



CHINO BASIN WATERMASTER



NOTICE OF MEETING

Thursday, May 5, 2011

2:30 p.m. –Non-Agricultural Pool Conference Call Meeting

Call 1-800-930-9525 / Pass Code: 917924

OR CALL CAN BE TAKEN AT

AT THE CHINO BASIN WATERMASTER OFFICES

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





CHINO BASIN WATERMASTER

Thursday, May 5, 2011

2:30 p.m. – Non-Agricultural Pool Conference Call Meeting

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL CONFERENCE CALL MEETING
2:30 p.m. – May 5, 2011**

WITH

*Mr. Bob Bowcock, Chair
Mr. Ken Jeske, Vice-Chair*

1-800-930-9525 PASS CODE: 917924

Conference call can be taken at

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

**A CONFIDENTIAL SESSION HAS BEEN SCHEDULED FOR 2:00 P.M.
DIAL-IN INFORMATION FOR THE CONFIDENTIAL SESSION WILL BE CIRCULATED SEPARATELY**

AGENDA

CALL TO ORDER

ROLL CALL

AGENDA - ADDITIONS/REORDER

I. BUSINESS ITEMS

A. MINUTES

1. Minutes of the Non-Agricultural Pool Conference Call Meeting held April 7, 2011 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2011 *(Page 5)*
2. Watermaster VISA Check Detail for the month of March 2011 *(Page 7)*
3. Combining Schedule for the Period July 1, 2010 through March 31, 2011 *(Page 21)*
4. Treasurer's Report of Financial Affairs for the Period March 1, 2011 through March 31, 2011 *(Page 25)*
5. Budget vs. Actual July through March 2011 *(Page 29)*

C. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 1,100,000 acre-feet of water from Santa Ana River Water Company (SARWC) to Jurupa Community Services District (JCSD). This purchase is made first from SARWC's Annual Production Right, with any additional from storage. Date of Application: April 26, 2011 *(Page 35)*

D. 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 45)*

E. PROPOSED FISCAL YEAR 2011-2012 BUDGET (Discussion & Possible Action)

For Discussion and Possible Action the Proposed Fiscal Year 2011-2012 Watermaster Budget *(Page 9)*

F. ADJUSTMENT TO NON-AGRICULTURAL POOL FISCAL YEAR 2010/2011 LEGAL FEES SPECIAL ASSESSMENT

The Non-Agricultural Pool requests that their Fiscal Year 2010/2011 Legal Fees Special Assessment be adjusted to use the formula described in Staff Letter (Page 108)

G. NON-AGRICULTURAL POOL FY 11-12 SPECIAL ASSESSMENT

The Non-Agricultural Pool Requests that its Parties be Invoiced \$60,000 for a Fiscal Year 2010/2011 Legal Fees Special Assessment (Page 112)

II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Paragraph 31 Appeal
2. Restated Watermaster Judgment
3. California Steel Industries (CSI) Request for Assessment Package Correction

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. MWD Replenishment Rate Water

III. INFORMATION

1. Cash Disbursements for April 2011 (Page 116)
2. Newspaper Articles (Page 128)

IV. POOL MEMBER COMMENTS

V. OTHER BUSINESS

VI. FUTURE MEETINGS

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 2 nd Budget Workshop @ CBWM
** Tuesday, May 24, 2011	9:00 a.m.	GRCC Meeting @ CBWM or CBWCD (?)
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 set for the Land Subsidence Committee Meeting which has now been cancelled and replaced with the Watermaster 2nd Budget Workshop

** It has not been decided if the GRCC meeting will be held at Chino Basin Watermaster or the Chino Basin Conservation District – a notice will go out prior to the meeting

Meeting Adjourn



CHINO BASIN WATERMASTER

I. BUSINESS ITEMS

A. MINUTES

1. Non-Agricultural Pool Conference Call Meeting held on April 7, 2011



Draft Minutes
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL CONFERENCE CALL MEETING
April 7, 2011

The Non-Agricultural Pool Conference Call Meeting was held via conference call using the Chino Basin Watermaster conference call number on April 7, 2011 at 2:30 p.m.

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Bob Bowcock, Chair	Vulcan Materials (Calmat Division)
Brian Geye	Auto Club Speedway
Bob Lawhn	Genon Electric
David Penrice	Aqua Capital Management LP
David Starnes	Swan Lake Mobile Home Park

NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER

Ken Jeske, Vice-Chair	California Steel Industries
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Watermaster Staff Present at Watermaster

Danni Maurizio	Senior Engineer, Interim CEO
Joe Joswiak	Chief Financial Officer
Janine Wilson	Recording Secretary
Sherri Molino	Recording Secretary

Watermaster Board Counsel Present at Watermaster

Michael Fife	Brownstein, Hyatt, Farber & Schreck
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Watermaster Consultants Present at Watermaster

Mark Wildermuth	Wildermuth Environmental, Inc.
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Agricultural Pool Counsel Present at Watermaster

Steven G. Lee	Reid & Hellyer
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Others Present at Watermaster

Jo Lynne Russo-Pereyra	Cucamonga Valley water District
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Chair Bowcock called the Non-Agricultural Pool Conference Call meeting to order at 2:32 p.m.

ROLL CALL

Janine Wilson called roll call.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. BUSINESS ITEMS

A. MINUTES

1. Minutes of the Non-Agricultural Pool Conference Call Meeting held March 3, 2011

*Motion by Jeske, second by Geye, and by unanimous vote
Moved to approve the March 3, 2011 minutes*

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

Receive and file Watermaster Financial Reports without approval

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

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

Moved to direct the chairs to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

D. BUDGET AMENDMENT

Mr. Joswiak gave a report on this item.

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

Moved to direct the chairs to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

E. BUDGET TRANSFERS

Mr. Joswiak gave a report on this item.

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

Moved to direct the chairs to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

F. VOLUME VOTE

Ms. Maurizio gave a report on this item. No motion was made. It was noted to resubmit this item in June.

II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Paragraph 31 Appeal
Counsel Fife gave a report on this item.

2. Court Hearing Update
Counsel Fife gave a report on this item.

B. ENGINEERING REPORT

1. GE Application for Recharge Description and Status
Mr. Malone gave a report on this item.

C. FINANCIAL REPORT

1. 2011-2012 Draft Budget
Mr. Joswiak gave a report on this item.

It was noted a Non-Agricultural Pool Budget Workshop will be scheduled for Thursday, April 21, 2011 from 10:00 a.m. to 12:00 p.m. and Sherri Molino will send out the notice for this workshop.

D. CEO/STAFF REPORT

1. Recharge Update
Ms. Maurizio gave a report on this item.

2. SBX7-6 California Statewide Groundwater Elevation Monitoring Program (CASGEM)
Ms. Maurizio gave a report on this item.

3. West Venture Development Abandonment of Water
Ms. Maurizio gave a report on this item.

III. INFORMATION

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

2. Newspaper Articles
No comment was made regarding this item.

IV. POOL MEMBER COMMENTS

No comment was made regarding this item.

V. OTHER BUSINESS

No comment was made regarding this item.

VI. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

No confidential session was called.

VII. FUTURE MEETINGS

Thursday, April 7, 2011	1:00 p.m.	Appropriative Pool Meeting @ CBWM
Thursday, April 7, 2011	2:30 p.m.	Non-Agricultural Pool Conference Call Meeting
Tuesday, April 12, 2011	2:30 p.m.	Budget Workshop @ CBWM
Thursday, April 14, 2011	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, April 21, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, April 21, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, April 21, 2011	10:30 a.m.	Land Subsidence Committee Mtg. @ CBWM
Thursday, April 28, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
*Friday, July 8, 2011	10:30 a.m.	Court Hearing

*** Changed from Friday, April 22nd at 10:30 a.m. to Friday, July 8th at 10:30 a.m.**

The Non-Agricultural Pool Committee meeting was dismissed by Chair Bowcock at 3:25 p.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. BUSINESS ITEMS

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
Chief Executive Officer

STAFF REPORT

DATE: May 5, 2011
TO: Committee 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 –
May 5, 2011 Non-Agricultural Pool –
May 12, 2011 Agricultural Pool –
May 19, 2011 Advisory Committee –
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	03/01/2011	14924	A & R TIRE	034892	1012 - Bank of America Gen'l Ckg	79.71
Bill	02/28/2011	034892		field truck repairs	6177 - Vehicle Repairs & Maintenance	79.71
TOTAL						
Bill	03/01/2011	14925	APPLIED COMPUTER TECHNOLOGIES	2000	1012 - Bank of America Gen'l Ckg	3,051.20
Bill	02/28/2011	2000		Database Services - February 2011	6052.2 - Applied Computer Technol	3,051.20
TOTAL						
Bill	03/01/2011	14926	ARROWHEAD MOUNTAIN SPRING WATER	0023230253	1012 - Bank of America Gen'l Ckg	29.84
Bill	02/28/2011	0023230253		Office Water Bottle - February 2011	6031.7 - Other Office Supplies	29.84
TOTAL						
Bill	03/01/2011	14927	BOWCOCK, ROBERT	2/24/2011 Watermaster Board Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	02/24/2011	2/24 Board Meeting		2/24/2011 Watermaster Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						
Bill	03/01/2011	14928	CALPERS	1741	1012 - Bank of America Gen'l Ckg	7,173.68
Bill	02/28/2011	1741		Medical Insurance Premiums - March 2011	60182.1 - Medical Insurance	7,173.68
TOTAL						
Bill	03/01/2011	14929	DIRECTV	019447404	1012 - Bank of America Gen'l Ckg	86.99
Bill	02/28/2011	019447404		Monthly Service for 2/19/11-3/18/11	6031.7 - Other Office Supplies	86.99
TOTAL						
Bill	03/01/2011	14930	ELIE, STEVEN	2/03/2011 Non Ag Conference Call Meeting	1012 - Bank of America Gen'l Ckg	125.00
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	375.00
TOTAL						
Bill	03/01/2011	14931	HAUGHEY, TOM	2/24/2011 Board Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	02/24/2011	2/24 Board Meeting		2/24/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						
Bill	03/01/2011	14932	INLAND EMPIRE UTILITIES AGENCY	90007177	1012 - Bank of America Gen'l Ckg	400.98
Bill	02/18/2011	90007177		90007177	8456 - IEUA Readiness To Serve	400.98
TOTAL						
Bill	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		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		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		name plates-new board members-Soto and Elie	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		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		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	8017790818		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		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				

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	500.00
TOTAL						
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	2/11/2011 Personnel Meeting	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	375.00
TOTAL						
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	8557 · 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 ALARM	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						

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 & HELLNER	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	10,832.33
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
				truck washing 3 trucks		
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	Payroll and Taxes for 02/06/11-02/19/11	1012 - Bank of America Gen'l Ckg	3,462.03
General Journal	02/19/2011	02/19/11	CITISTREET	Employee 457 Deductions for 02/06/11-02/19/11	2000 - Accounts Payable	3,462.03
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	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS for 02/06/11-02/19/11	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 - Grdwir Qual-Computer Svc	62.50
TOTAL						

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL					7101.4 · Prod Monitor-Computer	125.00
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						565.44
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						7.91
Bill Pmt -Check	03/09/2011	14962	SAFEGUARD DENTAL & VISION	3504012	1012 · Bank of America Gen'l Ckg	7.91
Bill	03/09/2011	3504012		Dental Insurance - March 2011	60182.2 · Dental & Vision Ins	7.91
TOTAL						202.79
Check	03/15/2011	03/15/2011		Service Charge	1012 · Bank of America Gen'l Ckg	202.79
TOTAL						202.79
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						5,132.57
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						28.88
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						148.62
Bill Pmt -Check	03/21/2011	14965	ACWA SERVICES CORPORATION	00198	1012 · Bank of America Gen'l Ckg	148.62
Bill	03/16/2011	00198		Prepayment - April 2011	1409 · Prepaid Life, BAD&D & LTD	148.62
				Disability Premium - March 2011	60191 · Life & Disab. Ins Benefits	137.56
TOTAL						286.18
Bill Pmt -Check	03/21/2011	14966	BROWNSTEIN HYATT FARBER 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	25,878.95
					6907.35 · Paragraph 31 Motion	1,170.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2011

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 - Paragraph 31 Motion	6907.35 · Paragraph 31 Motion	323.80
Bill	02/28/2011	439516		439516 - Santa Ana River Habitat	6907.36 · Santa Ana River Habitat	4,550.00
TOTAL						<u>48,117.55</u>
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	1,462.03
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						<u>2,924.06</u>
Bill Pmt -Check	03/21/2011	14968	COMPUTER NETWORK	backup drive, flash drives, keyboard and mouse	1012 · Bank of America Gen'l Ckg	440.44
Bill	02/25/2011	80653		backup drives	6055 · Computer Hardware	1,060.31
Bill	03/01/2011	80697			6055 · Computer Hardware	1,500.75
TOTAL						<u>2,999.50</u>
Bill Pmt -Check	03/21/2011	14969	CUCAMONGA VALLEY WATER DISTRICT	Lease Due April 1, 2011	1012 · Bank of America Gen'l Ckg	5,844.00
Bill	03/16/2011			Lease Due April 1, 2011	1422 · Prepaid Rent	5,844.00
TOTAL						<u>11,688.00</u>
Bill Pmt -Check	03/21/2011	14970	GLOBAL PRESENTER.COM	52410	1012 · Bank of America Gen'l Ckg	4,298.75
Bill	03/09/2011	52410		replace Polycom Amp in Boardroom	6055 · Computer Hardware	4,298.75
TOTAL						<u>8,597.50</u>
Bill Pmt -Check	03/21/2011	14971	GUARANTEED JANITORIAL SERVICE, INC.	28389	1012 · Bank of America Gen'l Ckg	865.00
Bill	03/16/2011	28389		Service - March 2011	6024 · Building Repair & Maintenance	865.00
TOTAL						<u>1,730.00</u>
Bill Pmt -Check	03/21/2011	14972	IAAP	93895531	1012 · Bank of America Gen'l Ckg	128.00
Bill	03/16/2011	93895531		annual dues for S. Molino IAAP membership	6111 · Membership Dues	128.00
TOTAL						<u>256.00</u>
Bill Pmt -Check	03/21/2011	14973	MWH LABORATORIES	L0050870	1012 · Bank of America Gen'l Ckg	1,788.00
Bill	03/08/2011	L0050870		L0050870 - Grdwtr Qual-Lab Svcs	7103.5 · Grdwtr Qual-Lab Svcs	1,788.00
TOTAL						<u>3,576.00</u>
Bill Pmt -Check	03/21/2011	14974	PREMIERE GLOBAL SERVICES	06391520	1012 · Bank of America Gen'l Ckg	1.07
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
TOTAL						<u>182.06</u>

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						
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
TOTAL						5,609.62
Bill Pmt -Check	03/21/2011	14976	R&D PEST SERVICES	0141992	1012 · Bank of America Gen'l Ckg	5,609.62
Bill	03/16/2011	0141992		Continuing treatment for pest control	2000 · Accounts Payable	5,609.62
TOTAL						85.00
Bill Pmt -Check	03/21/2011	14977	RBM LOCK & KEY		1012 · Bank of America Gen'l Ckg	85.00
Bill	03/16/2011			Purch. 12 long neck locks for well access-water lev: 7'104.6 · Grdwtr Level-Supplies	6024 · Building Repair & Maintenance	85.00
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	6031.7 · Other Office Supplies	104.88
TOTAL						104.88
Bill Pmt -Check	03/21/2011	14979	STAULA, MARY L		1012 · Bank of America Gen'l Ckg	136.61
Bill	03/31/2011			Retiree Medical	60182.4 · Retiree Medical	136.61
TOTAL						1,535.32
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		Previous upgrade - \$299.52 @ 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						4,761.57
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	7,822.50
Bill	02/28/2011	2011004		2011004 - OBMP Engineering Services	6906 · OBMP Engineering Services	3,395.42
Bill	02/28/2011	2011005		2011005 - OBMP Engineering Services	6906 · OBMP Engineering Services	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2011

Type	Date	Num	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 lunch for 2/24/11 Board Meeting lunch meeting for Ken Manning and Ken Willis seminar registration for S. Molino and A. Perez seminar registration for S. Molino and A. Perez	6141.3 · Admin Meetings 6312 · Meeting Expenses 6312 · Meeting Expenses 6191 · Conferences - General 6191 · Conferences - General	403.36 288.13 36.43 269.00 34.08
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
March 2011

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

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
			Wage Works Direct Debits - March 2011	Wage Works Direct Debits - March 2011	1012 - Bank of America Gen'l Ckg	1,765.23
TOTAL Disbursements:						387,845.59



CHINO BASIN WATERMASTER

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DESI ALVAREZ
Chief Executive Officer

STAFF REPORT

DATE: May 5, 2011
TO: Committee 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 –
May 5, 2011 Non-Agricultural Pool –
May 12, 2011 Agricultural Pool –
May 19, 2011 Advisory Committee –
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 lunch for 2/24/11 Board Meeting	6141.3 · Admin Meetings	403.36
				lunch meeting for Ken Manning and Ken Willis	6312 · Meeting Expenses	288.13
				seminar registration for S. Molino and A. Perez	6312 · Meeting Expenses	36.43
				seminar registration for S. Molino and A. Perez	6191 · Conferences - General	269.00
					6191 · Conferences - General	34.08
						<u>1,031.00</u>

TOTAL

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DESI ALVAREZ
Chief Executive Officer

STAFF REPORT

DATE: May 5, 2011
TO: Committee 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 –
May 5, 2011 Non-Agricultural Pool –
May 12, 2011 Agricultural Pool –
May 19, 2011 Advisory Committee –
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 ADMINISTRATION & SPECIAL PROJECTS			GROUNDWATER OPERATIONS		EDUCATION FUNDS	GRAND TOTALS	BUDGET 2010-2011
			POOL APPROPRIATIVE	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS			
Administrative Revenues:										
Administrative Assessments	(272)		6,165,079	1,755	343,090			3	6,508,169	\$6,508,070
Interest Revenue	111,000		23,043		888				25,417	175,010
Mutual Agency Project Revenue									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	637,198						-	-
Agricultural Expense Transfer*			1,135,198	(1,135,198)				375	4,632,802	6,894,823
Total Expenses	4,279,049				242,650			(372)	2,011,784	(63,333)
Net Administrative Income	1,909,073			1,755	101,328					
Other Income/(Expense)									5,866,500	0
Replenishment Water Assessments						5,866,500			11,490	0
Interest Revenue						11,490			-	0
Water Purchases									-	0
Balance Adjustment						(2,255,436)			-	0
Other Water Purchases						(300,634)			(2,255,436)	0
Groundwater Replenishment						3,321,920			(300,634)	0
Net Other Income						3,321,920			3,321,920	0
Net Transfers To/(From) Reserves	5,333,705		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	1,369,991		1,001	8,478,365	
Working Capital, End Of Period			8,128,080	475,238	357,960	4,691,912		629	13,812,069	13,812,069
09/10 Assessable Production			78,733,238	31,854,766	3,907,911				114,495,915	
09/10 Production Percentages			68.765%	27.822%	3.413%				100.000%	

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

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DESI ALVAREZ
Chief Executive Officer

STAFF REPORT

DATE: May 5, 2011
TO: Committee 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 –
May 5, 2011 Non-Agricultural Pool –
May 12, 2011 Agricultural Pool –
May 19, 2011 Advisory Committee –
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	
PERIOD INCREASE (DECREASE)	\$	(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
Accounts Payable		(33,560)
Accrued Payroll, Payroll Taxes & Other Current Liabilities		(563,960)
Transfer to/(from) Reserves		
PERIOD INCREASE (DECREASE)	\$	(387,846)

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
\$	500	374,545	-	14,513,420	\$ 14,888,465
	-	500,000	-	(500,000)	-
	-	(48,695)	48,695	-	-
	-	(339,151)	(48,695)	-	(387,846)
\$	500	486,700	-	14,013,420	\$ 14,500,620
PERIOD INCREASE OR (DECREASE)	\$	112,154	\$	(500,000)	\$ (387,846)

SUMMARY OF FINANCIAL TRANSACTIONS:

Balances as of 2/28/2011				
Deposits				
Transfers				
Withdrawals/Checks				
Balances as of 3/31/2011				



CHINO BASIN WATERMASTER

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

DESI ALVAREZ
Chief Executive Officer

STAFF REPORT

DATE: May 5, 2011
TO: Committee 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.

