater flow model is being used to perform the analysis on this injection project and a finding will be brought forward in the form of a staff report in the near future.

C. FINANCIAL REPORT

1. Watermaster 2011-2012 Draft Budget – Watermaster-Legal-Engineering

Mr. Joswiak stated that traditionally the Watermaster budget is developed during the months of March and April. A similar presentation on the 2011-2012 budget has been presented to the Pools earlier this month and a budget workshop took place on April 12, 2011. Mr. Joswiak stated that with the input from the Pool meetings and the budget workshop the budget was adjusted and the presentation today reflects those changes and recommendations. Mr. Joswiak reviewed some questions presented at the budget workshop. Mr. Joswiak went over the last several years of when the budget was approved and noted the Judgment is silent on ramifications if the budget is not approved before the fiscal year begins. Mr. Joswiak offered comment on what happens to excess funds and reviewed a chart on this matter. Mr. Joswiak gave the 2011-2012 presentation. Mr. Joswiak reviewed the changes made to the budget over the last month and the assumptions in detail. Mr. Joswiak reviewed the Wildermuth Environmental, Inc. proposed budget, and the legal proposed budget in detail, and discussed the next steps. Mr. Joswiak noted this same budget will be presented to the Pools starting next week and staff is anticipating the budget to be adopted in May. Mr. Joswiak stated there is a second budget workshop scheduled for May 19, 2011, directly after the Advisory Committee meeting. Mr. Joswiak reviewed the upcoming production numbers in detail. Chair Willis commented on legal expenses. Ms. Lantz asked Mr. Joswiak to pull up the legal slide again for a second review. Ms. Lantz commented on items which were budgeted previously but are not budgeted this year. Counsel Fife offered comment on the zero columns of the budget for legal. A discussion regarding the proposed legal budget ensued. Counsel Fife referenced page 95 of the meeting package which depicts what was accomplished over the last few months while attempting to stay on track with the budget. Counsel Fife discussed legal attending or not attending all meetings. Chair Willis stated really the unforeseen is the problem that is faced each year. Mr. Vanden Heuvel complemented Mr. Joswiak on a job well done and the budget presented today looks good. Mr. Vanden Heuvel stated he is ready to approve the budget presented today. Mr. Joswiak stated the changes were a collaborative effort from all of staff.

D. CEO/STAFF REPORT

1. Recharge Update

Ms. Maurizio stated the new recharge spreadsheet is available on the back table and reviewed the numbers in detail.

2. SBX7-6 California Statewide Groundwater Elevation Monitoring Program (CASGEM)

Ms. Maurizio stated this is a request coming from the Department of Water Resources (DWR) and this is a statewide program that they are trying to develop. Ms. Maurizio stated there is a California Statewide Groundwater Elevation Monitoring (CASGEM) Program that will be beginning soon and they have asked for Watermaster's commitment to comply. The DWR is looking for regional agencies to report on behalf of water agencies in their regions; they are looking at receiving data from Watermaster or whomever the regional holder is of

all the data. They have asked Chino Basin Watermaster to report the water levels for the Chino Basin and for the Cucamonga Basin; this will begin in about six to twelve months on a quarterly basis. Ms. Maurizio stated the report will only be on water levels and no water quality data is being released. Mr. Vanden Heuvel inquired if this needs approval or can staff just comply with the request. Ms. Maurizio stated this is basically just a data request which is something that is done pretty routinely and the only time specific requests/approval needs to be done is when private owner water quality data is involved.

Added Comments:

Ms. Maurizio stated it looks like Metropolitan Water District (MWD) will soon be offering water at their replenishment rate again in a limited quantity. It was anticipated MWD was going to be making this decision at a recent board meeting; however, it has been deferred until their May 10, 2011 meeting. Ms. Maurizio stated MWD might be offering anywhere from 200,000 to 250,000 acre-feet of water at the replenishment rate. Ms. Maurizio stated Watermaster does not have the funds available to purchase that water and Watermaster is in the process of fulfilling the CURO. Until the Assessment Package is done, and staff can see what overproduction there might be, and monies are collected there are no funds to purchase this water. Ms. Maurizio stated staff is speaking to appropriators that know they will be overproducers and they might want to purchase that water now through Watermaster for future overproduction. Chair Willis asked that Watermaster staff do a check with all water producers and find out who plans to do what with this regard and then at the next meeting provide an update. Chair Willis stated he also would like to know what the affect would be if Watermaster purchased the water and what might be a proper goal for this endeavor. Ms. Maurizio stated there are not the overproducers like there used to be in the past. Mr. Hofer inquired as to the current replenishment rate. Ms. Maurizio stated it is at \$4.09 and then there is a \$14.00 add on cost for pass on charges from both Inland Empire Utilities Agency and Orange County Water District.

Ms. Maurizio stated there are parking signs placed around the building due to a disgruntled neighbor across the street. The neighbor has come to the office more than a few times to complain of people parking in front of his house which does not allow access from the street cleaners or the mail carrier and has asked that nobody park in front of his house. It was noted staff is opening the back gate on meeting days for people to park also.

IV. INFORMATION

1. Cash Disbursements for March 2011
No comment was made regarding this item.
2. Newspaper Articles
No comment was made regarding this item.

V. BOARD MEMBER COMMENTS

Mr. Kuhn thanked the CEO Ad-Hoc Committee members for their assistance in hiring Desi Alvarez and thanked Danni Maurizio for stepping up and filling the CEO position as interim, noting she did a great job.

VI. OTHER BUSINESS

No comment was made regarding this item.

The regular open Watermaster Board meeting was convened to hold its confidential session at 12:15 p.m.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

1. South Archibald Plume

The confidential session concluded at 12:30 p.m.

There was no reportable action from the confidential session.

VIII. FUTURE MEETINGS

Thursday, April 28, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, May 5, 2011	1:00 p.m.	Appropriative Pool Meeting @ CBWM
Thursday, May 5, 2011	2:30 p.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, May 12, 2011	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, May 19, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, May 19, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
* Thursday, May 19, 2011	10:30 a.m.	Watermaster 2nd Budget Workshop @ CBWM
Thursday, May 26, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Friday, July 8, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court

* This time slot was originally for the Land Subsidence Committee Meeting which has now been cancelled and replaced with the Watermaster 2nd Budget Workshop

The Watermaster Board meeting was dismissed by Chair Willis at 12:31 a.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2011
2. Watermaster VISA Check Detail for the month of March 2011
3. Combining Schedule for the Period March 1, 2011 through March 31, 2011
4. Treasurer's Report of Financial Affairs for the Period March 1, 2011 through March 31, 2011
5. Budget vs. Actual July 2010 through March 2011





CHINO BASIN WATERMASTER

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

DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: May 26, 2011
TO: Watermaster Board Members
SUBJECT: Cash Disbursement Report – Financial Report B1

SUMMARY

Issue – Record of cash disbursements for the month of March 2011.

Recommendation – Staff recommends the Cash Disbursements for March 2011 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2010-2011 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 March 2011 were \$387,845.59. The most significant expenditures during the month were Wildermuth Environmental, Inc. in the amount of \$166,914.79 (check number 14982 dated March 21, 2011), Brownstein Hyatt Farber Schreck in the amount of \$48,117.55 (check number 14966 dated March 21, 2011), and payroll related charges for the period 02/20/11-03/05/11 in the amount of \$24,375.35 (\$19,395.70 for direct deposits and \$4,979.65 for payroll related taxes debited from our payroll bank account on March 5, 2011).

Actions:

May 5, 2011 Appropriative Pool – Approved Unanimously
May 5, 2011 Non-Agricultural Pool – Receive & File with no Approval
May 12, 2011 Agricultural Pool – Approved Unanimously
May 19, 2011 Advisory Committee – Approved Unanimously
May 26, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	03/01/2011	14924	A & R TIRE	034892	1012 - Bank of America Gen'l Ckg	
Bill	02/28/2011	034892		field truck repairs	6177 - Vehicle Repairs & Maintenance	79.71
TOTAL						79.71
Bill Pmt -Check	03/01/2011	14925	APPLIED COMPUTER TECHNOLOGIES	2000	1012 - Bank of America Gen'l Ckg	
Bill	02/28/2011	2000		Database Services - February 2011	6052.2 - Applied Computer Technol	3,051.20
TOTAL						3,051.20
Bill Pmt -Check	03/01/2011	14926	ARROWHEAD MOUNTAIN SPRING WATER	0023230253	1012 - Bank of America Gen'l Ckg	
Bill	02/28/2011	0023230253		Office Water Bottle - February 2011	6031.7 - Other Office Supplies	29.84
TOTAL						29.84
Bill Pmt -Check	03/01/2011	14927	BOWCOCK, ROBERT	2/24/2011 Watermaster Board Meeting	1012 - Bank of America Gen'l Ckg	
Bill	02/24/2011	2/24 Board Meeting		2/24/2011 Watermaster Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	03/01/2011	14928	CALPERS	1741	1012 - Bank of America Gen'l Ckg	
Bill	02/28/2011	1741		Medical Insurance Premiums - March 2011	60182.1 - Medical Insurance	7,173.68
TOTAL						7,173.68
Bill Pmt -Check	03/01/2011	14929	DIRECTV	019447404	1012 - Bank of America Gen'l Ckg	
Bill	02/28/2011	019447404		Monthly Service for 2/19/11-3/18/11	6031.7 - Other Office Supplies	86.99
TOTAL						86.99
Bill Pmt -Check	03/01/2011	14930	ELIE, STEVEN	2/03/2011 Non Ag Conference Call Meeting	1012 - Bank of America Gen'l Ckg	
Bill	02/03/2011	2/03 Non Ag Call		2/03/2011 Non Ag Conference Call Meeting	6311 - Board Member Compensation	125.00
Bill	02/16/2011	2/16 ABGL Group Mtg		2/16/2011 ABGL Group Meeting	6311 - Board Member Compensation	125.00
Bill	02/24/2011	2/24 Board Meeting		2/24/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	03/01/2011	14931	HAUGHEY, TOM	2/24/2011 Board Meeting	1012 - Bank of America Gen'l Ckg	
Bill	02/24/2011	2/24 Board Meeting		2/24/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	03/01/2011	14932	INLAND EMPIRE UTILITIES AGENCY	90007177	1012 - Bank of America Gen'l Ckg	
Bill	02/18/2011	90007177		90007177	8456 - IEUA Readyness To Serve	400.98
TOTAL						400.98
Bill Pmt -Check	03/01/2011	14933	KUHN, BOB		1012 - Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	02/11/2011	2/11 Personnel Mtg		2/11/2011 Personnel Meeting	6311 · Board Member Compensation	125.00
Bill	02/17/2011	2/17 Personnel Mtg		2/17/2011 Personnel Meeting	6311 · Board Member Compensation	125.00
Bill	02/24/2011	2/24 Board Meeting		2/24/2011 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	03/01/2011	14934	LANTZ, PAULA		1012 · Bank of America Gen'l Ckg	
Bill	02/16/2011	2/16 ABGL Group Mtg		2/16/2011 ABGL Group Meeting	6311 · Board Member Compensation	125.00
Bill	02/24/2011	2/24 Board Meeting		2/24/2011 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	03/01/2011	14935	OFFICE DEPOT		1012 · Bank of America Gen'l Ckg	
Bill	02/16/2011	552475838001		55247583001 2 paper towel dispensers for restrooms	6031.7 · Other Office Supplies	158.73
TOTAL						158.73
Bill Pmt -Check	03/01/2011	14936	PARK PLACE COMPUTER SOLUTIONS, INC.		1012 · Bank of America Gen'l Ckg	
Bill	02/28/2011	448		448 IT Services - February 2011	6052.1 · Park Place Comp Solutn	3,375.00
TOTAL						3,375.00
Bill Pmt -Check	03/01/2011	14937	PRINTING RESOURCES		1012 · Bank of America Gen'l Ckg	
Bill	02/18/2011	56143		56143 name plates-new board members-Soto and Eile	6031.7 · Other Office Supplies	45.29
TOTAL						45.29
Bill Pmt -Check	03/01/2011	14938	PURCHASE POWER		1012 · Bank of America Gen'l Ckg	
Bill	02/28/2011	8000909000168851		8000909000168851 fed ex shipments	6042 · Postage - General	58.89
TOTAL						58.89
Bill Pmt -Check	03/01/2011	14939	STANDARD INSURANCE CO.		1012 · Bank of America Gen'l Ckg	
Bill	02/28/2011	00-640888-0009		Policy # 00-640888-0009 Life and Disability Insurance Premiums	60191 · Life & Disab.ins Benefits	369.20
TOTAL						369.20
Bill Pmt -Check	03/01/2011	14940	STAPLES BUSINESS ADVANTAGE		1012 · Bank of America Gen'l Ckg	
Bill	02/18/2011	8017790518		new received/date stamp for office	6031.7 · Other Office Supplies	57.91
Bill	02/19/2011	8017849893		frame, trash can liners, paper towels for restrooms	6031.7 · Other Office Supplies	251.46
TOTAL						309.37
Bill Pmt -Check	03/01/2011	14941	STATE COMPENSATION INSURANCE FUND		1012 · Bank of America Gen'l Ckg	
Bill	02/28/2011	1615535-10		1615535-10 Workers Compensation Premium	60183 · Worker's Comp Insurance	1,619.32
TOTAL						1,619.32
Bill Pmt -Check	03/01/2011	14942	VANDEN HEUVEL, GEOFFREY		1012 · Bank of America Gen'l Ckg	
Bill	03/01/2011	6311				

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	02/11/2011	2/11 Personnel Mtg		2/11/2011 Personnel Meeting	6311 - Board Member Compensation	125.00
Bill	02/16/2011	2/16 ABGL Group Mtg		2/16/2011 ABGL Group Meeting	6311 - Board Member Compensation	125.00
Bill	02/17/2011	2/17 Personnel Mtg		2/17/2011 Personnel Meeting	6311 - Board Member Compensation	125.00
Bill	02/24/2011	2/24 Board Meeting		2/24/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	03/01/2011	14943	VERIZON	012561121521714508	1012 - Bank of America Gen'l Ckg	158.01
Bill	03/01/2011	012561121521714508		012561121521714508	7405 - PE4-Other Expense	158.01
TOTAL						
Bill Pmt -Check	03/01/2011	14944	VISION SERVICE PLAN	00-101789-0001	1012 - Bank of America Gen'l Ckg	52.93
Bill	02/28/2011	001017890001		Vision Insurance Premium - March 2011	60182.2 - Dental & Vision Ins	52.93
TOTAL						
Bill Pmt -Check	03/01/2011	14945	WILLIS, KENNETH		1012 - Bank of America Gen'l Ckg	125.00
Bill	02/11/2011	2/11 Personnel Mtg		2/11/2011 Personnel Meeting	6311 - Board Member Compensation	125.00
Bill	02/17/2011	2/17 Personnel Mtg		2/17/2011 Personnel Meeting	6311 - Board Member Compensation	125.00
Bill	02/24/2011	2/24 Board Meeting		2/24/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						375.00
General Journal	03/05/2011	03/05/2011	Payroll and Taxes for 02/20/11-03/05/11	Payroll and Taxes for 02/20/11-03/05/11	1012 - Bank of America Gen'l Ckg	4,979.65
				Payroll Taxes for 02/20/11-03/05/11	1012 - Bank of America Gen'l Ckg	19,395.70
				Direct Deposits for 02/20/11-03/05/11	1012 - Bank of America Gen'l Ckg	24,375.35
TOTAL						
Bill Pmt -Check	03/08/2011	14946	A & R TIRE	034971	1012 - Bank of America Gen'l Ckg	83.88
Bill	02/24/2011	034971		field truck repairs	6177 - Vehicle Repairs & Maintenance	83.88
TOTAL						
Bill Pmt -Check	03/08/2011	14947	HOGAN LOVELLS	1955103	1012 - Bank of America Gen'l Ckg	7,325.35
Bill	02/10/2011	1955103		Non-Ag Legal Services - February 2011	8567 - Non-Ag Legal Service	7,325.35
TOTAL						
Bill Pmt -Check	03/08/2011	14948	JAMES JOHNSTON	224	1012 - Bank of America Gen'l Ckg	855.00
Bill	02/28/2011	224		Website Services - February 2011	6052.3 - Website Consulting	855.00
TOTAL						
Bill Pmt -Check	03/08/2011	14949	MIJAC ALARMI	296990	1012 - Bank of America Gen'l Ckg	396.00
Bill	03/01/2011	296990		Building Security Services for 3/01/11-5/31/11	6026 - Security services	396.00
TOTAL						

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	03/08/2011	14950	PAYCHEX	2011022400	1012 · Bank of America Gen'l Ckg	327.09
Bill	02/28/2011	2011022400		Payroll Services - February 2011	6012 · Payroll Services	327.09
TOTAL						
Bill Pmt -Check	03/08/2011	14951	PRINTING RESOURCES	56174	1012 · Bank of America Gen'l Ckg	151.33
Bill	02/28/2011	56174		Business cards for Justin Nakano	6031.7 · Other Office Supplies	151.33
TOTAL						
Bill Pmt -Check	03/08/2011	14952	REID & HELLYER	174146	1012 · Bank of America Gen'l Ckg	10,359.83
Bill	02/28/2011	174146		174146- Ag Pool Legal Services	8467 · Ag Legal & Technical Services	522.50
				174146- Ag Pool Legal Services	8467.1 · Frank B. & Associates	10,882.33
TOTAL						
Bill Pmt -Check	03/08/2011	14953	UNION 76	300-732-989	1012 · Bank of America Gen'l Ckg	138.49
Bill	02/28/2011	300732989		Fuel Expense - February 2011	6175 · Vehicle Fuel	138.49
TOTAL						
Bill Pmt -Check	03/08/2011	14954	VERIZON	012519116950792103	1012 · Bank of America Gen'l Ckg	418.24
Bill	03/01/2011	012519116950792103		Watermaster Main Telephone Service	6022 · Telephone	418.24
TOTAL						
Bill Pmt -Check	03/08/2011	14955	W.C. DISCOUNT MOBILE AUTO DETAILING		1012 · Bank of America Gen'l Ckg	75.00
Bill	03/01/2011			Truck washing service	6177 · Vehicle Repairs & Maintenance	75.00
TOTAL						
Bill Pmt -Check	03/08/2011	14956	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	142.88
Bill	03/01/2011	08-K2 213849		Trash service for March 2011	6024 · Building Repair & Maintenance	142.88
TOTAL						
Bill Pmt -Check	03/09/2011	14957	CITISTREET		1012 · Bank of America Gen'l Ckg	3,462.03
General Journal	02/19/2011	02/19/11		Payroll and Taxes for 02/06/11-02/19/11	2000 · Accounts Payable	3,462.03
				Employee 457 Deductions for 02/06/11-02/19/11		
TOTAL						
Bill Pmt -Check	03/09/2011	14958	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	8,149.54
General Journal	02/19/2011	02/19/11		CalPERS for 02/08/11-02/19/11	2000 · Accounts Payable	8,149.54
TOTAL						
Bill Pmt -Check	03/09/2011	14959	CORELOGIC INFORMATION SOLUTIONS	80146806	1012 · Bank of America Gen'l Ckg	62.50
Bill	02/28/2011	80146806		80146806	7103.7 · Grdwtr Qual-Computer Svc	62.50
TOTAL						

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL				80146806	7101.4 · Prod Monitor-Computer	62.50
Bill Pmt -Check	03/09/2011	14960	GREAT AMERICA LEASING CORP.	10652510	1012 · Bank of America Gen'l Ckg	2,814.41
Bill	02/28/2011	10652510		Copy machine leases	6043.1 · Ricoh Lease Fee	2,814.41
TOTAL						125.00
Bill Pmt -Check	03/09/2011	14961	HSBC BUSINESS SOLUTIONS	7003-7309-1000-2744	1012 · Bank of America Gen'l Ckg	585.44
Bill	02/28/2011	7003730910002744		misc. office supplies and meeting supplies	6031.7 · Other Office Supplies	585.44
TOTAL						
Bill Pmt -Check	03/09/2011	14962	SAFEGUARD DENTAL & VISION	3604012	1012 · Bank of America Gen'l Ckg	7.91
Bill	03/09/2011	3604012		Dental Insurance - March 2011	60182.2 · Dental & Vision Ins	7.91
TOTAL						
Check	03/15/2011	03/15/2011		Service Charge	1012 · Bank of America Gen'l Ckg	202.79
				Service Charge	6031.7 · Other Office Supplies	202.79
TOTAL						
Bill Pmt -Check	03/17/2011	14963	UNITED HEALTHCARE	New Coverage Effective April 1, 2011	1012 · Bank of America Gen'l Ckg	223.53
Bill	03/16/2011			dental insurance premium-new coverage-04/01/11	60182.2 · Dental & Vision Ins	223.53
TOTAL						
General Journal	03/19/2011	03/19/2011	Payroll and Taxes for 03/06/11-03/19/11	Payroll and Taxes for 03/06/11-03/19/11	1012 · Bank of America Gen'l Ckg	5,132.57
				Payroll Taxes for 03/06/11-03/19/11	1012 · Bank of America Gen'l Ckg	19,186.94
				Direct Deposits for 03/06/11-03/19/11	1012 · Bank of America Gen'l Ckg	24,319.51
TOTAL						
Bill Pmt -Check	03/21/2011	14964	WESTERN DENTAL SERVICES, INC.	002483	1012 · Bank of America Gen'l Ckg	28.88
Bill	03/09/2011	002483		Dental Premium - April 2011	60182.2 · Dental & Vision Ins	28.88
TOTAL						
Bill Pmt -Check	03/21/2011	14965	ACWA SERVICES CORPORATION	00198	1012 · Bank of America Gen'l Ckg	148.02
Bill	03/16/2011	00198		Prepayment - April 2011	1409 · Prepaid Life, BAD&D & LTD	148.02
				Disability Premium - March 2011	60191 · Life & Disab.Ins Benefits	137.56
TOTAL						286.18
Bill Pmt -Check	03/21/2011	14966	BROWNSTEIN HYATT FARBBER SCHRECK	439510 - WM Legal Counsel	1012 · Bank of America Gen'l Ckg	25,878.95
Bill	02/28/2011	439510		439510 - Paragraph 31 Motion	6907.3 · WM Legal Counsel	1,170.00
				439510 - Paragraph 31 Motion	6907.35 · Paragraph 31 Motion	1,170.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	02/28/2011	439511		439511 - Santa Ana River Water Rights	6907.34 - Santa Ana River Water Rights	1,197.80
Bill	02/28/2011	439512		439512 - S. Archibald Plume-Formerly OIA	6907.31 - S. Archibald Plume-Formerly OIA	8,086.50
Bill	02/28/2011	439513		439513 - Chino Airport Plume	6907.32 - Chino Airport Plume	4,395.00
Bill	02/28/2011	439514		439514 - Desalter Negotiations	6907.33 - Desalter Negotiations	2,515.50
Bill	02/28/2011	439515		439515 - Paragrph 31 Motion	6907.35 - Paragrph 31 Motion	323.80
Bill	02/28/2011	439516		439516 - Santa Ana River Habitat	6907.36 - Santa Ana River Habitat	4,550.00
TOTAL						48,117.55
Bill Pmt -Check	03/21/2011	14967	CITISTREET	Payroll and Taxes for 02/20/11-03/05/11	1012 - Bank of America Gen'l Ckg	
General Journal	03/05/2011	11/03/02	CITISTREET	Employee 457 Deductions for 02/20/11-03/05/11	2000 - Accounts Payable	1,462.03
TOTAL						1,462.03
Bill Pmt -Check	03/21/2011	14968	COMPUTER NETWORK	backup drive, flash drives, keyboard and mouse	1012 - Bank of America Gen'l Ckg	
Bill	02/25/2011	80653		backup drives	6055 - Computer Hardware	440.44
Bill	03/01/2011	80697			6055 - Computer Hardware	1,050.31
TOTAL						1,500.75
Bill Pmt -Check	03/21/2011	14969	CUCAMONGA VALLEY WATER DISTRICT	Lease Due April 1, 2011	1012 - Bank of America Gen'l Ckg	
Bill	03/16/2011			Lease Dte April 1, 2011	1422 - Prepaid Rent	5,844.00
TOTAL						5,844.00
Bill Pmt -Check	03/21/2011	14970	GLOBAL PRESENTER.COM	replace Polycom Amp in Boardroom	1012 - Bank of America Gen'l Ckg	
Bill	03/09/2011	52410			6055 - Computer Hardware	4,298.75
TOTAL						4,298.75
Bill Pmt -Check	03/21/2011	14971	GUARANTEED JANITORIAL SERVICE, INC.	Service - March 2011	1012 - Bank of America Gen'l Ckg	
Bill	03/16/2011	28389			6024 - Building Repair & Maintenance	865.00
TOTAL						865.00
Bill Pmt -Check	03/21/2011	14972	IAAP	annual dues for S. Molino IAAP membership	1012 - Bank of America Gen'l Ckg	
Bill	03/16/2011	93895531			6111 - Membership Dues	128.00
TOTAL						128.00
Bill Pmt -Check	03/21/2011	14973	MWH LABORATORIES	L0050870	1012 - Bank of America Gen'l Ckg	
Bill	03/08/2011	L0050870		L0050870 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,788.00
TOTAL						1,788.00
Bill Pmt -Check	03/21/2011	14974	PREMIERE GLOBAL SERVICES	06391520	1012 - Bank of America Gen'l Ckg	
Bill	02/28/2011	06391520		Ken Manning call	6909.1 - OBMP Meetings	1.07
				Non Ag Pool Meeting on Feb 3, 2011	8512 - Meeting Expense	180.99

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Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						218.32
Bill Pmt -Check	03/21/2011	14975	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	2/23/11 CGC Meeting/Call	6909.1 · OBMP Meetings	218.32
General Journal	03/05/2011		PUBLIC EMPLOYEES' RETIREMENT SYSTEM	agenda preparation call	8412 · Meeting Expenses	13.28
				agenda preparation call	8512 · Meeting Expense	13.28
				agenda preparation call	8312 · Meeting Expenses	13.29
				monthly fee	6022 · Telephone	14.95
TOTAL						455.18
Bill Pmt -Check	03/21/2011	14975	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	5,609.62
General Journal	03/05/2011		PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS for 02/20/11-03/06/11	2000 · Accounts Payable	5,609.62
TOTAL						5,609.62
Bill Pmt -Check	03/21/2011	14976	R&D PEST SERVICES	0141992	1012 · Bank of America Gen'l Ckg	85.00
Bill	03/16/2011	0141992		Continuing treatment for pest control	6024 · Building Repair & Maintenance	85.00
TOTAL						85.00
Bill Pmt -Check	03/21/2011	14977	RBM LOCK & KEY		1012 · Bank of America Gen'l Ckg	179.70
Bill	03/16/2011			Purch. 12 long neck locks for well access-water lev 7104.6 · Growfr Level-Supplies		179.70
TOTAL						179.70
Bill Pmt -Check	03/21/2011	14978	STAPLES BUSINESS ADVANTAGE	801793362	1012 · Bank of America Gen'l Ckg	104.88
Bill	03/05/2011	801793362		paper towel dispenser, notebooks, post-its, scissors 6031.7 · Other Office Supplies		104.88
TOTAL						104.88
Bill Pmt -Check	03/21/2011	14979	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	136.61
Bill	03/03/2011				60182.4 · Retiree Medical	136.61
TOTAL						136.61
Bill Pmt -Check	03/21/2011	14980	VERIZON BUSINESS	68168259	1012 · Bank of America Gen'l Ckg	1,535.32
Bill	03/16/2011	68168259			6053 · Internet Expense	1,535.32
				Previous upgrade - \$269.52 @ 7 months	6053 · Internet Expense	2,140.62
TOTAL						3,675.94
Bill Pmt -Check	03/21/2011	14981	VERIZON WIRELESS	0356387207	1012 · Bank of America Gen'l Ckg	392.65
Bill	03/16/2011	0956387207		monthly service	6022 · Telephone	392.65
TOTAL						392.65
Bill Pmt -Check	03/21/2011	14982	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	4,761.57
Bill	02/28/2011	2011003		2011003 - OBMP Engineering Services	6906 · OBMP Engineering Services	4,761.57
Bill	02/28/2011	2011004		2011004 - OBMP Engineering Services	6906 · OBMP Engineering Services	7,822.50
Bill	02/28/2011	2011005		2011005 - OBMP Engineering Services	6906 · OBMP Engineering Services	3,395.42

