

# CHINO BASIN WATERMASTER



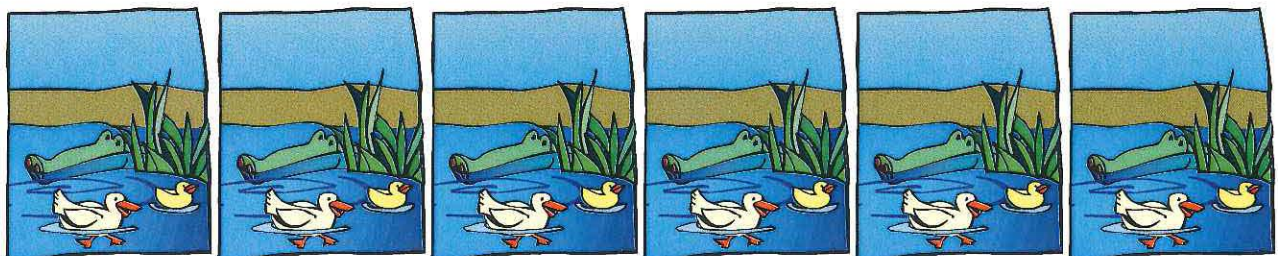
## NOTICE OF MEETING

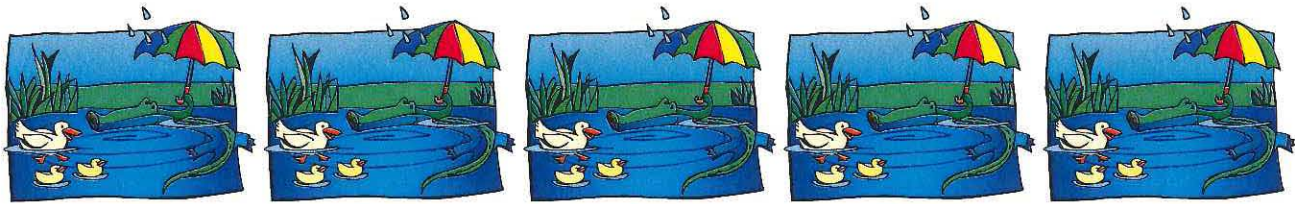
**Thursday, April 19, 2012**

**9:00 a.m. – Advisory Committee Meeting**

*AT THE CHINO BASIN WATERMASTER OFFICES*

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





# CHINO BASIN WATERMASTER

Thursday, April 19, 2012

9:00 a.m. – Advisory Committee Meeting

## AGENDA PACKAGE



**CHINO BASIN WATERMASTER  
ADVISORY COMMITTEE MEETING**

9:00 a.m. – April 19, 2012

**WITH**

*Mr. Jeff Pierson, Chair*

*Ms. Rosemary Hoerning, Vice-Chair*

**At The Offices Of**

**Chino Basin Watermaster**

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

**AGENDA**

**CALL TO ORDER**

**AGENDA - ADDITIONS/REORDER**

**I. CONSENT CALENDAR**

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

**A. MINUTES**

1. Minutes of the Advisory Committee Meeting held March 15, 2012 *(Page 1)*

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of February 2012 *(Page 7)*
2. Watermaster VISA Check Detail for the month of February 2012 *(Page 19)*
3. Combining Schedule for the Period July 1, 2011 through February 29, 2012 *(Page 23)*
4. Treasurer's Report of Financial Affairs for the Period February 1, 2012 through February 29, 2012 *(Page 27)*
5. Budget vs. Actual Report for the Period July 1, 2011 through February 29, 2012 *(Page 31)*

**C. WATER TRANSACTION**

1. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 2.372 acre-feet of water from San Antonio Water Company to Monte Vista Water District as a method of utilizing its SAWCO shares. This lease is made first from San Antonio's net underproduction in FY 2011-2012, with any remainder to be recaptured from storage. Date of application: February 9, 2012 *(Page 39)*
2. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 500.000 acre-feet of water from San Antonio Water Company to Monte Vista Water District. This lease is made first from San Antonio's net underproduction in FY 2011-2012, with any remainder to be recaptured from storage. Date of application: February 14, 2012 *(Page 53)*

**II. BUSINESS ITEMS**

**A. WATERMASTER INVESTMENT POLICY**

Consider Approval of the Amended Watermaster Investment Policy to Include Investment Trust of California (CalTRUST) - *(Page 63)*

**B. WATERMASTER RESOLUTION 12-04 APPROVING MEMBERSHIP IN THE ACWA JOINT POWERS AUTHORITY**

Consider Approval of Resolution 12-04 Approving Membership in the ACWA Joint Powers Authority, Consenting to Join the Health benefits Program of the ACWA Joint Powers Insurance Authority, Ratifying the Action of the ACWA Health Benefits Authority Board of Directors to Terminate the Health Benefits Authority Joint Powers Agreement and Authorizing and Directing the Chino Basin Watermaster to Execute All Necessary Documents *(Page 71)*

**III. REPORTS/UPDATES**

**A. LEGAL REPORT**

1. Restated Judgment
2. Extension of Time for San Sevaine Project State Water Resources Control Board Permit 20753
3. Paragraph 31 Motion

**B. CEO/STAFF REPORT**

1. Recharge Master Plan Update/Storage Issues Review Process
2. OBMP Semi Annual Status Report 2011-2 *(Page 79)*
3. Fiscal Year 2012/2013 Watermaster Budget

**C. INLAND EMPIRE UTILITIES AGENCY**

1. MWD Update – Oral
2. Water Softener Initiative *(Page 89)*
3. Community Outreach/Public Relations *(Page 93)*
4. State and Federal Legislative Reports *(Page 95)*
5. IEUA Monthly Water Newsletter *(Page 121)*

**D. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

**IV. INFORMATION**

1. Cash Disbursements for March 2012 *(Page 125)*

**V. COMMITTEE MEMBER COMMENTS**

**A. JURUPA COMMUNITY SERVICES DISTRICT PRESENTATION**

1. Hydrologic Imbalance in Management Zone-3 of the Chino Basin *(Page 137)*

**VI. OTHER BUSINESS**

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

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

**VIII. FUTURE MEETINGS AT WATERMASTER**

|                          |            |  |
|--------------------------|------------|--|
| Thursday, April 19, 2012 | 8:00 a.m.  | IEUA DYY Meeting                           |
| Thursday, April 19, 2012 | 9:00 a.m.  | Advisory Committee Meeting                 |
| Thursday, April 19, 2012 | 10:00 a.m. | CB RMPU Steering Comm. and Storage Mtg.    |
| Thursday, April 26, 2012 | 9:00 a.m.  | Land Subsidence Committee Meeting          |
| Thursday, April 26, 2012 | 11:00 a.m. | Watermaster Board Meeting                  |
| Thursday, May 3, 2012    | 10:00 a.m. | CB RMPU Steering Comm. and Storage Mtg.    |
| Thursday, May 10, 2012   | 9:00 a.m.  | Appropriative Pool Meeting                 |
| Thursday, May 10, 2012   | 11:00 a.m. | Non-Agricultural Pool Conference Call Mtg. |
| Thursday, May 10, 2012   | 1:30 p.m.  | Agricultural Pool Meeting                  |
| Thursday, May 17, 2012   | 9:00 a.m.  | Advisory Committee Meeting                 |
| Thursday, May 17, 2012   | 10:00 a.m. | CB RMPU Steering Comm. and Storage Mtg.    |
| Thursday, May 24, 2012   | 11:00 a.m. | Watermaster Board Meeting                  |

**Meeting Adjourn**



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Advisory Committee Meeting held on March 15, 2012



***Draft Minutes***  
**CHINO BASIN WATERMASTER**  
**ADVISORY COMMITTEE MEETING**  
*March 15, 2012*

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on March 15, 2012 at 9:00 a.m.

**ADVISORY COMMITTEE MEMBERS PRESENT**

**Agricultural Pool**

Jeff Pierson, Chair  
Jennifer Novak  
Pete Hall

Ag Pool – Crops  
State of California, Dept. of Justice, CIM  
Ag Pool – State of California – CIM

**Appropriative Pool**

Marty Zvirbulis  
Scott Burton  
Rosemary Hoerning  
Raul Garibay  
Ron Craig  
Dave Crosley  
Mark Kinsey  
Van Jew  
Robert Young  
Sheri Rojo  
Tom Harder  
Charles Moorrees  
J. Arnold Rodriguez

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

**Non-Agricultural Pool**

Brian Geye  
Curtis Aaron

Auto Club Speedway  
California Steel Industries

**BOARD MEMBERS PRESENT**

Paula Lantz  
Bob Kuhn  
Bob Bowcock

City of Pomona  
Three Valleys Municipal Water District  
Vulcan Materials Company (Calmat Division)

**Watermaster Staff Present**

Ken Jeske  
Danielle Maurizio  
Joe Joswiak  
Gerald Greene  
Sherri Molino

Interim CEO  
Senior Engineer  
Chief Financial Officer  
Senior Environmental Engineer  
Recording Secretary

**Others Present Who Signed In**

David De Jesus  
Rick Hanson  
Mike Maestas  
Jo Lynne Russo-Pereyra  
John Bosler  
Justin Scott-Coe  
Terry Catlin  
Ryan Shaw

Three Valleys Municipal Water District  
Three Valleys Municipal Water District  
City of Chino Hills  
Cucamonga Valley Water District  
Cucamonga Valley Water District  
Monte Vista Water District  
Inland Empire Utilities Agency  
Inland Empire Utilities Agency

Chris Berch  
 Eunice Ulloa  
 Curtis Paxton  
 Brian A. Dickinson  
 Jack Safely  
 Rick Reese

Inland Empire Utilities Agency  
 Chino Basin Water Conservation District  
 Chino Desalter Authority  
 Chino Desalter Authority  
 Western Municipal Water District  
 Geomatrix Consultants, Inc.

Chair Pierson called the Advisory Committee meeting to order at 9:01 a.m.

**AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

**I. CONSENT CALENDAR**

**A. MINUTES**

1. Minutes of the Advisory Committee Meeting held February 16, 2012

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

***Moved to approve Consent Calendar Item A with the amended motion for the Application for Recharge which excluding recycled water for the February 16, 2012 minutes, as presented***

Mr. Kinsey pulled the minutes for discussion on the applications for recharge from last month. Mr. Kinsey offered comment on the discussions which took place on the applications for recharge and storage issues at the last Appropriative Pool meeting. Mr. Jeske noted his understanding from the Appropriative Pool meeting was to approve the applications for recharge excluding the applications for storage, and to direct staff to begin working on storage issues. Chair Pierson inquired to Ms. Maurizio what she remembered about the motion that was made. Ms. Maurizio stated it was to approve the applications for recharge. A discussion regarding this matter ensued. Mr. Jeske stated the minutes can be amended to state to approve the applications for recharge for the City of Upland and San Antonio Water Company, excluding recycled water.

**B. FINANCIAL REPORTS**

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

*Motion by Zvirbulis second by Young, and by unanimous vote*

***Moved to approve Consent Calendar Item B, as presented***

**II. BUSINESS ITEMS**

**A. MATERIAL PHYSICAL INJURY ANALYSIS**

Mr. Jeske offered history on this item and noted this Material Physical Injury Analysis has gone to all three Pools and had unanimous approval to receive and file the report. Mr. Jeske stated the storage agreements will all be reviewed at a future date following a process of determining storage policies.

*Motion by Zvirbulis second by Young, and by unanimous vote*

***Moved to receive and file the Wildermuth Environmental Material Physical Injury Analysis for the City of Ontario, as presented***

**B. WATERMASTER ANNUAL AUDIT FISCAL YEAR 2010/2011**

Mr. Jeske stated Watermaster must have an external annual audit done every year; however, this year Watermaster used a new company, Charles Z. Fedak & Company for the audit. Mr. Jeske stated a representative from Charles Z. Fedak & Company was at the Watermaster Board meeting last month to give a detailed presentation and the Board approved to receive and file the report. Mr. Jeske noted this item has already been unanimously approved to receive and file by the three Pools earlier this month.

*Motion by Kinsey second by Hoerning, and by unanimous vote*

***Moved to receive and file the Watermaster Annual Audit Fiscal Year 2010/2011, as presented***

**C. PROPOSED SUPPLEMENTAL ORDER FOR RESOLUTION 2010-04**

Mr. Jeske stated this item has to do with the CDA agreements and resolutions. Mr. Jeske stated in the course of doing those and filing them with the court, there was a request to ensure that the rights of private well owners continued to exist. Mr. Jeske stated this action will be filed with the court in the next court filing to ensure that the record is clear and that private well owners continue their existing rights. Mr. Jeske stated all three Pools have unanimously approved this item.

*Motion by Craig second by Kinsey, and by unanimous vote*

***Moved to approve the supplemental order for Resolution 2010-04 as presented***

**D. PROPOSED CASH RESERVE POLICY**

Mr. Jeske stated at several previous meetings discussions have taken place about the return of excess cash reserves, and staff found that it needed to define what Watermaster's cash reserve policy was. Mr. Jeske stated staff was directed to institute a workshop and invite agencies to participate. Mr. Jeske stated agencies were encouraged to bring their finance officers to this workshop. Mr. Jeske stated the meeting was well attended and staff received very good input, and based on that input received, staff developed a draft operating cash reserve policy. Mr. Jeske stated this policy has been reviewed by the three Pools and all three Pools made one change to the policy in removing section 4.17.9 regarding preemptive replenishment; the one in the Advisory Committee meeting package has that section removed and staff recommendation is to approve the presented policy. Mr. Jeske noted this new policy makes changes to the reserve policy which has been used in the past and will leave Watermaster holding less reserve cash which will allow Watermaster to return excess reserves each year to the agencies that paid their assessments. Mr. Kinsey stated he agrees with wanting to look at the investment policy and offered comment regarding an investment policy for Watermaster. Mr. Jeske stated under the CEO Report there is an item regarding the investment policy and that staff will be looking at this in the near future.

*Motion by Crosley second by Kinsey, and by unanimous vote*

***Moved to approve the Cash Reserve Policy 4.17 and to direct staff to look at the current Investment Policy, as presented***

**E. CEO RECRUITMENT CONTRACT**

Mr. Jeske stated the Watermaster Board has given direction in a cooperative process to hire a professional recruitment firm for seeking a new Watermaster CEO. Mr. Jeske stated this was unanimously approved by all three Pools earlier this month. Mr. Jeske stated the maximum amount of this request is \$32,000.00. Mr. Jeske stated he has received several proposals from a number of firms and staff will be making a recommendation next week to the Watermaster Board. Mr. Jeske stated he has supplied to the Pool chairs a the list of prospective firms. Mr. Young inquired about a scope of work to encompass that \$32,000. Mr. Jeske stated he has received a scope of work in the proposals from a number of different agencies and he will be reviewing that with the Watermaster Board. Mr. Jeske stated the scope of work will include a



process up front to determine the needs, skills, and abilities of the position with all parties. Mr. Jeske offered further comment on this process.

*Motion by Kinsey second by Young, and by unanimous vote*

***Moved to approve appropriating \$32,000 to fund the Watermaster CEO Recruitment contract cost, as presented***

### **III. REPORTS/UPDATES**

#### **A. ENGINEERING REPORT**

##### **1. Extensometer Progress**

Mr. Jeske stated there is an agreement with the County on this item; however we don't have a signed copy back from them to date. Mr. Jeske stated Watermaster has an agreement with the CDA and that agreement went to the CDA's board recently and was approved and executed. Mr. Jeske stated Watermaster is going to move forward on the extensometer installation. Mr. Jeske noted a detailed presentation was provided at the three Pool meetings by Mr. Malone who is busy preparing for the next meeting.

#### **B. CEO/STAFF REPORT**

##### **1. Recharge Master Plan Update/Storage Issues Review Process**

Mr. Jeske stated the storage process has not yet started and he is going to be working with Mr. Zvirbulis to start an outline, an agenda, and a schedule for that process; we are committed to begin that process within the next month. Mr. Jeske stated the next Recharge Master Plan Update meeting is immediately following this meeting today. Mr. Jeske stated there has been a lot of progress made in having data and information available for this meeting which will allow the parties to start making decisions on options and actions to be brought forward through the Watermaster process. Ms. Rojo inquired about an MS4 subcommittee meeting. Mr. Jeske stated that committee has not met yet but there has been contact made to the parties on that committee regarding information needed and that information is forthcoming. Mr. Jeske offered comment on the MS4 subcommittee and what that committee will be working on.

##### **2. Investment Policy**

This item was previously discussed and there was no further comments made.

##### **3. Record and Document Request**

Mr. Jeske stated quite frequently Watermaster staff gets requests, particularly on Fridays when we are short staffed and trying to get agendas packages out, and sometimes from third parties. Mr. Jeske stated sometimes when people call in and reach one of the support staff, sometimes it is very unclear what they want or need, and in looking at how to make this easier on them and on Watermaster staff, an already Board approved policy is in place which is not being utilized presently. Mr. Jeske stated on the back table is the Request for Information form which is also posted to the Watermaster website, along with the Resolution adopting this policy that staff is now requesting be used each and every time any kind of information is being requested. Mr. Jeske stated this will alleviate any confusion on what the party wants.

##### **4. Restated Judgment**

Mr. Jeske stated the Restated Judgment process is ready to move forward and there has been discussion on how it relates to an annotated version and how it relates to a version that gives opinions, and no direction has been given to do this. Mr. Jeske stated there was work started under the past CEO to work on a draft annotated version, and there are a number of other items being worked on so that version is being pushed back. Mr. Jeske stated the Restated Judgment is being reviewed one more time by the attorneys and parties and this will be coming back next month. Chair Pierson asked what the process was for it to come back for approval. Mr. Jeske stated the Appropriative Pool has already taken action on it, and the Non-Agricultural Pool and Agricultural Pool need to have this on their agendas next

month. Mr. Garibay inquired if this will then be the "official" Judgment. Mr. Jeske stated that is correct.

**C. INLAND EMPIRE UTILITIES AGENCY**

1. MWD Update  
Mr. Shaw stated the Metropolitan Water District (MWD) board, this week, decided to push the proposed rate increases off until April for decision; there were several residents who stood up and spoke at that meeting against the approval of those increases and asked them to move it to April. Mr. Shaw stated the MWD board has three options for rate increases which is a two year rate increase with a 5%, 7 ½%, or a 10% rate increase.
2. Water Softener Initiative  
No comment was made.
3. State and Federal Legislative Reports  
No comment was made.
4. Community Outreach/Public Relations Report  
No comment was made.
5. IEUA Monthly Water Newsletter  
No comment was made.

**D. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

No comment was made.

**IV. INFORMATION**

1. Cash Disbursements for February 2012
2. No comment was made.

**V. COMMITTEE MEMBER COMMENTS**

No comment was made.

**VI. OTHER BUSINESS**

No comment was made.

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

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

No confidential session was called.

**VIII. FUTURE MEETINGS AT WATERMASTER**

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

Thursday, April 19, 2012  
Thursday, April 26, 2012

10:00 a.m.  
11:00 a.m.

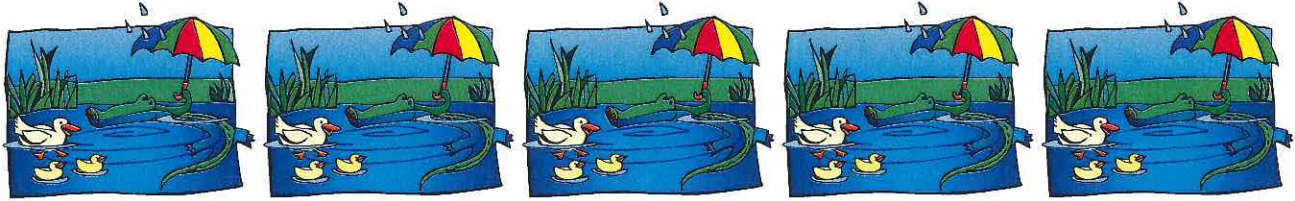
CB RMPU Steering Committee Mtg.  
Watermaster Board Meeting

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

Chair Pierson adjourned the Advisory Committee meeting at 9:28 a.m.

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

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



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2012
2. Watermaster VISA Check Detail for the month of February 2012
3. Combining Schedule for the Period July 1, 2011 through February 29, 2012
4. Treasurer's Report of Financial Affairs for the Period February 1, 2012 through February 29, 2012
5. Budget vs. Actual Report for the Period July 1, 2011 through February 29, 2012





# CHINO BASIN WATERMASTER

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

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## STAFF REPORT

**DATE:** April 19, 2012  
**TO:** Committee Members  
**SUBJECT:** Cash Disbursement Report – Financial Report B1

### SUMMARY

**Issue** – Record of cash disbursements for the month of February 2012.

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

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

### BACKGROUND

A monthly cash disbursement report is provided to keep all members apprised of Watermaster expenditures.

### DISCUSSION

Total cash disbursements during the month of February 2012 were \$550,218.44. The most significant expenditures during the month were to Wildermuth Environmental, Inc. in the amount of \$144,001.19 (check number 15837 dated February 22, 2012), Fontana Water Company (check number 15814 dated February 15, 2012) and Brownstein Hyatt Farber Schreck in the amount of \$58,808.78 (check number 15819 dated February 22, 2012).

### Actions:

April 12, 2012 Appropriative Pool – Approved unanimously  
April 12, 2012 Non-Agricultural Pool – Moved to receive and file without approval  
April 12, 2012 Agricultural Pool – Approved unanimously  
April 19, 2012 Advisory Committee –  
April 26, 2012 Watermaster Board –

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**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**February 2012**

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

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**February 2012**

Financial Report - B1

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

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**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**February 2012**

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|       | <u>Type</u>     | <u>Date</u> | <u>Num</u>         | <u>Name</u>                         | <u>Memo</u>                              | <u>Account</u>                      | <u>Paid Amount</u> |
|-------|-----------------|-------------|--------------------|-------------------------------------|--|-------------------------------------|--------------------|
|       | Bill            | 01/31/2012  | 251                |                                     | Website Services - January 2012          | 6052.3 · Website Consulting         | 855.00             |
| TOTAL |                 |             |                    |                                     |  |                                     | 855.00             |
|       | Bill Pmt -Check | 02/07/2012  | 15787              | MCCALL'S METER SALES & SERVICE      | 21887                                    | 1012 · Bank of America Gen'l Ckg    |                    |
|       | Bill            | 01/31/2012  | 21887              |                                     | 21887                                    | 7102.8 · in-line Meter-Calib & Test | 225.00             |
| TOTAL |                 |             |                    |                                     |  |                                     | 225.00             |
|       | Bill Pmt -Check | 02/07/2012  | 15788              | PARK PLACE COMPUTER SOLUTIONS, INC. | 459                                      | 1012 · Bank of America Gen'l Ckg    |                    |
|       | Bill            | 01/31/2012  | 459                |                                     | IT Services - January 2012               | 6052.1 · Park Place Comp Solutn     | 2,325.00           |
| TOTAL |                 |             |                    |                                     |  |                                     | 2,325.00           |
|       | Bill Pmt -Check | 02/07/2012  | 15789              | PRINTING RESOURCES                  | 57675                                    | 1012 · Bank of America Gen'l Ckg    |                    |
|       | Bill            | 01/31/2012  | 57675              |                                     | Setup/Business cards for Ken Jeske (250) | 6031.7 · Other Office Supplies      | 110.93             |
| TOTAL |                 |             |                    |                                     |  |                                     | 110.93             |
|       | Bill Pmt -Check | 02/07/2012  | 15790              | UNION 76                            | 300-732-989                              | 1012 · Bank of America Gen'l Ckg    |                    |
|       | Bill            | 01/31/2012  | 300732989          |                                     | Fuel costs - January 2012                | 6175 · Vehicle Fuel                 | 180.23             |
| TOTAL |                 |             |                    |                                     |  |                                     | 180.23             |
|       | Bill Pmt -Check | 02/07/2012  | 15791              | VERIZON                             |  | 1012 · Bank of America Gen'l Ckg    |                    |
|       | Bill            | 01/31/2012  | 012561121521714508 |                                     | Field Operations - 012561121521714508    | 7405 · PE4-Other Expense            | 168.47             |
|       | Bill            | 01/31/2012  | 012519116950792103 |                                     | Monthly office - 012519116950792103      | 6022 · Telephone                    | 435.73             |
| TOTAL |                 |             |                    |                                     |  |                                     | 604.20             |
|       | Bill Pmt -Check | 02/07/2012  | 15792              | PUBLIC EMPLOYEES' RETIREMENT SYSTEM | Payor #3493                              | 1012 · Bank of America Gen'l Ckg    |                    |
|       | General Journal | 01/27/2012  | 01/27/2012         | PUBLIC EMPLOYEES' RETIREMENT SYSTEM | CalPERS for 01/08/12-01/21/12            | 2000 · Accounts Payable             | 8,293.04           |
| TOTAL |                 |             |                    |                                     |  |                                     | 8,293.04           |
|       | Bill Pmt -Check | 02/07/2012  | 15793              | PURCHASE POWER                      | 8000909000168851                         | 1012 · Bank of America Gen'l Ckg    |                    |
|       | Bill            | 01/31/2012  | 8000909000168851   |                                     | Send invoices to and from WM             | 6042 · Postage - General            | 84.50              |
| TOTAL |                 |             |                    |                                     |  |                                     | 84.50              |
|       | Bill Pmt -Check | 02/07/2012  | 15794              | STAPLES BUSINESS ADVANTAGE          | 8020821652                               | 1012 · Bank of America Gen'l Ckg    |                    |
|       | Bill            | 01/31/2012  | 8020821652         |                                     | Miscellaneous office supplies            | 6031.7 · Other Office Supplies      | 424.47             |
| TOTAL |                 |             |                    |                                     |  |                                     | 424.47             |
|       | Bill Pmt -Check | 02/07/2012  | 15795              | THE LAWTON GROUP                    | 6017                                     | 1012 · Bank of America Gen'l Ckg    |                    |
|       | Bill            | 01/31/2012  | 1VC070000018076    |                                     | Week ending 1/22/12                      | 6017 · Temporary Services           | 659.20             |
| TOTAL |                 |             |                    |                                     |  |                                     | 659.20             |

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**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**February 2012**

| Type            | Date       | Num                  | Name                   | Memo                                   | Account                              | Paid Amount |
|-----------------|------------|----------------------|------------------------|--|--------------------------------------|-------------|
| Bill Pmt -Check | 02/07/2012 | 15796                | YUKON DISPOSAL SERVICE | 08-K2 213849                           | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 01/31/2012 | 08-k2 213849         |                        | Service for February 2012              | 6024 · Building Repair & Maintenance | 106.53      |
| TOTAL           |            |                      |                        |  |                                      | 106.53      |
| Bill Pmt -Check | 02/07/2012 | 15797                | BOWCOCK, ROBERT        |  | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 01/04/2012 | 1/04 Assmnt Pkg      |                        | 1/04/12 Assessment Package Workshop    | 6311 · Board Member Compensation     | 125.00      |
| Bill            | 01/26/2012 | 1/26 Board Mtg       |                        | 1/26/12 Board Meeting                  | 6311 · Board Member Compensation     | 125.00      |
| TOTAL           |            |                      |                        |  |                                      | 250.00      |
| Bill Pmt -Check | 02/07/2012 | 15798                | CURATALO, JAMES        | 1/26/12 Board Meeting                  | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 01/26/2012 | 1/26 Board Mtg       |                        | 1/26/12 Board Meeting                  | 6311 · Board Member Compensation     | 125.00      |
| TOTAL           |            |                      |                        |  |                                      | 125.00      |
| Bill Pmt -Check | 02/07/2012 | 15799                | ELIE, STEVEN           | 1/26/12 Board Meeting                  | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 01/26/2012 | 1/26 Board Mtg       |                        | 1/26/12 Board Meeting                  | 6311 · Board Member Compensation     | 125.00      |
| TOTAL           |            |                      |                        |  |                                      | 125.00      |
| Bill Pmt -Check | 02/07/2012 | 15800                | KUHN, BOB              |  | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 01/12/2012 | 1/12 Admin Conf Call |                        | 1/12/12 Administrative Conference Call | 6311 · Board Member Compensation     | 125.00      |
| Bill            | 01/19/2012 | 1/19 Advisory Comm   |                        | 1/19/12 Advisory Committee Meeting     | 6311 · Board Member Compensation     | 125.00      |
| Bill            | 01/26/2012 | 1/26 Board Mtg       |                        | 1/26/12 Board Meeting                  | 6311 · Board Member Compensation     | 125.00      |
| TOTAL           |            |                      |                        |  |                                      | 375.00      |
| Bill Pmt -Check | 02/07/2012 | 15801                | LANTZ, PAULA           |  | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 01/12/2012 | 1/12 Admin Conf Call |                        | 1/12/12 Administrative Conference Call | 6311 · Board Member Compensation     | 125.00      |
| Bill            | 01/17/2012 | 1/17 RMP Wkshp       |                        | 1/17/12 RMP Meeting                    | 6311 · Board Member Compensation     | 125.00      |
| Bill            | 01/19/2012 | 1/19 Advisory Comm   |                        | 1/19/12 Advisory Committee Meeting     | 6311 · Board Member Compensation     | 125.00      |
| Bill            | 01/26/2012 | 1/26 Board Mtg       |                        | 1/26/12 Board Meeting                  | 6311 · Board Member Compensation     | 125.00      |
| TOTAL           |            |                      |                        |  |                                      | 500.00      |
| Bill Pmt -Check | 02/07/2012 | 15802                | DE BOOM, NATHAN        | AG Pool Member Meeting Compensation    | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 01/12/2012 | 1/12 Ag Pool Mtg     |                        | 1/12/12 Ag Pool Meeting                | 8411 · Compensation                  | 25.00       |
|                 |            |                      |                        | Ag Pool Member Compensation            | 8470 · Ag Meeting Attend -Special    | 100.00      |
| TOTAL           |            |                      |                        |  |                                      | 125.00      |
| Bill Pmt -Check | 02/07/2012 | 15803                | DURRINGTON, GLEN       | AG POOL MEMBER COMPENSATION            | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 01/12/2012 | 1/12 Ag Pool Meeting |                        | 1/12/12 Ag Pool Meeting                | 8411 · Compensation                  | 25.00       |
|                 |            |                      |                        | Ag Pool Member Compensation            | 8470 · Ag Meeting Attend -Special    | 100.00      |
| TOTAL           |            |                      |                        |  |                                      | 125.00      |

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**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**February 2012**

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

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**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**February 2012**

| Type                   | Date       | Num        | Name  | Memo                                       | Account                                 | Paid Amount       |
|------------------------|------------|------------|---|--|---|-------------------|
| Bill Pmt -Check        | 02/08/2012 | 15810      | INLAND EMPIRE UTILITIES AGENCY                  | 1800001994                                 | 1012 · Bank of America Gen'l Ckg        |                   |
| Bill                   | 01/31/2012 | 1800001994 |   | 1800001994                                 | 7690 · Recharge Improvement Debt Pymt   | 3,000.00          |
| TOTAL                  |            |            |   |  |   | <u>3,000.00</u>   |
| Bill Pmt -Check        | 02/08/2012 | 15811      | MWH LABORATORIES                                |  | 1012 · Bank of America Gen'l Ckg        |                   |
| Bill                   | 01/31/2012 | L0076838   |   | L0076838                                   | 7108.4 · Hydraulic Control-Lab Svcs     | 1,770.00          |
| Bill                   | 01/31/2012 | L0076456   |   | L0076456                                   | 7108.4 · Hydraulic Control-Lab Svcs     | 615.00            |
| Bill                   | 01/31/2012 | L0076455   |   | L0076455                                   | 7108.4 · Hydraulic Control-Lab Svcs     | 2,065.00          |
| Bill                   | 01/31/2012 | L0077462   |   | L0077462                                   | 7108.4 · Hydraulic Control-Lab Svcs     | 1,532.00          |
| Bill                   | 01/31/2012 | L0076452   |   | L0077452                                   | 7108.4 · Hydraulic Control-Lab Svcs     | 615.00            |
| Bill                   | 01/31/2012 | L0076451   |   | L0076451                                   | 7108.4 · Hydraulic Control-Lab Svcs     | 2,065.00          |
| Bill                   | 01/31/2012 | L0076450   |   | L0076450                                   | 7108.4 · Hydraulic Control-Lab Svcs     | 1,475.00          |
| TOTAL                  |            |            |   |  |   | <u>10,137.00</u>  |
| Bill Pmt -Check        | 02/08/2012 | 15812      | SAN BERNARDINO COUNTY FLOOD CONTROL   FC 124/12 |  | 1012 · Bank of America Gen'l Ckg        |                   |
| Bill                   | 01/31/2012 | FC 124/12  |   | San Sevaine Channel Reconstruction Project | 7207 · Comp Recharge-Other              | 23,805.39         |
| TOTAL                  |            |            |   |  |   | <u>23,805.39</u>  |
| P14<br>Bill Pmt -Check | 02/08/2012 | 15813      | COMPUTER NETWORK                                | 83405                                      | 1012 · Bank of America Gen'l Ckg        |                   |
| Bill                   | 01/31/2012 | 83405      |   | 83405                                      | 6055 · Computer Hardware                | 221.98            |
| TOTAL                  |            |            |   |  |   | <u>221.98</u>     |
| Check                  | 02/15/2012 | 02/15/2012 | Service Charge                                  | Service Charge                             | 1012 · Bank of America Gen'l Ckg        |                   |
|                        |            |            |   | Service Charge                             | 6031.7 · Other Office Supplies          | 44.85             |
| TOTAL                  |            |            |   |  |   | <u>44.85</u>      |
| Check                  | 02/15/2012 | 15814      | FONTANA WATER COMPANY                           |  | 1012 · Bank of America Gen'l Ckg        |                   |
| Credit Memo            | 02/06/2012 | AP12-06CR  |   | Refund of Excess Reserves-Assessments      | 9996 · Refund-Excess Reserves-Approp.   | 138,931.82        |
|                        |            |            |   | Refund of Excess Reserves-Recharge Debt    | 9998 · Refund-Recharge Debt-Approp.     | 6.75              |
| TOTAL                  |            |            |   |  |   | <u>138,938.57</u> |
| Check                  | 02/15/2012 | 15815      | GENERAL ELECTRIC COMPANY                        |  | 1012 · Bank of America Gen'l Ckg        |                   |
| Credit Memo            | 02/06/2012 | NAG12-05CR |   | CURO Adjustment                            | 4224 · CURO Adjustment                  | 70.58             |
|                        |            |            |   | Non-Agricultural Pool Adjustment of Legal  | 4123.3 · Non-Ag Pool-Special Assessment | 169.72            |
|                        |            |            |   | Refund of Excess Reserves-Assessments      | 9997 · Refund-Excess Reserve-NonAg      | 200.07            |
| TOTAL                  |            |            |   |  |   | <u>440.37</u>     |
| Check                  | 02/15/2012 | 15816      | VULCAN MATERIALS COMPANY                        |  | 1012 · Bank of America Gen'l Ckg        |                   |
| Credit Memo            | 02/06/2012 | NAG12-16CR |   | Refund of Excess Reserves-Assessments      | 9997 · Refund-Excess Reserve-NonAg      | 74.46             |
|                        |            |            |   | Non-Agricultural Pool Adjustment of Legal  | 4123.3 · Non-Ag Pool-Special Assessment | 7.85              |

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**February 2012**

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|            | <u>Type</u>     | <u>Date</u> | <u>Num</u>          | <u>Name</u>                             | <u>Memo</u>                                | <u>Account</u>                         | <u>Paid Amount</u> |
|------------|-----------------|-------------|---------------------|---|--|--|--------------------|
| TOTAL      |                 |             |                     |   |  |  | 82.31              |
|            | General Journal | 02/18/2012  | 02/18/2012          | Payroll and Taxes for 02/05/12-02/18/12 | Payroll and Taxes for 02/05/12-02/18/12    | 1012 · Bank of America Gen'l Ckg       |                    |
|            |                 |             |                     |   | Payroll Taxes for 02/05/12-02/18/12        | 1012 · Bank of America Gen'l Ckg       | 9,660.91           |
|            |                 |             |                     |   | Direct Deposits for 02/05/12-02/18/12      | 1012 · Bank of America Gen'l Ckg       | 22,499.60          |
| TOTAL      |                 |             |                     |   |  |  | 32,160.51          |
|            | Bill Pmt -Check | 02/22/2012  | 15817               | AMERICAN GROUND WATER TRUST             | CD of Presentations Jan. 30-31, 2012 Conf. | 1012 · Bank of America Gen'l Ckg       |                    |
|            | Bill            | 02/13/2012  |                     |   | Purchase cd of presentations               | 6191 · Conferences - General           | 20.00              |
| TOTAL      |                 |             |                     |   |  |  | 20.00              |
|            | Bill Pmt -Check | 02/22/2012  | 15818               | BANK OF AMERICA                         | XXXX-XXXX-XXXX-9341                        | 1012 · Bank of America Gen'l Ckg       |                    |
|            | Bill            | 01/31/2012  | XXXX-XXXX-XXXX-9341 |   | Fastrack replenishment                     | 6174 · Transportation                  | 30.00              |
|            |                 |             |                     |   | Registration fee-Maurizio & Greene-AGWT    | 6191 · Conferences - General           | 480.00             |
|            |                 |             |                     |   | 1099 Tax Forms                             | 6031.7 · Other Office Supplies         | 25.86              |
|            |                 |             |                     |   | Lunch for 1/26/12 Board meeting            | 6312 · Meeting Expenses                | 392.06             |
| TOTAL      |                 |             |                     |   |  |  | 907.92             |
| <b>PLS</b> | Bill Pmt -Check | 02/22/2012  | 15819               | BROWNSTEIN HYATT FARBER SCHRECK         |  | 1012 · Bank of America Gen'l Ckg       |                    |
|            | Bill            | 01/31/2012  | 445627              |   | 445627 - BHFS Legal - Appropriative Pool   | 8375 · BHFS Legal - Appropriative Pool | 2,316.10           |
|            |                 |             |                     |   | 445627 - BHFS Legal - Agricultural Pool    | 8475 · BHFS Legal - Agricultural Pool  | 2,316.10           |
|            |                 |             |                     |   | 445627 - BHFS Legal - Non-Ag Pool          | 8575 · BHFS Legal - Non-Ag Pool        | 1,806.95           |
|            |                 |             |                     |   | 445627 - BHFS Legal - Advisory Committee   | 6275 · BHFS Legal - Advisory Committee | 2,534.96           |
|            |                 |             |                     |   | 445627 - BHFS Legal - Board Meeting        | 6375 · BHFS Legal - Board Meeting      | 2,427.00           |
|            |                 |             |                     |   | 445627 - BHFS Legal - Personnel Matters    | 6073 · BHFS Legal - Personnel Matters  | 1,621.14           |
|            |                 |             |                     |   | 445627 - BHFS Legal - Storage Agreements   | 6076 · BHFS Legal - Storage Agreements | 5,054.07           |
|            |                 |             |                     |   | 445627 - BHFS Legal - Miscellaneous        | 6078 · BHFS Legal - Miscellaneous      | 5,249.69           |
|            |                 |             |                     |   | 445627 - Paragraph 31 Motion               | 6907.35 · Paragraph 31 Motion          | 5,266.35           |
|            |                 |             |                     |   | 445627 - Recharge Master Plan              | 6907.39 · Recharge Master Plan         | 2,793.29           |
|            | Bill            | 01/31/2012  | 445628              |   | 445628 - BHFS Legal - Personnel Matters    | 6073 · BHFS Legal - Personnel Matters  | 12,475.50          |
|            | Bill            | 01/31/2012  | 445629              |   | 445629 - Chino Airport Plume               | 6907.32 · Chino Airport Plume          | 175.50             |
|            | Bill            | 01/31/2012  | 445630              |   | 445630 - Paragraph 31 Motion               | 6907.35 · Paragraph 31 Motion          | 14,772.13          |
| TOTAL      |                 |             |                     |   |  |  | 58,808.78          |
|            | Bill Pmt -Check | 02/22/2012  | 15820               | CALPERS 457 PLAN                        | Payroll and Taxes for 01/22/12-02/04/12    | 1012 · Bank of America Gen'l Ckg       |                    |
|            | General Journal | 02/04/2012  | 02/04/2012          | CALPERS 457 PLAN                        | Employee Deductions for 01/22/12-02/04/12  | 2000 · Accounts Payable                | 11,435.10          |
| TOTAL      |                 |             |                     |   |  |  | 11,435.10          |
|            | Bill Pmt -Check | 02/22/2012  | 15821               | COMPUTER NETWORK                        |  | 1012 · Bank of America Gen'l Ckg       |                    |
|            | Bill            | 01/31/2012  | 82950               |   | HP Designjet Postscript Upgrade            | 6054 · Computer Software               | 1,535.44           |

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**February 2012**

| Type                   | Date       | Num        | Name                                 | Memo                                     | Account                                | Paid Amount      |
|------------------------|------------|------------|--------------------------------------|--|--|------------------|
| Bill                   | 01/31/2012 | 82949      |                                      | HP Designjet T2300 Printer - Replacement | 6055 · Computer Hardware               | 8,620.00         |
| Bill                   | 02/03/2012 | 83446      |                                      | Repair projector in board room           | 6057 · Computer Maintenance            | 300.00           |
| TOTAL                  |            |            |                                      |  |  | <u>10,455.44</u> |
| Bill Pmt -Check        | 02/22/2012 | 15822      | CUCAMONGA VALLEY WATER DISTRICT      | Lease Due March 1, 2012                  | 1012 · Bank of America Gen'l Ckg       |                  |
| Bill                   | 02/15/2012 |            |                                      | Lease Due March 1, 2012                  | 1422 · Prepaid Rent                    | 5,984.00         |
| TOTAL                  |            |            |                                      |  |  | <u>5,984.00</u>  |
| Bill Pmt -Check        | 02/22/2012 | 15823      | GREAT AMERICA LEASING CORP.          | 11862159                                 | 1012 · Bank of America Gen'l Ckg       |                  |
| Bill                   | 01/31/2012 | 11862159   |                                      | Monthly Lease Invoice                    | 6043.1 · Ricoh Lease Fee               | 2,788.53         |
|                        |            |            |                                      | Usage for Black Copies                   | 6043.2 · Ricoh Usage & Maintenance Fee | 292.15           |
|                        |            |            |                                      | Usage for Color Copies                   | 6043.2 · Ricoh Usage & Maintenance Fee | 224.08           |
| TOTAL                  |            |            |                                      |  |  | <u>3,304.76</u>  |
| Bill Pmt -Check        | 02/22/2012 | 15824      | GUARANTEED JANITORIAL SERVICE, INC.  | 1-28887                                  | 1012 · Bank of America Gen'l Ckg       |                  |
| Bill                   | 02/01/2012 | 1-28887    |                                      | Janitorial Service - February 2012       | 6024 · Building Repair & Maintenance   | 865.00           |
| TOTAL                  |            |            |                                      |  |  | <u>865.00</u>    |
| P16<br>Bill Pmt -Check | 02/22/2012 | 15825      | MWH LABORATORIES                     |  | 1012 · Bank of America Gen'l Ckg       |                  |
| Bill                   | 01/31/2012 | L0077444   |                                      | L0077444 - Hydraulic Control-Lab Svcs    | 7108.4 · Hydraulic Control-Lab Svcs    | 615.00           |
| Bill                   | 01/31/2012 | L0077445   |                                      | L0077445 - Hydraulic Control-Lab Svcs    | 7108.4 · Hydraulic Control-Lab Svcs    | 2,065.00         |
| Bill                   | 01/31/2012 | L0077645   |                                      | L0077645 - Hydraulic Control-Lab Svcs    | 7108.4 · Hydraulic Control-Lab Svcs    | 1,770.00         |
| Bill                   | 01/31/2012 | L0077447   |                                      | L0077447 - Hydraulic Control-Lab Svcs    | 7108.4 · Hydraulic Control-Lab Svcs    | 1,532.00         |
| Bill                   | 01/31/2012 | L0078443   |                                      | L0078443 - Hydraulic Control-Lab Svcs    | 7108.4 · Hydraulic Control-Lab Svcs    | 2,065.00         |
| Bill                   | 01/31/2012 | L0078444   |                                      | L0078444 - Hydraulic Control-Lab Svcs    | 7108.4 · Hydraulic Control-Lab Svcs    | 615.00           |
| Bill                   | 01/31/2012 | L0078445   |                                      | L0078445 - Hydraulic Control-Lab Svcs    | 7108.4 · Hydraulic Control-Lab Svcs    | 1,770.00         |
| TOTAL                  |            |            |                                      |  |  | <u>10,432.00</u> |
| Bill Pmt -Check        | 02/22/2012 | 15826      | PAYCHEX                              | 2012020200                               | 1012 · Bank of America Gen'l Ckg       |                  |
| Bill                   | 01/31/2012 | 2012020200 |                                      | Payroll Service - January 2012           | 6012 · Payroll Services                | 393.57           |
| TOTAL                  |            |            |                                      |  |  | <u>393.57</u>    |
| Bill Pmt -Check        | 02/22/2012 | 15827      | PUBLIC EMPLOYEES' RETIREMENT SYSTEM  | Payor #3493                              | 1012 · Bank of America Gen'l Ckg       |                  |
| General Journal        | 02/04/2012 | 02/04/2012 | PUBLIC EMPLOYEES' RETIREMENT SYSTEM  | CalPERS for 01/22/12-02/04/12            | 2000 · Accounts Payable                | 8,074.07         |
| TOTAL                  |            |            |                                      |  |  | <u>8,074.07</u>  |
| Bill Pmt -Check        | 02/22/2012 | 15828      | RAUCH COMMUNICATION CONSULTANTS, LLC | Feb-1206                                 | 1012 · Bank of America Gen'l Ckg       |                  |
| Bill                   | 01/31/2012 | Feb-1206   |                                      | Progress Billing - CBWM Annual Report    | 6061.3 · Rauch                         | 2,028.75         |
| TOTAL                  |            |            |                                      |  |  | <u>2,028.75</u>  |