	<u>Jul '10 - Mar 11</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
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 –
- May 5, 2011 Non-Agricultural Pool –
- May 12, 2011 Agricultural Pool –
- May 19, 2011 Advisory Committee –
- May 26, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER

Budget vs. Actual
Current Month, Year-To-Date and Fiscal Year-End

100% of the Total Budget

	Fiscal Year End as of June 30, 2011			% of Budget
	Projected	Budget	\$ Over(Under)	
111,000.00	148,410.00	-37,410.00	74.79%	
6,165,079.40	6,153,067.00	12,012.40	100.2%	
343,089.90	355,003.00	-11,913.10	96.64%	
26,929.02	175,010.00	-148,080.98	16.53%	
0.00	0.00	0.00	0.0%	
6,648,098.32	6,831,490.00	-183,391.68	97.32%	
6,648,098.32	6,831,490.00	-183,391.68	97.32%	
482,544.00	464,944.00	27,600.00	105.94%	
101,186.00	101,186.00	0.00	100.0%	
30,500.00	30,500.00	0.00	100.0%	
78,300.00	78,300.00	0.00	100.0%	
160,200.00	142,200.00	18,000.00	112.66%	
29,000.00	75,000.00	-46,000.00	38.67%	
17,575.00	17,575.00	0.00	100.0%	
30,000.00	30,000.00	0.00	100.0%	
3,000.00	3,000.00	0.00	100.0%	
1,800.00	1,800.00	0.00	100.0%	
33,160.00	33,160.00	0.00	100.0%	
23,000.00	23,000.00	0.00	100.0%	
22,470.00	22,470.00	0.00	100.0%	
50,603.00	50,603.00	0.00	100.0%	
90,043.00	90,043.00	0.00	100.0%	
28,147.00	28,147.00	0.00	100.0%	
118,000.00	118,000.00	0.00	100.0%	
12,000.00	12,000.00	0.00	100.0%	
65,000.00	65,000.00	0.00	100.0%	
161,666.00	161,666.00	0.00	100.0%	
375.00	375.00	0.00	100.0%	
0.00	0.00	0.00	0.0%	
-488,129.00	-488,129.00	0.00	100.0%	
1,556,534.00	1,197,734.00	358,800.00	129.96%	
10,000.00	10,000.00	0.00	100.0%	
142,656.00	142,656.00	0.00	100.0%	
102,819.00	104,219.00	-1,400.00	96.66%	
66,679.00	66,679.00	0.00	100.0%	
202,996.00	202,996.00	0.00	100.0%	
287,282.00	336,282.00	-49,000.00	85.43%	
4,280.00	4,280.00	0.00	100.0%	
657,620.00	815,620.00	-158,000.00	80.63%	
412,700.00	486,700.00	-81,000.00	83.99%	
9,440.00	8,440.00	1,000.00	111.95%	

9/12th (75%) of the Total Budget

	Year-To-Date as of March 31, 2011			% of Budget
	Actual	Budget	\$ Over(Under)	
111,000.00	148,410.00	-37,410.00	74.79%	
6,165,079.40	6,153,067.00	12,012.40	100.2%	
343,089.90	355,003.00	-11,913.10	96.64%	
25,417.28	140,009.00	-114,590.72	18.16%	
0.00	0.00	0.00	0.0%	
6,644,566.58	6,796,488.00	-151,901.42	97.77%	
6,644,566.58	6,796,488.00	-151,901.42	97.77%	
323,267.72	350,083.00	-26,815.28	92.34%	
73,660.57	75,897.00	-2,236.43	97.05%	
15,486.26	22,875.00	-7,378.72	67.74%	
48,164.63	61,100.00	-12,935.37	78.83%	
114,481.85	115,900.00	-1,418.15	98.78%	
34,957.50	63,500.00	-28,542.50	55.05%	
15,963.00	17,575.00	-1,712.00	90.26%	
26,904.13	30,000.00	-3,095.87	89.69%	
1,160.63	2,250.00	-1,089.37	51.58%	
201.76	1,100.00	-898.24	18.34%	
20,973.63	24,870.00	-3,896.37	83.93%	
14,929.74	19,750.00	-4,820.26	75.09%	
12,548.00	16,952.50	-4,304.50	74.46%	
37,060.15	37,952.25	-892.10	97.65%	
43,977.70	66,052.50	-22,114.80	66.54%	
24,037.73	21,110.25	2,927.48	113.87%	
103,688.44	88,500.00	15,188.44	117.13%	
11,125.00	9,000.00	2,125.00	123.61%	
0.00	48,750.00	-48,750.00	0.0%	
120,415.84	121,249.50	-833.66	99.31%	
375.00	375.00	0.00	100.0%	
0.00	0.00	0.00	0.0%	
-298,382.55	-366,096.75	67,714.20	81.5%	
1,023,192.25	832,245.00	190,947.25	122.94%	
0.00	0.00	0.00	0.0%	
71,847.28	106,982.00	-35,144.74	67.15%	
65,742.09	78,184.25	-12,422.16	84.11%	
8,077.46	50,009.25	-41,931.79	16.15%	
150,200.44	169,247.00	-8,046.56	94.32%	
153,500.47	262,211.50	-98,711.03	60.86%	
771.23	3,210.00	-2,438.77	24.03%	
366,903.20	611,715.00	-244,811.80	59.98%	
267,175.20	370,275.00	-103,099.80	72.16%	
7,123.75	8,440.00	-1,316.25	84.41%	

1/12th of the Total Budget

	For The Month of March 2011			% of Budget
	Actual	Budget	\$ Over(Under)	
0.00	0.00	0.00	0.0%	
0.00	0.00	0.00	0.0%	
0.00	0.00	0.00	0.0%	
11,488.26	70,004.00	-58,515.74	16.41%	
0.00	0.00	0.00	0.0%	
11,488.26	70,004.00	-58,515.74	16.41%	
11,488.26	70,004.00	-58,515.74	16.41%	
24,542.41	37,286.00	-12,743.59	65.82%	
8,709.84	8,433.00	276.84	103.28%	
1,387.44	2,541.67	-1,154.23	54.59%	
6,877.85	5,000.00	1,877.85	137.56%	
16,346.20	17,516.66	-1,170.46	93.32%	
15,027.50	0.00	15,027.50	100.0%	
0.00	0.00	0.00	0.0%	
128.00	250.00	-122.00	51.2%	
164.64	250.00	-85.36	65.86%	
140.00	0.00	140.00	100.0%	
1,838.59	2,730.00	-891.41	67.35%	
969.90	0.00	969.90	100.0%	
1,456.66	1,872.50	-416.84	77.74%	
5,265.74	4,216.92	1,048.82	124.87%	
1,437.86	7,982.84	-6,544.98	18.01%	
3,364.38	2,345.59	1,018.79	143.43%	
10,402.93	9,833.33	569.60	105.79%	
4,625.00	1,000.00	3,625.00	462.5%	
0.00	16,250.00	-16,250.00	0.0%	
35,564.67	13,472.17	22,092.50	263.91%	
0.00	0.00	0.00	0.0%	
0.00	0.00	0.00	0.0%	
-25,029.29	-40,677.42	15,648.13	61.53%	
114,942.56	120,162.99	-5,220.43	96.66%	
0.00	0.00	0.00	0.0%	
7,483.51	11,888.00	-4,394.49	63.03%	
3,957.68	5,979.31	-1,921.63	67.32%	
220.41	5,556.59	-5,336.18	3.97%	
4,354.40	12,916.34	-8,561.94	33.71%	
18,012.73	25,865.08	-7,852.35	69.65%	
0.00	315.00	-315.00	0.0%	
71,862.46	83,901.67	-11,909.21	85.79%	
76,213.60	41,141.67	35,071.93	185.25%	
0.00	0.00	0.00	0.0%	

- Income
- 4010 - Local Agency Subsidies
- 4110 - Admin Asmnts-Approp Pool
- 4120 - Admin Asmnts-Non-Agri Pool
- 4700 - Non Operating Revenues
- 4800 - Miscellaneous Income
- Total Income
- Gross Profit
- Expense
- 6010 - Salary Costs
- 6020 - Office Building Expense
- 6030 - Office Supplies & Equip.
- 6040 - Postage & Printing Costs
- 6050 - Information Services
- 6060 - Contract Services
- 6080 - Insurance
- 6110 - Dues and Subscriptions
- 6140 - WM Admin Expenses
- 6150 - Field Supplies
- 6170 - Travel & Transportation
- 6190 - Conferences & Seminars
- 6200 - Advisory Comm - WM Board
- 6300 - Watermaster Board Expenses
- 8300 - Appr Pl-WM & Pool Admin
- 8400 - Agri Pool-WM & Pool Admin
- 8467 - Ag Legal & Technical Services
- 8470 - Ag Meeting Attend -Special
- 8471 - Ag Pool Expense
- 8500 - Non-Ag Pl-WM & Pool Admin
- 6500 - Education Funds Use Exps
- 9400 - Depreciation Expense
- 9500 - Allocated G&A Expenditures
- 6900 - Optimum Basin Mgmt Plan
- 6950 - Mutual Agency Projects
- 9501 - G&A Expenses Allocated-OBMP
- 7101 - Production Monitoring
- 7102 - In-line Meter Installation
- 7103 - Gdwtr Quality Monitoring
- 7104 - Gdwtr Level Monitoring
- 7105 - Sur-Wtr Qual Monitoring
- 7107 - Ground Level Monitoring
- 7108 - Hydraulic Control Monitoring
- 7109 - Recharges & Well Monitoring Prog

	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
7200 - PE2- Comp Recharge Pgm	21,824.35	23,835.17	91.56%	688,983.23	799,516.50	86.08%	946,022.00	1,011,022.00	93.57%
7300 - PE3&5-Water Supply/Desalte	6,044.60	2,689.25	224.77%	85,159.95	82,043.25	103.8%	134,111.00	90,111.00	148.83%
7400 - PE4- Mgmt Plan	3,983.08	7,572.92	52.33%	37,929.63	66,966.25	55.0%	91,955.00	91,955.00	100.0%
7600 - PE6&7-CoopEfforts/SaltMgmt	5,650.58	12,181.67	46.39%	94,401.03	109,635.00	86.11%	116,180.00	146,180.00	79.48%
7600 - PE8&9-StorageMgmt/Conj Use	89.31	5,258.33	1.7%	23,375.60	47,687.50	49.12%	45,250.00	64,250.00	70.43%
7890 - Recharge Improvement Dsbr Pymt	0.00	0.00	0.0%	637,197.50	700,964.00	90.9%	700,964.00	700,964.00	100.0%
7700 - Inactive Well Protection Prgm	0.00	0.00	0.0%	0.00	1,059.00	0.0%	1,412.00	1,412.00	100.0%
9602 - G&A Expenses Allocated-Projects	17,535.79	28,789.42	60.91%	226,535.29	299,104.75	87.43%	345,473.00	345,473.00	100.0%
Total Expense	453,916.14	478,154.67	97.33%	4,632,802.33	5,330,070.50	86.92%	6,894,823.00	6,894,823.00	100.0%
Net Ordinary Income	-453,916.14	-408,150.67	111.21%	2,011,784.25	1,466,417.50	137.19%	-248,724.68	-63,333.00	389.57%
Other Income									
4225 - Interest Income	6,857.86	0.00	100.0%	11,489.65	0.00	100.0%	9,631.79	0.00	100.0%
4210 - Approp Pool-Replenishment	0.00	0.00	0.0%	3,594,458.40	0.00	100.0%	3,594,458.40	0.00	100.0%
4220 - Non-Ag Pool-Replenishment	0.00	0.00	0.0%	27,545.86	0.00	100.0%	27,545.86	0.00	100.0%
4600 - Groundwater Sales	0.00	0.00	0.0%	2,244,495.90	0.00	100.0%	2,244,495.90	0.00	100.0%
Total Other Income	6,857.86	0.00	100.0%	5,877,989.81	0.00	100.0%	5,876,131.95	0.00	100.0%
Other Expense									
5010 - Groundwater Replenishment	116,901.98	0.00	100.0%	300,633.58	0.00	100.0%	183,731.60	183,731.60	100.0%
5100 - Other Water Purchases	0.00	0.00	0.0%	2,255,435.78	0.00	100.0%	0.00	0.00	0.0%
9999 - To/(From) Reserves	-553,960.26	-408,150.67	138.18%	5,333,704.70	1,466,417.50	363.72%	5,445,675.67	-63,333.00	-8,568.46%
Total Other Expense	-447,058.28	-408,150.67	109.53%	7,989,774.05	1,466,417.50	538.03%	5,628,407.27	-63,333.00	-8,888.59%
Net Other Income	453,916.14	408,150.67	111.21%	-2,011,784.25	-1,466,417.50	137.19%	248,724.68	63,333.00	389.57%
Net Income	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%

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



CHINO BASIN WATERMASTER

I. BUSINESS ITEMS

C. WATER TRANSACTIONS

1. The purchase of 1,100,000 acre-feet of water from Santa Ana River Water Company (SARWC) to Jurupa Community Services District (JCSD). This purchase is made first from SARWC's Annual Production Right, with any additional from storage. Date of Application: April 26, 2011



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

May 2, 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: **April 26, 2011**

Date of this notice: **May 2, 2011**

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

- Notice of Sale or Transfer – The purchase of 1,100.000 acre-feet of water from Santa Ana River Water Company (SARWC) to Jurupa Community Services District (JCSD). This purchase is made first from SARWC’s Annual Production Right, with any additional from storage.

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

Appropriative Pool: May 5, 2011

Non-Agricultural Pool: May 5, 2011

Agricultural Pool: May 12, 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: May 2, 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: May 2, 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 – The purchase of 1,100,000 acre-feet of water from Santa Ana River Water Company (SARWC) to Jurupa Community Services District (JCSD). This purchase is made first from SARWC's Annual Production Right, with any additional from storage.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer - The purchase of 1,100,000 acre-feet of water from Santa Ana River Water Company (SARWC) to Jurupa Community Services District (JCSD). This purchase is made first from SARWC's Annual Production Right, with any additional from storage.

Notice of the water transaction identified above was mailed on May 2, 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.