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Type	Date	Numb	Name	Memo	Account	Paid Amount
Bill	02/28/2011	2011006		2011006 - OBMP Engineering Services	6906 · OBMP Engineering Services	3,586.25
Bill	02/28/2011	2011007		2011007 - Grdwtr Qual-Engineering	7103.3 · Grdwtr Qual-Engineering	425.00
Bill	02/28/2011	2011008		2011008 - Grdwtr Qual-Engineering	7103.3 · Grdwtr Qual-Engineering	18,675.00
Bill	02/28/2011	2011009		2011009 - Grdwtr Level-Engineering	7104.3 · Grdwtr Level-Engineering	300.00
Bill	02/28/2011	2011010		2011010 - Grdwtr Level-Engineering	7104.3 · Grdwtr Level-Engineering	3,042.76
Bill	02/28/2011	2011011		2011011 - Grdwtr Level-Engineering	7104.3 · Grdwtr Level-Engineering	1,187.50
Bill	02/28/2011	2011012		2011012 - Grd Level-Engineering	7107.2 · Grd Level-Engineering	2,646.31
Bill	02/28/2011	2011013		2011013 - Grd Level-Cap Equip Exte	7107.8 · Grd Level-Cap Equip Exte	11,680.56
Bill	02/28/2011	2011014		2011014 - Grd Level-Contract Svcs	7107.6 · Grd Level-Contract Svcs	16,000.00
Bill	02/28/2011	2011015		2011015 - Grd Level-Engineering	7107.2 · Grd Level-Engineering	75.00
Bill	02/28/2011	2011016		2011016 - Grd Level-Contract Svcs	7107.6 · Grd Level-Contract Svcs	14,506.16
Bill	02/28/2011	2011017		2011017 - Hydraulic Control-Engineering	7108.3 · Hydraulic Control-Engineering	562.50
Bill	02/28/2011	2011018		2011018 - Hydraulic Control-Engineering	7108.3 · Hydraulic Control-Engineering	5,252.68
Bill	02/28/2011	2011019		2011019 - Hydraulic Control-Engineering	7108.3 · Hydraulic Control-Engineering	137.50
Bill	02/28/2011	2011020		2011020 - Hydraulic Control-Engineering	7108.3 · Hydraulic Control-Engineering	437.50
Bill	02/28/2011	2011021		2011021 - Hydraulic Control-Engineering	7108.3 · Hydraulic Control-Engineering	175.00
Bill	02/28/2011	2011022		2011022 - Hydraulic Control-Engineering	7108.3 · Hydraulic Control-Engineering	718.52
Bill	02/28/2011	2011023		2011023 - Hydraulic Control-Engineering	7108.3 · Hydraulic Control-Engineering	68.75
Bill	02/28/2011	2011024		2011024 - Hydraulic Control-Engineering	7108.3 · Hydraulic Control-Engineering	93.75
Bill	02/28/2011	2011025		2011025 - Hydraulic Control-Engineering	7108.3 · Hydraulic Control-Engineering	20,176.25
Bill	02/28/2011	2011026		2011026 - Hydraulic Control-Engineering	7108.3 · Hydraulic Control-Engineering	19.46
Bill	02/28/2011	2011027		2011027 - Comp Recharge-implementation	7202.3 · Comp Recharge-Implementation	17,275.00
Bill	02/28/2011	2011028		2011028 - PE4-Engineering	7402 · PE4-Engineering	8,108.28
Bill	02/28/2011	2011029		2011029 - PE6&7-Engineering	7502 · PE6&7-Engineering	11,593.75
Bill	02/28/2011	2011030		2011030 - PE6&7-Engineering	7502 · PE6&7-Engineering	2,485.09
Bill	02/28/2011	2011031		2011031 - PE6&7-Engineering	7502 · PE6&7-Engineering	11,706.73
TOTAL						166,914.79
Bill Pmt -Check	03/24/2011	14983	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	02/28/2011	XXXX-XXXX-XXXX-9341		goodbye luncheon for Ken with staff	6141.3 · Admin Meetings	403.36
				lunch for 2/24/11 Board Meeting	6312 · Meeting Expenses	288.13
				lunch meeting for Ken Manning and Ken Willis	6312 · Meeting Expenses	36.43
				seminar registration for S. Molino and A. Perez	6191 · Conferences - General	269.00
				seminar registration for S. Molino and A. Perez	6191 · Conferences - General	34.08
TOTAL						1,031.00
Bill Pmt -Check	03/24/2011	14984	CALPERS	1741	1012 · Bank of America Gen'l Ckg	
Bill	03/22/2011	1741		Medical Premiums - April 2011	60182.1 · Medical Insurance	5,431.25
TOTAL						5,431.25

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	03/24/2011	14985	PARIS PRINTING	48893	1012 - Bank of America Gen'l Ckg	
Bill	03/23/2011	48893		33rd Annual Report Printing	6045 - Printing	3,009.67
TOTAL						3,009.67
Bill Pmt -Check	03/24/2011	14986	PRE-PAID LEGAL SERVICES, INC.	111802	1012 - Bank of America Gen'l Ckg	
Bill	03/22/2011	111802		March 2011	60194 - Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	03/24/2011	14987	RANCHO GLASS & MIRRORS		1012 - Bank of America Gen'l Ckg	
Bill	03/22/2011			to purchase glass to cover table for CEO office	6036 - Minor Office Furniture	84.52
TOTAL						84.52
Bill Pmt -Check	03/24/2011	14988	RAUCH COMMUNICATION CONSULTANTS, LLC Feb-1104		1012 - Bank of America Gen'l Ckg	
Bill	03/23/2011	Feb-1104		Annual Report	6061.3 - Rauch	5,027.50
TOTAL						5,027.50
Bill Pmt -Check	03/24/2011	14989	STANDARD INSURANCE CO.		1012 - Bank of America Gen'l Ckg	
Bill	03/22/2011	00-640888-0009		Policy # 00-640888-0009	60191 - Life & Disab.Ins Benefits	369.20
Bill Pmt -Check	03/24/2011	14990	STATE COMPENSATION INSURANCE FUND		1012 - Bank of America Gen'l Ckg	
Bill	03/23/2011	1615535-10		WC Insurance Premium - 1615535-10	60183 - Worker's Comp Insurance	842.01
TOTAL						842.01
Bill Pmt -Check	03/24/2011	14991	TELECOM SERVICES		1012 - Bank of America Gen'l Ckg	
Bill	03/22/2011	5326		make changes to voice-mail system	6022 - Telephone	125.00
TOTAL						125.00
Bill Pmt -Check	03/24/2011	14992	W.C. DISCOUNT MOBILE AUTO DETAILING		1012 - Bank of America Gen'l Ckg	
Bill	03/22/2011			Truck washing service	6177 - Vehicle Repairs & Maintenance	100.00
TOTAL						100.00
Bill Pmt -Check	03/24/2011	14993	STAPLES BUSINESS ADVANTAGE		1012 - Bank of America Gen'l Ckg	
Bill	03/22/2011	8018041999		velcro tape, fasteners	6031.7 - Other Office Supplies	91.09
TOTAL					6031.1 - Copy Paper	182.76
Bill Pmt -Check	03/24/2011	14994	PAK, BEN		1012 - Bank of America Gen'l Ckg	
Bill	03/22/2011			Mar. 21, 2011 Water Reuse Conference	6191 - Conferences - General	356.85
TOTAL						356.85

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
General Journal	03/31/2011	03/31/2011	Payroll and Taxes for 03/20/11-04/02/11	Payroll and Taxes for 03/20/11-04/02/11	1012 - Bank of America Gen'l Ckg	4,738.83
			Payroll Taxes for 03/20/11-04/02/11	Payroll Taxes for 03/20/11-04/02/11	1012 - Bank of America Gen'l Ckg	18,610.13
			Direct Deposits for 03/20/11-04/02/11	Direct Deposits for 03/20/11-04/02/11	1012 - Bank of America Gen'l Ckg	23,348.96
TOTAL						
General Journal	03/31/2011	03/31/2011	Wage Works Direct Debits - March 2011	Wage Works Direct Debits - March 2011	1012 - Bank of America Gen'l Ckg	86.75
			Wage Works Direct Debits - March 2011	Wage Works Direct Debits - March 2011	1012 - Bank of America Gen'l Ckg	839.24
			Wage Works Direct Debits - March 2011	Wage Works Direct Debits - March 2011	1012 - Bank of America Gen'l Ckg	839.24
						1,765.23
Total Disbursements:						387,845.59
TOTAL						



CHINO BASIN WATERMASTER

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: May 26, 2011
TO: Watermaster Board Members
SUBJECT: VISA Check Detail Report – Financial Report B2

SUMMARY

Issue – Record of VISA credit card payment disbursed for the month of March 2011.

Recommendation – Staff recommends the VISA Check Detail Report for March 2011 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2010-2011 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 March 2011 was \$1,031.00. The monthly charges for March 2011 were for routine and customary expenditures and properly documented with receipts.

Actions:

May 5, 2011 Appropriative Pool – Approved Unanimously
May 5, 2011 Non-Agricultural Pool – Receive & File with no Approval
May 12, 2011 Agricultural Pool – Approved Unanimously
May 19, 2011 Advisory Committee – Approved Unanimously
May 26, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
 VISA Check Detail Report
 March 2011

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	14983	03/24/2011	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	XXXX-XXXX-XXXX-9341	02/28/2011		goodbye luncheon for Ken with staff	6141.3 · Admin Meetings	403.36
				lunch for 2/24/11 Board Meeting	6312 · Meeting Expenses	288.13
				lunch meeting for Ken Manning and Ken Willis	6312 · Meeting Expenses	36.43
				seminar registration for S. Molino and A. Perez	6191 · Conferences - General	269.00
				seminar registration for S. Molino and A. Perez	6191 · Conferences - General	34.08
						<u>1,031.00</u>

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: May 26, 2011
TO: Watermaster Board Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2010 through March 31, 2011 - Financial Report B3

SUMMARY

Issue – Record of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2010 through March 31, 2011.

Recommendation – Staff recommends the Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2010 through March 31, 2011 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2010-2011 Watermaster Budget.

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Working Capital for the period July 1, 2010 through March 31, 2011 is provided to keep all members apprised of the FY 2010/2011 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:

May 5, 2011 Appropriative Pool – Approved Unanimously
May 5, 2011 Non-Agricultural Pool – Receive & File with no Approval
May 12, 2011 Agricultural Pool – Approved Unanimously
May 19, 2011 Advisory Committee – Approved Unanimously
May 26, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE PERIOD JULY 1, 2010 THROUGH MARCH 31, 2011

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT	GROUNDWATER OPERATIONS SB222 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)		23,043	1,755	888			3	25,417	175,010
Mutual Agency Project Revenue	111,000								111,000	148,410
Grant Income									-	0
Miscellaneous Income									-	0
Total Revenues	110,729	-	6,188,122	1,755	343,978	-	-	3	6,644,587	6,831,490
Administrative & Project Expenditures:										
Watermaster Administration	391,479								391,479	512,546
Watermaster Board-Advisory Committee	49,608								49,608	73,073
Pool Administration			43,978	138,821	120,416				303,215	474,856
Optimum Basin Mgmt Administration		1,095,040							1,095,040	1,350,390
OBMP Project Costs		2,155,889							2,155,889	3,772,619
Debt Service		637,198							637,198	700,964
Education Funds Use								375	375	375
Mutual Agency Project Costs									-	10,000
Total Administrative/OBMP Expenses	441,087	3,888,126	43,978	138,821	120,416	-	-	375	4,632,802	6,894,823
Net Administrative/OBMP Expenses	(330,359)	(3,888,126)								
Allocate Net Admin Expenses To Pools	330,359		227,171	91,912	11,276				-	-
Allocate Net OBMP Expenses To Pools		3,250,928	2,235,504	904,465	110,959				-	-
Allocate Debt Service to App Pool		637,198							-	-
Agricultural Expense Transfer*		1,135,198	(1,135,198)						-	-
Total Expenses	4,279,049	-	242,650	1,755	101,328	-	-	375	4,632,802	6,894,823
Net Administrative Income	1,909,073	-	1,755	-	101,328	-	-	(372)	2,011,784	(63,333)
Other Income/(Expense)										
Replenishment Water Assessments						5,866,500			5,866,500	0
Interest Revenue						11,490			11,490	0
Water Purchases									-	0
Balance Adjustment									-	0
Other Water Purchases						(2,255,436)			(2,255,436)	0
Groundwater Replenishment						(300,634)			(300,634)	0
Net Other Income						3,321,920			3,321,920	0
Net Transfers To/(From) Reserves	1,909,073	-	1,755	-	101,328	3,321,920	-	(372)	5,333,705	(63,333)
Working Capital, July 1, 2010	6,219,006	-	473,483	256,632	158,251	1,369,991	158,251	1,001	8,478,365	-
Working Capital, End Of Period	8,128,080	-	475,238	357,960	158,251	4,691,912	158,251	629	13,812,069	13,812,069
09/10 Assessable Production	78,733,238	31,854,766	3,907,911	27,822%	3,413%				114,495,915	100,000%
09/10 Production Percentages	68.765%	27.822%	3.413%							

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

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: May 26, 2011
TO: Watermaster Board Members
SUBJECT: Treasurer's Report of Financial Affairs for the Period March 1, 2011 through March 31, 2011 - Financial Report B4

SUMMARY

Issue – Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of March 1, 2011 through March 31, 2011.

Recommendation – Staff recommends the Treasurer's Report of Financial Affairs for the Period March 1, 2011 through March 31, 2011 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2010-2011 Watermaster Budget.

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period March 1, 2011 through March 31, 2011 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:

May 5, 2011 Appropriative Pool – Approved Unanimously
May 5, 2011 Non-Agricultural Pool – Receive & File with no Approval
May 12, 2011 Agricultural Pool – Approved Unanimously
May 19, 2011 Advisory Committee – Approved Unanimously
May 26, 2011 Watermaster Board –

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
MARCH 1 THROUGH MARCH 31, 2011**

DEPOSITORIES:			
Cash on Hand - Petty Cash	\$	500	
Bank of America			
Governmental Checking-Demand Deposits	\$	486,700	
Zero Balance Account - Payroll	\$	-	
Local Agency Investment Fund - Sacramento			
TOTAL CASH IN BANKS AND ON HAND			3/31/2011
TOTAL CASH IN BANKS AND ON HAND			2/28/2011
	\$	14,500,620	
	\$	14,888,465	
	\$	(387,846)	

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:		
Accounts Receivable	\$	(18,346)
Assessments Receivable	-	(21)
Prepaid Expenses, Deposits & Other Current Assets	228,042	(33,560)
Accounts Payable	(33,560)	(563,960)
Accrued Payroll, Payroll Taxes & Other Current Liabilities		
Transfer to/(from) Reserves		
PERIOD INCREASE (DECREASE)	\$	(387,846)

SUMMARY OF FINANCIAL TRANSACTIONS:

	Zero Balance	Gov't'l	Local Agency	Totals
	Account	Demand	Investment Funds	
	Payroll			
Balances as of 2/28/2011	-	-	14,513,420	\$ 14,888,465
Deposits	-	500,000	(500,000)	-
Transfers	48,695	(48,695)	-	-
Withdrawals/Checks	(48,695)	(339,151)	-	(387,846)
Balances as of 3/31/2011	-	486,700	14,013,420	\$ 14,500,620
PERIOD INCREASE OR (DECREASE)	\$	112,154	(500,000)	\$ (387,846)

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
MARCH 1 THROUGH MARCH 31, 2011**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
3/29/2011	Withdrawal	L.A.I.F.	\$ (500,000)				

TOTAL INVESTMENT TRANSACTIONS \$ (500,000)

* The earnings rate for L.A.I.F. is a daily variable rate; 0.51% was the effective yield rate at the Quarter ended March 31, 2011.

**INVESTMENT STATUS
March 31, 2011**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 14,013,420			
TOTAL INVESTMENTS	<u>\$ 14,013,420</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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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: May 26, 2011
TO: Watermaster Board Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2010 through March 31, 2011 - Financial Report - B5

SUMMARY

Issue – Record of revenues and expenses of Watermaster for the Period of July 1, 2010 through March 31, 2011.

Recommendation – Staff recommends the Budget vs. Actual Report for the Period July 1, 2010 through March 31, 2011 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2010-2011 Watermaster Budget.

BACKGROUND

A Budget vs. Actual Report for the period July 1, 2010 through March 31, 2011 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.

Year-To-Date (YTD) for the nine month period ending March 31, 2011 of the fiscal year, all categories were at or below the projected budget with the exception of category 6900 (Optimum Basin Mgmt Plan). Within the 6900 category is the regional board fine in the amount of \$62,500 which was posted to account 6909 (OBMP Other Expenses). If you recall, the total regional board fine was \$250,000 which was split 50/50 between Chino Basin Watermaster and IEUA, both owing \$125,000. The agreement with the regional board was \$62,500 (which was not included as part of the original fiscal year 2010/2011 budget) would be paid directly to the regional board from Watermaster. An additional amount of \$62,500 would be allocated not as a direct fine, but as a charge against the current water softener exchange program through IEUA. Newly added to the financials this month, are the IEUA reimbursable expenses for the water softener exchange program of \$27,337 which are coded to account 6909. It is projected that approximately \$37,500 of reimbursable expenses to IEUA for the water

softener program will be charged against fiscal year 2010/2011 in the last quarter. This leaves \$25,000 (\$125,000 - \$62,500 - \$37,500 = \$25,000) budgeted to be paid in next year's fiscal budget 2011/2012.

Also recorded within the category 6900 (Optimum Basin Mgmt Plan) are the Watermaster's legal expenses. Currently, the legal expenses are above the Y-T-D budget as a direct result of the ongoing Desalter Negotiations of \$168,541, the Chino Airport Plume of \$48,199, Santa Ana River Critical Habitat of \$14,857, the Paragraph 31 Motion activity of \$68,817 and the South Archibald Plume (formerly known as the Ontario Airport Plume) of \$9,627. Several individual legal projects were below budget for the Y-T-D period. These were the Peace II (\$33,482), the Santa Ana River Water Rights Application of (\$5,576), Water Auction (\$28,816), Regional Water Quality Control Board of (\$7,659), Recharge Master Plan (\$22,025) and General Administrative Legal Costs (Pool, Advisory and Board meetings) of (\$23,890). The budgeted amount for legal expenses for the entire fiscal year of \$450,000 was allocated at \$37,500 per month. For the nine month period, the cumulative Y-T-D budget was \$337,500 and actual legal expenses totaled \$526,093 which resulted in an over budget variance of \$188,593. To date, the legal contingency of \$145,000 has not been used, but is expected to be processed in April's budget transfer.

	Jul '10 - Mar 11	Budget	\$ Over Budget	% of Budget
6900 · Optimum Basin Mgmt Plan				
6901 · WM Staff Salaries	143,421	154,965	-11,544	93%
6903 · OBMP SAWPA Group	25,778	25,778		100%
6906 · OBMP Engineering Services	232,673	262,752	-30,079	89%
6907 · OBMP Legal Fees				
6907.3 · WM Legal Counsel				
6907.30 · Peace II - CEQA	4,018	37,500	-33,482	11%
6907.31 · S. Archibald Plume-Formerly OIA	20,877	11,250	9,627	186%
6907.32 · Chino Airport Plume	59,449	11,250	48,199	528%
6907.33 · Desalter Negotiations	168,541			
6907.34 · Santa Ana River Water Rights	13,174	18,750	-5,576	70%
6907.35 · Paragraph 31 Motion	68,817			
6907.36 · Santa Ana River Habitat	14,857			
6907.37 · Water Auction	1,184	30,000	-28,816	4%
6907.38 · Reg. Water Quality Cntrl Board	3,591	11,250	-7,659	32%
6907.39 · Recharge Master Plan	7,975	30,000	-22,025	27%
6907.3 · WM Legal Counsel - Other	163,610	187,500	-23,890	87%
Total 6907.3 · WM Legal Counsel	526,093	337,500	188,593	156%
Total 6907 · OBMP Legal Fees	526,093	337,500	188,593	156%
6909 · OBMP Other Expenses				
6909.1 · OBMP Meetings	1,653			
6909.4 · Printing	1,692			
6909.5 · Ad Hoc Litigation Committee	22			
6909 · OBMP Other Expenses - Other	91,862	15,000	76,862	612%
Total 6909 · OBMP Other Expenses	95,229	15,000	80,229	635%
Total 6900 · Optimum Basin Mgmt Plan	1,023,194	795,995	227,199	129%

With the departure of the Watermaster CEO and the Receptionist effective February 28, 2011, the payroll expenses will continue to be under budget until the new CEO starts on May 3, 2011. Upon hire, the CEO's

earned and accrued hours for vacation, sick and personal time will be recorded on the books in the month of May 2011. Any computer or office equipment or cellular device will be purchased prior to the CEO's start date. With the exceptions previously noted, there were no other unusual or significant transactions or events during the month of March.

Looking ahead, the month of April should provide similar financial results. The salaries and related costs (6010 category) is expected to be under the budgeted amount, with all other activities consistent with the prior month's expenses. It is anticipated that the Budget Transfers will be processed during the month of April 2011.

Actions:

- May 5, 2011 Appropriative Pool – Approved Unanimously
- May 5, 2011 Non-Agricultural Pool – Receive & File with no Approval
- May 12, 2011 Agricultural Pool – Approved Unanimously
- May 19, 2011 Advisory Committee – Approved Unanimously
- May 26, 2011 Watermaster Board –

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Income	1/12th of the Total Budget			9/12th (75%) of the Total Budget			100% of the Total Budget		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Projected	Budget	% of Budget
4010 - Local Agency Subsidies	0.00	0.00	0.0%	111,000.00	148,410.00	74.79%	111,000.00	148,410.00	74.79%
4110 - Admin Asmnts-Approp Pool	0.00	0.00	0.0%	6,165,079.40	6,153,067.00	100.2%	6,165,079.40	6,153,067.00	100.2%
4120 - Admin Asmnts-Non-Agri Pool	0.00	0.00	0.0%	343,089.90	355,003.00	96.64%	343,089.90	355,003.00	96.64%
4700 - Non Operating Revenues	11,489.26	70,004.00	16.41%	25,417.28	140,008.00	18.15%	28,929.02	175,010.00	16.53%
4900 - Miscellaneous Income	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
Total Income	11,489.26	70,004.00	16.41%	6,644,586.58	6,796,488.00	97.77%	6,648,098.32	6,831,480.00	97.32%
Gross Profit	11,489.26	70,004.00	16.41%	6,644,586.58	6,796,488.00	97.77%	6,648,098.32	6,831,480.00	97.32%
Expense									
6010 - Salary Costs	24,542.41	37,286.00	65.82%	323,287.72	350,083.00	92.34%	492,544.00	464,944.00	105.94%
6020 - Office Building Expense	8,709.84	8,483.00	103.28%	73,660.57	75,897.00	97.05%	101,196.00	101,196.00	100.0%
6030 - Office Supplies & Equip.	1,387.44	2,541.67	54.59%	15,496.28	22,875.00	67.74%	30,500.00	30,500.00	100.0%
6040 - Postage & Printing Costs	6,877.85	5,000.00	137.56%	48,164.63	61,100.00	78.83%	78,300.00	78,300.00	100.0%
6050 - Information Services	16,346.20	17,516.66	93.32%	114,481.85	115,900.00	98.78%	160,200.00	142,200.00	112.66%
6060 - Contract Services	15,027.50	0.00	100.0%	34,957.50	63,500.00	55.05%	29,000.00	75,000.00	38.67%
6080 - Insurance	0.00	0.00	0.0%	15,863.00	17,575.00	90.26%	17,575.00	17,575.00	100.0%
6110 - Dues and Subscriptions	128.00	250.00	51.2%	26,904.13	30,000.00	89.68%	30,000.00	30,000.00	100.0%
6140 - WM Admin Expenses	164.64	260.00	65.86%	1,160.63	2,250.00	51.58%	3,000.00	3,000.00	100.0%
6150 - Field Supplies	140.00	0.00	100.0%	201.76	1,100.00	18.34%	1,800.00	1,800.00	100.0%
6170 - Travel & Transportation	1,838.59	2,730.00	67.35%	20,873.63	24,870.00	83.93%	33,160.00	33,160.00	100.0%
6190 - Conferences & Seminars	969.90	0.00	100.0%	14,829.74	19,750.00	75.09%	23,000.00	23,000.00	100.0%
6200 - Advisory Comm - WM Board	1,455.66	1,872.50	77.74%	12,548.00	16,852.50	74.46%	22,470.00	22,470.00	100.0%
6300 - Watermaster Board Expenses	5,285.74	4,216.92	124.87%	37,060.15	37,952.25	97.65%	50,603.00	50,603.00	100.0%
8300 - Appr Pl-WM & Pool Admin	1,437.86	7,982.84	18.01%	43,977.70	66,092.50	66.54%	90,043.00	90,043.00	100.0%
8400 - Agri Pool-WM & Pool Admin	3,364.38	2,345.59	143.43%	24,037.73	21,110.25	113.87%	28,147.00	28,147.00	100.0%
8467 - Ag Legal & Technical Services	10,402.93	9,833.33	105.79%	103,658.44	88,500.00	117.13%	118,000.00	118,000.00	100.0%
8477 - Ag Meeting Attend -Special	4,625.00	1,000.00	462.5%	11,125.00	9,000.00	123.61%	12,000.00	12,000.00	100.0%
8471 - Ag Pool Expense	0.00	16,250.00	0.0%	0.00	48,750.00	0.0%	65,000.00	65,000.00	100.0%
8500 - Non-Ag Pl-WM & Pool Admin	35,554.67	13,472.17	263.91%	120,415.84	121,249.50	99.31%	161,666.00	161,666.00	100.0%
6500 - Education Funds Use Expns	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	-25,029.29	-40,677.42	61.53%	-298,382.55	-366,096.75	81.5%	-488,129.00	-488,129.00	100.0%
6900 - Optimum Basin Mgmt Plan	114,942.56	120,162.99	95.66%	1,023,192.25	832,245.00	122.94%	1,556,534.00	1,197,734.00	129.96%
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+OBMP	7,483.51	11,888.00	63.03%	71,847.26	106,592.00	67.15%	142,656.00	142,656.00	100.0%
7101 - Production Monitoring	3,967.68	5,879.31	67.32%	65,742.09	78,164.25	84.11%	102,819.00	104,219.00	98.66%
7102 - In-line Meter Installation	220.41	5,556.59	3.97%	8,077.46	50,009.25	16.15%	66,679.00	66,679.00	100.0%
7103 - Grdwtr Quality Monitoring	4,354.40	12,916.34	33.71%	150,200.44	159,247.00	94.32%	202,996.00	202,996.00	100.0%
7104 - Gdwtr Level Monitoring	18,012.75	25,863.08	69.65%	153,500.47	252,211.50	60.86%	287,282.00	336,282.00	85.43%
7105 - Sur Wtr Qual Monitoring	0.00	315.00	0.0%	771.23	3,210.00	24.03%	4,280.00	4,280.00	100.0%
7107 - Ground Level Monitoring	71,892.46	83,801.67	85.79%	366,903.20	611,715.00	59.98%	657,620.00	815,620.00	80.63%
7108 - Hydraulic Control Monitoring	76,213.60	41,141.67	185.25%	267,175.20	370,275.00	72.16%	412,700.00	493,700.00	83.59%
7109 - Recharge & Well Monitoring Prog	0.00	0.00	0.0%	7,123.75	8,440.00	84.41%	9,440.00	8,440.00	111.85%