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**February 2012**

| Type            | Date       | Num             | Name                          | Memo                                | Account                           | Paid Amount |
|-----------------|------------|-----------------|-------------------------------|-------------------------------------|-----------------------------------|-------------|
| Bill Pmt -Check | 02/22/2012 | 15829           | SAFEGUARD DENTAL & VISION     | 4190814                             | 1012 - Bank of America Gen'l Ckg  |             |
| Bill            | 02/01/2012 | 4190814         |                               | Vision Insurance - February 2012    | 60182.2 - Dental & Vision Ins     | 7.91        |
| TOTAL           |            |                 |                               |                                     |                                   | 7.91        |
| Bill Pmt -Check | 02/22/2012 | 15830           | STAPLES BUSINESS ADVANTAGE    |                                     | 1012 - Bank of America Gen'l Ckg  |             |
| Bill            | 01/31/2012 | 8020887455      |                               | Miscellaneous office supplies       | 6031.7 - Other Office Supplies    | 54.92       |
| Bill            | 02/04/2012 | 8020968323      |                               | Miscellaneous office supplies       | 6031.7 - Other Office Supplies    | 39.52       |
| TOTAL           |            |                 |                               |                                     |                                   | 94.44       |
| Bill Pmt -Check | 02/22/2012 | 15831           | STAULA, MARY L                | Retiree Medical                     | 1012 - Bank of America Gen'l Ckg  |             |
| Bill            | 02/29/2012 |                 |                               |                                     | 60182.4 - Retiree Medical         | 136.61      |
| TOTAL           |            |                 |                               |                                     |                                   | 136.61      |
| Bill Pmt -Check | 02/22/2012 | 15832           | THE LAWTON GROUP              | 6017                                | 1012 - Bank of America Gen'l Ckg  |             |
| Bill            | 01/31/2012 | 1VC070000018102 |                               | Week ending 1/29/12                 | 6017 - Temporary Services         | 824.00      |
| TOTAL           |            |                 |                               |                                     |                                   | 824.00      |
| Bill Pmt -Check | 02/22/2012 | 15833           | UNITED PARCEL SERVICE         | 2x81x0                              | 1012 - Bank of America Gen'l Ckg  |             |
| Bill            | 01/31/2012 | 2x81x0          |                               | Package to Andy Malone @ WE Inc.    | 6042 - Postage - General          | 25.37       |
| TOTAL           |            |                 |                               |                                     |                                   | 25.37       |
| Bill Pmt -Check | 02/22/2012 | 15834           | VERIZON BUSINESS              | 64217340                            | 1012 - Bank of America Gen'l Ckg  |             |
| Bill            | 02/13/2012 | 64217340        |                               | 64217340                            | 6053 - Internet Expense           | 1,562.96    |
| TOTAL           |            |                 |                               |                                     |                                   | 1,562.96    |
| Bill Pmt -Check | 02/22/2012 | 15835           | VERIZON WIRELESS              | 1054382992                          | 1012 - Bank of America Gen'l Ckg  |             |
| Bill            | 02/13/2012 | 1054382992      |                               | Monthly service                     | 6022 - Telephone                  | 406.91      |
| TOTAL           |            |                 |                               |                                     |                                   | 406.91      |
| Bill Pmt -Check | 02/22/2012 | 15836           | WESTERN DENTAL SERVICES, INC. | 002483                              | 1012 - Bank of America Gen'l Ckg  |             |
| Bill            | 02/13/2012 | 002483          |                               | Dental Insurance - March 2012       | 60182.2 - Dental & Vision Ins     | 28.88       |
| TOTAL           |            |                 |                               |                                     |                                   | 28.88       |
| Bill Pmt -Check | 02/22/2012 | 15837           | WILDERMUTH ENVIRONMENTAL INC  |                                     | 1012 - Bank of America Gen'l Ckg  |             |
| Bill            | 01/31/2012 | 2012010         |                               | 2012010 - Grd Level-Engineering     | 7107.2 - Grd Level-Engineering    | 6,212.50    |
| Bill            | 01/31/2012 | 2012011         |                               | 2012011 - OBMP Engineering Services | 6906 - OBMP Engineering Services  | 5,262.50    |
| Bill            | 01/31/2012 | 2012012         |                               | 2012012 - OBMP Engineering Services | 6906 - OBMP Engineering Services  | 575.00      |
| Bill            | 01/31/2012 | 2012013         |                               | 2012013 - OBMP Engineering Services | 6906 - OBMP Engineering Services  | 3,825.26    |
| Bill            | 01/31/2012 | 2012014         |                               | 2012014 - Grdwtr Level-Engineering  | 7104.3 - Grdwtr Level-Engineering | 21,813.44   |
| Bill            | 01/31/2012 | 2012015         |                               | 2012015 - Grdwtr Qual-Engineering   | 7103.3 - Grdwtr Qual-Engineering  | 13,393.75   |

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**February 2012**

| <u>Type</u>            | <u>Date</u>       | <u>Num</u>        | <u>Name</u>                                     | <u>Memo</u>                                     | <u>Account</u>                          | <u>Paid Amount</u> |
|------------------------|-------------------|-------------------|---|---|---|--------------------|
| Bill                   | 01/31/2012        | 2012016           |   | 2012016 - Hydraulic Control-Engineering         | 7108.3 · Hydraulic Control-Engineering  | 12,913.65          |
| Bill                   | 01/31/2012        | 2012017           |   | 2012017 - Hydraulic Control-Engineering         | 7108.3 · Hydraulic Control-Engineering  | 907.43             |
| Bill                   | 01/31/2012        | 2012018           |   | 2012018 - Hydraulic Control-Engineering         | 7108.3 · Hydraulic Control-Engineering  | 8,373.72           |
| Bill                   | 01/31/2012        | 2012019           |   | 2012019 - Grd Level-Engineering                 | 7107.2 · Grd Level-Engineering          | 24,997.60          |
|                        |                   |                   |   | Associated Engineers - Contract Svcs            | 7107.6 · Grd Level-Contract Svcs        | 11,000.00          |
| Bill                   | 01/31/2012        | 2012020           |   | 2012020 - PE3&5-Engineering                     | 7303 · PE3&5-Engineering                | 4,300.00           |
| Bill                   | 01/31/2012        | 2012021           |   | 2012021 - PE4-Engineering                       | 7402 · PE4-Engineering                  | 3,825.00           |
| Bill                   | 01/31/2012        | 2012022           |   | 2012022 - OBMP Engineering Services             | 6906 · OBMP Engineering Services        | 4,727.50           |
| Bill                   | 01/31/2012        | 2012023           |   | 2012023 - Comp Recharge-Implementation          | 7202.3 · Comp Recharge-Implementation   | 15,957.59          |
| Bill                   | 01/31/2012        | 2012024           |   | 2012024 - PE6&7-Engineering                     | 7502 · PE6&7-Engineering                | 5,476.25           |
| Bill                   | 01/31/2012        | 2012025           |   | 2012025 - OBMP Engineering Services             | 6906 · OBMP Engineering Services        | 440.00             |
| TOTAL                  |                   |                   |   |   |   | 144,001.19         |
| <b>General Journal</b> | <b>02/29/2012</b> | <b>02/29/2012</b> | <b>Wage Works Direct Debits - February 2012</b> | <b>Wage Works Direct Debits - February 2012</b> | <b>1012 · Bank of America Gen'l Ckg</b> |                    |
|                        |                   |                   |   | Wage Works Direct Debits - February 2012        | 1012 · Bank of America Gen'l Ckg        | 495.40             |
|                        |                   |                   |   | Wage Works Direct Debits - February 2012        | 1012 · Bank of America Gen'l Ckg        | 495.40             |
|                        |                   |                   |   | Wage Works Direct Debits - February 2012        | 1012 · Bank of America Gen'l Ckg        | 76.25              |
|                        |                   |                   |   | Wage Works Direct Debits - February 2012        | 1012 · Bank of America Gen'l Ckg        | 76.25              |
|                        |                   |                   |   |   |   | 1,143.30           |
|                        |                   |                   |   |   | <b>Total Disbursements:</b>             | <b>550,218.44</b>  |

818 TOTAL





# CHINO BASIN WATERMASTER

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

## STAFF REPORT

**DATE:** April 19, 2012  
**TO:** Committee Members  
**SUBJECT:** VISA Check Detail Report – Financial Report B2

### SUMMARY

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

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

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

### BACKGROUND

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

### DISCUSSION

Total cash disbursement during the month of February 2012 was \$907.92. The monthly charges for February 2012 were for routine and customary expenditures and properly documented with receipts.

### Actions:

- April 12, 2012 Appropriative Pool – Approved unanimously
- April 12, 2012 Non-Agricultural Pool – Moved to receive and file without approval
- April 12, 2012 Agricultural Pool – Approved unanimously
- April 19, 2012 Advisory Committee –
- April 26, 2012 Watermaster Board –

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CHINO BASIN WATERMASTER  
 VISA Check Detail Report  
 February 2012

| Type            | Num        | Date                | Name            | Memo                                    | Account                          | Paid Amount   |
|-----------------|------------|---------------------|-----------------|---|----------------------------------|---------------|
| Bill Pmt -Check | 02/22/2012 | 15818               | BANK OF AMERICA | XXXX-XXXX-XXXX-9341                     | 1012 · Bank of America Gen'l Ckg |               |
| Bill            | 01/31/2012 | XXXX-XXXX-XXXX-9341 |                 | Fastrack replenishment                  | 6174 · Transportation            | 30.00         |
|                 |            |                     |                 | Registration fee-Maurizio & Greene-AGWT | 6191 · Conferences - General     | 460.00        |
|                 |            |                     |                 | 1099 Tax Forms                          | 6031.7 · Other Office Supplies   | 25.86         |
|                 |            |                     |                 | Lunch for 1/26/12 Board meeting         | 6312 · Meeting Expenses          | 392.06        |
| TOTAL           |            |                     |                 |   | <b>Total Disbursements:</b>      | <b>907.92</b> |

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# CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730  
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## STAFF REPORT

**DATE:** April 19, 2012  
**TO:** Committee Members  
**SUBJECT:** Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2011 through February 29, 2012 - Financial Report B3

### SUMMARY

**Issue** – Record of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2011 through February 29, 2012.

**Recommendation** – Staff recommends the Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2011 through February 29, 2012 be received and filed as presented.

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

### BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Working Capital for the period July 1, 2011 through February 29, 2012 is provided to keep all members apprised of the FY 2011/2012 cumulative Watermaster revenues, expenditures and changes in working capital for the period listed.

### DISCUSSION

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

### Actions:

April 12, 2012 Appropriative Pool – Approved unanimously  
April 12, 2012 Non-Agricultural Pool – Moved to receive and file without approval  
April 12, 2012 Agricultural Pool – Approved unanimously  
April 19, 2012 Advisory Committee –  
April 26, 2012 Watermaster Board –

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CHINO BASIN WATERMASTER  
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL  
FOR THE PERIOD JULY 1, 2011 THROUGH FEBRUARY 29, 2012

Financial Report - B3

|   | WATERMASTER<br>ADMINISTRATION | OPTIMUM<br>BASIN<br>MANAGEMENT | POOL ADMINISTRATION & SPECIAL PROJECTS |                   |                  | GROUNDWATER OPERATIONS       |                | EDUCATION<br>FUNDS | GRAND<br>TOTALS    | BUDGET<br>2011-2012 |
|---|-------------------------------|--------------------------------|--|-------------------|------------------|------------------------------|----------------|--------------------|--------------------|---------------------|
|   |                               |                                | APPROPRIATIVE<br>POOL                  | AG<br>POOL        | NON-AG<br>POOL   | GROUNDWATER<br>REPLENISHMENT | SB222<br>FUNDS |                    |                    |                     |
| <b>Administrative Revenues:</b>                   |                               |                                |  |                   |                  |                              |                |                    |                    |                     |
| Administrative Assessments                        |                               |                                | 5,844,372                              |                   | 252,359          |                              |                |                    | 6,096,730          | \$6,097,177         |
| Interest Revenue                                  |                               |                                | 7,674                                  | 912               | 286              |                              |                | 1                  | 8,872              | 150,010             |
| Mutual Agency Project Revenue                     | 705,777                       |                                |  |                   |                  |                              |                |                    | 705,777            | 654,580             |
| Grant Income                                      |                               |                                |  |                   |                  |                              |                |                    | -                  | 0                   |
| Miscellaneous Income                              |                               |                                |  |                   |                  |                              |                |                    | -                  | 0                   |
| <b>Total Revenues</b>                             | <b>705,777</b>                | <b>-</b>                       | <b>5,852,046</b>                       | <b>912</b>        | <b>252,644</b>   | <b>-</b>                     | <b>-</b>       | <b>1</b>           | <b>6,811,379</b>   | <b>6,901,767</b>    |
| <b>Administrative &amp; Project Expenditures:</b> |                               |                                |  |                   |                  |                              |                |                    |                    |                     |
| Watermaster Administration                        | 491,115                       |                                |  |                   |                  |                              |                |                    | 491,115            | 577,107             |
| Watermaster Board-Advisory Committee              | 127,787                       |                                |  |                   |                  |                              |                |                    | 127,787            | 155,297             |
| Ag Pool Misc. Expense - Ag Fund                   |                               |                                |  | 99                |                  |                              |                |                    | 99                 | -                   |
| Pool Administration                               |                               |                                | 35,146                                 | 111,924           | 80,299           |                              |                |                    | 227,369            | 503,822             |
| Optimum Basin Mgmt Administration                 |                               | 916,685                        |  |                   |                  |                              |                |                    | 916,685            | 1,279,496           |
| OBMP Project Costs                                |                               | 2,777,213                      |  |                   |                  |                              |                |                    | 2,777,213          | 4,139,706           |
| Debt Service                                      |                               | 178,135                        |  |                   |                  |                              |                |                    | 178,135            | 450,964             |
| Education Funds Use                               |                               |                                |  |                   |                  |                              | 375            |                    | 375                | 375                 |
| Mutual Agency Project Costs                       |                               |                                |  |                   |                  |                              |                |                    | -                  | 10,000              |
| <b>Total Administrative/OBMP Expenses</b>         | <b>618,902</b>                | <b>3,872,033</b>               | <b>35,146</b>                          | <b>111,924</b>    | <b>80,299</b>    | <b>-</b>                     | <b>-</b>       | <b>375</b>         | <b>4,718,779</b>   | <b>7,116,767</b>    |
| Net Administrative/OBMP Expenses                  | 86,875                        | (3,872,033)                    |  |                   |                  |                              |                |                    |                    |                     |
| Allocate Net Admin Expenses To Pools              | (86,875)                      |                                | (59,929)                               | (23,955)          | (2,992)          |                              |                |                    | -                  | -                   |
| Allocate Net OBMP Expenses To Pools               |                               | 3,693,898                      | 2,548,146                              | 1,018,541         | 127,212          |                              |                |                    | -                  | -                   |
| Allocate Debt Service to App Pool                 |                               | 178,135                        | 178,135                                |                   |                  |                              |                |                    | -                  | -                   |
| Agricultural Expense Transfer*                    |                               |                                | 1,106,510                              | (1,106,510)       |                  |                              |                |                    | -                  | -                   |
| <b>Total Expenses</b>                             | <b>3,808,009</b>              | <b>99</b>                      | <b>204,519</b>                         | <b>-</b>          | <b>-</b>         | <b>-</b>                     | <b>-</b>       | <b>375</b>         | <b>4,718,779</b>   | <b>7,116,767</b>    |
| <b>Net Administrative Income</b>                  | <b>2,044,037</b>              | <b>812</b>                     | <b>48,125</b>                          | <b>-</b>          | <b>-</b>         | <b>-</b>                     | <b>-</b>       | <b>(374)</b>       | <b>2,092,600</b>   | <b>(215,000)</b>    |
| <b>Other Income/(Expense)</b>                     |                               |                                |  |                   |                  |                              |                |                    |                    |                     |
| Replenishment Water Assessments                   |                               |                                |  |                   |                  | 714,284                      |                |                    | 714,284            | 0                   |
| Non-Ag Stored Water Purchases                     |                               |                                | 2,377,250                              |                   |                  |                              |                |                    | 2,377,250          | 0                   |
| Interest Revenue                                  |                               |                                |  |                   |                  | 7                            |                |                    | 7                  | 0                   |
| MWD Water Purchases                               |                               |                                |  |                   |                  | 10,269,933                   |                |                    | 10,269,933         | 0                   |
| Non-Ag Stored Water Purchases                     |                               |                                | (2,377,250)                            |                   |                  |                              |                |                    | (2,377,250)        | 0                   |
| MWD Water Purchases                               |                               |                                |  |                   |                  | (10,269,932)                 |                |                    | (10,269,932)       | 0                   |
| Groundwater Replenishment                         |                               |                                |  |                   |                  | (25,146)                     |                |                    | (25,146)           | 0                   |
| Refund-Excess Reserves                            |                               |                                | (1,957,901)                            |                   | (81,757)         |                              |                |                    | (2,039,658)        | 0                   |
| Refund-Recharge Debt                              |                               |                                | (584,280)                              |                   |                  |                              |                |                    | (584,280)          | 0                   |
| <b>Net Other Income/(Expense)</b>                 | <b>(2,542,181)</b>            | <b>-</b>                       | <b>(81,757)</b>                        | <b>-</b>          | <b>(81,757)</b>  | <b>689,146</b>               | <b>-</b>       | <b>-</b>           | <b>(1,934,792)</b> | <b>0</b>            |
| <b>Net Transfers To/(From) Reserves</b>           | <b>157,809</b>                | <b>0</b>                       | <b>(498,144)</b>                       | <b>812</b>        | <b>(33,632)</b>  | <b>689,146</b>               | <b>-</b>       | <b>(374)</b>       | <b>157,809</b>     | <b>(215,000)</b>    |
| <b>Working Capital, July 1, 2011</b>              |                               |                                | <b>6,922,600</b>                       | <b>475,807</b>    | <b>282,721</b>   | <b>35,379</b>                | <b>158,251</b> | <b>630</b>         | <b>7,875,387</b>   |                     |
| <b>Working Capital, End Of Period</b>             |                               |                                | <b>6,424,456</b>                       | <b>476,619</b>    | <b>249,089</b>   | <b>724,525</b>               | <b>158,251</b> | <b>256</b>         | <b>8,033,196</b>   | <b>8,033,196</b>    |
| <b>10/11 Assessable Production</b>                |                               |                                | <b>78,410.414</b>                      | <b>31,342.082</b> | <b>3,914.499</b> |                              |                |                    | <b>113,666.995</b> |                     |
| <b>10/11 Production Percentages</b>               |                               |                                | <b>68.983%</b>                         | <b>27.574%</b>    | <b>3.444%</b>    |                              |                |                    | <b>100.000%</b>    |                     |

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

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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

## STAFF REPORT

**DATE:** April 19, 2012  
**TO:** Committee Members  
**SUBJECT:** Treasurer's Report of Financial Affairs for the Period February 1, 2012 through February 29, 2012 - Financial Report B4

### SUMMARY

**Issue** – Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of February 1, 2012 through February 29, 2012.

**Recommendation** – Staff recommends the Treasurer's Report of Financial Affairs for the Period February 1, 2012 through February 29, 2012 be received and filed as presented.

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

### BACKGROUND

A Treasurer's Report of Financial Affairs for the Period February 1, 2012 through February 29, 2012 is provided to keep all members apprised of the total cash in banks (Bank of America and LAIF) and on hand at the Watermaster office (petty cash) at the end of the period stated. The Treasurer's Report details the change (increase or decrease) in the overall cash position of Watermaster, as well as the changes (increase or decrease) to the assets and liabilities section of the balance sheet. The report also provides a detailed listing of all deposits and/or withdrawals in the California State Treasurer's Local Agency Investment Fund (LAIF), the most current effective yield as of the last quarter, and the ending balance in LAIF as of the reporting date.

### DISCUSSION

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

### Actions:

April 12, 2012 Appropriative Pool – Approved unanimously  
April 12, 2012 Non-Agricultural Pool – Moved to receive and file without approval  
April 12, 2012 Agricultural Pool – Approved unanimously  
April 19, 2012 Advisory Committee –  
April 26, 2012 Watermaster Board –

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**CHINO BASIN WATERMASTER  
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD  
FEBRUARY 1 THROUGH FEBRUARY 29, 2012**

Financial Report - B4

**DEPOSITORIES:**

|   |                  |           |                     |
|---|------------------|-----------|---------------------|
| Cash on Hand - Petty Cash                 |                  | \$        | 500                 |
| Bank of America                           |                  |           |                     |
| Governmental Checking-Demand Deposits     | \$               | 2,725,206 |                     |
| Zero Balance Account - Payroll            | \$               | -         | 2,725,206           |
| Local Agency Investment Fund - Sacramento |                  |           | 3,968,824           |
| <b>TOTAL CASH IN BANKS AND ON HAND</b>    | <b>2/29/2012</b> |           | <b>\$ 6,694,530</b> |
| <b>TOTAL CASH IN BANKS AND ON HAND</b>    | <b>1/31/2012</b> |           | <b>5,116,836</b>    |
|   |                  |           | <b>\$ 1,577,694</b> |

**CHANGE IN CASH POSITION DUE TO:**

|  |  |    |                     |
|--|--|----|---------------------|
| Decrease/(Increase) in Assets: Accounts Receivable         |  | \$ | -                   |
| Assessments Receivable                                     |  |    | (1,952,326)         |
| Prepaid Expenses, Deposits & Other Current Assets          |  |    | (246,343)           |
| (Decrease)/Increase in Liabilities: Accounts Payable       |  |    | 374,249             |
| Accrued Payroll, Payroll Taxes & Other Current Liabilities |  |    | 1,718               |
| Transfer to/(from) Reserves                                |  |    | 3,400,395           |
|  |  |    | <b>\$ 1,577,694</b> |

P29

**SUMMARY OF FINANCIAL TRANSACTIONS:**

|                                      | Petty<br>Cash | Gov't'l Checking<br>Demand | Zero Balance<br>Account<br>Payroll | Local Agency<br>Investment Funds | Totals              |
|--------------------------------------|---------------|----------------------------|------------------------------------|----------------------------------|---------------------|
| Balances as of 1/31/2012             | \$ 500        | \$ 1,147,512               | \$ -                               | \$ 3,968,824                     | \$ 5,116,836        |
| Deposits                             | -             | 2,127,913                  | -                                  | -                                | 2,127,913           |
| Transfers                            | -             | (69,519)                   | 69,519                             | -                                | -                   |
| Withdrawals/Checks                   | -             | (480,700)                  | (69,519)                           | -                                | (550,218)           |
|                                      | \$ 500        | \$ 2,725,206               | \$ -                               | \$ 3,968,824                     | \$ 6,694,530        |
| <b>PERIOD INCREASE OR (DECREASE)</b> | <b>\$ -</b>   | <b>\$ 1,577,694</b>        | <b>\$ -</b>                        | <b>\$ -</b>                      | <b>\$ 1,577,694</b> |

**CHINO BASIN WATERMASTER  
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD  
FEBRUARY 1 THROUGH FEBRUARY 29, 2012**

Financial Report - B4

**INVESTMENT TRANSACTIONS**

| Effective<br>Date                    | Transaction | Depository | Activity | Redeemed  | Days to<br>Maturity | Interest<br>Rate(*) | Maturity<br>Yield |
|--------------------------------------|-------------|------------|----------|-----------|---------------------|---------------------|-------------------|
| <b>TOTAL INVESTMENT TRANSACTIONS</b> |             |            |          | <b>\$</b> | -                   | -                   | -                 |

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

**INVESTMENT STATUS  
February 29, 2012**

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

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

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

Respectfully submitted,

Joseph S. Joswiak  
Chief Financial Officer  
Chino Basin Watermaster



# CHINO BASIN WATERMASTER

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

## STAFF REPORT

**DATE:** April 19, 2012  
**TO:** Committee Members  
**SUBJECT:** Budget vs. Actual Report for the Period July 1, 2011 through February 29, 2012 - Financial Report - B5

### SUMMARY

**Issue** – Record of revenues and expenses of Watermaster for the Period of July 1, 2011 through February 29, 2012.

**Recommendation** – Staff recommends the Budget vs. Actual Report for the Period July 1, 2011 through February 29, 2012 be received and filed as presented.

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

### BACKGROUND:

A Budget vs. Actual Report for the period July 1, 2011 through February 29, 2012 is provided to keep all members apprised of the total revenues and expenses for the current fiscal year. The expense section is categorized into four distinct sections. Those sections are: General and Administrative Expenses; Optimal Basin Management Program Expenses; Project Expenses; and Other Income/Expenses.

### DISCUSSION:

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

There was a Budget Amendment approved during the March 2012 Pools, Advisory Committee and Board meeting. The "Amended" Total Revenues increased from \$6,869,767 to \$6,901,767 (an increase of \$32,000) while the "Amended" Total Expenses increased from 7,084,767 to \$7,116,767 (an increase of \$32,000). The additional \$32,000 was to fund the Watermaster CEO Recruitment Contract.

Year-To-Date (YTD) for the eight months ending February 29, 2012, all but nine categories were at or below the projected budget. The categories above budget were the Watermaster Legal Services (6070's) of \$9,271; Watermaster Board Expenses (6300's) of \$19,250; Appropriative Pool Administration Expenses (8300's) of \$1,626; Non-Ag Pool Administration Expenses (8500's) of \$12,490; Optimum Basin

Management Plan Expenses (6900's) of \$6,439; In-Line Meter Installation Expenses (7102's) of \$7,033; Groundwater Quality Monitoring Expenses (7103's) of \$5,025; Comprehensive Recharge Program Expenses (7200's) of \$4,792; and Cooperative Efforts/Salt Management (7500's) of \$19,519.

The chart listed below summarized the Year-To-Date (YTD) Actual Watermaster salary costs compared to the Year-To-Date (YTD) Budget. Please be advised that the "\$ Over Budget" and the "% of Budget" columns are a comparison of the (YTD) Actual to the (YTD) Budget, not the 12-month Annual Budget. The 12-month Annual Budget column is presented only to provide the data in a full and complete format. As of February 29, 2012, the total (YTD) Watermaster salary expenses are \$19,646 or 1.9% above the YTD budgeted amount of \$1,025,291. The following details are provided:

|   | Jul '11 - Feb '12   | Budget              | \$ Over Budget   | % of Budget    | Annual Budget       |
|---|---------------------|---------------------|------------------|----------------|---------------------|
| <b>WM Salary Expense</b>                          |                     |                     |                  |                |                     |
| 6011 · WM Staff Salaries                          | 303,637.59          | 294,021.72          | 9,615.87         | 103.27%        | 441,032.00          |
| 6011.2 · WM Staff - Admin. Paid Leave             | 55,510.21           | 40,000.00           | 15,510.21        | 138.78%        | 0.00                |
| 6011.3 · WM Staff - Temporary Upgrade             | 7,223.90            | 0.00                | 7,223.90         | 100.0%         | 0.00                |
| 6201 · Advisory Committee - WM Staff Salaries     | 14,360.67           | 14,160.68           | 199.99           | 101.41%        | 21,241.00           |
| 6301 · Watermaster Board - WM Staff Salaries      | 19,944.55           | 19,944.00           | 0.55             | 100.0%         | 29,916.00           |
| 8301 · Appropriative Pool - WM Staff Salaries     | 21,393.46           | 18,966.68           | 2,426.78         | 112.8%         | 28,450.00           |
| 8401 · Agricultural Pool - WM Staff Salaries      | 17,159.16           | 16,623.32           | 535.84           | 103.22%        | 24,935.00           |
| 8501 · Non-Agricultural Pool - WM Staff Salaries  | 9,553.56            | 9,488.68            | 64.88            | 100.68%        | 14,233.00           |
| 6901 · OBMP - WM Staff Salaries                   | 158,892.81          | 144,661.32          | 14,231.49        | 109.84%        | 216,992.00          |
| 7101.1 · Production Monitor - WM Staff Salaries   | 68,303.20           | 78,433.32           | -10,130.12       | 87.08%         | 104,150.00          |
| 7102.1 · In-line Meter - WM Staff Salaries        | 6,078.64            | 6,908.68            | -830.04          | 87.99%         | 10,363.00           |
| 7103.1 · Grdwater Quality - WM Staff Salaries     | 48,897.04           | 61,463.32           | -12,566.28       | 79.56%         | 80,195.00           |
| 7104.1 · Grdwater Level - WM Staff Salaries       | 32,668.98           | 59,908.68           | -27,239.70       | 54.53%         | 89,863.00           |
| 7105.1 · Sur Wtr Qual - WM Staff Salaries         | 567.23              | 1,994.68            | -1,427.45        | 28.44%         | 2,992.00            |
| 7107.1 · Grd Level Monitoring - WM Staff Salaries | 408.40              | 1,044.00            | -635.60          | 39.12%         | 1,566.00            |
| 7108.1 · Hydraulic Control - WM Staff Salaries    | 3,360.62            | 4,848.68            | -1,488.06        | 69.31%         | 7,273.00            |
| 7201 · Comp Recharge - WM Staff Salaries          | 83,412.64           | 83,391.32           | 21.32            | 100.03%        | 125,087.00          |
| 7301 · PE3&5 - WM Staff Salaries                  | 24,924.15           | 25,028.68           | -104.53          | 99.58%         | 37,543.00           |
| 7401 · PE4 - WM Staff Salaries                    | 6,285.08            | 8,156.68            | -1,871.60        | 77.05%         | 12,235.00           |
| 7501.1 · PE 6&7 - WM Staff Salaries (Plume)       | 19,696.60           | 0.00                | 19,696.60        | 100.0%         | 0.00                |
| 7501 · PE6&7 - WM Staff Salaries                  | 3,596.90            | 1,994.68            | 1,602.22         | 180.33%        | 2,992.00            |
| 7601 · PE8&9 - WM Staff Salaries                  | 30,409.83           | 30,282.00           | 127.83           | 100.42%        | 45,423.00           |
| 7701 · Inactive Well - WM Staff Salaries          | 0.00                | 309.75              | -309.75          | 0.0%           | 413.00              |
| <b>Subtotal WM Staff Costs</b>                    | <b>936,285.22</b>   | <b>921,630.87</b>   | <b>14,654.35</b> | <b>101.59%</b> | <b>1,296,894.00</b> |
| 60185 · Vacation                                  | 48,565.31           | 38,941.50           | 9,623.81         | 124.71%        | 51,922.00           |
| 60186 · Sick Leave                                | 21,546.87           | 27,540.00           | -5,993.13        | 78.24%         | 41,310.00           |
| 60187 · Holidays                                  | 38,540.23           | 37,179.00           | 1,361.23         | 103.66%        | 41,310.00           |
| <b>Subtotal WM Paid Leaves</b>                    | <b>108,652.41</b>   | <b>103,660.50</b>   | <b>4,991.91</b>  | <b>104.82%</b> | <b>134,542.00</b>   |
| <b>Total WM Salary Costs</b>                      | <b>1,044,937.63</b> | <b>1,025,291.37</b> | <b>19,646.26</b> | <b>101.92%</b> | <b>1,431,436.00</b> |

Added to the financial reports in the month of November 2011, the chart listed below summarizes the Brownstein Hyatt Farber Schreck (BHFS) expenses as of February 29, 2012 compared to the Year-To-Date (YTD) budget. Please be advised that the "\$ Over Budget" and the "% of Budget" columns are a comparison of the (YTD) Actual to the (YTD) Budget, not the 12-month Annual Budget. The 12-month Annual Budget column is presented only to provide the data in a full and complete format. As of February 29, 2012, the BHFS expenses are \$22,587 or 5.2% above the (YTD) budgeted amount of \$438,240. The following details are provided:

|   | Jul '11 - Feb '12 | Budget            | \$ Over Budget   | % of Budget    | Annual Budget     |
|---|-------------------|-------------------|------------------|----------------|-------------------|
| <b>6070 · Watermaster Legal Services</b>              |                   |                   |                  |                |                   |
| 6071 · BHFS Legal - Court Coordination                | 0.00              | 26,066.68         | -26,066.68       | 0.0%           | 39,100.00         |
| 6072 · BHFS Legal - Restated Judgment                 | 18,306.96         | 62,400.00         | -44,093.04       | 29.34%         | 62,400.00         |
| 6073 · BHFS Legal - Personnel Matters                 | 47,576.29         | 6,583.32          | 40,992.97        | 722.68%        | 9,875.00          |
| 6074 · BHFS Legal - Interagency Issues                | 3,510.45          | 22,866.68         | -19,356.23       | 15.35%         | 34,300.00         |
| 6075 · BHFS Legal - Replenishmnt Water                | 42,186.60         | 0.00              | 42,186.60        | 100.0%         | 0.00              |
| 6076 · BHFS Legal - Storage Agreements                | 5,779.47          | 0.00              | 5,779.47         | 100.0%         | 0.00              |
| 6078 · BHFS Legal - Miscellaneous                     | 47,748.33         | 37,920.00         | 9,828.33         | 125.92%        | 56,880.00         |
| <b>Total 6070 · Watermaster Legal Services</b>        | <b>165,108.10</b> | <b>155,836.68</b> | <b>9,271.42</b>  | <b>105.95%</b> | <b>202,555.00</b> |
| 6275 · BHFS Legal - Advisory Committee                | 21,473.18         | 20,540.00         | 933.18           | 104.54%        | 30,810.00         |
| 6375 · BHFS Legal - Board Meeting                     | 51,658.47         | 34,420.00         | 17,238.47        | 150.08%        | 45,630.00         |
| 8375 · BHFS Legal - Appropriative Pool                | 13,263.68         | 14,220.00         | -956.32          | 93.28%         | 21,330.00         |
| 8475 · BHFS Legal - Agricultural Pool                 | 12,738.88         | 20,540.00         | -7,801.12        | 62.02%         | 30,810.00         |
| 8575 · BHFS Legal - Non-Ag Pool                       | 11,897.63         | 6,320.00          | 5,577.63         | 188.25%        | 9,480.00          |
| <b>Total BHFS Legal Services</b>                      | <b>111,031.84</b> | <b>96,040.00</b>  | <b>14,991.84</b> | <b>115.61%</b> | <b>138,060.00</b> |
| <b>6907.3 · WM Legal Counsel</b>                      |                   |                   |                  |                |                   |
| 6907.30 · Peace II - CEQA                             | 3,019.50          | 0.00              | 3,019.50         | 100.0%         | 0.00              |
| 6907.31 · S. Archibald Plume-Formerly OIA             | 6,642.00          | 16,416.68         | -9,774.68        | 40.46%         | 24,625.00         |
| 6907.32 · Chino Airport Plume                         | 10,358.70         | 17,116.68         | -6,757.98        | 60.52%         | 25,675.00         |
| 6907.33 · Desalter Negotiations                       | 82,498.31         | 67,425.00         | 15,073.31        | 122.36%        | 67,425.00         |
| 6907.34 · Santa Ana River Water Rights                | 5,121.97          | 16,750.00         | -11,628.03       | 30.58%         | 25,125.00         |
| 6907.35 · Paragraph 31 Motion                         | 52,096.49         | 39,200.00         | 12,896.49        | 132.9%         | 39,200.00         |
| 6907.36 · Santa Ana River Habitat                     | 7,969.13          | 0.00              | 7,969.13         | 100.0%         | 0.00              |
| 6907.37 · Water Auction                               | 0.00              | 0.00              | 0.00             | 0.0%           | 0.00              |
| 6907.38 · Reg. Water Quality Cntrl Board              | 0.00              | 9,166.68          | -9,166.68        | 0.0%           | 13,750.00         |
| 6907.39 · Recharge Master Plan                        | 16,980.44         | 20,288.00         | -3,307.56        | 83.7%          | 25,360.00         |
| 6907.3 · WM Legal Counsel - Other                     | 0.00              | 0.00              | 0.00             | 0.0%           | 0.00              |
| <b>Total 6907.3 · WM Legal Counsel</b>                | <b>184,686.54</b> | <b>186,363.04</b> | <b>-1,676.50</b> | <b>99.1%</b>   | <b>221,160.00</b> |
| <b>Total Brownstein, Hyatt, Farber, Schreck Costs</b> | <b>460,826.48</b> | <b>438,239.72</b> | <b>22,586.76</b> | <b>105.15%</b> | <b>561,775.00</b> |

**OBMP Engineering Services and Legal Costs:**

Several individual line items within the 6900 (Optimum Basin Mgmt Program) are above the Year-To-Date budget. These are the 6901 (WM Staff Salaries) of \$14,231 and the 6906 (OBMP Engineering Services-Other) of \$6,090. These overages totaling \$20,321 are a direct result of increased activities and allocating the budget in equal 1/12 portions throughout the fiscal year. The Year-To-Date expenses in these categories are running ahead of budget and should level off as the fiscal year progresses.

Within the category 6900 (Optimum Basin Mgmt Program) are the remaining Brownstein Hyatt Farber Schreck (BHFS) Watermaster's legal expenses. Within the legal expense category, some individual line item activities were above the budget \$38,958 while the majority of line item activities were below the budget \$40,635. Above the budget line items were the Peace II CEQA of \$3,020; the Desalter Negotiations of \$15,073; the Paragraph 31 Motion of \$12,896; and the Santa Ana River Habitat of \$7,969. The individual legal projects/activities that were below budget for the Year-To-Date period were the South Archibald Plume (formerly the OIA Plume) of \$9,775; the Chino Airport Plume \$6,758; the Santa Ana River Water Rights Application of \$11,628; the Regional Water Quality Control Board of \$9,167; and the Recharge Master Plan of \$3,307. For the eight months ended February 29, 2012, the overall cumulative

(YTD) budget was \$186,363 and the actual (BHFS) legal expenses totaled \$184,686 which resulted in an (Under) budget variance of (\$1,677) or (0.9%).

The chart listed below summarizes the Optimum Basin Management Program (OBMP) expenses as of February 29, 2012 compared to the Year-To-Date (YTD) budget. Please be advised that the "\$ Over Budget" and the "% of Budget" columns are a comparison of the (YTD) Actual to the (YTD) Budget, not the 12-month Annual Budget. The 12-month Annual Budget column is presented only to provide the data in a full and complete format. Overall, the Optimum Basin Management Program (OBMP) category was \$800,019 compared to a (YTD) budget of \$793,580 for an Over budget of \$6,439 or 0.8% as of February 29, 2012.

|   | Jul '11 - Feb '12 | Budget            | \$ Over Budget    | % of Budget    | Annual Budget       |
|---|-------------------|-------------------|-------------------|----------------|---------------------|
| <b>6900 · Optimum Basin Mgmt Plan</b>         |                   |                   |                   |                |                     |
| 6901 · WM Staff Salaries                      | 158,892.81        | 144,661.32        | 14,231.49         | 109.84%        | 216,992.00          |
| 6903 · OBMP SAWPA Group                       | 11,655.00         | 11,655.00         | 0.00              | 100.0%         | 11,655.00           |
| <b>6906 · OBMP Engineering Services</b>       |                   |                   |                   |                |                     |
| 6906.1 · OBMP - Watermaster Model Update      | 264,023.48        | 264,010.00        | 13.48             | 100.01%        | 354,010.00          |
| 6906 · OBMP Engineering Services - Other      | 176,314.71        | 170,224.25        | 6,090.46          | 103.58%        | 224,304.00          |
| <b>Total 6906 · OBMP Engineering Services</b> | <b>440,338.19</b> | <b>434,234.25</b> | <b>6,103.94</b>   | <b>101.41%</b> | <b>578,314.00</b>   |
| <b>6907 · OBMP Legal Fees</b>                 |                   |                   |                   |                |                     |
| <b>6907.3 · WM Legal Counsel</b>              |                   |                   |                   |                |                     |
| 6907.30 · Peace II - CEQA                     | 3,019.50          | 0.00              | 3,019.50          | 100.0%         | 0.00                |
| 6907.31 · S. Archibald Plume-Formerly OIA     | 6,642.00          | 16,416.68         | -9,774.68         | 40.46%         | 24,625.00           |
| 6907.32 · Chino Airport Plume                 | 10,358.70         | 17,116.68         | -6,757.98         | 60.52%         | 25,675.00           |
| 6907.33 · Desalter Negotiations               | 82,498.31         | 67,425.00         | 15,073.31         | 122.36%        | 67,425.00           |
| 6907.34 · Santa Ana River Water Rights        | 5,121.97          | 16,750.00         | -11,628.03        | 30.58%         | 25,125.00           |
| 6907.35 · Paragraph 31 Motion                 | 52,096.49         | 39,200.00         | 12,896.49         | 132.9%         | 39,200.00           |
| 6907.36 · Santa Ana River Habitat             | 7,969.13          | 0.00              | 7,969.13          | 100.0%         | 0.00                |
| 6907.37 · Water Auction                       | 0.00              | 0.00              | 0.00              | 0.0%           | 0.00                |
| 6907.38 · Reg. Water Quality Cntrl Board      | 0.00              | 9,166.68          | -9,166.68         | 0.0%           | 13,750.00           |
| 6907.39 · Recharge Master Plan                | 16,980.44         | 20,288.00         | -3,307.56         | 83.7%          | 25,360.00           |
| 6907.3 · WM Legal Counsel - Other             | 0.00              | 0.00              | 0.00              | 0.0%           | 0.00                |
| <b>Total 6907.3 · WM Legal Counsel</b>        | <b>184,686.54</b> | <b>186,363.04</b> | <b>-1,676.50</b>  | <b>99.1%</b>   | <b>221,160.00</b>   |
| <b>Total 6907 · OBMP Legal Fees</b>           | <b>184,686.54</b> | <b>186,363.04</b> | <b>-1,676.50</b>  | <b>99.1%</b>   | <b>221,160.00</b>   |
| <b>6909 · OBMP Other Expenses</b>             |                   |                   |                   |                |                     |
| 6909.1 · OBMP Meetings                        | 874.28            | 0.00              | 874.28            | 100.0%         | 0.00                |
| 6909.3 · Other OBMP Expenses                  | 1,977.00          | 0.00              | 1,977.00          | 100.0%         | 0.00                |
| 6909.4 · Printing                             | 1,595.00          | 0.00              | 1,595.00          | 100.0%         | 0.00                |
| 6909.5 · Ad Hoc Litigation Committee          | 0.00              | 0.00              | 0.00              | 0.0%           | 0.00                |
| 6909 · OBMP Other Expenses - Other            | 0.00              | 16,666.68         | -16,666.68        | 0.0%           | 25,000.00           |
| <b>Total 6909 · OBMP Other Expenses</b>       | <b>4,446.28</b>   | <b>16,666.68</b>  | <b>-12,220.40</b> | <b>26.68%</b>  | <b>25,000.00</b>    |
| <b>Total 6900 · Optimum Basin Mgmt Plan</b>   | <b>800,018.82</b> | <b>793,580.29</b> | <b>6,438.53</b>   | <b>100.81%</b> | <b>1,053,121.00</b> |

The OBMP Implementation Projects (accounts 7100's – 7700's) were under budget as of February 29, 2012 except for several categories. Those categories over budget (YTD) were In-Line Meter Installation (7102's), over budget by the amount of \$7,033; Groundwater Quality Monitoring (7103's) over budget by the amount of \$5,025; Comprehensive Recharge Program (7200's) over budget by the amount of \$4,792; and Cooperative Efforts/Salt Management (7500's) over budget by the amount of \$19,519. The In-Line Meter Installation category was over budget due to the increased number of meters being installed than was originally budgeted in the Watermaster FY 2011/2012 budget. The Groundwater Quality Monitoring category and the Comprehensive Recharge Program categories were over budget due to timing differences between actual expenses and budgeted expenses. The Cooperative Efforts/Salt



Management variance is a result of the additional labor efforts regarding the South Archibald Plume monitoring and testing, resulting in a larger unanticipated labor cost.