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: 04/26/2011

AMOUNT REQUESTED: 1,100 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR): Santa Ana River Water Company			TRANSFER TO (BUYER / TRANSFEREE): Jurupa Community Services District		
Name of Party 10530 54th St.			Name of Party 11201 Harrel St		
Street Address Mira Loma Ca 91752			Street Address Mira Loma Ca 91752		
City	State	Zip Code	City	State	Zip Code
951-685-6503			951-685-7434		
Telephone 951-685-1978			Telephone 951-685-1153		
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:

Projected Rate of Recapture

Projected Duration of Recapture

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

PLACE OF USE OF WATER TO BE RECAPTURED:

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

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

Wells do not exceed the MCL for nitrates and are used to blend with other wells within the District

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

All wells are perforated to a depth of between 300 to 400 feet

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

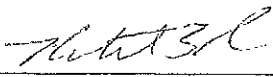
Yes No



 Seller / Transferor Representative Signature

J Arnold Rodriguez

 Seller / Transferor Representative Name (Printed)



 Buyer / Transferee Representative Signature

Robert Tock

 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

I. BUSINESS ITEMS

D. 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
Chief Executive Officer

STAFF REPORT

DATE: May 5, 2011
TO: Committee 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 was 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 –
- May 5, 2011 Non-Agricultural Pool –
- May 12, 2011 Agricultural Pool –
- May 19, 2011 Advisory Committee –
- May 26, 2011 Watermaster Board –

**Technical Proposal
Independent Auditor Services
For The**



Chino Basin Watermaster

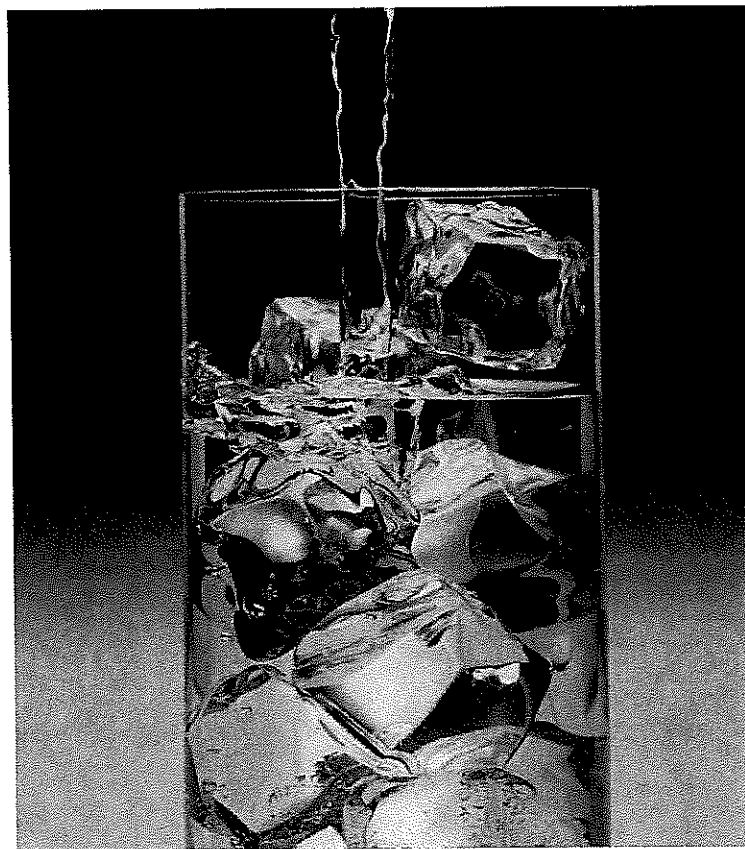
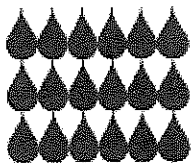


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8. **Cost Proposal**



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.vvwwra.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@czfcpa.com.

We look forward to hearing from you soon.
Cordially,

*Charles Z. Fedak & Company, 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

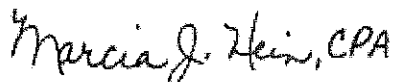
March 5, 2010

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

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

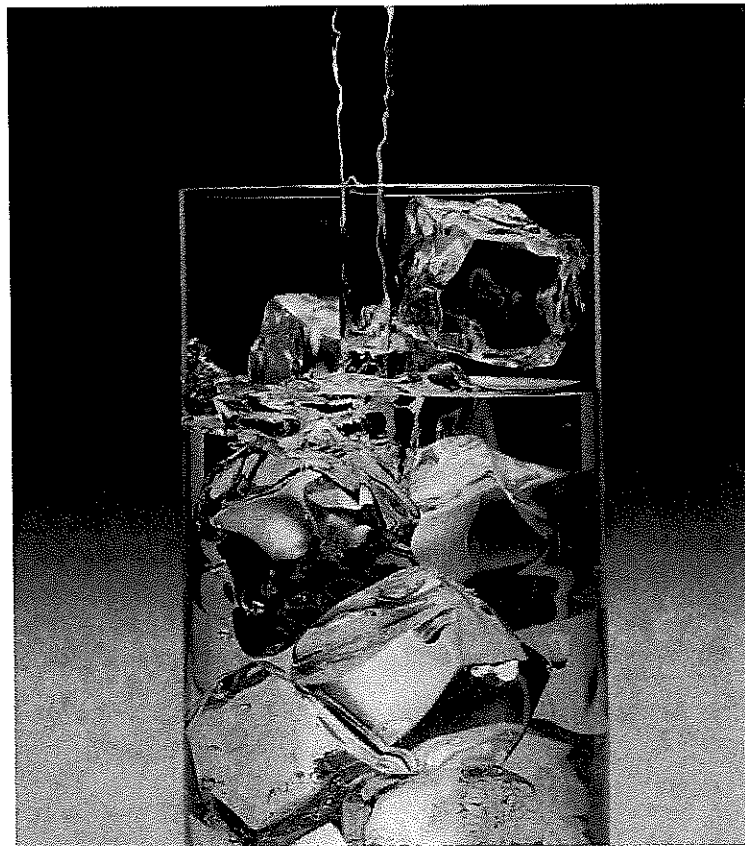
It is a requirement of the State Board of Accountancy for all public accounting firms who are involved in governmental auditing to allocate a specific portion of continuing education in governmental accounting and auditing every two years. Charles Z. Fedak & Company, CPAs has met this requirement for 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.

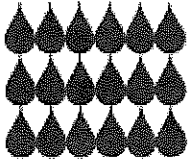
Charles Z. Fedak & Company, CPAs is independent with respect to performing the annual audit of the Watermaster. Charles Z. Fedak & Company, CPAs currently maintains errors and omissions insurance coverage in the aggregate amount of one million dollars and two million dollars general liability.

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:	Hours	Hourly Rates	Total
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	78		\$ 8,600
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			400
Total Maximum for 2011			\$ 9,000

FISCAL YEAR 2012			
Breakdown of Fees by Hours			
Fiscal Year 2012 Audit of:	Hours	Hourly Rates	Total
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	78		\$ 8,990
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			410
Total Maximum for 2012			\$ 9,400

FISCAL YEAR 2013			
Breakdown of Fees by Hours			
Fiscal Year 2013 Audit of:	Hours	Hourly Rates	Total
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	78		\$ 9,380
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			420
Total Maximum for 2013			\$ 9,800

FISCAL YEAR 2014			
Breakdown of Fees by Hours			
Fiscal Year 2014 Audit of:	Hours	Hourly Rates	Total
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	78		\$ 9,770
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			430
Total Maximum for 2014			\$ 10,200

FISCAL YEAR 2015			
Breakdown of Fees by Hours			
Fiscal Year 2015 Audit of:	Hours	Hourly Rates	Total
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	78		\$ 10,160
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			440
Total Maximum for 2015			\$ 10,600

Exhibit III – Schedule of Fees By Hours – Optional Years

FISCAL YEAR 2016 - OPTIONAL YEAR 1

Breakdown of Fees by Hours

	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total</u>
Fiscal Year 2016 Audit of:			
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	<u>78</u>		<u>\$ 10,550</u>
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			<u>450</u>
Total Maximum for 2016			<u>\$ 11,000</u>

FISCAL YEAR 2017 - OPTIONAL YEAR 2

Breakdown of Fees by Hours

	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total</u>
Fiscal Year 2017 Audit of:			
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	<u>78</u>		<u>\$ 10,940</u>
Out-of-Pocket Expenses (Travel, Postage & Printing Costs)			<u>460</u>
Total Maximum for 2017			<u>\$ 11,400</u>



CHINO BASIN WATERMASTER

I. BUSINESS ITEMS

E. PROPOSED FISCAL YEAR 2011-2012 BUDGET





CHINO BASIN WATERMASTER

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

DESI ALVAREZ
Chief Executive Officer

STAFF REPORT

DATE: May 5, 2011
TO: Committee Members
SUBJECT: Proposed Fiscal Year 2011/2012 Budget

SUMMARY

Issue – Annual Budget for Watermaster Administration and OBMP tasks during FY 2011/2012.

Recommendations – Staff recommends the Committees and the Board consider approval/adoption of the Proposed FY 2011/2012 Budget.

Fiscal Impact – The FY 2011/2012 Proposed Budget expenses are \$6,250,583. The FY 2011/2012 Budget, as proposed, anticipates a decrease in all three expense categories of administrative costs, OBMP expenditures and OBMP project costs over the prior year “amended” budget of \$6,894,823.

DISCUSSION

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

On April 7, 2011, the initial version of the proposed preliminary budget was formally presented to the Appropriative Pool and the Non-Agricultural Pool by Watermaster staff. The April 7, 2011 version contained a proposed level of expenses at \$7,170,592 with proposed assessments of \$7.62 per acre-foot for Administration and \$50.03 per acre-foot for OBMP and Implementation Projects, for a combined total of \$57.65 per acre-foot. Staff discussed the preliminary budget in both detail and in summary. The Total Assessable Production (for budget purposes) was estimated to be 106,929.500 which was based upon the actual production numbers for the first two quarters, and projected to estimate the full year's

production. The "projected" Total Assessable Production of 106,929.500 acre-feet is lower than the "actual" previous year's Total Assessable Production of 114,495.915 acre-feet by 7,566.415 acre-feet or (6.6%). It was discussed that lower production results in the current year will increase the overall assessments per acre-foot, while higher production numbers will decrease the overall assessments per acre-foot.

On April 12, 2011 Watermaster conducted the annual Budget Workshop and discussed the preliminary draft budget in both detail and in summary. The consensus of the members of the workshop was the preliminary budget required reductions in the majority of the categories to reflect current economic trends and financial challenges. It was recommended that Staff provide a detailed listing of the Wildermuth budget/projects that are required as part of the Judgement, and expenses and projects that are discretionary in nature and could be held off for a later date. It was also suggested that the legal expenses be categorized into required and discretionary expenses. The direction from the members in attendance was to develop a budget that reflected an overall assessment that was equal to or less than what was actually paid in the previous fiscal year (2010/2011). During the workshop, there was a question asked with regards to the timing of the approval of the Watermaster budget and what happens, if anything, if the Watermaster budget is not approved before the end of the fiscal year. There were also questions asked with regards to the balance of assessments and/or funds left over at the end of the fiscal year and whether those funds were used to offset assessments. Staff took the recommendations and suggestions and began the development of another version of the preliminary budget.

On April 14, 2011 the proposed budget was formally presented to the Agricultural Pool. This was the same version of the budget that was presented at the Budget Workshop on April 12, 2011.

On April 21, 2011 a revised proposed budget was formally presented to the Advisory Committee. Staff took the recommendations and suggestions from this meeting and developed another version of the preliminary budget.

On April 28, 2011 a revised proposed budget of \$6,250,583 was formally presented to the Board of Directors. This budget detailed the latest cost reductions in all sections and re-established a 30%/30% reserve for Administrative and OBMP expenses and provided an estimated amount of "Funds On Hand Utilized for Assessments". The monetary difference between the 30%/30% reserve and the estimated amount of "Funds On Hand Utilized for Assessments" was calculated to be \$200,000. The amount of \$200,000 is Staff's estimated difference between the actual assessments received vs. actual expenditures for the fiscal year 2010/2011. The amount of \$200,000 was applied to reduce the overall assessments. The April 28, 2011 version proposed assessments of \$7.34 per acre-foot for Administration and \$41.89 per acre-foot for OBMP and Implementation Projects, for a combined total of \$49.23 per acre-foot. This compares to the actual assessment from the previous year as follows:

Assessment Amounts	G&A Expenses	OBMP & Implementation Projects	Total G&A, OBMP & Implementation Projects
Proposed Assessment as of April 28, 2011	\$7.34	\$41.89	\$49.23
Actual Assessment FY2010-2011	\$7.40	\$42.01	\$49.41
Proposed Assessment vs. Actual Assessment	(\$0.06) (0.81%)	(\$0.12) (0.29%)	(\$0.18) (0.36%)

No change in the Total Assessable Production (for budget purposes) was proposed in the latest version of the budget. The estimated Total Assessable Production remained at 106,929,500 acre-feet.

For the Administrative expenses:

- The draft budget includes 9.5 FTE approved staff positions, a reduction of one FTE from the previous budget.
- The budget includes a temporary employee for one-half year to complete the scanning project. This employee is from a temporary employment agency and is not an employee of Watermaster.
- The budget includes a 4% CPI/COLA salary adjustment and no material changes in employee's fringe benefits.
- The budget includes an increase in the CalPERS "Employer" contribution expense from 11.417% to 14.298% which is mandated by CalPERS and out of the control of Watermaster.
- The draft budget eliminates the Consulting and printing costs for the Water Auction, and eliminates the Strategic Planning Conference costs.
- Reductions in the majority of Administrative expenses compared to the FY 2010-2011 Amended Budget.
- Overall, the Administrative section is 16.3% or \$172,351 below the previous year's budget.

For OBMP General costs:

- Meetings with staff, Wildermuth and legal counsel were held to determine where costs could be reduced or work delayed until next fiscal year.
- The total Wildermuth budget is \$2,334,051 for this fiscal year. Wildermuth provided a breakdown of costs by the categories of "Required by the Judgment" which totaled \$1,503,793 and "Discretionary" which totaled \$830,258. This allowed the Staff and committees to determine which projects needed to be continued or completed and which could be delayed until next year. Approximately \$459,374 of the "Discretionary" amount was determined to be allocated to this fiscal year's budget.
- The Watermaster Groundwater Model/Safe Yield Update project was budgeted at \$204,000.
- The proposed budget contains the legal budget of \$450,000 and a legal contingency budget of \$145,000 (which is the same budget level as the previous year).
- The balance of the Administrative Civil Liability (ACL) complaint from the California Regional Water Quality Control Board of \$25,000 is included in the budget.
- Overall, the OBMP section is 14.4% or \$245,271 below the previous year's budget.

OBMP Implementation Project costs:

- The total Wildermuth budget is \$2,334,051 for this fiscal year. Wildermuth provided a breakdown of costs by the categories of "Required by the Judgment" which totaled \$1,503,793 and "Discretionary" which totaled \$830,258. This allowed the Staff and committees to determine which projects needed to be continued or completed and which could be delayed until next year. Approximately \$459,374 of the "Discretionary" amount was determined to be allocated to this fiscal year's budget.
- Reductions in the majority of OBMP Implementation Project expenses compared to the FY 2010-2011 Amended Budget.

- The Recharge Master Plan Update Implementation of \$170,000 is funded.
- The San Sevaine Channel Repair of \$245,750 is included in the budget.
- This version decreased Recharge Improvement Debt Payment of \$250,000 due to a credit from IEUA.
- The OBMP Implementation Projects section is 5.5% or \$226,618 below the previous year's budget.

In summary, the FY 2011/2012 Budget, as proposed, anticipates a decrease in total budgeted costs of \$644,240 or 9.3% below the previous year's approved budget. The final assessments will be refined when the assessment package is prepared this fall. The latest indications and estimates show the Total Assessable Production could be at levels similar to the 2009-2010 actual production.

Actions:

May 5, 2011 Appropriative Pool –
May 5, 2011 Non-Agricultural Pool –
May 12, 2011 Agricultural Pool –
May 19, 2011 Advisory Committee –
May 26, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER

DRAFT BUDGET FY 2011-2012

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**CHINO BASIN WATERMASTER
SUMMARY BUDGET FY 2011-2012**

	FY 09-10 June Actual	FY 10-11 December Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Proposed Budget	Proposed vs. Amended	% Variance Proposed vs. Amended
\$	111,000	111,000	\$ 148,410	\$ 148,410	\$ 111,000	\$ (37,410)	(25.2)%
4000 Mutual Agency Revenue	7,178,987	6,165,079	6,153,067	6,153,067	5,522,595	(630,472)	(10.2)%
4110 Appropriative Pool Assessments	225,016	343,090	355,003	355,003	251,979	(103,024)	(29.0)%
4120 Non-Agricultural Pool Assessments	43,420	13,929	175,010	175,010	150,010	(25,000)	(14.3)%
4730 Prorated Interest Income	188	0	0	0	0	0	0.0%
4900 Miscellaneous Income							
Total Income	7,558,612	6,633,098	6,831,490	6,831,490	6,035,583	(795,907)	-11.7%
Administrative Expenses							
6010 Salary Costs	492,090	233,911	464,944	492,544	481,927	(10,617)	(2.2)%
6020 Office Building Expense	102,742	48,757	101,196	101,196	103,369	2,173	2.1%
6030 Office Supplies & Equip.	45,639	11,533	33,500	33,500	28,500	(5,000)	(14.9)%
6040 Postage & Printing Costs	82,056	34,108	78,300	78,300	66,180	(12,120)	(15.5)%
6050 Information Services	139,782	75,953	142,200	160,200	148,020	(12,180)	(7.6)%
6060 WM Special Contract Services	96,259	13,630	75,000	29,000	34,000	5,000	17.2%
6080 Insurance Expense	15,986	15,863	17,575	17,575	19,036	1,461	8.3%
6110 Dues and Subscriptions	16,100	21,666	30,000	30,000	30,000	0	0.0%
6150 Field Supplies & Equipment	1,168	(16)	1,800	1,800	1,600	(200)	(11.1)%
6170 Travel & Transportation	23,828	13,836	33,160	33,160	21,970	(11,190)	(33.7)%
6190 Conferences & Seminars	21,302	12,139	23,000	23,000	17,500	(5,500)	(23.9)%
6200 Advisory Committee Expenses	17,921	8,720	22,470	22,470	23,633	1,163	5.2%
6300 Watermaster Board Expenses	43,074	23,845	50,603	50,603	56,257	5,654	11.2%
6500 Education Fund Expenditures	0	375	375	375	375	0	0.0%
8300 Appropriative Pool Administration	22,733	31,356	90,043	90,043	29,346	(60,697)	(67.4)%
8400 Agricultural Pool Administration	186,478	95,973	223,147	223,147	228,370	\$223	2.3%
8500 Non-Agricultural Pool Administration	6,596	64,475	161,666	161,666	92,456	(69,210)	(42.8)%
9400 Depreciation Expense	29,103	0	0	0	0	0	0.0%
9500 Allocated G&A Expenditures	(423,428)	(211,488)	(488,129)	(488,129)	(494,440)	(6,311)	(1.3)%
Total Administrative Expenses	924,428	494,637	1,060,850	1,060,450	888,099	(172,351)	(16.3)%
General OBMP Expenditures							
6900 Optimum Basin Mgmt Program	1,559,618	745,145	1,197,734	1,556,534	1,313,124	(243,410)	(15.6)%
6950 Cooperative Efforts	9,000	0	10,000	10,000	10,000	0	0.0%
9501 Allocated G&A Expenditures	141,999	52,841	142,656	142,656	140,795	(1,861)	(1.3)%
Total General OBMP Expenses	1,710,617	797,986	1,350,390	1,709,190	1,463,919	(245,271)	(14.4)%
OBMP Implementation Projects							
7101 Production Monitoring	104,977	46,779	104,219	102,819	107,369	4,550	4.4%
7102 In-Line Meter Installation/Maintenance	48,657	7,802	66,679	66,679	66,832	153	0.2%
7103 Groundwater Quality Monitoring	161,349	109,729	202,996	202,996	204,968	1,972	1.0%