	1/12th of the Total Budget For The Month of March 2011			9/12th (75%) of the Total Budget Year-To-Date as of March 31, 2011			100% of the Total Budget Fiscal Year End as of June 30, 2011					
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
7200 - PE2- Comp Recharge Pgm	21,824.35	23,835.17	-2,010.82	91.56%	668,993.23	759,516.50	-90,523.27	88.08%	946,022.00	1,011,022.00	-65,000.00	93.57%
7300 - PE3&5-Water Supply/Desalite	6,044.60	2,689.25	3,355.35	224.77%	85,159.95	82,043.25	3,116.70	103.8%	134,111.00	90,111.00	44,000.00	148.83%
7400 - PE4- Mgmt Plan	3,963.08	7,572.92	-3,609.84	52.33%	37,929.63	68,966.25	-31,036.62	55.0%	91,955.00	91,955.00	0.00	100.0%
7500 - PE5&7-CoopEfforts/Salt/Mgmt	5,650.58	12,181.67	-6,531.09	46.39%	94,401.03	109,635.00	-15,233.97	86.11%	116,180.00	146,180.00	-30,000.00	79.48%
7600 - PE5&9-Storage/Mgmt/Conj Use	89.31	5,258.33	-5,169.02	1.7%	23,375.60	47,587.50	-24,211.90	49.12%	45,250.00	64,250.00	-19,000.00	70.43%
7690 - Recharge Improvement Debt Pymt	0.00	0.00	0.00	0.0%	637,187.50	700,964.00	-63,766.50	90.9%	700,964.00	700,964.00	0.00	100.0%
7700 - Inactive Well Protection Prgm	0.00	0.00	0.00	0.0%	0.00	1,059.00	-1,059.00	0.0%	1,412.00	1,412.00	0.00	100.0%
9502 - G&A Expenses Allocated-Projects	17,535.79	28,789.42	-11,253.63	60.91%	226,535.29	259,104.75	-32,569.46	87.43%	345,473.00	345,473.00	0.00	100.0%
Total Expense	465,404.40	478,154.67	-12,750.27	97.33%	4,632,802.33	5,330,070.50	-697,268.17	86.92%	6,894,823.00	6,894,823.00	0.00	100.0%
Net Ordinary Income	-453,916.14	-408,150.67	-45,765.47	111.21%	2,011,784.25	1,466,417.50	545,366.75	137.19%	-246,724.68	-63,333.00	-183,391.68	389.57%
Other Income												
4225 - Interest Income	6,857.86	0.00	6,857.86	100.0%	11,489.65	0.00	11,489.65	100.0%	9,631.79	0.00	9,631.79	100.0%
4210 - Approp Pool-Replenishment	0.00	0.00	0.00	0.0%	3,594,458.40	0.00	3,594,458.40	100.0%	3,594,458.40	0.00	3,594,458.40	100.0%
4220 - Non-Ag Pool-Replenishment	0.00	0.00	0.00	0.0%	27,545.86	0.00	27,545.86	100.0%	27,545.86	0.00	27,545.86	100.0%
4600 - Groundwater Sales	0.00	0.00	0.00	0.0%	2,244,495.90	0.00	2,244,495.90	100.0%	2,244,495.90	0.00	2,244,495.90	100.0%
Total Other Income	6,857.86	0.00	6,857.86	100.0%	5,877,989.81	0.00	5,877,989.81	100.0%	5,876,131.95	0.00	5,876,131.95	100.0%
Other Expense												
5010 - Groundwater Replenishment	116,901.98	0.00	116,901.98	100.0%	300,633.58	0.00	300,633.58	100.0%	183,731.60	0.00	183,731.60	100.0%
50100 - Other Water Purchases	0.00	0.00	0.00	0.0%	2,255,435.78	0.00	2,255,435.78	100.0%	0.00	0.00	0.00	0.0%
9999 - To/(From) Reserves	-563,960.26	-408,150.67	-155,809.59	138.18%	5,333,704.70	1,466,417.50	3,867,287.20	363.72%	5,445,675.67	-63,333.00	5,509,008.67	-8,598.48%
Total Other Expense	-447,058.28	-408,150.67	-38,907.61	109.53%	7,889,774.06	1,466,417.50	6,423,356.56	538.03%	5,629,407.27	-63,333.00	5,692,740.27	-8,888.59%
Net Other Income	453,916.14	408,150.67	45,765.47	111.21%	-2,011,784.25	-1,466,417.50	-545,366.75	137.19%	246,724.68	63,333.00	183,391.68	389.57%
Net Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	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

I. CONSENT CALENDAR

D. LAIF – NEW CEO NAME ADDITION



REVISED RESOLUTION 11-02 OF CHINO BASIN WATERMASTER

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

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

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

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

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

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

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

<u>Ken Willis</u> (NAME)	<u>Chairman of the Board</u> (TITLE)	_____ (SIGNATURE)
<u>Bob Kuhn</u> (NAME)	<u>Vice-Chair</u> (TITLE)	_____ (SIGNATURE)
<u>Tom Haughey</u> (NAME)	<u>Board Secretary/Treasurer</u> (TITLE)	_____ (SIGNATURE)
<u>Desi Alvarez</u> (NAME)	<u>Chief Executive Officer/Secretary</u> (TITLE)	_____ (SIGNATURE)
<u>Joe Joswiak</u> (NAME)	<u>Chief Financial Officer</u> (TITLE)	_____ (SIGNATURE)

APPROVED by the Advisory Committee this 19th day of May 2011.
ADOPTED by the Watermaster Board on this 26th day of May 2011.

By: _____
Chairman, Watermaster Board

APPROVED:

Chairman, Advisory Committee

ATTEST:

Board Secretary
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Desi Alvarez, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Revised Resolution being No. 11-02, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

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

CHINO BASIN WATERMASTER

Secretary

Date: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company (“Company”) has agreed to purchase from Monte Vista Water District water in storage in the amount of 500.000 acre-feet to satisfy a portion of the Company’s anticipated Chino Basin replenishment obligation for Fiscal Year 2010-2011. Date of Application: February 24, 2011.
2. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 4,055.720 acre-feet of water from the City of Chino (Chino). The transfer will be made first from Chino’s net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage. Date of Application: March 1, 2011.
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,595.170 acre-feet of water from the City of Pomona. The transfer will be made from the City’s Excess Carryover Account. Date of Application: March 1, 2011.
4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 957.102 acre-feet of water from the Santa Ana River Water Company (SARWC). The transfer will be made first from SARWC’s net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage. Date of Application: March 1, 2011.
5. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 2,233.238 acre-feet of water from the City of Upland (Upland). The transfer will be made first from Upland’s net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage. Date of Application: March 1, 2011.
6. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 47.855 acre-feet of water from the City of Ontario (Ontario). The transfer will be made first from Ontario’s net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage. Date of Application: March 1, 2011.



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

March 31, 2011

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **February 24, 2011** Date of this notice: **March 31, 2011**

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

- Notice of Sale or Transfer – Fontana Water Company (“Company”) has agreed to purchase from Monte Vista Water District water in storage in the amount of 500,000 acre-feet to satisfy a portion of the Company’s anticipated Chino Basin replenishment obligation for Fiscal Year 2010-2011.

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

Appropriative Pool: April 7, 2011

Non-Agricultural Pool: April 7, 2011

Agricultural Pool: April 14, 2011

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: March 31, 2011

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

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CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: March 31, 2011
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – Fontana Water Company (“Company”) has agreed to purchase from Monte Vista Water District water in storage in the amount of 500.000 acre-feet to satisfy a portion of the Company’s anticipated Chino Basin replenishment obligation for Fiscal Year 2010-2011.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

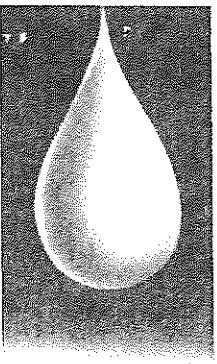
The following application for water transaction is attached with the notice of application.

- Notice of Sale or Transfer - Fontana Water Company (“Company”) has agreed to purchase from Monte Vista Water District water in storage in the amount of 500.000 acre-feet to satisfy a portion of the Company’s anticipated Chino Basin replenishment obligation for Fiscal Year 2010-2011.

Notice of the water transaction identified above was mailed on March 31, 2011 along with the materials submitted by the requestors.

DISCUSSION

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



FONTANA WATER COMPANY

A DIVISION OF SAN GABRIEL VALLEY WATER COMPANY

15966 ARROW ROUTE • P.O. BOX 987, FONTANA, CALIFORNIA 92334 • (909) 822-2201

RECEIVED

February 24, 2011

MAR 1 2011

CHINO BASIN WATERMASTER

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

Subject: Purchase of Water in Storage
Chino Basin-Fiscal Year 2010-2011

Dear Mr. Manning:

Please take notice that Fontana Water Company ("Company") has agreed to purchase from Monte Vista Water District water in storage in the amount of 500 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2010-2011.

Enclosed are fully executed Chino Basin Watermaster Forms No. 3, 4 and 5, along with the company's Recapture Plan for consideration by Watermaster. Please agendize this proposed transfer at the earliest possible opportunity.

If you should have any question or require additional information concerning this matter, please call me.

Very truly yours,

Robert K. Young
General Manager

RKY:bf
Enclosures

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

FISCAL YEAR 2010 - 2011

DATE REQUESTED: February 10, 2011

AMOUNT REQUESTED: 500 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
Monte Vista Water District	Fontana Water Company
Name of Party	Name of Party
10575 Central Avenue	15966 Arrow Route
Street Address	Street Address
Montclair CA 91763	Fontana CA 92334
City State Zip Code	City State Zip Code
909-624-0035	909-822-2201
Telephone	Telephone
909-624-0037	909-823-5046
Facsimile	Facsimile

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:	
Varies	2010-2011
Projected Rate of Recapture	Projected Duration of Recapture
METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):	
Pumping	
PLACE OF USE OF WATER TO BE RECAPTURED:	
Chino Basin Management Zone 3	
LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES):	
N/A	

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

Of the wells routinely pumped, perchlorate levels range from non-detect to 2.9 ppb and nitrate levels range from 6.6 ppm to 32 ppm.

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

Static Water Levels ranging from 324 feet bgs to 665 feet bgs.

MATERIAL PHYSICAL INJURY

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

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

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

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

Yes No



Seller / Transferor Representative Signature

Mark Kinsey, General Manager

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Robert Young, General Manager

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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FONTANA WATER COMPANY
Recapture Plan

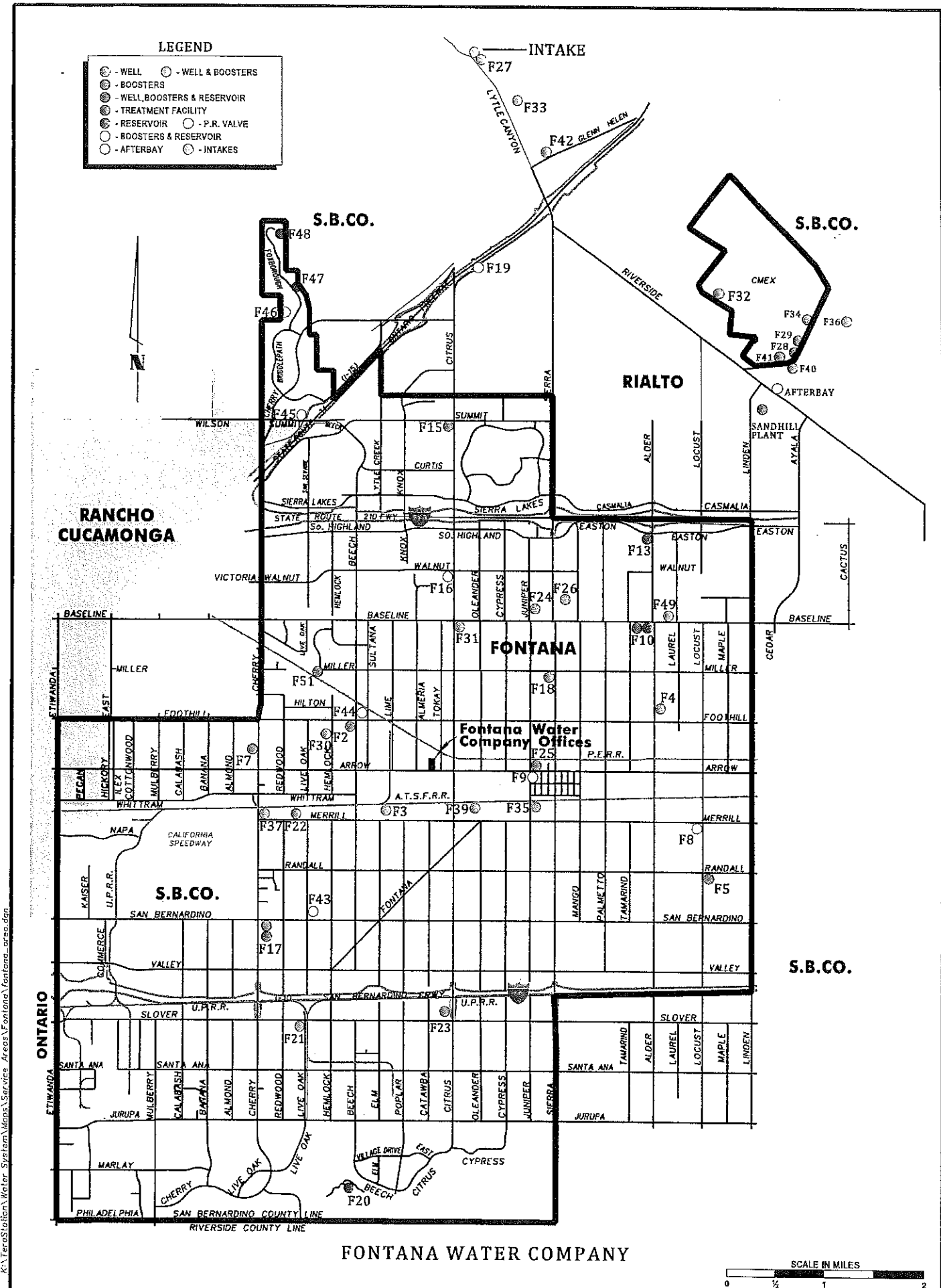
The subject water is a transfer of stored groundwater from Monte Vista Water District to Fontana Water Company (FWC) of 500 acre-feet to satisfy a portion of FWC's replenishment obligation for FY 2010/2011. Recapture of the stored water is accomplished by the production of any or all of the 14 wells owned and operated by FWC within Management Zone 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows:

<u>Well</u>	<u>Production</u> <u>Acre-Feet/Day</u>
F23A -	10.6
F21A -	5.7
F7A -	11.0
F7B -	6.8
F22A -	8.2
F24A -	8.4
F31A -	7.3
F2A -	10.6
F30A -	5.1
F44A -	11.0
F44B -	10.6
F44C -	10.6
F17B	5.7
F17C	7.1
Daily Total	118.7

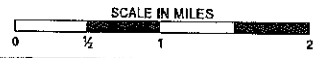
The attached map shows the location of these wells within FWC's service area. Prior to 1992, water produced from the majority of these wells was pumped within Management Zone 3 by Fontana Union Water Company with safe yield rights in the Chino Groundwater Basin. However, as a result of a bankruptcy settlement agreement dated February 7, 1992 all of Fontana Union's Chino Groundwater Basin water, including overlying (agricultural) pool reallocation, is annually transferred to Cucamonga Valley Water District's storage account. Pursuant to the same 1992 bankruptcy settlement agreement, Fontana Water Company acquired Fontana Union's water production wells and continues to produce water from Management Zone 3, in the same manner and for the same purpose as had been done prior to 1992.

LEGEND

- - WELL
- ⊙ - WELL & BOOSTERS
- ⊕ - BOOSTERS
- ⊗ - WELL, BOOSTERS & RESERVOIR
- ⊙ - TREATMENT FACILITY
- ⊙ - RESERVOIR
- - P.R. VALVE
- ⊙ - BOOSTERS & RESERVOIR
- - AFTERBAY
- ⊙ - INTAKES



FONTANA WATER COMPANY



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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

March 31, 2011

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 1, 2011**

Date of this notice: **March 31, 2011**

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 4,055.720 acre-feet of water from the City of Chino (Chino). The transfer will be made first from Chino’s net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage.

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

Appropriative Pool: April 7, 2011

Non-Agricultural Pool: April 7, 2011

Agricultural Pool: April 14, 2011

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: March 31, 2011

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

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CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

DATE: March 31, 2011
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 4,055.720 acre-feet of water from the City of Chino (Chino). The transfer will be made first from Chino's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 4,055.720 acre-feet of water from the City of Chino (Chino). The transfer will be made first from Chino's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage.

Notice of the water transaction identified above was mailed on March 31, 2011 along with the materials submitted by the requestors.

DISCUSSION

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

The Chino Basin Watermaster has a total replenishment obligation of 8,889.085 AF (current overproduction of 4,521.401 AF for Assessment Year 2010-11, in addition to the Cumulative Unmet Replenishment Obligation of 4,367.684 AF). Due to the fact that MWD does not expect to have water available at the replenishment rate this fiscal year, Watermaster wishes to use the option to purchase water from Parties to partially fulfill the replenishment obligation. Watermaster is taking advantage of the City of Chino's offer to sell 4,055.720 AF of water to Watermaster. The transfer will be made first from Chino's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage.

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

FISCAL YEAR 2011-2012

DATE REQUESTED: March 1, 2011

AMOUNT REQUESTED: 4,055.720 Acre-Feet

<p>TRANSFER FROM (SELLER / TRANSFEROR):</p> <p><u>City of Chino</u> Name of Party</p> <p><u>5050 Schaefer Ave</u> Street Address</p> <p><u>Chino</u> <u>CA</u> <u>91710-5549</u> City State Zip Code</p> <p><u>(909) 591-9823</u> Telephone</p> <p><u>(909) 590-5535</u> Facsimile</p>	<p>TRANSFER TO (BUYER / TRANSFEREE):</p> <p><u>Chino Basin Watermaster</u> Name of Party</p> <p><u>9641 San Bernardino Rd</u> Street Address</p> <p><u>Rancho Cucamonga</u> <u>CA</u> <u>91730</u> City State Zip Code</p> <p><u>(909) 484-3888</u> Telephone</p> <p><u>(909) 484-3890</u> Facsimile</p>
---	---

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

PURPOSE OF TRANSFER:

- Pump when other sources of supply are curtailed
- Pump to meet current or future demand over and above production right
- Pump as necessary to stabilize future assessment amounts
- Other, explain To partially fulfill Watermaster's replenishment obligation / CURO

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common)
- Storage (rare)
- Other, explain Watermaster's replenishment obligation / CURO

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes No

Is the Buyer an 85/15 Party? Yes No

Is the purpose of the transfer to meet a current demand over and above production right? Yes No

Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:	
<u>N/A (paper transfer)</u> Projected Rate of Recapture	<u>N/A (paper transfer)</u> Projected Duration of Recapture
METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):	
<u>N/A</u>	
PLACE OF USE OF WATER TO BE RECAPTURED:	
<u>N/A</u>	
LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES):	
<u>N/A</u>	

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

N/A

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

N/A

MATERIAL PHYSICAL INJURY

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

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

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

N/A

N/A

N/A

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

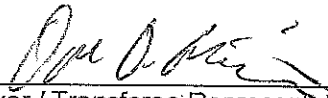
ADDITIONAL INFORMATION ATTACHED

Yes No



Seller / Transferor Representative Signature

Dave Crosley
Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Danielle D. Maurizio (Interim CEO)
Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

March 31, 2011

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 1, 2011**

Date of this notice: **March 31, 2011**

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,595.170 acre-feet of water from the City of Pomona. The transfer will be made from the City’s Excess Carryover Account.

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

Appropriative Pool: April 7, 2011

Non-Agricultural Pool: April 7, 2011

Agricultural Pool: April 14, 2011

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: March 31, 2011

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

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CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

DATE: March 31, 2011
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,595.170 acre-feet of water from the City of Pomona. The transfer will be made from the City's Excess Carryover Account.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,595.170 acre-feet of water from the City of Pomona. The transfer will be made from the City's Excess Carryover Account.

Notice of the water transaction identified above was mailed on March 31, 2011 along with the materials submitted by the requestors.

DISCUSSION

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

The Chino Basin Watermaster has a total replenishment obligation of 8,889.085 AF (current overproduction of 4,521.401 AF for Assessment Year 2010-11, in addition to the Cumulative Unmet Replenishment Obligation of 4,367.684 AF). Due to the fact that MWD does not expect to have water available at the replenishment rate this fiscal year, Watermaster wishes to use the option to purchase water from Parties to partially fulfill the replenishment obligation. Watermaster is taking advantage of the City of Pomona's offer to sell 1,595.170 AF of water to Watermaster. The transfer will be made from the City's Excess Carryover Account.

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

FISCAL YEAR 20 11 - 20 12

DATE REQUESTED: March 1, 2011

AMOUNT REQUESTED: 1,595.170 Acre-Feet

<p>TRANSFER FROM (SELLER / TRANSFEROR):</p> <p><u>City of Pomona</u> Name of Party</p> <p><u>148 N Huntington Blvd.</u> Street Address</p> <p><u>Pomona</u> <u>CA</u> <u>91768</u> City State Zip Code</p> <p><u>(909) 620-2239</u> Telephone</p> <p><u>(909) 620-2222</u> Facsimile</p>	<p>TRANSFER TO (BUYER / TRANSFEREE):</p> <p><u>Chino Basin Watermaster</u> Name of Party</p> <p><u>9641 San Bernardino Rd</u> Street Address</p> <p><u>Rancho Cucamonga</u> <u>CA</u> <u>91730</u> City State Zip Code</p> <p><u>(909) 484-3888</u> Telephone</p> <p><u>(909) 484-3890</u> Facsimile</p>
---	---

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

PURPOSE OF TRANSFER:

- Pump when other sources of supply are curtailed
- Pump to meet current or future demand over and above production right
- Pump as necessary to stabilize future assessment amounts
- Other, explain To partially fulfill Watermaster's replenishment obligation / CURO

WATER IS TO BE TRANSFERRED FROM:

- Annual Production Right (Appropriate Pool) or Operating Safe Yield (Non-Agricultural Pool)
- Storage (**Excess Carryover**)
- Annual Production Right / Operating Safe Yield first, then any additional from Storage
- Other, explain _____

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common)
- Storage (rare)
- Other, explain Watermaster's replenishment obligation / CURO

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes No

Is the Buyer an 85/15 Party? Yes No

Is the purpose of the transfer to meet a current demand over and above production right? Yes No

Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:	
<u>N/A (paper transfer)</u> Projected Rate of Recapture	<u>N/A (paper transfer)</u> Projected Duration of Recapture
METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):	
<u>N/A</u>	
PLACE OF USE OF WATER TO BE RECAPTURED:	
<u>N/A</u>	
LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES):	
<u>N/A</u>	

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

N/A

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

N/A

MATERIAL PHYSICAL INJURY

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

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

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

N/A

N/A

N/A

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

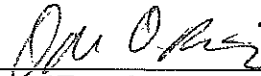
Yes No



Seller / Transferor Representative Signature

Raul Garibay

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Danielle D. Maurizio (Interim CEO)

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

March 31, 2011

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 1, 2011**

Date of this notice: **March 31, 2011**

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 957.102 acre-feet of water from the Santa Ana River Water Company (SARWC). The transfer will be made first from SARWC’s net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage.

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

Appropriative Pool: April 7, 2011

Non-Agricultural Pool: April 7, 2011

Agricultural Pool: April 14, 2011

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

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Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: March 31, 2011

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

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CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

DATE: March 31, 2011
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 957.102 acre-feet of water from the Santa Ana River Water Company (SARWC). The transfer will be made first from SARWC's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage.

Recommendation –

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

Fiscal Impact –

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

Background

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

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DISCUSSION

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

The Chino Basin Watermaster has a total replenishment obligation of 8,889.085 AF (current overproduction of 4,521.401 AF for Assessment Year 2010-11, in addition to the Cumulative Unmet Replenishment Obligation of 4,367.684 AF). Due to the fact that MWD does not expect to have water available at the replenishment rate this fiscal year, Watermaster wishes to use the option to purchase water from Parties to partially fulfill the replenishment obligation. Watermaster is taking advantage of Santa Ana River Water Company's offer to sell 957.102 AF of water to Watermaster. The transfer will be made first from SARWC's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage.

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

FISCAL YEAR 2011-2012

DATE REQUESTED: March 1, 2011

AMOUNT REQUESTED: 957.102 Acre-Feet

<p>TRANSFER FROM (SELLER / TRANSFEROR):</p> <p><u>Santa Ana River Water Company</u> Name of Party</p> <p><u>10530 54th Street</u> Street Address</p> <p><u>Mira Loma</u> <u>CA</u> <u>91752-2331</u> City State Zip Code</p> <p><u>(951) 685-6503</u> Telephone</p> <p><u>(951) 685-1978</u> Facsimile</p>	<p>TRANSFER TO (BUYER / TRANSFEREE):</p> <p><u>Chino Basin Watermaster</u> Name of Party</p> <p><u>9641 San Bernardino Rd</u> Street Address</p> <p><u>Rancho Cucamonga</u> <u>CA</u> <u>91730</u> City State Zip Code</p> <p><u>(909) 484-3888</u> Telephone</p> <p><u>(909) 484-3890</u> Facsimile</p>
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Have any other transfers been approved by Watermaster between these parties covering the same fiscal year? Yes No

PURPOSE OF TRANSFER:

- Pump when other sources of supply are curtailed
- Pump to meet current or future demand over and above production right
- Pump as necessary to stabilize future assessment amounts
- Other, explain To partially fulfill Watermaster's replenishment obligation / CURO

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common)
- Storage (rare)
- Other, explain Watermaster's replenishment obligation / CURO

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes No

Is the Buyer an 85/15 Party? Yes No

Is the purpose of the transfer to meet a current demand over and above production right? Yes No

Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

N/A (paper transfer) Projected Rate of Recapture	N/A (paper transfer) Projected Duration of Recapture
---	---

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED:

N/A

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

N/A

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

N/A

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

N/A

MATERIAL PHYSICAL INJURY

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

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

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

N/A

N/A

N/A

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

Yes No



Seller / Transferor Representative Signature

J. Arnold Rodriguez

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Danielle D. Maurizio (Interim CEO)

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

March 31, 2011

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 1, 2011**

Date of this notice: **March 31, 2011**

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 2,233.238 acre-feet of water from the City of Upland (Upland). The transfer will be made first from Upland’s net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage.