Category 7107 (Ground Level Monitoring) contains the annual budget costs of \$465,002 for the installation of a vertical extensometer in the Chino Creek Well Field area, located at the Chino Airport. The initial payment of \$295,200 to the Chino Basin Desalter Authority is planned to be issued in March 2012. This budget category also includes the \$30,000 quarterly InSar Imagery costs which are tracking well below the budget.

The Recharge Improvement Debt Payment (Category 7690) is another category which the budget and expense fluctuate due to the timing of expense receipts. Watermaster received a credit from IEUA in the amount of \$296,265 during the month of January. This credit is the direct result of the refinancing efforts by IEUA and a true-up of the budgeted costs vs. actual payments on the debt servicing to IEUA. Currently, this category is below the budgeted amount by \$272,829. Excess funds from this category could be used for the upcoming 3-year Turner Basin Improvements, which are estimated in the range of \$270K+.

Added to the financial reports during the month of November 2011, the chart listed below summarized the Year-To-Date (YTD) Actual Wildermuth Environmental, Inc., (WEI) and other Engineering costs compared to the Year-To-Date (YTD) Budget. Please be advised that the "\$ Over Budget" and the "% of Budget" columns are a comparison of the (YTD) Actual to the (YTD) Budget, not the 12-month Annual Budget. The 12-month Annual Budget column is presented only to provide the data in a full and complete format. As of February 29, 2012, the total (YTD) Engineering expenses are \$159,208 or 7.9% below the (YTD) budget amount of \$2,009,697. The following details are provided:

|   | Jul '11 - Feb '12   | Budget              | \$ Over Budget     | % of Budget   | Annual Budget       |
|---|---------------------|---------------------|--------------------|---------------|---------------------|
| 6906.1 · OBMP - Watermaster Model Update          | 264,023.48          | 264,010.00          | 13.48              | 100.01%       | 354,010.00          |
| 6906 · OBMP Engineering Services - Other          | 176,314.71          | 170,224.25          | 6,090.46           | 103.58%       | 224,304.00          |
| 7103.3 · Grdwtr Qual-Engineering                  | 95,879.50           | 81,305.00           | 14,574.50          | 117.93%       | 86,470.00           |
| 7103.5 · Grdwtr Qual-Lab Svcs                     | 31,330.00           | 27,588.68           | 3,741.32           | 113.56%       | 36,883.00           |
| 7104.3 · Grdwtr Level-Engineering                 | 178,781.97          | 133,414.00          | 45,367.97          | 134.01%       | 172,518.00          |
| 7104.8 · Grdwtr Level-Contracted Serv             | 0.00                | 6,666.68            | -6,666.68          | 0.0%          | 10,000.00           |
| 7104.9 · Grdwtr Level-Capital Equip               | 0.00                | 10,443.75           | -10,443.75         | 0.0%          | 13,925.00           |
| 7107.2 · Grd Level-Engineering                    | 179,256.00          | 110,956.68          | 68,299.32          | 161.56%       | 166,435.00          |
| 7107.3 · Grd Level-SAR Imagery                    | 0.00                | 60,000.00           | -60,000.00         | 0.0%          | 120,000.00          |
| 7107.6 · Grd Level-Contract Svcs                  | 147,076.76          | 149,823.32          | -2,746.56          | 98.17%        | 224,735.00          |
| 7107.7 · Grd Level-Extensometer Install           | 295,200.00          | 440,517.00          | -145,317.00        | 67.01%        | 465,001.00          |
| 7107.8 · Grd Level-Cap Equip Exte                 | 0.00                | 19,321.50           | -19,321.50         | 0.0%          | 25,762.00           |
| 7108.3 · Hydraulic Control-Engineering            | 150,656.49          | 171,385.00          | -20,728.51         | 87.91%        | 246,956.00          |
| 7108.4 · Hydraulic Control-Lab Svcs               | 96,303.00           | 113,899.32          | -17,596.32         | 84.55%        | 170,849.00          |
| 7108.9 · Hydraulic Control-Contract Svcs          | 0.00                | 1,333.32            | -1,333.32          | 0.0%          | 2,000.00            |
| 7109.3 · Recharge & Well - Engineering            | 0.00                | 2,232.00            | -2,232.00          | 0.0%          | 6,696.00            |
| 7202.2 · Engineering Svc                          | 0.00                | 6,880.00            | -6,880.00          | 0.0%          | 10,320.00           |
| 7202.3 · Comp Recharge-Implementation             | 102,305.02          | 98,490.00           | 3,815.02           | 103.87%       | 122,490.00          |
| 7303 · PE3&5-Engineering - Other                  | 34,735.74           | 36,221.00           | -1,485.26          | 95.9%         | 36,221.00           |
| 7402 · PE4-Engineering                            | 30,509.02           | 28,422.00           | 2,087.02           | 107.34%       | 50,123.00           |
| 7403 · PE4-Contract Svcs                          | 0.00                | 6,666.68            | -6,666.68          | 0.0%          | 10,000.00           |
| 7502 · PE6&7-Engineering                          | 30,588.82           | 32,106.68           | -1,517.86          | 95.27%        | 48,160.00           |
| 7503 · PE6&7-Contract Svcs (Plume)                | 37,528.00           | 37,790.00           | -262.00            | 99.31%        | 37,790.00           |
| <b>Total Wildermuth Environmental, Inc. Costs</b> | <b>1,850,488.51</b> | <b>2,009,696.86</b> | <b>-159,208.35</b> | <b>92.08%</b> | <b>2,641,648.00</b> |

**Other Income and Expense:**

In August 2011, Watermaster received two payments from the Metropolitan Water District. Metropolitan entered into agreements with Watermaster and other member agencies and partners for dry-year groundwater storage. Pursuant to Section VI of these agreements, Metropolitan committed to pay an annual administrative fee to one of the partners on each of the agreements for the 25-year term of the each agreement a) beginning on July 1<sup>st</sup> after the initial storage of water in each program, and b) with the set fee dollar amount escalating annually by the lesser of 2.5% or CPI. Watermaster received \$145,568.70 for the FY 2009/2010 payment (due July 1, 2010) and \$149,207.92 for the FY 2010/2011 payment (due July 1, 2011). The total amount received of \$294,776.62 was recorded to account 4040 (Cooperative Agreements). A portion of the \$294,776.62 (the amount of \$211,580) has now been included in the FY 2011/2012 budget. This amount of \$211,580 is being used to offset and additional extensometer costs as well as other salary costs. The balance of un-appropriated revenue of \$83,196.62 ( $\$294,776.62 - \$211,580.00 = \$83,196.62$ ) will be used for any unanticipated expenses that might arise before the end of the fiscal year.

On March 22, 2012, the Watermaster Board approved to appropriate the amount of \$32,000 for the Watermaster CEO Recruitment contract. This approval action reduces the un-appropriated revenue of \$83,196.62 down to \$51,196.62 ( $\$83,196.62 - \$32,000.00 = \$51,196.62$ ).

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

**Actions:**

- April 12, 2012 Appropriative Pool – Approved unanimously
- April 12, 2012 Non-Agricultural Pool – Moved to receive and file without approval
- April 12, 2012 Agricultural Pool – Approved unanimously
- April 19, 2012 Advisory Committee –
- April 26, 2012 Watermaster Board –

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

|                                       | 1/12th of the Total Budget     |                     |                |               | 8/12th (67%) of the Total Budget     |                     |                  |                | 100% of the Total Budget            |                     |                  |                |
|---------------------------------------|--------------------------------|---------------------|----------------|---------------|--------------------------------------|---------------------|------------------|----------------|-------------------------------------|---------------------|------------------|----------------|
|                                       | For The Month of February 2012 |                     |                |               | Year-To-Date as of February 29, 2012 |                     |                  |                | Fiscal Year End as of June 30, 2012 |                     |                  |                |
|                                       | Actual                         | Budget              | \$ Over(Under) | % of Budget   | Actual                               | Budget              | \$ Over(Under)   | % of Budget    | Projected                           | Budget              | \$ Over(Under)   | % of Budget    |
| <b>Income</b>                         |                                |                     |                |               |                                      |                     |                  |                |                                     |                     |                  |                |
| 4010 · Local Agency Subsidies         | 0.00                           | 0.00                | 0.00           | 0.0%          | 705,776.62                           | 622,580.00          | 83,196.62        | 113.36%        | 705,776.62                          | 654,580.00          | 51,196.62        | 107.82%        |
| 4110 · Admin Asmnts-Approp Pool       | 5,844,371.90                   | 5,844,797.00        | -425.10        | 99.99%        | 5,844,371.90                         | 5,844,797.00        | -425.10          | 99.99%         | 5,844,797.00                        | 5,844,797.00        | 0.00             | 100.0%         |
| 4120 · Admin Asmnts-Non-Agri Pool     | 252,358.50                     | 252,380.00          | -21.50         | 99.99%        | 252,358.50                           | 252,380.00          | -21.50           | 99.99%         | 252,380.00                          | 252,380.00          | 0.00             | 100.0%         |
| 4700 · Non Operating Revenues         | 0.00                           | 0.00                | 0.00           | 0.0%          | 8,872.09                             | 75,005.00           | -66,132.91       | 11.83%         | 150,010.00                          | 150,010.00          | 0.00             | 100.0%         |
| 4900 · Miscellaneous Income           | 0.00                           | 0.00                | 0.00           | 0.0%          | 0.00                                 | 0.00                | 0.00             | 0.0%           | 0.00                                | 0.00                | 0.00             | 0.0%           |
| <b>Total Income</b>                   | <b>6,096,730.40</b>            | <b>6,097,177.00</b> | <b>-446.60</b> | <b>99.99%</b> | <b>6,811,379.11</b>                  | <b>6,794,762.00</b> | <b>16,617.11</b> | <b>100.25%</b> | <b>6,952,963.62</b>                 | <b>6,901,767.00</b> | <b>51,196.62</b> | <b>100.74%</b> |
| <b>Gross Profit</b>                   | <b>6,096,730.40</b>            | <b>6,097,177.00</b> | <b>-446.60</b> | <b>99.99%</b> | <b>6,811,379.11</b>                  | <b>6,794,762.00</b> | <b>16,617.11</b> | <b>100.25%</b> | <b>6,952,963.62</b>                 | <b>6,901,767.00</b> | <b>51,196.62</b> | <b>100.74%</b> |
| <b>Expense</b>                        |                                |                     |                |               |                                      |                     |                  |                |                                     |                     |                  |                |
| 6010 · Salary Costs                   | 29,930.59                      | 54,904.21           | -24,973.62     | 54.51%        | 354,470.16                           | 382,587.30          | -28,117.14       | 92.65%         | 592,976.00                          | 592,976.00          | 0.00             | 100.0%         |
| 6020 · Office Building Expense        | 7,953.82                       | 8,331.00            | -377.18        | 95.47%        | 65,367.88                            | 69,108.00           | -3,740.12        | 94.59%         | 103,369.00                          | 103,369.00          | 0.00             | 100.0%         |
| 6030 · Office Supplies & Equip.       | 1,904.82                       | 2,125.00            | -220.18        | 89.64%        | 13,014.68                            | 17,000.00           | -3,985.32        | 76.56%         | 25,500.00                           | 25,500.00           | 0.00             | 100.0%         |
| 6040 · Postage & Printing Costs       | 3,575.91                       | 5,865.00            | -2,289.09      | 60.97%        | 32,878.60                            | 45,820.00           | -12,941.40       | 71.76%         | 66,180.00                           | 66,180.00           | 0.00             | 100.0%         |
| 6050 · Information Services           | 11,145.83                      | 10,835.00           | 310.83         | 102.87%       | 85,215.51                            | 99,680.00           | -14,464.49       | 85.49%         | 148,020.00                          | 148,020.00          | 0.00             | 100.0%         |
| 6060 · Contract Services              | 420.00                         | 0.00                | 420.00         | 100.0%        | 13,188.75                            | 34,000.00           | -20,811.25       | 38.79%         | 66,000.00                           | 66,000.00           | 0.00             | 100.0%         |
| 6070 · Watermaster Legal Services     | 7,338.79                       | 11,679.58           | -4,340.79      | 62.83%        | 165,108.10                           | 155,836.68          | 9,271.42         | 105.95%        | 202,555.00                          | 202,555.00          | 0.00             | 100.0%         |
| 6080 · Insurance                      | 0.00                           | 0.00                | 0.00           | 0.0%          | 17,740.87                            | 19,036.00           | -1,295.13        | 93.2%          | 19,036.00                           | 19,036.00           | 0.00             | 100.0%         |
| 6110 · Dues and Subscriptions         | 0.00                           | 0.00                | 0.00           | 0.0%          | 26,781.15                            | 27,270.00           | -488.85          | 98.21%         | 30,000.00                           | 30,000.00           | 0.00             | 100.0%         |
| 6140 · WM Admin Expenses              | 148.83                         | 250.00              | -101.17        | 59.53%        | 845.40                               | 2,000.00            | -1,154.60        | 42.27%         | 3,000.00                            | 3,000.00            | 0.00             | 100.0%         |
| 6150 · Field Supplies                 | 0.00                           | 150.00              | -150.00        | 0.0%          | 297.58                               | 750.00              | -452.42          | 39.68%         | 1,600.00                            | 1,600.00            | 0.00             | 100.0%         |
| 6170 · Travel & Transportation        | 2,063.87                       | 1,680.00            | 383.87         | 122.85%       | 12,419.01                            | 14,265.00           | -1,845.99        | 87.06%         | 21,970.00                           | 21,970.00           | 0.00             | 100.0%         |
| 6190 · Conferences & Seminars         | 20.00                          | 0.00                | 20.00          | 100.0%        | 4,179.44                             | 13,125.00           | -8,945.56        | 31.84%         | 17,500.00                           | 17,500.00           | 0.00             | 100.0%         |
| 6200 · Advisory Comm - WM Board       | 1,918.21                       | 4,504.25            | -2,586.04      | 42.59%        | 35,939.31                            | 36,034.00           | -94.69           | 99.74%         | 54,051.00                           | 54,051.00           | 0.00             | 100.0%         |
| 6300 · Watermaster Board Expenses     | 12,397.49                      | 7,237.17            | 5,160.32       | 171.3%        | 91,847.23                            | 72,597.32           | 19,249.91        | 126.52%        | 101,246.00                          | 101,246.00          | 0.00             | 100.0%         |
| 8300 · Appr PI-WM & Pool Admin        | 3,720.62                       | 4,190.00            | -469.38        | 88.8%         | 35,146.12                            | 33,520.00           | 1,626.12         | 104.85%        | 50,280.00                           | 50,280.00           | 0.00             | 100.0%         |
| 8400 · Agri Pool-WM & Pool Admin      | 4,640.21                       | 5,319.09            | -678.88        | 87.24%        | 35,363.98                            | 42,552.64           | -7,188.66        | 83.11%         | 63,829.00                           | 63,829.00           | 0.00             | 100.0%         |
| 8467 · Ag Legal & Technical Services  | 16,246.28                      | 17,583.33           | -1,337.05      | 92.4%         | 63,960.08                            | 140,666.68          | -76,706.60       | 45.47%         | 211,000.00                          | 211,000.00          | 0.00             | 100.0%         |
| 8470 · Ag Meeting Attend -Special     | 1,300.00                       | 1,000.00            | 300.00         | 130.0%        | 12,600.00                            | 8,000.00            | 4,600.00         | 157.5%         | 12,000.00                           | 12,000.00           | 0.00             | 100.0%         |
| 8471 · Ag Pool Expense                | 0.00                           | 0.00                | 0.00           | 0.0%          | 0.00                                 | 32,500.00           | -32,500.00       | 0.0%           | 65,000.00                           | 65,000.00           | 0.00             | 100.0%         |
| 8485 · Ag Pool - Misc. Exp. - Ag Fund | 0.00                           | 0.00                | 0.00           | 0.0%          | 99.34                                | 0.00                | 99.34            | 100.0%         | 0.00                                | 0.00                | 0.00             | 0.0%           |
| 8500 · Non-Ag PI-WM & Pool Admin      | 9,370.81                       | 8,476.08            | 894.73         | 110.56%       | 80,299.13                            | 67,808.68           | 12,490.45        | 118.42%        | 101,713.00                          | 101,713.00          | 0.00             | 100.0%         |
| 6500 · Education Funds Use Expens     | 0.00                           | 0.00                | 0.00           | 0.0%          | 375.00                               | 375.00              | 0.00             | 100.0%         | 375.00                              | 375.00              | 0.00             | 100.0%         |
| 9400 · Depreciation Expense           | 0.00                           | 0.00                | 0.00           | 0.0%          | 0.00                                 | 0.00                | 0.00             | 0.0%           | 0.00                                | 0.00                | 0.00             | 0.0%           |
| 9500 · Allocated G&A Expenditures     | -46,652.18                     | -60,049.92          | 13,397.74      | 77.69%        | -300,391.91                          | -480,399.32         | 180,007.41       | 62.53%         | -720,599.00                         | -720,599.00         | 0.00             | 100.0%         |
| 6900 · Optimum Basin Mgmt Plan        | 124,994.94                     | 80,272.99           | 44,721.95      | 155.71%       | 800,018.82                           | 793,580.29          | 6,438.53         | 100.81%        | 1,053,121.00                        | 1,053,121.00        | 0.00             | 100.0%         |
| 6950 · Mutual Agency Projects         | 0.00                           | 0.00                | 0.00           | 0.0%          | 0.00                                 | 0.00                | 0.00             | 0.0%           | 10,000.00                           | 10,000.00           | 0.00             | 100.0%         |
| 9501 · G&A Expenses Allocated-OBMP    | 17,491.84                      | 18,031.25           | -539.41        | 97.01%        | 116,666.33                           | 144,250.00          | -27,583.67       | 80.88%         | 216,375.00                          | 216,375.00          | 0.00             | 100.0%         |
| 7101 · Production Monitoring          | 7,856.39                       | 8,741.67            | -885.28        | 89.87%        | 68,803.20                            | 78,933.32           | -10,130.12       | 87.17%         | 104,900.00                          | 104,900.00          | 0.00             | 100.0%         |
| 7102 · In-line Meter Installation     | 20,133.02                      | 5,530.25            | 14,602.77      | 364.05%       | 51,275.06                            | 44,242.00           | 7,033.06         | 115.99%        | 66,363.00                           | 66,363.00           | 0.00             | 100.0%         |
| 7103 · Grdwtr Quality Monitoring      | 20,841.26                      | 9,367.75            | 11,473.51      | 222.48%       | 179,632.37                           | 174,607.00          | 5,025.37         | 102.88%        | 209,923.00                          | 209,923.00          | 0.00             | 100.0%         |

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|  | 1/12th of the Total Budget     |                      |                    |                | 8/12th (67%) of the Total Budget     |                      |                      |                 | 100% of the Total Budget            |                     |                      |                   |
|--|--------------------------------|----------------------|--------------------|----------------|--------------------------------------|----------------------|----------------------|-----------------|-------------------------------------|---------------------|----------------------|-------------------|
|  | For The Month of February 2012 |                      |                    |                | Year-To-Date as of February 29, 2012 |                      |                      |                 | Fiscal Year End as of June 30, 2012 |                     |                      |                   |
|  | Actual                         | Budget               | \$ Over(Under)     | % of Budget    | Actual                               | Budget               | \$ Over(Under)       | % of Budget     | Projected                           | Budget              | \$ Over(Under)       | % of Budget       |
| 7104 · Gdwtr Level Monitoring          | 28,301.49                      | 18,586.91            | 9,714.58           | 152.27%        | 211,450.95                           | 218,933.11           | -7,482.16            | 96.58%          | 297,806.00                          | 297,806.00          | 0.00                 | 100.0%            |
| 7105 · Sur Wtr Qual Monitoring         | 567.23                         | 291.00               | 276.23             | 194.92%        | 567.23                               | 2,403.00             | -1,835.77            | 23.61%          | 3,592.00                            | 3,592.00            | 0.00                 | 100.0%            |
| 7107 · Ground Level Monitoring         | 331,779.29                     | 113,740.50           | 218,038.79         | 291.7%         | 621,941.16                           | 781,662.50           | -159,721.34          | 79.57%          | 1,003,500.00                        | 1,003,500.00        | 0.00                 | 100.0%            |
| 7108 · Hydraulic Control Monitoring    | 37,398.59                      | 69,620.17            | -32,221.58         | 53.72%         | 250,320.11                           | 291,466.32           | -41,146.21           | 85.88%          | 427,078.00                          | 427,078.00          | 0.00                 | 100.0%            |
| 7109 · Recharge & Well Monitoring Prog | 0.00                           | 2,232.00             | -2,232.00          | 0.0%           | 0.00                                 | 2,232.00             | -2,232.00            | 0.0%            | 6,696.00                            | 6,696.00            | 0.00                 | 100.0%            |
| 7200 · PE2- Comp Recharge Pgm          | 71,969.79                      | 60,450.59            | 11,519.20          | 119.06%        | 987,607.24                           | 982,815.64           | 4,791.60             | 100.49%         | 1,233,275.00                        | 1,233,275.00        | 0.00                 | 100.0%            |
| 7300 · PE3&5-Water Supply/Desalfe      | 6,181.86                       | 6,795.25             | -613.39            | 90.97%         | 61,737.05                            | 66,583.00            | -4,845.95            | 92.72%          | 81,764.00                           | 81,764.00           | 0.00                 | 100.0%            |
| 7400 · PE4- Mgmt Plan                  | 13,068.93                      | 10,752.91            | 2,316.02           | 121.54%        | 38,137.22                            | 44,820.36            | -6,683.14            | 85.09%          | 74,457.00                           | 74,457.00           | 0.00                 | 100.0%            |
| 7500 · PE6&7-CoopEfforts/SaltMgmt      | 4,757.63                       | 4,262.66             | 494.97             | 111.61%        | 91,410.32                            | 71,891.36            | 19,518.96            | 127.15%         | 88,942.00                           | 88,942.00           | 0.00                 | 100.0%            |
| 7600 · PE8&9-StorageMgmt/Conj Use      | 4,734.98                       | 3,785.25             | 949.73             | 125.09%        | 30,437.81                            | 30,544.50            | -106.69              | 99.65%          | 45,773.00                           | 45,773.00           | 0.00                 | 100.0%            |
| 7690 · Recharge Improvement Debt Pymt  | 0.00                           | 0.00                 | 0.00               | 0.0%           | 178,135.00                           | 450,964.00           | -272,829.00          | 39.5%           | 450,964.00                          | 450,964.00          | 0.00                 | 100.0%            |
| 7700 · Inactive Well Protection Prgm   | 0.00                           | 0.00                 | 0.00               | 0.0%           | 167.97                               | 1,059.75             | -891.78              | 15.85%          | 1,413.00                            | 1,413.00            | 0.00                 | 100.0%            |
| 9502 · G&A Expenses Allocated-Projects | 29,160.34                      | 42,018.67            | -12,858.33         | 69.4%          | 183,725.62                           | 336,149.32           | -152,423.70          | 54.66%          | 504,224.00                          | 504,224.00          | 0.00                 | 100.0%            |
| <b>Total Expense</b>                   | <b>786,681.48</b>              | <b>538,559.61</b>    | <b>248,121.87</b>  | <b>146.07%</b> | <b>4,718,778.87</b>                  | <b>5,351,270.45</b>  | <b>-632,491.58</b>   | <b>88.18%</b>   | <b>7,116,767.00</b>                 | <b>7,116,767.00</b> | <b>0.00</b>          | <b>100.0%</b>     |
| <b>Net Ordinary Income</b>             | <b>5,310,048.92</b>            | <b>5,558,617.39</b>  | <b>-248,568.47</b> | <b>95.53%</b>  | <b>2,092,600.24</b>                  | <b>1,443,491.55</b>  | <b>649,108.69</b>    | <b>144.97%</b>  | <b>-163,803.38</b>                  | <b>-215,000.00</b>  | <b>51,196.62</b>     | <b>76.19%</b>     |
| <b>Other Income</b>                    |                                |                      |                    |                |                                      |                      |                      |                 |                                     |                     |                      |                   |
| 4225 · Interest Income                 | 0.00                           | 0.00                 | 0.00               | 0.0%           | 7.01                                 | 0.00                 | 7.01                 | 100.0%          | 150.00                              | 0.00                | 150.00               | 100.0%            |
| 4210 · Approp Pool-Replenishment       | 0.00                           | 0.00                 | 0.00               | 0.0%           | 686,814.11                           | 0.00                 | 686,814.11           | 100.0%          | 686,814.15                          | 0.00                | 686,814.15           | 100.0%            |
| 4220 · Non-Ag Pool-Replenishment       | 0.00                           | 0.00                 | 0.00               | 0.0%           | 27,469.75                            | 0.00                 | 27,469.75            | 100.0%          | 27,469.75                           | 0.00                | 27,469.75            | 100.0%            |
| 4600 · Groundwater Sales               | 0.00                           | 0.00                 | 0.00               | 0.0%           | 12,647,183.31                        | 0.00                 | 12,647,183.31        | 100.0%          | 12,647,183.31                       | 0.00                | 12,647,183.31        | 100.0%            |
| <b>Total Other Income</b>              | <b>0.00</b>                    | <b>0.00</b>          | <b>0.00</b>        | <b>0.0%</b>    | <b>13,361,474.18</b>                 | <b>0.00</b>          | <b>13,361,474.18</b> | <b>100.0%</b>   | <b>13,361,617.21</b>                | <b>0.00</b>         | <b>13,361,617.21</b> | <b>100.0%</b>     |
| <b>Other Expense</b>                   |                                |                      |                    |                |                                      |                      |                      |                 |                                     |                     |                      |                   |
| 5010 · Groundwater Replenishment       | 0.00                           | 0.00                 | 0.00               | 0.0%           | 10,269,932.04                        | 0.00                 | 10,269,932.04        | 100.0%          | 10,269,932.04                       | 0.00                | 10,269,932.04        | 100.0%            |
| 5100 · Other Water Purchases           | 0.00                           | 0.00                 | 0.00               | 0.0%           | 2,402,395.88                         | 0.00                 | 2,402,395.88         | 100.0%          | 2,402,395.88                        | 0.00                | 2,402,395.88         | 100.0%            |
| 9996 · Refund-Excess Reserves-Approp.  | 0.00                           | 0.00                 | 0.00               | 0.0%           | 1,957,901.00                         | 0.00                 | 1,957,901.00         | 100.0%          | 1,957,901.00                        | 0.00                | 1,957,901.00         | 100.0%            |
| 9997 · Refund-Excess Reserves-NonAg    | 0.00                           | 0.00                 | 0.00               | 0.0%           | 81,757.00                            | 0.00                 | 81,757.00            | 100.0%          | 81,757.00                           | 0.00                | 81,757.00            | 100.0%            |
| 9998 · Refund-Recharge Debt-Approp.    | 0.00                           | 0.00                 | 0.00               | 0.0%           | 584,280.00                           | 0.00                 | 584,280.00           | 100.0%          | 584,280.00                          | 0.00                | 584,280.00           | 100.0%            |
| 9999 · To/(From) Reserves              | 5,310,048.92                   | 5,558,617.39         | -248,568.47        | 95.53%         | 157,808.50                           | 1,443,491.55         | -1,285,683.05        | 10.93%          | -2,098,452.09                       | -215,000.00         | -1,883,452.09        | 976.02%           |
| <b>Total Other Expense</b>             | <b>5,310,048.92</b>            | <b>5,558,617.39</b>  | <b>-248,568.47</b> | <b>95.53%</b>  | <b>15,454,074.42</b>                 | <b>1,443,491.55</b>  | <b>14,010,582.87</b> | <b>1,070.6%</b> | <b>13,197,813.83</b>                | <b>-215,000.00</b>  | <b>13,412,813.83</b> | <b>-6,138.52%</b> |
| <b>Net Other Income</b>                | <b>-5,310,048.92</b>           | <b>-5,558,617.39</b> | <b>248,568.47</b>  | <b>95.53%</b>  | <b>-2,092,600.24</b>                 | <b>-1,443,491.55</b> | <b>-649,108.69</b>   | <b>144.97%</b>  | <b>163,803.38</b>                   | <b>215,000.00</b>   | <b>-51,196.62</b>    | <b>76.19%</b>     |
| <b>Net Income</b>                      | <b>0.00</b>                    | <b>0.00</b>          | <b>0.00</b>        | <b>0.0%</b>    | <b>0.00</b>                          | <b>0.00</b>          | <b>0.00</b>          | <b>0.0%</b>     | <b>0.00</b>                         | <b>0.00</b>         | <b>0.00</b>          | <b>0.0%</b>       |

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



# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### **C. WATER TRANSACTION**

1. **Consider Approval for Notice of Sale or Transfer –**  
The lease and/or purchase of 2.372 acre-feet of water from San Antonio Water Company to Monte Vista Water District as a method of utilizing its SAWCO shares. This lease is made first from San Antonio's net underproduction in FY 2011-2012, with any remainder to be recaptured from storage. Date of application: February 9, 2012.
2. **Consider Approval for Notice of Sale or Transfer –**  
The lease and/or purchase of 500.000 acre-feet of water from San Antonio Water Company to Monte Vista Water District. This lease is made first from San Antonio's net underproduction in FY 2011-2012, with any remainder to be recaptured from storage. Date of application: February 14, 2012.



***CHINO BASIN WATERMASTER***

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

March 1, 2012

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

**NOTICE OF APPLICATION(S) RECEIVED**

Date of Application: **February 9, 2012**      Date of this notice: **March 1, 2012**

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

- Notice of Sale or Transfer – The lease and/or purchase of 2.372 acre-feet of water from San Antonio Water Company to Monte Vista Water District. This lease is made first from San Antonio’s net underproduction in FY 2011-2012, with any remainder to be recaptured from storage.

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

|                        |               |
|------------------------|---------------|
| Appropriative Pool:    | March 8, 2012 |
| Non-Agricultural Pool: | March 8, 2012 |
| Agricultural Pool:     | March 8, 2012 |

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

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

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

Watermaster address:

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

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

# **CHINO BASIN WATERMASTER**

## **NOTICE OF TRANSFER OF WATER**

Notification Dated: March 1, 2012

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



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## CHINO BASIN WATERMASTER

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

**DATE:** March 1, 2012  
**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 lease and/or purchase of 2.372 acre-feet of water from San Antonio Water Company to Monte Vista Water District. This lease is made first from San Antonio's net underproduction in FY 2011-2012, with any remainder to be recaptured from storage.

### Recommendation –

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

### Fiscal Impact –

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

### Background

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

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

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

- Notice of Sale or Transfer - The lease and/or purchase of 2.372 acre-feet of water from San Antonio Water Company to Monte Vista Water District. This lease is made first from San Antonio's net underproduction in FY 2011-2012, with any remainder to be recaptured from storage.

Notice of the water transaction identified above was mailed on March 1, 2012 along with the materials submitted by the requestors.

**DISCUSSION**

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

The 85/15 rule does not apply for this water transaction because Monte Vista Water District is utilizing this transaction to produce its San Antonio Water Company shares.



# San Antonio Water Company

Incorporated October 25, 1882

Serving the original Ontario Colony lands

RECEIVED

February 9, 2012

FEB 13 2012

Mr. Ken Jeske  
CHINO BASIN WATERMASTER  
9641 San Bernardino Road  
Rancho Cucamonga, CA 91730

CHINO BASIN WATERMASTER

RE: Lease of water production rights in the Chino Basin for Fiscal Year 2011-2012

Dear Mr. Jeske:

This is to notify the Watermaster of the lease and/or purchase of 2.372 AF of water to City of Monte Vista Water District from San Antonio Water Company's net underproduction in the Fiscal Year 2011-2012.

Executed application of Watermaster forms are enclosed for consideration to be posted on the agenda for the next available meeting.

If you have any questions, please call me at 909.982.4107.

Respectfully,

Charles Moorrees  
General Manager

/cm

Cc: MKinsey/MVWD  
File - Chino Basin/Water Transfer

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

FISCAL YEAR 2011 - 2012

DATE REQUESTED: 2-2-12

AMOUNT REQUESTED: 2.372 Acre-Feet

|   |   |
|---|---|
| <p><b>TRANSFER FROM (SELLER / TRANSFEROR):</b><br/> <u>SAN ANTONIO WATER CO.</u><br/>                 Name of Party<br/> <u>139 N. EUCLID AVE.</u><br/>                 Street Address<br/> <u>UPLAND</u>      <u>CA</u>      <u>91786</u><br/>                 City                      State      Zip Code<br/> <u>909.982.4107</u><br/>                 Telephone<br/> <u>909.620.3047</u><br/>                 Facsimile</p> | <p><b>TRANSFER TO (BUYER / TRANSFEREE):</b><br/> <u>MONTE VISTA WATER DISTRICT</u><br/>                 Name of Party<br/> <u>10575 CENTRAL AVE.</u><br/>                 Street Address<br/> <u>MONTECLAIR</u>      <u>CA</u>      <u>91763</u><br/>                 City                      State      Zip Code<br/> <u>909.624.0035</u><br/>                 Telephone<br/> <u>909.624.0037</u><br/>                 Facsimile</p> |
|---|---|

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

**PURPOSE OF TRANSFER:**

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

**WATER IS TO BE TRANSFERRED FROM:**

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

**WATER IS TO BE TRANSFERRED TO:**

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

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

Is the Buyer an 85/15 Party? Yes  No

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

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

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

2-10,000 gpm

Projected Rate of Recapture

Projected Duration of Recapture

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

Pumping

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

Regular production wells

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

**WATER QUALITY AND WATER LEVELS**

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

If yes, please explain:

Nitrate concentrations range between 19-70 ppm

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

504-533

**MATERIAL PHYSICAL INJURY**

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

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

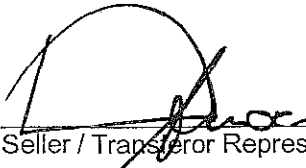
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

**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

**CHARLES MOORREES**  
 \_\_\_\_\_  
 Seller / Transferor Representative Name (Printed)

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

**MARK KINSEY**  
 \_\_\_\_\_  
 Buyer / Transferee Representative Name (Printed)

**TO BE COMPLETED BY WATERMASTER STAFF:**

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

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

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

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

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

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

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





# MONTE VISTA WATER DISTRICT

## Recapture Plan

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

The 274.294 AF transfer will be utilized for delivery to the District's retail customers, for delivery to the City of Chino Hills, or to offset future District replenishment obligations.

| <u>Well</u> | <u>Production<br/>Acre-Feet/Day</u> |
|-------------|-------------------------------------|
| 4           | 4.2                                 |
| 5           | 6.1                                 |
| 6           | 5.2                                 |
| 10          | 5.2                                 |
| 19          | 9.0                                 |
| 26          | 9.0                                 |
| 27          | 9.0                                 |
| 28          | 9.0                                 |
| 30          | 9.0                                 |
| 31          | 9.0                                 |
| 32          | 9.0                                 |
| 33          | 9.0                                 |
| 34          | 9.0                                 |

---

Daily Total                      102.0

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

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***CHINO BASIN WATERMASTER***

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

March 1, 2012

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

## NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **February 14, 2012**      Date of this notice: **March 1, 2012**

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

- Notice of Sale or Transfer – The lease and/or purchase of 500.000 acre-feet of water from San Antonio Water Company to Monte Vista Water District. This lease is made first from San Antonio's net underproduction in FY 2011-2012, with any remainder to be recaptured from storage.

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

Appropriative Pool:                      March 8, 2012

Non-Agricultural Pool:                      March 8, 2012

Agricultural Pool:                              March 8, 2012

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

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

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

Watermaster address:

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

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

# **CHINO BASIN WATERMASTER**

## **NOTICE OF TRANSFER OF WATER**

Notification Dated: March 1, 2012

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

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# CHINO BASIN WATERMASTER

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

**DATE:** March 1, 2012  
**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 lease and/or purchase of 500.000 acre-feet of water from San Antonio Water Company to Monte Vista Water District. This lease is made first from San Antonio's Annual net underproduction in FY 2011-2012, with any remainder to be recaptured from storage.

### Recommendation –

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

### Fiscal Impact –

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

### Background

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

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

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

- Notice of Sale or Transfer - The lease and/or purchase of 500.000 acre-feet of water from San Antonio Water Company to Monte Vista Water District. This lease is made first from San Antonio's Annual net underproduction in FY 2011-2012, with any remainder to be recaptured from storage.



Notice of the water transaction identified above was mailed on March 1, 2012 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 2011 - 2012

DATE REQUESTED: February 14, 2012

AMOUNT REQUESTED: 500 Acre-Feet

|  |       |          |  |       |          |
|--|-------|----------|--|-------|----------|
| <b>TRANSFER FROM (SELLER / TRANSFEROR):</b><br>San Antonio Water Company |       |          | <b>TRANSFER TO (BUYER / TRANSFEREE):</b><br>Monte Vista Water District |       |          |
| Name of Party<br>139 North Euclid Avenue                                 |       |          | Name of Party<br>10575 Central Avenue                                  |       |          |
| Street Address   |       |          | Street Address   |       |          |
| Upland   | CA    | 91786    | Montclair  | CA    | 91763    |
| City   | State | Zip Code | City   | State | Zip Code |
| Telephone<br>909-982-4107  |       |          | Telephone<br>909-624-0035  |       |          |
| 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.):**

Pumping

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

Regular production wells

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

\_\_\_\_\_

**WATER QUALITY AND WATER LEVELS**

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

If yes, please explain:

Nitrate concentrations range between 19-70 ppm

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

504-533

**MATERIAL PHYSICAL INJURY**

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

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

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_


**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  
**Charles Moorrees**  
\_\_\_\_\_  
Seller / Transferor Representative Name (Printed)

  
\_\_\_\_\_  
Buyer / Transferee Representative Signature  
**Mark N. Kinsey**  
\_\_\_\_\_  
Buyer / Transferee Representative Name (Printed)

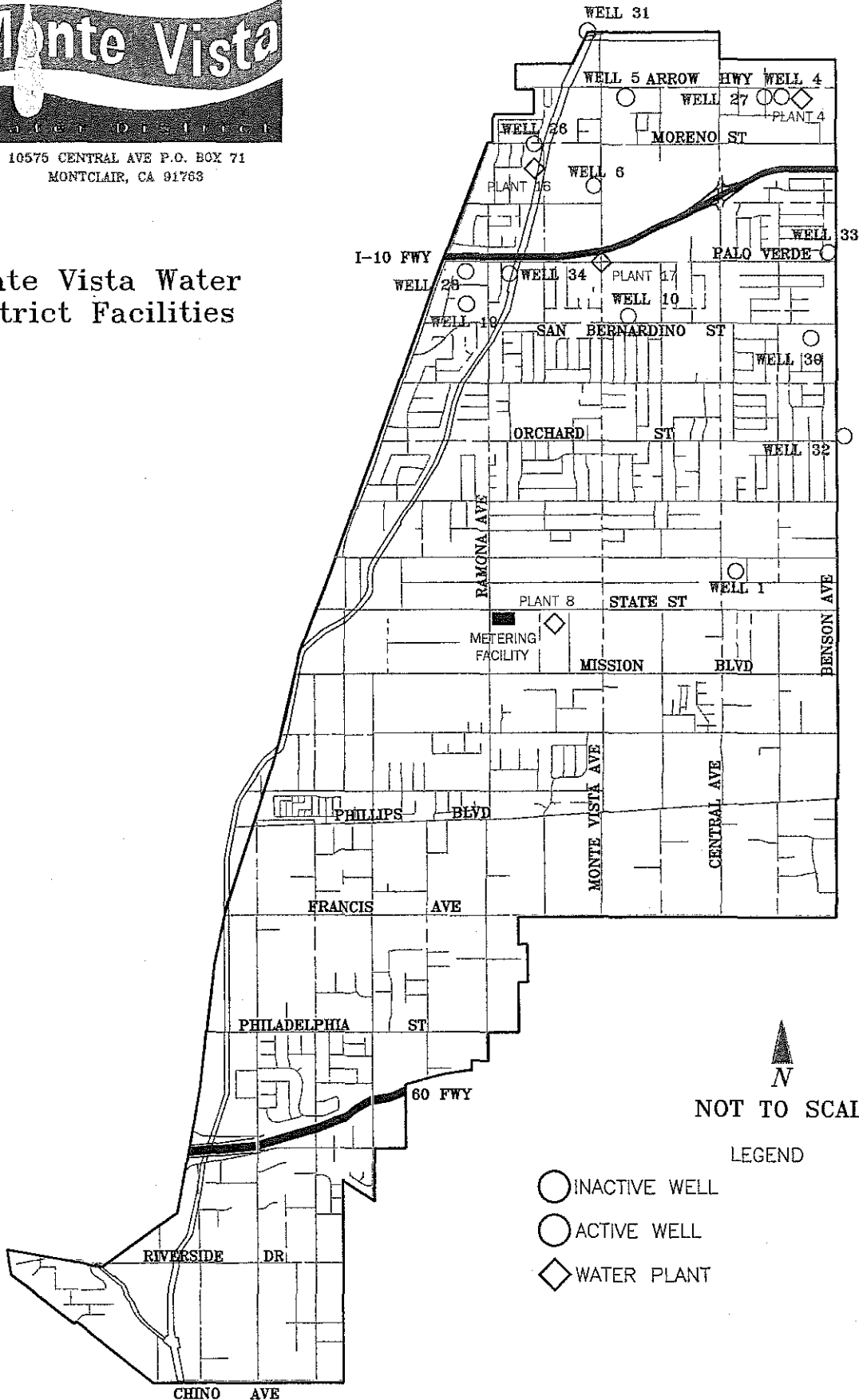
**TO BE COMPLETED BY WATERMASTER STAFF:**

- DATE OF WATERMASTER NOTICE: \_\_\_\_\_
- DATE OF APPROVAL FROM APPROPRIATIVE POOL: \_\_\_\_\_
- DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_
- DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_
- HEARING DATE, IF ANY: \_\_\_\_\_
- DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_
- DATE OF BOARD APPROVAL: \_\_\_\_\_



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

# Monte Vista Water District Facilities



NOT TO SCALE

### LEGEND

- INACTIVE WELL
- ACTIVE WELL
- ◇ WATER PLANT



# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### A. AMENDED WATERMASTER INVESTMENT POLICY





# CHINO BASIN WATERMASTER

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

## STAFF REPORT

**DATE:** April 19, 2012  
**TO:** Committee Members  
**SUBJECT:** Amend Current Chino Basin Watermaster Investment Policy To Include Investment Trust of California (CalTRUST) As An Additional Investment Option.

### SUMMARY

**Issue** – Consider Approval To (1) Amend The Current Chino Basin Watermaster Investment Policy To Include Investment Trust of California (CalTRUST) As An Additional Investment Option and (2) Grant Authority To Chief Financial Officer and/or Treasurer To Execute All Other Documents Required For Participation In The (CalTRUST) Program.

**Recommendation** – Approve To (1) Amend The Current Chino Basin Watermaster Investment Policy To Include Investment Trust of California (CalTRUST) As An Additional Investment Option and (2) Grant Authority To Chief Financial Officer and/or Treasurer To Execute All Other Documents Required For Participation In The (CalTRUST) Program.

**Financial Impact** – There are no direct costs associated with joining or investing with Investment Trust of California (CalTRUST). Please note that Investment results cannot be guaranteed due to market fluctuations. However, when compared to the returns of LAIF, there should be a small increase in interest income earned by Watermaster on funds invested in the short-term at (CalTRUST). This action combined with the Excess Reserve Return Policy recently adopted by the Board minimizes the impact to Watermaster parties resulting from Watermaster holding reserve funds.

### Background:

At the direction of the Appropriative Pool, Advisory Committee and Board, a meeting was held at the Watermaster offices on Wednesday, February 8, 2012 at 3:00pm for any interested Watermaster parties to discuss the overall Cash Reserve Policy. During these discussions involving the Cash Reserve Policy, the topic of the Watermaster Investment Policy was brought up. A recommendation for the Watermaster staff to investigate the option of adding (CalTRUST) to the Investment Policy as an additional investment option for Watermaster was suggested. During the Pool meetings of March 8, 2012; the Advisory Committee meeting of March 15, 2012; and the Watermaster Board meeting of March 22, 2012 the Interim CEO brought the suggestion of including (CalTRUST) as an additional option within the Watermaster Investment Policy. There were no clear objections at any of the meetings in March, so Staff is bringing forward the recommendation. The current Watermaster Investment Policy and Resolution 12-01 was approved and adopted by the Advisory Committee on January 19, 2012 and by the Watermaster Board on January 26, 2012.