**CHINO BASIN WATERMASTER
SUMMARY BUDGET FY 2011-2012**

	FY 09-10 June Actual	FY 10-11 December Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Proposed Budget	Proposed vs. Amended	% Variance Proposed vs. Amended
7104 Groundwater Level Monitoring	363,253	103,499	336,282	287,282	280,372	(6,910)	(2.4)%
7105 Recharge Basin Water Quality Monitori	3,679	771	4,280	4,280	3,609	(671)	(15.7)%
7106 Water Level Sensors Install	0	0	0	0	0	0	0.0%
7107 Ground Level Monitoring	354,982	217,950	815,620	657,620	538,498	(119,122)	(18.1)%
7108 Hydraulic Control Monitoring Program	500,863	133,021	493,700	412,700	365,807	(46,893)	(11.4)%
7109 Recharge & Well Monitoring Program	9,113	7,124	8,440	9,440	11,160	1,720	18.2%
7200 OBMP Pgm Element 2 - Comp Rechar	1,530,608	412,778	1,011,022	946,022	1,281,694	335,672	35.5%
7300 OBMP Pgm Element 3 & 5 - Water Sup	71,798	73,364	90,111	134,111	93,425	(40,686)	(30.3)%
7400 OBMP Pgm Element 4 - Mgmt Zone St	90,244	12,057	91,955	91,955	70,165	(21,790)	(23.7)%
7500 OBMP Pgm Element 6 & 7 - Coop Effo	163,488	43,941	146,180	116,180	23,009	(93,171)	(80.2)%
7600 OBMP Pgm Element 8 & 9 Storage Mg	29,338	18,760	64,250	45,250	45,516	366	0.8%
7700 Inactive Well Protection Program	0	0	1,412	1,412	1,432	20	1.4%
7690 Recharge Improvement Debt Payment	890,006	637,198	700,964	700,964	450,964	(250,000)	(35.7)%
9502 Allocated G&A Expenditures	294,429	158,647	345,473	345,473	353,645	8,172	2.4%
Total OBMP Implementation Projects	4,616,783	1,983,419	4,483,583	4,125,183	3,898,565	(226,618)	(5.5)%
Total Expenses	7,251,828	3,276,042	6,894,823	6,894,823	6,250,583	(644,240)	(9.3)%
Net Ordinary Income	306,784	3,357,057	(63,333)	(63,333)	(215,000)	(151,667)	(239.5)%
Other Income							
4225 Interest Income	34,990	4,632	0	0	0	0	0.0%
4210 Approp Pool-Replenishment	4,887,364	3,594,458	0	0	0	0	0.0%
4220 Non-Ag Pool-Replenishment	9,478	27,546	0	0	0	0	0.0%
4230 Groundwater Recharge Activity	0	0	0	0	0	0	0.0%
4600 Groundwater Sales	2,176,962	2,244,496	0	0	0	0	0.0%
Total Other Income	7,108,795	5,871,132	0	0	0	0	0.0%
Other Expense							
5010 Groundwater Recharge	7,728,299	183,732	0	0	0	0	0.0%
5105 Purchase of Non-Ag Pool Water	2,166,022	0	0	0	0	0	0.0%
Total Other Expense	9,894,321	183,732	0	0	0	0	0.0%
9900 To / (From) Reserves	(2,478,034)	9,044,457	0	0	0	0	0.0%
Net Other Income	(307,492)	(3,357,057)	0	0	0	0	0.0%
Net Income	\$ (709)	\$ (0)	\$ (63,333)	\$ (63,333)	\$ (215,000)	\$ (151,667)	(239.5)%

**CHINO BASIN WATERMASTER
DETAIL BUDGET FY 2011-2012**

	FY 09-10 June Actual	FY 10-11 December Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Proposed Budget	Proposed vs. Amended
Ordinary Income						
Income						
4000 Mutual Agency Revenue	\$111,000	\$111,000	\$148,410	\$148,410	\$111,000	(\$37,410)
4013 Local Agency Contr - OBMP	111,000	111,000	148,410	148,410	111,000	(37,410)
Total 4000 Mutual Agency Revenue						
4110 Appropriative Pool Assessments						
4111 Administrative Assessment	609,111	582,626	592,138	592,138	528,579	(63,559)
4111.2 OBMP Assessment	3,729,218	3,307,583	3,360,334	3,360,334	3,017,074	(343,260)
4111.3 App Pool - Special Assessment	63,333	0	0	0	0	0
4112 Ag Pool Reallocation - Administrative	231,256	235,794	224,667	224,667	227,491	2,824
4113 Ag Pool Reallocation - OBMP	1,414,836	1,338,112	1,274,964	1,274,964	1,298,486	23,522
4115 Recharge Improvement Revenue	1,131,233	700,964	700,964	700,964	450,964	(250,000)
4117 PY Adjustments & Pool Interest	0	0	0	0	0	0
Total 4110 Appropriative Pool Assessments	7,178,987	6,165,079	6,153,067	6,153,067	5,522,595	(630,472)
4120 Non-Agricultural Pool Assessments						
4123 Administrative Assessment	31,593	28,919	30,712	30,712	28,620	(2,092)
4123.3 Non-Ag Pool - Special Assessment	0	150,000	150,000	150,000	60,000	(90,000)
4124 OBMP Assessment	193,423	164,171	174,291	174,291	163,359	(10,932)
4127 PY Adjustments	0	0	0	0	0	0
Total 4120 Non-Agricultural Pool Assessments	225,016	343,090	355,003	355,003	251,979	(103,024)
4730 Prorated Interest Income						
4713 Interest Income-Other	116	(272)	0	0	0	0
4731 Interest - Agricultural Pool	2,784	1,158	15,750	15,750	13,500	(2,250)
4732 Interest - Appropriative Pool	38,790	12,556	155,750	155,750	133,500	(22,250)
4733 Interest - Non-Agricultural Pool	1,744	484	3,500	3,500	3,000	(500)
4739 Interest - Education Fund	6	2	10	10	10	0
Total 4730 Prorated Interest Income	43,420	13,929	175,010	175,010	150,010	(25,000)
4900 Miscellaneous Income						
4900 Miscellaneous Income	188	0	0	0	0	0
Total Income	7,558,612	6,633,098	6,831,490	6,831,490	6,035,583	(795,907)
Administrative Expenses						
6010 Salary Costs						
6011 WM Staff Salaries & Payroll Burden	537,534	267,651	444,317	471,917	449,983	(21,934)
6012 Payroll Services	3,219	1,976	3,120	3,120	4,020	900
6013 Human Resources Services	11,393	2,631	12,000	12,000	6,000	(6,000)

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	FY 09-10 June Actual	FY 10-11 December Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Proposed Budget	Proposed vs. Amended
6016 New Employee Search Costs	10,385	0	500	500	500	0
6017 Temporary Services	0	0	5,000	5,000	21,424	16,424
Subtotal Wages	562,531	272,258	464,937	492,537	481,927	(10,610)
6018 Fringe Benefits	542,759	264,337	482,775	482,775	513,053	30,278
60199 Payroll Burden Allocated	(613,199)	(302,685)	(482,768)	(482,768)	(513,053)	(30,285)
Total 6010 Salary Costs	492,090	233,911	464,944	492,544	481,927	(10,617)
6020 Office Building Expense	69,504	34,908	69,504	69,504	71,181	1,677
6021 Office Lease	16,753	6,417	15,000	15,000	15,300	300
6022 Telephone	14,739	6,337	15,000	15,000	14,740	(260)
6024 Building Repairs & Janitorial	1,746	1,095	1,692	1,692	2,148	456
6026 Security Services	0	0	0	0	0	0
6027 Other Expense	102,742	48,757	101,196	101,196	103,369	2,173
Total 6020 Office Building Expense	195,241	92,599	196,892	196,892	208,557	11,665
6030 Office Supplies & Equip.	1,366	1,419	6,000	6,000	4,500	(1,500)
6031.1 Copy Paper	41,620	9,598	24,500	24,500	21,000	(3,500)
6031.7 Other Office Supplies	0	0	0	0	0	0
6038 Other Office Equipment	0	0	0	0	0	0
6039 Office Expenses	0	0	0	0	0	0
6141 Meeting Expenses	2,155	0	0	0	0	0
6141.1 Meeting Supplies	0	18	1,500	1,500	1,500	0
6141.3 Admin Meetings	0	497	1,500	1,500	1,500	0
6147 Other Admin Expenses	498	0	0	0	0	0
Total 6030 Office Supplies & Equip.	45,639	11,533	33,500	33,500	28,500	(5,000)
6040 Postage & Printing Costs	4,908	3,212	6,000	6,000	6,000	0
6042 Postage - General	0	0	0	0	0	0
6043 Copy Machine Lease - Other	44,551	25,725	42,000	42,000	37,980	(4,020)
6043.1 Ricoh Lease Fee	6,906	4,040	18,000	18,000	14,400	(3,600)
6043.2 Ricoh Usage & Maintenance Fee	2,027	1,131	2,800	2,800	2,800	0
6044 Postage Meter Lease	23,665	0	9,500	9,500	5,000	(4,500)
6045 Outside Printing	82,056	34,108	78,300	78,300	66,180	(12,120)
Total 6040 Postage & Printing Costs	159,106	65,105	137,800	137,800	126,360	(11,440)
6050 Information Services	0	0	0	0	0	0
6052 Consultants	39,300	23,475	46,000	46,000	46,800	800
6052.1 Park Place Computer Solutions	34,744	16,726	36,000	36,000	36,000	0
6052.2 Applied Computer Technologies	0	5,025	10,800	10,800	10,800	0
6052.3 Vwebsite Consulting	0	0	0	0	0	0

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**CHINO BASIN WATERMASTER
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	FY 09-10 June Actual	FY 10-11 December Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Proposed Budget	Proposed vs. Amended
6053 Internet Services	26,380	7,495	12,400	12,400	18,420	6,020
6054 Computer Software	8,263	8,905	8,000	8,000	9,000	1,000
6055 Computer Hardware	31,095	13,735	29,000	47,000	26,000	(21,000)
6057 Computer Maintenance	0	593	0	0	1,000	1,000
Total 6050 Information Services	139,782	75,953	142,200	160,200	148,020	(12,180)
6060 WM Special Contract Services						
6060 Contract Services - Other	0	0	46,000	0	0	0
6061 Contract Services	1,620	0	0	0	0	0
6061.1 Accounting Services	3,750	0	0	0	0	0
6061.3 Rauch	15,484	9,555	10,000	10,000	15,000	5,000
6061.4 Other Contract Services	20,695	0	0	0	0	0
6062 Audit Services	9,075	4,075	9,000	9,000	9,000	0
6063 Public Relations/Consultant	45,625	0	10,000	10,000	10,000	0
6064 Consultant Services/Water Auction	0	0	0	0	0	0
6067 General Counsel	0	0	0	0	0	0
Total 6060 WM Special Contract Services	96,259	13,630	75,000	29,000	34,000	5,000
6080 Insurance Expense						
6085 Business Insurance Package	15,703	15,607	17,325	17,325	18,728	1,403
6086 Position Bond Insurance	283	258	250	250	307	57
Total 6080 Insurance Expense	15,986	15,863	17,575	17,575	19,036	1,461
6110 Dues and Subscriptions						
6111 Membership Dues	15,570	20,998	29,000	29,000	29,000	0
6112 Subscriptions	530	668	1,000	1,000	1,000	0
Total 6110 Dues and Subscriptions	16,100	21,666	30,000	30,000	30,000	0
6150 Field Supplies & Equipment						
6151 Small Tools & Equipment	269	(16)	800	800	600	(200)
6154 Uniforms	898	0	1,000	1,000	1,000	0
Total 6150 Field Supplies & Equipment	1,168	(16)	1,800	1,800	1,600	(200)
6170 Travel & Transportation						
6170 Travel & Transportation	0	0	0	0	0	0
6171.1 CEO Vehicle Allowance	9,038	4,013	9,000	9,000	0	(9,000)
6171.2 Watermaster Mgmt. Staff Vehicle Allowance	13,860	6,620	14,400	14,400	14,400	0
6173 Mileage Reimbursements	246	99	400	400	250	(150)
6174 Public Transportation	210	110	360	360	320	(40)
6175 Vehicle Fuel	1,558	1,025	3,000	3,000	3,000	0
6177 Vehicle Repairs & Maintenance	3,917	1,970	6,000	6,000	4,000	(2,000)

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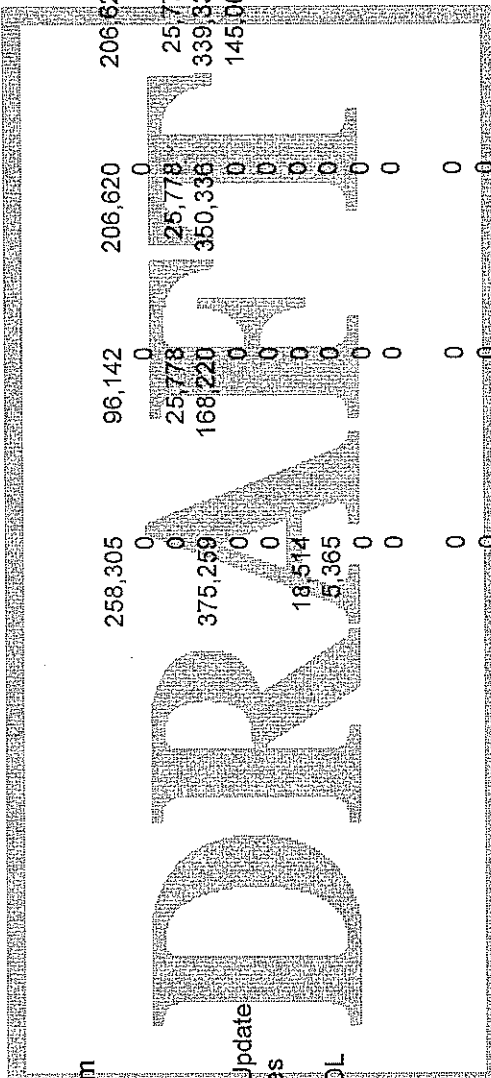
**CHINO BASIN WATERMASTER
DETAIL BUDGET FY 2011-2012**

	FY 09-10 June Actual	FY 10-11 December Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Proposed Budget	Proposed vs. Amended
Total 6170 Travel & Transportation	28,828	13,836	33,160	33,160	21,970	(11,190)
6190 Conferences & Seminars						
6191 Conferences & Seminars	18,207	8,020	11,000	11,000	16,000	5,000
6192 Training & Continuing Education	3,095	497	5,000	5,000	1,500	(3,500)
6193.1 Strategic Planning Conference	0	7,158	10,000	10,000	0	(10,000)
6193.2 Conference - Registration Fee	0	(3,535)	(3,000)	(3,000)	0	3,000
Total 6190 Conferences & Seminars	21,302	12,139	23,000	23,000	17,500	(5,500)
6200 Advisory Committee Expenses						
6201 WM Staff Salaries	16,313	8,130	20,470	20,470	21,633	1,163
6212 Meeting Expense	1,608	590	2,000	2,000	2,000	0
Total 6200 Advisory Committee Expenses	17,921	8,720	22,470	22,470	23,633	1,163
6300 Watermaster Board Expenses						
6301 WM Staff Salaries	15,480	8,818	28,803	28,803	30,557	1,754
6311 Board Member Compensation	21,500	13,000	18,500	18,500	20,000	1,500
6312 Meeting Expense	6,094	2,029	3,000	3,000	5,400	2,400
6313 Board Member Expenses	0	0	300	300	300	0
Total 6300 WM Board Expenses	43,074	23,845	50,603	50,603	56,257	5,654
6500 Education Fund Expenditures						
6501 Education Fund Expenditures	0	375	375	375	375	0
8300 Appropriative Pool Administration						
8301 WM Staff Salaries	22,482	9,841	26,210	26,210	28,846	2,636
8312 Meeting Expenses	250	192	500	500	500	0
8367 Legal Services	0	21,364	63,333	63,333	0	(63,333)
Total 8300 Appropriative Pool Administration	22,733	31,396	90,043	90,043	29,346	(60,697)
8400 Agricultural Pool Administration						
8401 WM Staff	19,324	12,362	22,847	22,847	25,286	2,439
8411 Compensation	1,900	625	2,000	2,000	2,000	0
8412 Meeting Expenses	21	115	300	300	300	0
8456 IEUA Readiness To Serve	3,846	2,406	3,000	3,000	5,784	2,784
8467 Ag-Pool Legal Service	95,287	68,205	100,000	100,000	100,000	0
8467.1 Frank B & Associates	10,612	5,885	18,000	18,000	18,000	0
8470 Ag Pool Meeting Special Compensation	14,225	6,375	12,000	12,000	12,000	0
8471 Ag Pool Special Projects	41,262	0	65,000	65,000	65,000	0
Total 8400 Agricultural Pool Administration	186,478	95,973	223,147	223,147	228,370	5,223
8500 Non-Agricultural Pool Administration						

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	FY 09-10 June Actual	FY 10-11 December Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Proposed Budget	Proposed vs. Amended
8501 WM Staff	5,395	8,056	11,466	11,466	14,456	2,990
8512 Meeting Expense	1,201	1,108	200	200	3,000	2,800
8567 Non-Ag Legal Service	0	55,311	150,000	150,000	75,000	(75,000)
Total 8500 Non-Agricultural Pool Administration	6,596	64,475	161,666	161,666	92,456	(69,210)
9400 Depreciation Expense	29,103	0	0	0	0	0
9500 Allocated G&A Expenditures	(423,428)	(211,488)	(488,129)	(488,129)	(494,440)	(6,311)
Total Administrative Expenses	924,428	494,637	1,060,860	1,060,450	888,099	(172,351)