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

Appropriative Pool: April 7, 2011

Non-Agricultural Pool: April 7, 2011

Agricultural Pool: April 14, 2011

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: March 31, 2011

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

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CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

DATE: March 31, 2011

TO: Watermaster Interested Parties

SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 2,233.238 acre-feet of water from the City of Upland (Upland). The transfer will be made first from Upland's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 2,233.238 acre-feet of water from the City of Upland (Upland). The transfer will be made first from Upland's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage.

Notice of the water transaction identified above was mailed on March 31, 2011 along with the materials submitted by the requestors.

DISCUSSION

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

The Chino Basin Watermaster has a total replenishment obligation of 8,889.085 AF (current overproduction of 4,521.401 AF for Assessment Year 2010-11, in addition to the Cumulative Unmet Replenishment Obligation of 4,367.684 AF). Due to the fact that MWD does not expect to have water available at the replenishment rate this fiscal year, Watermaster wishes to use the option to purchase water from Parties to partially fulfill the replenishment obligation. Watermaster is taking advantage of the City of Upland's offer to sell 2,233.238 AF of water to Watermaster. The transfer will be made first from Upland's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage.

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

FISCAL YEAR 20¹¹- 20¹²

DATE REQUESTED: March 1, 2011

AMOUNT REQUESTED: 2,233.238 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
<u>City of Upland</u>	<u>Chino Basin Watermaster</u>
Name of Party	Name of Party
<u>P.O. Box 460</u>	<u>9641 San Bernardino Rd</u>
Street Address	Street Address
<u>Upland</u> <u>CA</u> <u>91785</u>	<u>Rancho Cucamonga</u> <u>CA</u> <u>91730</u>
City State Zip Code	City State Zip Code
<u>(909) 931-4231</u>	<u>(909) 484-3888</u>
Telephone	Telephone
<u>(909) 931-4274</u>	<u>(909) 484-3890</u>
Facsimile	Facsimile

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

PURPOSE OF TRANSFER:

- Pump when other sources of supply are curtailed
- Pump to meet current or future demand over and above production right
- Pump as necessary to stabilize future assessment amounts
- Other, explain To partially fulfill Watermaster's replenishment obligation / CURO

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common)
- Storage (rare)
- Other, explain Watermaster's replenishment obligation / CURO

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes No

Is the Buyer an 85/15 Party? Yes No

Is the purpose of the transfer to meet a current demand over and above production right? Yes No

Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

N/A (paper transfer)	N/A (paper transfer)
Projected Rate of Recapture	Projected Duration of Recapture

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED:

N/A

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

N/A

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

N/A

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

N/A

MATERIAL PHYSICAL INJURY

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

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

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

N/A

N/A

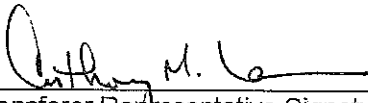
N/A

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

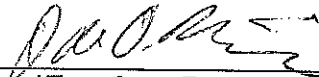
Yes No



Seller / Transferor Representative Signature

Anthony La

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Danielle D. Maurizio (Interim CEO)

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

March 31, 2011

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 1, 2011**

Date of this notice: **March 31, 2011**

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 47.855 acre-feet of water from the City of Ontario (Ontario). The transfer will be made first from Ontario’s net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage.

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

Appropriative Pool: April 7, 2011

Non-Agricultural Pool: April 7, 2011

Agricultural Pool: April 14, 2011

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: March 31, 2011

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

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CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

DATE: March 31, 2011
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 47.855 acre-feet of water from the City of Ontario (Ontario). The transfer will be made first from Ontario's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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Notice of the water transaction identified above was mailed on March 31, 2011 along with the materials submitted by the requestors.

DISCUSSION

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

The Chino Basin Watermaster has a total replenishment obligation of 8,889.085 AF (current overproduction of 4,521.401 AF for Assessment Year 2010-11, in addition to the Cumulative Unmet Replenishment Obligation of 4,367.684 AF). Due to the fact that MWD does not expect to have water available at the replenishment rate this fiscal year, Watermaster wishes to use the option to purchase water from Parties to partially fulfill the replenishment obligation. Watermaster is taking advantage of the City of Ontario's offer to sell 47.855 AF of water to Watermaster. The transfer will be made first from Ontario's net under-production in Fiscal Year 2010-11, with any remainder to be recaptured from storage.

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

FISCAL YEAR 2011-2012

DATE REQUESTED: March 1, 2011

AMOUNT REQUESTED: 47.855 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):			TRANSFER TO (BUYER / TRANSFEREE):		
<u>City of Ontario</u>			<u>Chino Basin Watermaster</u>		
Name of Party			Name of Party		
<u>1425 S Bon View</u>			<u>9641 San Bernardino Rd</u>		
Street Address			Street Address		
<u>Ontario</u>	<u>CA</u>	<u>91761-4406</u>	<u>Rancho Cucamonga</u>	<u>CA</u>	<u>91730</u>
City	State	Zip Code	City	State	Zip Code
<u>(909) 395-2681</u>			<u>(909) 484-3888</u>		
Telephone			Telephone		
<u>(909) 395-2601</u>			<u>(909) 484-3890</u>		
Facsimile			Facsimile		

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

PURPOSE OF TRANSFER:

- Pump when other sources of supply are curtailed
- Pump to meet current or future demand over and above production right
- Pump as necessary to stabilize future assessment amounts
- Other, explain To partially fulfill Watermaster's replenishment obligation / CURO

WATER IS TO BE TRANSFERRED FROM:

- Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool)
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- Other, explain _____

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common)
- Storage (rare)
- Other, explain Watermaster's replenishment obligation / CURO

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes No

Is the Buyer an 85/15 Party? Yes No

Is the purpose of the transfer to meet a current demand over and above production right? Yes No

Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

N/A (paper transfer)	N/A (paper transfer)
Projected Rate of Recapture	Projected Duration of Recapture

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED:

N/A

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

N/A

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

N/A

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

N/A

MATERIAL PHYSICAL INJURY

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

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

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

N/A

N/A

N/A

SAID TRANSFER SHALL BE CONDITIONED UPON:

- (1) Transferee shall exercise said right on behalf of Transferor under the terms of the Judgment, the Peace Agreement, the Peace II Agreement, and the Management Zone 1 Subsidence Management Plan for the period described above. The first water produced in any year shall be that produced pursuant to carry-over rights defined in the Judgment. After production of its carry-over rights, if any, the next (or first if no carry-over rights) water produced by Transferee from the Chino Basin shall be that produced hereunder.
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- (3) Transferee shall pay all Watermaster assessments on account of the water production hereby Transferred.
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ADDITIONAL INFORMATION ATTACHED

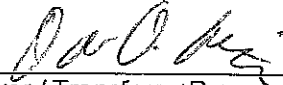
Yes No



Seller / Transferor Representative Signature

Mohamed El-Amamy

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Danielle D. Maurizio (Interim CEO)

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

A. OUTSIDE AUDIT FIRM





CHINO BASIN WATERMASTER

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

DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: May 26, 2011
TO: Watermaster Board Members
SUBJECT: Request To Award Five Year Contract (with Optional Two Years) for an Outside Audit Firm

SUMMARY

Issue – Request to Award a Five Year Contract (with Optional Two Years) for an Outside Audit Firm.

Recommendation – Staff recommends the Award of a Five Year Contract (with Optional Two Years) be awarded to Charles Z. Fedak & Company to perform the field work and issue an audit opinion upon the basic financial statements for FY 2010/2011 through FY 2014/2015 and two optional years of FY 2015/2016 through FY 2016/2017.

Fiscal Impact – The proposal for audit services for FY 2010/2011 is \$9,000; FY 2011/2012 is \$9,400; FY 2012/2013 is \$9,800; FY 2013/2014 is \$10,200 and FY 2014/2015 is \$10,600. The additional/optional two years is FY 2015/2016 of \$11,000 and FY 2016/2017 of \$11,400. The overall total cost for five years is \$49,000 and the overall cost for seven years is \$71,400.

BACKGROUND

Chino Basin Watermaster is required to have an annual audit every year. As part of the Chino Basin Watermaster Annual Report, several financial reports and statements are included. These reports and statements are the Independent Auditors' Report; Management's Discussion and Analysis; Statement of Net Assets; Statement of Revenues, Expenses and Changes in Net Assets; Statement of Cash Flows; Notes to the Basic Financial Statements; and Supplemental Information. The audit firm's responsibility is to express an opinion on the basic financial statements based upon their audit. The audit firm conducts their audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that the audit firm 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.

DISCUSSION

From fiscal year end June 30, 1999 until June 30, 2005, the annual audit was performed by Conrad and Associates, located in Irvine, California. During 2005, Conrad and Associates was merged into the firm of Mayer Hoffman McCann. The Mayer Hoffman McCann office (located in Irvine, California) has performed the annual audit from June 30, 2006 through June 30, 2010. We have not had any problems or issues with our audit firm in the past twelve years since Conrad and Associates/Mayer Hoffman McCann has been performing the services. However, it is prudent on a routine basis to issue an RFP to ensure the quality and pricing of audit services remain competitive.

An RFP was issued to (16) local and regional audit firms on March 1, 2011. The list included our current audit firm of Mayer Hoffman McCann. We received six signed proposals from the following audit firms on or before April 1, 2011. The total overall price (for five years including an optional two additional years) was between \$68,540 and \$147,000:

1. **Charles Z. Fedak & Company**
2. Rogers, Anderson, Malody and Scott, LLP
3. Diehl, Evans & Company, LLP
4. Onisko & Scholz, LLP
5. Teaman, Ramirez & Smith, Inc.
6. Vasquez & Company, LLP

Several factors were taken into account when deciding upon the audit firm. Cost was not the only deciding factor. Staff considered the following seven basic points: (1) the firm's qualifications and experience in doing audits for organizations similar to Chino Basin Watermaster; (2) the firm's overall and local reputation; (3) the firm's quality-control systems; (4) the firm's peer review statement; (5) any conflicts that may compromise the firm's independence; (6) the firm's resources to conduct the audit; and (7) the final product that the auditor will provide to Chino Basin Watermaster.

The following clients are currently with Charles Z. Fedak & Company and have provided very positive comments and feedback:

- Monte Vista Water District
- Western Municipal Water District
- West Valley Water Agency
- Castaic Lake Water Agency
- Victor Valley Wastewater Reclamation Authority

The following schedule with regards to the issuance of the audit contract is as follows:

Award Audit Services Contract:	June 1, 2011
Begin Audit Field Work:	August 15, 2011
Issue FY 2010/2011 Financial Reports:	November 1, 2011

Actions:

May 5, 2011 Appropriative Pool – Approved Unanimously
 May 5, 2011 Non-Agricultural Pool – Moved to approve the request to award contract for Charles Z. Fedak & Company, subject to any changes which the Chair of the Non-Ag Pool and Chair of the Advisory Committee determines appropriate
 May 12, 2011 Agricultural Pool – Approved Unanimously
 May 19, 2011 Advisory Committee – Approved Unanimously
 May 26, 2011 Watermaster Board –

**Technical Proposal
Independent Auditor Services
For The**



Chino Basin Watermaster

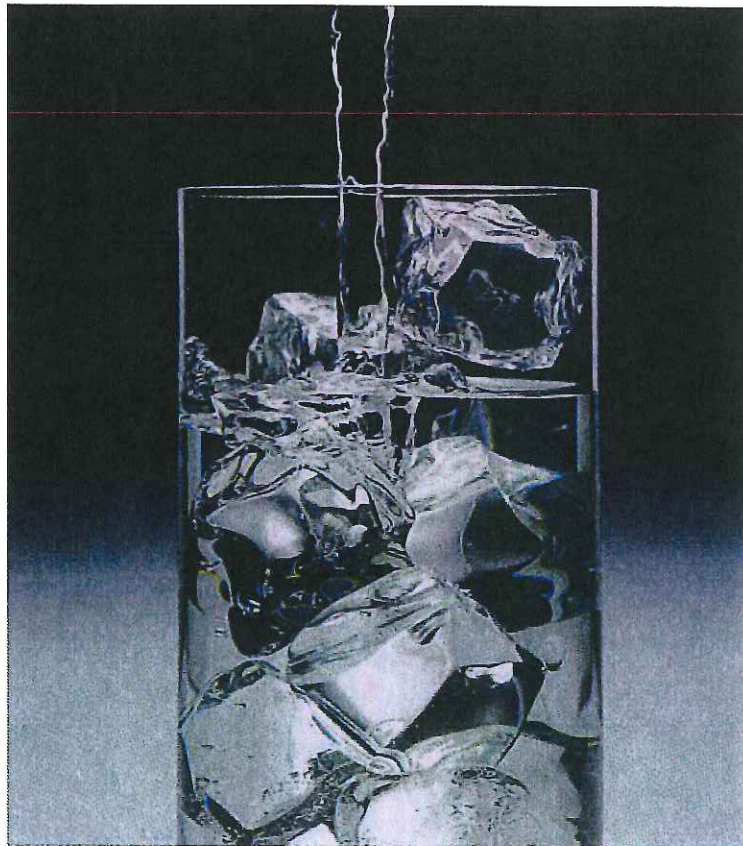


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Charles Z. Fedak, CPA, MBA
Paul J. Kaymark, CPA

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

March 30, 2011

Mr. Joseph S. Joswaik, CFO
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, California 91730

Re: Request for Proposal for Independent Auditor Services

Dear Mr. Joswaik:

We appreciate the opportunity to submit our proposal to provide independent auditor services for the Chino Basin Watermaster (Watermaster) for the years ended June 30, 2011 through 2017. In response to your inquiry of our firm, we have prepared a proposal that reflects our understanding of the Watermaster's audit requirements and demonstrates our capability and commitment to serve. We intend to demonstrate that Charles Z. Fedak & Company, CPAs is the right professional services firm for the Watermaster.

We understand that you expect a timely audit conducted in a professional manner in accordance with audit standards specific to governmental entities such as yours. We are committed to meet all the requirements you have indicated, will issue the reports, and meet the timing requirements you have specified. We believe we are uniquely qualified to provide the quality and scope of service that the Watermaster desires.

Focused on the Special District Industry

Our client service team members are specialists in the governmental special district sector. This means they each focus a substantial portion of their time serving special district governmental clients. We know and understand your organization and the climate you work in.

Our Firm currently audits approximately 45 water and sewer related special districts in the State of California along with 20+ other types of special districts (i.e., harbor, library, transit, cemetery, etc.); therefore, enabling our Firm to continuously be immersed throughout the year in the financial and operational issues of special districts like the Watermaster.

Organized to Serve the Watermaster

Our service approach ensures you will receive high quality, personalized service when and where you need it. By tailoring our approach, we guarantee you will receive the timely, attentive service that forms the hallmark of our approach to serving clients. Our special district governmental audit and consulting practice accounts for approximately 70% of our firm's annual services. Therefore, we have made a substantial commitment and investment to serve our special district governmental clients.

Our special district governmental experience is substantial, but it is not this factor that sets us apart from other Firms. Rather, it is the commitment to utilize those resources and experience for the benefit of our clients. Simply put, the Watermaster will become one of our most important clients and, accordingly, will receive the priority service they deserve.

Our approach to the engagement will establish a delivery system for providing a truly exceptional level of service. Each element of that system, including staffing, audit approach, communication and coordination, will be examined and refined to fit the needs of the Watermaster.

Mr. Joseph S. Joswaik, CFO
Chino Basin Watermaster
March 30, 2011
Page 2

The hardest to quantify may be the relationship aspects of working with one professional services firm versus another. Because of the service delivery approach we are recommending and our history of working with many special district governmental units like the Watermaster, we are confident that our firm knows how to address the unique needs of the Watermaster.

Our staff who will be assigned to the Watermaster's audit are experienced governmental professionals that have managed numerous audits. Each of our staff members has extensive experience that allows for a new outlook to the audit with innovative suggestions to improve quality and efficiency. We believe that our references will show that we are the best selection for the Watermaster. The choice of an audit firm should be based upon several factors including but not limited to: staff retention, training programs, proactively addressing governmental industry changes, and an adherence to a strict quality control program.

We have an extremely low percentage of staff turnover and we are confident that we will provide the Watermaster with consistent staff over the contract period as the continuity of staff is as important to us as it is to the Watermaster. We will be committed to the Watermaster and believe that our audit team is the best selection for the Watermaster.

We have assisted many of our clients with the completion of their CAFR and submission to the GFOA and CSMFO for the Annual Awards programs. We are delighted to assist the Watermaster in the completion and submission of its CAFR to the GFOA for years 2011 and beyond. See copies of CAFRs and Financial Statements we have issued at the links below:

- **Western Municipal Water District - Large Wholesale and Retail Water District**
www.wmwd.com – Go To: About Western – Financial Info – CAFR on website
- **Jurupa Community Services District – Water and Sewer District**
www.jcsd.us – Go To: Finance – Audited Financial Statements on website
- **Castaic Lake Water Watermaster – Large Wholesale and Retail Water Watermaster**
www.clwa.org – Go To: About CLWA – Financial Information – CAFR on website
- **Monte Vista Water District – Retail Water District**
www.mvwd.org – Go To: About Us – Departments – Finance – CAFR on website
- **Victor Valley Wastewater Reclamation Authority – Large Wastewater Authority**
www.vvwra.com – Go To: Finance – CAFR on website

Our proposal represents our irrevocable offer for a period of 150 days from the date of this letter to provide audit services to the Watermaster for the years ending June 30, 2011 through 2017. If you have any questions or need additional information, please contact me at (714) 527-1818 or by e-mail at Chuck@czfepa.com.

We look forward to hearing from you soon.
Cordially,

*Charles Z. Fedak & Co. CPAs
An Accountancy Corporation*

**CHARLES Z. FEDAK & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
AN ACCOUNTANCY CORPORATION**

Requirements of the Annual Audit

Executive Summary

The purpose and scope of our audit will be to perform a financial and compliance audit of the Watermaster's basic financial statements and supplemental schedules in accordance with generally accepted auditing standards, and the "Standards for Audits of Governmental Organizations, Programs, Activities and Functions," promulgated by the General Accounting Office (GAO) (the Yellow-Book - 2007 Revision), as of and for the years ending on June 30, 2011 through 2017. The audit will be comprised of the following elements:

1. Audit of the Chino Basin Watermaster's Basic Financial Statements

The audit will be conducted in accordance with generally accepted accounting principles and governmental audit standards as promulgated by the Comptroller General of the United States.

Management Letter

The Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, effective for periods ending on or after December 15, 2006, establishes standards and provides guidance on communicating significant deficiencies and material weaknesses to the governance board that are related to an entity's internal control over financial reporting identified in an audit of the entity's financial statements.

Audit Committee Letter and Meeting

The Statement on Auditing Standards (SAS) No. 114, establishes a requirement for auditors to communicate certain matters related to the conduct of the audit to those who have responsibility for oversight of the financial reporting process. This communication, often referred to as the audit committee letter, is in addition to the requirement to communicate internal control matters and matters relating to fraud and illegal acts. This letter will address the auditor's responsibilities under generally accepted auditing standards, significant accounting policies, management judgments and accounting estimates, significant audit adjustments, other information in documents containing audited financial statements, any disagreements with management, management consultation with other accountants, major issues discussed with management prior to retention, and difficulties encountered in performing the audit.

Also, Government Auditing Standards requires an additional reporting standard that auditors must follow. It requires the auditor to communicate his/her responsibility in a financial statement audit, including responsibilities for testing and reporting on internal controls and compliance with laws and regulations. It is our desire to discharge this responsibility at the front end of the audit by presentation to the Watermaster's Audit Committee or its equivalent during an Audit Committee Audit Entrance Conference.

Other Needs

The partner in charge of the audit will be available to attend meetings of the Board of Directors to discuss and report on the audit process and the deliverables associated with the audit. We will provide the Watermaster with accounting advice regarding subjects that could affect the financial report. We consider it our responsibility to keep the Watermaster advised, on a timely basis, of any new authoritative pronouncements of an audit or reporting nature, as well as any changes in finance-related compliance requirements as they pertain to the Watermaster's reporting responsibilities.

Proposer Affirmations

- A. Charles Z. Fedak & Company, CPAs an Accountancy Corporation affirms that it is independent of the Watermaster, 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.
- B. Charles Z. Fedak & Company, CPAs an Accountancy Corporation affirms that the firm has in place and will provide the required insurance coverage and Accord insurance form to the Watermaster upon acceptance of the audit engagement.
- C. Charles Z. Fedak & Company, CPAs an Accountancy Corporation affirms that the firm and all key professional staff are properly registered and licensed to practice in the State of California.
- D. Charles Z. Fedak & Company, CPAs an Accountancy Corporation affirms that it has the necessary experience to conduct high quality audits of local government and enterprise special districts 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 United States Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.
- E. Charles Z. Fedak & Company, CPAs an Accountancy Corporation affirms that it will meet your timing requirements to begin and complete the audit of the Watermaster.
- F. Charles Z. Fedak & Company, CPAs an Accountancy Corporation affirms that it will staff the audit of the Watermaster with experienced personnel and not use these audits as training grounds for new staff and that no person designated as "key" to the project shall be removed or replaced without the prior written consent of the Watermaster.
- G. Charles Z. Fedak & Company, CPAs an Accountancy Corporation affirms that has never been the subject of any lawsuits, claims of fraud, malpractice and/or disciplinary action by any State or Federal Watermaster in relation to the firm's governmental practice in its entire existence.
- H. Charles Z. Fedak & Company, CPAs an Accountancy Corporation affirms that it has been through more than three peer reviews with satisfactory results. Also, we have never been censured or disciplined from the State Board of Accountancy.
- I. Charles Z. Fedak & Company, CPAs an Accountancy Corporation affirms that we will allow the Watermaster or its designee access to pertinent Watermaster audit workpapers, financial reports and management letters.
- J. Charles Z. Fedak & Company, CPAs an Accountancy Corporation affirms that we have never filed bankruptcy, no pending litigation against the firm, no planned office closings, no impending mergers and no potential labor disputes that may impede us the ability to complete the audit for the Watermaster.

Signature of Official: Charles Z. Fedak CPA

Name: Charles Z. Fedak, CPA

Title: Principal

Firm: Charles Z. Fedak & Company, CPAs
An Accountancy Corporation

Date: _____

Our Firm & Project Organization

Identification of Proposer and Geographic Location to the Watermaster

Charles Z. Fedak & Company, CPAs, An Accountancy Corporation, consists of a main office that has been located in Cypress, California since 1981. Basically, our office is about 2 to 3 miles west of Knott's Berry Farm. From 1981 to June 30, 2004, Charles Z. Fedak & Company, CPAs was a sole-proprietorship under the direction of Charles Z. Fedak. On January 1, 2005, Charles Z. Fedak & Company, CPAs incorporated into an accountancy corporation due to the firm's expanded business practices. The accountancy corporation is wholly-owned 100% by Charles Z. Fedak. The Watermaster's main contact will be Mr. Paul J. Kaymark, Governmental Audit and Consulting Senior Manager. Our contact information can be located on our cover letter letterhead.

Charles Z. Fedak & Company, CPAs is a full service firm licensed to practice in the State of California, providing auditing services for governmental and commercial enterprises, as well as extensive tax planning for domestic and international entities. Our firm also provides extensive management services for governmental and commercial enterprises. All of the work for the Watermaster will be staffed directly out of our Cypress office and will not be subcontracted out to any other firm.

Charles Z. Fedak & Company, CPAs is fully computerized in-house and utilizes IBM ® portable computers on all audit engagements. We utilize the Creative Solutions – GoSystem ® Audit Software. This software will enable us to download a data file from your financial software and upload the information into our Audit Software. We have trained many of our clients on the use of this software and they have benefited from the use of it.

Project Organization

Our firm's philosophy is to take a team approach with our clients in the conduct of our audits. A properly developed, mutually agreeable timeline results in the most efficient audit. We want you to not only think of us as your auditor, but as a resource to be used whenever the need occurs. Also, it is our firm's philosophy to have our partners and audit managers involved in the day-to-day audit details of our clients.

The Watermaster will have an engagement partner and a governmental audit manager assigned to the audit at all times. In addition, one supervising-senior, one senior and a staff accountant (governmental auditing staff only) will be assigned to the audit. All of these team members are in the field during the time the audit fieldwork is being conducted. Each member of the team has his or her own responsibilities as follows:

The engagement partner is responsible for all services provided to the Watermaster. His main responsibilities consist of the overall planning, supervision and review of the audit testwork and preparation of the financial statements.

The governmental audit senior manager is responsible for coordinating the audit testwork and financial reporting preparation. His main responsibility will be the coordinator of the audit testwork and 50% on-site supervision and coordination of staff. Once the audit testwork is completed, he will work with the staff to complete the financial reports for the Watermaster. He will be the Watermaster's main contact throughout the year.

Our governmental audit supervising-senior, senior and staff accountant will be in the field conducting the audit testwork. Their responsibilities consist of the performance of tests of transactions, tests of internal controls and substantive procedures over the Watermaster's financial transactions and balances. Our staff will interact with the Watermaster's staff when it is convenient for them. Before discussions with your staff, we will make sure that we have all the facts so as to minimize the Watermaster's staff time requirements in providing audit assistance to us.

Other Services Offered

Target Audit Capabilities in General Consulting and Compliance Testing

We believe that a performance evaluation or “target audit” is an examination of an entity’s department or function in order to assess efficient use of resources and program control effectiveness. Like a financial audit, a target audit involves an examination of organizational and/or departmental policies and procedures, compliance with those policies and procedures and internal controls to see how well the organization or department is meeting its standards. Target audits may address the organizational structure, finances, general management or workload and may be broad or narrow in scope.

A **target audit** is usually comprised of the following actions:

- Understanding certain objectives of an entity or division
- Determining current facts and conditions that reflect those objectives
- Defining problems and pointing out improvement opportunities
- Reporting of the findings and recommendations

The *core* of the target audit process is a series of interviews and other data gathering activities as determined is necessary. Once the data is gathered, certain conclusions can be made and the focus of the findings and recommendations can be prepared.

The target audit should assess the efficiency, quality and equality of certain matters within a division or function. Also, the target audit should assess the approach, design and merit of the controls and programs that are being offered and determine how these areas might be better aligned.

A well-administered target audit can provide evaluations that reflect how an organization is managing its financial and operational resources. A target audit that possesses valid and measurable objectives keeps an entity true to its purpose. Using data from the target audit to measure an entity’s successes allows the entity to determine if it is meeting its fundamental objectives and adjust its efforts in order to achieve broader goals.