**Summary/Discussion:**

A number of California public agencies have created a Joint Powers Authority (JPA) -- the Investment Trust of California, commonly known as (CalTRUST) -- for the purpose of pooling local agency assets for investing. Membership in the (CalTRUST) program is open to any Public Agency in California. At the present time, there are over 100 (CalTRUST) participants. A partial listing of the current participants within the (CalTRUST) program are listed below:

Counties:

- Riverside County\*
- San Diego County\*

Cities:

- Chino\*
- Chino Redevelopment Agency\*
- Riverside
- Rancho Cucamonga
- Rancho Cucamonga Redevelopment Agency
- San Bernardino
- Sacramento\*
- Sacramento Housing and Redevelopment Agency
- Palm Springs

Water Districts/Special Districts:

- Eastern Municipal Water District
- Chino Basin Water Conservation District
- West Valley Mosquito and Vector Control District\*
- Los Angeles County Metropolitan Transportation Agency
- Inland Empire Utilities Agency
- San Diego Unified Port District
- Santa Ana Watershed Project Authority
- Yorba Linda Water District
- West Valley Water District
- Chino Valley Fire District

Other:

- Association of California Water Agencies (ACWA)
- ACWA Health Benefits Authority

\*JPA Member

(CalTRUST) invests in fixed income securities eligible for local agency investment pursuant to California Government Code Sections 53601 and 53635. A Board of Trustees supervises and administers the investment programs of the JPA. (CalTRUST) maintains and administers four pooled accounts within the program:

- a **Money Market** option, which invests in an existing SEC-registered money market fund, which is rated "AAA" by Standard & Poor's and "Aaa" by Moody's Investor Services, and which maintains a dollar-weighted average maturity of less than 90 days;
- a **Short-Term** Account with a target duration of 0-2 years;
- a **Medium-Term** Account with a target duration of 1.5-3.5 years; and
- a **Long-Term** Account with a target duration of 5-7 years (although authorized by the CalTRUST Joint Powers Agreement, the CalTRUST Board of Trustees has elected to defer the opening of the Long-Term Account until the interest rate environment is more favorable for longer term securities).



Currently, Watermaster would be most interested in the Short-Term investment option due to cash flow restrictions and the availability of long term funds. The Money Market account permits daily transactions, with same-day liquidity (provided redemption requests are received by 1:00 p.m. Pacific time), with no limit on the amount of funds that may be invested. The Short-Term account permits an unlimited number of transactions per month (with prior day notice), with no limit on the amount of funds that may be invested. The Medium- and Long-Term accounts permit investments, withdrawals and transfers once per month, with five days advance notice. At present, the JPA requires a minimum investment of \$250,000; however, this requirement can be waived at the discretion of the CalTRUST Administrator. CalTRUST provides printed statements on a monthly basis, as well as 24-hour, password protected information on member accounts via online access.

Staff recommends the current Chino Basin Watermaster Investment Policy be amended to include the Investment Trust of California (CalTRUST) as an additional investment option, as well as a grant of authority to the Chief Financial Officer and/or Treasurer to execute all other documents required for participation in the (CalTRUST) program.



CalTrust Short Term Fund  
MONTH END PORTFOLIO STATISTICS  
February 29, 2012

|                     | CalTrust Short Term | LAIF      |                 | CalTrust Short Term Total Return | CalTrust Short Term Yield Return | LAIF Yield Return |
|---------------------|---------------------|-----------|-----------------|----------------------------------|----------------------------------|-------------------|
| Market Value        | \$588,518,689.89    | N/A       | One Month       | 0.07%                            | 0.04%                            | 0.03%             |
| NAV per Share       | \$10.02             | N/A       | Three Month     | 0.21%                            | 0.13%                            | 0.10%             |
| Yield               | 0.54%               | 0.39%     | Six Month       | 0.20%                            | 0.26%                            | 0.19%             |
| Period Total Return | 0.07%               | N/A       | Y-T-D           | 0.23%                            | 0.09%                            | 0.06%             |
| Period Yield Return | 0.04%               | 0.03%     | One Year        | 0.50%                            | 0.53%                            | 0.40%             |
| Effective Duration  | 0.65 Yrs.           |           | Two Year        | 0.58%                            | 0.56%                            | 0.45%             |
| Average Maturity    | 1.21 Yrs.           | 0.67 Yrs. | Three Year      | 1.04%                            | 0.63%                            | 0.63%             |
|                     |                     |           | Five Year       | 1.95%                            | 1.90%                            | 1.96%             |
|                     |                     |           | Since Inception | 2.64%                            | 2.60%                            | 2.57%             |

| Portfolio Sector Breakdown   | Portfolio Quality Breakdown   |
|--|---|
| <ul style="list-style-type: none"> <li>47.2% US Govt Agency</li> <li>29.5% Corporate</li> <li>12.0% Muni</li> <li>5.2% MBS/ABS</li> <li>4.2% CP</li> <li>3.0% Money Market &amp; Cash</li> </ul> | <ul style="list-style-type: none"> <li>50.2% AAA</li> <li>10.0% A+</li> <li>7.7% AA+</li> <li>7.8% AA</li> <li>8.1% A</li> <li>4.2% A-1</li> <li>4.0% A-</li> <li>2.0% BB</li> <li>2.2% AAAA-1+</li> <li>1.7% CP-1+</li> <li>0.3% AA</li> </ul> |

Inception date of the Portfolio - February 13, 2005. See disclosure below.  
Returns are Net of Fees. Rating source - Standard & Poor's.  
Yield represents the 7 Day Net Distribution on investment for the period.

Disclosure to Performance Information

- This performance information is based on an inception date of February 13, 2005, when the CalTrust Short-Term portfolio commenced investment operations according to its investment objective, and does not include any investment returns from temporary investments held before the commencement of those operations.
- Five-month index return, February 13-28, 2005, was intra-period and was calculated by calculating the average daily return during the month and multiplying the average daily return by number of days in the shortened period.
- Performance was calculated net of investment advisory and program administration fees.
- The Local Agency Investment Fund (LAIF) is a diversified portfolio managed by the State of California for local governments and special districts.
- Performance for the CalTRUST Short Term Account is on a trade date basis. LAIF's monthly performance was calculated by taking the average monthly effective yield and dividing it by 365 then multiplying the result by the number of days in the month.
- Past performance is no guarantee of future results.

**CHINO BASIN WATERMASTER  
INVESTMENT POLICY**

**1.0 POLICY**

**WHEREAS;** the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and

**WHEREAS;** the legislative body of a local agency may invest monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5922 and 53601 et seq.; and

**WHEREAS;** the Chief Executive Officer ("CEO") of the Chino Basin Watermaster ("Watermaster") shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Board of Directors at a public meeting;

**NOW THEREFORE,** it shall be the policy of the Watermaster to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Watermaster and conforming to all statutes and judgments governing the investment of Watermaster funds.

**2.0 SCOPE**

This investment policy applies to all financial assets of the Watermaster. These funds are accounted for in the annual Watermaster audit.

**3.0 PRUDENCE**

Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Watermaster, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard California Government Code (53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers (the CEO and his/her designees) acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**4.0 OBJECTIVES**

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the Watermaster shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

2. *Liquidity: The investment portfolio will remain sufficiently liquid to enable the Watermaster to meet all operating requirements which might be reasonably anticipated.*

3. Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

## **5.0 DELEGATION OF AUTHORITY**

Authority to manage the investment program is derived from the Judgment Paragraph 23, and from California Government Code 53600, et seq. Management responsibility for the investment program is hereby delegated to the Advisory Committee, who with the CEO shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions, such as the Chief Financial Officer. No person may engage in an investment transaction except as provided under the terms of this policy and pursuant to Watermaster rules and regulations 2.16, derived from the Judgment, Paragraph 23. The Board shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of California Government Code 53600.3, the CEO is a trustee and a fiduciary subject to the prudent investor standard.

## **6.0 ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

## **7.0 AUTHORIZED AND SUITABLE INVESTMENTS**

The Watermaster is empowered by California Government Code 53601 et seq. to invest in the following:

1. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed \$500,000 in any one Bank at a time.
2. Local Agency Investment Fund (LAIF) in Sacramento, CA.

**3. Investment Trust of California (CalTRUST).**

Such investments shall be limited to securities that at the time of the investment have a term remaining to maturity of five years or less, or as provided above.

**8.0 COLLATERALIZATION**

All certificates of deposit must be collateralized. Collateral must be held by a third party trustee and valued on a monthly basis.

**9.0 DIVERSIFICATION**

The Watermaster will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

**10.0 REPORTING**

*The Watermaster Chief Financial Officer shall prepare Monthly Investment Reports which reflect investment transactions for review by the Pool Committees and the Advisory Committee prior to presentation to the Watermaster Board at their next regularly scheduled meeting.*

*Following formats used in prior years, said Investment Report will reflect the following information.*

- a. Funds held in each Bank at the beginning and ending of the reporting period; and
- b. Investments deposited and/or redeemed by type and by Bank (including interest rates, days invested and maturity yield rates) during the reporting period; and
- c. Investments outstanding at the close of the reporting period (including interest rates, days invested and maturity date); and
- d. Elements effecting the change in Watermaster's cash position; and
- e. A statement signed by the Chief Financial Officer as to the ability of the cash on hand to meet foreseen expenditures during the next six months.

**11.0 INVESTMENT POLICY ADOPTION**

The Investment Policy shall be adopted by resolution of the Watermaster on an annual basis. The Policy Statement will be reviewed by each Pool Committee. Should any Pool Committee recommend revisions to the Policy Statement, it shall be amended prior to presentation to the Advisory Committee for their review and comment. If necessary the Policy Statement will be further amended to reflect the comments of the Advisory Committee. The final Policy Statement will then be presented to the Watermaster Board for adoption at the next regularly scheduled meeting.

**Actions:**

April 12, 2012 Appropriative Pool – Approved unanimously

April 12, 2012 Non-Agricultural Pool – Approved unanimously and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

April 12, 2012 Agricultural Pool – Approved unanimously

April 19, 2012 Advisory Committee –

April 26, 2012 Watermaster Board –

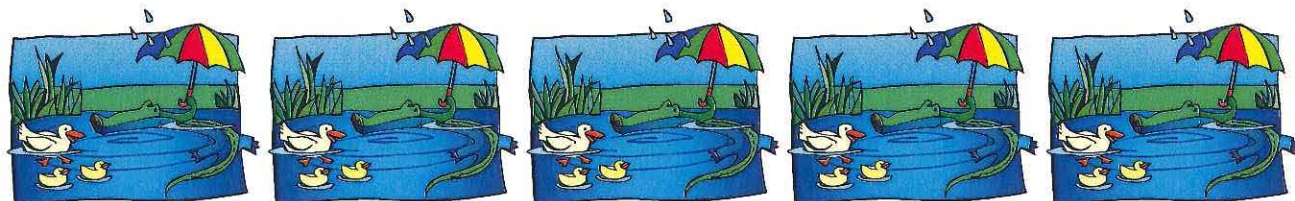
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# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### B. WATERMASTER RESOLUTION 12-04





# CHINO BASIN WATERMASTER

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

## STAFF REPORT

**DATE:** April 19, 2012

**TO:** Committee Members

**SUBJECT:** Resolution 12-04 Approving Membership In The ACWA Joint Powers Authority, Consenting To Join The Health Benefits Program Of The ACWA Joint Powers Insurance Authority, Ratifying The Action Of The ACWA Health Benefits Authority Board Of Directors To Terminate The Health Benefits Authority Joint Powers Agreement, And Authorizing And Directing The Chino Basin Watermaster To Execute All Necessary Documents.

### SUMMARY

**Issue** – Consider Approval Of Resolution 12-04 Approving Membership In The ACWA Joint Powers Authority, Consenting To Join The Health Benefits Program Of The ACWA Joint Powers Insurance Authority, Ratifying The Action Of The ACWA Health Benefits Authority Board Of Directors To Terminate The Health Benefits Authority Joint Powers Agreement, And Authorizing And Directing The Chino Basin Watermaster To Execute All Necessary Documents.

**Recommendation** – Approve Resolution 12-04 Approving Membership In The ACWA Joint Powers Authority, Consenting To Join The Health Benefits Program Of The ACWA Joint Powers Insurance Authority, Ratifying The Action Of The ACWA Health Benefits Authority Board Of Directors To Terminate The Health Benefits Authority Joint Powers Agreement, And Authorizing And Directing The Chino Basin Watermaster To Execute All Necessary Documents.

**Financial Impact** – None.

### Background:

Chino Basin Watermaster currently purchases the basic employee life insurance policies through ACWA Health Benefits Authority. The life insurance policy amounts are based upon the employee's base salary, with a cap on salary/policy amount not to exceed \$150,000. Payments to ACWA Health Benefits Authority are issued from Watermaster on a monthly basis. Employees have the option of purchasing additional life insurance, however any additional insurance is at the employee's expense and a payroll deduction is processed each payroll period to cover the premium cost.

On April 4, 2012, Chino Basin Watermaster received a letter dated April 1, 2012 (See Attached) from ACWA Health Benefits Authority regarding the transition of the ACWA Health Benefits Authority (HBA) into the ACWA/Joint Powers Insurance Authority (ACWA/JPIA). On March 28, 2012 the HBA Board voted to dissolve the HBA and transfer the health benefits program to ACWA/JPIA.



ACWA Health Benefits Authority is requesting that (1) Chino Basin Watermaster's Board pass the attached resolution (Resolution 12-04) which consents to join the Employee Benefits Program of the ACWA/Joint Powers Insurance Authority and ratifies the action of the ACWA Health Benefit Authority Board of Directors to terminate the Health Benefits Authority Joint Powers Agreement and (2) that Resolution 12-04 be signed by April 30, 2012 (or sooner), if possible, but no later than May 31, 2012, and mailed.

Staff recommends to approve "Resolution 12-04 Approving Membership In The ACWA Joint Powers Authority, Consenting To Join The Health Benefits Program Of The ACWA Joint Powers Insurance Authority, Ratifying The Action Of The ACWA Health Benefits Authority Board Of Directors To Terminate The Health Benefits Authority Joint Powers Agreement, And Authorizing And Directing The Chino Basin Watermaster To Execute All Necessary Documents".



**ACWA  
Health Benefits  
Authority**

RECEIVED

APR 4 2012

CHINO BASIN WATERMASTER

April 1, 2012

Mr. Joe Joswiak  
CFO  
Chino Basin Watermaster  
9641 San Bernardino Road  
Rancho Cucamonga, CA 91730

**RE: Urgent Action Needed to Retain Health Benefits**

Dear Mr. Joswiak,

On March 7 you received a notice announcing the impending transition of the ACWA Health Benefits Authority (HBA) into the ACWA/Joint Powers Insurance Authority (ACWA/JPIA). On March 28, the HBA Board voted to dissolve the HBA and transfer the health benefits program to ACWA/JPIA.

We need your immediate assistance to secure the needed concurrence within the mandated 90-day window. The following steps must be taken to ensure a seamless transition and to retain the employee benefits currently provided by HBA:

- 1. Your board will need to pass the enclosed resolution.** The resolution consents to join the Employee Benefits Program of the ACWA/Joint Powers Insurance Authority and ratifies the action of the ACWA Health Benefits Authority Board of Directors to terminate the Health Benefits Authority Joint Powers Agreement. **Please place the resolution on your next available agency agenda for action.**
- 2. Return the signed resolution:** HBA is requesting the signed resolution by April 30, 2012 (or sooner), if possible, and no later than May 31, 2012. Please mail to:

ACWA HBA  
4600 Northgate Blvd, Suite #100  
Sacramento, CA 95834

**Failure to return the signed resolution by June 29, 2012, may result in loss of coverage for your district employees.**



**ACWA  
Health Benefits  
Authority**

A dedicated website is available to assist you with the process. It includes a list of Frequently Asked Questions (FAQs), model resolutions, a timeline and other information. Please go to [www.hba-transition.com](http://www.hba-transition.com).

An informational webinar is scheduled for Wednesday, April 18, at 10 a.m. Registration details will be provided in the near future.

If you have any further questions, please contact Nancy Stangel, JPIA Director of Administration (800-231-5742, ext. 3133, [nstangel@acwajpia.com](mailto:nstangel@acwajpia.com)) or Cynthia Harding, HBA Operations Manager (800-736-2292, ext. 5, [cynthiah@acwa.com](mailto:cynthiah@acwa.com))

Thank you for your help.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rick Gilmore'.

Rick Gilmore  
Board President  
ACWA HBA

**Attachment: Sample resolution**

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION APPROVING MEMBERSHIP IN THE ACWA JOINT POWERS INSURANCE AUTHORITY, CONSENTING TO JOIN THE HEALTH BENEFITS PROGRAM OF THE ACWA JOINT POWERS INSURANCE AUTHORITY, RATIFYING THE ACTION OF THE ACWA HEALTH BENEFITS AUTHORITY BOARD OF DIRECTORS TO TERMINATE THE HEALTH BENEFITS AUTHORITY JOINT POWERS AGREEMENT, AND AUTHORIZING AND DIRECTING THE CHINO BASIN WATERMASTER TO EXECUTE ALL NECESSARY DOCUMENTS**

WHEREAS, this Agency entered into a joint exercise of powers agreement ("HBA Agreement") with the Association of California Water Agencies Health Benefits Authority ("HBA") in order to pool its purchasing needs with other public agencies desiring to provide their employees with comprehensive and economical health and welfare benefits; and

WHEREAS, this Agency entered into a Health Benefits Memorandum of Understanding ("MOU") to enroll in specific health programs and ancillary programs ("Existing Employee Benefits Coverage") offered by HBA and agreed to abide by: (1) the HBA Agreement; (2) all rules and procedures established by HBA in the administration of the Agency's Existing Employee Benefits Coverage; and (3) all underwriting, eligibility, and contribution requirements in Appendix A to the MOU; and

WHEREAS, certain public agencies have entered into a joint exercise of powers agreement ("JPIA Agreement") with the Association of California Water Agencies Joint Powers Insurance Authority ("JPIA") in order to pool their purchasing needs with other public agencies desiring to obtain comprehensive and economical public liability, workers' compensation, unemployment, health, accident and/or dental, or property coverage; and

WHEREAS, JPIA is both qualified and authorized by the laws of the State of California to administer the Existing Employee Benefits Coverage to this Agency through JPIA's Employee Benefits Program; and

WHEREAS, during a noticed special meeting held on February 6, 2012, the HBA Board of Directors unanimously voted to transfer all HBA operations and administrative functions to JPIA on or about July 1, 2012, and to pursue a merger of the two public agencies after which the HBA Agreement would be terminated; and

WHEREAS, pursuant to Article 22 of the HBA Agreement, the HBA Agreement may be terminated by the HBA Board of Directors subject to ratification by the written consent of three-fourths of the HBA Member agencies within 90 days of the HBA Board's action, provided, however, that HBA and the HBA Agreement shall continue to exist for the purpose of concluding all functions necessary to wind up HBA's affairs; and

WHEREAS, during a noticed regular meeting held on March 28, 2012, the HBA Board of Directors approved HBA Resolution 12-03-02: (1) electing to terminate the HBA Agreement pursuant to Article 22 of the HBA Agreement and, except as provided in clause 2 below, said termination shall become effective upon ratification by the written consent of three-fourths of the HBA member districts and agencies; (2) recognizing that pursuant to Article 22 of the HBA Agreement, HBA and the HBA Agreement shall continue to exist for the purpose of winding up and dissolving the business affairs of HBA, and acknowledge that the HBA Board of Directors is vested with all powers of HBA for doing the same; and (3) declaring that Resolution 12-03-02 shall take effect on April 1, 2012, thereby beginning the 90-day ratification period.

NOW, THEREFORE, BE IT RESOLVED that the Directors of Chino Basin Watermaster hereby:

1. Agree that the JPIA Agreement and the HBA Memorandum of Understanding referred to in the recitals above are incorporated in this resolution by reference.
2. Approve this Agency's membership in the Association of California Water Agencies Joint Powers Insurance Authority.
3. Consent to join JPIA's Employee Benefits Program and acknowledge, represent, and agree that all terms and conditions of the HBA Memorandum of Understanding apply to the provision of this Agency's Existing Employee Benefits Coverage through JPIA.
4. Authorize and direct this Agency's \_\_\_\_\_ to cooperate fully with HBA and JPIA in the execution of any other documents and in the completion of any additional actions that may be necessary or appropriate for the purpose of ensuring that this Agency's Existing Employee Benefits Coverage continues without lapse through JPIA.
5. Ratify the action of the HBA Board of Directors to terminate the HBA Agreement, to be effective as provided in Article 22 of the HBA Agreement.
6. Direct the Secretary of the Board of this Agency to immediately send a certified copy of this resolution to: Association of California Water Agencies Health Benefits Authority, 4600 Northgate Blvd, Suite 100, Sacramento, California, 95834.

PASSED AND ADOPTED by the Directors of Chino Basin Watermaster this \_\_\_\_ day of \_\_\_\_\_, 2012, by the following vote:

\_\_\_\_\_  
President

\_\_\_\_\_  
Attest by:

**Actions:**

April 12, 2012 Appropriative Pool – Approved unanimously

April 12, 2012 Non-Agricultural Pool – Approved unanimously and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

April 12, 2012 Agricultural Pool – Approved unanimously

April 19, 2012 Advisory Committee –

April 26, 2012 Watermaster Board –

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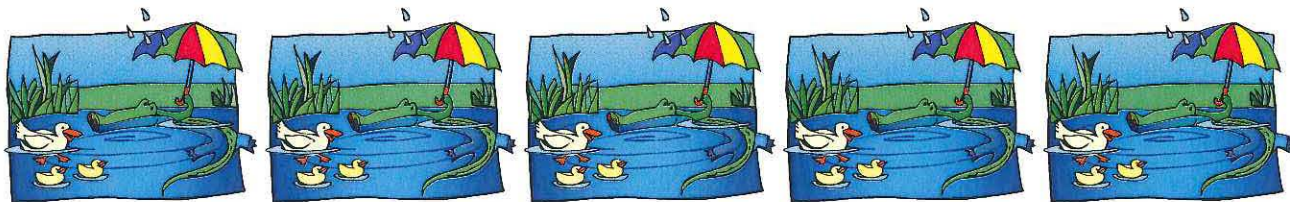


# CHINO BASIN WATERMASTER

## III. REPORTS/UPDATES

### B. CEO/STAFF REPORT

2. OBMP Semi Annual Status Report 2011-02







# CHINO BASIN WATERMASTER

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

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## STAFF REPORT

**DATE:** April 19, 2012  
**TO:** Committee Members  
**SUBJECT:** OBMP Status Report 2011-2

### SUMMARY

**Issue** – Watermaster produces Semi-Annual Optimum Basin Management Program (OBMP) Status Reports. The report for the period from July to December of 2011 has been drafted.

**Recommendation** – Staff recommends receiving and filing the report along with filing of a courtesy copy with the Court.

**Financial Impact** – There are no significant direct costs for receiving and filing the draft report.

### BACKGROUND

Semi-Annual Status Report 2011-2 covers the period from July to December 2011. The report describes work conducted and the current status for elements of the Optimum Basin Management Program (OBMP) during the 6 month period.

### Actions:

This was reported as a report only and no action required.

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# Optimum Basin Management Program

Staff Status Report 2011-2: July to December 2011



CHINO BASIN WATERMASTER

## Highlighted Activities

- While the basin recharge appetite was whetted by an unusually strong early October storm, the Fall of 2011 was dry in contrast to the wet Fall of 2010. Fortunately, the Summer of 2011 was mild, many conservation efforts remained in place, and state water reservoirs are nearly full.
- About 4,273 acre-feet of recycled water and 3,103 acre-feet of storm/local runoff were recharged within Chino Basin facilities during the July to December 2011 reporting period.
- Metropolitan Water District of Southern California (MWD) ended replenishment water deliveries on September 30, 2011, nearly three months earlier than anticipated. Over 23,634 acre-feet of imported water was recharged during July, August and September, resulting in a total 2011 replenishment water delivery of nearly 33,100 acre-feet, valued at over \$14 million.
- During October 2011, the Chino Basin Desalter Authority (CDA) issued a contract to Best Drilling for construction of Chino Creek Well Field (CCWF or CDA Phase III) Wells I-19, I-20, and I-21. When operational, these wells should allow Watermaster to functionally achieve hydraulic control and demonstrate compliance with Optimum Basin Management Plan (OBMP) objectives.
- In September 2011, initial excavation of soils for the Milliken Avenue Grade Separation also coincided with ground breaking for the Turner Basins Recharge Expansion Project. The City of Ontario, County of San Bernardino, and San Bernardino Association of Governments (SANBAG) jumpstarted the Turner Project, with \$4.5 million in savings, resulting from their project's need for 200,000 cubic yards of soil.
- In December 2011, Watermaster committed \$166,236, the Bureau of Reclamation granted \$406,712, and Inland Empire Utilities Agency (IEUA) committed \$1 million, to design and construct 300 acre-feet per year of additional storm, imported and recycled water recharge capacity at Turner Basins and Guasti Park.
- Construction and initial calibration of the Daniels Street Horizontal Extensometer was completed.
- Several potential sites for the Chino Creek Well Field Vertical (Cable) Extensometer were identified, with the preferred site being on County owned land just south of the Chino Airport. Installation and calibration of this facility is a prerequisite for timely activation of the CCWF.
- Reduced groundwater production projections, reported in 2010 Urban Water Management Plans, suggest a reduced aggregate need for supplemental recharge water in the greater Chino Basin; however, as observed during the summer 2011 MWD replenishment water recharge effort, not all of the Chino Basin Management Zones have comparable recharge capabilities and capacities.
- The 2010 Recharge Master Plan Update Steering Committee was initiated and convened, as directed by the Court Order of October 8, 2010 order. The Committee will continue to meet in 2012 and, based on developing studies, recommend how to implement the Recharge Master Plan.
- Revised HCMP monitoring requirements were negotiated with the Santa Ana Regional Water Quality Control Board and are expected to be implemented through a Basin Plan Amendment.



Turner Basins Recharge Expansion Project Excavation  
Milliken Grade Separation Stockpiles in Background

## Important Court Hearings and Orders

- OCTOBER 28—CHINO BASIN WATERMASTER COURT HEARING ON MANAGEMENT AND IMPLEMENTATION STATUS
- NOVEMBER 1 - ORDER APPROVING CDA RESOLUTION 10-04, PLACING GENERAL ELECTRIC IN OVERLYING (NON-AGRICULTURE) POOL, REQUESTING RESUBMITTAL OF RESTATED JUDGMENT
- DECEMBER 8—ORDER GRANTING EXTENSION TO FILE RECHARGE MASTER PLAN STATUS REPORT THROUGH JUNE 14, 2012

# Optimum Basin Management Program

## Program Element 1: Develop and Implement a Comprehensive Monitoring Program

### *Groundwater Level Monitoring*

The current Watermaster groundwater level monitoring program is comprised of about 700 wells. For about 500 of these wells, the well-owner records water levels monthly and forwards the data to Watermaster quarterly. The remaining 200 wells are mainly south of the 60 Freeway and assess hydraulic control, land subsidence, and impacts from the desalter wells. Watermaster manually measure water levels at these wells monthly or by using pressure transducers that record data in 15 minute increments. These data are quality control checked, loaded into a relational database, and used to develop groundwater level contour maps and implementation assumptions.

### *Groundwater Quality Monitoring*

The groundwater quality monitoring program assembles results from various regional remediation efforts, then integrates the data to provide a comprehensive assessment of groundwater quality:

1. Groundwater quality data developed by Appropriators, Department of Toxic Substance Control (DTSC), Regional Water Quality Control Board (RWQCB), US Geological Survey (USGS), and the Counties for their own requirements are cooperatively provided to the Chino Basin Data Collection (CBDC) program. Watermaster routinely collects, assesses, and loads this data into a centralized relational database management system for subsequent analyses.
2. The Watermaster Key Well Program tests an additional 120 private wells in the southern Chino Basin, that would not otherwise require monitoring. Twenty wells, associated with the southern edge of the Archibald South (formerly OIA), Chino Airport, and Kaiser Steel plumes, are sampled annually, while the remainder are sampled triennially. The Key Well Program also contributes data for triennial ambient water assessment, hydraulic control assessment, Biennial State of the Basin Report, and other Chino Basin groundwater studies.

### *Groundwater Production Monitoring*

Most active wells (except Agricultural Pool minimal producers of less than 10 acre-feet annually) are metered, production read quarterly, and the data entered into Watermaster's database.

### *Surface Water Monitoring*

**Water Quality and Quantity in Recharge Basins.** Watermaster and IEUA estimate the volume of storm and supplemental water recharged, using pressure transducers and staff gauges. MWD provides State Water Project and IEUA provides RP-1 and RP-4 recycled water quality data. Using a mass balance calculation and the volume and quality of each water type, the blended recycled dilution water quality can be projected and, in the near future, a "new yield" estimated.

**Surface Water Monitoring in the Santa Ana River (SAR).** Watermaster regularly measures flow and select water quality parameters to assess whether Chino Basin might impact SAR water quality. These data, combined with groundwater modeling, assess the extent and integrity of hydraulic control from the southern Chino Basin to the greater Santa Ana River Watershed.

### *HCMP Annual Report*

In January 2004, the RWQCB amended the Santa Ana River Basin, Water Quality Control Plan (Basin Plan) to incorporate "maximum benefit" and antidegradation objectives for Total Dissolved Solids (TDS) and Nitrate-Nitrogen (N) for the Chino Basin and Cucamonga Management Zones. Access to the "maximum benefit" objectives relies on Watermaster and IEUA's implementation of specific OBMP projects and monitoring requirements. Annual reports are due each April 15, while this periods quarterly Surface Water Monitoring Program Reports were submitted to the RWQCB on October 15, 2011 and January 16, 2012. During this reporting period, Watermaster manually measured water levels at 427 private wells, downloaded two quarterly data sets from 112 wells containing pressure transducers, collected 90 groundwater, 188 surface and 72 recycled water (direct treatment facility effluent discharge) water quality samples respectively.

ON JANUARY 1,  
2012, DEPTH TO  
GROUNDWATER  
LEVELS AT PA-7  
(AYALA PARK  
PIEZOMETER)  
WERE 104 FEET  
BELOW GROUND  
SURFACE, OVER  
140' ABOVE THE  
MZ-1 GUIDANCE  
CRITERIA LEVEL  
OF 245 FEET.

# Optimum Basin Management Program

## Program Element 1: Develop and Implement a Comprehensive Monitoring Program (Continued)

### Land Surface Monitoring

In response to land subsidence in the City of Chino, Watermaster submitted the MZ-1 Subsidence Management (MZ-1) Plan to the court for approval and, in November 2007, Watermaster Court ordered its implementation (see Program Element 4: Develop and Implement a Comprehensive Groundwater Management Plan for Management Zone 1). The MZ-1 Plan proposed several monitoring and mitigation measures to minimize or abate land subsidence and ground fissuring in the western Chino Basin. These measures and activities include:

- Continued water level monitoring, within the Managed Area, comparable to that which occurred during development of the MZ-1 Plan.
- Expand the aquifer and land subsidence monitoring into other areas of MZ-1, and the Chino Basin, where data indicate a potential concern for subsidence and ground fissuring.
- Construct a horizontal strain monitor (extensometer) across the observed fissure zone.
- Evaluate the potential contribution of groundwater production, in northern MZ-1, on conditions in southern MZ-1.
- Provide for recovery of MZ-1 groundwater levels, while conducting additional testing and monitoring to refine the PA-7 Guidance Criteria.
- Develop an alternative pumping plan for producers impacted by the MZ-1 Plan and post the PA-7 groundwater levels on the Watermaster website to guide its use.
- Construct, and comparison test, vertical and cable extensometers at Ayala Park.
- Evaluate and compare ground-level surveying with Interferometric Synthetic Aperture Radar (InSAR), and recommend future monitoring protocols for both techniques.
- Conduct an ASR (aquifer storage recovery) feasibility study at a City of Chino Hills MZ-1 production well (tentatively well 16).



Horizontal Extensometer Construction

Watermaster undertook the following monitoring and testing activities called for in the MZ-1 Plan:

- The Watermaster Land Subsidence Committee met twice during the period, to assess future monitoring priorities and identify funding support for those activities.
- Compared vertical and cable extensometers at Ayala Park, to validate use of the more cost-effective cable system for application in other parts of the basin, as necessary.
- Evaluated InSAR data from alternate satellite system, which may be further analyzed to detect potential land surface displacement (subsidence) in early 2012.
- Continued implementation of the MZ-1 Managed Area Monitoring Program with the goals of: (1) refining the Guidance Criteria; (2) confirming existence of the Riley Barrier; (3) testing ASR feasibility in the Managed Area; and (4) evaluating the effect of groundwater production and injection on subsidence and recovery in the fissure zone.
- Completed installation and began calibration of the Daniels Street horizontal extensometer across the City of Chino observed zone of surface ground fissuring.
- Identified a location and began negotiating agreements to construct the Chino Creek Well Field (CCWF) cable extensometer (located South of Chino Airport).

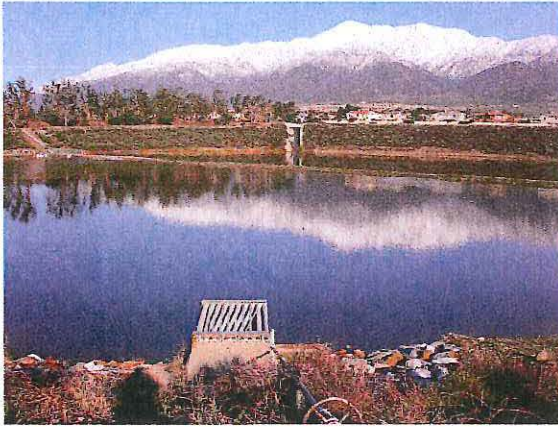
### Well Construction, Abandonment and Destruction Monitoring

During the reporting period, the County of San Bernardino provided Watermaster with copies of six well construction permits and five well destruction permits. Watermaster continues to request geologic and post-construction operational characteristics for new wells, as the data can be made available. Following the December 17, 2009 Determination of No Further Action (NFA) by the RWQCB, Watermaster requested continued access for water level and groundwater quality monitoring at sixteen wells owned by the State of California at the Chino Institute for Men through a February 23, 2011 letter. Watermaster will continue to assess whether other wells, planned for destruction can be cost effectively incorporated into our monitoring network, as occurred previously for several Alcoa Wells.

# Optimum Basin Management Program

## Program Element 2: Develop and Implement a Comprehensive Recharge Program

Watermaster, IEUA, Chino Basin Water Conservation District (CBWCD), and San Bernardino County Flood Control District (SBCFCD) jointly sponsor the Chino Basin Groundwater Recharge Program; a comprehensive water supply and reliability program to improve basin water quality, by increasing the recharge of storm, imported, and recycled water. The mean stormwater runoff and theoretical maximum supplemental water recharge capacity, of the Chino Basin Facilities Improvement Program (CBFIP) recharge basins, is about 14,000 and 99,000 acre-feet/yr (AFY) respectively. From July 1 to December 31, 2011, an estimated 30,828 acre-feet of water was recharged throughout the Chino Basin. Imported water made up 23,452 acre-feet of the total, with 16,610 recharging in Monitoring Zone (MZ)-1, 5,118 acre-feet in MZ-2, and 1,724 acre-feet in MZ-3. About 3,103 acre-feet of storm and local runoff infiltrated, with 704 recharging in MZ-1, 1,464 acre-feet in MZ-2, and 935 acre-feet in MZ-3. Since imported and runoff water are preferentially recharged and were relatively available during this reporting period, the volume of recycled water was constrained to about 4,273 acre-feet with 350 acre-feet recharging in MZ-1, 1,842 acre-feet in MZ-2, and 2,081 acre-feet in MZ-3.



Recharging the Chino Basin Groundwater at Victoria Basin

During this period, the 2010 Recharge Master Plan Steering Committee met and began to identify additional cost effective recharge opportunities and projects that could be undertaken in the future. This includes the identification of accounting measures that might recognize and even encourage potential contributions to water harvesting through the requirements of the recently adopted Municipal Separate Storm Sewer System (MS4) Permit, which identifies the need for Water Quality Management Plans (WQMP) with Low Impact Development (LID) characteristics. This Program Element will become increasing important in preserving the Operational Safe Yield of the basin, flushing TDS and TIN out of the South Chino Basin and for blending with recycled water.

In December 2011 Watermaster committed to IEUA, up to \$162,236 towards the projected \$664,712 Turner Basins/Guasti Park Recharge Expansion Project in MZ-2. In a commendable example of inter-agency cooperation, this supplemental project became feasible through coordinated materials extraction for the Milliken Avenue Grade Separation project, supported by the City of Ontario, SanBAG, and San Bernardino County. Following completion in 2014, the expansion project is projected to recharge an addition 300 acre feet of storm runoff annually.

**Reporting.** Watermaster and IEUA submitted to the RWQCB the Second and Third Quarter Groundwater Recharge Program Reports on August 15 and November 15, 2011, respectively.

## Program Element 3: Develop and Implement Water Supply Plan for the Impaired Areas of the Basin

The Chino Basin Desalter Authority (CDA) reported 2010-11 production of 29,319 acre-feet of TDS and TIN impaired groundwater. This raw water was variously treated with air stripping, ion exchange, and reverse osmosis to remove contaminants and, now purified, supplied to the Authority Member Agencies to meet the need for high quality water supply needs in expanding urban areas of the southern Chino Basin. Without expansion of the CDA, the potential for adverse downstream impacts on Orange County Water District recharge facilities would likely have grown as a result of agricultural land conversion and reduced use of the impaired groundwater. Furthermore, increased groundwater losses from the basin might have led to a future reduction in safe yield. The continued operation of the CDA facilities, and eventual expansion to a planned annual capacity of over 40,000 acre-feet, is a prerequisite of the OBMP and will be necessary to achieve effective hydraulic control of the Chino Basin. Towards this production objective, Watermaster and CDA demonstrated continued progress on the RWQCB approved project schedule of June 2010, which should be completed sometime in 2015. The Desalter II expansion has been completed, wells I-16 and I-18 drilled, while wells I-20 and I-21 began construction. Existing design contracts for pipeline, well and pump facilities continue to lead toward task and eventual project completion.

# Optimum Basin Management Program

## Program Element 4: Develop and Implement a Comprehensive Groundwater Management Plan for Management Zone 1

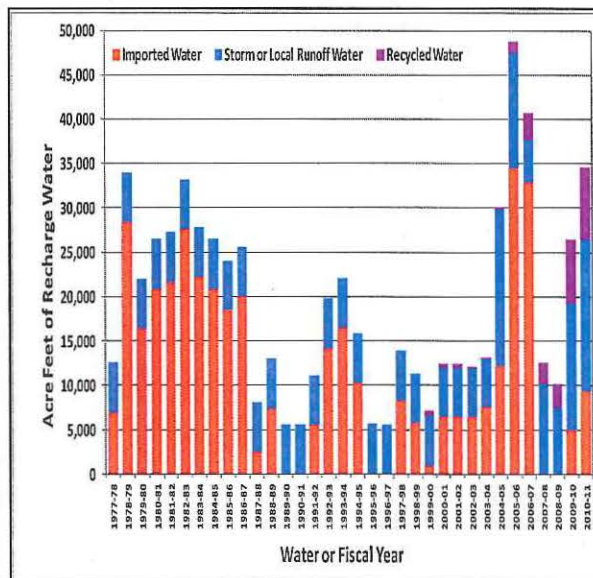
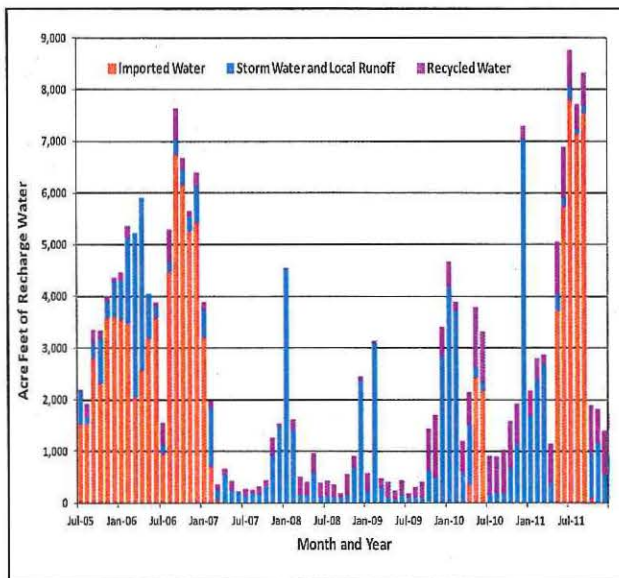
The OBMP called for the development and implementation of an MZ-1 Interim Management Plan (IMP) to mitigate historical, pumping-induced, land subsidence and ground fissuring in southwestern Chino Basin (southern MZ-1). Watermaster prepared the MZ-1 Plan, with Guidance Criteria, which was approved in November 2007 and its implementation ordered by the Court. With this year's expedited recharge of replenishment water, the cumulative Peace II Agreement MZ-1 supplemental water obligation of 32,500 acre-feet, has been satisfied with about 37,063 acre-feet of supplemental water, leaving an obligation excess (credit) of 4,563 acre-feet. The Guidance Criteria also designated a "Managed Area" and contained a list of Managed Wells, from which production is subject to maintaining an initial threshold water level (Guidance Level) above 245 feet below the top of the PA-7 well casing. With sustained replenishment water recharge during this period, groundwater levels at the PA-7 piezometer continued to rise and on January 1, 2012 the level was over 140 feet about the Guidance Level. Correspondingly, the Ayala Park Extensometer has recorded little, if any, permanent compaction.

The Land Subsidence Committee met on July 21, November 16, and December 15, 2011 and continues to implement elements of the MZ-1 Plan including InSAR monitoring using Envisat and other satellite data, construction of the Chino Creek Well Field Cable Extensometer, and necessary budget transfers to support the proposed tasks.

## Program Element 5: Develop and Implement Regional Supplemental Water Program

In the Chino Basin, supplemental water is defined as imported and recycled water. A review of the 2010 Urban Water Management Plans (UWMPs) suggest that local appropriators plan to become increasing dependent on imported water to relieve stress resulting from historic basin groundwater production. During the reporting period about 23,452 acre-feet of imported replenishment water was recharged and another 889 acre-feet injected via Monte Vista Water District ASR wells. Despite the success of the replenishment water program, MWD has purposed to change the imported water program and may eventually decide to discontinue the replenishment water program and substantially change their fee schedules for all imported waters. Watermaster continues to investigate opportunities to increase supplemental water supplies along with IEUA, Three Valleys Municipal Water District, Western Municipal Water District, and the Water Facilities Authority.

**Recycled Water Recharge Monitoring Activities.** The recycled water recharge program is partially regulated under RWQCB Orders R8-2007-0039 and R8-2009-0057. Watermaster and IEUA collect weekly water quality samples at basins actively recharging recycled water. During this reporting period, 27 recycled product and 261 lysimeter water samples were collected from 7 of the 13 basins that may receive recycled water. Monitoring wells, down-gradient of recharge basin that receive recycled water, were sampled at least quarterly, but more frequently during basin start up or soil aquifer treatment (SAT) evaluation, for a total of 87 samples.



# Optimum Basin Management Program

## Program Element 6: Develop and Implement Cooperative Programs with the Regional Water Board and Other Agencies to Improve Basin Management

The Potentially Responsible Parties (PRPs), identified by the RWQCB as responsible for the Ontario International Airport (OIA) or Archibald South Plume, are also known as the ABGL (Aerojet, Boeing, GE, and Lockheed) group. Watermaster participates in meetings with ABGL, their consultants and counsel, the Regional Board, and CDA in order to identify remedies to continued plume mitigation. The ABGL group consultant prepared and submitted a Remedial Investigation Report, proposing that remediation by natural attenuation and containment would be adequate, for consideration by the RWQCB on October 13, 2011.

County of San Bernardino, Department of Airports and agency consultants continue to investigate plume migration and its impact on the Chino Creek Well Field (CCWF) and CDA operations. The Watermaster groundwater model was used to estimate the hydraulic control that would be achieved after the CCWF is completed, prepare maps, charts and concentration data regarding the fate of the Chino Airport plume.

Watermaster continues to monitor water samples, model transport and concentration, and other technical analyses related to several other pollutant plumes in the Chino Basin, with the ultimate objective of having their negative impact on basin water quality substantially reduced. This includes plumes believed to be associated with Alumax Aluminum Recycling, the California Institute for Men, Crown Coach, GE Test Cell and Flatiron, Kaiser Steel, Milliken Landfill, Upland Landfill and the Stringfellow National Priorities List sites.