	FY 09-10 June Actual	FY 10-11 December Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Proposed Budget	Proposed vs. Amended
General OBMP Expenses						
6900 Optimum Basin Mgmt Program						
6901 OBMP - Staff	258,305	96,142	206,620	206,620	221,250	14,630
6902 OBMP - Temporary Staff	0	0	0	0	0	0
6903 OBMP - SARW Group	0	25,778	25,778	25,778	11,655	(14,123)
6906 OBMP - Engineering	375,259	168,220	350,336	339,836	256,209	(83,127)
6906.1 OBMP - Watermaster Model Update	0	0	0	145,900	204,010	59,010
6906.2 OBMP - Basin Wide Objectives	0	0	0	0	0	0
6906.4 OBMP - CEQA	18,514	0	0	0	0	0
6906.6 OBMP - Santa Ana River TMDL	5,365	0	0	0	0	0
6906.7 OBMP - DataX	0	0	0	0	0	0
6906.8 OBMP - Reports	0	0	0	0	0	0
6907 OBMP - Legal	0	0	0	0	0	0
6907.1 Ellison & Schneider	0	0	0	0	0	0
6907.2 Ludorff & Scalmanini	0	0	0	0	0	0
6907.3 VM Legal Counsel	875,931	101,109	250,000	250,000	250,000	0
6907.30 Peace II - CEQA	0	4,018	50,000	50,000	0	(50,000)
6907.31 S. Archibald Plume - Formerly OIA	0	2,526	15,000	15,000	25,000	10,000
6907.32 Chino Airport Plume	0	54,320	15,000	74,000	25,000	(49,000)
6907.33 Desalter Negotiations	0	146,720	0	145,000	0	(145,000)
6907.34 Santa Ana River Water Rights	14,368	10,595	25,000	25,000	25,000	0
6907.35 Paragraph 31 Motion	0	51,685	0	73,500	40,000	(33,500)
6907.36 Santa Ana River Habitat	0	8,006	0	9,500	0	(9,500)
6907.37 Storage & Recovery, Water Auction	0	1,184	40,000	40,000	15,000	(25,000)
6907.38 Reg. Water Quality Control Board	0	3,591	15,000	15,000	50,000	35,000
6907.39 Recharge Master Plan	0	3,725	40,000	40,000	20,000	(20,000)
6907.4 WM Legal Counsel - Contingency	0	0	145,000	0	145,000	145,000
6909 OBMP - Other Expense	0	0	0	0	0	0
6909.1 OBMP Meetings	7,264	1,421	0	0	0	0
6909.3 OBMP Other Expenses	2,841	0	0	0	0	0

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	FY 09-10 June Actual	FY 10-11 December Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Proposed Budget	Proposed vs. Amended
6909.4 OBMP Other Expenses - Other	1,770	1,560	0	0	0	0
6909.5 Ad Hoc Litigation Committee	0	22	0	0	0	0
6909 OBMP - Other Expense	0	64,525	20,000	102,800	25,000	(77,800)
Total 6900 Optimum Basin Mgmt Program	1,559,618	745,145	1,197,734	1,556,534	1,313,124	(243,410)
Total 6950 Cooperative Efforts	9,000	0	10,000	10,000	10,000	0
9501 Allocated G&A Expenditures	141,999	52,841	142,656	142,656	140,795	(1,861)
Total General OBMP Expenses	1,710,617	797,986	1,350,390	1,709,190	1,463,919	(245,271)

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

7101 Production Monitoring	103,749	46,404	102,069	102,069	106,619	4,550
7101.1 Production Monitoring - WM Staff	0	0	0	0	0	0
7101.2 Production Monitoring - Temporary Services	478	0	1,400	0	0	0
7101.3 Production Monitoring - Engineering Services	750	375	750	750	750	0
7101.4 Production Monitoring - Computer Services	104,977	46,779	104,219	102,819	107,369	4,550
Total 7101 Production Monitoring	103,749	46,404	102,069	102,069	106,619	4,550
7102 In-Line Meter Installation/Maintenance	5,626	1,196	10,679	10,679	10,832	153
7102.1 In-Line Meter - WM Staff	6,425	0	8,000	8,000	8,000	0
7102.5 In-Line Meter - Computer	10,599	1,406	8,000	8,000	8,000	0
7102.7 In-Line Meter - In-Line Meters	26,006	5,200	40,000	40,000	40,000	0
7102.8 In-Line Meter - Calibration & Testing	48,657	7,802	66,679	66,679	66,832	153
Total 7102 In-Line Meter Installation/Maintenance	5,626	1,196	10,679	10,679	10,832	153

7103 Groundwater Quality Monitoring	24,736	44,622	76,355	76,355	81,203	4,848
7103.1 Grdwtr Quality - WM Staff	109,759	27,847	87,008	87,008	80,507	(6,501)
7103.3 Grdwtr Quality - Engineering Services	0	675	0	0	2,125	2,125
7103.4 Grdwtr Quality - Contract Services	25,873	30,175	36,883	36,883	36,883	0
7103.5 Grdwtr Quality - Laboratory Services	229	6,035	2,000	2,000	3,500	1,500
7103.6 Grdwtr Quality - Supplies	750	375	750	750	750	0
7103.7 Grdwtr Quality - Computer Services	161,349	109,729	202,996	202,996	204,968	1,972
Total 7103 Groundwater Quality Monitoring	24,736	44,622	76,355	76,355	81,203	4,848

7104 Groundwater Level Monitoring	103,192	42,571	90,713	90,713	93,803	3,090
7104.1 Grdwtr Level - WM Staff	239,229	53,888	206,144	157,144	151,144	(6,000)
7104.3 Grdwtr Level - Engineering Services	0	0	1,000	1,000	500	(500)
7104.4 Grdwtr Level - Contract Services (CBWM Staff)						

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	FY 09-10 June Actual	FY 10-11 December Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Proposed Budget	Proposed vs. Amended
7104.6 Grdwtr Level - Supplies	908	332	2,500	2,500	1,000	(1,500)
7104.7 Grdwtr Level - Capital Equipment (CBWM Staff)	19,923	0	12,000	12,000	10,000	(2,000)
7104.8 Grdwtr Level - Contract Services	0	2,075	10,000	10,000	10,000	0
7104.9 Grdwtr Level - Capital Equipment	0	4,633	13,925	13,925	13,925	0
Total 7104 Groundwater Level Monitoring	363,253	103,499	336,282	287,282	280,372	(6,910)
7105 Recharge Basin Water Quality Monitoring						
7105.1 Recharge Basin Water Quality - WM Staff	2,587	771	2,780	2,780	3,009	229
7105.4 Recharge Basin Water Quality - Laboratory Services	1,092	0	1,000	1,000	500	(500)
7105.6 Recharge Basin Water Quality - Supplies	0	0	500	500	100	(400)
Total 7105 Recharge Basin Water Quality Monitoring	3,679	771	4,280	4,280	3,609	(671)
7107 Ground Level Monitoring						
7107.1 Ground Level - WM Staff	55	4,376	1,421	1,421	1,566	145
7107.2 Ground Level - Engineering Services	176,916	115,097	336,538	178,538	166,435	(12,103)
7107.3 Ground Level - Synthetic Aperture Radar	95,000	12,400	95,000	95,000	120,000	25,000
7107.5 Ground Level - Laboratory Services	0	76,747	0	0	0	0
7107.6 Ground Level - Contract Services	82,041	0	351,393	351,393	224,735	(126,658)
7107.8 Ground Level - Capital Equipment	0	9,329	31,268	31,268	25,762	(5,506)
7107.9 Ground Level - Supplies	970	0	0	0	0	0
Total 7107 Ground Level Monitoring	354,982	217,950	815,620	657,620	538,498	(119,122)
7108 Hydraulic Control Monitoring						
7108.1 Hydraulic Control Monitoring - WM Staff	6,746	1,993	6,829	6,829	7,302	473
7108.2 Hydraulic Control Monitoring - Temporary Services	0	0	0	0	0	0
7108.3 Hydraulic Control Monitoring - Engineering Services	319,838	55,689	311,322	280,322	185,656	(44,666)
7108.4 Hydraulic Control Monitoring - Laboratory Services	163,939	70,683	170,849	170,849	170,849	0
7108.6 Hydraulic Control Monitoring - Supplies	0	0	0	0	0	0
7108.9 Hydraulic Control Monitoring - Contract Services	10,339	4,676	4,700	4,700	2,000	(2,700)
Total 7108 Hydraulic Control Monitoring	500,863	133,021	493,700	412,700	365,807	(46,893)
7109 Recharge & Well Monitoring						
7109.3 Recharge & Well Monitoring - Engineering Services	9,113	7,124	8,440	9,440	11,160	1,720
7109.4 Recharge & Well Monitoring - Laboratory Services	0	0	0	0	0	0
Total 7109 Recharge & Well Monitoring	9,113	7,124	8,440	9,440	11,160	1,720
7200 OBMP Pgm Element 2 - Comp Recharge						
7201 Comp Recharge - WM Staff	107,431	51,870	115,702	115,702	125,996	10,294
7202 Comp Recharge - Engineering Services - Other	165,529	7,496	0	0	0	0
7202.1 Comp Recharge - Temp Services	0	0	0	0	0	0
7202.2 Comp Recharge - Engineering Services	604,600	0	10,320	0	10,320	10,320

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	FY 09-10 June Actual	FY 10-11 December Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Proposed Budget	Proposed vs. Amended
7202.3 Comp Recharge - Implementation	0	0	150,000	95,320	170,000	74,680
7203 Comp Recharge - Contract Services	0	0	0	0	0	0
7204 Comp Recharge - Supplies	561	31	10,000	10,000	2,000	(8,000)
7205 Comp Recharge - Other Expenses	0	8,696	5,000	5,000	5,000	0
7206 Comp Recharge - Basin Program O&M	652,487	344,685	720,000	720,000	722,628	2,628
7207 Comp Recharge - Other	0	0	0	0	245,750	245,750
7208 Hansen Aggregate Damages	0	0	0	0	0	0
Total 7200 OBMP Pgm Element 2 - Comp Recharge	1,530,608	412,778	1,011,022	946,022	1,281,694	335,672

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

7301 OBMP - WM Staff	20,602	25,681	34,271	34,271	37,585	3,314
7303 OBMP - Engineering Services	48,532	41,802	47,840	91,840	47,840	(44,000)
7304 OBMP - Contract Services	0	0	0	0	0	0
7305 OBMP - Supplies	103	5,881	8,000	8,000	8,000	0
7306 OBMP - Other Expense	2,561	0	0	0	0	0
Total 7300 OBMP Pgm Element 3 & 5 - Water Supply Plan	71,798	73,364	90,111	134,111	93,425	(40,686)

95

7400 OBMP Pgm Element 4 - Mgmt Zone Strategies

7401 OBMP - WM Staff	8,377	2,603	11,465	11,465	12,333	868
7402 OBMP - Engineering Services	80,575	8,412	69,410	69,410	45,732	(23,678)
7403 OBMP - Contract Services	0	0	10,000	10,000	10,000	0
7404 OBMP - Supplies	140	21	0	0	0	0
7405 OBMP - Other Expenses	1,152	1,021	1,080	1,980	2,100	1,020
Total 7400 OBMP Pgm Element 4 - Mgmt Zone Strategies	90,244	12,057	91,955	91,955	70,165	(21,790)

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

7501 OBMP - WM Staff	1,194	0	2,780	2,780	3,009	229
7502 OBMP - Engineering Services	162,294	43,941	113,400	101,400	20,000	(81,400)
7503 OBMP - Contract Services	0	0	12,000	12,000	0	(12,000)
7505 OBMP - Other Expenses	0	0	18,000	0	0	0
Total 7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt	163,488	43,941	146,180	116,180	23,009	(93,171)

7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use

7601 OBMP - WM Staff	26,702	18,692	44,900	44,900	45,266	366
7602 OBMP - Engineering Services	2,138	0	19,000	0	0	0
7604 OBMP - Supplies	498	68	350	350	350	0
7605 OBMP - Other Expenses	0	0	0	0	0	0
Total 7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use	29,338	18,760	64,250	45,250	45,616	366

7700 Inactive Well Protection Program

7701 Inactive Well Protection Program - WM Staff	0	0	412	412	432	20
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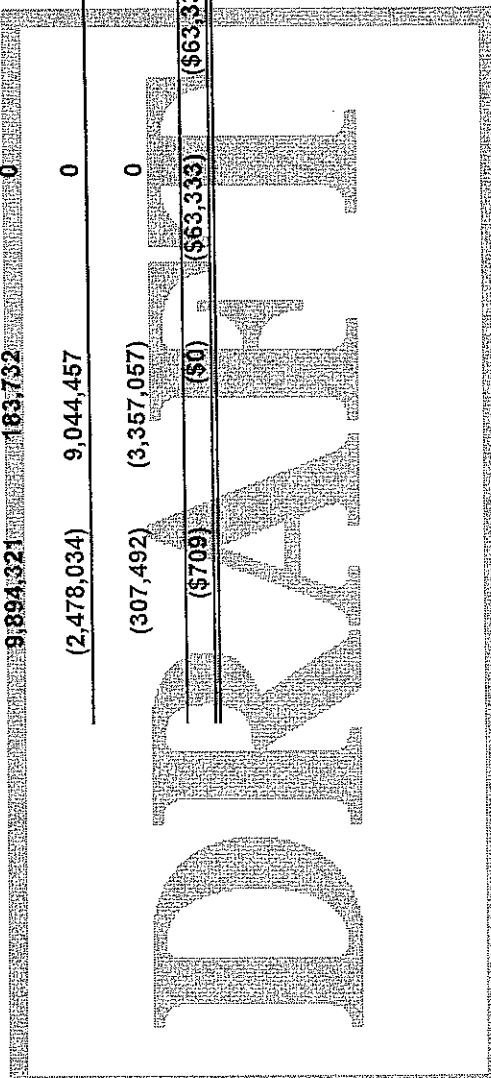
**CHINO BASIN WATERMASTER
DETAIL BUDGET FY 2011-2012**

	FY 09-10 June Actual	FY 10-11 December Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Proposed Budget	Proposed vs. Amended
7703 Inactive Well Protection Program - Contract Services	0	0	1,000	1,000	1,000	0
Total 7700 Inactive Well Protection Program	0	0	1,412	1,412	1,432	20
7690 Recharge Improvement Debt Payment	890,006	637,198	700,964	700,964	450,964	(250,000)
9502 Allocated G&A Expenditures	294,429	158,647	345,473	345,473	353,645	8,172
Total OBMP Implementation Projects	4,616,783	1,983,419	4,483,583	4,125,183	3,898,565	(226,618)
Total General OBMP & Implementation Projects	6,327,400	2,781,404	5,833,973	5,834,373	5,362,484	(471,889)
Total Expenses	7,251,828	3,276,042	6,894,823	6,894,823	6,250,583	(644,240)
Net Ordinary Income	306,784	3,357,057	(63,333)	(63,333)	(215,000)	(151,667)
Other Income						
4225 Interest Income	34,990	4,632	0	0	0	0
4225 Interest Income	34,990	4,632	0	0	0	0
Total 4225 Interest Income						
Water Replenishment Assessments						
4210 Approp Pool-Replenishment	560,954	227,550	0	0	0	0
4211 15% Gross Assessments	3,178,738	1,289,450	0	0	0	0
4212 85% Net Assessments	592,787	904,561	0	0	0	0
4213 100% Net Assessments	0	0	0	0	0	0
4214 Prior Year Adjustment	554,886	0	0	0	0	0
4215 Prior Year Carryover	0	1,172,897	0	0	0	0
4216 CURO Adjustment	4,887,364	3,594,458	0	0	0	0
Total 4210 Approp Pool-Replenishment						
4220 Non-Ag Pool-Replenishment						
4223 Net Replenishment	9,478	24,518	0	0	0	0
4224 CURO Adjustment	0	3,028	0	0	0	0
Total 4220 Non-Ag Pool-Replenishment	9,478	27,546	0	0	0	0
4600 Groundwater Sales						
4613 Stored Water Sales	2,176,962	2,244,496	0	0	0	0
Total 4600 Groundwater Sales	2,176,962	2,244,496	0	0	0	0
Total Other Income	7,108,795	5,871,132	0	0	0	0

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CHINO BASIN WATERMASTER
 DETAIL BUDGET FY 2011-2012

	FY 09-10 June Actual	FY 10-11 December Actual	FY 10-11 Approved Budget	FY 10-11 Amended Budget	FY 11-12 Proposed Budget	Proposed vs. Amended
Other Expense						
5010 Groundwater Recharge	0	0	0	0	0	0
5011.4 Replenishment Water	7,728,299	183,732	0	0	0	0
5011 Replenishment Water	0	0	0	0	0	0
5017 IEUA Surcharges	7,728,299	183,732	0	0	0	0
Total 5010 Groundwater Recharge	7,728,299	183,732	0	0	0	0
5105 Purchase of Non-Ag Pool Water	2,166,022	0	0	0	0	0
Total Other Expense	9,894,321	183,732	0	0	0	0
9900 To / (From) Reserves	(2,478,034)	9,044,457	0	0	0	0
Net Other Income	(307,492)	(3,357,057)	0	0	0	0
Net Income	(\$709)	(\$0)	(\$63,333)	(\$63,333)	(\$215,000)	(\$151,667)