We have utilized this understanding in the performance of the following target audits for numerous clients:

- Board member expenditure reimbursements – AB-1234 compliance
- Budgets and financial forecasts
- Check issuance and wire transfers
- Cash collection management
- Investment management
- Investment portfolio administration
- Investment policies and modifications thereto
- Analysis of investment yields to market returns
- Water and wastewater billing procedures
- Contractual agreement compliance
- Central purchasing
- Warehouse controls and inventory systems
- Card-lock fueling systems
- Inter-Watermaster cost-sharing charges and charge-backs.
- Analysis of input and access controls related to the new financial software system
- Organizational analysis of finance and accounting departments
- Accounting for development projects and fees to comply with AB-1600 revenues

Peer Review

Quality Control

The Board of Directors of the Watermaster can measure the quality of the opinions expressed by Charles Z. Fedak & Company, CPAs by evaluating the level of professional standards maintained by the firm as discussed in this proposal. The Board of Directors can also measure the performance of the firm by its evaluation of the firm's quality control as evidence by its participation in the profession's peer review process as well as evaluating the Firm's professional standards and quality of work ethic in discussions with the Firm's current client base in the special district industry.

We are pleased to announce the successful completion of our most recent independent quality review of our accounting and auditing practice, which included a review of both commercial and governmental audit engagements. Our Firm's governmental audit engagements were reviewed as they related to governmental agencies and other special districts in the field of governmental auditing. After a thorough study of our procedures and work practices, the reviewers concluded that our firm complies with the stringent quality control standards established by the American Institute of Certified Public Accountants (AICPA). Our firm has received an unqualified opinion in every independent quality review that it has participated in since its inception of the program by the profession.

A team of independent CPAs, who were appointed by the California Society of Certified Public Accountants, conducted the review. Using guidelines established by the AICPA, the reviewers determined that Charles Z. Fedak & Company, CPAs has an effective quality control system and that our accounting and auditing work conforms to professional standards. The firm has not had any clients who have been the subject of any desk reviews. *Charles Z. Fedak & Company, CPAs has never been the subject of any disciplinary action by any State or Federal Agency in its entire existence.*

Our continued participation in required periodic quality reviews, our voluntary membership in the AICPA and California Society of CPAs, as well as our continuing professional education supports our commitment to quality and our high standards for client service.

Charles Z. Fedak & Company, CPAs is an equal opportunity employer and certifies that our firm is in compliance with the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all other applicable federal and state laws and regulations relating to equal opportunity employment, including Executive Order No. 11246 of June 24, 1965. Our firm is committed to affirmative action in hiring practices.

Marcia J. Hein, CPA

807 Marble Drive

Fort Collins, CO 80526

Phone and fax: (970) 282-8229 e-mail: marcia@mjh-cpa.com

System Review Report

March 5, 2010

To the Shareholder

Charles Z. Fedak & Company, CPAs, An Accountancy Corporation
and the Peer Review Committee of the California Society of CPAs

I have reviewed the system of quality control for the accounting and auditing practice of Charles Z. Fedak & Company, CPAs, An Accountancy Corporation (the firm) in effect for the year ended September 30, 2009. My peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*.

In my opinion, the system of quality control for the accounting and auditing practice of Charles Z. Fedak & Company, CPAs, An Accountancy Corporation in effect for the year ended September 30, 2009, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Charles Z. Fedak & Company, CPAs, An Accountancy Corporation has received a peer review rating of *pass*.

Marcia J. Hein, CPA

Marcia J. Hein, CPA

Special District Clients Served

“We Are Committed to the Special District Industry!”

**The following is a listing of some of our Special District Clients
that our Special District Audit Teams
have served for many years!**

Beaumont-Cherry Valley Water District	Bear Valley Community Services District
Cabazon Water District	Capistrano Bay Community Services District
Casitas Municipal Water District	Greater LA County Vector District
Castaic Lake Water Agency	Northwest Mosquito Control District
Chino Basin Water Conservation District	Oxnard Harbor District
East Orange County Water District	Phelan Pinon Hills Comm Services District
Hi-Desert Water District	Pleasant Valley Recreation and Park District
Inverness Public Utilities District	Public Agencies Self Insurance System
Leucadia Wastewater District	Rancho Santa Fe Fire Protection District
Mesa Consolidated Water District	RSF - North County Dispatch - JPA
Monte Vista Water District	Santa Maria Public Airport District
North Coast County Water District	Saratoga Cemetery District
North Marin Water District	South Coast Area Transit
Novato Sanitary District	Southern Cal Coastal Water Research
Palmdale Water District	Stallion Springs Community Services District
Purissima Hills Water District	Ventura County Resource Conservation Dist
Rossmoor/Los Alamitos Area Sewer District	West Valley Mosquito Control District
Santa Clarita Water Division	Wilmington Cemetery District
Summerland Sanitary District	
Victor Valley Wastewater Rec Authority	
Water Facilities Authority - JPA	
Water Replenishment District	
Westborough Water District	
West Valley Water District	
Western Municipal Water District	

Professional References

Experience and Technical Competence

We have prepared a listing of some of our governmental audit clients on the previous page. We believe that this listing exemplifies that we have significant experience in conducting high quality audits of local governments and enterprise special districts. The governmental audit team that we have assembled for the Watermaster may have conducted some of these audits over the past year. Our team has significant experience in auditing water and wastewater governmental agencies.

Presented below are five client references of officials of California Special Districts and/or agencies who currently conduct enterprise type activities. Please do not hesitate to contact these references regarding our firm and the high level of service we provide.

1. Mr. Ray Harton, Finance Mngr.
Monte Vista Water District
10575 Central Avenue
Montclair, CA 91763
Retail Water District
Annual Audit – CAFR
909.624.0035 x 110
2. Mr. Rod LeMond, CFO
Western Muni Water District
14205 Meridian Parkway
Riverside, CA 92518
Water & Wastewater District
Annual Audit – CAFR
951.571.7203
3. Mrs. Deborah Sousa, Dir of Fin.
West Valley Water District
855 W. Baseline Road
Rialto, CA 92377
Retail Water District
Annual Audit – CAFR
909.875.1804 x 706
4. Mr. Carlos Corrales, Controller
Castaic Lake Water Agency
27234 Bouquet Canyon Road
Santa Clarita, CA 91350
Wholesale & Retail Water Agency
Annual Audit – CAFR
661.297.1600 x 237
5. Mrs. Chieko Keagy, Acct. Supervisor
Victor Valley Wastewater Rec Auth
15776 Main Street, Suite 3
Hesperia, CA 92345
Wastewater Authority
Annual Audit – CAFR
760.948.9849 x 158

The Audit Team

Key Staffing

We have included resumes of the engagement partner, governmental audit managers who will be in charge of the fieldwork for the audit. All staff assigned to the engagement for the Watermaster are licensed as Certified Public Accountants in the State of California or in the process of attaining their license.

Engagement Partner

Charles Z. Fedak is a CPA in the State of California and has been in public accounting for thirty-eight years, having worked seven years at the national firm level before starting his own practice in January of 1981. Mr. Fedak holds a Bachelors of Science Degree in Accounting and a Masters in Business Administration from California State University, Long Beach. He has had extensive experience in the audits of governmental entities including cities, towns, and special districts while working at the national firm level as well as in our own firm.

Mr. Fedak has also participated in various tours and educational trips sponsored by the Metropolitan Water District including the southern section of the Colorado River and the northern portion of the California Delta as they both relate to the State Water Project.

Governmental Audit Senior Manager

Paul J. Kaymark is a CPA in the State of California and has over seventeen years of experience in public accounting and auditing governmental entities. Mr. Kaymark has extensive experience in the areas of governmental and not-for-profit financial reporting through working with and advising local governmental entities and not-for-profits organizations in the Southern California area.

Mr. Kaymark has also provided significant other services to various governmental and not-for-profit entities. In these engagements, he has been involved in the strategic planning processes, design and implementation of policies and procedures manuals and operational and organizational reviews of accounting departments. He has also been involved in the implementation of performance management budgeting and planning processes, financial reviews, trend analysis, cash management practices and utility rate setting.

Governmental Audit Manager

Christopher J. Brown is a CPA in the State of California and has over fourteen years of experience in public accounting and auditing governmental entities. Mr. Brown has extensive experience in the areas of governmental financial reporting through working with and advising local governmental entities in Northern and Southern California.

Governmental – Supervisor, Senior and Staff Accountants

This engagement will be staffed with our governmental audit senior manager, governmental audit supervisor and governmental audit senior at the time we perform the interim and year-end audit. Our team members are as follows:

Mrs. Melissa Ochoa, CPA – Engagement Supervisor – six years of governmental audit experience

Mr. Jeff Palmer, CPA – Senior Auditor – five years of governmental audit experience

Staff Auditors may be selected from the staff pool based on the availability of their schedules at the time of fieldwork.

Detailed resumes of our audit team follow

Resumes of Key Personnel

CHARLES Z. FEDAK, CPA ENGAGEMENT PARTNER

Education

- 1973 - Bachelor of Science - Business Administration: Accountancy
California State University, Long Beach
- 1984 - Master of Business Administration
California State University, Long Beach

Employment Record

- 1/81 - Present Principal in the firm of
Charles Z. Fedak & Company, CPAs
An Accountancy Corporation
Cypress, California
- 2/75 - 1/80 KPMG Peat Marwick
Formerly: KMG Main Hurdman
Certified Public Accountants
Newport Beach, California
- 6/73 - 2/75 Ernst & Young, CPAs
Formerly: Ernst & Whinney & Co.,
Certified Public Accountants
Santa Ana, California

Work Experience

Auditing of governmental and non-profit entities as well as medium to large manufacturing, construction and service oriented corporations. Thoroughly knowledgeable in Generally Accepted Accounting Principles, Governmental Accounting, and Auditing Standards as well as the Single Audit Act. Work experience also includes tax planning and preparation at the corporate, individual, estate and trust levels.

Business Qualifications - Associations

- ◆ Certified Public Accountant - State of California
- ◆ Member of California State Society of Certified Public Accountants
- ◆ Member of American Institute of Certified Public Accountants
- ◆ Member of the National Association of Corporate Directors
- ◆ 40+ Hours Per Year in Professional Education in Auditing and Governmental Accounting

Public Work

- Member of Board of Directors – Molina Healthcare, Inc. (MOH)
New York Stock Exchange since 2002
 - ◆ Chairman, Compensation Committee – MOH; 2002 – 2006
 - ◆ Chairman, Audit Committee – MOH; 2004 – Present

Resumes of Key Personnel, continued

PAUL J. KAYMARK, CPA AUDIT SENIOR MANAGER

Education

1994 - Bachelor of Science - Business Administration: Accountancy
California State University, Long Beach

Employment Record

10/02 - Present Governmental Audit & Consulting Senior Manager
Charles Z. Fedak & Company, CPAs
An Accountancy Corporation
Cypress, California

07/99 - 09/02 Governmental Audit & Consulting Manager
McGladrey & Pullen, LLP
Anaheim & Riverside, California

09/94 - 07/99 Supervising Senior – Public Services Sector
KPMG, LLP
Los Angeles & Costa Mesa, California

Work Experience

Over seventeen years of experience in public accounting and auditing governmental entities and not-for-profit organizations. Extensive experience in the area of governmental financial and compliance reporting. Present reviewer of comprehensive annual financial reports for the California Society of Municipal Finance Officers Financial Report Awards Program.

Business Qualifications - Associations

- ◆ Certified Public Accountant - State of California
- ◆ Member of California State Society of Certified Public Accountants
- ◆ Member of American Institute of Certified Public Accountants
- ◆ Member of Government Finance Offices Association
- ◆ Member of California Society of Municipal Finance Officers Association
- ◆ 40+ Hours Per Year in Professional Education in Auditing and Governmental Accounting

Various Water District Client's Managed while working for KPMG, LLP in the Los Angeles office

- ◆ Metropolitan Water District of Southern California
- ◆ Imperial Irrigation District
- ◆ City of Los Angeles Department of Water & Power
- ◆ Glendale Water and Power

Mr. Kaymark has provided significant audit and consulting services to various governmental entities. In these consulting engagements, he has been involved in the strategic planning processes, design and implementation of policies and procedures manuals and operational and organizational reviews of accounting departments. He has also been involved in the implementation of performance management budgeting and planning processes.

Resumes of Key Personnel, continued

CHRISTOPHER J. BROWN, CPA AUDIT MANAGER

Education

1998 - Bachelor of Science - Business Administration: Accountancy
California State University, San Bernardino

Employment Record

03/05 - Present	Manager - Governmental Audit & Consulting Charles Z. Fedak & Company Certified Public Accountants An Accountancy Corporation Cypress, California
03/01 - 03/05	Supervisor – Audit & Assurance Group Swenson Accountancy Corporation Riverside, California
09/98 - 03/01	Senior - Governmental Audit & Consulting McGladrey & Pullen, LLP Riverside, California

Work Experience

Fourteen years of experience in public accounting and auditing governmental entities and not-for-profit organizations. Extensive experience in the area of governmental financial and compliance reporting.

Business Qualifications - Associations

- ◆ Certified Public Accountant - State of California
- ◆ Member of California State Society of Certified Public Accountants
- ◆ Member of American Institute of Certified Public Accountants
- ◆ Member of Government Finance Offices Association
- ◆ Member of California Society of Municipal Finance Officers Association
- ◆ 40+ Hours Per Year in Professional Education in Auditing and Governmental Accounting

Mr. Brown has provided significant audit and accounting services to various governmental entities. In these accounting engagements, he has been involved in the strategic planning processes, design and implementation of policies and procedures. He has also been involved in the implementation of performance management budgeting and planning processes.

Resumes of Key Personnel, continued

MELISSA OCHOA, CPA AUDIT SUPERVISOR

Education

1998 - Bachelor of Science - Business Administration: Accountancy
California State University, Fullerton

Employment Record

11/05 - Present Senior - Governmental Audit & Consulting
Charles Z. Fedak & Company
Certified Public Accountants
An Accountancy Corporation
Cypress, California

Work Experience

Six years of experience in public accounting and auditing governmental entities and not-for-profit organizations. Extensive experience in the area of governmental financial and compliance reporting.

Business Qualifications

- ◆ Certified Public Accountant - State of California
- ◆ Member of California State Society of Certified Public Accountants
- ◆ Member of American Institute of Certified Public Accountants
- ◆ 40+ Hours Per Year in Professional Education in Auditing and Governmental Accounting

Resumes of Key Personnel, continued

JEFF PALMER AUDIT SENIOR

Education

12/05 - Bachelor of Science - Business Administration: Accountancy & Finance
California State University, Long Beach

Employment Record

6/10 - Present	Senior - Governmental Audit & Consulting Charles Z. Fedak & Company Certified Public Accountants An Accountancy Corporation Cypress, California
6/07 – 5/10	Senior - Governmental Audit & Consulting Diehl, Evans & Company, LLP Irvine, California
12/06 – 5/07	Staff Auditor White, Nelson & Company, LLP Irvine, California

Work Experience

Five years of experience in public accounting and auditing governmental entities and not-for-profit organizations. Extensive experience in the area of governmental financial and compliance reporting.

Business Qualifications

- ◆ Member of California State Society of Certified Public Accountants
- ◆ Member of American Institute of Certified Public Accountants
- ◆ 40+ Hours Per Year in Professional Education in Auditing and Governmental Accounting

Our Approach to the Audit

Audit Approach

Our Firm's audit approach is tailored to each client in the following manner:

- ◆ We understand the significant work requirements of our clients. We work with our client's schedules when scheduling segments of the audit or requesting documentation in order to minimize disruption during the audit process.
- ◆ We strive to utilize accounting support already prepared by our clients in order to avoid duplication or unnecessary requests for audit supporting schedules.
- ◆ We have developed an audit-binder strategy that has worked well with our governmental clients to analyze the audit supporting schedule that agree with the trial balance.
- ◆ Our staff is trained and familiar with government accounting and audit concepts, so you will see the difference in working with our professional staff.
- ◆ We audit various large and small governmental organizations, which has allowed us to consult with our clients on implementing various best-practices in their organizations.
- ◆ We believe constant communication is the most important part of the audit process, so we ask that if you ever have any questions about any financial, accounting or audit issues please contact us anytime throughout the year.

Audit Planning

Planning is necessary to ensure a quality audit, efficient use of professional staff and timely delivery of reports. Adequate planning of the audit is essential to minimize disruption of the ongoing daily operations of the Watermaster. We have developed a comprehensive, efficient planning process.

We will begin the planning of the audit upon notification of award of the contract. Tasks to be accomplished during this phase include:

- ◆ We will conduct an Audit Entrance Conference with the audit/finance committee and management to discuss the scope and dates of the interim and final audit testwork, availability of the Watermaster's accounting staff, prior audit problems encountered, the extent of interim audit testwork to be performed, establishment of an overall Watermaster liaison for the audit, and arrangements for workspace and other needs to conduct the audit testwork.
- ◆ Develop the program to study and evaluate internal controls
- ◆ Conferences with the audit team and Watermaster personnel to discuss the scope and timing of the audit and anticipated areas of audit emphasis.
- ◆ Complete an analytical view of the Watermaster's year-to-date financial information and the Watermaster's budget and related materials.
- ◆ Develop and submit an interim and final audit testwork schedule for the Watermaster's approval.

Analytical procedures will be utilized in planning the audit which will focus on:

- ◆ Enhancing our understanding of the Watermaster and the transactions and events that have occurred since its last year audit; and
- ◆ Identifying areas that may represent specific risks relevant to the audit (assessment of control risk).

Our Approach to the Audit, continued

Critical audit areas will be identified for purposes of sampling of transactions and other audit tests in conjunction with determining whether reliance can be placed upon the Watermaster's system of internal accounting controls.

We will be evaluating the following cycles of the Watermaster:

- ◆ Cash Reconciliation and Investment Reporting;
- ◆ Account Billing and Cash Collection of Customers – User Charges;
- ◆ Cash Receipting and Posting – Tax Allocations
- ◆ Capital Asset Inventory and Depreciation Accounting
- ◆ Purchasing/Accounts Payable and Cash Disbursements; and
- ◆ Payroll Accounting and Disbursement/Personnel Services.

We will identify areas of potential concern to Watermaster management.

Based upon our planning procedures we will develop levels of materiality for audit testing and develop and tailor our audit program of the Watermaster.

Interim Audit Testwork

In conjunction with our planning of the engagement, we will perform our *interim audit testwork*. We will have evaluated the critical audit areas and assessed the audit control risk. Our review of the Watermaster's internal control structure will be by questionnaire, and procedural write-up of your accounting system.

Each of the approaches requires inquiry and observation of Watermaster personnel and will incorporate the audit requirements of SAS 99 – *Consideration of Fraud in Financial Statement Audit*. Comments and recommendations relating to the accounting system will be discussed with appropriate Watermaster personnel and where appropriate be included in our management letter which will be issued at the conclusion of the examination.

Additional procedures that will be accomplished during our interim audit procedures include the following:

- ◆ Review of the Watermaster's internal control structure and communication of recommendations to the Watermaster's management team concerning Watermaster policies and procedures.
- ◆ Substantive testing of audit areas where reliance can be placed upon internal control structure for audit purposes. (Minimum of 25 selections per area – revenue, expenses, payroll, capital assets)
- ◆ Reviewing of minutes of the Governing Board.
- ◆ Evaluation of any unusual items noted from our analytical procedures.
- ◆ Reviewing of important contracts, debt issues, leases and joint power agreements.
- ◆ Performing required compliance and internal control testing relating to the federal grant programs of the Watermaster, if any.
- ◆ Providing the Watermaster with suggestions regarding the closing of the Watermaster's books after year end. Our assistance and communication in the closing of the Watermaster's books is expected to minimize the number of audit adjustments required after the close of Watermaster's books.

Our Approach to the Audit, continued

Final Audit Testwork

After the final closing of the Watermaster's books and preparation of final trial balances and audit supporting schedule by Watermaster personnel, we will commence performing our *final audit testwork*.

Our final examination will include analysis of critical audit areas which we deem necessary, including:

- ◆ Analysis of cash and investment balances to online bank and brokerage websites
- ◆ Analysis of bank reconciliations.
- ◆ Analysis of allocations of interest income.
- ◆ Analysis of delinquent accounts receivable balances.
- ◆ Search for unrecorded liabilities.
- ◆ Analysis of long term debt balances.
- ◆ Analysis and proper valuation of the liabilities for compensated absences.
- ◆ Analysis of support for other significant assets and liabilities of the Watermaster.
- ◆ Analysis of the proper establishment of reserves and designations.
- ◆ Analysis of significant events after year end (through the completion of our audit).
- ◆ Analysis of attorney letters for significant legal matters affecting the Watermaster's financial position.
- ◆ Analysis of revenues and expenditures and lesser significant asset and liability balances through analytical procedures and other substantive procedures as necessary.

The abovementioned analysis and inquires are only a few of the tests performed during the examination and by no means is it meant to be all inclusive.

Audit Completion

At the completion of the audit each year, we will meet with the Watermaster's management team to review our audit findings and any adjusting journal entries. Also, we will conduct an Audit Exit Conference to discuss the completion of the audit and the reporting timetable.

Understand the Watermaster and the Watermaster's Business

We will gather information about the Watermaster. This will include prior audit reports and current year budgets. Our understanding will include:

- ◆ *External Factors* - affecting the Watermaster including the State and Federal regulatory environment and environmental requirements that affect the Watermaster.
- ◆ *Nature of the Watermaster's Business* - its operations, governance, types of investments it makes and plans to make, bonded indebtedness it has or plans to finance.
- ◆ *Strategies and Business Risks* - which may result in material misstatement of the financial statements as a whole, or individual assertions.
- ◆ *Measurement and Review of Financial Performance* - we will determine with management those indicators management believes to be important for its management of the Watermaster.
- ◆ *Internal Controls* - which consists of five components
 - The Control Environment
 - Risk Assessment
 - Information and Communication
 - Control Activities and
 - Monitoring

Our Approach to the Audit, continued

These components may operate at the entity level or the component unit business process activity level. Obtaining an appropriate understanding of internal control will require our Firm to understand and evaluate the design of all five components of internal control and determine whether the controls are in use at the Watermaster.

Performing Risk Assessments and Other Procedures

The audit procedures we will perform to obtain an understanding of the Watermaster and its internal control are referred to as risk assessment procedures. We will use the information we obtain by performing risk assessment procedures to support our assessments of the risks of material misstatement. Our risk assessment procedures will include:

- ◆ Inquiries of management
- ◆ Analytical Procedures
- ◆ Observation
- ◆ Inspection of Documents

Assessing the Risk of Material Misstatement

The risk of material misstatement is the risk that an account balance, class of transactions or disclosures, and relevant assertions are materially misstated. The risk of material misstatement consists of the following two components:

- ◆ *Inherent Risk* — the susceptibility of a relevant assertion to a material misstatement that could be material, either individually or when aggregated with other misstatements, assuming that there are no related controls.
- ◆ *Control Risk* — is the risk that a material misstatement that could occur in a relevant assertion and that could be material, either individually or when aggregated with other misstatements, will not be prevented or detected on a timely basis by the entity's internal control.

Inherent risk and control risk are the Watermaster's risks; that is they exist independently of our audit. Our risk assessment procedures will help better assess these Watermaster risks, but do not alter the Watermaster's existing inherent and control risks.

Assessing Versus Testing Controls

If we have assessed controls as effective based upon our review of their design and an observation that they have been implemented (that is placed in operation) based solely on that assessment, we would not necessarily have an adequate basis for considering that *control risk* if low (or event moderate). As part of our audit strategy we would consider further evidence of the effective operation of controls through *sufficient tests of controls* to reach that conclusion.

Electronic Data Extraction for Audit Purposes

Data extraction software provides us immediate visibility into transactional data within the Watermaster:

- ◆ We can analyze entire data populations and track consistency
- ◆ We can identify trends, pinpoint exceptions and highlight potential areas of concern
- ◆ We can normalize data to track consistency and view the results

Our Approach to the Audit, continued

Financial Statement Level and the Assertion Level Risks

We will identify and assess the risks of material misstatement at both the financial statement level and relevant assertion level.

- ◆ *Financial Statement Level Risks and Controls* — Some risks of material misstatement relate persuasively to the financial statements taken as whole and potentially affect many relevant accounts and assertions. These risks of the financial statement level may be identifiable with specific assertions of the class of transaction, account balance or disclosure level. These are also called *Entity Level Controls*.
- ◆ *Relevant Assertion Level Risk and Controls* — Other risk of material misstatement relate to specific classes of transactions, account balances, and disclosures at the assertion level, for example, the valuation of unbilled water and bas receivables. Our risk assessment at the assertion level provides a basis for considering the appropriate audit approach for designing and performing further audit procedures, which include *substantive procedures* and may also include *test of controls*. Assertion level risks are also referred to as *Activity Level Risks*.

Responding to Assessed Risks

The risk assessment process culminates with our selection of the account balances, classes of transactions or disclosures where material misstatements are most likely to occur given the unique circumstances of the Watermaster. This assessment of the risk of misstatement, which relates identified risks to what can go wrong at the assertion level, provides a basis for designing and performing further audit procedures. Further audit procedures are defined as tests of controls and substantive tests. Often a combined approach using both tests of controls and substantive procedures is an effective approach.

Identification and Communication of Internal Control Matters

The objective of our audit is to form an opinion on the Watermaster's financial statements taken as a whole. Our objective is not to identify deficiencies in internal; however when control deficiencies are identified in the course of our audit and if they constitute significant deficiencies or material weaknesses, we will communicate in writing those deficiencies to management and the Board of Directors of the Watermaster.

Audit Documentation

We will document matters pertaining to each phase of the risk assessment process. The audit documentation will clearly demonstrate procedures performed, results, evidence obtained and conclusions reached.

Consideration of Laws and Regulations

Our audit approach recognizes the importance of laws and regulations in planning the audit of a local governmental entity. As a part of the audit, our firm obtains an understanding of those laws and regulations that have a direct and material effect on the determination of financial statement amounts. We then design the audit to provide reasonable assurance of detecting material instances of noncompliance that will have a direct and material effect on the determination of financial statement amounts.

Our Approach to the Audit, continued

Communication with Management and the Board

In addition to our written reports and letters, we believe an oral presentation to the Watermaster's management and the Board, if requested, to be a minimum service provided by the auditors and would be pleased to schedule a mutually convenient time for such a presentation at the conclusion of the engagement.

Written Communication

A major benefit of employing outside auditors is the opportunity for the Watermaster's Board and management to receive comments about various aspects of their operations from qualified, independent professionals. We will issue three letters, which will give you such comments: the *Internal Control Letter*, the *Management Letter*, and the *Board Letter*.

The *Internal Control Letter* will communicate any reportable conditions we noted during our evaluation of those controls for the limited purpose of determining the nature, timing and extent of audit procedures to be performed. This letter will also contain our recommendations for any improvements in those controls, which might be needed.

The *Management Letter* will provide prioritized ideas and recommendations to help take advantage of specific opportunities to promote operational efficiency, achieve financial goals and help you improve effectiveness and efficiency within your operations.

The *Board Letter* will communicate the auditor's responsibility under generally accepted auditing standards, significant accounting policies, management judgments and accounting estimates, significant audit adjustments, other information in documents containing audited financial statements, disagreements with management, management consultations with other accountants, major issues discussed with management prior to retention, and any difficulties encountered in performing the audit.

The preparation of these communications is an essential part of our work. Management and Internal Control Letters are authored by the senior members of the audit team, in conjunction with the partner in charge of the engagement.

Our ability to provide innovative suggestions and ideas to management sets us apart from other Firms. Our assistance centers on practical solutions, which can be implemented. A goal we have with every client is to provide management advice that will generate significant annual savings.

Other Assistance

Providing management assistance requires more than having talented people on staff. First, we assign experienced senior level professionals to our engagements. Our client base of governmental entities and commercial companies demands broad business and industry experience, as well as technical expertise. Those talented professionals have to be exposed to clients and develop an in-depth understanding of particular situations.

