



# CHINO BASIN WATERMASTER



## NOTICE OF MEETINGS

**Thursday, November 15, 2012**

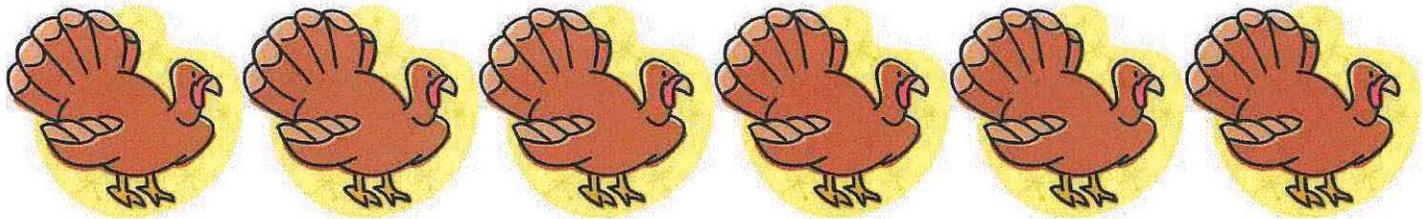
9:00 a.m. – Advisory Committee Meeting

11:00 a.m. – Watermaster Board Meeting

***A SPECIAL THANKSGIVING LUNCH WILL BE SERVED***

***AT THE CHINO BASIN WATERMASTER OFFICES***

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



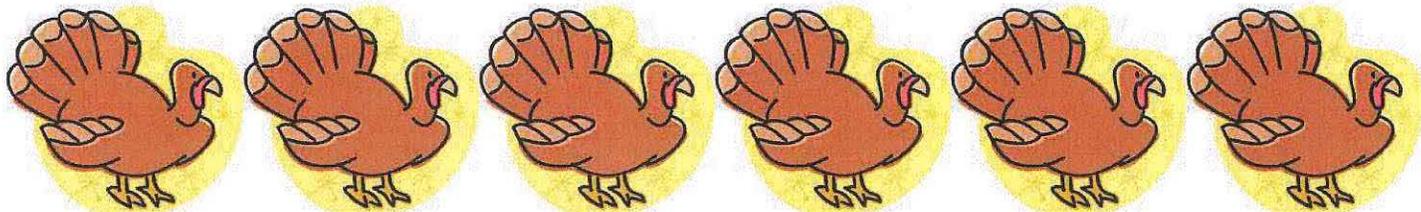
# **CHINO BASIN WATERMASTER**

**Thursday, November 15, 2012**

9:00 a.m. – Advisory Committee Meeting

11:00 a.m. – Watermaster Board Meeting

## **AGENDA PACKAGES**



**CHINO BASIN WATERMASTER  
ADVISORY COMMITTEE MEETING**

9:00 a.m. – November 15, 2012

**WITH**

*Mr. Jeff Pierson, Chair*

*Ms. Rosemary Hoerning, Vice-Chair*

**At The Offices Of**

**Chino Basin Watermaster**

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

**AGENDA**

**CALL TO ORDER**

**AGENDA - ADDITIONS/REORDER**

**I. CONSENT CALENDAR**

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

**A. MINUTES**

1. Minutes of the Advisory Committee Meeting held October 18, 2012 *(Page 1)*

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of September 2012 *(Page 21)*
2. Watermaster VISA Check Detail for the month of September 2012 *(Page 33)*
3. Combining Schedule for the Period July 1, 2012 through September 30, 2012 *(Page 37)*
4. Treasurer's Report of Financial Affairs for the Period September 1, 2012 through September 30, 2012 *(Page 41)*
5. Budget vs. Actual Report for the Period July 1, 2012 through September 30, 2012 *(Page 45)*

**II. BUSINESS ITEMS**

**A. PHYSICAL SOLUTION TRANSFER RATE SUBSTITUTION *(Page 55)***

1. Consider Approval of FY 2012-13 Substitute Physical Solution Transfer Rate
2. Consider Approval of Motion to Court to Allow FY 2012-13 Physical Solution Transfer Rate Substitution

**B. CONSIDERATION OF RMPU AMENDMENT SCHEDULE**

Consider Approval for the RMPU Amended Schedule *(Page 65)*

**C. CHINO BASIN WATERMASTER 2012-2013 ASSESSMENT PACKAGE**

Staff recommends Approval of the Fiscal Year 2012-2013 Assessment Package as Presented, with Express Acknowledgment of the Treatment of the Topics as Described in the Staff Report Package *(Page 71)*