## Program Element 7: Develop and Implement a Salt Management Program

The Chino Basin Salt Management Program overlaps with three other Program elements. The most proactive element is operation of the CDA desalters facilities and wells which, during Fiscal Year 2010-11, reported production of 29,319 acre-feet of high salt (up to 1,700 mg/L TDS) containing groundwater, that might otherwise impair downstream receiving waters. The brine resulting from membrane treatment is removed from the Basin via the Santa Ana Regional Interceptor (SARI). Pilot studies of brine minimization, to conserve SARI line capacity, continue and are expected to lead to a 2012 facility design contract. By 2015, CDA capacity is expected to increase to over 40,000 acre feet through completion of the Chino Creek Well Field and expansion of the existing desalters. A second active element of salt management is the groundwater recharge program. During recharge, preference is given to storm runoff, then imported water, then recycled water, in recognition of their respective qualities and costs. The concentration of salts and nitrate in the blended recharge water are managed through monitoring at basin lysimeters and at downstream wells. The third element is passively tracking the conversion of agriculture, which tends to concentrate salts through evapotranspiration of water, to urban land uses. The effectiveness of these programs is assessed through modeling of groundwater flows and verified by monitoring salt concentrations at nine HCMP multi-port wells, strategically placed between the desalter well fields, and several wells along the Santa Ana River.

## Program Element 8: Develop and Implement a Groundwater Storage Management Program

Recent events demonstrate the importance of groundwater storage to the Chino Basin. Watermaster has committed to investigate the technical and management implications of Local Storage Agreements, improve related policies and procedures, and then revisit all existing applications of Local Storage Agreements.

## Program Element 9: Develop and Implement a Storage and Recovery Program

The existing Watermaster/IEUA/MWDSC/Three Valley Municipal Water District (TVMWD) Dry-Year Yield (DYY) program continued during the reporting period. By April 30, 2011, all DYY program construction projects and a full "put" and "take" cycle had been completed, leaving the storage account with a zero balance. Watermaster, IEUA, and MWDSC are negotiating amendments to the current contract and, once amended, preparing to initiate a new "put" cycle.

AMBIENT SANTA ANA RIVER HCMP MONITORING APPEARS TO BE STATISTICALLY INSENSITIVE FOR ASSESSING THE IMPACT OF TDS IN CHINO BASIN GROUNDWATER ON THE SANTA ANA RIVER.

WATERMASTER HAS PROPOSED A DRAFT RWQCB BASIN PLAN AMENDMENT THAT WOULD REDISTRIBUTE THE COST OF THIS UNINFORMATIVE MONITORING TO OTHER EFFORTS.





# CHINO BASIN WATERMASTER

## III. REPORTS / UPDATES

### C. INLAND EMPIRE UTILITIES AGENCY

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



**CHINO BASIN WATERMASTER**

**ADVISORY COMMITTEE**

**April 19, 2012**

**AGENDA**

**INTERAGENCY WATER MANAGER'S REPORT**

**Chino Basin Watermaster**

**9641 San Bernardino Road**

**Rancho Cucamonga, CA 91730**

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**Discussion Items:**

- MWD Update (oral)

**Written Items:**

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

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Date: April 5, 2012  
To: Regional Committees  
From: Inland Empire Utilities Agency  
Subject: Status Report on Self-Regenerating Water Softener Regional Ordinance and Rebate Program

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### **RECOMMENDATION**

This is an information item for the Regional Committees to receive and file.

### **UPDATE**

- The City of Fontana held a public hearing on March 13, 2012. Members of the community that spoke in favor of the ordinance included SARWQCB Assistant Executive Officer Kurt Berchtold and Randall Lewis. Letter of support were also sent to the Mayor from Cintas Corporation, Steelscape, UniTech Service Group, SAWPA, Inland Empire Waterkeeper, CVWD, and SCWC. A few members of the water softener industry ordinance attended the Fontana hearing and spoke in opposition. These were the same representatives who spoke in opposition to the city of Upland ordinance. The city of Fontana voted unanimously to place the water softener ordinance on the April 24, 2012, agenda for adoption.
- The Fontana Herald News ran an article on the hearing in its paper on March 15, 2012 (copy attached).
- IEUA' General Manager, Tom Love and IEUA's Executive Manager of Policy Development, Martha Davis, have been giving regular updates to IEUA's member agency staff as well as to our state representatives on the status of the regional ordinance implementation.
- To date, the Water Softener ordinance has been adopted by the City of Montclair (December 2011) and the city of Upland (January 2012).
- To date staff have received 608 inquiries about the water softener removal rebate and removed a total of 488 water softeners.

### **NEXT STEPS**

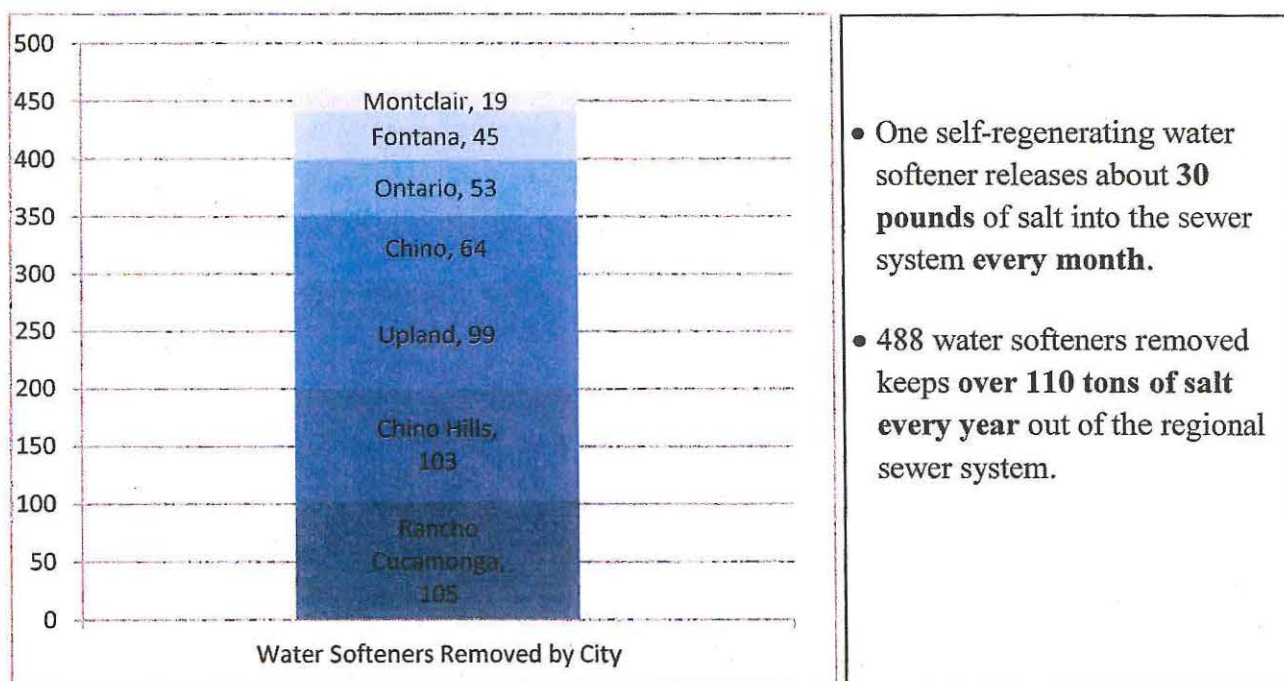
- IEUA will continue to advertise the rebate program through local newspapers and through water bill inserts, city newsletters, and counter top displays.
- IEUA is offering water softener displays including a softener, the bags of salt used in one year, and display boards addressing water softener facts and the rebate program to contracting agencies for use in public spaces.

- IEUA is following up on a request to big box retailers (Lowe's, Home Depot, etc.) that they remove self-regenerating water softeners from their shelves as part of implementing the regional ordinance.
- IEUA is working with Inland Valleys Association of REALTORS to promote public education about the water softener ordinance and the availability of the rebate program.

### REBATE PROGRAM UPDATE

*IEUA contracting agencies have been crucial in helping to promote the rebate program. Water bill inserts and newsletter ads have helped spread the word about the rebates.*

#### 488 Water Softener Rebates Issued as of March 22, 2012



### BACKGROUND

In 2009, Governor Schwarzenegger signed the IEUA-sponsored AB 1366, which provides local governments with expanded authority to regulate residential self-regenerating water softeners, especially in areas of the state with identified salt problems (e.g., water bodies that are adversely impacted by salinity and high use groundwater basins that are hydro-geologically vulnerable to salinity pollution). The bill applies only to cities and local and regional agencies that own and operate a community sewer or water recycling facility.

In January 2011, the Water Softener Task Force recommended that IEUA adopt an amendment to Ordinance No. 87 to prohibit the *future* installation in homes of one type of water softener – the self-regenerating salt-based devices (exchange tank services for water softeners are explicitly

permitted). The Task Force further recommended that IEUA adopt the regional ordinance amendment first, and that the contracting agencies follow, adopting their individual ordinances at their earliest convenience. This recommendation was unanimously approved by both the Technical and Policy Committees in February 2011.

Consistent with AB 1366 (2009, Feuer) IEUA properly noticed and held a public hearing on June 15, 2011 to discuss amendments to IEUA Ordinance No. 87, to prohibit the future installation of residential self-regenerating water softeners. IEUA received unanimous public support for the ordinance. On July 20, 2011, the IEUA Board adopted the amendment to IEUA Ordinance No. 87 prohibiting the future installation of self-regenerating water softeners. Thirty days later on August 20, 2011, the ordinance took effect.

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Date: April 18, 2012

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (04/11/12)

From: Thomas A. Love  
General Manager

Submitted by: Sondra Elrod  
Administration and Public Affairs Officer

Subject: Public Outreach and Communications

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### **RECOMMENDATION**

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

### **BACKGROUND**

#### 2012 Calendar of Events

##### April 2012

- April 2, Wind Turbine Dedication, IEUA Regional Plant No. 4, 10:00 a.m.
- April 5, Briggs Fundamental School Earth Day Event
- April 14, IEGF Sale event, Rancho Cucamonga Home Depot
- April 19, IEUA Annual Earth Day Event, Chino Creek Wetlands and Educational Park
- April 20, CBWCD Earth Day Event for Fifth Graders
- April 21, IEGF Sale event, south Fontana Home Depot
- April 21, CVWD Earth Day Event, Frontier Project
- April 21, Healthy Kids Day, Chino Valley YMCA, 9:00 a.m.- Noon
- April 26-27, Project WILD Training
- April 28, IEGF Sale event, north Fontana Home Depot

##### May 2012

- May 4, Los Osos High School's final Garden workday.
- May 5, IEGF Sale event, Chino Home Depot
- May 7-12, International Compost Awareness Week
- May 11, Newman Elementary School Earth Day Event
- May 18, NW Recycled Water Dedication



- May 18-20, MWD Solar Cup Competition, Lake Skinner
- May 19, IEGF Sale event, North Upland Home Depot

#### Outreach/Educational Inland Valley Daily Bulletin Newspaper Campaign

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

#### Water Conservation Outreach

##### Regional Conservation Outreach Campaign

- Ongoing monthly ¼-page ads in the Inland Valley Daily Bulletin, Champion Newspaper, Fontana Herald News.

#### Educational Updates

- Schools have applied for Bussing Mini-Grants to participate in the IEUA Earth Day Event for 2012. Over 800 students are expected to participate in the event. Schools participating so far include: Our Lady of Lourdes (Montclair), Peppertree (Upland), Coyote Canyon (Rancho Cucamonga), Montera (Montclair), Preserve School (Chino), Rhodes (Chino), Wickman (Chino Hills), Oxford Prep (Chino). The Event will be open to participating schools from 10:00 a.m. to 2:00 p.m. and open to the public from 3:00 p.m. to 6:00 p.m.
- The Water Education Water Awareness Committee (WEWAC) held judging for the Water Conservation Campaign Contest. WEWAC received ten entries.
- The deadline for the "Water is Life" poster contest is Friday, April 13, 2012. The winners will be entered into MWD's regional contest.
- IEUA's website is currently being updated to be more user-friendly. Buttons and links will be added and initial changes have been live since mid-January. Updates will continue to be coordinated with departments on an ongoing basis.
- A Garden in Every School workshop was held on February 25, 2012. Eight schools attended and an additional three will be attending a makeup session. We have seen a recent growth of interest particularly from Ontario-Montclair School District.

#### **PRIOR BOARD ACTION**

None.

#### **IMPACT ON BUDGET**

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



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Date: April 18, 2012  
To: The Honorable Board of Directors  
Through: Public, Legislative Affairs, and Water Resources Committee (4/11/12)  
From: Thomas A. Love  
General Manager  
Submitted by: Martha Davis  
Executive Manager of Policy Development  
Subject: March Legislative Report from Dolphin Group

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**RECOMMENDATION**

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

**BACKGROUND**

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

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

TAL:MD

# *Innovative Federal Strategies* LLC

Comprehensive Government Relations

## MEMORANDUM

**To:** Tom Love and Martha Davis, IEUA

**From:** Letitia White and Heather Hennessey

**Date:** March 30, 2012

**Re:** March Monthly Legislative Update

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March was a tumultuous month on Capitol Hill. One moment of extreme angst came when the Congressional Budget Office projected a \$1.2 trillion federal deficit in its budget update. This projection is \$93 billion larger than previously projected, with the increase due primarily to the cost of the extended payroll tax cut. Higher deficit numbers are worrisome to both political parties as Congressional approval ratings remain historically low. The Supreme Court debate on the Health Care law also caused an uproar on Capitol Hill, with protests that created a circus-like atmosphere and a brass band providing musical entertainment on the sidewalk across from the Capitol.

It was a thrill to learn in early March that five House members, Reps. Miller, Lewis, Baca, Calvert and Royce, joined forces to send a grant support letter on our behalf to the Bureau of Reclamation. IFS was also pleased to share with our Capitol Hill offices the very good news that IEUA is receiving positive attention for your efforts to go gridless. We extended invitations to our Congressional delegation to attend the upcoming wind turbine dedication event in early April and the press article that featured your efforts.

### *California Water on Capitol Hill*

California water issues were central to the debate in Washington in early March. HR 1837, the San Joaquin Valley Water Reliability Act, sparked an extremely heated debate on the House floor. Touted by its supporters as the only way to increase water deliveries in the Central Valley, it was vilified by critics for overturning established water rights and environmental measures. Other states weighed in either for or against the bill as they considered the possibility that federal statute could someday follow this precedent and up-ended their water laws. After the bill passed the House, there were reports that Senator Feinstein began a series of discussions with House Republicans aimed at a compromise.

### *House Budget Resolution Adopted*

The House Budget for FY 2013 establishes a spending cap of \$1.028 trillion. As a practical matter, the House measure will not have an immediate effect on federal spending. But it does represent an effort by House Republicans to stake out positions on budget issues that they will use to deliver their message for the upcoming elections and to negotiate with Democrats on future budget fights. Alternative budgets from conservative Republicans and liberal Democrats

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failed to gain passage, as did an alternative proposal based on the Simpson-Bowles debt reduction panel. President Obama's budget failed by a House vote of 0-414.

Within the framework of the budget debate, the House is also attempting to prevent the automatic cuts scheduled to take place in January of 2013 under the sequestration rules established by the debt limit deal enacted last August. The budget resolution contained provisions ordering six House authorizing committees to use the procedural tool of "reconciliation," a complicated framework for periodically reducing spending in mandatory programs. The committees are required to submit funding cut recommendations to the House Budget Committee by the end of April, at which time the recommendations will be compiled and considered on the House floor.

This undertaking by the House will offer an alternative to the sequestration cuts, which are set at a level of \$98 billion in automatic cuts to discretionary programs in the Department of Defense and all other federal agencies. As the date for the sequestration funding cuts to be realized comes closer, and Congress and the agencies gain sharper focus on what will happen under those cuts, everyone is looking for ways to avoid them. The issue will probably not be finally resolved until the Lame Duck session after the November elections, but the House's position will be summarized by the outcome of the reconciliation process later this spring.

Meanwhile, Senate leadership has clearly stated that it will not bring a budget resolution to the floor for FY 2013. For a variety of reasons, the Senate has failed to pass a budget for the past several years, prompting near-constant criticism from Republicans. This year, Senate leaders maintain that the budget process is unnecessary because the debt limit deal from last summer, which was passed by both chambers and signed by the President, set FY 2013 spending at \$1.047 trillion. Even without Senate action, Appropriations bills will start to take shape after the Easter recess ends.

### *Transportation Disputes Continue*

Success in the Senate was met with inaction in the House as the stalemate over long term funding for Transportation programs continued during March. As the March 31<sup>st</sup> deadline loomed, Congress enacted a 90-day extension of current law to give politicians three more months to debate and pass a long term bill. This will put the next expiration deadline at the end of June. A shutdown of federal transportation programs would have immediately furloughed 3,500 federal workers and put 130,000 federal highway projects at risk of termination. Neither political party wanted to risk such disaster when the economy is beginning to show some signs of recovery.

While the Senate was able to pass a two-year bill in the middle of the month, the House was never able to gain consensus on a path forward. Early predictions of a five-year House measure that consolidated duplicative programs and lowered environmental hurdles proved to be overly ambitious. Speaker Boehner had publically stated that he wanted to move the House bill, conference with the Senate and send a bill to the President prior to the two week Easter recess during the first part of April, but the House never got close to meeting that deadline. Squabbles within the Republican caucus were surprisingly problematic, eventually forcing the removal of two versions of the House bill from the floor because they faced certain failure.

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The Senate measure passed in mid-March by a vote of 74 to 22 at a cost of \$109 billion that keeps transportation spending steady, notwithstanding budget concerns and shrinking gasoline-tax revenues. Despite mounting pressure to do so, the House has not raised the Senate bill for floor consideration. As the Senate bill is now the dominant legislative vehicle for transportation programs, it is also being increasingly criticized by lobbyists and interest groups for the funding levels and policy provisions it contains. The longer it remains on public display, the less popular it seems to become! But the Senate bill will remain in focus until the House produces a package of its own.

### ***Outlook for April***

Congress will be out of session for the first two weeks of April for the Easter recess period. When they return in the middle of the month, we expect to see the House and Senate work on legislative proposals aimed at job creation. The Appropriations process will begin to move forward in earnest as committee staff begins writing the FY 2013 spending bills. Also, the Transportation debate will need to continue if a package is going to be finalized before the next deadline on June 30<sup>th</sup>.

As always, we will keep you posted!



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Date: April 18, 2012  
To: The Honorable Board of Directors  
Through: Public, Legislative Affairs, and Water Resources Committee (4/11/12)  
From: Thomas A. Love  
General Manager  
Submitted by: Martha Davis  
Executive Manager of Policy Development  
Subject: March Legislative Report from Innovative Federal Strategies, LLC

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**RECOMMENDATION**

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

**BACKGROUND**

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

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

TAL:MD

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**March 30, 2012**

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



Overview:

As the deadline nears to make adjustments to the November 2012 statewide ballot, legislative leaders and stakeholders have been discussing what to do with the Water Bond currently on the ballot. A coalition, lead in-part by the Association of California Water Agencies (ACWA), has conducted research on the ability to pass the bond in its current or a reduced form. After extensive polling by the coalition, it has been agreed upon that the bond is unlikely to fare well at the polls in any form in 2012.

After a long wait, the California Public Utilities Commission has released a Proposed Decision for the Feed-in Tariff program. Unfortunately, the Renewable Market Adjusting Tariff (Re-MAT) starting price has been set at \$.08923 per kW hour.

As the state nears the first auction in the cap and trade program, significant analysis is underway of the program itself and how the billions of dollars in allowance revenue will be spent. The Legislative Analyst's Office, the Department of Finance and the Legislature have all weighed in during the past few weeks.

The California Energy Commission (CEC) has approved a proposal to suspend the Renewable Portfolio Standard (RPS) guidelines as related to biomethane. The proposal would suspend all biomethane projects for pipeline injection that want to become RPS eligible. The intent of this suspension is to investigate the appropriateness of RPS contracts for biomethane from out-of-state sources. In-state projects that do not have the same issues as out-of-state sources will unfortunately be caught under the suspension.

The Legislature has been working on the over 1,900 bills that were introduced this year in addition to the bills carried over from last year. Policy committees are starting to meet more regularly and bills are moving through the process. In addition, budget sub committees are starting to meet to discuss specific portions of the proposed 2012-2013 budget.



# Inland Empire Utilities Agency

## Status Report – March 2012

### *Water Bond*

Those interested in water issues in Sacramento have been focused on the water bond that is currently set to appear on the November 2012 ballot. The Governor, Legislative leaders and industry representatives have been very concerned that there will not be enough support for the bond to pass in its current over \$11 Billion form.

A workgroup was convened by Senate President Pro Tem Steinberg and Speaker Perez to discuss what to do with the bond. In order to gain a better understanding of where voters might be leaning, a coalition of interested parties, including the Dolphin Group, the Metropolitan Water District of Southern California and the Association of California Water Agencies (ACWA) and others, joined together to craft and implement a poll, interpret the results and craft a plan for moving forward.

While the details of the poll have yet to be released, the initial information is not promising. The poll not only looked at the bond as it currently is crafted but also at the possibility of reducing the bond. While polling showed strong support for water infrastructure needs and a willingness to support investment in water systems, the State's ongoing fiscal crisis and general distrust of government make passage less than secure. Those in the working group and the legislative leaders involved have all agreed that it is not the right political and economic climate to try to move forward with a water bond at any level, and deferral is expected.

The task at hand now is to successfully move the bond to another ballot. There are differing opinions in the Capitol as to if a majority vote is sufficient or if a two-thirds vote is necessary to move the bond. Those committed to moving the bond are pursuing a two-thirds vote at this time to ensure that there are no legal challenges if a majority vote is used. Some opponents of the bond would like to see it remain on the current ballot to see it voted down in November. Further discussions are taking place to decide if the goal should be to move the bond to the 2014 or 2016 ballots.

### *Proposed Decision on Feed-in-Tariff*

Please see the attached summary of the Proposed Decision issues by the California Public Utilities Commission.

### *Cap and Trade*

As the state nears the first auction in the Cap and Trade Program, significant analysis is underway of the program itself and how the billions of dollars in allowance revenue will be spent.

The Legislative Analyst's Office, the Department of Finance and the Legislature have all weighed in during the past few weeks.

### **Programmatic Issues**

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

The LAO found that CARB made a reasonable effort to balance various policy tradeoffs, but urges the Legislature to consider several policy areas to help reduce overall compliance costs. The recommendations only concern those entities that are under the cap, for the short-term. However, any discussion about legislation on cap and trade could open an avenue for further amendments to the program that would be favorable to entities interested in generating offsets for sale to covered entities. It is unclear if any member of the Legislature is willing to take on such a complicated and politically hot issue at this time.

### **Revenue Discussions**

An Assembly committee hearing was held in late February to discuss the allocations the Governor is planning on from the greenhouse gas allowance auctions under the Cap and Trade Program to fill holes in the 2012-13 budget. Lawmakers criticized the Governor's plan for failing to provide important details on the proposal to spend the estimated \$1 billion in revenue that would come from allowances. Significant concern was raised by the LAO over how the Governor is planning to allocate the revenue in the budget. State law requires all revenue generated by AB 32 (the legislation that authorized the creation of a Cap and Trade Program) must be used for greenhouse gas reduction activities. The LAO has only identified about \$100 million in current programs that would qualify to be offset by revenue from the sale of allowances. If the budget is passed in its current form, the \$1 billion included from cap and trade revenues is sure to be litigated.

A separate proceeding at the California Public Utilities Commission (CPUC) is discussing how revenues from the auction of Investor Owned Utilities (IOUs) allowances will be spent. There is strong support among interested parties to require the revenue be returned to ratepayers. Because this revenue is coming from the IOUs it is believed that it is not subject to the same rules as the revenue the Governor is proposing to allocate.

### **California Energy Commission- Biomethane**

The California Energy Commission (CEC) has passed a proposal to suspend the Renewable Portfolio Standard (RPS) guidelines as related to biomethane. Many utilities, particularly municipalities are using biomethane generated as far away as Pennsylvania to meet the California RPS requirements. The intent of this suspension is to investigate the appropriateness of RPS contracts for biomethane from out-of-state sources.

While IEUA isn't currently working on any biogas injection projects, the precedent that this decision could set is important. As emissions and energy regulations get more and more stringent, there are many opportunities that might be available to wastewater treatment facilities. It is important that California regulators recognize not only the significant environmental

benefits between in-state and out-of-state projects, but additionally consider ways to enhance production of in-state projects.

The Dolphin Group has been working with the CEC and Legislators involved with the proceeding to get the facts straight about the difference between in-state and out-of-state sources of biomethane. Legislation creating a California biomethane incubation program is expected to be introduced shortly.

### ***Legislation***

Legislation that was introduced by the February 24 bill introduction deadline are now eligible to be heard in policy committees and be amended. There are many discussions going on right now over amending specific pieces of legislation.

Additionally, budget sub-committees are now meeting to discuss the individual policy areas of the budget. While these sub-committees are important, the bulk of the work will come after the Governor issues his May revision of the budget.

### **Bills that might be of interest to IEUA:**

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

**Introduced:** 1/26/2012

**Status:** 3/26/2012-In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 3/26/2012-S. RLS.

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

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

**Introduced:** 2/17/2012

**Status:** 3/27/2012-From committee: Do pass and re-refer to Com. on W., P. & W. (Ayes 9. Noes 0.) (March 27). Re-referred to Com. on W., P. & W.

**Location:** 3/27/2012-A. W.,P. & W.

**Summary:** Under current law, the State Water Resources Control Board (state board) and the California regional water quality control boards prescribe waste discharge requirements for the discharge of stormwater in accordance with the national pollutant discharge elimination system (NPDES) permit program and the Porter-Cologne Water Quality Control Act. Current law authorizes a city, county, or special district to develop, jointly or individually, stormwater resource plans that meet certain standards. This bill

would enact the Rainwater Capture Act of 2012, which would authorize residential, commercial, and governmental landowners to install, maintain, and operate rain barrel systems, as defined, and rainwater capture systems, as defined, for specified purposes, provided that the systems comply with specified requirements. The bill would require a local agency to provide notification to the operator of a public water system, as defined, if the local agency chooses to adopt a permitting program for rainwater capture systems and approves a permit for a rainwater capture system connected to the public water system. This bill contains other related provisions and other current laws.

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

**Introduced:** 2/22/2012

**Status:** 3/19/2012-Referred to Coms. on U. & C. and NAT. RES.

**Location:** 3/19/2012-A. U. & C.

**Summary:** Current law requires the Public Utilities Commission (PUC) to specify the maximum amount of vinyl chloride that may be found in landfill gas. Current law prohibits a gas producer from knowingly selling, supplying, or transporting to a gas corporation, and a gas corporation from knowingly purchasing, landfill gas containing vinyl chloride in a concentration exceeding the maximum amount determined by the commission. Current law requires a person who produces, sells, supplies, or releases landfill gas for sale offsite to a gas corporation to sample and test, bimonthly, the gas at the point of distribution for chemicals known to the state to cause cancer or reproductive toxicity. This bill would provide that the PUC's duty to specify the maximum amount of vinyl chloride that may be found in landfill gas applies to gas that is to be injected into a common carrier pipeline. This bill would require the PUC to develop reasonable, prudent, and minimally restrictive testing protocols for gas collected from a solid waste landfill that is to be injected into a common carrier pipeline to determine if the gas contains chemicals known to the state to cause cancer or reproductive toxicity. This bill would prohibit a gas producer from knowingly selling, supplying, transporting, or purchasing gas collected from a hazardous waste landfill. This bill contains other related provisions and other current laws.

**AB  
2000 (Huber D) State water facilities: Sacramento-San Joaquin Delta: Delta conveyance facility.**

**Introduced:** 2/23/2012

**Last Amend:** 3/29/2012

**Status:** 3/29/2012-Referred to Com. on W., P. & W. From committee chair, with author's amendments: Amend, and re-refer to Com. on W., P. & W. Read second time and amended.

**Location:** 3/29/2012-A. W.,P. & W.

**Summary:** The United States Bureau of Reclamation operates the federal Central Valley Project and the Department of Water Resources operates the State Water Resources Development System, known as the State Water Project, to supply water to persons and entities in the state. This bill would prohibit the construction of a new Delta conveyance facility, as defined, unless specified conditions are met, including (A) the

adoption of an agreement by the Department of Water Resources and the Department of Fish and Game that specifies the stages of construction of the new Delta conveyance facility and (B) the establishment of plans and agreements for the construction of specified water facilities and implementation of specified water programs meeting prescribed conditions as part of the state Central Valley Project. The bill would prohibit the transportation of water for the federal Central Valley Project through state project facilities, with specified exceptions, unless certain conditions are met. This bill contains other related provisions and other current laws.

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

**Introduced:** 2/23/2012

**Status:** 3/8/2012-Referred to Com. on L. GOV.

**Location:** 3/8/2012-A. L. GOV.

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

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

**Introduced:** 2/23/2012

**Status:** 3/29/2012-Re-referred to Com. on E.S. & T.M. pursuant to Assembly Rule 96.

**Location:** 3/29/2012-A. W.,P. & W.

**Summary:** Under current law, the State Water Resources Control Board (state board) and the California regional water quality control boards prescribe waste discharge requirements for the discharge of storm water in accordance with the federal national pollutant discharge elimination system (NPDES) permit program. Current law requires the state board or the regional boards to issue waste discharge requirements which apply and ensure compliance with all applicable provisions of the Federal Water Pollution Control Act and any more stringent effluent standards or limitations necessary to implement water quality control plans, or for the protection of beneficial uses, or to prevent nuisance. This bill would prohibit implementation of any new storm water effluent standards or limitations more stringent than the provisions of the Federal Water

Pollution Control Act until January 1, 2017. This bill would require the state board, in consultation with affected stakeholders to prepare a comprehensive statewide storm water plan, as prescribed, and submit it to the Legislature by January 1, 2016. This bill contains other related provisions and other current laws.

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

**Introduced:** 2/24/2012

**Last Amend:** 3/29/2012

**Status:** 3/29/2012-From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended.

**Location:** 3/29/2012-A. L. GOV.

**Summary:** Current law requires the State Department of Public Health to administer programs to fund improvements and expansion of small community water systems using specified priorities. Current law requires the department to encourage the consolidation of small community water systems that serve disadvantaged communities if consolidation will help the affected agencies and the state meet specified goals. Current law allows funding of studies regarding the feasibility of consolidating 2 or more community water systems, at least one of which is a small community water system that serves a disadvantaged community. Current law requires the department to give funding priority to projects involving physical restructuring of 2 or more community water systems into a single, consolidated system when it is shown that the consolidation would further specified goals. This bill would require the department to promote the consolidation and merger of small community water systems that serve disadvantaged communities, as specified, and would require the studies performed prior to a construction project to include the feasibility of consolidating or merging community water systems. This bill would prohibit the department from determining the consolidation or merger to be infeasible if the local agency formation commission (LAFCO) also conducted a study or service review of the project and determined the project was feasible. This bill would also require the department to give priority to funding projects involving managerial consolidation or merger when the consolidation or merger would further specified goals. This bill contains other related provisions and other current laws.

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

**Introduced:** 2/24/2012

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

**Location:** 2/24/2012-A. PRINT

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

that meets certain standards. This bill would make technical, nonsubstantive changes in these provisions.

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

**Introduced:** 2/23/2012

**Last Amend:** 3/26/2012

**Status:** 3/26/2012-From committee with author's amendments. Read second time and amended. Re-referred to Com. on N.R. & W.

**Location:** 3/26/2012-S. N.R. & W.

**Summary:** Current law requires the Department of Water Resources to divide the state into watermaster service areas for the purpose of distributing water in accordance with certain water right determinations. Current law authorizes the department to incur costs and make expenditures as necessary to provide for the administration of a service area and the distribution of water therein. Current law requires the water rightholders to pay all of those costs. This bill would authorize the department to pay up to 50% of watermaster costs, to the extent that funds are appropriated for this purpose, and require the water rightholders to pay the remainder of watermaster costs and make conforming changes.

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

**Introduced:** 2/24/2012

**Last Amend:** 3/27/2012

**Status:** 3/27/2012-From committee with author's amendments. Read second time and amended. Re-referred to Com. on B., P. & E.D.

**Location:** 3/27/2012-S. B., P. & E.D.

**Summary:** Current law governs the business of buying, selling, and dealing in secondhand and used machinery and all ferrous and nonferrous scrap metals and alloys, also known as "junk." Current law requires junk dealers and recyclers to keep a written record of all sales and purchases made in the course of their business, including the name and address of each person to whom junk is sold or disposed of, and to preserve the written record for at least 2 years after making the final entry of any purchase or sale of junk. Current law provides that the failure to keep a written record as required is punishable as a misdemeanor. This bill would prohibit any junk dealer or recycler from possessing a fire hydrant, fire department connection, including, but not limited to, bronze or brass fittings or parts, a manhole cover or lid, or any part of that cover or lid, or a backflow device and connections to that device without a written certification on the letterhead of the agency or utility that owns or previously owned the material and that the entity has sold or is offering the material for sale, and that the person possessing the certificate and identified in the certificate is authorized to negotiate the sale of the material. The bill would make junk dealers and recyclers civilly liable and would also provide that if a junk dealer or recycler lacks the certification described above, the lack of that certification would give rise to the presumption that the property was stolen for

purposes of the provisions proscribing receiving stolen property. This bill contains other related provisions and other current laws.

**SB (Padilla D) California Global Warming Solutions Act of 2006: water industry  
1535 study.**

**Introduced:** 2/24/2012

**Last Amend:** 3/27/2012

**Status:** 3/27/2012-From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.

**Location:** 3/27/2012-S. RLS.

**Summary:** Current law, the California Global Warming Solutions Act of 2006, designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emission reductions. Current law authorizes the state board to include market-based compliance mechanisms, as defined, to comply with the regulations. This bill would require, by July 1, 2013, the state board to conduct a thorough study and present its written findings to the Legislature, as prescribed, on the benefits that can be achieved through specific water sector measures in lieu of regulating the water industry under market-based compliance mechanisms with a specific compliance obligation.

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

**Introduced:** 2/22/2012

**Status:** 3/1/2012-Referred to Coms. on P.E. & R. and E. & C.A.

**Location:** 3/1/2012-S. P.E. & R.

**Summary:** Current law establishes various public agency retirement systems, including the Public Employees' Retirement System (PERS), the State Teachers' Retirement System (STRS), the Judges' Retirement System II, and various county retirement systems pursuant to the County Employees Retirement Law of 1937, among others, and these systems provide defined pension benefits to public employees based on age, service credit, and amount of final compensation. The California Constitution permits a city or county to adopt a charter for purposes of its governance that supersedes general laws of the state in regard to specified subjects, including compensation of city or county employees. The California Constitution also establishes the University of California as a public trust with full powers of organization and government, subject only to specified limitations. Charter cities and the University of California may establish pension plans under their respective independent constitutional authority. These pension systems are funded by employee and employer contributions and investment returns. Current law provides that public employee pension benefits are a form of deferred compensation, the right to which vests in the employee on contractual principles and is protected from impairment by the California Constitution and the United States Constitution. This



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

## Proposed Decision on Feed-in-Tariff

The California Public Utilities Commission (CPUC) issued a Proposed Decision (PD) on the Feed-in-Tariff (FiT) program. The new pricing mechanism will be referred to as the "Renewable Market Adjustment Tariff" or Re-MAT.

- Each utility is allocated a specific share of the 750 MW program cap.
  - Southern California Edison (SCE): 30% or 226 MW
  - Pacific Gas and Electric (PG&E): 29% or 218.8 MW
  - San Diego Gas and Electric's (SDG&E): 6 % or 48.8 MW
  - Publicly Owned Electric Utilities: remainder
- Eligible project size increased to 3 MW (as directed by the Legislature)
- Within each utility, there are three product types:
  - Baseload: projects that provide firm energy deliveries (bioenergy, geothermal and small hydro)
  - Peaking as-available: projects that provide non-firm energy deliveries during peak hours (solar)
  - Non-peaking as-available: projects that provide non-firm energy deliveries during non-peak hours (wind and hydro)
- Each utility must divide its total program capacity by 12 then assign one third into each product type with a minimum of 3 MW for each product type in the first month.
  - After 12 months, the utilities will be allowed to reassign underutilized capacity to one of the other product types in greater demand.
- **Price**: The PD creates a starting price based on the weighted average of contract price of PG&E, SCE, and SDG&E's highest priced executed contract resulting from the Renewable Auction Mechanism (RAM) November 2011 auction. (As a reminder, the RAM program was created for projects 20 MW in size). The starting price will apply to the three product types.
  - The starting price is set at \$.08923/KWh.
- Monthly price adjustment mechanism: increases or decreases the starting price for each product category based on the market response.
  - Price to stay the same if there are not at least 5 eligible projects with different project sponsors in the utility's queue for that product type.
  - Increase: if five eligible projects with different sponsors are in the queue, yet no sponsor chooses to enter into a FiT contract at the monthly price than a price increase will be triggered for the following month.
  - Decrease: if five eligible projects with different sponsors and the full monthly capacity assignments is subscribed for a product type, a decrease will be triggered for the following month.
  - Price adjustment illustrated:
    - Month 1: Starting Price- \$.08923/KWh. If no subscriptions in a product category, price increase for month 2 is triggered:
    - Month 2: Starting Price + \$.04/KWh= \$.0923/KWh. If no subscriptions in a product category, price increase for month 3 is triggered:
    - Month 3: Starting Price + \$.12/KWh= \$.101/KWh. If no subscriptions in a product category, price increase for month 4 is triggered:

- Month 4 Starting Price + \$0.24/KWh= \$0.113/KWh. If no subscriptions in a product category, price increase for month 5 is triggered:
- Month 5 Starting Price + \$0.40/KWh= \$0.129/KWh. If no subscriptions in a product category, price increase for month 6 is triggered:
- Month 6 Starting Price + \$0.60/KWh= \$0.149/KWh. If no subscriptions in a product category, price increase for month 7 is triggered:
  
- The price increase mechanism may continue indefinitely.
- The decrease mechanism is the same level as the increase and will be triggered when a product type is fully subscribed.
- If at least one contract is executed the price will remain the same the following month.
  
- Time-of-delivery (TOD) factors:
  - For a generator to count for resource adequacy, CAISO must complete a deliverability study (which takes two years to complete). Generators connecting through Rule 21, do not have to apply for a deliverability study.
  - Because a full deliverability status with CAISO is more advantageous to the utilities, but recognizing that gaining full deliverability status is time consuming, expensive, and tough to navigate, the PD establishes two sets of TOD factors that can alter a FiT contract price
    - Generators that do not provide resource adequacy- smaller projects
    - Generators that do provide resource adequacy- larger projects
  - The PD also allows generators to convert to full deliverability after their online date and receive the higher TOD factors at that time.



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Date: April 18, 2012  
To: The Honorable Board of Directors  
Through: Public, Legislative Affairs, and Water Resources Committee (4/11/12)  
From: Thomas A. Love  
General Manager  
Submitted by: Martha Davis  
Executive Manager of Policy Development  
Subject: March Legislative Report from Agricultural Resources

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**RECOMMENDATION**

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

**BACKGROUND**

Dave Weiman provides a monthly report on his federal activities on behalf of IEUA.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

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# *Agricultural Resources*

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March 30, 2012

## Legislative Report

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**TO:** Thomas Love  
General Manager, Inland Empire Utility Agency

**FR:** David M. Weiman  
Agricultural Resources  
LEGISLATIVE REPRESENTATIVE, IEUA

**SU:** Legislative Report, February-March 2012

**Highlights:**

- *Administration Budget Submitted to Congress – Clean Water and Safe Drinking Water Revolving Funds Reduced (again)*
- *Bureau of Reclamation – Requested Funding Level Flat*
- *Bureau of Reclamation – Requested Funding for Title XVI Projects – Very Low*
- *California Insurance Commissioner – Others – Initiating Climate Risk Disclosure Survey for Insurers*
- *Sen. Boxer Leads Bi-Partisan Effort to Reauthorize Water Research Institutes*
- *Municipal Bonds – Key Financial Tool for Water Districts At Risk*
- *Nunes Bill Overturns CVPIA – Passes House.*
- *Water Bond Status*
- *Colorado River – Uranium Mining*
- *Administration Reorg Plan – DOI and Commerce (NOAA/NMFS)*
- *IEUA and CVWD Water Recycling Legislation – Review Continues*
- *Clean Water Alliance on National Academy of Sciences Report on Recycled*

*Water*

- *ACWA DC Trip*
- *New Washington Representation, Water Reuse Association*
- *Drought Conditions/Water Supply*
- *IEUA Working Partners*

***Administration Budget Submitted to Congress – Clean Water and Safe Drinking Revolving Funds Reduced (again).*** At the top of each calendar year, the President appears before Congress, gives his annual “State of the Union” speech, and immediately thereafter, the proposed budget, for every department and agency is then submitted, usually a week or two later. The budget was delayed until mid-February. The funds requested for the EPA’s Clean Water Act and Safe Drinking Water Act revolving funds were reduced (from previous year funding levels) by \$350+ million or about 15%. If enacted as requested, this would bring funding levels back to the 2006-09 levels. AWWA and NACWA, among others publicly declared the cut (reductions) unfair and disproportionate. This will impact the funding levels, by state, or how much California gets (to be allocated across the entire state).

***Bureau of Reclamation – Requested Funding Level Flat.*** Given the directions to departments and agencies to prepare budgets at 5-10% lower than last year, to be consistent with last year’s budget agreement, it was anticipated that the Bureau of Reclamation budget would be reduced to \$900 million or less. It did not happen. Reclamation funding, based on the request, is flat – almost the same as last year (\$1 billion, almost exactly).

***Bureau of Reclamation – Requested Funding for Title XVI Project – Very Low.*** Funding requested for the Bureau of Reclamation’s Title XVI water recycling projects (now housed in the WaterSense Program) was reduced to four projects (all in California) totaling \$3.5 million plus \$20 million undesignated funds for a competitive grants program. All told, the request for this important program is under \$25 million. Given the cyclical drought conditions and climate concerns, this was surprisingly low.

***California Insurance Commissioner – Others – Initiating Climate Risk Disclosure Survey for Insurers.*** Led by California Insurance Commissioner, Dave Jones, CA is requiring insurance companies to conduct “climate risk disclosure” surveys. California began the program in 2009. The State of New York and Washington have joined in the effort, supported by the National Association of Insurance Commissioners. *“The Survey data will provide regulators with substantive information about the risks to insurers posed by climate change,”* said Commissioner Jones. *“The survey will also explore the actions insurers are taking in response to their understanding of climate change risks.”* High on their list of concerns – severe weather events. Fireman’s Fund, from the private sector, is at the forefront supporting this initiative. Directly and indirectly, this has the potential to impact the Agency.

***Boxer Leads Bi-Partisan Effort to Reauthorize Water Research Institutes.*** Senator Barbara Boxer led a bi-partisan group of Senators, all members, Environment and Public Works

Committee, “to continue grant funding for U.S. water research institutes and add a program focused on study and development of green infrastructure.” The bill, S. 2104, “would reauthorize for five years a 1964 law that established 54 water research institutes and set up a grant program for applied water supply research.” According to the Senators, “The bill would reauthorize both grant programs for an additional five years by providing an annual \$7.5 million for institutional grants and \$1.5 million for national competitive grants.” That is down from previous annual levels of \$12 million for institutions and \$6 million for competitive grants. There is some urgency for its enactment as the authority for this program lapsed in 2011.

***Municipal Bonds – Key Financial Tool for Water Districts At Risk.*** IEUA has asked that the status – and possible legislative change to/for municipal bonds in the tax codes – be tracked. From the onset of this calendar year, there has been considerable talk of changes to the tax codes for a variety of reasons (budget, deficits, election-year discussions, and philosophical). In short, any discussion of “tax reform” now includes previous untouchable home mortgage deduction AS WELL AS the ability to deduct investments in muni bonds. Another tax issue, tax credits for renewable energy, also on the table. What will occur, legislatively, is unknown and unclear. If consideration or modification to the tax code is undertaken, or a major budget/tax overhaul, these provisions might be subject to amendment and change. If it occurs, it would more likely to happen later in the year (possible during a lame duck). As an aside, there is more and more “talk” of the possibility of a lame duck session. The outcome of the national election will influence such a decision. Right now, this is more likely to be a 2013 issue.