Second, we actively look for opportunities to provide assistance. We try to initiate rather than respond. If we believe a situation is developing, we will approach the client, offer to investigate and provide recommendations. If a formal project to address the problem is called for, we will define the approach, execute the assignment and follow through with implementation assistance.

Our Approach to the Audit, continued

Timing of Our Procedures

We understand that the Watermaster is looking for value in the professional relationship they have with their auditors. Value comes from the knowledge, experience and dedication that the auditing Firm employs. We stress employ because all of the knowledge and expertise shown on paper will have no benefit for you unless it is applied. This application equates to time spent. We have developed an audit plan that we feel will accomplish the objectives of the Watermaster and meet your special needs.

In order to accomplish our audit objectives and meet your deadlines for delivery, the sequence and timing of our procedures are critical. Interim work is to be performed during the months of April through June (District preference) of each year; year-end fieldwork to begin in August of each year, concluding by the week of August 15th of each year; and delivery of the Final auditor's opinions on the financial statements and Management Letter no later than September 30th of each year or earlier per District requirements.

In the table that follows, we provide a summary of our planned activities and their timing:

Timing	Activity (See Appendix A for more details)
April - June (schedule meeting during this period)	Conduct audit entrance conference.
During April - June each year (1 week scheduled during this period at the District's convenience)	Perform preliminary procedures including: transition efforts, initial control assessments, minute and contract/major agreement review, major transaction review, conduct EDP review, final controls assessment, determination of specific audit procedures, provide finance department with audit plan and listing of audit schedules required, conduct progress conference with key Finance personnel. Complete test for Federal Awards.
During August (1 week working days during this period)	Commence audit fieldwork and execute detailed audit plan, conduct progress conference with key Finance personnel. Complete Single Audit Testwork, if necessary
By September 10 th	Present drafts of the Annual Financial Report Opinions, Management Report, Other Letters and conduct an exit conference.
By September 20 th	Provide final recommendations, revisions and suggestions of the District Financials.
By September 30 th	Deliver Final Opinions and then Present the Financials to Board.

Knowledge and Understanding of Local Environment

As noted previously, the engagement senior manager and partner have strived to be experts for their clients in the water and wastewater industry. We have continuously kept ourselves apprised of the water and power issues in Southern California over the past years. Also, the Metropolitan Water District of Southern California and the Inland Empire Utilities Agency invited us to participate in the Lower Colorado River and Agricultural tours.

Our Approach to the Audit, continued

Professional Education

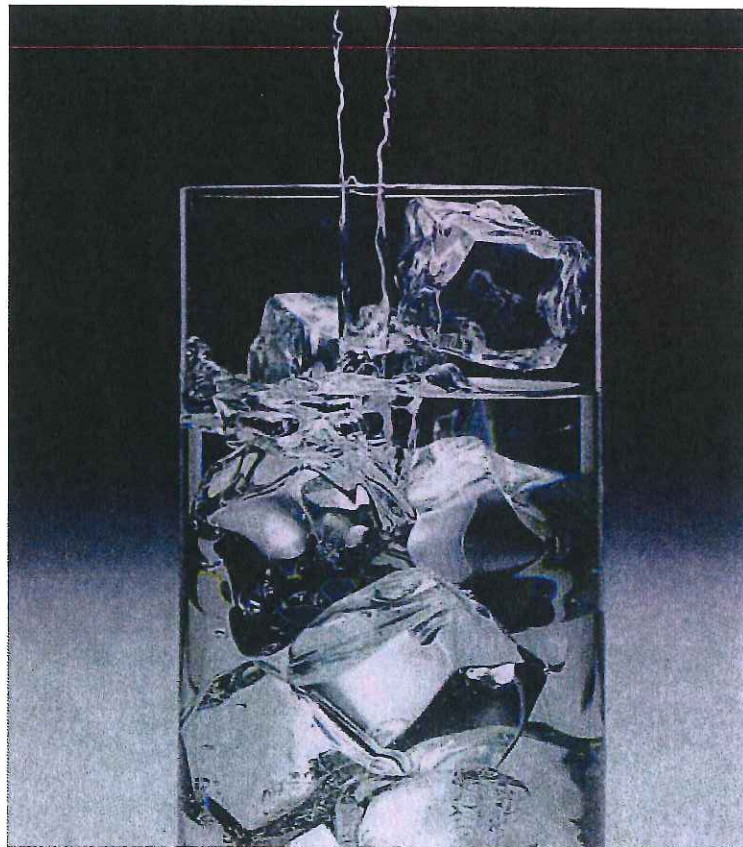
It is a requirement of the State Board of Accountancy for all public accounting firms who are involved in governmental auditing to allocate a specific portion of continuing education in governmental accounting and auditing every two years. Charles Z. Fedak & Company, CPAs has met this requirement for all staff involved with governmental accounting and auditing. The firm's strict adherence to these continuing professional education standards insures the highest quality of staff assigned to the audit of the Watermaster over the term of our agreement. Our firm also requires that all personnel at all organizational levels adhere to the independence rules, regulations, interpretations, and rulings of the AICPA, California State Society of CPAs, State Board of Accountancy, State Statute, and in some cases, the Securities and Exchange Commission and other regulatory agencies. Charles Z. Fedak & Company, CPAs has never been the object of any disciplinary action in its entire existence.

Charles Z. Fedak & Company, CPAs is independent with respect to performing the annual audit of the Watermaster. Charles Z. Fedak & Company, CPAs currently maintains errors and omissions insurance coverage in the aggregate amount of one million dollars and two million dollars general liability.

**Cost Proposal
Independent Auditor Services
For The**



Chino Basin Watermaster





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

March 30, 2011

Mr. Joseph S. Joswaik, CFO
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, California 91730

Re: Request for Proposal for Independent Auditor Services

Dear Mr. Joswaik:

Based on our understanding of the Chino Basin Watermaster (Watermaster) our fee for audit services for the fiscal year ending June 30, 2011 is noted in Exhibit II. This fee is based on our understanding of the Watermaster's audit requirements.

Assuming there is no substantial change in the Watermaster's activities and operations, our fee for audit services for the fiscal years ending June 30, 2012 through 2017 are noted in Exhibit II, respectively.

Our estimate for out-of-pocket expenses is a separate estimate and may not be utilized in total to the amount estimated.

Again, these fees are based on the estimated costs to complete the audit. The components of this audit services fee proposal and out-of-pocket costs for the years ending June 30, 2011 through 2017 are itemized in the attached Exhibits.

Our not-to-exceed fee proposal is contingent upon our understanding of your requirements and the assistance we require as noted in our original audit technical proposal.

Additional services not included in this proposal will be based on our discounted billing rates based on the level of experience required. We would execute a separate contract for these services, if they are requested by the Watermaster.

I am authorized to make representations for Charles Z. Fedak & Company, CPAs an Accountancy Corporation and am duly authorized to sign a contract with the Authority.

Charles Z. Fedak CPA

Charles Z. Fedak, CPA

March 30, 2011

Date

Exhibit I – Proposed Hours and Our Fees

Proposed Hours and Our Fees

We anticipate that, for the years ending June 30, 2011 through 2017, the audit of the Watermaster will approximate 300 audit hours. These hours, by major area, are summarized as follows:

<u>Audit Steps</u>	<u>Partner</u>	<u>Manager</u>	<u>Staff</u>	<u>Total</u>
Planning	1	2	2	5
Control Testwork	1	4	10	15
Substantive Testwork	2	6	30	38
Reporting	<u>2</u>	<u>8</u>	<u>10</u>	<u>20</u>
Total Hours	<u>6</u>	<u>20</u>	<u>52</u>	<u>78</u>

Working on the premise that we will be provided with a year-end trial balance, along with an audit package of reconciled balances and supporting schedules of all balance sheet accounts, we expect to perform the audit of the Watermaster at fees as stated in the attached Schedule of Professional Fees on Page 3 for the years ending June 30, 2011 through 2017, respectively.

Our fees are based on the product of the time spent on the engagement and the billing rates of the individuals assigned, plus out-of-pocket costs (such as, report reproductions, typing, postage, travel, copies, telephone, etc.). We will obtain the assistance of the Watermaster's personnel to the extent possible and otherwise endeavor to keep these charges to a minimum. We will submit progress billings monthly to your office as our work progresses, which will be due and payable thirty days from the date of the invoice.

Based upon the present size and scope of the activities of the Watermaster we expect to perform the services enumerated above at our discounted hourly rates. Our discounted hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the audits. We have provided a breakdown of our current hourly rates, which would apply to this engagement on the attached Schedule of Professional Fees on Pages 4 to 5 of this cost proposal.

In accordance with your request for proposal, the Office of Management and Budget Circular A-128 and California State Law we will maintain our work papers for at least seven years and make them available to the Watermaster, state agencies, the General Accounting Office, and other parties upon the direction of the Watermaster.

We want the Board to understand that we will provide any assistance and answer any questions that the Watermaster's staff or members of the Board may have when they arise for the entire duration of our contract. We find it important to stay abreast of the Watermaster's activities and accounting issues during the entire engagement.

We would like to thank you and the Board for the opportunity to submit a proposal for the auditing services. Because of our experience in special districts and our interest in the Watermaster, we will provide you with assistance in your operations as well as meet the audit needs of the organization. We will also continually make recommendations on these and other matters that come to our attention. We are proud of the professional services we provide and encourage you to make inquiries to any of our clients about their satisfaction with our services and the quality of our staff.

Exhibit II – Schedule of Professional Fees

Total Audit Fees By Fiscal Year	Watermaster Total Audit Service Fees	Watermaster Not-to-Exceed Estimate Out-of-Pocket Costs
Fiscal Year 2011	\$ 8,600	400
Fiscal Year 2012	8,990	410
Fiscal Year 2013	9,380	420
Fiscal Year 2014	9,770	430
Fiscal Year 2015	10,160	440
Fiscal Year 2016 - OPTION Year 1	10,550	450
Fiscal Year 2017 - OPTION Year 2	10,940	460
Total Seven Year Contract Price	\$ 68,390	3,010

Please note that any additional services requested by the Watermaster during the audit period shall be negotiated at the stated hourly rates per year as noted in the following schedules per year.

See Our Personnel Hourly Rates and Hours Estimated per Engagement on the following pages

Exhibit III – Schedule of Fees By Hours

FISCAL YEAR 2011

Breakdown of Fees by Hours

Fiscal Year 2011 Audit of:	<u>Hours</u>	<u>Hourly Rates</u>		<u>Total</u>
Watermaster's Basic Financial Statements				
Partner	6	\$ 150	\$	900
Manager	20	125		2,500
Staff	52	100		5,200
Total Financial Statement Audit for 2011	<u>78</u>		\$	<u>8,600</u>
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)				<u>400</u>
Total Maximum for 2011			\$	<u><u>9,000</u></u>

FISCAL YEAR 2012

Breakdown of Fees by Hours

Fiscal Year 2012 Audit of:	<u>Hours</u>	<u>Hourly Rates</u>		<u>Total</u>
Watermaster's Basic Financial Statements				
Partner	6	\$ 155	\$	930
Manager	20	130		2,600
Staff	52	105		5,460
Total Financial Statement Audit for 2012	<u>78</u>		\$	<u>8,990</u>
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)				<u>410</u>
Total Maximum for 2012			\$	<u><u>9,400</u></u>

FISCAL YEAR 2013

Breakdown of Fees by Hours

Fiscal Year 2013 Audit of:	<u>Hours</u>	<u>Hourly Rates</u>		<u>Total</u>
Watermaster's Basic Financial Statements				
Partner	6	\$ 160	\$	960
Manager	20	135		2,700
Staff	52	110		5,720
Total Financial Statement Audit for 2013	<u>78</u>		\$	<u>9,380</u>
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)				<u>420</u>
Total Maximum for 2013			\$	<u><u>9,800</u></u>

FISCAL YEAR 2014

Breakdown of Fees by Hours

Fiscal Year 2014 Audit of:	<u>Hours</u>	<u>Hourly Rates</u>		<u>Total</u>
Watermaster's Basic Financial Statements				
Partner	6	\$ 165	\$	990
Manager	20	140		2,800
Staff	52	115		5,980
Total Financial Statement Audit for 2014	<u>78</u>		\$	<u>9,770</u>
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)				<u>430</u>
Total Maximum for 2014			\$	<u><u>10,200</u></u>

FISCAL YEAR 2015

Breakdown of Fees by Hours

Fiscal Year 2015 Audit of:	<u>Hours</u>	<u>Hourly Rates</u>		<u>Total</u>
Watermaster's Basic Financial Statements				
Partner	6	\$ 170	\$	1,020
Manager	20	145		2,900
Staff	52	120		6,240
Total Financial Statement Audit for 2015	<u>78</u>		\$	<u>10,160</u>
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)				<u>440</u>
Total Maximum for 2015			\$	<u><u>10,600</u></u>

Exhibit III – Schedule of Fees By Hours – Optional Years

FISCAL YEAR 2016 - OPTIONAL YEAR 1

Breakdown of Fees by Hours

Fiscal Year 2016 Audit of:	Hours	Hourly Rates	Total
Watermaster's Basic Financial Statements			
Partner	6	\$ 175	\$ 1,050
Manager	20	150	3,000
Staff	52	125	6,500
Total Financial Statement Audit for 2016	78		\$ 10,550
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			450
Total Maximum for 2016			\$ 11,000

FISCAL YEAR 2017 - OPTIONAL YEAR 2

Breakdown of Fees by Hours

Fiscal Year 2017 Audit of:	Hours	Hourly Rates	Total
Watermaster's Basic Financial Statements			
Partner	6	\$ 180	\$ 1,080
Manager	20	155	3,100
Staff	52	130	6,760
Total Financial Statement Audit for 2017	78		\$ 10,940
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			460
Total Maximum for 2017			\$ 11,400



CHINO BASIN WATERMASTER

II. BUSINESS ITEM

- B. PURCHASE 50,000 AF OF
REPLENISHMENT WATER FROM MWD





CHINO BASIN WATERMASTER

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

DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: May 26, 2011
TO: Watermaster Board Members
SUBJECT: Purchase of Replenishment-Rate Water from MWD

RECOMMENDATION:

1. Authorize Watermaster to purchase supplemental water for Parties interested in establishing a replenishment storage account.
2. Authorize Watermaster to work with Inland Empire Utilities Agency on a financing plan to facilitate the purchase of preemptive replenishment water for the purchase of MWD replenishment water.
3. Authorize, if necessary, the preparation of agreements required to implement these measures and to pursue and obtain expedited ex parte Court approval of the preemptive purchase of replenishment water and to shorten time for the review and approval of storage agreements for supplemental water for the reasons set forth below. This approval will be sought with the express acknowledgment that it does not create precedent for future preemptive purchases and that Watermaster will be submitting a broader policy application to the Court in coordination with the Recharge Master Planning effort.

HISTORY:

This item came before the Advisory Committee on May 19, 2010. The recommendations above represent the action taken by the Advisory Committee.

SUMMARY:

On May 10, 2011, the Metropolitan Water District (MWD) Board of Directors approved the sale of 225,000 acre-feet of replenishment water at a rate of \$409 per acre-foot. MWD will make this water available on a first come first serve basis through the end of calendar year 2011. The availability of replenishment water provides Chino Basin with a singular opportunity to purchase water at a significant cost savings. Replenishment water has not been available by MWD for the last four years. As a result, when Watermaster has had to purchase replenishment water for the Chino Basin it has been purchased for as much as the Tier 2 rate.

So as not to miss out on this opportunity, Watermaster requested Inland Empire Utilities Agency (IEUA) to order delivery of 50,000 acre-feet of water for purchase by Watermaster. The water will be purchased at the rate of \$409 per acre-foot plus \$12 per acre-foot for the IEUA surcharge and an additional \$2 per acre-foot surcharge for water taken through the Orange County Water District's Turnout on San Antonio Creek. In addition, approximately 1,600 acre-feet of the 50,000 acre-feet will be purchased for direct

injection and will cost an additional \$42 per acre-foot for treatment. The order is limited to 50,000 acre-feet because that is the anticipated amount of water that Watermaster can physically recharge between now and the end of the calendar year.

DESALTER REPLENISHMENT OBLIGATION:

Under the Peace II Agreement, 400,000 acre-feet of water is to be withdrawn as controlled overdraft to facilitate hydraulic control of the Basin by pumping water for treatment at the Chino Desalters. The 400,000 acre-feet of water are apportioned in two parts: 225,000 acre-feet are allocated as replenishment water for Pre-Peace II Desalters and 175,000 acre-feet are allocated as replenishment water for Phase III. At the end of this fiscal year, the Pre-Peace II Desalters will have used approximately 172,000 acre-feet of replenishment allocation and will have to purchase replenishment water beginning 2013. A summary of the replenishment operating account for the Desalters is provided in Table 1.

Table 1
Desalter Replenishment Accounting, Shortfall Deducted from the Non-WMWD Re-operation Account¹

(acre-ft)

Fiscal Year	Desalter Production	New Yield ²	Desalter Replenishment				Residual Replenishment Obligation
			Desalter (aka Kaiser) Account	Re-Operation		Balance	
Replenishment Allocation for Peace II Desalter Expansion	Replenishment Allocation to Pre-Peace II Desalters CDA						
2001	7,989	0	3,995	0	0	0	3,995
2002	9,458	0	4,729	0	0	0	4,729
2003	10,439	0	5,220	0	0	0	5,220
2004	10,605	0	5,303	0	0	0	5,303
2005	9,854	0	4,927	0	0	0	4,927
2006	16,476	0	11,579	0	0	400,000	4,897
2007	26,356	0	608	0	25,748	374,252	0
2008	26,972	0	0	0	26,972	347,280	0
2009	32,920	0	0	0	61,990	285,290	-29,070
2010	28,517	0	0	0	28,517	256,773	0
2011 ³	28,965	0	0	0	28,965	227,808	0
2012 ³	28,750	75	0	0	28,675	199,132	0
2013 ³	28,750	442	0	0	24,132	175,000	4,176
2014 ³	28,750	962	0	0	0	175,000	27,788
2015 ³	28,750	1,629	0	0	0	175,000	27,121

1. Source: WEI, Response to Condition Subsequent Number 7, November 2008

2. Note that the new yield projection shown above relates only to the storage reduction caused by the use of the re-operation water listed in this schedule. There was over 60,000 acre-ft of additional storage reduction that occurred during 2000/01 and 2005/06 that is not reflected in the new yield schedule. In the near future, Watermaster will determine the additional new yield created by the pre-Peace II reductions in storage and will include a new schedule for yield.

3. Years 2011 through 2015 are estimated/projected production values.

Beginning in Fiscal Year 2012/13 it will become necessary to purchase replenishment water for the Pre-Peace II Desalters. Taking advantage of MWD's just-made-available replenishment rate, Watermaster will purchase as much water as possible, subject to developing an acceptable financing plan. One potential scenario would involve the purchase of 25,000 acre-feet of water at an estimated cost of \$10,575,000.00.

A second alternative is to work with IEUA on a cooperative financing plan that either stands alone or works in concert with a special assessment. Other potential financing plans will also be pursued. The preemptive purchase of replenishment water at this time versus purchasing water in 2013 will save the parties \$852,500 if replenishment water were to be available, or \$4,475,000 if only Tier I water were to be available. The water will be subject to standard storage losses.

If a special assessment is used to finance the purchase of the replenishment water, it could be based on the formula prescribed in Section 6.2 of the Peace II Agreement, which takes the average of each Appropriative Pool Party's operating safe yield and actual production along with each Non-Agricultural Party's Safe Yield and allocates the assessment on a prorated basis amongst all the Parties. The proposed special assessments to purchase 25,000 acre-feet of water under this scenario are itemized in Table 2.

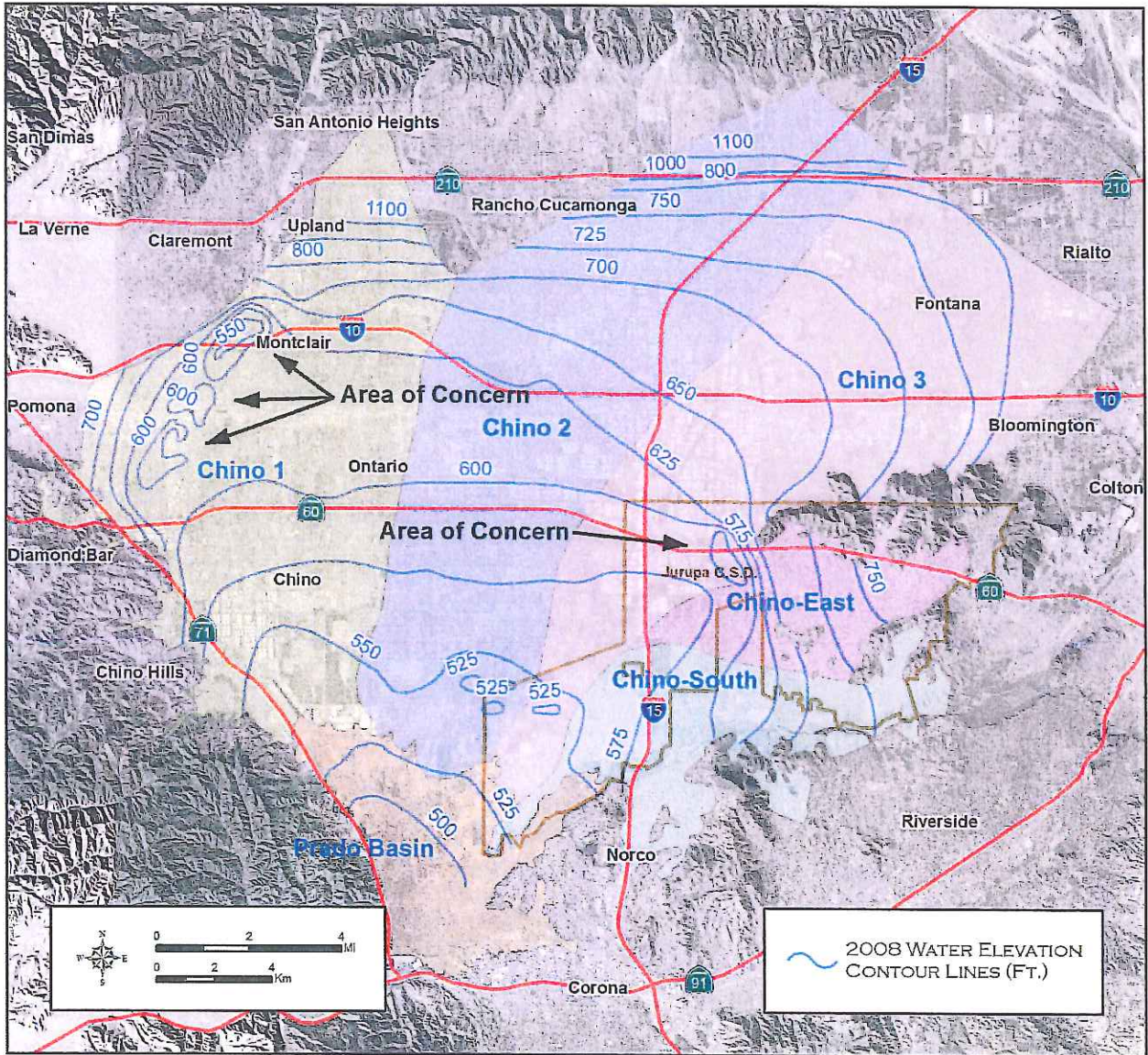
Table 2
Special Assessment

Party	(Operating) Safe Yield (Acre-Feet)	2009/10 Actual Production (Acre-Feet)	= AVERAGE (OSY + Actual Production) (Acre-Feet)	Percent of Total Amount	Replenishment Water Special Assessment (incl. treatment for ASR) \$ 10,642,200.00
Arrowhead Mtn Spring Water Co	-	373.665	186.833	0.215%	\$ 22,916.22
Chino Hills, City Of	2,111.422	973.554	1,542.488	1.778%	\$ 189,196.16
Chino, City Of	4,033.857	1,206.635	2,620.246	3.020%	\$ 321,390.18
Cucamonga Valley Water District	3,619.454	19,263.160	11,441.307	13.187%	\$ 1,403,350.56
Desalter Authority	-	28,516.731	14,258.366	0.000%	\$ -
Fontana Union Water Company	6,391.736	-	3,195.868	3.683%	\$ 391,993.95
Fontana Water Company	1.000	13,557.470	6,779.235	7.813%	\$ 831,517.17
Fontana, City Of	-	-	-	0.000%	\$ -
Golden State Water Company	411.476	359.382	385.429	0.444%	\$ 47,275.37
Jurupa Community Services District	2,061.118	15,538.225	8,799.672	10.142%	\$ 1,079,336.82
Marygold Mutual Water Company	655.317	346.141	500.729	0.577%	\$ 61,417.66
Monte Vista Irrigation Company	676.759	-	338.380	0.390%	\$ 41,504.44
Monte Vista Water District	4,823.954	15,572.066	10,198.010	11.754%	\$ 1,250,852.12
Niagara Water Company	-	1,298.352	649.176	0.748%	\$ 79,625.65
Nicholson Trust	4.000	-	2.000	0.002%	\$ 245.31
Norco, City Of	201.545	-	100.773	0.116%	\$ 12,360.40
Ontario, City Of	11,373.816	19,708.991	15,541.404	17.912%	\$ 1,906,254.01
Pomona, City Of	11,215.852	11,403.859	11,309.856	13.035%	\$ 1,387,227.18
San Antonio Water Company	1,506.888	966.222	1,236.555	1.425%	\$ 151,671.50
San Bernardino County Shtg Prk	-	16.494	8.247	0.010%	\$ 1,011.55
Santa Ana River Water Company	1,301.374	-	650.687	0.750%	\$ 79,810.98
Upland, City Of	2,852.401	3,409.624	3,131.013	3.609%	\$ 384,039.00
West End Consolidated Water Company	947.714	-	473.857	0.546%	\$ 58,121.64
West Valley Water District	644.317	-	322.159	0.371%	\$ 39,514.83
Ameron Inc	97.858	-	97.858	0.113%	\$ 12,002.92
Angelica Textile Service	18.789	-	18.789	0.022%	\$ 2,304.59
Aqua Capital Management	948.118	-	948.118	1.093%	\$ 116,292.83
Auto Club Speedway	1,000.000	-	1,000.000	1.153%	\$ 122,656.49
California Steel Industries Inc	1,300.000	-	1,300.000	1.498%	\$ 159,453.44
CCG, Ontario Llc	-	-	-	0.000%	\$ -
General Electric Company	-	-	-	0.000%	\$ -
Kaiser Ventures Inc	-	-	-	0.000%	\$ -
KCO, LLC / The Koll Company	-	-	-	0.000%	\$ -
Loving Savior Of The Hills	-	-	-	0.000%	\$ -
Ontario City Non-Ag	2,327.807	-	2,327.807	2.683%	\$ 285,520.64
Praxair Inc	1.000	-	1.000	0.001%	\$ 122.66
GenOn Energy	954.540	-	954.540	1.100%	\$ 117,080.53
San Antonio Winery	-	-	-	0.000%	\$ -
San Bernardino Cty Chino Airport	133.870	-	133.870	0.154%	\$ 16,420.02
Southern California Edison Company	-	-	-	0.000%	\$ -
Space Center Mira Loma Inc	104.121	-	104.121	0.120%	\$ 12,771.12
Sunkist Growers Inc	-	-	-	0.000%	\$ -
Swan Lake Mobile Home Park	464.240	-	464.240	0.535%	\$ 56,942.05
Vulcan Materials Company	-	-	-	0.000%	\$ -
West Venture Development	-	-	-	0.000%	\$ -
Total	62,184.343	132,510.571	101,022.629	100.000%	\$ 10,642,200.00
Desalter	-	28,516.731	14,258.366	-	-
Total Minus Desalter	62,184.343	103,993.840	86,764.263	-	-

RECHARGE REQUIREMENTS:

Under the Peace II Agreement, the Parties have agreed that Watermaster will provide supplemental water recharge to balance pumping within the Basin's management zones. The intent of this is to minimize, if not prevent, areas with localized dewatering holes and potential subsidence occurring due to localized pumping depressions. Currently there are two areas that will benefit from "wet water" recharge. One of these areas in Management Zone 1 and the other is the dewatered area in Management Zone 3 near the Jurupa Community Services District (JCSD), see Figure 1. Consequently the infiltration of replenishment water will be prioritized so these areas of concern are recharged first.