**CHINO BASIN WATERMASTER
ACCOUNT NUMBER JUSTIFICATION
BUDGET FY 2011-2012**

Budget Account Number	Account Description	Comments and Information
ORDINARY INCOME/EXPENSE		
<u>4000 MUTUAL AGENCY REVENUE</u>		
4013	Local Agency Contr - OBMP	This account represents reimbursement funds from Hanson Aggregates for damage to Lower Day Basin. Annual payments of \$11,000 to start 07/01/09 and end on 07/01/11.
<u>4110 APPROPRIATIVE POOL ASSESSMENTS</u>		
4111	Administrative Assessment	Appropriative Pool Assessments equal the Pool's share of all General Administrative Expenses levied to the Appropriators on a per acre-foot basis levied based on the prior year's production.
4111.2	OBMP Assessment	Appropriative Pool Assessments equal the Pool's share of all Optimum Management costs levied to the Appropriators on a per acre-foot basis based on the prior year's production.
4111.3	Appropriative Pool - Special Assessment	Appropriative Pool Special Assessment for legal services or other expenses such as Basin Wide Objectives, Special Assessment levied to the Appropriators on a formula based upon 50% Operating Safe Yield and 50% Averaged Production and Exchanges, as approved by the Appropriative Pool.
4112	Agricultural Pool Reallocation-Administrative Assessment	The Appropriative Pool and the Overlaying Agricultural Pool agreed that the unproduced portion of Ag Pools annual share of safe yield (\$2,800 acre-feet) would be immediately reallocated to the Appropriative Pool members provided the Appropriative Pool would pay the Agricultural Pool's share of Administrative and Special Project expenses.
4113	Agricultural Pool Reallocation- OBMP Assessment	With separate assessments levied for General Administration and Optimum Basin Management Plan and Implementation Costs, the Agricultural Pool costs charged through the reallocation levy have been separated to differentiate between the revenues from the two levies.
4115	Recharge Improvement Revenue	This account covers funds required to pay the budgeted debt service payment and the operating and maintenance expenses.
4117	P/Y Adjustments	Consists of adjustments related to prior years, if any.
<u>4120 NON-AGRICULTURAL POOL ASSESSMENTS</u>		
4123	Administrative Assessment	Non-Agricultural Pool Assessments equal the Pool's share for all General Administrative Expenses levied to the Non-Agricultural Pool based on the prior year's Non-Agricultural Pool Assessment for legal services. Special Assessment levied to the Non-Agricultural Pool members based upon prior year's actual production.
4123.3	Non-Agricultural Pool - Special Assessment	Non-Agricultural Pool Assessment for legal services. Special Assessment levied to the Pool members based on the prior year's production.
4124	OBMP Assessment	Non-Agricultural Pool Assessments equal the Pool's share of all Optimum Basin Management costs levied to the Pool members based on the prior year's production.
4127	P/Y Adjustments	Made up of prior year Non-Agricultural Pool production adjustments, if any.
4710	Unrealized Gain/(Loss) on Investments	Interest is prorated between the pools and the Education Fund using formulae approved by the Advisory Committee and Pools several years ago. Budgeted interest
4127	P/Y Adjustments	Consists of adjustments related to prior years, if any.
<u>4730 PRORATED INTEREST INCOME</u>		
<u>6010 SALARY COSTS</u>		
6011	WM Staff Salaries & Payroll Burden	Expenses related to administrative staff hours and costs not related to a particular project.
6012	Payroll Salaries	Expenses related to processing of bi-weekly payroll and preparation of quarterly and annual tax returns, including calendar year-end W-2 processing.
6013	Human Resources Services	Expenses related to processing of flexible spending medical and dependent care accounts, along with personnel consulting services.
6016	New Employee Search Costs	Expenses related to hiring of new staff, (i.e. employment postings with Monster.com, CareerBuilder, local newspapers, etc.).
6017	Temporary Services	Expenses related to hiring temporary staff from an Employment Agency (i.e. special projects, maternity leaves, extended sick leaves, etc.).
6018	Fringe Benefits	Benefits paid to employees such as employer and employee portions of CalPERS retirement, Medicare payroll taxes, medical, dental, vision, vacation, sick leave, holidays, workers compensation insurance premiums, life insurance premiums, short and long term disability premiums, state unemployment insurance.
60199	Payroll Burden Allocated	Fringe benefits allocated to salary costs.

**CHINO BASIN WATERMASTER
ACCOUNT NUMBER JUSTIFICATION
BUDGET FY 2011-2012**

Budget Account Number	Account Description	Comments and Information
<u>6020 OFFICE BUILDING EXPENSE</u>		
6021	Office Lease	Lease for Watermaster office.
6022	Telephone	Telephone expense includes office telephone system, cellular phones for management and field staff along with conference call service.
6024	Building Repairs & Janitorial	This account covers monthly janitorial and housekeeping service, along with repairs and maintenance requests for the office.
6026	Security Services	After business hours and weekend building alarm monitoring services for the office building.
6027	Other Expense	Expenses to this category include office building improvements.
<u>6030 OFFICE SUPPLIES & EQUIPMENT</u>		
6031.1	Copy Paper	This budget item covers the cost of copy paper for the printers, copy machines, etc.
6031.7	Other Office Supplies	This budget item covers the cost of office supplies which includes: stationary, envelopes, checks and other miscellaneous office supplies.
6038	Other Office Equipment	This budget item covers the cost of office equipment not included in Other Office Supplies (6031.7) referenced above.
6039	Office Expense	This account covers the costs of items not covered under any of the above 6030 categories including file management consulting fees.
6141	Meeting Expenses	Expenses charged to this category include administrative meeting expenses, food, refreshments, etc.
6141.1	Meeting Supplies	Expenses charged to this category include administrative meeting supplies.
6141.3	Admin Meetings	Expenses charged to this category include administrative meeting expenses, conference calls, etc.
6147	Other Admin Expenses	This budget item covers the cost of administrative meeting expenses not included in other categories of 6141 listed above.
<u>6040 POSTAGE & PRINTING COSTS</u>		
6042	Postage	The postage account covers the cost of mailing or shipping all meeting notices and agendas; correspondence; Annual Reports; outgoing bills and payments, etc. Charges also include FedEx, United Parcel Service costs as well as US postage.
6043	Copy Machine Lease - Other	This account covers the cost of leasing copy machines as well as the costs for copies exceeding the minimum number per month/year as stipulated in the lease agreements.
6043.1	Ricoh Lease Fee	This account covers the cost of leasing the Ricoh copy machines from Imaging Plus.
6043.2	Ricoh Usage & Maintenance Fee	This account covers the usage charges (per page charge) and any maintenance fees for the Ricoh copy machines from Imaging Plus.
6044	Postage Meter Lease	Postage meter costs include the annual lease fees, quarterly resets, and postage meter ink cartridge replacements.
6045	Outside Printing	Printing jobs done by outside printers and include the Annual Report, blueprints, special area street maps, color prints and emergency printing when our in-house copiers are down for repairs, etc. Also includes printing of color brochures and annual financial statements.
<u>6050 INFORMATION SERVICES</u>		
6052	Computer Consultant Support Services	Watermaster uses IT consultants to maintain the computer network and workstations as well as to develop and maintain databases.
6052.1	Park Place Computer Solutions	Watermaster's IT consultant who maintains the computer network and workstations, ensuring proper backups and recommends system improvements.
6052.2	Applied Computer Technologies	Watermaster's database consultant who maintains the numerous databases.
6052.3	Website Consulting	Watermaster's website consultant who maintains, updates and ensures the website www.cbwm.org is operational and maintained with current information.
6053	Internet Services	Miscellaneous website maintenance costs & T-1 internet connections.
6054	Computer Software	Costs include new software, software upgrades and annual software licenses.
6055	Computer Hardware	Costs include new computer hardware, upgraded computer hardware, servers, printers, back up power supplies, monitors, etc.
6057	Computer Maintenance	Costs include the maintenance and repair of computer hardware, servers, printers, etc.

CHINO BASIN WATERMASTER ACCOUNT NUMBER JUSTIFICATION BUDGET FY 2011-2012

Budget Account Number	Account Description	Comments and Information
6060 WATERMASTER SPECIAL CONTRACT SERVICES		
6060	Contract Services - Other	Expense category used to capture the Watermaster consultants who develop and implement strategic plans, develop brochures, and design reports.
6061	Contract Services	Expense category used to capture the Watermaster special consultants who develop and implement special plans, projects and activities.
6061.1	Accounting Services	Expense category used to capture the Watermaster special consultants who specialize in Accounting related services.
6061.3	Rauch	Expense category used to capture the Watermaster consultant who specializes in the Annual Report creation, development and submission.
6061.4	Other Contract Services	Expense category used to capture the Watermaster consultants who develop and implement strategic plans, develop brochures, and design reports.
6062	Audit Services	Services provided by the audit firm to ensure compliance and field work related for the annual financial statement audit.
6063	Public Relations Consultant	Watermaster retains outside consultants on a per contract basis as our Public Relations Consultant, to keep us up to date regarding relevant legislative issues.
6064	Consultant Services/Water Auction	Watermaster retains outside consultants on a per contract basis as our representative in regards to the activities of the Water Auction.
6067	General Counsel	Watermaster's general counsel expenses related to personnel and non-project specific matters.
6080 INSURANCES		
6085	Business Insurance Package	All insurance policies are now included under Business Insurance Package, including auto & general liability.
6086	Position Bond Insurance	Insures key positions for risk of misappropriation and/or fraud.
6110 DUES & SUBSCRIPTIONS		
6111	Membership Dues	Watermaster memberships include: American Water Works Assoc Research Foundation, Association of California Water Agencies, Association of Ground Water Agencies, California Groundwater Coalition, American Groundwater Trust, Southern California Water Committee, Water Education Foundation and the Groundwater Resources Association.
6112	Subscriptions	Watermaster subscribes to several trade journals and the local newspaper.
6150 FIELD SUPPLIES & EQUIPMENT		
6151	Small Tools & Equipment	Small tools and equipment includes any tool which might be required while working in the field.
6154	Uniforms	T-shirts, polo shirts, hats and jackets are provided to staff with Watermaster's logo to wear while in the field and while representing Watermaster. This line item also includes work boots for the field staff.
6170 TRAVEL & TRANSPORTATION		
6170	Travel & Transportation	Travel and transportation costs related to Watermaster business, not related to conferences and seminars.
6171.1	CEO Vehicle Allowance	Employment agreement provides the Chief Executive Officer a vehicle allowance of \$750 per month. For FY 2011/2012, the vehicle allowance is included as part of the overall CEO's salary.
6171.2	Watermaster Mgmt. Staff Vehicle Allowance	Employment agreement provides the Watermaster management staff receive \$400 per month.
6173	Mileage Reimbursements	Reimbursements paid to Watermaster employees for use of personal vehicles for Watermaster business at the federally approved rate per mile.
6174	Public Transportation	Cost of tolls and transponders for Watermaster vehicles on the toll roads (Transportation Corridor Agency and 91 Express Lanes) in Orange County.
6175	Vehicle Fuel	Fuel expenses for Watermaster owned vehicles.
6177	Vehicle Repairs & Maintenance	Covers repairs and maintenance to Watermaster's vehicles.
6190 CONFERENCES & SEMINARS		
6191	Conferences & Seminars	Costs associated with staff attending conferences or seminars for information, training, or making presentations regarding the Chino Basin Watermaster activities.
6192	Training & Continuing Education	Attendance at training and continuing education for Watermaster staff.
6193.1	Strategic Planning Conference	Costs associated with the annual Strategic Planning Conference (site location fee, catering, supplies, brochures, etc.).
6193.2	Conference - Registration Fee	Registration fees for the Strategic Planning Conference.
6200 ADVISORY COMMITTEE EXPENSES		
6201	WM Staff Salaries	Salary and burden costs of WM staff in attending and preparing for Advisory Committee meetings.
6212	Meeting Expense	Advisory Committee meetings are normally scheduled to cover the lunch hour so that members are absent from their normal jobs the least amount of time possible. To accommodate the members, a luncheon and/or refreshments are served. Those related costs are reflected in this account.

**CHINO BASIN WATERMASTER
ACCOUNT NUMBER JUSTIFICATION
BUDGET FY 2011-2012**

Budget Account Number	Account Description	Comments and Information
6300 WATERMASTER BOARD EXPENSES		
6301	WM Staff Salaries	Salary and burden costs of WM staff in preparing for and attending Watermaster Board Meetings.
6311	Board Member Compensation	Board Members are entitled to, but may waive, compensation for each day of service. Those who have not waived, receive \$125 per day served at various meetings including Board meetings, Committee meetings and other water agency meetings, including conference calls.
6312	Meeting Expenses	Board and Committee meetings may be scheduled to cover the lunch hour so that attendees are absent from their normal jobs the least amount of time possible. If this occurs, a luncheon and/or refreshments are served. Those related costs are reflected in this account.
6313	Board Member's Expenses	Board Members are entitled to receive reimbursement for expenses incurred on behalf of Watermaster business. Upon request, mileage is reimbursed to any Board Member using a personal vehicle for Watermaster business.
6500 EDUCATION FUND EXPENDITURES		This account disburses funds from the educational account as directed.
8300 APPROPRIATIVE POOL ADMINISTRATION AND SPECIAL PROJECTS		
8301	WM Staff Salaries	Salary and burden costs of WM staff in attending and preparing for Pool Meetings, and any other Appropriate Pool administrative activity.
8312	Meeting Expenses	This item covers meeting expenses, including the cost of refreshments.
8367	Legal Services	This item covers the legal services for the Appropriate Pool legal counsel.
8400 AGRICULTURAL POOL ADMINISTRATION AND SPECIAL PROJECTS		
8401	WM Staff Salaries	Salary and burden costs of WM staff in attending and preparing for Pool Meetings, along with any other Agricultural Pool administrative activity.
8411	Compensation - AG Pool Members	Ag Pool Members are reimbursed \$125 for each Pool, Committee or Board Meeting attended. \$25 of the \$125 is coded to this category with the additional \$100 coded to account #8470.
8412	Meeting Expenses	This account covers meeting expenses, including the cost of refreshments.
8456	IEUA Readiness To Serve	Inland Empire Utilities Agency implemented a 'Readiness To Serve' charge against Watermaster for future provision of service to the land in the Agricultural preserve.
8467	Agricultural Pool Legal Services	The Agricultural Pool retains its own legal council to represent them in all Watermaster matters.
8467.1	Frank B & Associates	The Agricultural Pool has contracted with a water management consultant to assist them in following Watermaster activities important to the Agricultural Pool.
8470	Ag Pool Meeting Special Compensation	See account #8471 for details of this line item.
8471	Ag Pool Special Projects	This item covers any special projects that the Agricultural Pool approves funds to be expended towards.
8500 NON-AGRICULTURAL POOL ADMINISTRATION AND SPECIAL PROJECTS		
8501	WM Staff Salaries	Salary and burden costs of WM staff in attending and preparing for Pool Meetings, along with any other Non-Agricultural Pool administrative activity.
8512	Meeting Expense	This item covers meeting expenses, including the cost of refreshments.
8567	Non-Ag Legal Service	The Non-Agricultural Pool retains its own legal council to represent them in all Watermaster matters.
9500 ALLOCATED G&A EXPENDITURES		Administrative overhead that is allocated to O&M and Project jobs as a percentage of total Watermaster salaries.

CHINO BASIN WATERMASTER ACCOUNT NUMBER JUSTIFICATION BUDGET FY 2011-2012

Budget Account Number	Account Description	Comments and Information
6900	<u>OPTIMUM BASIN MANAGEMENT PROGRAM</u>	
6900	OPTIMUM BASIN MANAGEMENT PROGRAM - GENERAL ENGINEERING	This work includes general engineering services requested by Watermaster to support implementation of the OBMP. The current budget request includes general, non-project specific as well as ad hoc requests for services and data requests promoting the ongoing efforts to implement the OBMP. Items include all aspects of preparing reports as required by the OBMP including the State of the Basin Report and the conditions subsequent pursuant to Judge Gunn's December 21, 2007 court order approving Peace II.
6901	OBMP - WM Staff	Salary and burden costs of WM staff in performance of OBMP activities and projects.
6903	OBMP - SAWPA Group	Basin Monitoring Plan TaskForce with SAWPA
6906	OBMP - Engineering	Costs associated with the OBMP project by Wildermuth Environmental, Inc.
6906.1	OBMP - Watermaster Model Update	Costs associated with updating the OBMP model by Wildermuth Environmental, Inc.
6906.2	OBMP - Basin Wide Objectives	Expense category to capture basin wide objectives as determined by the Appropriative Pool and other committees.
6907.3	WM Legal Counsel	Watermaster legal counsel expenses for the three Pools, the Advisory Committee and the Board meetings, projects, activities, etc.
6907.30	Peace II - CEQA	Watermaster legal expenses related to the Peace II - CEQA.
6907.31	S. Archibald Plume - Formerly OIA	Watermaster legal expenses related to the S. Archibald Plume, formerly known as the Ontario Airport Plume.
6907.32	Chino Airport Plume	Watermaster legal expenses related to the Chino Airport Plume.
6907.33	Desalter Negotiations	Watermaster legal expenses related to the Desalter Negotiations.
6907.34	Santa Ana River Water Rights	Watermaster legal expenses related to the Santa Ana River Water Rights.
6907.35	Paragraph 31 Motion	Watermaster legal expenses related to the Paragraph 31 Motion and Appeal.
6907.36	Santa Ana River Habitat	Watermaster legal expenses related to the Santa Ana River Habitat.
6907.37	Water Auction	Watermaster legal expenses related to the Water Auction.
6907.38	Regional Water Quality Control Board	Watermaster legal expenses related to the Regional Water Quality Control Board.
6907.39	Recharge Master Plan	Watermaster legal expenses related to the Recharge Master Plan.
6907.4	WM Legal Counsel - Contingency	Watermaster legal expense contingency. Can only be allocated to the current fiscal year budget by submitting a budget transfer request through the three Pools, the Advisory Committee and the Board for approval.
6909	OBMP - Other Expenses	Expense category to capture other expenses related to the OBMP project (i.e. Regional Board fine and additional costs related to the water softener exchange program through IEUA).
6950	<u>COOPERATIVE EFFORTS</u>	
9501	ALLOCATED G&A EXPENDITURES	On an ad hoc basis, Watermaster and other agencies agree to share the costs of various projects that will benefit both parties. Administrative overhead that is allocated to OBMP and Project jobs as a percentage of total Watermaster salaries.
7000	<u>OPTIMUM BASIN MANAGEMENT PROGRAM IMPLEMENTATION PROJECTS</u>	
7101.1	PRODUCTION MONITORING	Watermaster staff collects and processes production information for the approximately 580 wells within the Basin, including approximately 200 Appropriator wells, 16 Non-Ag wells, and approximately 370 private wells. Watermaster staff read the meters for the private wells, while the Appropriators and Non-Ag parties report their meter readings to Watermaster. The data is inputted into a production database that is updated quarterly, and is used at the end of the fiscal year to provide essential data for the Assessment Package.
7101.2		
7101.3		
7101.4	Production Monitoring - Computer Services	Computer services are for the subscription for parcel lot information (split 50/50 with account 7103 - Groundwater Quality Monitoring).
7102.1	IN-LINE METER INSTALLATION	Approximately 270 in-line flow meters are now installed on the previously unmetered private wells. Approximately half of all Ag and Non-Ag meters must be calibrated each year and other maintenance and repairs are required. Each calibration is expected to cost \$200. Approximately 12 broken meters are expected to be replaced this fiscal year, as these wells are expected to remain for at least another 12 months.
7102.5		
7102.7		
7102.8		