***Nunes Bill Overturns CVPIA – Passes House.*** In mid-February, Chairman McClintock and several Central Valley members redrafted highly controversial and deeply divisive legislation to overturn the CVPIA, grant certain water users in the San Joaquin Valley preferential rights, overturn California water law and allow for the preemption of state water law by the Federal Government. It was marked up and passed in the House Resources Committee on February 16 following a lengthy all-day markup. MWD and ACWA are both internally split on the issue. The bill was then passed in the House, largely along partisan lines. If there was a “third rail” of water law legislation in Washington, it would be, the federal government cannot preempt state water law. This bill does. As a result, other western states are opposing the bill. Rep. Garamendi, opposing the bill, declared that it overturned 150 years of California state water law. The bill was brought to the floor at the end of February and passed. The bill is pending in the Senate where its fate remains unclear. Many observers have declared it “dead” in the Senate. It’s not clear at all. The contents of the bill are significant – and have implications beyond the Delta and the San Joaquin Valley. If environmental laws (ESA and other) are overturned and/or neutralized, then the basis of a negotiated settlement of Delta issues is severely undermined. Put another way, there are potentially, significant implications for the entire water community, especially in Southern California. Same with the water bond.

***Water Bond Status.*** The fate of the water bond continues to be closely watched by the Federal Agencies, the California Congressional Delegation and selected Committees. The messages and reports are swirling. Reportedly, the Governor believes it should be delayed to 2014. Some



members of the legislature believe it should be reduced in size and scope (possibly to the \$5-6 billion level). Still others in the water community, especially those from the San Joaquin Valley, are adamant that the bond must be on the ballot this year. In recent days, key leaders in Sacramento publicly admitted that the bond should be delayed, creating a backlash. At the same time, the BDCP is being challenged and rumors are that the same San Joaquin Valley interests, led by Westlands, are reportedly trying to figure out a “work-around” the BDCP. In sum, H.R. 1837 (Nunes bill), the Delta negotiations, the bond (timing, size, scope) are all in a state of uncertainty. Any of these, and related issues, has the potential to propel the California Water issues into deeper conflict OR push it toward a global resolution. As of today, “conflict” appears to be dominant.

***Uranium Mining – Grand Canyon and Colorado River.*** This remains an issue. An effort, it is anticipated, will be attempted to block the Secretary’s initiative in the annual funding bills which will be marked up as early as late April or, more likely, sometime in May..

***IEUA and CVWD Water Recycling Legislation – Review Continues.*** Discussions between IEUA and CVWD on existing Title XVI authority continues. I did talk to the Temecula Office, Bureau of Reclamation. I learned that the “administrative determination” that the authority was restricted came from a single staff person without the benefit of any level of review. CVWD shared that development with Rep. Dreier’s office several weeks ago.

***Administration Reorg Plan – DOI and Commerce (NOAA/NMFS).*** In January, the Administration proposed a reorganization plan focused on trade and development. I reported: *As a consequence, the Commerce Department is significantly proposed to be “rearranged.” NOAA (and its several agencies including the Weather Service, National Marine Fisheries and other agencies) are proposed to be moved to the US Department of the Interior. This has significant implications for Bay Delta and related water issues. Significant opposition is slowly building, and little observable support has emerged to date. This is a “watch” issue.*

***Clean Water Alliance on National Academy of Sciences Report on Recycled Water.***

In late February, the Alliance published a short report on the recent National Academy of Sciences on Water Reuse and Recycled Water. Said the Alliance, “All of us in the “Water Community” hold these truths to be self-evident:

- 1) reclaiming and reusing wastewater makes environmental and economic sense when done safely,
- 2) such resource recovery efforts fall flat without sufficient public support, and
- 3) the “yuck factor” has to be tackled with good science, strategy, and patience

They went to say, “*The NAS study analyzes the scientific, technical, legal, cultural, and psychological barriers and risks. It builds the case for more reuse, analyzing real versus perceived health risks, and growing problems with water scarcity in some regions. It claims advanced treatment and reuse of wastewater can boost water supplies of coastal cities by as much as 27%.*”

***Drought Conditions and Water Supplies – Water Year – Drought Conditions***

***Returning.*** Beginning in January, drought conditions steadily worsened. According to the US Drought Monitor, Drought conditions throughout the California went from DRY to MODERATE, and then to EXTREME. Late Winter storms have brought much needed and welcome rain to the the Coastal areas and parts of the Central Valley, and significant snow in the mountains. DWR will conduct a water supply survey in the first few days of March which will reveal, more accurately, the current state of drought conditions. The only reason California is not in “water crisis” is that there was amply “carry-over” from the previous water year. Nationally, The USDA-NOAA Drought Monitor reveals that almost the entire West (Montana’s a major exception). Eastern Oregon and Washington are in drought. All of the Southwest, especially NM and Texas (both are burning up) are in serious drought. Most of the Colorado River Basin similarly remains in drought.

***ACWA DC Trip.*** At the end of February, IEUA participated in the annual ACWA DC Trip. Board and staff participated.

***New Washington Rep for WateReuse Association.*** The WateReuse Association, after many years, retained new Washington Representation. They hired Mark Limbaugh, Ferguson Group. Mark served in the office of the Assistant Secretary for Water and Science, Interior Department in the Bush Administration.

***IEUA Continues to Work With Various Partners.*** On an on-going basis in Washington, IEUA continues to work with:

- a. Metropolitan Water District of Southern California (MWD)
- b. Milk Producer's Council (MPC)
- c. Santa Ana Watershed Project Authority (SAWPA)
- d. Water Environment Federation (WEF)
- e. Association of California Water Agencies (ACWA)
- f. WateReuse Association
- g. CALStart
- h. Orange County Water District (OCWD)
- i. Cucamonga Valley Water District (CVWD)
- j. Western Municipal Water District
- k. Chino Basin Watermaster
- l. Western Urban Water Coalition
- m. National Water Resources Association

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# IEUA MONTHLY WATER NEWSLETTER

APRIL 2012 (REPORTING MARCH 2012 DATA)

## Highlights

- **Fourth Snow Survey of 2012 Shows Improvement** - On April 1st, the fourth snow survey results show that California's mountain snowpack is 55% of normal for this time of year. (Page 1)
- **DWR Files Draft Climate Action Plan** - DWR is accepting public comments on their Initial Study and Draft Negative Declaration on their Climate Action Plan through April 9th. (Page 1)
- **MWD Board to Adopt Rate Increases** - After delaying for a month, on April 10, 2012 the MWD Board of Directors will be asked to approve a 2-year rate increase. (Page 1)

## Fourth Snow Survey Results on SWP

On April 1, 2012, the Department of Water Resources (DWR) announced that the snowpack water content is only 55% of historic readings for the date. "An unusually wet March improved conditions, but did not make up for the previous dry months," said DWR Director Mark Cowin. "The take-home message is that we've had a dry winter and although good reservoir storage will lessen impacts this summer, we need to be prepared for a potentially dry 2013."

DWR estimates it will still be able to deliver 50% of the slightly more than 4 million acre-feet of State Water Project (SWP) water requested this year by the 29 public agencies that supply more than 25 million Californians and nearly a million acres of irrigated farmland. For comparison, calendar year 2011 had an 80% allocation, 2010 had 50%, 2009 had 40% and 2008 had 35%.

On March 1, 2012, DWR filed its Draft Climate Action Plan Phase 1: Greenhouse Gas Emissions Reduction Plan and associated California Environmental Quality Act Initial Study and Draft Negative Declaration with the California Office of Planning and Research State Clearinghouse. During the period March 5th through April 9th DWR will accept public comments on the Draft Greenhouse Gas Emissions Reduction Plan and associated Initial Study and Draft Negative Declaration.

## Metropolitan Water District Update

After deferring for a month, the Metropolitan Water District of Southern California Board of Directors will adopt a 2-year budget and rate increase on April 20, 2012. The proposed 2-year budget recommends increases in rates and charges averaging 7.5% in FY 2012/13 and 5% in FY 2013/14. The Board is also considering other rate increase options that include both higher and lower rates.



# IEUA Water Supply Programs

## Imported Water Deliveries

In March 2012, IEUA and its member agencies purchased an estimated 3,950 AF of Tier I water (making the annual total approximately 18% of the annual Tier I limit of 59,792 AF).

## Dry Year Yield (DYY) Program

The Dry Year Yield (DYY) Program is a conjunctive use program that provides additional dry year water supply reliability to the IEUA service area. This is a 20-year program (beginning in 2003) that will store imported water in wet years and extract groundwater during dry years. The storage account has a cap of 100,000 AF. The local DYY participants have already completed one full cycle (of storage and extraction).

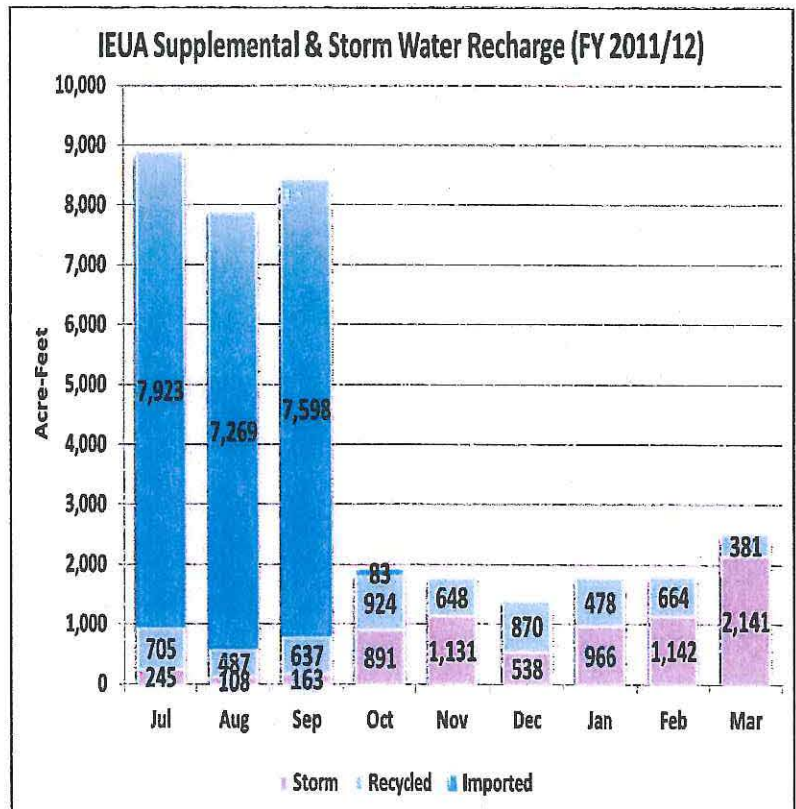
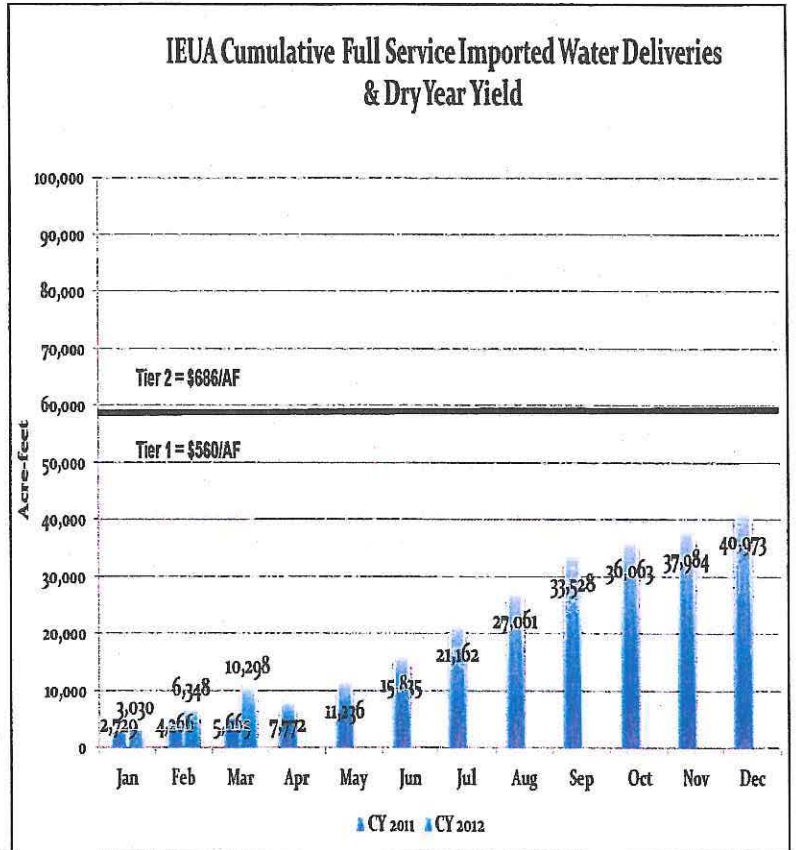
Over the past year, IEUA, TVMWD and Watermaster have meeting with MWD and reviewing their proposed revisions to the program. The proposal will be presented to the DYY participants in the month of April with the hopes of completing any revisions in time to begin storing MWD surplus water in the storage account.

## Chino Desalter Authority (CDA)

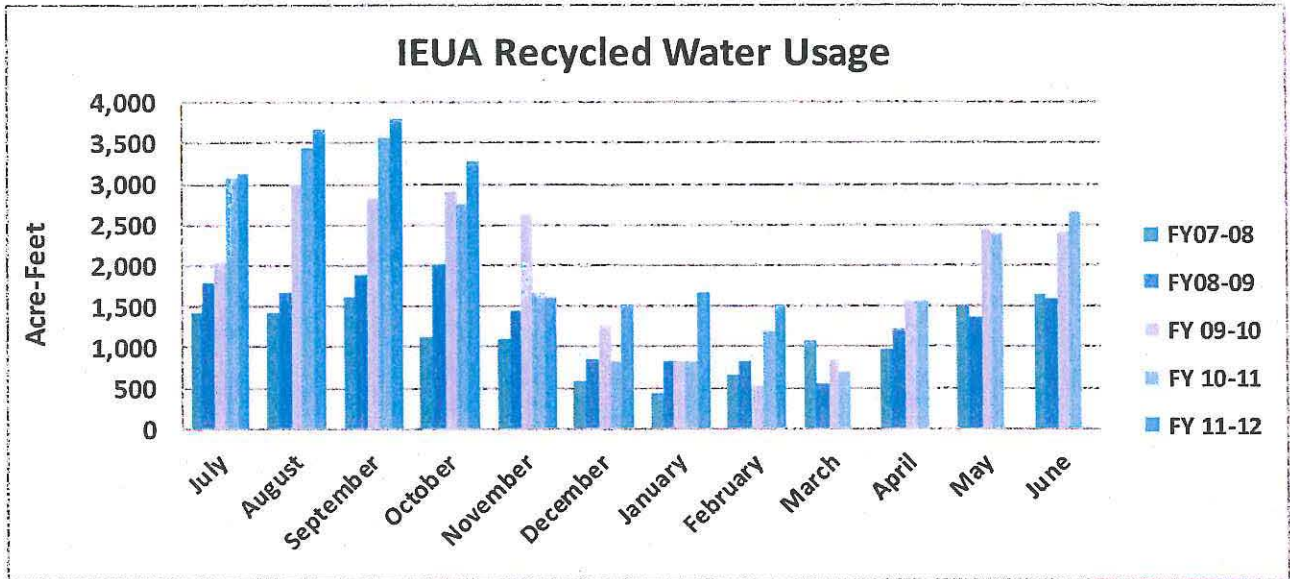
For the month of March, the two desalters produced 2,079 AF of water (of which 1,147 AF was delivered to IEUA retail agencies). The contracted entitlement is 24,600 AFY (but actual production is 25,000 to 26,000 AFY) and is scheduled for expansion to produce approximately 40,000 AFY by 2014, with the implementation of CDA Phase III.

## Groundwater Recharge Program

Through March of Fiscal Year 2011/12, approximately 36,340 AF of storm, recycled and imported water has been recharged in the Chino Basin.



# Recycled Water News



Recycled Water Usage:

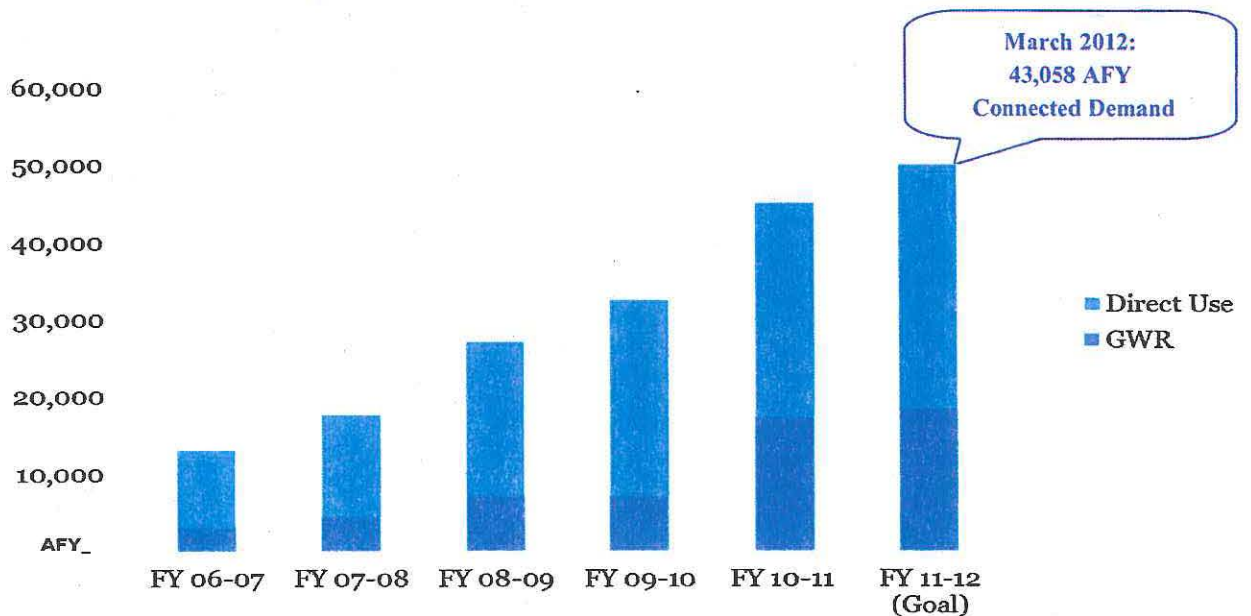
March 2012 Estimates

Recharge: 360 AF

Direct Sales: 850 AF

Total Usage: 1,210 AF

## IEUA Connected Recycled Water Demand



## Conservation Program News

**Smart Irrigation Month** - July is "smart irrigation month" and shared efforts will be coordinated on regional messaging and on a variety of public outreach activities for the Southern California area.



**Fontana Unified School Retrofit Program ( Phase II)** - Phase

II of the Fontana Unified School Retrofit Program was completed at the end of February 2012. There were 319 high efficiency toilets and 117 high efficiency urinals replaced at 17 schools throughout the district and there were 12 Controllers and 1,676 high efficiency nozzles installed at eleven schools. Total annual water savings realized from the upgrades will be approximately 38 acre-feet with a lifetime savings of 610 acre-feet.



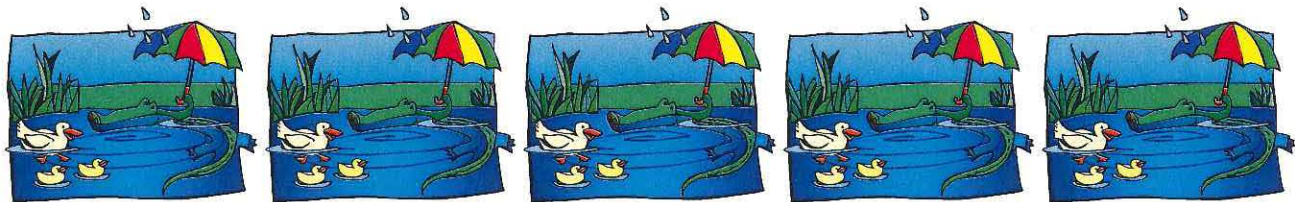
**MWD Water Use Efficiency Program Changes** - A letter will be presented to the MWD Board for approval at the May meeting outlining recommended program changes developed through the Program Advisory Committee for the FY 2012/13 budget year.

**MWD Regional Water Use Efficiency Programs** - As of April 1, 2012, 36% of the budget for the residential rebate program remains for the fiscal year and 24% for the Save-A-Buck (CII) program. The Member Agency Administered programs are fully committed at \$6.1 million with \$2 million worth of activity processed. The agricultural program has \$145,000 committed to date with \$30,000 worth of activity processed out of the \$500,000 total budget.

### **MWD Upcoming Events**

- ◆ MWD Landscape Manufacturers Meeting with Member Agencies  
MWD Headquarters - April 25, 2012 (9 am to 2 pm)
- ◆ MWD Spring Green Expo - MWD Headquarters - May 3, 2012 (9 am to 2 pm)
- ◆ MWD Research Symposium - MWD Headquarters - May 24, 2012 (9 am to 2:30 pm)

**MWD Business Outreach "Open Innovation Pilots"** - MWD has developed a database of approximately 18,000 innovators/ inventors with the intent of creating a network to connect people for partnering projects and test marketing of ideas and inventions. There have been numerous outside interests that have contacted MWD staff about their water saving devices. The "Open Innovation Pilot" has been created to link water agencies with innovators/inventors to identify potential areas where there may be opportunities for partnering and/or testing innovations. MWD's interest is on how the Business Outreach Group may be able to help agencies market and outreach to the business community. The Business Outreach staff will continue to stay engaged with the member agency water use efficiency group to assess opportunities and provide assistance as needed.



# CHINO BASIN WATERMASTER

## IV. INFORMATION

1. Cash Disbursements for March 2012





**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month as of**  
**March 29, 2012**

For Informational Purposes Only

| Type            | Date       | Num                | Name                                | Memo   | Account                              | Paid Amount |
|-----------------|------------|--------------------|-------------------------------------|--|--------------------------------------|-------------|
| Bill Pmt -Check | 03/01/2012 | 15838              | A&R BRIDGESTONE FIRESTONE AUTO CARE | 3-3086   | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 02/28/2012 | 3-3086             |                                     | Field truck maintenance                          | 6177 · Vehicle Repairs & Maintenance | 248.68      |
| TOTAL           |            |                    |                                     |  |                                      | 248.68      |
| Bill Pmt -Check | 03/01/2012 | 15839              | ACWA SERVICES CORPORATION           | 00198  | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 02/29/2012 | 00198              |                                     | Prepayment - March 2012                          | 1409 · Prepaid Life, BAD&D & LTD     | 137.82      |
|                 |            |                    |                                     | February 2012                                    | 60191 · Life & Disab.Ins Benefits    | 131.90      |
| TOTAL           |            |                    |                                     |  |                                      | 269.72      |
| Bill Pmt -Check | 03/01/2012 | 15840              | APPLIED COMPUTER TECHNOLOGIES       | 2046   | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 02/28/2012 | 2046               |                                     | Database Services - February 2012                | 6052.2 · Applied Computer Technol    | 2,309.10    |
| TOTAL           |            |                    |                                     |  |                                      | 2,309.10    |
| Bill Pmt -Check | 03/01/2012 | 15841              | ARROWHEAD MOUNTAIN SPRING WATER     | 0023230253                                       | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 02/29/2012 | 0023230253         |                                     | Office Water Bottle - February 2012              | 6031.7 · Other Office Supplies       | 38.90       |
| TOTAL           |            |                    |                                     |  |                                      | 38.90       |
| Bill Pmt -Check | 03/01/2012 | 15842              | BOWCOCK, ROBERT                     | 2/23/12 Board Meeting                            | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 02/23/2012 | 2/23 Board Meeting |                                     | 2/23/12 Board Meeting                            | 6311 · Board Member Compensation     | 125.00      |
| TOTAL           |            |                    |                                     |  |                                      | 125.00      |
| Bill Pmt -Check | 03/01/2012 | 15843              | CALPERS                             | 1394905143                                       | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 02/28/2012 | 1394905143         |                                     | Medical Insurance Premium - March 2012           | 60182.1 · Medical Insurance          | 5,548.88    |
| TOTAL           |            |                    |                                     |  |                                      | 5,548.88    |
| Bill Pmt -Check | 03/01/2012 | 15844              | CALPERS 457 PLAN                    | Payroll and Taxes for 02/05/12-02/18/12          | 1012 · Bank of America Gen'l Ckg     |             |
| General Journal | 02/18/2012 | 02/18/2012         | CALPERS 457 PLAN                    | Employee 457 Deductions for 02/05/12-02/18/12    | 2000 · Accounts Payable              | 11,435.10   |
| TOTAL           |            |                    |                                     |  |                                      | 11,435.10   |
| Bill Pmt -Check | 03/01/2012 | 15845              | COMPUTER NETWORK                    |  | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 02/16/2012 | 83544              |                                     | Supplies for plotter - printheads and cartridges | 6031.7 · Other Office Supplies       | 744.55      |
| Bill            | 02/16/2012 | 83536              |                                     | Keyboard for board room                          | 6031.7 · Other Office Supplies       | 98.59       |
| Bill            | 02/28/2012 | 83654              |                                     | Backup drives                                    | 6055 · Computer Hardware             | 513.97      |
| Bill            | 02/28/2012 | 83655              |                                     | Adobe acrobat software                           | 6054 · Computer Software             | 322.17      |
| TOTAL           |            |                    |                                     |  |                                      | 1,679.28    |
| Bill Pmt -Check | 03/01/2012 | 15846              | CORELOGIC INFORMATION SOLUTIONS     | 80418279   | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 02/28/2012 | 80418279           |                                     | 80418279   | 7103.7 · Grdwtr Qual-Computer Svc    | 62.50       |
|                 |            |                    |                                     | 80418279   | 7101.4 · Prod Monitor-Computer       | 62.50       |
| TOTAL           |            |                    |                                     |  |                                      | 125.00      |

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TOTAL

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month as of**  
**March 29, 2012**

For Informational Purposes Only

| Type            | Date       | Num              | Name                                 | Memo                                    | Account                             | Paid Amount |
|-----------------|------------|------------------|--------------------------------------|---|-------------------------------------|-------------|
| Bill Pmt -Check | 03/01/2012 | 15847            | CURATALO, JAMES                      | 2/23/12 Board Meeting                   | 1012 · Bank of America Gen'l Ckg    |             |
| Bill            | 02/23/2012 | 2/23 Board mtg   |                                      | 2/23/12 Board Meeting                   | 6311 · Board Member Compensation    | 125.00      |
| TOTAL           |            |                  |                                      |   |                                     | 125.00      |
| Bill Pmt -Check | 03/01/2012 | 15848            | DE BOOM, NATHAN                      | AG Pool Member Meeting Compensation     | 1012 · Bank of America Gen'l Ckg    |             |
| Bill            | 02/09/2012 | 2/09 Ag Pool Mtg |                                      | 2/09/12 Ag Pool Meeting                 | 8411 · Compensation                 | 25.00       |
|                 |            |                  |                                      | AG Pool Member Meeting Compensation     | 8470 · Ag Meeting Attend -Special   | 100.00      |
| TOTAL           |            |                  |                                      |   |                                     | 125.00      |
| Bill Pmt -Check | 03/01/2012 | 15849            | DIRECTV                              | 019447404                               | 1012 · Bank of America Gen'l Ckg    |             |
| Bill            | 02/29/2012 | 019447404        |                                      | Office connection for 2/19/12 - 3/18/12 | 6031.7 · Other Office Supplies      | 86.99       |
| TOTAL           |            |                  |                                      |   |                                     | 86.99       |
| Bill Pmt -Check | 03/01/2012 | 15850            | DURRINGTON, GLEN                     | AG POOL MEMBER COMPENSATION             | 1012 · Bank of America Gen'l Ckg    |             |
| Bill            | 02/09/2012 | 2/09 Ag Pool Mtg |                                      | 2/09/12 Ag Pool Meeting                 | 8411 · Compensation                 | 25.00       |
|                 |            |                  |                                      | AG Pool Member Meeting Compensation     | 8470 · Ag Meeting Attend -Special   | 100.00      |
| TOTAL           |            |                  |                                      |   |                                     | 125.00      |
| Bill Pmt -Check | 03/01/2012 | 15851            | ELIE, STEVEN                         | 2/23/12 Board Meeting                   | 1012 · Bank of America Gen'l Ckg    |             |
| Bill            | 02/23/2012 | 2/23 Board Mtg   |                                      | 2/23/12 Board Meeting                   | 6311 · Board Member Compensation    | 125.00      |
| TOTAL           |            |                  |                                      |   |                                     | 125.00      |
| Bill Pmt -Check | 03/01/2012 | 15852            | FEENSTRA, BOB                        |   | 1012 · Bank of America Gen'l Ckg    |             |
| Bill            | 02/09/2012 | 2/09 Ag Pool Mtg |                                      | 2/09/12 Ag Pool Meeting                 | 8411 · Compensation                 | 25.00       |
|                 |            |                  |                                      | 2/09/12 Ag Pool Meeting                 | 8470 · Ag Meeting Attend -Special   | 100.00      |
| Bill            | 02/23/2012 | 2/23 Board Mtg   |                                      | 2/23/12 Board Meeting                   | 8411 · Compensation                 | 25.00       |
|                 |            |                  |                                      | 2/23/12 Board Meeting                   | 8470 · Ag Meeting Attend -Special   | 100.00      |
| TOTAL           |            |                  |                                      |   |                                     | 250.00      |
| Bill Pmt -Check | 03/01/2012 | 15853            | GEOSCIENCE SUPPORT SERVICES, INC.    | 4555-11-02                              | 1012 · Bank of America Gen'l Ckg    |             |
| Bill            | 02/28/2012 | 4555-11-02       |                                      | October1, 2011 to January 31, 2012      | 7107.6 · Grd Level-Contract Svcs    | 3,295.00    |
| TOTAL           |            |                  |                                      |   |                                     | 3,295.00    |
| Bill Pmt -Check | 03/01/2012 | 15854            | GROOMAN'S PUMP & WELL DRILLING, INC. |   | 1012 · Bank of America Gen'l Ckg    |             |
| Bill            | 02/10/2012 | 12971            |                                      | 12971                                   | 7102.8 · In-line Meter-Calib & Test | 1,023.54    |
| Bill            | 02/10/2012 | 12970            |                                      | 12970                                   | 7102.7 · In-line Meter              | 796.88      |
| TOTAL           |            |                  |                                      |   |                                     | 1,820.42    |
| Bill Pmt -Check | 03/01/2012 | 15855            | HALL, PETE*                          |   | 1012 · Bank of America Gen'l Ckg    |             |
| Bill            | 02/09/2012 | 2/09 Ag Pool Mtg |                                      | 2/09/12 Ag Pool Meeting                 | 8411 · Compensation                 | 25.00       |

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| <u>Type</u>            | <u>Date</u>       | <u>Num</u>          | <u>Name</u>                           | <u>Memo</u>                               | <u>Account</u>                          | <u>Paid Amount</u> |
|------------------------|-------------------|---------------------|---------------------------------------|---|---|--------------------|
|                        |                   |                     |                                       | AG Pool Member Meeting Compensation       | 8470 · Ag Meeting Attend -Special       | 100.00             |
| Bill                   | 02/16/2012        | 2/16 Advisory Comm  |                                       | 2/16/12 Advisory Committee Meeting        | 8411 · Compensation                     | 25.00              |
|                        |                   |                     |                                       | AG Pool Member Meeting Compensation       | 8470 · Ag Meeting Attend -Special       | 100.00             |
| Bill                   | 02/16/2012        | 2/16 LSCommittee    |                                       | 2/16/12 Land Subsidence Committee Meeting | 8411 · Compensation                     | 25.00              |
|                        |                   |                     |                                       | AG Pool Member Meeting Compensation       | 8470 · Ag Meeting Attend -Special       | 100.00             |
| Bill                   | 02/23/2012        | 2/23 Board Mtg      |                                       | 2/23/12 Board Meeting                     | 8411 · Compensation                     | 25.00              |
|                        |                   |                     |                                       | AG Pool Member Meeting Compensation       | 8470 · Ag Meeting Attend -Special       | 100.00             |
| TOTAL                  |                   |                     |                                       |   |   | 500.00             |
| <b>Bill Pmt -Check</b> | <b>03/01/2012</b> | <b>15856</b>        | <b>HOGAN LOVELLS</b>                  | <b>2644389</b>                            | <b>1012 · Bank of America Gen'l Ckg</b> |                    |
| Bill                   | 02/08/2012        | 2644389             |                                       | Non-Ag Pool Legal Services - January 2012 | 8567 · Non-Ag Legal Service             | 6,853.69           |
| TOTAL                  |                   |                     |                                       |   |   | 6,853.69           |
| <b>Bill Pmt -Check</b> | <b>03/01/2012</b> | <b>15857</b>        | <b>HUITSING, JOHN</b>                 | <b>Ag Pool Member Compensation</b>        | <b>1012 · Bank of America Gen'l Ckg</b> |                    |
| Bill                   | 02/09/2012        | 2/09 Ag Pool Mtg    |                                       | 2/09/12 Ag Pool Meeting                   | 8411 · Compensation                     | 25.00              |
|                        |                   |                     |                                       | Ag Pool Member Compensation               | 8470 · Ag Meeting Attend -Special       | 100.00             |
| TOTAL                  |                   |                     |                                       |   |   | 125.00             |
| <b>P127</b>            |                   |                     |                                       |   |   |                    |
| <b>Bill Pmt -Check</b> | <b>03/01/2012</b> | <b>15858</b>        | <b>INLAND EMPIRE UTILITIES AGENCY</b> | <b>90009223</b>                           | <b>1012 · Bank of America Gen'l Ckg</b> |                    |
| Bill                   | 02/28/2012        | 90009223            |                                       | 90009223                                  | 8456 · IEUA Readiness To Serve          | 552.90             |
| TOTAL                  |                   |                     |                                       |   |   | 552.90             |
| <b>Bill Pmt -Check</b> | <b>03/01/2012</b> | <b>15859</b>        | <b>JAMES JOHNSTON</b>                 | <b>253</b>                                | <b>1012 · Bank of America Gen'l Ckg</b> |                    |
| Bill                   | 02/28/2012        | 253                 |                                       | Website Maintenance - February 2012       | 6052.3 · Website Consulting             | 810.00             |
| TOTAL                  |                   |                     |                                       |   |   | 810.00             |
| <b>Bill Pmt -Check</b> | <b>03/01/2012</b> | <b>15860</b>        | <b>KRUGER, W. C. "BILL"</b>           |   | <b>1012 · Bank of America Gen'l Ckg</b> |                    |
| Bill                   | 02/16/2012        | 2/16 LSC Committee  |                                       | 2/16/12 Land Subsidence Committee Meeting | 6311 · Board Member Compensation        | 125.00             |
| Bill                   | 02/23/2012        | 2/23 Board Mtg      |                                       | 2/23/12 Board Meeting                     | 6311 · Board Member Compensation        | 125.00             |
| TOTAL                  |                   |                     |                                       |   |   | 250.00             |
| <b>Bill Pmt -Check</b> | <b>03/01/2012</b> | <b>15861</b>        | <b>KUHN, BOB</b>                      |   | <b>1012 · Bank of America Gen'l Ckg</b> |                    |
| Bill                   | 02/06/2012        | 2/06 Personnel Comm |                                       | 2/06/12 Personnel Committee Meeting       | 6311 · Board Member Compensation        | 125.00             |
| Bill                   | 02/09/2012        | 2/09 Appro Pool Mtg |                                       | 2/09/12 Appropriative Pool Meeting        | 6311 · Board Member Compensation        | 125.00             |
| Bill                   | 02/23/2012        | 2/23 Board Mtg      |                                       | 2/23/12 Board Meeting                     | 6311 · Board Member Compensation        | 125.00             |
| Bill                   | 02/28/2012        | 2/28 Admin Mtg      |                                       | 2/28/12 Administrative Meeting            | 6311 · Board Member Compensation        | 125.00             |
| TOTAL                  |                   |                     |                                       |   |   | 500.00             |
| <b>Bill Pmt -Check</b> | <b>03/01/2012</b> | <b>15862</b>        | <b>LANTZ, PAULA</b>                   |   | <b>1012 · Bank of America Gen'l Ckg</b> |                    |
| Bill                   | 02/06/2012        | 2/06 Personnel Comm |                                       | 2/06/12 Personnel Committee Meeting       | 6311 · Board Member Compensation        | 125.00             |
| Bill                   | 02/09/2012        | 2/09 App Pool Mtg   |                                       | 2/09/12 Appropriative Pool Meeting        | 6311 · Board Member Compensation        | 125.00             |

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| Type            | Date       | Num                | Name                                | Memo  | Account                             | Paid Amount |
|-----------------|------------|--------------------|-------------------------------------|---|-------------------------------------|-------------|
| Bill            | 02/23/2012 | 2/23 Board Mtg     |                                     | 2/23/12 Board Meeting                         | 6311 · Board Member Compensation    | 125.00      |
| TOTAL           |            |                    |                                     |   |                                     | 375.00      |
| Bill Pmt -Check | 03/01/2012 | 15863              | LEGAL SHIELD                        | 111802  | 1012 · Bank of America Gen'l Ckg    |             |
| Bill            | 02/28/2012 | 111802             |                                     | Employee Deductions - February 2012           | 60194 · Other Employee Insurance    | 51.80       |
| TOTAL           |            |                    |                                     |   |                                     | 51.80       |
| Bill Pmt -Check | 03/01/2012 | 15864              | MCCALL'S METER SALES & SERVICE      | 22018   | 1012 · Bank of America Gen'l Ckg    |             |
| Bill            | 02/10/2012 | 22018              |                                     | 22018   | 7102.5 · In-line Meter-Computer     | 2,057.40    |
|                 |            |                    |                                     | 22018   | 7102.8 · In-line Meter-Calib & Test | 1,350.00    |
| TOTAL           |            |                    |                                     |   |                                     | 3,407.40    |
| Bill Pmt -Check | 03/01/2012 | 15865              | PARK PLACE COMPUTER SOLUTIONS, INC. | 459   | 1012 · Bank of America Gen'l Ckg    |             |
| Bill            | 02/29/2012 | 459                |                                     | IT Services - February 2012                   | 6052.1 · Park Place Comp Solutn     | 2,400.00    |
| TOTAL           |            |                    |                                     |   |                                     | 2,400.00    |
| Bill Pmt -Check | 03/01/2012 | 15866              | PIERSON, JEFFREY                    |   | 1012 · Bank of America Gen'l Ckg    |             |
| Bill            | 02/09/2012 | 2/09 Ag Pool Mtg   |                                     | 2/09/12 Ag Pool Meeting                       | 8411 · Compensation                 | 25.00       |
|                 |            |                    |                                     | 2/09/12 Ag Pool Meeting                       | 8470 · Ag Meeting Attend -Special   | 100.00      |
| Bill            | 02/16/2012 | 2/16 Advisory Comm |                                     | 2/16/12 Advisory Committee Meeting            | 8411 · Compensation                 | 25.00       |
|                 |            |                    |                                     | 2/16/12 Advisory Committee Meeting            | 8470 · Ag Meeting Attend -Special   | 100.00      |
| Bill            | 02/23/2012 | 2/23 Board Mtg     |                                     | 2/23/12 Board Meeting                         | 8411 · Compensation                 | 25.00       |
|                 |            |                    |                                     | 2/23/12 Board Meeting                         | 8470 · Ag Meeting Attend -Special   | 100.00      |
| TOTAL           |            |                    |                                     |   |                                     | 375.00      |
| Bill Pmt -Check | 03/01/2012 | 15867              | PREMIERE GLOBAL SERVICES            | 10569878                                      | 1012 · Bank of America Gen'l Ckg    |             |
| Bill            | 02/28/2012 | 10569878           |                                     | Conference call - 01/03/12                    | 6022 · Telephone                    | 97.50       |
|                 |            |                    |                                     | Assessment package workshop call - 01/05/12   | 6022 · Telephone                    | 56.08       |
|                 |            |                    |                                     | NonAg Pool meeting conference call - 01/12/12 | 8512 · Meeting Expense              | 228.02      |
|                 |            |                    |                                     | CCWF conference call - 01/17/12               | 7103.6 · Grdwtr Qual-Supplies       | 74.78       |
|                 |            |                    |                                     | Monthly service charges                       | 6022 · Telephone                    | 25.48       |
| TOTAL           |            |                    |                                     |   |                                     | 481.86      |
| Bill Pmt -Check | 03/01/2012 | 15868              | PRINTING RESOURCES                  | 57753   | 1012 · Bank of America Gen'l Ckg    |             |
| Bill            | 02/28/2012 | 57753              |                                     | Nameplate for Brad Herrema                    | 6031.7 · Other Office Supplies      | 28.44       |
| TOTAL           |            |                    |                                     |   |                                     | 28.44       |
| Bill Pmt -Check | 03/01/2012 | 15869              | PUBLIC EMPLOYEES' RETIREMENT SYSTEM | Payor #3493                                   | 1012 · Bank of America Gen'l Ckg    |             |
| Bill            | 02/29/2012 | 139405143          |                                     | Survivor Benefit FY 2011-2012 premium         | 60180 · Employers PERS Expense      | 468.00      |
| TOTAL           |            |                    |                                     |   |                                     | 468.00      |

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|-----------------|------------|--------------------|-------------------------------------|---|-----------------------------------|-------------|
| Bill Pmt -Check | 03/01/2012 | 15870              | SOFTCHOICE                          | 2936561                                       | 1012 · Bank of America Gen'l Ckg  |             |
| Bill            | 02/28/2012 | 2936561            |                                     | Volume License Agreement Renewal-Software     | 6054 · Computer Software          | 2,791.04    |
| TOTAL           |            |                    |                                     |   |                                   | 2,791.04    |
| Bill Pmt -Check | 03/01/2012 | 15871              | STANDARD INSURANCE CO.              | Policy # 00-640888-0009                       | 1012 · Bank of America Gen'l Ckg  |             |
| Bill            | 02/28/2012 | 00-640888-0009     |                                     | Life and AD&D - Policy # 00-640888-0009       | 60191 · Life & Disab.Ins Benefits | 539.66      |
| TOTAL           |            |                    |                                     |   |                                   | 539.66      |
| Bill Pmt -Check | 03/01/2012 | 15872              | STAPLES BUSINESS ADVANTAGE          | 8021092245                                    | 1012 · Bank of America Gen'l Ckg  |             |
| Bill            | 02/18/2012 | 8021092245         |                                     | Copy paper                                    | 6031.1 · Copy Paper               | 183.96      |
|                 |            |                    |                                     | Miscellaneous office supplies                 | 6031.7 · Other Office Supplies    | 23.70       |
| TOTAL           |            |                    |                                     |   |                                   | 207.66      |
| Bill Pmt -Check | 03/01/2012 | 15873              | STATE COMPENSATION INSURANCE FUND   | 1970970-11                                    | 1012 · Bank of America Gen'l Ckg  |             |
| Bill            | 02/28/2012 | 1970970-11         |                                     | Workers Comp Premium - February 2012          | 60183 · Worker's Comp Insurance   | 1,359.70    |
| TOTAL           |            |                    |                                     |   |                                   | 1,359.70    |
| Bill Pmt -Check | 03/01/2012 | 15874              | UNITED HEALTHCARE                   | 0026926184                                    | 1012 · Bank of America Gen'l Ckg  |             |
| Bill            | 02/28/2012 | 0026926184         |                                     | Dental Premium - March 2012                   | 60182.2 · Dental & Vision Ins     | 447.47      |
| TOTAL           |            |                    |                                     |   |                                   | 447.47      |
| Bill Pmt -Check | 03/01/2012 | 15875              | VANDEN HEUVEL, GEOFFREY             | 6311  | 1012 · Bank of America Gen'l Ckg  |             |
| Bill            | 02/09/2012 | 2/09 Ag Pool Mtg   |                                     | 2/09/12 Ag Pool Meeting                       | 6311 · Board Member Compensation  | 125.00      |
| Bill            | 02/23/2012 | 2/23 Board Mtg     |                                     | 2/23/12 Board Meeting                         | 6311 · Board Member Compensation  | 125.00      |
| TOTAL           |            |                    |                                     |   |                                   | 250.00      |
| Bill Pmt -Check | 03/01/2012 | 15876              | VANDEN HEUVEL, ROB                  | AG POOL MEMBER COMPENSATION                   | 1012 · Bank of America Gen'l Ckg  |             |
| Bill            | 02/09/2012 | 2/09 Ag Pool Mtg   |                                     | 2/09/12 Ag Pool Meeting                       | 8411 · Compensation               | 25.00       |
|                 |            |                    |                                     | Ag Pool Member Compensation                   | 8470 · Ag Meeting Attend -Special | 100.00      |
| TOTAL           |            |                    |                                     |   |                                   | 125.00      |
| Bill Pmt -Check | 03/01/2012 | 15877              | VERIZON                             | 012561121521714508                            | 1012 · Bank of America Gen'l Ckg  |             |
| Bill            | 02/29/2012 | 012561121521714508 |                                     | 012561121521714508                            | 7405 · PE4-Other Expense          | 168.47      |
| TOTAL           |            |                    |                                     |   |                                   | 168.47      |
| Bill Pmt -Check | 03/01/2012 | 15878              | VISION SERVICE PLAN                 | 00-101789-0001                                | 1012 · Bank of America Gen'l Ckg  |             |
| Bill            | 02/28/2012 | 001017890001       |                                     | Vision Insurance Premium - March 2012         | 60182.2 · Dental & Vision Ins     | 26.71       |
| TOTAL           |            |                    |                                     |   |                                   | 26.71       |
| Bill Pmt -Check | 03/01/2012 | 15879              | PUBLIC EMPLOYEES' RETIREMENT SYSTEM | Payor #3493                                   | 1012 · Bank of America Gen'l Ckg  |             |
| General Journal | 02/18/2012 | 02/18/2012         | PUBLIC EMPLOYEES' RETIREMENT SYSTEM | 457 Employee Deductions for 02/05/12-02/18/12 | 2000 · Accounts Payable           | 8,086.11    |