Figure 1
Pumping Depressions in the Chino Basin

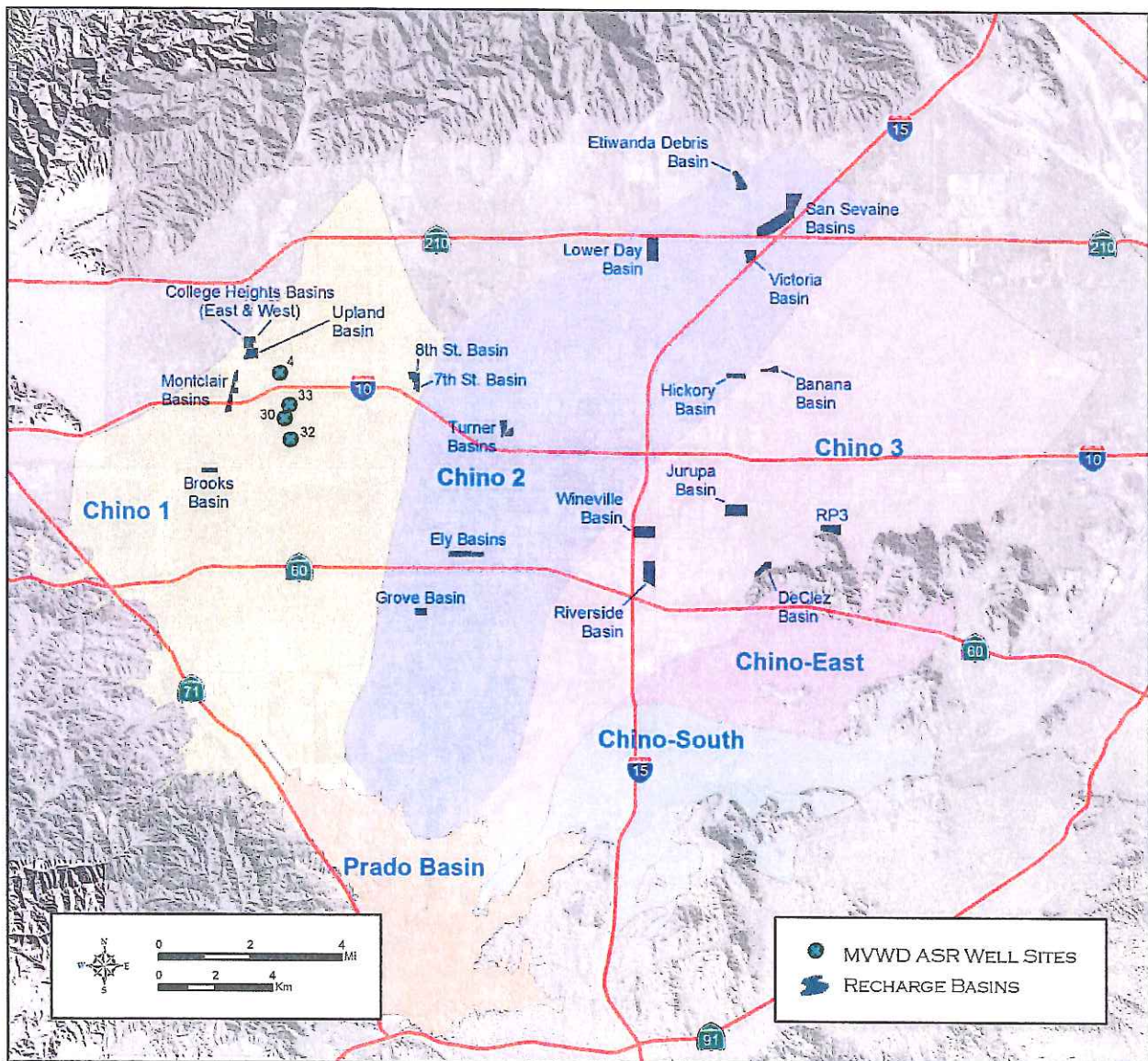


CHINO BASIN REPLENISHMENT:

Replenishment of the Chino Basin is accomplished using either stormwater or supplemental water that is infiltrated through a series of recharge basins owned by the Chino Basin Water Conservation District (CBWCD), the San Bernardino County Flood Control District (SBCFCD), the City of Upland, and IEUA. In addition, replenishment is also accomplished through direct injection through aquifer storage and recovery (ASR) wells. Currently, the capacity for direct replenishment is limited to four ASR wells operated by the Monte Vista Water District (MVWD). The locations of the recharge facilities are shown in Figure 2.

The ability to recharge is limited by the size and infiltration rate of each individual recharge basin. In order to recharge 50,000 acre-feet of replenishment water from MWD, all of the available turnouts must be utilized. There is upcoming scheduled maintenance work, and FEMA repair projects, in some of the recharge basins, and these projects will be expedited to accommodate the recharge water. Some of the maintenance work performed will improve the percolation rate.

Figure 2
Chino Basin Recharge Facilities



The estimated recharge capacity from mid-May to December is almost 55,000 acre-feet, including operation of approximately 1,600 acre-feet through MVWD's ASR well (see Table 3). A Preliminary Operational Plan was submitted two weeks ago to MWD, and they approved it last week. Long precipitation time histories used in the Recharge Master Plan Update 2010 are applied for the operational availability of the recharge basins and these factors have been adjusted due to the continuous recharge operation which could slow down the recharge. The operational discharge rate is the discharge rate that does not adversely impact the Rialto pipeline's hydraulics and the capacity of each recharge basin. Unforeseen problems with the Rialto pipeline and/or heavy rains in October through December could affect the recharge capacity. In a wet year, storms occur about once per week. If that is the case, the recharge basins may still be available for 50 percent of the time. This would still provide enough capacity to fulfill 50,000 acre-feet of recharge unless there is a catastrophic failure in the Rialto pipeline.

Table 3
Estimated Recharge Capacity

Basin	May	June	July	August	September	October	November	December
	Operational Availability (Acre-Feet)							
	0.5	0.93	0.9	0.89	0.88	0.87	0.83	0.77
OC-59								
Brooks Street Basin	96	173	173	171	164	167	154	148
College Heights Basins	288	519	519	513	491	501	463	444
Upland Basin	384	692	692	684	654	668	617	592
Montclair Basin 1	139	250	250	247	236	241	223	213
Montclair Basin 2	309	556	556	550	526	538	496	476
Montclair Basin 3	147	FEMA repair	264	261	250	255	235	226
Montclair Basin 4	174	314	314	310	297	303	280	268
CB-20								
Seventh Basin	77	143	138	137	135	134	128	118
Eighth Basin	77	143	138	137	135	134	128	118
Ely Basin	154	286	277	273	270	267	255	237
CB-11								
Turner Basin No. 1	FEMA repair		73	72	69	70	65	62
Turner Basin No. 2	Scheduled Maintenance		52	51	49	50	46	45
Turner Basin No. 3	Scheduled Maintenance		52	51	49	50	46	45
Turner Basin No. 4	FEMA repairs and Milliken Grade Separation Project							
CB-14								
Etiwanda Debris Basin	414	770	745	737	728	720	687	637
Victoria Basin	355	660	638	631	624	617	589	546
CB-15								
Lower Day Basin	246	457	443	438	433	428	408	379
CB-13								
San Sevaine No. 1	Not in Service	527	527	521	499	509	470	451
San Sevaine No. 2	Not in Service	13	13	13	12	12	11	11
San Sevaine No. 3	Not in Service	411	411	407	389	398	367	352
San Sevaine No. 4	Not in Service	13	13	13	12	12	11	11
San Sevaine No. 5	Not in Service	308	308	305	292	298	275	264
CB-18								
Banana Basin	FEMA repair		241	238	228	233	215	206
Hickory Basin	134	241	241	238	228	233	215	206
Declerz Basin	FEMA repair		289	285	273	279	258	247
RP-3	Scheduled Maintenance		337	333	319	326	301	288
MWWD ASR Wells (1,600 acre-feet total)								
	107	213	213	213	213	213	213	213
Totals	3,099	6,687	7,914	7,829	7,575	7,658	7,157	6,802
Running Total	3,099	9,786	17,700	25,529	33,105	40,763	47,920	54,722

MZ-1 Total	23,288
MZ-2 Total	26,541
MZ-3 Total	4,892

Assumptions:

- Operational availabilities of each recharge basin as identified in RMPU 2010, then adjusted for continuous recharge operation which could affect percolation rates.
- The recharge basins are fully operational during July and August.
- The City of Upland allows Watermaster to utilize the Upland Basin for the recharge.

Action:

Advisory Committee Motion:

1. Authorize individual agencies/parties to directly purchase the MWD replenishment water themselves.
2. Authorize Watermaster to work with Inland Empire Utilities Agency to negotiate a potential financing plan with the goal of bringing the plan back through the Watermaster process in June for the purchase of the MWD replenishment water.
3. Authorize if necessary the preparation of agreements required to implement these measures and to pursue and obtain expedited ex parte Court approval of the preemptive purchase of replenishment water and to shorten time for the review and approval of storage agreements for supplemental water for the reasons set forth below. This approval will be sought with the express acknowledgment that it does not create precedent for future preemptive purchases and that Watermaster will be submitting a broader policy application to the Court in coordination with the Recharge Master Planning effort.

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CHINO BASIN WATERMASTER

IV. INFORMATION

1. Cash Disbursements for April 2011



CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 1, 2011 - April 25, 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	04/08/2011	14995	A&R BRIDGESTONE FIRESTONE AUTO CARE	036341	1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	035341		field truck maintenance	6177 - Vehicle Repairs & Maintenance	123.59
TOTAL						123.59
Bill Pmt -Check	04/08/2011	14996	APPLIED COMPUTER TECHNOLOGIES	2002	1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	2002		Database Services - March 2011	6052.2 - Applied Computer Technol	3,261.20
TOTAL						3,261.20
Bill Pmt -Check	04/08/2011	14997	ARROWHEAD MOUNTAIN SPRING WATER	0023230253	1012 - Bank of America Gen'l Ckg	
Bill	03/29/2011	0023230253		Office Water Bottle - March 2011	6031.7 - Other Office Supplies	26.63
TOTAL						26.63
Bill Pmt -Check	04/08/2011	14998	BOWCOCK, ROBERT	3/24/2011 Watermaster Board Meeting	1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	3/24 Board Meeting		3/24/2011 Watermaster Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	04/08/2011	14999	CATLIN, TERRY	3/17/2011 CEO Committee Meeting	1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	3/17 CEO Committee		3/17/2011 CEO Committee Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	04/08/2011	15000	DE BOOM, NATHAN	1/04/2011 Restated Judgment Meeting	1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	1/04 Judgment Mtg		AG Pool Member Meeting Compensation	8411 - Compensation	25.00
Bill	03/31/2011	1/24 Judgment Mtg		1/24/2011 Restated Judgment Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	2/01 Judgment Mtg		AG Pool Member Meeting Compensation	8411 - Compensation	25.00
Bill	03/31/2011	2/08 Judgment Mtg		2/08/2011 Restated Judgment Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	2/10 Ag Pool Mtg		AG Pool Member Meeting Compensation	8411 - Compensation	25.00
Bill	03/31/2011	3/10 Ag Pool Mtg		3/10/2011 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	100.00
TOTAL						750.00
Bill Pmt -Check	04/08/2011	15001	DIRECTV	019447404	1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	019447404		Monthly Service for 3/19/11-4/18/11	6031.7 - Other Office Supplies	86.99
TOTAL						86.99

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 1, 2011 - April 26, 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	04/08/2011	15002	DURRINGTON, GLEN		1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	1/13 Ag Pool Mtg		1/13/11 Ag Pool Meeting	8411 - Compensation	25.00
Bill	03/31/2011	2/10 Ag Pool Mtg		AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	3/10 Ag Pool Mtg		2/10/11 Ag Pool Meeting	8411 - Compensation	25.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
				3/10/11 Ag Pool Meeting	8411 - Compensation	25.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						375.00
Bill Pmt -Check	04/08/2011	15003	ELIE, STEVEN		1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	3/24 Board Mtg		3/24/2011 Board Meeting	6311 - Board Member Compensation	125.00
Bill	03/31/2011	3/31 Bd Conf. Call		3/31/2011 Special Board Conference Call	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	04/08/2011	15004	FEENSTRA, BOB		1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	1/04 Judgment		1/04/2011 Restated Judgment Meeting	8411 - Compensation	25.00
Bill	03/31/2011	1/13 Ag Pool Mtg		1/04/2011 Restated Judgment Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	1/20 Advisory Comm		1/13/2011 Ag Pool Meeting	8411 - Compensation	25.00
Bill	03/31/2011	1/24 Judgment Mtg		1/13/2011 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	2/01 Judgment Mtg		1/20/2011 Advisory Committee Meeting	8411 - Compensation	25.00
Bill	03/31/2011	2/08 Judgment Mtg		1/20/2011 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	2/10 Ag Pool Mtg		1/24/2011 Restated Judgment Meeting	8411 - Compensation	25.00
Bill	03/31/2011	2/17 Advisory Comm		1/24/2011 Restated Judgment Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	2/24 Board Meeting		2/01/2011 Restated Judgment Meeting	8411 - Compensation	25.00
Bill	03/31/2011	3/10 Ag Pool Mtg		2/01/2011 Restated Judgment Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	3/17 CEO Committee		2/08/2011 Restated Judgment Meeting	8411 - Compensation	25.00
Bill	03/31/2011	3/24 Board Meeting		2/08/2011 Restated Judgment Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	3/31 Bd Special CC		2/10/2011 Ag Pool Meeting	8411 - Compensation	25.00
Bill	03/31/2011	3/10 Ag Pool Mtg		2/10/2011 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	3/17 CEO Committee		2/17/2011 Advisory Committee Meeting	8411 - Compensation	25.00
Bill	03/31/2011	3/24 Board Meeting		2/17/2011 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	3/31 Bd Special CC		2/04/2011 Board Meeting	8411 - Compensation	25.00
Bill	03/31/2011	3/10 Ag Pool Mtg		2/24/2011 Board Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	3/17 CEO Committee		3/10/2011 Ag Pool Meeting	8411 - Compensation	25.00
Bill	03/31/2011	3/24 Board Meeting		3/10/2011 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	3/31 Bd Special CC		3/10/2011 Ag Pool Meeting	8411 - Compensation	25.00
Bill	03/31/2011	3/17 CEO Committee		3/17/2011 CEO Sub Committee Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	3/24 Board Meeting		3/17/2011 CEO Sub Committee Meeting	8411 - Compensation	25.00
Bill	03/31/2011	3/31 Bd Special CC		3/24/2011 Board Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	3/10 Ag Pool Mtg		3/24/2011 Board Meeting	8411 - Compensation	25.00
Bill	03/31/2011	3/17 CEO Committee		3/24/2011 Board Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	3/24 Board Meeting		3/31/2011 Board Special Conference Call	8411 - Compensation	25.00
Bill	03/31/2011	3/31 Bd Special CC			8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 1, 2011 - April 25, 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						<u>1,625.00</u>
Bill Pmt -Check	04/08/2011	15005	GUARANTEED JANITORIAL SERVICE, INC.		1012 - Bank of America Gen'l Ckg	
Bill	04/01/2011	28450		StripWax all tile floors	6024 - Building Repair & Maintenance	360.00
Bill	04/05/2011	28432		Monthly Janitorial Service -April 2011	6024 - Building Repair & Maintenance	865.00
TOTAL						<u>1,215.00</u>
Bill Pmt -Check	04/08/2011	15006	HAUGHEY, TOM		1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	3/17 CEO Committee		3/17/2011 CEO Committee Meeting	6311 - Board Member Compensation	125.00
Bill	03/31/2011	3/24 Board Mtg		3/24/2011 Board Meeting	6311 - Board Member Compensation	125.00
Bill	03/31/2011	3/31 Conference Call		Special Board Conference Call	6311 - Board Member Compensation	125.00
TOTAL						<u>375.00</u>
Bill Pmt -Check	04/08/2011	15007	HSBC BUSINESS SOLUTIONS		1012 - Bank of America Gen'l Ckg	
Bill	04/05/2011	7003730910002744		7003-7309-1000-2744 company membership renewal - Costco	6031.7 - Other Office Supplies	250.00
TOTAL						<u>250.00</u>
Bill Pmt -Check	04/08/2011	15008	HUITSING, JOHN		1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	1/04 Judgment Mtg		1/04/2011 Restated Judgment Meeting	8411 - Compensation	25.00
Bill	03/31/2011	1/13 Ag Pool Mtg		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	1/24 Judgment Mtg		Ag Pool Member Compensation	8411 - Compensation	25.00
Bill	03/31/2011	2/01 Judgment Mtg		1/24/2011 Restated Judgment Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	2/08 Judgment Mtg		Ag Pool Member Compensation	8411 - Compensation	25.00
Bill	03/31/2011	2/10 Ag Pool Mtg		2/01/2011 Restated Judgment Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	3/10 Ag Pool Mtg		Ag Pool Member Compensation	8411 - Compensation	25.00
Bill	03/31/2011	2/10 Ag Pool Mtg		2/08/2011 Restated Judgment Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	2/10 Ag Pool Mtg		Ag Pool Member Compensation	8411 - Compensation	25.00
Bill	03/31/2011	3/10 Ag Pool Mtg		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
Bill	03/10/2011	Ag Pool Meeting		3/10/2011 Ag Pool Meeting	8411 - Compensation	25.00
Bill	03/10/2011	Ag Pool Meeting		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						<u>875.00</u>
Bill Pmt -Check	04/08/2011	15009	INLAND EMPIRE UTILITIES AGENCY		1012 - Bank of America Gen'l Ckg	
TOTAL				VOID:		
Bill Pmt -Check	04/08/2011	15010	KOOPMAN, GENE		1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	1/13 Ag Pool Meeting		AG Pool Member Meeting Compensation	8411 - Compensation	25.00
Bill	03/31/2011	1/13 Ag Pool Meeting		AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 1, 2011 - April 25, 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						125.00
Bill Pmt -Check	04/08/2011	15011	KUHN, BOB		1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	3/17 CEO Committee		3/17/2011 CEO Committee Meeting	6311 - Board Member Compensation	125.00
Bill	03/31/2011	3/24 Board Meeting		3/24/2011 Board Meeting	6311 - Board Member Compensation	125.00
Bill	03/31/2011	3/28 CEO Committee		3/28/2011 CEO Committee Meeting	6311 - Board Member Compensation	125.00
Bill	03/31/2011	3/31 Bd Conf. Call		3/31/2011 Special Board Conference Call	6311 - Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	04/08/2011	15012	LANTZ, PAULA		1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	3/17 CEO Committee		3/17/2011 CEO Committee Meeting	6311 - Board Member Compensation	125.00
Bill	03/31/2011	3/24 Board Mtg		3/24/2011 Board Meeting	6311 - Board Member Compensation	125.00
Bill	03/31/2011	3/31 Bd Conf Call		3/31/2011 Special Board Conference Call	6311 - Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	04/08/2011	15013	MIJAC ALARM		1012 - Bank of America Gen'l Ckg	
Bill	04/01/2011	298507		298507 Building Security for 4/01/11-6/30/11	6026 - Security services	147.00
TOTAL						147.00
Bill Pmt -Check	04/08/2011	15014	PARK PLACE COMPUTER SOLUTIONS, INC.		1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	449		449 IT Services - March 2011	6052.1 - Park Place Comp Solutn	3,150.00
TOTAL						3,150.00
Bill Pmt -Check	04/08/2011	15015	PAYCHEX		1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	2011033100		2011033100 March 2011	6012 - Payroll Services	237.31
TOTAL						237.31
Bill Pmt -Check	04/08/2011	15016	PIERSON, JEFFREY		1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	1/13 Ag Pool Mtg		1/13/2011 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	03/31/2011	1/20 Advisory Comm		1/20/2011 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	03/31/2011	1/27 Board Meeting		1/27/2011 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	03/31/2011	2/17 Advisory Comm		2/17/2011 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	03/31/2011	2/24 Board Mtg		2/24/2011 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	03/31/2011	3/10 Ag Pool Mtg		3/10/2011 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	03/31/2011	3/17 Advisory Comm		3/17/2011 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	03/31/2011	3/24 Board Meeting		3/24/2011 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						1,000.00
Bill Pmt -Check	04/08/2011	15017	PREMIERE GLOBAL SERVICES		1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	06775432		06775432 3/03 Non AG Pool Conference Call	8512 - Meeting Expense	102.01

CHINO BASIN WATERMASTER

Cash Disbursements For The Month of
April 1, 2011 - April 25, 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						115.32
Bill Pmt -Check	04/08/2011	15018	PURCHASE POWER		7305 · PE&S-Supplies	14.95
Bill	03/28/2011	8000909000168851		CDA Conference Calls on 3/09 and 3/16 monthly fee	6022 · Telephone	232.28
TOTAL						53.10
Bill Pmt -Check	04/08/2011	15019	REID & HELLNER		1012 · Bank of America Gen'l Ckg	53.10
Bill	03/31/2011	174222		fed ex shipments to: Softchoice Corp; IEUA	6042 · Postage - General	53.10
TOTAL						9,229.98
Bill Pmt -Check	04/08/2011	15020	SAFEGUARD DENTAL & VISION		1012 · Bank of America Gen'l Ckg	7.91
Bill	03/31/2011	3657099		Dental Premium - April 2011	60182.2 · Dental & Vision fns	7.91
TOTAL						179.00
Bill Pmt -Check	04/08/2011	15021	SKILLPATH SEMINARS		1012 · Bank of America Gen'l Ckg	179.00
Bill	03/24/2011			A. Perez to attend 04/11/11 Admin. Asst. Conf.	6192 · Training & Seminars	179.00
Bill	03/24/2011			S. Molino to attend 04/11/11 Admin. Asst. Conf.	6192 · Training & Seminars	358.00
TOTAL						490.23
Bill Pmt -Check	04/08/2011	15022	STAPLES BUSINESS ADVANTAGE		1012 · Bank of America Gen'l Ckg	490.23
Bill	03/31/2011	8018157779		toner cartridges, dvd's, post its, binding machine	6031.7 · Other Office Supplies	490.23
TOTAL						422.30
Bill Pmt -Check	04/08/2011	15023	THE LAWTON GROUP		1012 · Bank of America Gen'l Ckg	824.00
Bill	03/31/2011	IVC070000016810		scanning services - week ending 3/20/2011	6017 · Temporary Services	422.30
Bill	03/31/2011	IVC070000016837		scanning services - week ending 3/27/2011	6017 · Temporary Services	824.00
TOTAL						1,246.30
Bill Pmt -Check	04/08/2011	15024	USA-FACT INC		1012 · Bank of America Gen'l Ckg	75.00
Bill	03/31/2011	0093808-IN		client onsite inspection	6016 · New Employee Search Costs	75.00
TOTAL						125.00
Bill Pmt -Check	04/08/2011	15025	VANDEN HEUVEL, GEOFFREY		1012 · Bank of America Gen'l Ckg	125.00
Bill	03/31/2011	3/17 CEO Committee Meeting			6311 · Board Member Compensation	125.00
Bill	03/31/2011	3/24 Board Meeting			6311 · Board Member Compensation	125.00
Bill	03/31/2011	3/28 CEO Committee			6311 · Board Member Compensation	125.00
Bill	03/31/2011	3/31 Bd Conf Call			6311 · Board Member Compensation	125.00

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 1, 2011 - April 25, 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						500.00
Bill Pmt -Check	04/08/2011	15026	VANDEN HEUVEL, ROB		1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	1/04 Judgment Mtg		1/04/2011 Restated Judgment Meeting	8411 - Compensation	25.00
Bill	03/31/2011	1/13 Ag Pool Mtg		AG Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	1/24 Judgment Mtg		1/13/2011 Ag Pool Meeting	8411 - Compensation	25.00
Bill	03/31/2011	2/01 Judgment Mtg		AG Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	2/08 Judgment Mtg		1/24/2010 Restated Judgment Meeting	8411 - Compensation	25.00
Bill	03/31/2011	3/10 Ag Pool Mtg		AG Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						750.00
Bill Pmt -Check	04/08/2011	15027	VERIZON		1012 - Bank of America Gen'l Ckg	
Bill	03/28/2011	012561121521714508		012561121521714508	7405 - PE4-Other Expense	163.11
Bill	03/31/2011	012519116950792103		012519116950792103	6022 - Telephone	426.12
TOTAL						589.23
Bill Pmt -Check	04/08/2011	15028	VISION SERVICE PLAN		1012 - Bank of America Gen'l Ckg	
Bill	03/28/2011	001017890001		00-101789-0001	60182.2 - Dental & Vision Ins	52.83
TOTAL						52.83
Bill Pmt -Check	04/08/2011	15029	W.C. DISCOUNT MOBILE AUTO DETAILING		1012 - Bank of America Gen'l Ckg	
Bill	03/28/2011			Truck washing service	6177 - Vehicle Repairs & Maintenance	100.00
TOTAL						100.00
Bill Pmt -Check	04/08/2011	15030	WILLIS, KENNETH		1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	3/17 CEO Committee		3/17/2011 CEO Committee Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	04/08/2011	15031	YUKON DISPOSAL SERVICE		1012 - Bank of America Gen'l Ckg	
Bill	04/04/2011	08-K2 213849		08-K2 213849	6024 - Building Repair & Maintenance	142.88
TOTAL						142.88
Bill Pmt -Check	04/08/2011	15032	CITISTREET		1012 - Bank of America Gen'l Ckg	
General Journal	03/19/2011			Payroll and Taxes for 03/06/11-03/19/11	2000 - Accounts Payable	1,462.03
				Employee 457 deductions for 03/06/11-03/19/11		