**D. LEVYING REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS**

Consider Approval of Resolution 12-07 Resolution Authorizing Levying Replenishment and Administrative Assessments for Fiscal Year 2012-2013 (Page 77)

**E. APPLICATION FOR RECHARGE**

**Consider Approval for Application for Recharge** - Consider Approval for Application for Recharge - Vulcan Materials Company has submitted an application for recharge for 1,200,000 acre-feet to be placed into a Local Supplemental Storage Account. Date of Application: September 12, 2012. Consider Approval of the Vulcan Materials Company's Application in so far as Recharge is concerned if it demonstrates, to Watermaster's satisfaction, that the water recharged at the Vulcan Pit will not become contaminated through contact with the soil, or that any water quality degradation caused by contact with the soil will not result in a chemical concentration in the recharge water to increase to a level that would exceed a maximum contaminant level established in California Code of Regulation Title 22 or a notification level established by the Department of Public Health, conditioning the Storage element of Vulcan Materials Company's application so that it is expressly subject to subsequent Watermaster determinations on: (1) the quantity of Local Supplemental Water in Storage; (2) the priority among all competing Applications for Local Storage Agreements; and (3) the general terms and conditions concerning Preemptive Replenishment and Storage (Page 83)

**III. REPORTS/UPDATES**

**A. LEGAL REPORT**

**B. GM REPORT**

1. RMP Compliance Annual Finding
2. Watermaster Annual Audit (Presentation will be given at WM Board meeting 12-20-12)
3. Other Activities

**C. INLAND EMPIRE UTILITIES AGENCY**

1. MWD Update – Oral
2. State and Federal Legislative Reports (Page 113)
3. Community Outreach/Public Relations Report (Page 127)

**D. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

**IV. INFORMATION**

1. Cash Disbursements for October 2012 (Page 129)

**V. COMMITTEE MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

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

1. Potential Litigation

**VIII. FUTURE MEETINGS AT WATERMASTER**

Thursday, November 15, 2012	8:00 a.m.	IEUA DYY Meeting – CANCELLED
Thursday, November 15, 2012	9:00 a.m.	Advisory Committee Meeting
Thursday, November 15, 2012	10:00 a.m.	CB RMPU Steering Committee Meeting
Thursday, November 15, 2012	11:00 a.m.	Watermaster Board Meeting
Tuesday, November 20, 2012	9:00 a.m.	GRCC Meeting
Tuesday, November 27, 2012	9:00 a.m.	Groundwater Model Update, Scenario 1 – Recalibration Workshop

Thursday, December 6, 2012	10:00 a.m.	CB RMPU Steering Committee Meeting
Thursday, December 13, 2012	9:00 a.m.	Appropriative Pool Meeting
Thursday, December 13, 2012	11:00 a.m.	Non-Agricultural Pool Conference Call Mtg.
Thursday, December 13, 2012	1:30 p.m.	Agricultural Pool Meeting
Thursday, December 20, 2012	8:00 a.m.	IEUA DYY Meeting
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\* **NOTE:** Watermaster Board Meeting changed from December 27<sup>th</sup> to **December 20<sup>th</sup>** due to the Christmas Holiday schedule

**Meeting Adjourn**

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**CHINO BASIN WATERMASTER  
WATERMASTER BOARD MEETING**

11:00 a.m. – November 15, 2012

**WITH**

*Mr. Bob Kuhn, Chair*

*Mr. Jim Curatalo, Vice-Chair*

**At The Offices Of**

**Chino Basin Watermaster**

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

**AGENDA**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**AGENDA - ADDITIONS/REORDER**

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**V. BOARD MEMBER COMMENTS**

**VI. OTHER BUSINESS**

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1. GM Performance Evaluation
2. Potential Litigation