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|-------|-----------------|-------------|------------------|---|--|---|--------------------|
| TOTAL |                 |             |                  |   |  |   | 8,086.11           |
|       | General Journal | 03/03/2012  | 03/03/2012       | Payroll and Taxes for 02/19/12-03/03/12 | Payroll and Taxes for 02/19/12-03/03/12    | 1012 · Bank of America Gen'l Ckg        |                    |
|       |                 |             |                  |   | Payroll Taxes for 02/19/12-03/03/12        | 1012 · Bank of America Gen'l Ckg        | 10,208.30          |
|       |                 |             |                  |   | Direct Deposits for 02/19/12-03/03/12      | 1012 · Bank of America Gen'l Ckg        | 26,892.76          |
|       |                 |             |                  |   |  |   | <u>37,101.06</u>   |
|       | Bill Pmt -Check | 03/08/2012  | 15880            | CHINO BASIN DESALTER AUTHORITY*         | 1800000097                                 | 1012 · Bank of America Gen'l Ckg        |                    |
|       | Bill            | 02/28/2012  | 1800000097       |   | Horizontal Extensometer - Progress Pymnt   | 7107.7 · Grd Level-Extensometer Install | 295,200.00         |
| TOTAL |                 |             |                  |   |  |   | <u>295,200.00</u>  |
|       | Bill Pmt -Check | 03/12/2012  | 15881            | ACWA SERVICES CORPORATION               | 00198                                      | 1012 · Bank of America Gen'l Ckg        |                    |
|       | Bill            | 03/06/2012  | 00198            |   | Prepayment - April 2012                    | 1409 · Prepaid Life, BAD&D & LTD        | 199.74             |
|       |                 |             |                  |   | March 2012                                 | 60191 · Life & Disab.Ins Benefits       | 152.80             |
| TOTAL |                 |             |                  |   |  |   | <u>352.51</u>      |
|       | Bill Pmt -Check | 03/12/2012  | 15882            | CHARLES Z. FEDAK & COMPANY              |  | 1012 · Bank of America Gen'l Ckg        |                    |
|       | Bill            | 02/29/2012  |                  |   | Audit Progress Pymnt - February 2012       | 6062 · Audit Services                   | 420.00             |
| TOTAL |                 |             |                  |   |  |   | <u>420.00</u>      |
|       | Bill Pmt -Check | 03/12/2012  | 15883            | DGO AUTO DETAILING                      |  | 1012 · Bank of America Gen'l Ckg        |                    |
|       | Bill            | 02/29/2012  |                  |   | Wash 4 trucks-02/16/12 & 4 trucks-02/29/12 | 6177 · Vehicle Repairs & Maintenance    | 200.00             |
| TOTAL |                 |             |                  |   |  |   | <u>200.00</u>      |
|       | Bill Pmt -Check | 03/12/2012  | 15884            | GEOSCIENCE SUPPORT SERVICES, INC.       | 4555-11-03                                 | 1012 · Bank of America Gen'l Ckg        |                    |
|       | Bill            | 02/29/2012  | 4555-11-03       |   | February 1-29, 2012                        | 7107.6 · Grd Level-Contract Svcs        | 285.00             |
| TOTAL |                 |             |                  |   |  |   | <u>285.00</u>      |
|       | Bill Pmt -Check | 03/12/2012  | 15885            | GOLDEN METERS SERVICE                   | 248  | 1012 · Bank of America Gen'l Ckg        |                    |
|       | Bill            | 03/06/2012  | 248              |   | 248  | 7102.8 · In-line Meter-Calib & Test     | 1,334.59           |
| TOTAL |                 |             |                  |   |  |   | <u>1,334.59</u>    |
|       | Bill Pmt -Check | 03/12/2012  | 15886            | GREAT AMERICA LEASING CORP.             | 11976896                                   | 1012 · Bank of America Gen'l Ckg        |                    |
|       | Bill            | 02/28/2012  | 11976869         |   | Copier lease invoice                       | 6043.1 · Ricoh Lease Fee                | 2,788.53           |
|       |                 |             |                  |   | Usage for Black Copies                     | 6043.2 · Ricoh Usage & Maintenance Fee  | 365.60             |
|       |                 |             |                  |   | Usage for Color Copies                     | 6043.2 · Ricoh Usage & Maintenance Fee  | 302.53             |
| TOTAL |                 |             |                  |   |  |   | <u>3,456.66</u>    |
|       | Bill Pmt -Check | 03/12/2012  | 15887            | HSBC BUSINESS SOLUTIONS                 | 7003-7309-1000-2744                        | 1012 · Bank of America Gen'l Ckg        |                    |
|       | Bill            | 02/28/2012  | 7003730910002744 |   | Miscellaneous office supplies              | 6031.7 · Other Office Supplies          | 265.49             |
| TOTAL |                 |             |                  |   |  |   | <u>265.49</u>      |

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|-----------------|-------------|------------------|---|---|--------------------------------------|--------------------|
| Bill Pmt -Check | 03/12/2012  | 15888            | MCCALL'S METER SALES & SERVICE          | 22105                                   | 1012 · Bank of America Gen'l Ckg     |                    |
| Bill            | 02/29/2012  | 22105            |   | 22105                                   | 7102.5 · In-line Meter-Computer      | 3,863.89           |
|                 |             |                  |   | 22105                                   | 7102.7 · In-line Meter               | 3,358.81           |
| TOTAL           |             |                  |   |   |                                      | <u>7,222.70</u>    |
| Bill Pmt -Check | 03/12/2012  | 15889            | MWH LABORATORIES                        | L0080845                                | 1012 · Bank of America Gen'l Ckg     |                    |
| Bill            | 03/07/2012  | L0080845         |   | L0080845                                | 7103.5 · Grdwtr Qual-Lab Svcs        | 838.00             |
| TOTAL           |             |                  |   |   |                                      | <u>838.00</u>      |
| Bill Pmt -Check | 03/12/2012  | 15890            | PAYCHEX                                 | 2012030100                              | 1012 · Bank of America Gen'l Ckg     |                    |
| Bill            | 02/29/2012  | 2012030100       |   | Payroll Services - February 2012        | 6012 · Payroll Services              | 252.22             |
| TOTAL           |             |                  |   |   |                                      | <u>252.22</u>      |
| Bill Pmt -Check | 03/12/2012  | 15891            | PURCHASE POWER                          | 8000909000168851                        | 1012 · Bank of America Gen'l Ckg     |                    |
| Bill            | 02/29/2012  | 8000909000168851 |   | Postage/mailings for the month          | 6042 · Postage - General             | 78.83              |
| TOTAL           |             |                  |   |   |                                      | <u>78.83</u>       |
| Bill Pmt -Check | 03/12/2012  | 15892            | SAFEGUARD DENTAL & VISION               | 4245432                                 | 1012 · Bank of America Gen'l Ckg     |                    |
| Bill            | 03/06/2012  | 4245432          |   | Vision insurance premium - March 2012   | 60182.2 · Dental & Vision Ins        | 7.91               |
| TOTAL           |             |                  |   |   |                                      | <u>7.91</u>        |
| Bill Pmt -Check | 03/12/2012  | 15893            | UNION 76                                | 300-732-989                             | 1012 · Bank of America Gen'l Ckg     |                    |
| Bill            | 02/28/2012  | 300732989        |   | Fuel for February 2012                  | 6175 · Vehicle Fuel                  | 115.60             |
| TOTAL           |             |                  |   |   |                                      | <u>115.60</u>      |
| Bill Pmt -Check | 03/12/2012  | 15894            | UNITED PARCEL SERVICE                   | 2x81x0                                  | 1012 · Bank of America Gen'l Ckg     |                    |
| Bill            | 02/29/2012  | 2x81x0           |   | Term sheet to GDA, contract to SBCFCD   | 6042 · Postage - General             | 40.42              |
| TOTAL           |             |                  |   |   |                                      | <u>40.42</u>       |
| Bill Pmt -Check | 03/12/2012  | 15895            | WESTERN DENTAL SERVICES, INC.           | 002483                                  | 1012 · Bank of America Gen'l Ckg     |                    |
| Bill            | 03/06/2012  | 002483           |   | Dental insurance premium - April 2012   | 60182.2 · Dental & Vision Ins        | 28.88              |
| TOTAL           |             |                  |   |   |                                      | <u>28.88</u>       |
| Bill Pmt -Check | 03/12/2012  | 15896            | YUKON DISPOSAL SERVICE                  | 08-K2 213849                            | 1012 · Bank of America Gen'l Ckg     |                    |
| Bill            | 03/06/2012  | 08-k2 213849     |   | Service for March 2012                  | 6024 · Building Repair & Maintenance | 106.53             |
| TOTAL           |             |                  |   |   |                                      | <u>106.53</u>      |
| General Journal | 03/17/2012  | 03/17/2012       | Payroll and Taxes for 03/04/12-03/17/12 | Payroll and Taxes for 03/04/12-03/17/12 | 1012 · Bank of America Gen'l Ckg     |                    |
|                 |             |                  |   | Payroll Taxes for 03/04/12-03/17/12     | 1012 · Bank of America Gen'l Ckg     | 12,858.80          |
|                 |             |                  |   | Direct Deposits for 03/04/12-03/17/12   | 1012 · Bank of America Gen'l Ckg     | 30,433.19          |

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**March 29, 2012**

For Informational Purposes Only

|       | <u>Type</u>     | <u>Date</u> | <u>Num</u>          | <u>Name</u>                          | <u>Memo</u>                                   | <u>Account</u>                       | <u>Paid Amount</u> |
|-------|-----------------|-------------|---------------------|--------------------------------------|---|--------------------------------------|--------------------|
| TOTAL |                 |             |                     |                                      |   |                                      | 43,291.99          |
|       | Bill Pmt -Check | 03/19/2012  | 15897               | A&R BRIDGESTONE FIRESTONE AUTO CARE  | 3-3504  | 1012 · Bank of America Gen'l Ckg     |                    |
|       | Bill            | 02/28/2012  | 3-3504              |                                      | Field truck maintenance                       | 6177 · Vehicle Repairs & Maintenance | 239.59             |
| TOTAL |                 |             |                     |                                      |   |                                      | 239.59             |
|       | Bill Pmt -Check | 03/19/2012  | 15898               | BANK OF AMERICA                      | XXXX-XXXX-XXXX-9341                           | 1012 · Bank of America Gen'l Ckg     |                    |
|       | Bill            | 02/28/2012  | XXXX-XXXX-XXXX-9341 |                                      | Signs for outside of office                   | 6031.7 · Other Office Supplies       | 180.57             |
|       |                 |             |                     |                                      | Lunch for 2/22 Board meeting                  | 6312 · Meeting Expenses              | 393.96             |
|       |                 |             |                     |                                      | Paper towel rolls for restrooms               | 6031.7 · Other Office Supplies       | 169.26             |
| TOTAL |                 |             |                     |                                      |   |                                      | 743.79             |
|       | Bill Pmt -Check | 03/19/2012  | 15899               | CALPERS 457 PLAN                     | Payroll and Taxes for 02/19/12-03/03/12       | 1012 · Bank of America Gen'l Ckg     |                    |
|       | General Journal | 03/03/2012  | 03/03/2012          | CALPERS 457 PLAN                     | 457 Employee Deductions for 02/19/12-03/03/12 | 2000 · Accounts Payable              | 6,719.94           |
| TOTAL |                 |             |                     |                                      |   |                                      | 6,719.94           |
|       | Bill Pmt -Check | 03/19/2012  | 15900               | CORELOGIC INFORMATION SOLUTIONS      | 80438675                                      | 1012 · Bank of America Gen'l Ckg     |                    |
|       | Bill            | 02/28/2012  | 80438675            |                                      | 80438675                                      | 7103.7 · Grdwtr Qual-Computer Svc    | 62.50              |
|       |                 |             |                     |                                      | 80438675                                      | 7101.4 · Prod Monitor-Computer       | 62.50              |
| TOTAL |                 |             |                     |                                      |   |                                      | 125.00             |
|       | Bill Pmt -Check | 03/19/2012  | 15901               | GRAINGER                             | 9770786474                                    | 1012 · Bank of America Gen'l Ckg     |                    |
|       | Bill            | 03/05/2012  | 9770786474          |                                      | 9770786474                                    | 7104.6 · Grdwtr Level-Supplies       | 19.24              |
| TOTAL |                 |             |                     |                                      |   |                                      | 19.24              |
|       | Bill Pmt -Check | 03/19/2012  | 15902               | GROOMAN'S PUMP & WELL DRILLING, INC. | 12983   | 1012 · Bank of America Gen'l Ckg     |                    |
|       | Bill            | 03/07/2012  | 12983               |                                      | 12983   | 7102.7 · In-line Meter               | 498.02             |
| TOTAL |                 |             |                     |                                      |   |                                      | 498.02             |
|       | Bill Pmt -Check | 03/19/2012  | 15903               | IAAP                                 | 93902097                                      | 1012 · Bank of America Gen'l Ckg     |                    |
|       | Bill            | 03/12/2012  | 93995531            |                                      | Annual dues for S. Molino - IAAP membership   | 6111 · Membership Dues               | 128.00             |
| TOTAL |                 |             |                     |                                      |   |                                      | 128.00             |
|       | Bill Pmt -Check | 03/19/2012  | 15904               | JESKE, KEN'                          | Reimbursement for phone charges               | 1012 · Bank of America Gen'l Ckg     |                    |
|       | Bill            | 03/19/2012  |                     |                                      | Reimbursement for phone data/call charges     | 6022 · Telephone                     | 113.75             |
| TOTAL |                 |             |                     |                                      |   |                                      | 113.75             |
|       | Bill Pmt -Check | 03/19/2012  | 15905               | MCCALL'S METER SALES & SERVICE       |   | 1012 · Bank of America Gen'l Ckg     |                    |
|       | Bill            | 02/28/2012  | 22027               |                                      | 22027   | 7102.8 · In-line Meter-Calib & Test  | 375.00             |
|       | Bill            | 02/28/2012  | 22031               |                                      | 22031   | 7102.5 · In-line Meter-Computer      | 387.90             |
|       |                 |             |                     |                                      | 22031   | 7102.7 · In-line Meter               | 3,745.59           |

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**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month as of**  
**March 29, 2012**

For Informational Purposes Only

| <u>Type</u>            | <u>Date</u>       | <u>Num</u>         | <u>Name</u>                                | <u>Memo</u>                                     | <u>Account</u>                          | <u>Paid Amount</u> |
|------------------------|-------------------|--------------------|--|---|---|--------------------|
| Bill                   | 02/29/2012        | 22107              |  | 22107   | 7102.5 · In-line Meter-Computer         | 796.50             |
|                        |                   |                    |  | 22107   | 7102.7 · In-line Meter                  | 250.00             |
|                        |                   |                    |  | 22107   | 7102.8 · In-line Meter-Calib & Test     | 450.00             |
| Bill                   | 03/06/2012        | 22125              |  | 22125   | 7102.5 · In-line Meter-Computer         | 373.25             |
|                        |                   |                    |  | 22125   | 7102.8 · In-line Meter-Calib & Test     | 450.00             |
| <b>TOTAL</b>           |                   |                    |  |   |   | <b>6,828.24</b>    |
| <b>Bill Pmt -Check</b> | <b>03/19/2012</b> | <b>15906</b>       | <b>PREMIERE GLOBAL SERVICES</b>            | <b>10787886</b>                                 | <b>1012 · Bank of America Gen'l Ckg</b> |                    |
| Bill                   | 02/28/2012        | 10787886           |  | Agenda call on 1/31/12                          | 8412 · Meeting Expenses                 | 55.48              |
|                        |                   |                    |  | Agenda call on 1/31/12                          | 8312 · Meeting Expenses                 | 55.48              |
|                        |                   |                    |  | Agenda call on 1/31/12                          | 8512 · Meeting Expense                  | 55.49              |
|                        |                   |                    |  | RMPU Steering Committee meeting/call-02/01/12   | 7204 · Comp Recharge-Supplies           | 228.38             |
|                        |                   |                    |  | Confidential Approp. Pool meeting/call-02/07/12 | 8312 · Meeting Expenses                 | 292.91             |
|                        |                   |                    |  | Reserve policy meeting/call-02/08/12            | 6141.3 · Admin Meetings                 | 148.83             |
|                        |                   |                    |  | Non-Ag Pool mtg on 02/09/12                     | 8512 · Meeting Expense                  | 79.15              |
|                        |                   |                    |  | RMPU Steering Committee meeting/call-02/14/12   | 7204 · Comp Recharge-Supplies           | 114.00             |
|                        |                   |                    |  | Monthly service fee                             | 6022 · Telephone                        | 23.75              |
|                        |                   |                    |  | Monthly fee                                     | 6022 · Telephone                        | 14.95              |
| <b>TOTAL</b>           |                   |                    |  |   |   | <b>1,068.42</b>    |
| <b>Bill Pmt -Check</b> | <b>03/19/2012</b> | <b>15907</b>       | <b>PUBLIC EMPLOYEES' RETIREMENT SYSTEM</b> | <b>Payor #3493</b>                              | <b>1012 · Bank of America Gen'l Ckg</b> |                    |
| General Journal        | 03/03/2012        | 03/03/2012         | PUBLIC EMPLOYEES' RETIREMENT SYSTEM        | CalPERS Retirement for 02/19/12-03/03/12        | 2000 · Accounts Payable                 | 8,086.11           |
| <b>TOTAL</b>           |                   |                    |  |   |   | <b>8,086.11</b>    |
| <b>Bill Pmt -Check</b> | <b>03/19/2012</b> | <b>15908</b>       | <b>PUMP CHECK</b>                          | <b>4587</b>                                     | <b>1012 · Bank of America Gen'l Ckg</b> |                    |
| Bill                   | 02/29/2012        | 4587               |  | 4587  | 7102.8 · In-line Meter-Calib & Test     | 950.00             |
| <b>TOTAL</b>           |                   |                    |  |   |   | <b>950.00</b>      |
| <b>Bill Pmt -Check</b> | <b>03/19/2012</b> | <b>15909</b>       | <b>R&amp;D PEST SERVICES</b>               | <b>0152950</b>                                  | <b>1012 · Bank of America Gen'l Ckg</b> |                    |
| Bill                   | 03/12/2012        | 0152950            |  | Continuing treatment for office                 | 6024 · Building Repair & Maintenance    | 85.00              |
| <b>TOTAL</b>           |                   |                    |  |   |   | <b>85.00</b>       |
| <b>Bill Pmt -Check</b> | <b>03/19/2012</b> | <b>15910</b>       | <b>STAPLES BUSINESS ADVANTAGE</b>          | <b>8021092245</b>                               | <b>1012 · Bank of America Gen'l Ckg</b> |                    |
| Bill                   | 03/12/2012        | 8021233300         |  | Miscellaneous office supplies                   | 6031.7 · Other Office Supplies          | 383.01             |
| <b>TOTAL</b>           |                   |                    |  |   |   | <b>383.01</b>      |
| <b>Bill Pmt -Check</b> | <b>03/19/2012</b> | <b>15911</b>       | <b>VERIZON</b>                             | <b>012519116950792103</b>                       | <b>1012 · Bank of America Gen'l Ckg</b> |                    |
| Bill                   | 02/29/2012        | 012519116950792103 |  | 012519116950792103                              | 6022 · Telephone                        | 480.15             |
| <b>TOTAL</b>           |                   |                    |  |   |   | <b>480.15</b>      |
| <b>Bill Pmt -Check</b> | <b>03/19/2012</b> | <b>15912</b>       | <b>VERIZON BUSINESS</b>                    | <b>67198924</b>                                 | <b>1012 · Bank of America Gen'l Ckg</b> |                    |

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**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month as of**  
**March 29, 2012**

For Informational Purposes Only

| Type            | Date       | Num        | Name                            | Memo                                   | Account                              | Paid Amount |
|-----------------|------------|------------|---------------------------------|--|--------------------------------------|-------------|
| Bill            | 03/12/2012 | 67198924   |                                 | 67198924                               | 6053 · Internet Expense              | 1,562.96    |
| TOTAL           |            |            |                                 |  |                                      | 1,562.96    |
| Bill Pmt -Check | 03/21/2012 | 15913      | COMPUTER NETWORK                |  | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 02/29/2012 | 83671      |                                 | Computer repair                        | 6057 · Computer Maintenance          | 136.59      |
| Bill            | 03/16/2012 | 83824      |                                 | Adobe dreamweaver software             | 6054 · Computer Software             | 429.92      |
| TOTAL           |            |            |                                 |  |                                      | 566.51      |
| Bill Pmt -Check | 03/21/2012 | 15914      | CUCAMONGA VALLEY WATER DISTRICT | Lease Due April 1, 2012                | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 03/19/2012 |            |                                 | Lease Due April 1, 2012                | 1422 · Prepaid Rent                  | 5,984.00    |
| TOTAL           |            |            |                                 |  |                                      | 5,984.00    |
| Bill Pmt -Check | 03/21/2012 | 15915      | DGO AUTO DETAILING              |  | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 03/19/2012 |            |                                 | Wash 4 trucks on 3/14/12               | 6177 · Vehicle Repairs & Maintenance | 100.00      |
| TOTAL           |            |            |                                 |  |                                      | 100.00      |
| Bill Pmt -Check | 03/21/2012 | 15916      | EGOSCUE LAW GROUP               | 10015                                  | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 02/29/2012 | 10015      |                                 | Ag Pool Legal Services - February 2012 | 8467 · Ag Legal & Technical Services | 8,037.50    |
| TOTAL           |            |            |                                 |  |                                      | 8,037.50    |
| Bill Pmt -Check | 03/21/2012 | 15917      | LEGAL SHIELD                    | 111802                                 | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 03/16/2012 | 111802     |                                 | Employee deducations - March 2012      | 60194 · Other Employee Insurance     | 51.80       |
| TOTAL           |            |            |                                 |  |                                      | 51.80       |
| Bill Pmt -Check | 03/21/2012 | 15918      | PAUL HASTINGS LLP               | 1917065                                | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 02/29/2012 | 1917065    |                                 | Ag Pool Legal Services - January 2012  | 8467 · Ag Legal & Technical Services | 8,208.78    |
| TOTAL           |            |            |                                 |  |                                      | 8,208.78    |
| Bill Pmt -Check | 03/21/2012 | 15919      | PUMP CHECK                      | 4597                                   | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 03/16/2012 | 4597       |                                 | 4597                                   | 7102.7 · In-line Meter               | 75.00       |
|                 |            |            |                                 | 4597                                   | 7102.8 · In-line Meter-Calib & Test  | 380.00      |
| TOTAL           |            |            |                                 |  |                                      | 455.00      |
| Bill Pmt -Check | 03/21/2012 | 15920      | STAULA, MARY L                  | Retiree Medical                        | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 03/31/2012 |            |                                 |  | 60182.4 · Retiree Medical            | 136.61      |
| TOTAL           |            |            |                                 |  |                                      | 136.61      |
| Bill Pmt -Check | 03/21/2012 | 15921      | VERIZON WIRELESS                | 1063272118                             | 1012 · Bank of America Gen'l Ckg     |             |
| Bill            | 03/16/2012 | 1063272118 |                                 | Monthly service                        | 6022 · Telephone                     | 473.08      |
| TOTAL           |            |            |                                 |  |                                      | 473.08      |

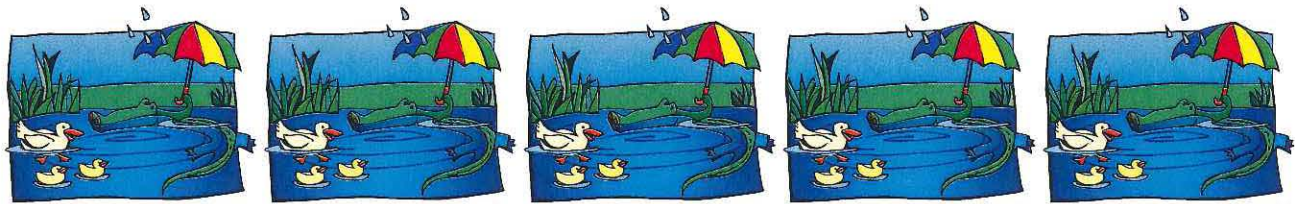
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**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month as of**  
**March 29, 2012**

For Informational Purposes Only

| Type            | Date            | Num        | Name                            | Memo                                     | Account                                   | Paid Amount                              |           |
|-----------------|-----------------|------------|---------------------------------|--|---|--|-----------|
| Bill Pmt -Check | 03/21/2012      | 15922      | BROWNSTEIN HYATT FARBER SCHRECK |  | 1012 - Bank of America Gen'l Ckg          |  |           |
| Bill            | 02/29/2012      | 446066     |                                 | 446066 - BHFS Legal - Appropriative Pool | 8375 - BHFS Legal - Appropriative Pool    | 388.71                                   |           |
|                 |                 |            |                                 | 446066 - BHFS Legal - Agricultural Pool  | 8475 - BHFS Legal - Agricultural Pool     | 388.71                                   |           |
|                 |                 |            |                                 | 446066 - BHFS Legal - Non-Ag Pool        | 8575 - BHFS Legal - Non-Ag Pool           | 393.78                                   |           |
|                 |                 |            |                                 | 446066 - BHFS Legal - Advisory Committee | 6275 - BHFS Legal - Advisory Committee    | 263.25                                   |           |
|                 |                 |            |                                 | 446066 - BHFS Legal - Board Meeting      | 6375 - BHFS Legal - Board Meeting         | 7,959.39                                 |           |
|                 |                 |            |                                 | 446066 - BHFS Legal - Storage Agreements | 6076 - BHFS Legal - Storage Agreements    | 725.40                                   |           |
|                 |                 |            |                                 | 446066 - BHFS Legal - Miscellaneous      | 6078 - BHFS Legal - Miscellaneous         | 6,613.39                                 |           |
|                 |                 |            |                                 | 446066 - Peace II - CEQA                 | 6907.30 - Peace II - CEQA                 | 3,019.50                                 |           |
|                 |                 |            |                                 | 446066 - Desalter Negotiations           | 6907.33 - Desalter Negotiations           | 142.20                                   |           |
|                 |                 |            |                                 | 446066 - Recharge Master Plan            | 6907.39 - Recharge Master Plan            | 4,026.15                                 |           |
| Bill            | 02/29/2012      | 446067     |                                 | 446067 - Santa Ana River Water Rights    | 6907.34 - Santa Ana River Water Rights    | 137.25                                   |           |
| Bill            | 02/29/2012      | 446068     |                                 | 446068 - S. Archibald Plume-Formerly OIA | 6907.31 - S. Archibald Plume-Formerly OIA | 3,422.25                                 |           |
| Bill            | 02/29/2012      | 446069     |                                 | 446069 - Chino Airport Plume             | 6907.32 - Chino Airport Plume             | 1,316.25                                 |           |
| Bill            | 02/29/2012      | 446070     |                                 | 446070 - Desalter Negotiations           | 6907.33 - Desalter Negotiations           | 4,475.25                                 |           |
| Bill            | 02/29/2012      | 446071     |                                 | 446071 - Paragraph 31 Motion             | 6907.35 - Paragraph 31 Motion             | 17,952.30                                |           |
| TOTAL           |                 |            |                                 |  |   | 51,223.78                                |           |
| P135            | Bill Pmt -Check | 03/21/2012 | 15923                           | WILDERMUTH ENVIRONMENTAL INC             |   | 1012 - Bank of America Gen'l Ckg         |           |
|                 | Bill            | 02/28/2012 | 2012026                         |  | 2012026 - OBMP Engineering Services       | 6906 - OBMP Engineering Services         | 706.34    |
|                 | Bill            | 02/28/2012 | 2012027                         |  | 2012027 - OBMP Engineering Services       | 6906 - OBMP Engineering Services         | 3,377.00  |
|                 | Bill            | 02/28/2012 | 2012028                         |  | 2012028 - OBMP Engineering Services       | 6906 - OBMP Engineering Services         | 3,085.00  |
|                 | Bill            | 02/28/2012 | 2012029                         |  | 2012029 - Grdwtr Qual-Engineering         | 7103.3 - Grdwtr Qual-Engineering         | 17,460.65 |
|                 | Bill            | 02/28/2012 | 2012030                         |  | 2012030 - Grdwtr Level-Engineering        | 7104.3 - Grdwtr Level-Engineering        | 21,911.39 |
|                 | Bill            | 02/28/2012 | 2012031                         |  | 2012031 - Grd Level-Engineering           | 7107.2 - Grd Level-Engineering           | 1,670.00  |
|                 |                 |            |                                 |  | Neva Ridge - Grd Level-Contract Svcs      | 7107.6 - Grd Level-Contract Svcs         | 17,600.00 |
|                 | Bill            | 02/28/2012 | 2012032                         |  | 2012032 - Grd Level-Engineering           | 7107.2 - Grd Level-Engineering           | 13,320.89 |
|                 | Bill            | 02/28/2012 | 2012033                         |  | 2012033 - Hydraulic Control-Engineering   | 7108.3 - Hydraulic Control-Engineering   | 5,995.74  |
|                 | Bill            | 02/28/2012 | 2012034                         |  | 2012034 - Hydraulic Control-Engineering   | 7108.3 - Hydraulic Control-Engineering   | 951.28    |
|                 | Bill            | 02/28/2012 | 2012035                         |  | 2012035 - Hydraulic Control-Engineering   | 7108.3 - Hydraulic Control-Engineering   | 28,563.69 |
|                 | Bill            | 02/28/2012 | 2012036                         |  | 2012036 - PE3&5-Engineering               | 7303 - PE3&5-Engineering                 | 215.00    |
|                 | Bill            | 02/28/2012 | 2012037                         |  | 2012037 - PE4-Engineering                 | 7402 - PE4-Engineering                   | 10,612.50 |
|                 | Bill            | 02/28/2012 | 2012038                         |  | 2012038 - Comp Recharge-Implementation    | 7202.3 - Comp Recharge-Implementation    | 53,537.34 |
|                 | Bill            | 02/28/2012 | 2012039                         |  | 2012039 - PE6&7-Engineering               | 7502 - PE6&7-Engineering                 | 2,750.39  |
|                 | Bill            | 02/28/2012 | 2012040                         |  | 2012040 - OBMP-Watermaster Model Update   | 6906.1 - OBMP - Watermaster Model Update | 60,013.00 |
| TOTAL           |                 |            |                                 |  |   | 241,770.21                               |           |
|                 |                 |            |                                 |  | <b>Total Disbursements:</b>               | <b>794,549.86</b>                        |           |

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# CHINO BASIN WATERMASTER

## V. POOL MEMBER COMMENTS

### 1. Jurupa Community Services District Presentation

*(The attached presentation is provided at the request of the Jurupa Community Services District. It is a work product of the district)*



# Hydrologic Imbalance in Management Zone-3 of the Chino Basin

Presentation for:  
Chino Basin Watermaster

April 2012

Jurupa Community  
Services District

1  
*Thomas Harder & Co.*  
*Groundwater Consulting* ▼

## Presentation Overview

- Management Zone 3 Overview
- Basin Management Context
- Current Hydrologic Imbalance in Eastern Chino Basin
- Historical Physical Recharge in the Chino Basin
- Groundwater Level Trends in JCSD and CDA Chino II Wells
- Recharge Master Plan

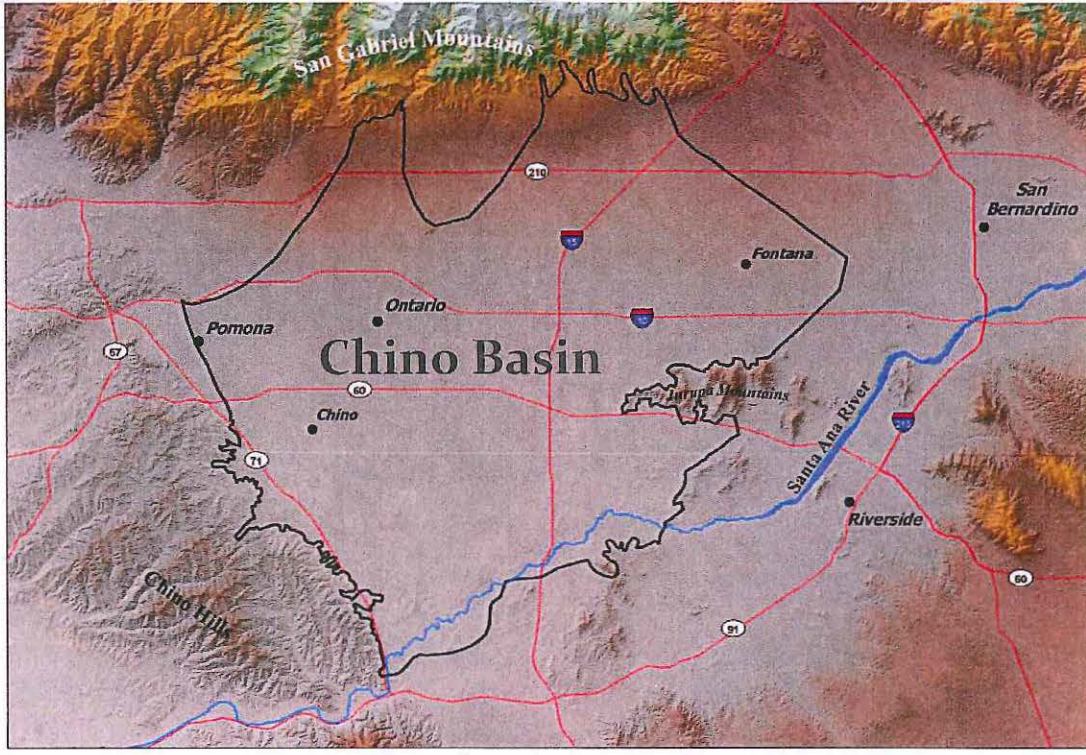
 **Jurupa**  
Community Services District

2

*Thomas Harder & Co.*  
*Groundwater Consulting* ▼

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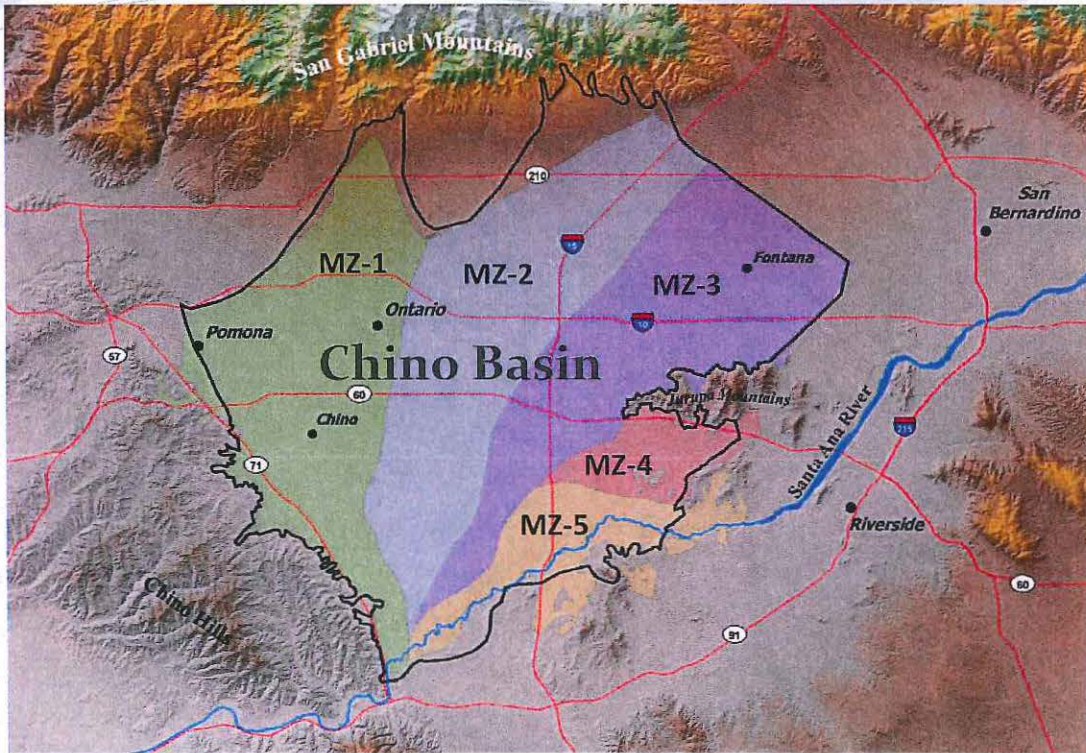
# Chino Basin Overview



3

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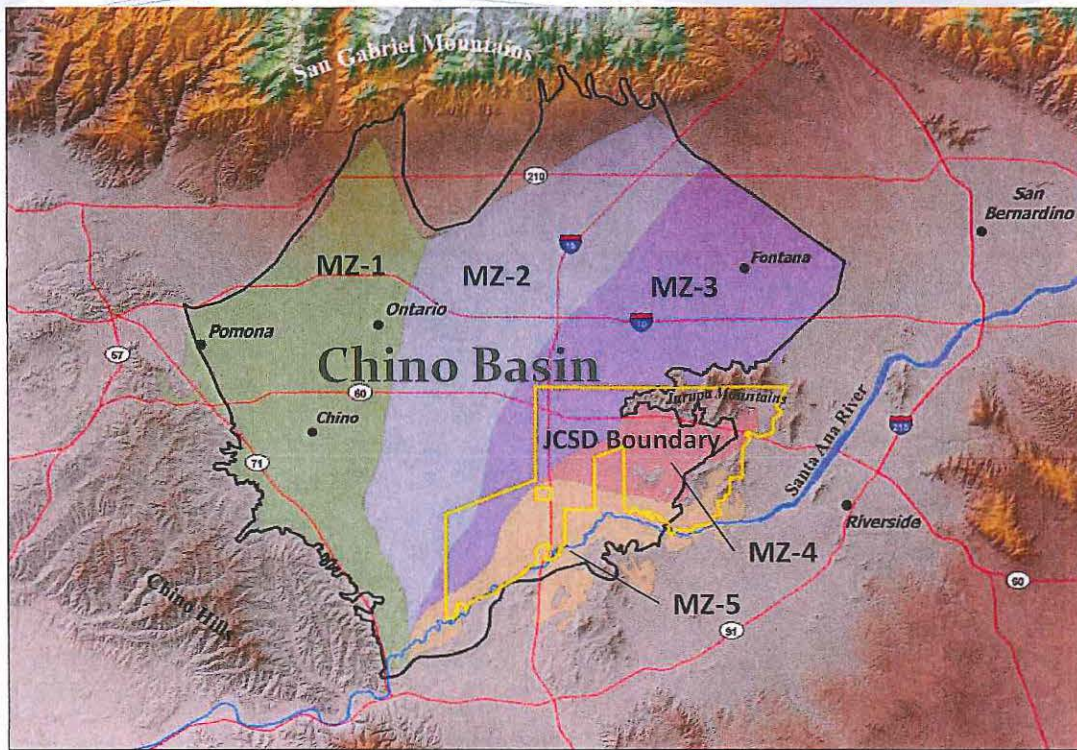
# Chino Basin Management Zones



4

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## Chino Basin Management Zones



## Appropriators in MZ-3

- Jurupa Community Services District
- Chino Basin Desalter Authority
- Fontana Water Company
- City of Fontana
- City of Ontario
- Marygold Mutual Water Company
- City of Norco
- Santa Ana River Water Company
- Cucamonga Valley Water District



## Basin Management Context Peace Agreement (2000)

### Expansion of the Chino I Desalter and Construction of the Chino II Desalter in Accordance with the Optimum Basin Management Plan

#### Goals:

- To Reduce Loss of Groundwater Outflow to the Santa Ana River
- Induce Groundwater Inflow from the Santa Ana River (Hydraulic Control)
- Increase Safe Yield
- Improve Groundwater Quality

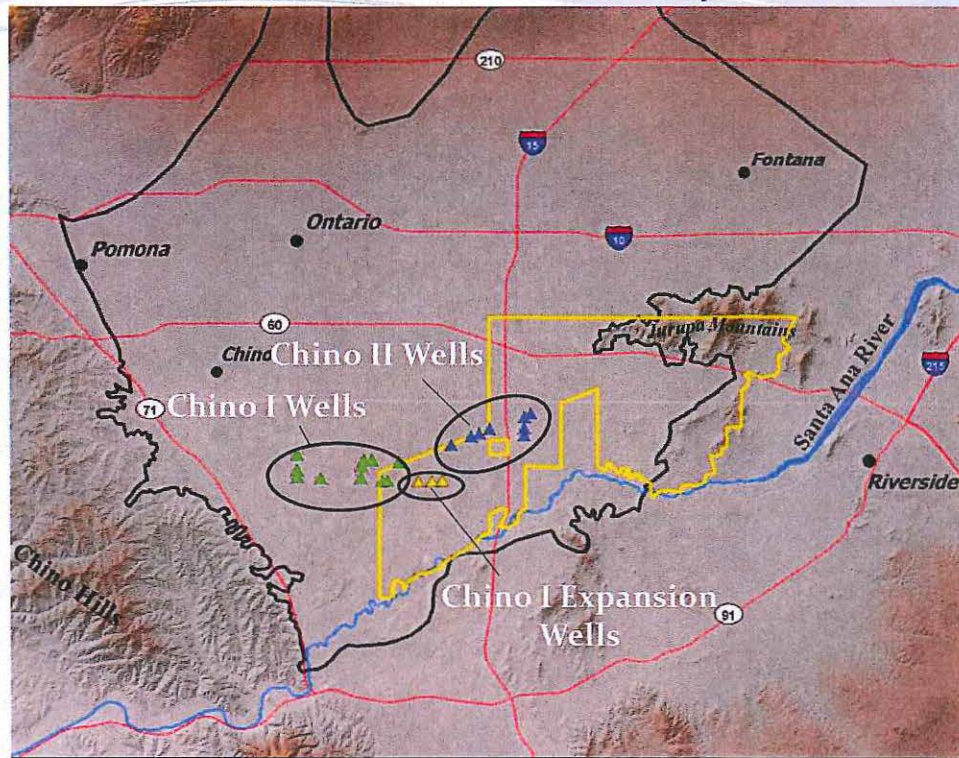
## Basin Management Context Peace Agreement (2000)

### Section 5.1 (e)

Watermaster shall exercise best efforts to:

- iii. Direct Recharge relative to Production in each area and sub-area of the Basin to achieve long term balance and to promote the goal of equal access to groundwater in all areas and sub-areas of the Chino Basin;...
- vii. Recharge the Chino Basin with water in any area where groundwater levels have declined to such an extent that there is an imminent threat of Material Physical Injury to any party to the Judgement;
- viii. Maintain long-term hydrologic balance between total Recharge and discharge in all areas and sub-areas;...