CHINO BASIN WATERWASTER
Cash Disbursements For The Month of
April 1, 2011 - April 25, 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						1,462.03
Bill Pmt -Check	04/08/2011	15033	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	03/19/2011		PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS for 03/06/11-03/19/11	2000 - Accounts Payable	5,519.39
TOTAL						5,519.39
Bill Pmt -Check	04/19/2011	15034	A&R BRIDGESTONE FIRESTONE AUTO CARE	035409	1012 - Bank of America Gen'l Ckg	
Bill	04/06/2011	035409		field truck maintenance	6177 - Vehicle Repairs & Maintenance	62.81
TOTAL						62.81
Bill Pmt -Check	04/19/2011	15035	ACWA SERVICES CORPORATION	00198	1012 - Bank of America Gen'l Ckg	
Bill	04/13/2011	00198		Prepayment - May 2011	1409 - Prepaid Life, BAD&D & LTD	37.61
				April 2011	60191 - Life & Disab.Ins Benefits	86.63
TOTAL						124.24
Bill Pmt -Check	04/19/2011	15036	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	XXXX-XXXX-XXXX-9341		flowers for funeral of employee's parent	6147 - Other Admin Expenses	134.59
				to purchase pictures for office hallway	6031.7 - Other Office Supplies	231.31
				hotel reservation- B. Pak - 3/21 Water Reuse Conf.	6191 - Conferences - General	208.51
				to purchase lamps for front office	6031.7 - Other Office Supplies	57.39
				lunch for 3/24/11 Board meeting	6312 - Meeting Expenses	153.36
				lunch for CEO Subcommittee meeting	6312 - Meeting Expenses	38.39
				logo set up fee for uniforms	6154 - Uniforms	114.45
TOTAL						938.00
Bill Pmt -Check	04/19/2011	15037	CITISTREET	Payroll and Taxes for 03/20/11-04/02/11	1012 - Bank of America Gen'l Ckg	
General Journal	03/31/2011		CITISTREET	Employee 457 deductions for 03/20/11-04/02/11	2000 - Accounts Payable	1,462.03
TOTAL						1,462.03
Bill Pmt -Check	04/19/2011	15038	CORELOGIC INFORMATION SOLUTIONS	80170053	1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	80170053		80170053	7103.7 - Gridwtr Qual-Computer Svc	62.50
				80170053	7101.4 - Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	04/19/2011	15039	GREAT AMERICA LEASING CORP.	10759551	1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	10759551		invoice	6043.1 - Ricoh Lease Fee	2,814.41
				Usage for Black Copies - amount is for 2 months	6043.2 - Ricoh Usage & Maintenance Fee	429.86
				Usage for Color Copies - amount is for 2 months	6043.2 - Ricoh Usage & Maintenance Fee	570.81
TOTAL						3,815.08

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 1, 2011 - April 25, 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	04/19/2011	15040	HOGAN LOVELLS	1960423	1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	1960423		Non-Ag Legal Services - March 2011	8567 - Non-Ag Legal Service	35,163.78
TOTAL						35,163.78
Bill Pmt -Check	04/19/2011	15041	JAMES JOHNSTON	228	1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	228		Website Services - March 2011	6052.3 - Website Consulting	900.00
TOTAL						900.00
Bill Pmt -Check	04/19/2011	15042	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	03/31/2011		PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS for 03/20/11-04/02/11	2000 - Accounts Payable	5,421.58
TOTAL						5,421.58
Bill Pmt -Check	04/19/2011	15043	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	
Bill	04/08/2011	IVC070000016864		scanning services - week ending 4/03/2011	6017 - Temporary Services	453.20
TOTAL						453.20
Bill Pmt -Check	04/19/2011	15044	USA-FACT INC	1831055-IN	1012 - Bank of America Gen'l Ckg	
Bill	04/07/2011	1831055-IN		background verification - Desi Alvarez	6016 - New Employee Search Costs	111.95
TOTAL						111.95
Bill Pmt -Check	04/19/2011	15045	VERIZON BUSINESS	69098974	1012 - Bank of America Gen'l Ckg	
Bill	04/13/2011	69098974			6053 - Internet Expense	1,530.46
TOTAL						1,530.46
Bill Pmt -Check	04/19/2011	15046	VERIZON WIRELESS	0965305852	1012 - Bank of America Gen'l Ckg	
Bill	04/19/2011	0965305852		monthly service	6022 - Telephone	441.98
TOTAL						441.98
Bill Pmt -Check	04/19/2011	15047	WESTERN DENTAL SERVICES, INC.	002483	1012 - Bank of America Gen'l Ckg	
Bill	04/13/2011	002483		Dental Premium - May 2011	60182.2 - Dental & Vision Ins	28.88
TOTAL						28.88
Bill Pmt -Check	04/20/2011	15048	MWH LABORATORIES		1012 - Bank of America Gen'l Ckg	
Bill	03/31/2011	L0050922		L0050922 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,360.00
Bill	03/31/2011	L0050924		L0050924 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	03/31/2011	L0050926		L0050926 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	03/31/2011	L0049648		L0049648 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,532.00
Bill	03/31/2011	L0049658		L0049658 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	03/31/2011	L0050877		L0050877 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	03/31/2011	L0050880		L0050880 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00

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TOTAL 54

CHINO BASIN WATERMASTER

Cash Disbursements For The Month of

April 1, 2011 - April 25, 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						11,317.00
General Journal	04/22/2011	04/22/2011	Payroll and Taxes for 04/03/11-04/16/11	Payroll and Taxes for 04/03/11-04/16/11	1012 · Bank of America Gen'l Ckg	
				Payroll Taxes for 04/03/11-04/16/11	1012 · Bank of America Gen'l Ckg	4,811.16
				Direct Deposits for 04/03/11-04/16/11	1012 · Bank of America Gen'l Ckg	19,653.30
TOTAL						24,464.46
Bill Pmt -Check	04/25/2011	15049	CALPERS	1741	1012 · Bank of America Gen'l Ckg	
Bill	04/15/2011	1741		Medical Insurance Premiums - May 2011	60182.1 · Medical Insurance	5,431.25
TOTAL						5,431.25
Bill Pmt -Check	04/25/2011	15050	CITISTREET	Payroll and Taxes for 04/03/11-04/16/11	1012 · Bank of America Gen'l Ckg	
General Journal	04/22/2011		CITISTREET	Employee 457 deductions for 04/03/11-04/16/11	2000 · Accounts Payable	1,462.03
TOTAL						1,462.03
Bill Pmt -Check	04/25/2011	15051	CUCAMONGA VALLEY WATER DISTRICT	Lease Due May 1, 2011	1012 · Bank of America Gen'l Ckg	
Bill	04/18/2011			Lease Due May 1, 2011	1422 · Prepaid Rent	5,844.00
TOTAL						5,844.00
Bill Pmt -Check	04/25/2011	15052	CUCAMONGA VALLEY IAAP	April 27, 2011 Cucamonga Valley IAAP Chapter II	1012 · Bank of America Gen'l Ckg	
Bill	04/25/2011			Fee for Wilson & Molino-04/27/11 IAAP Mig.	6192 · Training & Seminars	50.00
TOTAL						50.00
Bill Pmt -Check	04/25/2011	15053	DAN VASILE	new employee physical for Desi Alvarez	1012 · Bank of America Gen'l Ckg	
Bill	04/18/2011				6016 · New Employee Search Costs	120.00
TOTAL						120.00
Bill Pmt -Check	04/25/2011	15054	LIATTI & ASSOCIATES	414	1012 · Bank of America Gen'l Ckg	
Bill	04/21/2011	414		worker comp broker fee	60183 · Worker's Comp Insurance	1,416.00
TOTAL						1,416.00
Bill Pmt -Check	04/25/2011	15055	PETTY CASH	2343-2356	1012 · Bank of America Gen'l Ckg	
Bill	04/25/2011			B. Pak mtg w/City of Ontario	6909.1 · OBMP Meetings	28.11
				supplies for 2/17, 3/17 and 4/21 Adv. Comm. mtgs	6212 · Meeting Expense	82.14
				cake for Board mtg - K. Manning leaving	6312 · Meeting Expenses	17.99
				supplies for shelves, cabinet repair, stain/knobs for	6031.7 · Other Office Supplies	105.39
				duplicate keys for field trucks	6177 · Vehicle Repairs & Maintenance	17.13
				mileage reimbursement-Molino-3/10 & 4/14 Ag Poo	6173 · Mileage Reimbursements	33.66
				cakes for office birthday	6141.1 · Meeting Supplies	17.68
				expenses-4/11 Administrative Assistants Conf.	6191 · Conferences - General	38.71

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL					7604 · PE889-Supplies	15.96
				supplies for 4/21 DYY mtg		336.77
Bill Pmt -Check	04/26/2011	15056	PITNEY BOWES CREDIT CORPORATION	6684246	1012 · Bank of America Gen'l Ckg	
Bill	04/15/2011	6684246		lease charges	6044 · Postage Meter Lease	551.37
TOTAL						551.37
Bill Pmt -Check	04/25/2011	15057	PRE-PAID LEGAL SERVICES, INC.	111802	1012 · Bank of America Gen'l Ckg	
Bill	04/15/2011	111802		Premiums - April 2011	60194 · Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	04/25/2011	15058	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	04/22/2011		PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS for 04/03/11-04/16/11	2000 · Accounts Payable	5,519.39
TOTAL						5,519.39
Bill Pmt -Check	04/25/2011	15059	PUMP CHECK	4201	1012 · Bank of America Gen'l Ckg	
Bill	04/05/2011	4201			7102.8 · In-line Meter-Callb & Test	1,330.00
TOTAL						1,330.00
Bill Pmt -Check	04/25/2011	15060	STANDARD INSURANCE CO.	Policy # 00-640888-0009	1012 · Bank of America Gen'l Ckg	
Bill	04/19/2011	00-640888-0009		Policy # 00-640888-0009	60191 · Life & Disab.Ins Benefits	370.24
TOTAL						370.24
Bill Pmt -Check	04/25/2011	15061	STATE COMPENSATION INSURANCE FUND	1615535-10	1012 · Bank of America Gen'l Ckg	
Bill	04/24/2011	1615535-11			60183 · Worker's Comp Insurance	637.73
TOTAL						637.73
Bill Pmt -Check	04/25/2011	15062	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2011				60182.4 · Retiree Medical	136.61
TOTAL						136.61
Bill Pmt -Check	04/25/2011	15063	THE LAWTON GROUP	6017	1012 · Bank of America Gen'l Ckg	
Bill	04/15/2011	1VC070000016891		scanning services - week ending 4/10/2011	6017 · Temporary Services	824.00
TOTAL						824.00
Bill Pmt -Check	04/25/2011	15064	UNITED HEALTHCARE	0023870388	1012 · Bank of America Gen'l Ckg	
Bill	04/13/2011	0023870388		dental insurance premium	60182.2 · Dental & Vision Ins	399.09
TOTAL						399.09
Bill Pmt -Check	04/25/2011	15065	W.C. DISCOUNT MOBILE AUTO DETAILING	Truck washing service	1012 · Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
 Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	04/19/2011			truck washing 3 trucks	6177 - Vehicle Repairs & Maintenance	75.00
TOTAL					Total Disbursements:	148,020.66

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CHINO BASIN WATERMASTER

IV. INFORMATION

2. Newspaper Articles





The Metropolitan Water District of Southern California

NEWS RELEASE

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April 12, 2011

**SOUTHLAND'S IMPROVED WATER RESERVE CONDITIONS ALLOW METROPOLITAN'S BOARD TO LIFT MANDATORY RESTRICTIONS
Consumers water-saving efforts plays role in helping region reduce imported water demands; continued wise water use necessary**

Improvement in Southern California water reserves and the water-saving efforts of the region's consumers and businesses has enabled the Southland's largest imported water provider to end its call for mandatory water restrictions.

Less than two weeks after Gov. Jerry Brown announced an end to California's drought, Metropolitan Water District's Board of Directors voted today to restore full imported water deliveries to the district's 26 member public agencies for the first time in nearly two years.

The action, which becomes effective Wednesday (April 13), was made possible by this season's storms and the public's continued conservation and water use efficiency efforts resulting in improved regional supply conditions.

"We join our member agencies and retailers throughout the region in thanking consumers for their water-saving efforts," said Metropolitan board Chairman John V. Foley. "Continued wise water practices will be necessary in order to maintain our reserves. This is a welcome respite from more acute shortage conditions we have faced in recent years."

Metropolitan General Manager Jeffrey Kightlinger said the district anticipates storing up to 800,000 acre-feet of water this year, nearly equivalent to the amount that can be stored in the region's largest storage reservoir, Diamond Valley Lake in southwest Riverside County.

"Conserving water and maintaining wise water use remains as essential as ever, despite the improved water supply conditions in California and the West," Kightlinger said.

"The improved short-term conditions, however, do not signal an end to the region's long-term water challenges. Conservation and wise water use must continue to be a permanent way of life in Southern California," Kightlinger said. "We anticipate residential consumers and businesses throughout the Southland will continue to use water efficiently."

more

“All of our member agencies exceeded the water-savings targets we initially set in July 2009, which is an indication as to why we are confident that lower water use will continue into the future,” he added.

Lifting the allocation restrictions will allow local agencies with groundwater basins to purchase water without financial penalty and store it. Groundwater reserves, which were significantly tapped throughout the Southland’s six-county region over the past several years due to previous dry conditions, have improved due to rain and local runoff.

The progress this winter has allowed Metropolitan to make significant strides in replenishing its network of groundwater storage programs and surface storage reservoirs. Today, Metropolitan’s Diamond Valley Lake is nearly full, after being less than half full in the summer of 2009, and the district has more than a full-year’s worth of supply deliveries in reserve.

Despite Sierra Nevada snowpack conditions far above normal, Metropolitan will not receive a full supply from Northern California this year because of environmental problems and pumping restrictions in the Sacramento-San Joaquin Delta.

A comprehensive package of water system/ecosystem improvements is necessary in the Delta in order to improve long-term water reliability for Metropolitan and much of California, Kightlinger said. The comprehensive plan is moving forward via the state-federal Bay Delta Conservation Plan effort, which Metropolitan supports.

In the meantime, Metropolitan’s other imported water source—the Colorado River—continues to recover from an 11-year drought.

###

The Metropolitan Water District of Southern California is a cooperative of 26 cities and water agencies serving nearly 19 million people in six counties. The district imports water from the Colorado River and Northern California to supplement local supplies, and helps its members to develop increased water conservation, recycling, storage and other resource-management programs.

State's water resource data find home at Cal State San Bernardino

10:00 PM PDT on Sunday, April 24, 2011

Submitted to The Press-Enterprise

Cal State [San Bernardino](#) will be the new home to a portion of the nationally acclaimed Water Resources Center archives, which were previously housed at [UC Berkeley](#).

Founded in 1958 by the [California](#) Legislature, the Water Resources Center archives contain historical and contemporary materials of great value to water agencies, governmental bodies, environmental groups, engineering firms, attorneys, historians and researchers, including faculty and students. It consists of about 200 archival collections, 200,000 technical reports, 1,500 specialized newsletters, 5,000 maps and videos, 2,200 serials, 25,000 land photographs, 45,000 aerial photographs of coastlines, and digital resources in the form of CDs, DVDs, VHS tapes, and websites.

The WRCA closed last year at Berkeley because of state budget cuts and new guardians were sought. Cal State San Bernardino and [UC Riverside](#) developed an innovative and collaborative plan for joint management of the collection.

The archives will be at Cal State San Bernardino beginning June 1.

"This collaboration will serve all campuses of our two systems, as well as the public," said Albert Karnig, president of CSUSB. "It's further evidence of the close cooperation between the state's two systems of higher education and the importance placed on our state and region's water legacy."

To accept the prized water collection, Cal State San Bernardino's Pfau Library has installed new compact shelving in the university's Water Resources Institute, where the collection of archival materials about the development of water in the West will be located. The WRI already houses Joseph Andrew Rowe Water Resources Archives primarily related to the Santa Ana watershed.

"With the addition of materials from the WRCA, the Pfau Library will house the largest collection of printed and archival materials dealing with the Santa Ana Watershed and other watersheds in Southern [California](#)," said Cesar Cabellero, Pfau Library dean.

"It also means that the Water Resources Institute will continue to play an important role in the development of scholarly collections that support water research and water policy development," said Susan Lien Longville, director of the Water Resources Institute.

The portion of the Water Resources Center collection to be housed at Pfau Library will have two components: a circulating collection and a non-circulating archive, both of which will be housed in the Water Resources Institute located in room PL401.

The circulating collection housed at UCR will be on the main floor of Orbach Science Library; and the non-circulating archival collections are to be housed on the ground floor along with UCR's extensive map collection. All of these materials will be searchable in the online library catalogs of both Pfau Library and the UCR libraries.

Founded in 1999, the Water Resources Institute of Cal State San Bernardino is an academic partnership with the Southern California communities that it serves. The institute is driven by the vision that sustaining water resources rests on sound research, analysis and public policy collaboration. The institute is active in the areas of science, public policy and history, and serves as a regional hub for providing information on water resources.

The Water Resources Institute is open Monday through Friday from 9:30 a.m. to 6 p.m. After-hours appointments are available. Call 909-537-3687. For more information, visit <http://wri.csusb.edu>.

Submitted by Cal State San Bernardino.

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Three Valleys Municipal Water District OKs plan

Wes Woods II, Staff Writer

Created: 04/23/2011 09:49:30 PM PDT

CLAREMONT - The Three Valleys Municipal Water District has passed a measure to collect an increased water standby charge.

The public can give its views about the price hike on June 1.

The change will result in an increase of \$2.99 a year, or from \$15.55 to \$18.54, on property tax bills.

The April 13 charge approval begins a 45-day public review period after which a meeting will be held for the public to address the board.

Three Valleys' board President Bob Kuhn said the funds collected will go directly to Metropolitan Water District. MWD increases the rate annually under a readiness-to-serve charge, or water standby charge.

"I don't like to see any of these fees go up," Kuhn said. "It's out of our control ... There's no overhead or profit for Three Valleys. And it's our pledge to keep it that way."

The motion for the standby charge was approved on a 6-0 vote, with Frederick "Brian" Bowcock absent.

"My thoughts are just that it's the property tax necessary to continue the function of the district," said board member John Mendoza on Friday. "It's a small price. I pay it on my tax bill."

The 6 p.m. June 1 public meeting will be at the district office, 1021 E. Miramar Ave. A meeting to adopt the charge will be held two weeks later.

Three Valleys Municipal Water District is a public agency that supplements and enhances water supplies in a number of eastern Los Angeles County cities, including Claremont,

Diamond Bar, La Verne, Pomona and San Dimas.

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Santa Ana River

Revisit fish habitat site

Created: 04/16/2011 07:12:25 AM PDT

Expanding the protected habitat for a tiny fish that lives in parts of the Santa Ana River satisfied legal objections from environmentalists, but the U.S. Fish and Wildlife Service is still in hot water.

Last week, a coalition of 11 water agencies and the city of Redlands notified service officials they plan to sue the agency if it does not reverse its decision to set aside more than 9,300 acres along the river as critical habitat for the Santa Ana sucker. The tiny fish, usually no more than 6 inches in length, is on the federal list of endangered species.

Recommendations from a local task force created to study, protect and promote the fish seemingly fell on deaf ears; service officials should spare taxpayers the expense of litigation and listen up now.

The habitat decision, finalized in December following the service's pledge to review an earlier designation to settle lawsuits filed by the Center for Biological Diversity, will require local water agencies to consult with the agency any time a project alters water levels in the river as it courses downstream from Seven Oaks Dam through San Bernardino and Riverside counties.

The implications of this rule are far-reaching and stand to threaten local water supplies, development and an already fragile economic recovery in the Inland Empire.

Water officials estimate a loss of 125,800 acre-feet of San Bernardino mountain water each year if the designation stands. That could cost ratepayers

more than \$2.9 billion over 25 years for imported water from the Sacramento- San Joaquin Delta.

Local water agencies filed a 60-day notice of their intention to file a lawsuit. Representatives from the San Bernardino Valley Municipal Water District, City of San Bernardino Water Department, East Valley Water District and others are working to spread word about the dangers the habitat designation poses in the region, as well as raising questions about the science used to back up the designation.

It's unclear to local agencies how much water U. S. Fish and Wildlife wants in the river to ensure that Santa Ana sucker breeding grounds and other habitat are protected, and they dispute that upper reaches of the Santa Ana River, where the sucker fish do not live, are critical to the survival of the species.

Environmentalists argue, and Fish and Wildlife officials agreed, that gravel produced upstream is important to the establishment of habitat downstream, therefore upper reaches of the Santa Ana River must be protected.

Service officials have another opportunity to do right by local water agencies and the communities they serve, and stave off further litigation. Common ground between water

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agencies and environmentalist groups, both of which want to protect the sucker fish, exists. It's time the Fish and Wildlife Service finds it.



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Some water lost from basin in Upland

By Sandra Emerson Staff Writer

Created: 04/15/2011 09:49:11 PM PDT

UPLAND - The San Antonio Water Co. has lost more than 16million gallons of its water due to planned landscaping work at the water basin in the Colonies.

To make way for new plants and trees as part of its landscaping plan, the San Bernardino County Flood Control District needed to lower the water level inside the basin.

About 16.5million gallons of water (about 50.7 acre feet) was drained from the basin, of which about 8.5 million gallons (or 26 acre feet) was sent downstream to Prado Dam in Chino and the Santa Ana River.

The rest was captured in the Turner Basin to be sunk underground. That quantity will be credited to San Antonio by the Chino Basin Watermaster, which oversees the area's groundwater basin.

"It's unfortunate that we lost that water, but just because of the timing issue and they're under the gun to get things done. It's frustrating really for us, but we understand their needs," said Charles Moorrees, San Antonio's general manager.

Flood control's plan is to turn the basin into a multipurpose-use facility. The multipurpose basin will provide flood-control protection, water conservation, passive recreation and native habitat restoration.

The project is expected to be completed by the end of the year, said Roni Edis, a county public works spokeswoman.

The water level in the basin will need to remain around 1,510 feet or lower, Edis said.

"It can only keep at a certain level until the planting

is finished," she said.

Despite the loss, Moorrees said San Antonio will have enough water to carry it through the summer due to the rains and the snowpack.

"I think that snow on top of the mountain will help sustain our summer deliveries," he said.

On average, about two families of four use an acre-foot of water in a year. An acre-foot is about 325,851 gallons.

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Water-rights attorney dies

Ryan Carter, Staff Writer

Created: 03/27/2011 09:33:34 PM PDT

Susan Trager, a well-known water-rights attorney, who helped Rialto through its issues dealing with perchlorate contamination and litigation, has died.

Trager, 63, died Tuesday at her home in Laguna Beach after a battle with cancer.

"She was a great help to Rialto when we first began with our perchlorate issues," said Councilman Ed Scott. "I'm very saddened by this news."

Trager was special counsel to the city for water issues, and she helped Rialto resolve perchlorate contamination in the city's groundwater and analyzed its water rights.

Perchlorate, used in the production of explosives, can interfere with the thyroid and may also be harmful to neurological development in fetuses.

The issue of contamination has run through much of the decade in Rialto, as the city took legal action against such alleged polluters as Black and Decker Inc., and B.F. Goodrich.

Ultimately, her legal skills became pivotal in helping cities, including Rialto, protect their water rights and put pressure on alleged polluters to settle litigation, friends and officials said.

Friends said Trager, who recently described herself as a "behind-the-scenes" lawyer, rarely made headlines with her work.

In one of her most prominent cases, she won a \$43.2 million jury verdict for the owner of land condemned by a water agency to build a Riverside County reservoir.

The judge in the case increased the award to \$50 million.

She could be intimidating, Scott said.

But that didn't stop even journalists who covered water issues from learning from her, and ultimately befriending her, said Kristina Lindgren, a former Los Angeles Times reporter who became a friend.

"She helped me understand some really difficult and complicated legal issues and topics," Lindgren said. "And she became a friend who I've held close for more than 20 years."

In lieu of flowers, Trager's family has asked that donations be made in her name to the Little Guild of Saint Francis of West Cornwall, Conn., a shelter that finds homes for unwanted pets.

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Water Crisis: The Delta, the Smelt and Us



THE VIEW FROM HERE

DeDe Audet



Living, working, and playing here in Venice gives us environmentalists more in common with the California Delta than it is comfortable to think about. I am no exception. It gives me great pleasure to respond to criticism by saying “I have been saving water, power, and nonrenewable fuel by taking two-minute showers, heating my household water on the roof by the sun, driving a Prius, and covering the whole front yard with bricks set in sand to let rain water percolate through.

But learning about the rising seas and California’s water crisis makes me uneasy. Maybe it is time to face up to the problem. Venice CA was a swamp before canal lots first sold for \$5 down and \$5 a month. The California Delta was also a swamp.

Disappointed goldseekers turned to farming and began building levees to reclaim Delta swampland in the 1850’s. Today it brings in an average \$2 billion in crops per year and provides 12 million visitors with 290 shoreline recreation areas, 300 marinas for launching sportfishing, and 500,000 boaters.

But the Delta rests on shaky ground: a bad earthquake will shake loose more than one of the hastily thrown together levees. No one knows when that quake will occur.

On the other hand we do know the sea rises a bit more each year. Even a little rise will affect the California Delta and our community of Venice.

What are we doing about that? Has anyone come up with suggestions to build dikes against the oceans about to engulf us? Of course not.

No one wants to believe it.

Sea rise is too big and too costly to think about. (Consider please, if you still think global warming can be averted, on how to shut down the coal mines of China in time.) So, instead of planning for sea rise, Californians argue about the environment of a little fish called the Delta Smelt.

One bunch of Delta farmers hired lawyers to shut down the pumps bringing water to the farmers in the southern regions of the Delta and Southern California. They were successful in showing a Federal judge in 2008 that changes in the Delta water flow caused endangerment of the Delta Smelt. So the judge closed the pumps during breeding season.

Then the deprived group of Delta farmers contested the closure by bringing new information to the court. In December 2010, the judge reopened the case saying “The 2008 (biological opinion findings) are arbitrary, capricious, and unlawful, and are remanded to Fish & Wildlife for further consideration in accordance with this decision and the requirements of law. . .”

What?

Now, in February 2010 comes this. "The U.S. Department of Interior (boss of U.S. Fish and Wildlife) today announced a new policy aimed at ensuring the integrity of scientific and scholarly activities it uses, and appointed a Scientific Integrity Officer to coordinate the new policy's implementation."

Could this be a response to criticism of the techniques of determining risk to environmentally challenged species? I addressed the use of risk techniques in 2008 when LADWP commissioned a study that "Used state-of-the-art analytical techniques (Stochastic modeling) to calculate the expected cost of LADWP owned solar projects (Measure B)."

Stochastic analysis modeling was originally called the Monte Carlo system, useful in predicting risk.

The U.S. Fish and Wildlife findings in the first Delta Smelt case predicted 0 to 40% risk of extinction might be found for the Delta Smelt. (Now you know why the capricious.)

But who needs a model to tell us the sea is rising? Every year someone measures it and tells us the sea measures higher than where it was the year before.

Yet, like arguing how many angels can dance on the head of a pin, Californians persist in spending time and money arguing suitable environment or a little fish that is sure to get lost when saltwater flowing through the Golden Gate engulfs the Delta.

Right beside my computer is a map produced by the California Institute. It shows what will be covered by saltwater in our area when the sea rises 1.4 meter (55inches). Most of Venice and all of Playa Vista will be under. Whether it will occur in forty, fifty, or 100 years from now is unknown.

But we can predict it will happen. As long as Southern California depends on the Delta for water to drink, there is little comfort knowing the Delta will probably go under saltwater before we do.

(Dede Audet is a longtime community activist who participated in community councils before there were neighborhood councils. She is a former president of the Venice Neighborhood Council. This opinion piece first appeared in the Free Venice Beachhead ... www.freevenice.org. It is reprinted here with the writer's permission.) -cw

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