**VIII. FUTURE MEETINGS AT WATERMASTER**

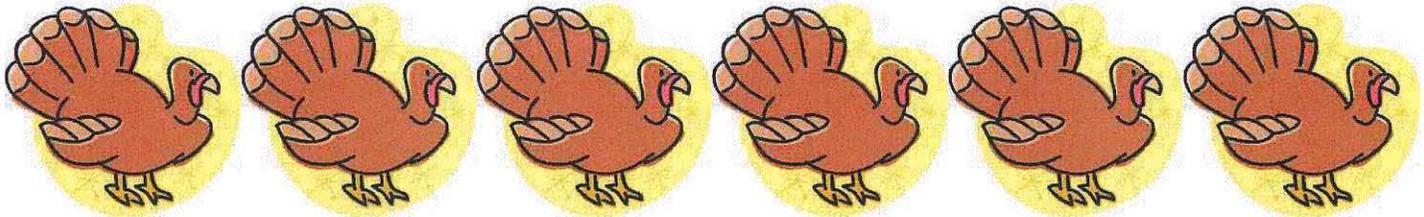
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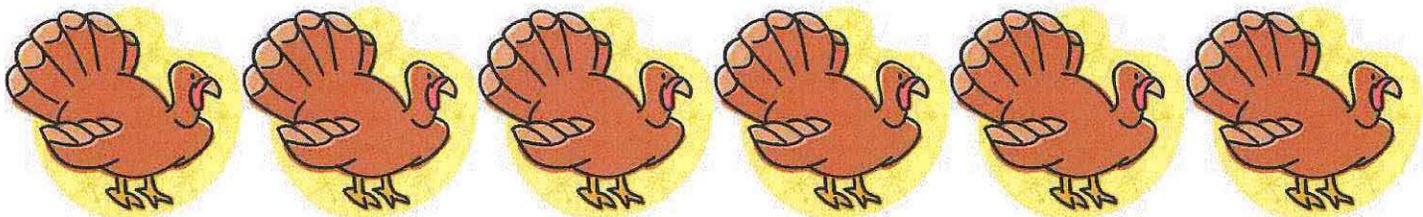


# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Advisory Committee Meeting held  
October 18, 2012



***Draft Minutes***  
**CHINO BASIN WATERMASTER**  
**ADVISORY COMMITTEE MEETING**  
*October 18, 2012*

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on October 18, 2012 at 9:00 a.m.

**ADVISORY COMMITTEE MEMBERS PRESENT**

**Agricultural Pool**

Jeff Pierson, Chair  
Pete Hall

**Appropriative Pool**

Marty Zvirbulis  
Scott Burton  
Rosemary Hoerning  
Raul Garibay  
Dave Crosley  
Sheri Rojo  
Mike Maestas  
Mark Kinsey  
Van Jew  
Seth Zielke  
Josh Swift  
Tom Harder  
Ben Lewis  
Teri Layton  
J. Arnold Rodriguez

**Non-Agricultural Pool**

Brian Geye  
Bob Bowcock

Ag Pool – Crops

Ag Pool – State of California – CIM

Cucamonga Valley Water District

City of Ontario

City of Upland

City of Pomona

City of Chino

Fontana Water Company

City of Chino Hills

Monte Vista Water District

Monte Vista Irrigation Company

Fontana Water Company

Fontana Union Water Company

Jurupa Community Services District

Golden State Water Company

San Antonio Water Company

San Ana River Water Company

Auto Club Speedway

Vulcan Materials Company (Calmat Division)

**BOARD MEMBERS PRESENT**

Paula Lantz  
Bob Kuhn  
Peter Rogers

City of Pomona

Three Valleys Municipal Water District

City of Chino Hills

**Watermaster Staff Present**

Peter Kavounas  
Danielle Maurizio  
Joe Joswiak  
Sherri Molino

General Manager

Assistant General Manager

Chief Financial Officer

Recording Secretary

**Watermaster Consultants Present**

Brad Herrema  
Mark Wildermuth

Brownstein, Hyatt, Farber & Schreck

Wildermuth Environmental Inc.