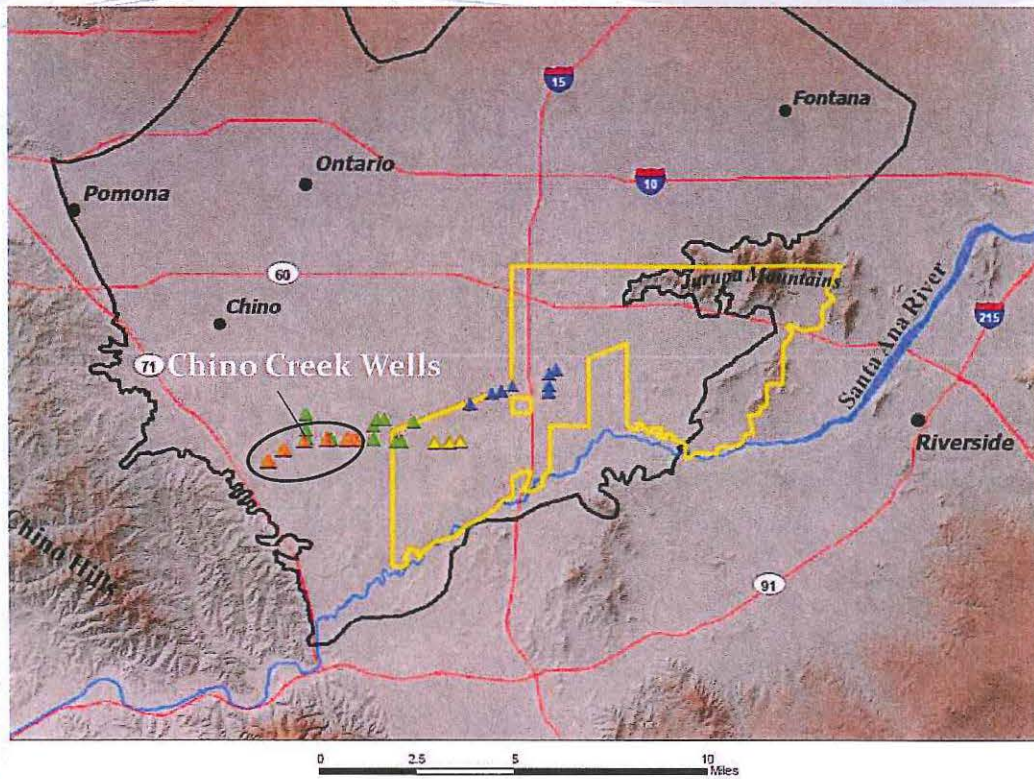
## Chino Desalter Authority Wells



## Basin Management Context Peace II (2007)

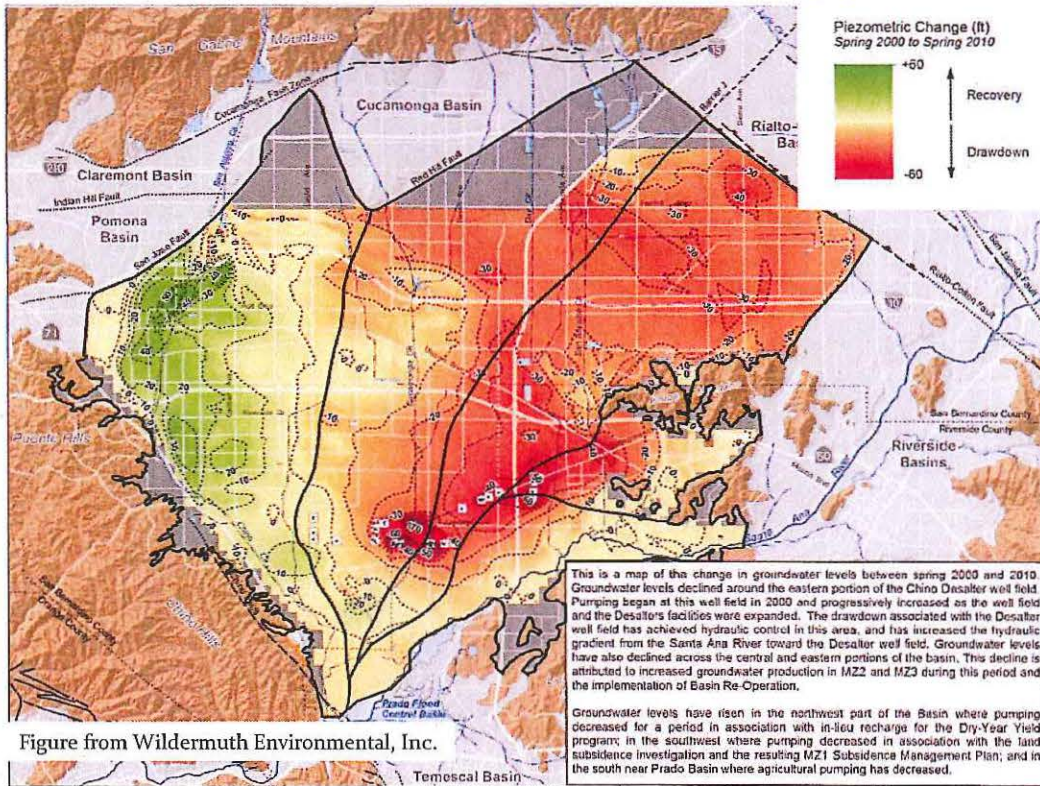
- Expansion of Desalter Capacity to 40,000 acre-ft/yr
- Achievement of Hydraulic Control - Chino Creek Well Field
- Re-Operation – 400,000 acre-ft of Controlled Overdraft
- Agreements with RWQCB – Maximum Benefit Objectives
- Ensure Sustainability – Recharge Master Plan

# Peace II – Chino Creek Wells



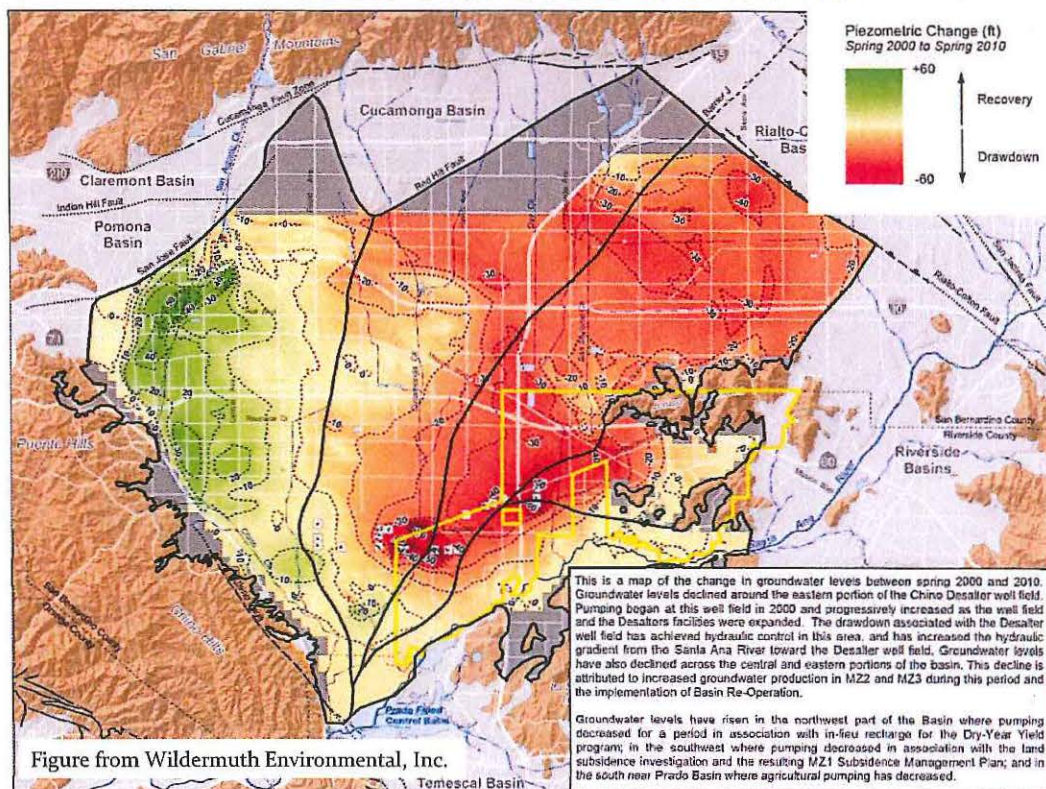
## Current Hydrologic Imbalance in the Eastern Chino Basin

# Change in Groundwater Levels Between 2000 and 2010



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# Change in Groundwater Levels Between 2000 and 2010



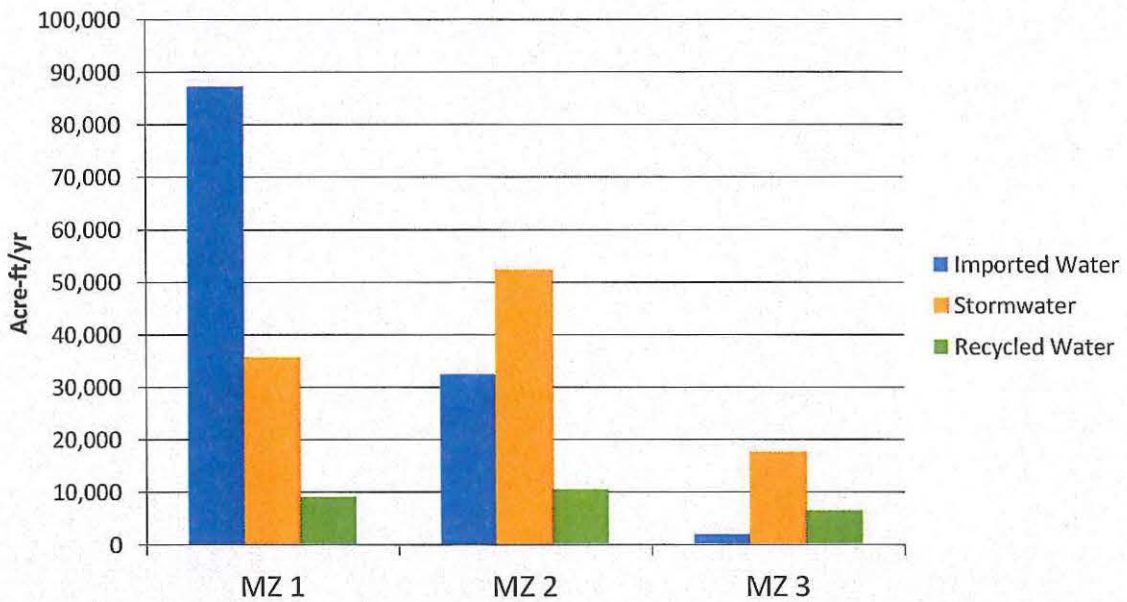
14

# Historical Physical Recharge in the Chino Basin

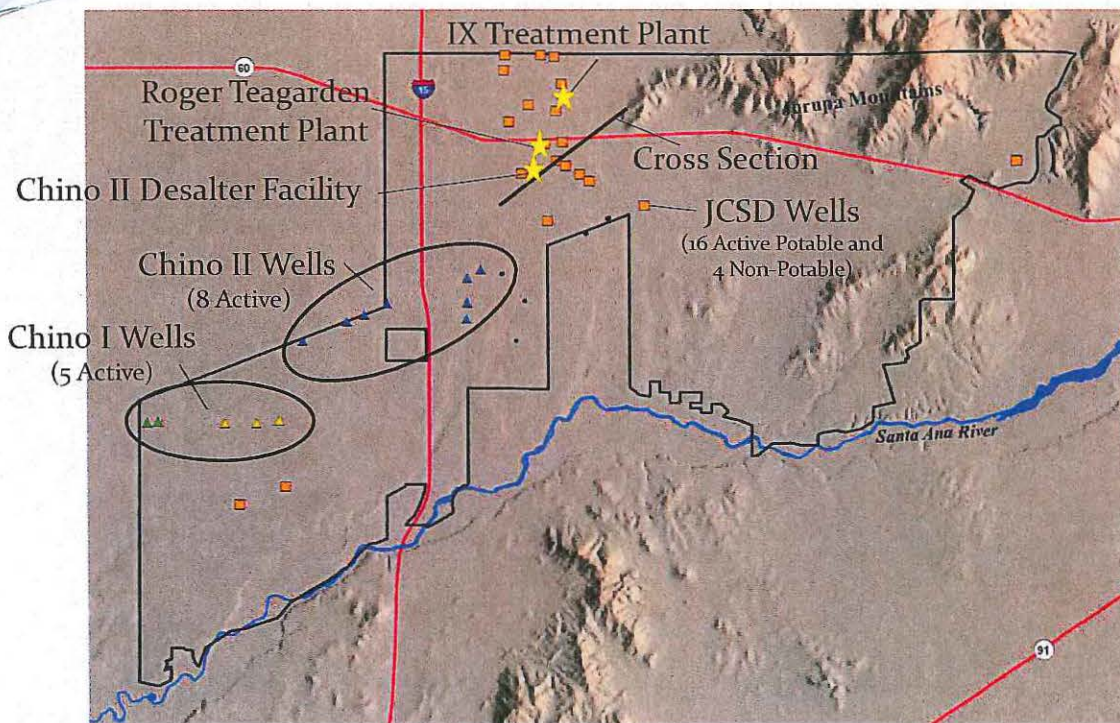
## Physical Recharge in the Chino Basin

| Fiscal Year                                 | MZ-1             |                 |                | MZ-2            |                 |                 | MZ-3            |                 |                | Total            |
|---|------------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|------------------|
|   | Imported         | Storm           | Recycled       | Imported        | Storm           | Recycled        | Imported        | Storm           | Recycled       |                  |
| 2000/2001                                   | 6,529.7          | 2,500.0         | 0.0            | 0.0             | 2,100.0         | 500.3           | 0.0             | 900.0           | 0.0            | 12,530.0         |
| 2001/2002                                   | 6,500.1          | 2,500.0         | 0.0            | 0.0             | 2,100.0         | 504.6           | 0.0             | 900.0           | 0.0            | 12,504.7         |
| 2002/2003                                   | 6,499.4          | 2,500.0         | 0.0            | 0.0             | 2,100.0         | 184.5           | 0.0             | 900.0           | 0.0            | 12,183.9         |
| 2003/2004                                   | 7,582.3          | 2,500.0         | 0.0            | 0.0             | 2,100.0         | 48.5            | 0.0             | 900.0           | 0.0            | 13,130.8         |
| 2004/2005                                   | 7,887.2          | 6,735.0         | 0.0            | 4,371.4         | 9,364.0         | 158.3           | 0.0             | 1,549.0         | 0.0            | 30,064.9         |
| 2005/2006                                   | 18,922.9         | 3,413.0         | 0.0            | 15,451.6        | 7,723.0         | 774.0           | 192.8           | 1,804.0         | 529.0          | 48,810.3         |
| 2006/2007                                   | 22,477.2         | 1,396.0         | 0.0            | 9,699.5         | 2,321.0         | 2,350.0         | 783.1           | 1,028.0         | 643.0          | 40,697.8         |
| 2007/2008                                   | 0.0              | 2,777.0         | 1,054.0        | 0.0             | 5,909.0         | 1,129.0         | 0.0             | 1,519.0         | 157.0          | 12,545.0         |
| 2008/2009                                   | 0.0              | 2,458.0         | 1,957.0        | 0.0             | 3,433.0         | 581.0           | 0.0             | 1,652.0         | 146.0          | 10,227.0         |
| 2009/2010                                   | 4,981.0          | 3,865.0         | 2,762.0        | 19.0            | 7,182.0         | 1,499.0         | 1.0             | 3,092.0         | 2,949.0        | 26,350.0         |
| 2010/2011                                   | 5,859.0          | 5,861.0         | 3,244.0        | 2,909.0         | 7,866.0         | 2,751.0         | 882.0           | 3,223.0         | 2,015.0        | 34,610.0         |
| <b>Total</b>                                | <b>87,238.8</b>  | <b>36,505.0</b> | <b>9,017.0</b> | <b>32,450.5</b> | <b>52,198.0</b> | <b>10,480.2</b> | <b>1,858.9</b>  | <b>17,467.0</b> | <b>6,439.0</b> | <b>253,654.4</b> |
| <b>Zone Total</b>                           | <b>132,760.8</b> |                 |                | <b>95,128.7</b> |                 |                 | <b>25,764.9</b> |                 |                |                  |
| <i>Notes:</i>                               |                  |                 |                |                 |                 |                 |                 |                 |                |                  |
| <sup>1</sup> Recharge reported in acre-feet |                  |                 |                |                 |                 |                 |                 |                 |                |                  |

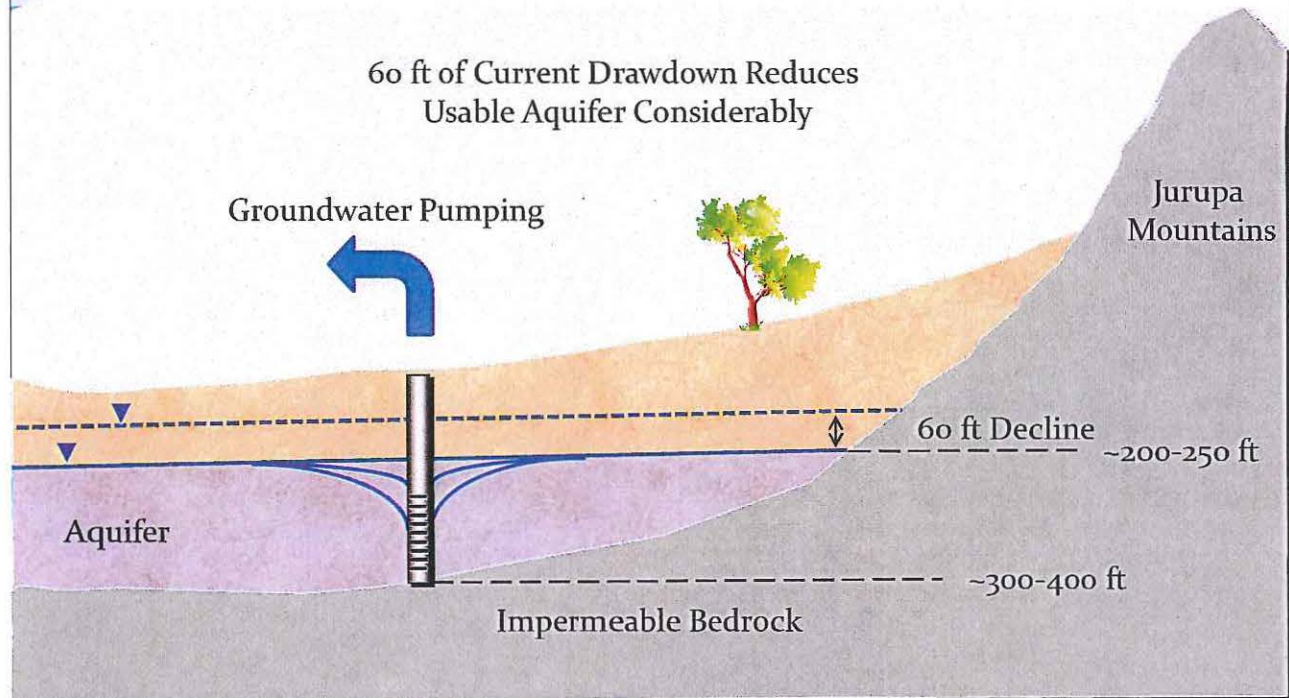
# Cumulative Physical Recharge in the Chino Basin FY 2000-2011



## Southern MZ-3 Production Facilities



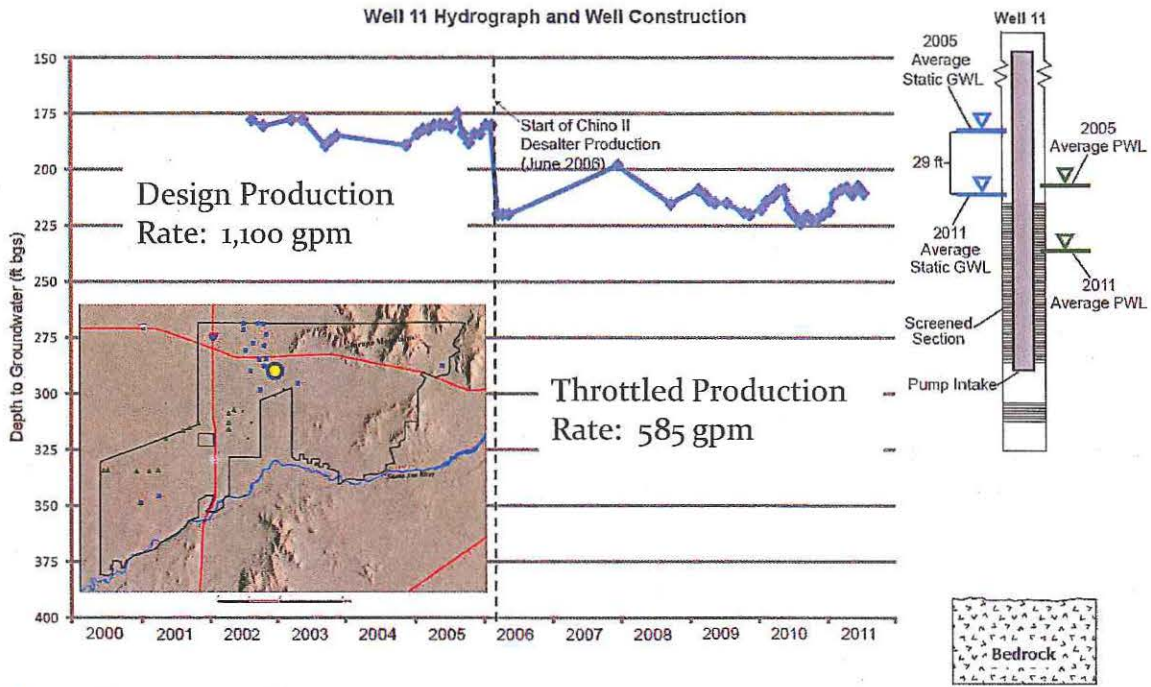
## The Geology of the Southern MZ-3 Area Limits the Ability to Accommodate Significant Groundwater Level Decline



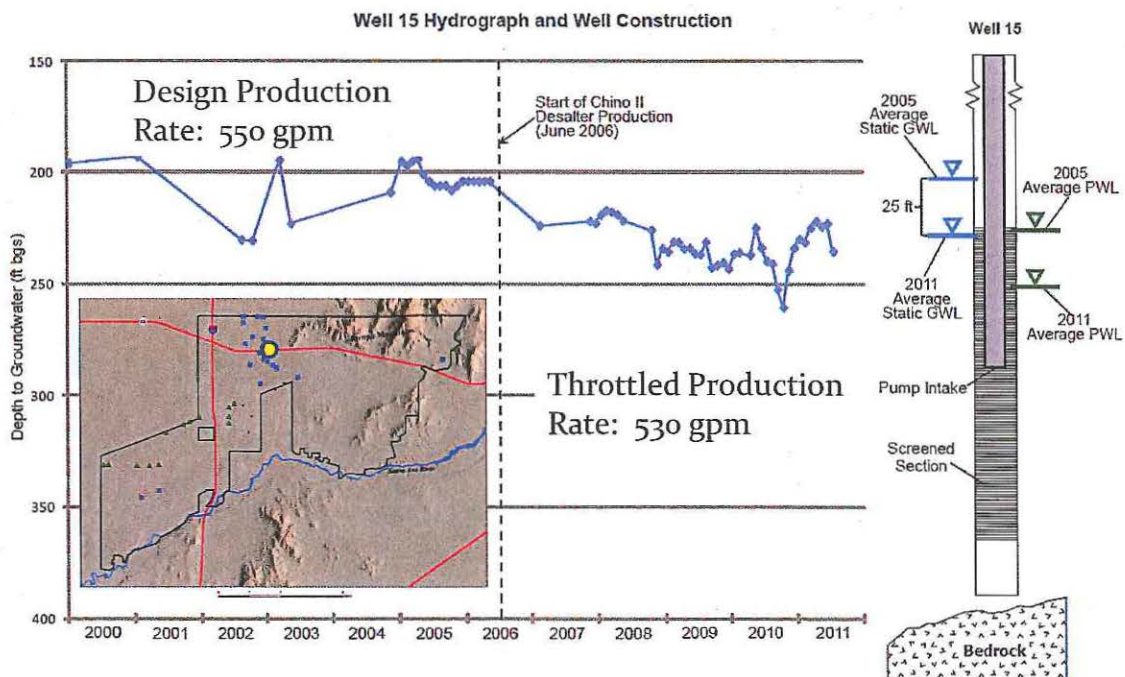
## Consequences of Lowered Groundwater Levels

- Reduced Pumping Capacity
- Throttling of Wells
- Lowered Pump Settings
- Entrained Air

# Groundwater Level Trends in JCSD Wells

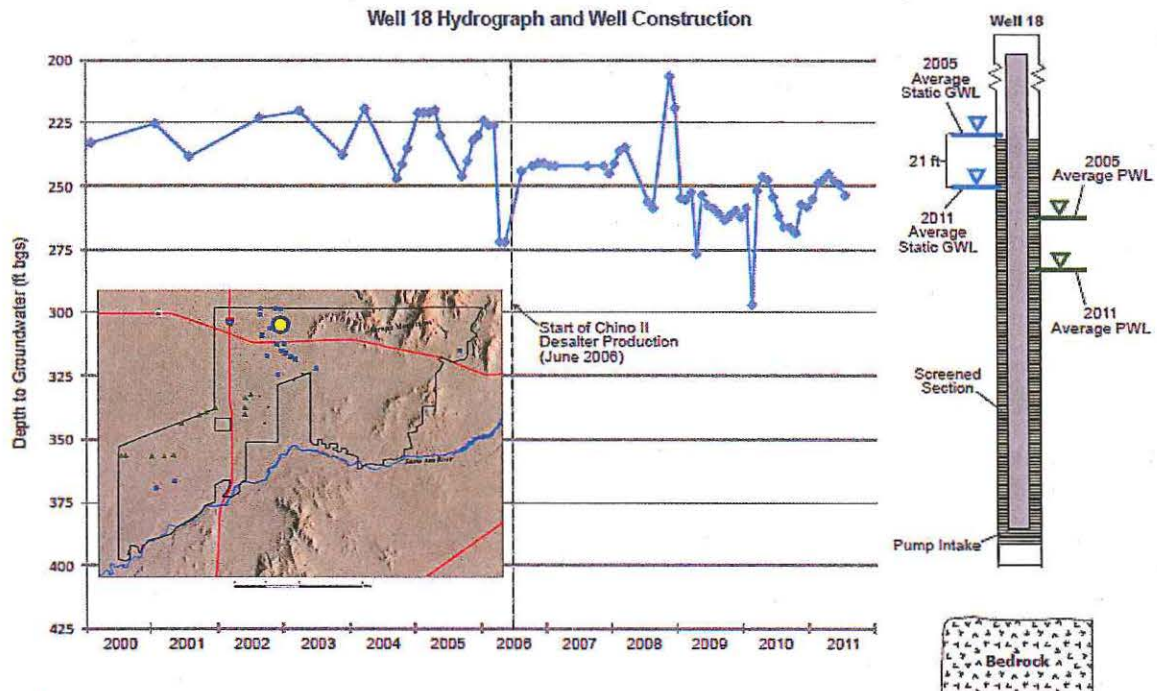


# Groundwater Level Trends in JCSD Wells

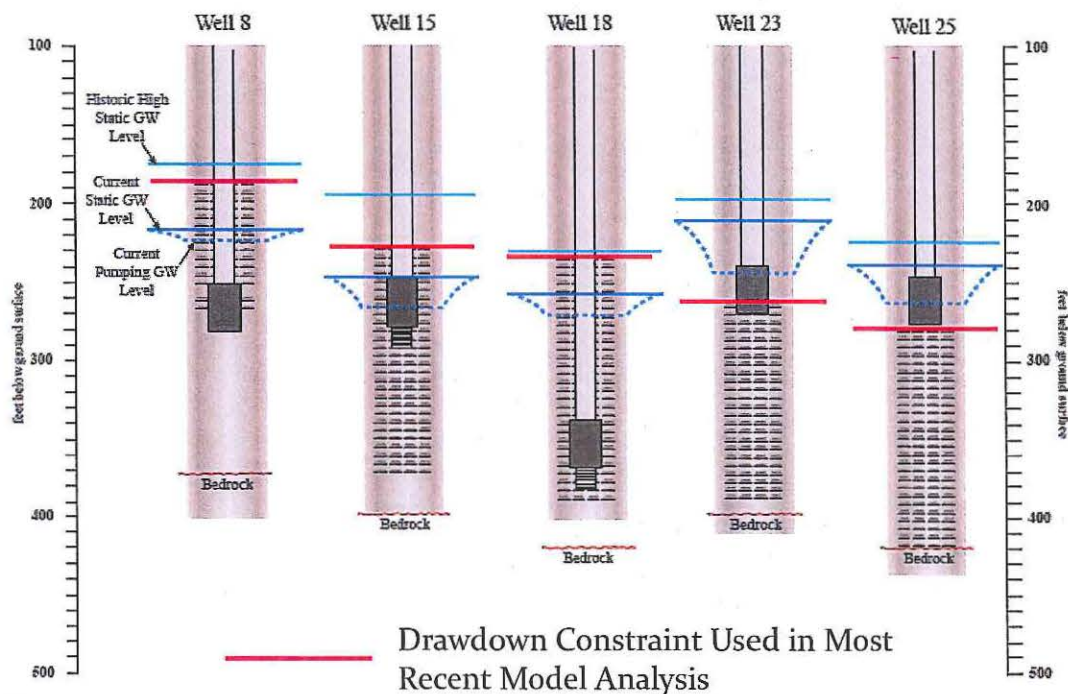




# Groundwater Level Trends in JCSD Wells

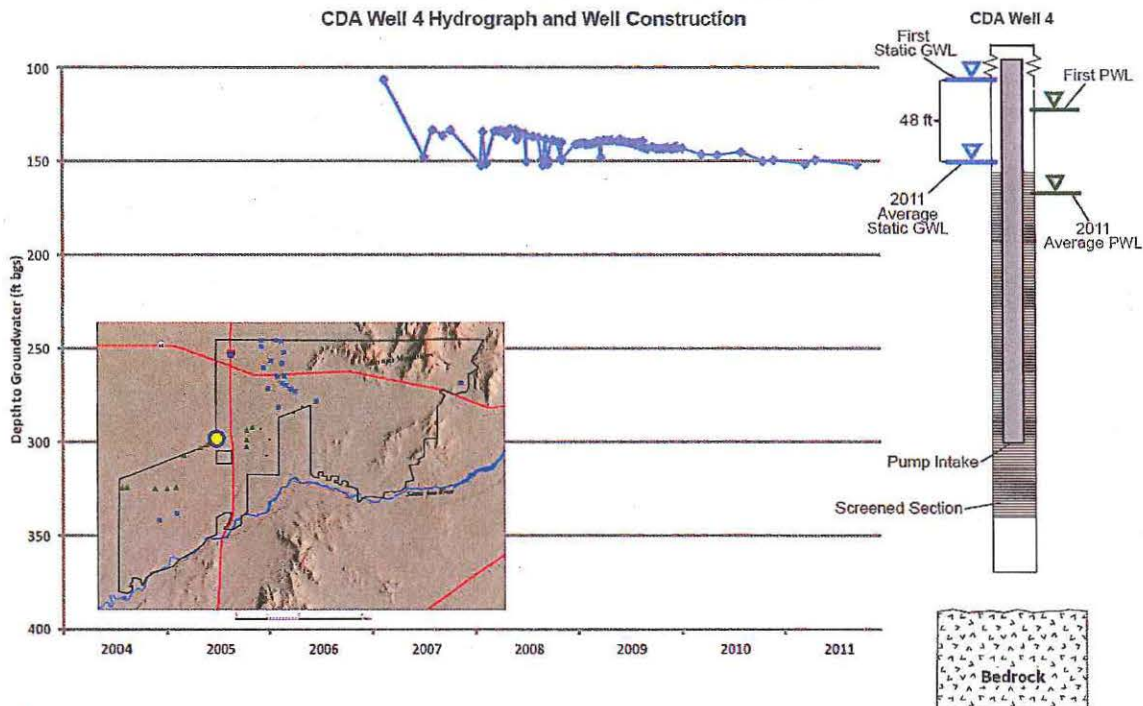


# Drawdown Constraints in JCSD Wells



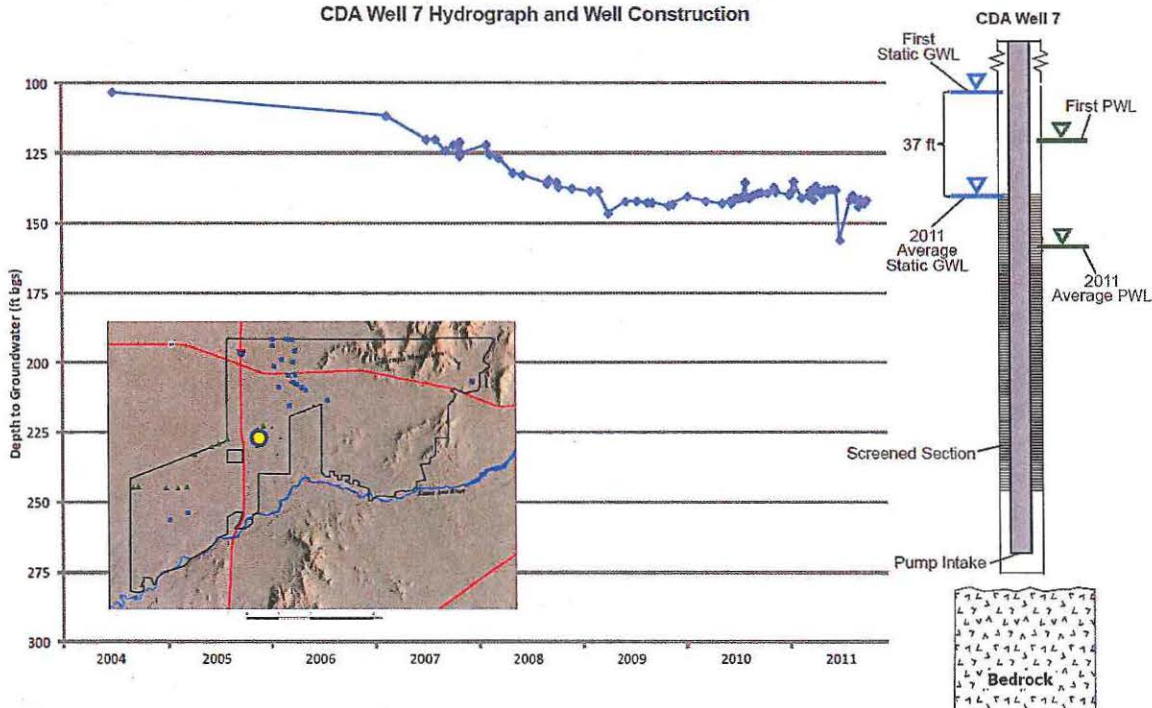
# Groundwater Level Trends in CDA Chino II Wells

CDA Well 4 Hydrograph and Well Construction



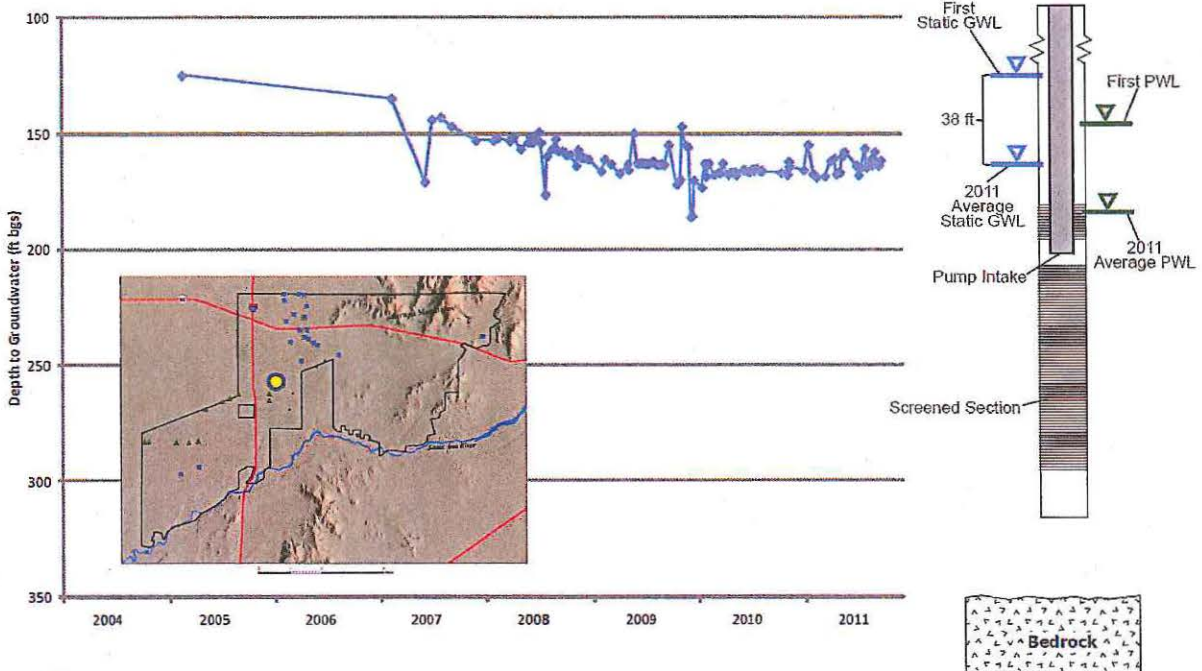
# Groundwater Level Trends in CDA Chino II Wells

CDA Well 7 Hydrograph and Well Construction

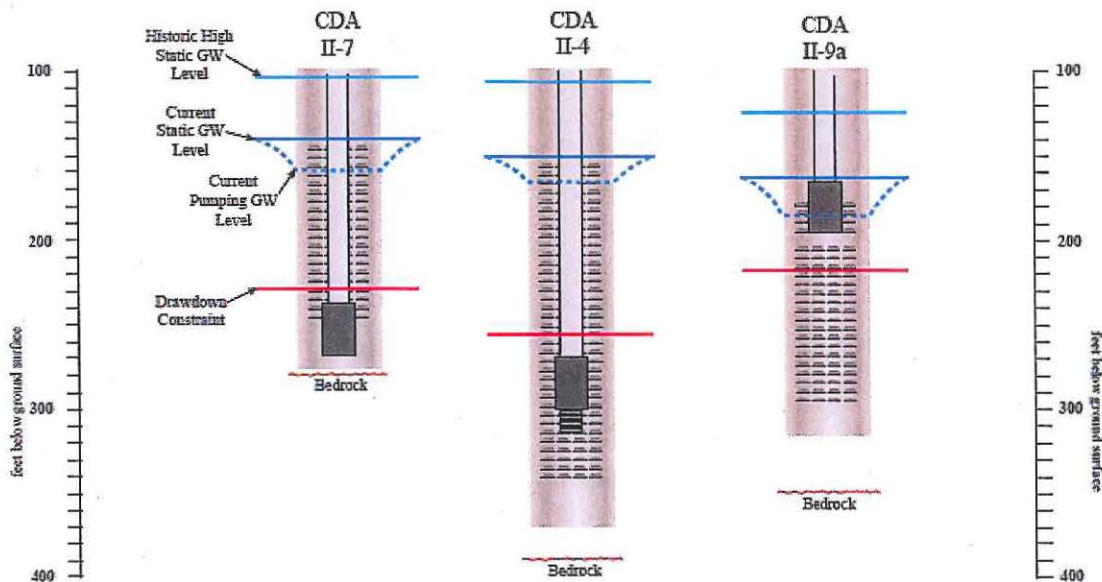


# Groundwater Level Trends in CDA Chino II Wells

CDA Well 9a Hydrograph and Well Construction



# Drawdown Constraints in CDA Wells



— Drawdown Constraint Used in Most Recent Model Analysis (Provided by CDA)

# Recharge Master Plan Planning Efforts

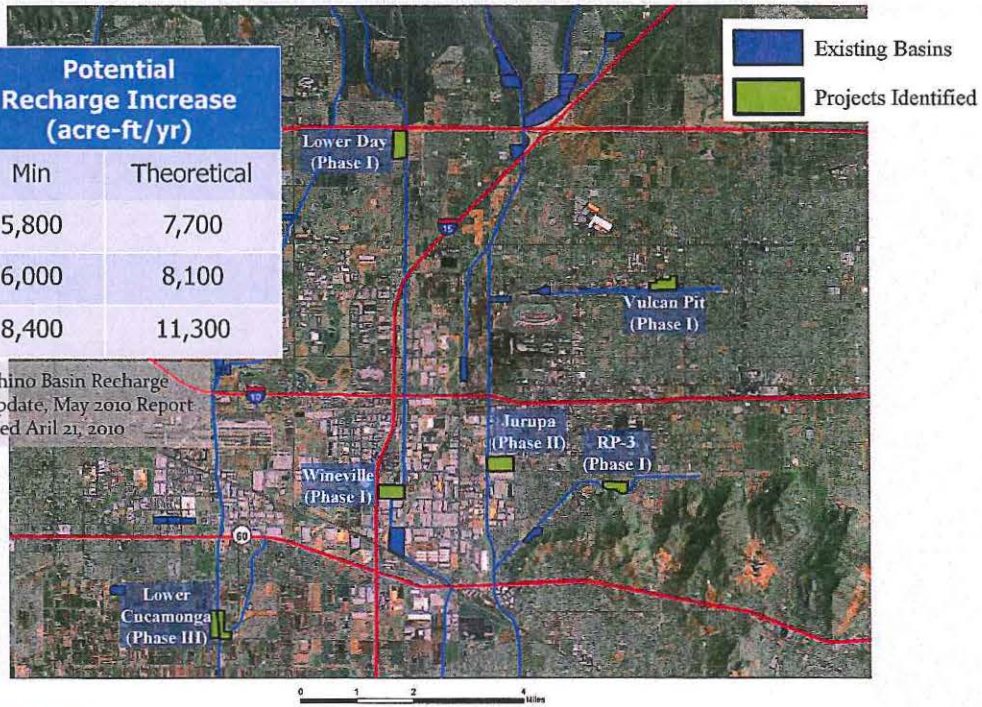
## Recharge Master Plan – Board Directive

In December 2011, the Watermaster Board Committed that within the year (by December 2012) the Recharge Master Plan Update will be Complete as will the Implementation Plan and Financing Plan

## 2010 Recharge Master Plan - Phases I, II & III Stormwater Capture/Recharge Improvements

| Phase | Potential Recharge Increase (acre-ft/yr) |             |
|-------|--|-------------|
|       | Min                                      | Theoretical |
| I     | 5,800                                    | 7,700       |
| II    | 6,000                                    | 8,100       |
| III   | 8,400                                    | 11,300      |

Source: 2010 Chino Basin Recharge Master Plan Update, May 2010 Report Workshop Dated April 21, 2010



## 2010 Recharge Master Plan - Phases I, II & III Stormwater Capture/Recharge Cost

| Phase       | Range of Recharge (acre-ft/yr) |             | Estimated Total Capital Cost | Annualized Cost with O&M | Range of Unit Cost (per acre-ft) |       |
|-------------|--------------------------------|-------------|------------------------------|--------------------------|----------------------------------|-------|
|             | Min                            | Theoretical |                              |                          | Min                              | Max   |
| I           | 5,800                          | 7,700       | \$17,146,000                 | \$1,571,000              | \$204                            | \$271 |
| I & II      | 6,000                          | 8,100       | \$26,547,000                 | \$2,550,000              | \$315                            | \$425 |
| I, II & III | 8,400                          | 11,300      | \$64,324,000                 | \$5,445,000              | \$482                            | \$648 |

Source: 2010 Chino Basin Recharge Master Plan Update, May 2010 Report Workshop Dated April 21, 2010



# Recharge Master Plan – Watermaster Update

Recharge Steering Committee – Met October-December 2011

Expanded Chino Basin Recharge Master Plan Committee – initial meeting on January 17, 2012

- Facilitated by interim Watermaster CEO – Mr. Ken Jeske
- Participation by significant majority of regional principals
- Discussions regarding a combination of projects that may meet the sustainability goals in a more cost efficient manner
- A sense of urgency regarding the June 2012 court requirements and the Watermaster Board commitments of December 2011

# Recharge Master Plan – Going Forward

- Sustainability of the Basin was a Significant Covenant and Key Component of Peace II
- There are Cost-Effective Solutions
- The “Project” Must Be Adequate to Stabilize Groundwater Levels Above the Drawdown Constraints in MZ-3 Wells (JCSD, CDA, and others)
- Focus on the Physical Solution (Wet Water Recharge)

# Recharge Master Plan – Going Forward

- Capture and Recharge of Stormflow has Multiple Benefits
  - New Yield (Capture Water Otherwise Lost to the Santa Ana River)
  - Relatively Inexpensive (Can be Accomplished Using Existing Facilities)
  - Stewards of the Resource (Appropriate Basin Management)

## Questions