**CHINO BASIN WATERMASTER
ACCOUNT NUMBER JUSTIFICATION
BUDGET FY 2011-2012**

Budget Account Number	Account Description	Comments and Information
7103.1	GROUNDWATER QUALITY MONITORING	
7103.3		Pursuant to the OBMP & Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater quality monitoring program. Previously, Watermaster annually collected water quality data from approximately 200 private wells and obtained other water quality data from other cooperators so that approximately one-third of the active wells were sampled every third year. Other cooperators include members of the appropriate and overlying non-agricultural pools, the Regional Water Quality Control Board, the Department of Toxic Substances Control, the United States Geological Survey, the Orange County Water District and others. The key well monitoring program has now been implemented. Approximately 125 wells are included within the water quality key well program, with approximately 60 wells being sampled and analyzed each year. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use. The ad hoc Water Quality Committee oversees the surface water and groundwater quality programs to ensure that necessary data are collected to effectively manage the Basin.
7103.4	Groundwater Quality Monitoring - Contract Services	Contract services for this category include pumping of monitoring wells, the installation of access spigots on wells as necessary, and highway signs.
7103.6	Groundwater Quality Monitoring - Supplies	Required supplies for this line item include sampling equipment such as piping and valving, and well as the rental of equipment for monitoring well testing.
7103.7	Groundwater Quality Monitoring - Computer Services	Computer services are for the subscription for parcel lot information (split 50/50 with account 7101 - Production Monitoring).
7104.1	GROUNDWATER LEVEL MONITORING	
7104.3	PROJECT	Pursuant to the OBMP and Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater-level monitoring program. The key well monitoring program has now been implemented. For the key well program, about 75 wells are measured monthly, about 70 wells are measured by transducers, about 210 wells are measured by municipal well owners (which are collected by Watermaster staff) and about 100 wells are measured by cooperators. Cooperators include members of the appropriate and overlying non-ag pools, RWQCB, DTSC, USGS, OCWD, and others. All data is checked for reasonableness with regard to historical data at the well, converted from depth-to-water to groundwater-level elevation, and compiled into a centralized database. The majority of this effort is concentrated in the southern half of the basin to support Desalter/HCMP monitoring programs. This data is analyzed in time series charts and maps annually to support the annual HCMP report and the semi-annual State of the Basin Report.
7104.5	Groundwater Level Monitoring - Supplies	Required supplies for this category include sounder, replacement lines, rubber gloves, distilled water, and fittings for installing transducers.
7104.7	Groundwater Level Monitoring - Capital Equipment	Capital equipment for this category include transducers and transducer download cables purchased by Watermaster staff.
7104.4	Groundwater Level Monitoring - Contract Services	Contract services for this category include the construction of aluminum covers for transducers (not otherwise enclosed in structures) and ground-level surveys of well reference points.
7104.9	Groundwater Level Monitoring - Capital Equipment	Capital equipment purchased by the Wildermuth Environmental, Inc. staff.
7105.1	BASIN WATER QUALITY MONITORING	
7105.4		Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the surface water quality monitoring program. Work in this line item previously included measuring water quality at recharge and flood retention basins within the Chino Basin. This was typically done during the rainy season only; approximately 3-4 samplings per basin per year. Enough data has now been collected and catalogued for this activity and only minor amounts of money are now budgeted for use on an as-needed basis.
7105.6	Basin Water Quality Monitoring - Supplies	Required supplies for this line item include rubber gloves, sample bags, tools, and field lab equipment.
7107.1	GROUND LEVEL MONITORING	
7107.2		Pursuant to the OBMP and Peace Agreement, Program Element 1 also includes the development and implementation of a ground-level monitoring and testing program. Watermaster is interested in determining how much, if any, subsidence has occurred in the Basin and in monitoring the effectiveness of the OBMP in minimizing it. Data is collected from a network of ground elevation stations (surveys), from a multi-piezometer and from a dual borehole extensometer in the subsidence-prone area (mainly Management Zone 1). Satellite imagery (INSAR) will also be collected and analyzed for subsidence. Watermaster is implementing these efforts as part of the MZ1 Subsidence Management Plan.
7107.5		A pump test at a well owned by the City of Chino Hills will be performed, as well as installation of a new cable extensometer and a survey in the CCWF area.
7107.6		Capital equipment purchased by the Wildermuth Environmental, Inc. staff.
7107.8	Ground Level Monitoring - Capital Equipment	
7107.9	Ground Level Monitoring - Supplies	Miscellaneous supplies for this line item.

**CHINO BASIN WATERMASTER
ACCOUNT NUMBER JUSTIFICATION
BUDGET FY 2011-2012**

Budget Account Number	Account Description	Comments and Information
7108.1	HYDRAULIC CONTROL MONITORING PROGRAM	As part of the Basin Plan, a monitoring plan to evaluate the state of hydraulic control in the southern end of the basin has been developed. Hydraulic control will be used to maximize the safe yield of the basin. Watermaster, OCWD and the Regional Board have developed a monitoring plan to assess the state of hydraulic control to provide information to Watermaster to manage future production and recharge. Samples are collected from stations along the SAR every other-week for water quality analyses. Stream flow measurements are also collected from stations along the SAR. Four near-river wells are monitored monthly and 21 HCMP SAR wells are monitored annually. Water discharge and quality data area collected from all POTWS and other non-tributary dischargers between the Riverside Narrows and below Prado dam. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use.
7108.2		
7108.3		
7108.4		
7108.6		
7108.9		
7109.3	RECHARGE AND WELL MONITORING PROGRAM	A 2011 aerial photograph of the Chino Basin will also be purchased.
7109.4		Engineering services to review quarterly and annual reports for Chino Basin Recycled Water Groundwater Recharge Program.
7201	OBMP PROGRAM ELEMENT 2 -- COMPREHENSIVE RECHARGE PROGRAM	This budget category includes the start of the Recharge Master Plan implementation, GRCC participation and recharge basin O&M (a shared cost with IEUA).
7202		
7202.1		
7202.2		
7202.3		
7203		
7204		
7205		
7206	OBMP Program Element 2 - Basin Program	Basin O&M charges direct from IEUA.
7207	OBMP Program Element 2 - Recharge - Other	San Severino channel repair - cost sharing agreement with San Bernardino County Flood Control District and Inland Empire Utilities Agency
7301	OBMP PROGRAM ELEMENTS 3 & 5 - WATER SUPPLY PLAN - DESALTER	The expenses in this budget line item includes engineering services for the technical review of non-Watermaster consultant work products for consistency with OBMP, Basin Plan and other Watermaster interests. Work in this category also includes the design support for the proposed Chino Creek Desalter well field.
7303		
7304		
7305		
7306		
7401	OBMP PROGRAM ELEMENT 4 - MANAGEMENT ZONE MANAGEMENT STRATEGIES	Pursuant to the OBMP and Peace Agreement, Watermaster has developed a long-term management plan for MZ1. Watermaster and the Court approved the MZ1 Subsidence Management Plan in 2007. Watermaster began implementing the MZ1 Subsidence Management Plan in FY 2008-2009 and continued in years thereafter, adapting the plan as new data and understanding dictates. Data collected and analyzed will be presented and discussed at the Subsidence Technical Group meetings.
7402		
7403		
7404		
7405		
7501	OBMP PROGRAM ELEMENTS 6 & 7 - COOPERATIVE EFFORTS AND SALT MANAGEMENT	Pursuant to the OBMP and Peace Agreement, Watermaster will complete specific activities to improve water quality monitoring and analyze the effectiveness of the OBMP to accomplish its goals. The work in this line item includes coordinating the Water Quality committee activities, coordinating with RWQCB and DTSC on several groundwater plumes - including VOC plumes potentially emanating from the South Archibald Plume (formerly OIA) and the Chino Airport, and the Stringfellow perchlorate plume, which has now reached the Santa Ana River, the Basin Monitoring Task Force pursuant to Watermaster's Maximum Benefit obligation, and participating in the TMDL process for Santa Ana River, Chino and Mill Creeks.
7502		
7503		
7505		
7509		This budget category includes laboratory costs for split-sample analyses with ABGL of the South Archibald Plume.
7601	OBMP PROGRAM ELEMENTS 8 & 9 - STORAGE MANAGEMENT AND CONJUNCTIVE USE PROGRAMS	This budget category includes Watermaster's effort to expand the existing DYY Program and to develop new groundwater storage programs.
7602		
7604		
7701	INACTIVE WELL PROTECTION PROGRAM	Pursuant to the OBMP and Peace Agreement, Watermaster is responsible for inactive wells that have not been properly abandoned. Watermaster equips inactive wells with devices that meet the requirement of well abandonment to protect the integrity of the groundwater. These devices also allow for access to the well for monitoring purposes, if necessary. This fiscal year, approximately two or three inactive wells will need to be equipped with such devices.
7703		
7890	RECHARGE IMPROVEMENT DEBT PAYMENT	Repayment of debt as agreed to in contract with Inland Empire Utilities Agency for improvement of recharge basins within the Chino Basin. This expense is to be paid by the Appropriators.
9502	ALLOCATED G&A EXPENDITURES	Administrative overhead that is allocated to OBMP and Project jobs as a percentage of total Watermaster salaries.

**CHINO BASIN WATERMASTER
ACCOUNT NUMBER JUSTIFICATION
BUDGET FY 2011-2012**

Budget Account
Account Description
Number

Comments and Information

SUPPLEMENTAL & REPLENISHMENT WATER INCOME AND EXPENSES

Water rights were assigned in the Judgment entered in 1978. It established the terms and conditions regarding replenishment water and how the assessments would be levied to cover the water for each pool. No amounts are budgeted in this category as Watermaster is unable to determine what the overproduction will be at year, if any. Replenishment water is a "pass-thru" expense meaning all amounts overproduced by an agency are billed to them at the rate Watermaster pays for the cost of the water, plus fees.

Certain Appropriators under the Judgment have 15% of the cost of replenishment water required by their group and 85% of the cost is paid by the appropriator overproducing water in the prior year. Other Appropriators have the obligation to pay 100% of the costs of replacing any overproduced water.

Costs levied against the 15%/85% group for replacing water.

Costs levied against the 15%/85% group for replacing water.

Costs levied against those subject to 100% assessments for replacing water.

Cumulative Unmet Replenishment Obligation (CURO).

~~Non-Agricultural (primarily industrial producers) are required to replace any water produced which exceeds their assigned water rights.~~

Sale of stored Non-Ag water to the Appropriators.

Costs of Replenishment or Supplemental Water.

This budget line covers the costs of purchasing replenishment water from MWD.

Inland Empire Utilities Agencies charges a fee for water delivered.

4210 App Pool Replenishment Assessments

4211 15% Gross Assessments

4212 85% Gross Assessments

4213 100% Net Assessments

4216 CURO Adjustment

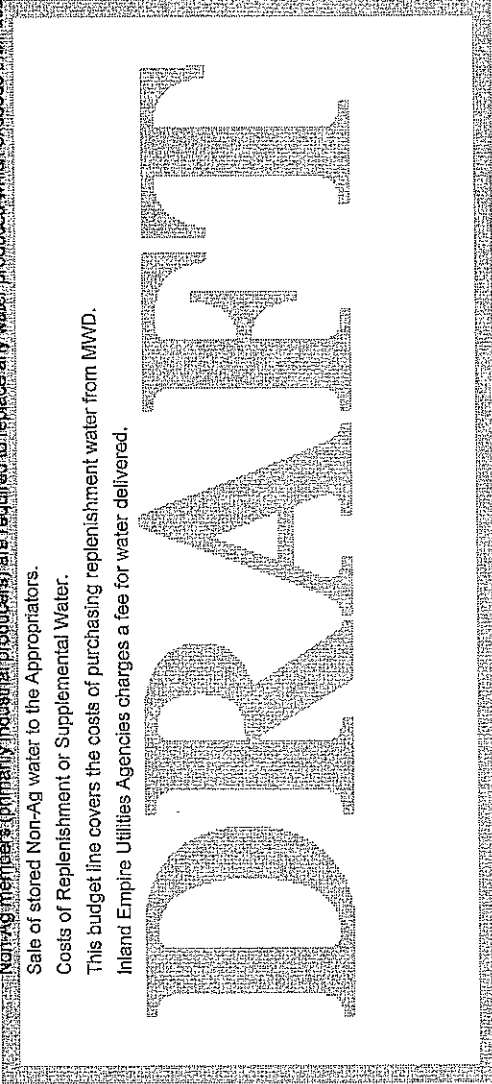
4220 Non-Ag Pool Replenishment

4613 Stored Water Sales

5010 Groundwater Recharge

5011 Replenishment Water

5017 IEUA Surcharges



**CHINO BASIN WATERMASTER
ASSESSMENT CALCULATION
FISCAL YEAR 2011-2012
INCLUDES "30% OPERATING RESERVES" AND "FUNDS ON HAND UTILIZED FOR ASSESSMENTS"**

PRODUCTION BASIS	FY ASSESSMENT		APPROPRIATIVE POOL		AGRICULTURAL POOL		NON-AG POOL	
	2009-2010 BUDGET	2010-2011 BUDGET						
2009-10 Production & Exchanges in Acre-Feet (Actuals)	114,495.915	78,733.238	68.765%	31,854.766	27.822%	3,907.911	3.413%	
2010-11 Production & Exchanges in Acre-Feet (Projected Estimate)	106,929.500	72,029.500	67.362%	31,000.000	28.991%	3,900.000	3.647%	
BUDGET								
Administration, Advisory Committee & Watermaster Board (1)	\$847,518	\$813,099		\$23,726		\$29,656		
OBMP & Implementation Projects (1)	5,133,009	4,911,520		3,308,482		1,423,902		179,136
General Admin & OBMP Assessments	\$5,980,527	\$5,724,619		547,717		1,423,902		179,136
TOTAL BUDGET				235,726		29,656		
Less Budgeted Interest Income	(175,010)	(150,009)						
Contributions from Outside Agencies	(148,410)	(111,000)		(101,049)		(43,489)		(5,471)
CASH DEMAND				(74,771)		(32,180)		(4,048)
OPERATING RESERVE (Estimated)				3,132,662		1,348,233		169,617
Administrative (30%)	243,930	\$164,315						\$8,897
OBMP (30%)	1,473,456	992,545				427,171		53,741
Less: Funds On Hand Utilized for Assessments (2)	(1,917,386)	(1,917,386)		(183,451)		(476,917)		(9,933)
FUNDS REQUIRED TO BE ASSESSED				\$227,491		\$28,620		\$163,359
Proposed Assessments								
General Administration Assessments				\$7.34		\$41.89		\$7.34
Minimum Assessments				\$5.00		\$5.00		\$5.00
Prior Year Assessments (Actuals)								
A				\$7.40		\$42.01		\$7.40
B				\$7.40		\$42.01		\$7.40
A - B				(\$0.06)		(\$0.12)		(\$0.18)

(1) Total costs are allocated to Pools by actual production percentages. Does not include Recharge Debt Payment or Replenishment water purchases.
 (2) Cash on Hand is June 30 fund balance (estimated) less funds required for Agricultural Pool Reserves, carryover replenishment obligations, SB 22 funds and Education funds.

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CHINO BASIN WATERMASTER

I. BUSINESS ITEMS

F. NON-AG POOL FY 10-11 SPECIAL ASSESSMENT CORRECTION





CHINO BASIN WATERMASTER

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

DESI ALVAREZ
Chief Executive Officer

STAFF REPORT

DATE: May 5, 2011
TO: Non-Agricultural Pool Committee Members
SUBJECT: Adjustment to Non-Agricultural Pool Fiscal Year 2010/2011 Legal Fees Special Assessment

SUMMARY

Issue - The Non-Agricultural Pool requests that their Fiscal Year 2010/2011 Legal Fees Special Assessment be adjusted to use the formula described below.

Recommendation - Staff recommends approval of the request.

Financial Impact - None anticipated to Watermaster. Non-Agricultural Pool Parties are affected as detailed on the attached table.

BACKGROUND

The Non-Agricultural Pool held a workshop on Thursday April 21, 2011 after the Advisory Committee meeting. Members present for the workshop were Bob Bowcock, Chair, Vulcan Materials; Ken Jeske, Vice-Chair, CSI; Brian Geye, Auto Club Speedway; and Tom O'Neill, Ontario City Non-Ag. Members present unanimously made the following recommendation to the Pool for adoption with the Pool Budget:

For Fiscal Year 2010/2011 the Pool's \$150,000 special assessment for legal costs should be split as follows: \$50,000 for general Pool legal expenses assessed to Pool members per the Judgment (based on production) (same method as the entire \$150,000 was spread in the special assessment) and \$100,000 to be assessed according to potential benefit of the Paragraph 31 case (based on stored water amount as of June 30, 2007, after the Vulcan Transfer and Desalter Dedication). A table indicating \$100,000 of the special assessment, amended assessment and difference is attached, with the corrections to be credits or amounts due on the next annual assessment.

Actions:
May 5, 2011 Non-Agricultural Pool –

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**Non-Ag Pool Legal Expenses Special Assessment
Comparison of \$100,000 Based on Storage vrs. Production**

PRODUCER	Total Storage 6/30/2007	% of Storage	Based On Storage Only \$ 100,000.00	2008-2010 Actual Production	% of Production	Based On Production Only \$ 100,000.00	Difference Based On 100,000.00
Ameron Inc	1,764,485	4.59%	\$ 4,588.14	4,548	0.12%	\$ 116.38	\$ 4,471.76
Angelica Textile Service	-	0.00%	-	40,897	1.05%	\$ 1,046.52	\$ (1,046.52)
Aqua Capital Management	8,151,953	21.20%	\$ 21,197.31	-	0.00%	-	\$ 21,197.31
Auto Club Speedway	1,269,049	3.30%	\$ 3,299.87	495,942	12.69%	\$ 12,690.72	\$ (9,390.84)
California Steel Industries Inc	2,845,597	7.40%	\$ 7,399.33	1,059,223	27.10%	\$ 27,104.58	\$ (19,705.25)
CCG Ontario, Lic	-	0.00%	-	-	0.00%	-	-
General Electric Company	-	0.00%	-	8,615	0.22%	\$ 220.45	\$ (220.45)
Kaiser Ventures Inc	-	0.00%	-	-	0.00%	-	-
KCO, LLC / The Koll Company	-	0.00%	-	-	0.00%	-	-
Loving Savior Of The Hills	-	0.00%	-	-	0.00%	-	-
Ontario City Non-Ag	12,270,154	31.91%	\$ 31,905.76	1,682,150	43.04%	\$ 43,044.74	\$ (11,138.98)
Praxair Inc	4,016,933	10.45%	\$ 10,445.12	-	0.00%	-	\$ 10,445.12
RRI Energy West, Inc.	5,414,903	14.08%	\$ 14,080.23	(17,428)	-0.45%	\$ (445.97)	\$ 14,526.20
San Antonio Winery	-	0.00%	-	12,717	0.33%	\$ 325.42	\$ (325.42)
San Bernardino Cty (Chino Airport)	155,613	0.43%	\$ 430.64	146,522	3.75%	\$ 3,749.37	\$ (3,318.73)
Southern California Edison Company	191,311	0.50%	\$ 497.46	-	0.00%	-	\$ 497.46
Space Center Mira Loma Inc.	-	0.00%	-	93,707	2.40%	\$ 2,397.88	\$ (2,397.88)
Sunkist Growers Inc	-	0.00%	-	-	0.00%	-	-
Swan Lake Mobile Home Park	2,367,496	6.16%	\$ 6,156.14	380,711	9.74%	\$ 9,742.06	\$ (3,585.92)
Vulcan Materials Company	-	0.00%	-	0,307	0.01%	\$ 7.86	\$ (7.86)
West Venture Development	-	0.00%	-	-	0.00%	-	-
Totals	38,457,494	100.00%	\$ 100,000.00	3,907,911	100.00%	\$ 100,000.00	\$ 0.00

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CHINO BASIN WATERMASTER

I. BUSINESS ITEMS

- G. NON-AG POOL FY 11-12 SPECIAL ASSESSMENT





CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
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DESI ALVAREZ
Chief Executive Officer

STAFF REPORT

DATE: May 5, 2011
TO: Non-Agricultural Pool Committee Members
SUBJECT: Non-Agricultural Pool Fiscal Year 2011/2012 Legal Fees Special Assessment

SUMMARY

Issue - The Non-Agricultural Pool requests that its Parties be invoiced \$60,000 for a Fiscal Year 2011/2012 Legal Fees Special Assessment.

Recommendation - Staff recommends approval of the request.

Financial Impact - None anticipated to Watermaster. Non-Agricultural Pool Parties are affected as detailed below and on the attached table.

BACKGROUND

The Non-Agricultural Pool held a workshop on Thursday April 21, 2011 after the Advisory Committee meeting. Members present for the workshop were Bob Bowcock, Chair, Vulcan Materials; Ken Jeske, Vice-Chair, CSI; Brian Geye, Auto Club Speedway; and Tom O'Neill, Ontario City Non-Ag. Members present unanimously made the following recommendation to the Pool for adoption with the Pool Budget:

For Fiscal Year 2011/2012, the Pool's legal costs should be budgeted as follows: \$50,000 for general Pool legal expenses assessed to Pool members per the Judgment (based on production) and \$10,000 to be assessed according to potential benefit of the Paragraph 31 case (based on stored water amount as of June 30, 2007, after the Vulcan Transfer and Desalter Dedication). A table indicating the \$10,000 assessment amounts is attached. The allocation of the \$50,000 portion cannot be determined until the end of the fiscal year when all production has been reported.

Actions:
May 5, 2011 Non-Agricultural Pool –

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**Non-Ag Pool Legal Expenses Special Assessment
FY 2011/2012 \$10,000 Portion Based on Storage**

PRODUCER	Total Storage 6/30/2007	% of Storage	Allocation of Legal Expenses \$ 10,000.00
Ameron Inc	1,764.485	4.59%	\$ 458.81
Angelica Textile Service	-	0.00%	\$ -
Aqua Capital Management	8,151.953	21.20%	\$ 2,119.73
Auto Club Speedway	1,269.049	3.30%	\$ 329.99
California Steel Industries Inc	2,845.597	7.40%	\$ 739.93
CCG Ontario, Llc	-	0.00%	\$ -
General Electric Company	-	0.00%	\$ -
Kaiser Ventures Inc	-	0.00%	\$ -
KCO, LLC / The Koll Company	-	0.00%	\$ -
Loving Savior Of The Hills	-	0.00%	\$ -
Ontario City Non-Ag	12,270.154	31.91%	\$ 3,190.58
Praxair Inc	4,016.933	10.45%	\$ 1,044.51
RRI Energy West, Inc.	5,414.903	14.08%	\$ 1,408.02
San Antonio Winery	-	0.00%	\$ -
San Bernardino Cty (Chino Airport)	165.613	0.43%	\$ 43.06
Southern California Edison Company	191.311	0.50%	\$ 49.75
Space Center Mira Loma Inc.	-	0.00%	\$ -
Sunkist Growers Inc	-	0.00%	\$ -
Swan Lake Mobile Home Park	2,367.496	6.16%	\$ 615.61
Vulcan Materials Company	-	0.00%	\$ -
West Venture Development	-	0.00%	\$ -
Totals	38,457.494	100.00%	\$ 10,000.00

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CHINO BASIN WATERMASTER

III. 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	035341	1012 · Bank of America Gen'l Ckg	123.59
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	3,261.20
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	26.63
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	125.00
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	125.00
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	25.00
Bill	03/31/2011	1/04 Judgment Mtg		1/04/2011 Restated Judgment Meeting	8411 · Compensation	25.00
Bill	03/31/2011	1/24 Judgment Mtg		AG Pool Member Meeting Compensation	8470 · Ag Meeting Attend -Special	100.00
Bill	03/31/2011	1/24 Judgment Mtg		1/24/2011 Restated Judgment Meeting	8411 · Compensation	25.00
Bill	03/31/2011	2/01 Judgment Mtg		AG Pool Member Meeting Compensation	8470 · Ag Meeting Attend -Special	100.00
Bill	03/31/2011	2/01 Judgment Mtg		2/01/2011 Restated Judgment Meeting	8411 · Compensation	25.00
Bill	03/31/2011	2/08 Judgment Mtg		AG Pool Member Meeting Compensation	8470 · Ag Meeting Attend -Special	100.00
Bill	03/31/2011	2/08 Judgment Mtg		2/08/2011 Restated Judgment 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	2/10 Ag Pool Mtg		2/10/2011 Ag Pool Meeting	8411 · Compensation	25.00
Bill	03/31/2011	3/10 Ag Pool Mtg		AG Pool Member Meeting Compensation	8470 · Ag Meeting Attend -Special	100.00
Bill	03/31/2011	3/10 Ag Pool Mtg		3/10/2011 Ag Pool Meeting	8411 · Compensation	25.00
TOTAL						750.00
Bill Pmt -Check	04/08/2011	15001	DIRECTY	019447404	1012 · Bank of America Gen'l Ckg	86.99
Bill	03/31/2011	019447404		Monthly Service for 3/19/11-4/18/11	6031.7 · Other Office Supplies	86.99
TOTAL						86.99

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	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		AG Pool Member Meeting Compensation	8411 - Compensation	25.00
Bill	03/31/2011	3/10 Ag Pool Mtg		AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	3/10 Ag Pool Mtg		AG Pool Member Meeting Compensation	8411 - Compensation	25.00
Bill	03/31/2011	3/10 Ag Pool Mtg		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	1/13 Ag Pool Mtg		1/13/2011 Ag Pool Meeting	8411 - Compensation	25.00
Bill	03/31/2011	1/20 Advisory Comm		1/13/2011 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	1/24 Judgment Mtg		1/20/2011 Advisory Committee Meeting	8411 - Compensation	25.00
Bill	03/31/2011	2/01 Judgment Mtg		1/20/2011 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	2/08 Judgment Mtg		1/24/2011 Restated Judgment Meeting	8411 - Compensation	25.00
Bill	03/31/2011	2/01 Judgment Mtg		1/24/201 Restated Judgment Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	2/08 Judgment Mtg		2/01/2011 Restated Judgment Meeting	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	2/17 Advisory Comm		2/08/2011 Restated Judgment Meeting	8411 - Compensation	25.00
Bill	03/31/2011	2/24 Board Meeting		2/08/2011 Restated Judgment Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	3/10 Ag Pool Mtg		2/10/2011 Ag Pool Meeting	8411 - Compensation	25.00
Bill	03/31/2011	3/17 CEO Committee		2/10/2011 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	3/24 Board Meeting		2/17/2011 Advisory Committee Meeting	8411 - Compensation	25.00
Bill	03/31/2011	3/17 CEO Committee		2/17/2011 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011	3/24 Board Meeting		2/04/2011 Board Meeting	8411 - Compensation	25.00
Bill	03/31/2011	3/31 Bd Special CC		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		3/17/201 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	3/31 Bd Special CC		3/24/2011 Board Meeting	8411 - Compensation	25.00
Bill	03/31/2011	3/31 Bd Special CC		3/31/2011 Board Special Conference Call	8470 - Ag Meeting Attend -Special	125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						1,625.00
Bill Pmt -Check	04/08/2011	15005	GUARANTEED JANITORIAL SERVICE, INC.		1012 · Bank of America Gen'l Ckg	
Bill	04/01/2011	28450		Strip/Wax all tile floors	6024 · Building Repair & Maintenance	350.00
Bill	04/05/2011	28432		Monthly Janitorial Service -April 2011	6024 · Building Repair & Maintenance	865.00
TOTAL						1,215.00
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						375.00
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						250.00
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
TOTAL						875.00
Bill Pmt -Check	04/08/2011	15009	INLAND EMPIRE UTILITIES AGENCY	VOID:	1012 · Bank of America Gen'l Ckg	
TOTAL						
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

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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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	6029 · 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

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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						
Bill Pmt -Check	04/08/2011	15018	PURCHASE POWER			
Bill	03/28/2011	8000909000168851		CDA Conference Calls on 3/09 and 3/16 monthly fee	7305 · PE&S-Supplies 6022 · Telephone	115.32 14.95 <u>232.28</u>
TOTAL						
Bill Pmt -Check	04/08/2011	15019	REID & HELLNER			
Bill	03/31/2011	174222		800090900168851 fed ex shipments to: Softchoice Corp; IEUA	1012 · Bank of America Gen'l Ckg 6042 · Postage - General	53.10 <u>53.10</u>
Bill Pmt -Check	04/08/2011	15020	SAFEGUARD DENTAL & VISION			
Bill	03/31/2011	3657099		174222 - Ag Pool Legal Services 174222 - Ag Pool Frank B. Services	1012 · Bank of America Gen'l Ckg 8467 · Ag Legal & Technical Services 8467.1 · Frank B. & Associates	9,229.98 1,172.95 <u>10,402.93</u>
TOTAL						
Bill Pmt -Check	04/08/2011	15021	SKILLPATH SEMINARS			
Bill	03/24/2011			3657099 Dental Premium - April 2011	1012 · Bank of America Gen'l Ckg 60182.2 · Dental & Vision Ins	7.91 <u>7.91</u>
Bill	03/24/2011			A. Perez to attend 04/11/11 Admin. Asst. Conf. S. Molino to attend 04/11/11 Admin. Asst. Conf.	1012 · Bank of America Gen'l Ckg 6192 · Training & Seminars 6192 · Training & Seminars	179.00 179.00 <u>358.00</u>
TOTAL						
Bill Pmt -Check	04/08/2011	15022	STAPLES BUSINESS ADVANTAGE			
Bill	03/31/2011	8018157779		8018157779 toner cartridges, dvd's, post its, binding machine	1012 · Bank of America Gen'l Ckg 6031.7 · Other Office Supplies	490.23 <u>490.23</u>
Bill Pmt -Check	04/08/2011	15023	THE LAWTON GROUP			
Bill	03/31/2011	IVC070000016810		6017 scanning services - week ending 3/20/2011	1012 · Bank of America Gen'l Ckg 6017 · Temporary Services	422.30
Bill	03/31/2011	IVC070000016837		scanning services - week ending 3/27/2011	6017 · Temporary Services	824.00 <u>1,246.30</u>
TOTAL						
Bill Pmt -Check	04/08/2011	15024	USA-FACT INC			
Bill	03/31/2011	0093808-IN		0093808-IN client onsite inspection	1012 · Bank of America Gen'l Ckg 6018 · New Employee Search Costs	75.00 <u>75.00</u>
Bill Pmt -Check	04/08/2011	15025	VANDEN HEUVEL, GEOFFREY			
Bill	03/31/2011	3/17 CEO Committee		6311 3/17/2011 CEO Committee Meeting	1012 · Bank of America Gen'l Ckg 6311 · Board Member Compensation	125.00
Bill	03/31/2011	3/24 Board Meeting		6311 3/24/2011 Board Meeting	6311 · Board Member Compensation	125.00
Bill	03/31/2011	3/28 CEO Committee		6311 3/28/2011 CEO Committee Meeting	6311 · Board Member Compensation	125.00
Bill	03/31/2011	3/31 Bd Conf Call		6311 3/31/2011 Special Board Conference Call	6311 · Board Member Compensation	125.00

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
Bill	03/31/2011			2/01/2011 Restated Judgment Meeting	8411 - Compensation	25.00
Bill	03/31/2011			AG Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011			2/08/2011 Restated Judgment Meeting	8411 - Compensation	25.00
Bill	03/31/2011			AG Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
Bill	03/31/2011			3/10/2011 Ag Pool Meeting	8411 - Compensation	25.00
Bill	03/31/2011			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	0125519116950792103		0125519116950792103	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	52.93
Bill	03/28/2011			Vision Premium - April 2011		52.93
TOTAL						105.86
Bill Pmt -Check	04/08/2011	15029	W.C. DISCOUNT MOBILE AUTO DETAILING		1012 - Bank of America Gen'l Ckg	
Bill	03/29/2011			Truck washing service	6177 - Vehicle Repairs & Maintenance	100.00
Bill	03/29/2011			truck washing 4 trucks		100.00
TOTAL						200.00
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
Bill	03/31/2011					125.00
TOTAL						250.00
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
Bill	04/04/2011			Service for April 2011		142.88
TOTAL						285.76
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	1012 - Bank of America Gen'l Ckg	1,462.03
				Employee 457 deductions for 03/06/11-03/19/11	2000 - Accounts Payable	
TOTAL						1,462.03

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

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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	0965305862	1012 - Bank of America Gen'l Ckg	
Bill	04/13/2011	0965305862		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	L0050922	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 23

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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	5,431.25
Bill	04/15/2011	1741		Medical Insurance Premiums - May 2011	60182.1 · Medical Insurance	5,431.25
TOTAL						
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	1,462.03
General Journal	04/22/2011		CITISTREET	Employee 457 deductions for 04/03/11-04/16/11	2000 · Accounts Payable	1,462.03
TOTAL						
Bill Pmt -Check	04/25/2011	15051	CUCAMONGA VALLEY WATER DISTRICT	Lease Due May 1, 2011	1012 · Bank of America Gen'l Ckg	5,844.00
Bill	04/18/2011			Lease Due May 1, 2011	1422 · Prepaid Rent	5,844.00
TOTAL						
Bill Pmt -Check	04/25/2011	15052	CUCAMONGA VALLEY IAAP	April 27, 2011 Cucamonga Valley IAAP Chapter # 1012	1012 · Bank of America Gen'l Ckg	50.00
Bill	04/25/2011			Fee for Wilson & Molino-04/27/11 IAAP Mtg.	6192 · Training & Seminars	50.00
TOTAL						
Bill Pmt -Check	04/25/2011	15053	DAN VASILE	new employee physical for Desi Alvarez	1012 · Bank of America Gen'l Ckg	120.00
Bill	04/18/2011				6016 · New Employee Search Costs	120.00
TOTAL						
Bill Pmt -Check	04/25/2011	15054	LIATTI & ASSOCIATES	414	1012 · Bank of America Gen'l Ckg	1,416.00
Bill	04/21/2011	414		worker comp broker fee	60183 · Worker's Comp Insurance	1,416.00
TOTAL						
Bill Pmt -Check	04/25/2011	15055	PETTY CASH	2343-2356	1012 · Bank of America Gen'l Ckg	28.11
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. Commi. mtgs	6212 · Meeting Expense	62.14
				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

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

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	04/19/2011			truck washing 3 trucks	6177 - Vehicle Repairs & Maintenance	75.00
Total Disbursements:						148,020.66

TOTAL

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CHINO BASIN WATERMASTER

III. INFORMATION

2. Newspaper Articles





The Metropolitan Water District of Southern California

NEWS RELEASE

P. O. Box 54153, Los Angeles, California 90054-0153 • (213) 217-6485 • www.mwdh2o.com

Contact: Bob Muir, (213) 217-6930; (213) 324-5213, mobile

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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dailybulletin.com

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.

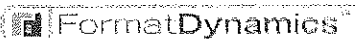
Environmentalists argue, and Fish and Wildlife officials agreed, that gravel produced upstream is important to the establishment of habitat downstream, therefore upper reaches of the Santa Ana River must be protected.

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.

sandra.emerson@inlandnewspapers.com

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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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