**Others Present Who Signed In**

Nadeem Majaj  
Todd Corbin  
John Bosler  
Tom Love  
Terry Catlin

City of Chino Hills

Jurupa Community Services District

Cucamonga Valley Water District

Inland Empire Utilities Agency

Inland Empire Utilities Agency

Ryan Shaw  
 Chris Berch  
 Eunice Ulloa  
 Curtis Paxton  
 Jack Safely  
 Rick Reese  
 Chuck Hays  
 Rogelio Mata  
 Dan West

Inland Empire Utilities Agency  
 Inland Empire Utilities Agency  
 Chino Basin Water Conservation District  
 Chino Desalter Authority  
 Western Municipal Water District  
 Amec  
 City of Fontana  
 City of Fontana  
 City of Fontana

Chair Pierson called the Advisory Committee meeting to order at 9:05 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 September 20, 2012

##### **B. FINANCIAL REPORTS**

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3. Combining Schedule for the Period July 1, 2012 through August 31, 2012
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5. Budget vs. Actual Report for the Period July 1, 2012 through August 31, 2012

Mr. Kinsey asked Counsel Herrema about voting on minutes when a party was not present at the meeting which are being voted on. Counsel Herrema stated one can vote on the minutes when not present at the meeting.

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

***Moved to approve Consent Calendar Items A through B, as presented***

#### **II. BUSINESS ITEMS**

##### **A. MATERIAL PHYSICAL INJURY ANALYSIS**

Mr. Kavounas stated Watermaster has received an Application for Local Storage Agreement by Vulcan Material Company (VMC), and the Watermaster process calls for the Watermaster's engineer to conduct a Material Physical Injury (MPI) Analysis. Mr. Kavounas stated WEI has performed that analysis and has concluded there is potential for material physical injury. Mr. Kavounas stated the item before the Advisory Committee today is to receive and file the WEI MPI Analysis.

Mr. Kinsey stated at the Appropriative Pool meeting the Pool was concerned about moving a Recharge Application forward given the potential for material physical injury. Mr. Kinsey stated he heard the same discussions when he attended the Agricultural Pool meeting, which was why would we not wait until the analyses are done before approving the application. Mr. Kinsey stated at the Appropriative Pool meeting it was suggested that the Pools and Advisory Committee need to have a better understanding of specific actions they can and cannot take when they have a situation such as this. Mr. Kinsey stated we have a proposal moving forward which a Watermaster engineer has identified has the potential for MPI and yet we are being asked to move forward without a full understanding of the potential scope of that, and what may be necessary mitigation measures. Mr. Kinsey stated knowing this might make it easier when we see something like this in the future.

Mr. Kinsey stated that when water is actually being introduced to the Vulcan Pit from Fontana Water Company's (FWC) system, it is a mixture of supplemental and basin water; at some point in time we need to give some thought about having some sort of demonstration by FWC that what is being recharged is basin or supplemental water because there is no cap on storing basin water, so VMC is free to store as much basin water as they want. Mr. Kinsey stated we do currently have caps on supplemental water storage; if what is being recharged is not all supplemental and they can't do the accounting to demonstrate that, then maybe we parcel out the water going into the basin as supplemental water and try to preserve as much as the supplemental water cap, as we have available for all of us collectively. Chair Pierson inquired to Mr. Kinsey if those were questions that need to be answered or are they rhetorical in which you are making comments. Mr. Kinsey stated the first one is that we would like a follow up presentation on what options the Pools have in terms of moving items forward when there is potential for MPI, and then the second one would be that he assumes Watermaster would require some sort of accounting as part of introduction water so it can be properly categorized as basin or supplemental water that is going in. Chair Pierson inquired to Mr. Kavounas if those two items can be brought back through the Watermaster process or what would be the most appropriate method for proceeding. Mr. Kavounas stated he did not hear a question for today; however, he did hear the request for a presentation of options for the future and also the need to clearly quantify what the source of the water is, whether it is basin water versus supplemental water so that it can be accounted for properly.

Mr. Zielke stated he would like to commend Chino Basin Watermaster staff and General Manager for making water quality preservation a priority and for exercising due diligence in taking a cautious approach towards approving storage and recharge applications and how they can impact water quality. Mr. Zielke stated FWC has wells in the vicinity of the Vulcan Pit and FWC supports any effort to preserve and maintain the water quality of its wells to ensure the protection of its constituents. Mr. Zielke stated FWC also would like to acknowledge Mr. Bowcock's effort to bring recharge into MZ3 and FWC supports any beneficial recharge within the Chino Basin; recharge is important and necessary, and can be very beneficial. Mr. Zielke stated FWC looks forward to viewing the supplemental report that is going to be prepared by WEI, and it is FWC's hope that the supplemental report provides peace-of-mind and confirmation that the proposed recharge project will not negatively impact water quality, which will then allow VMC to move forward with their proposed project. Mr. Zielke stated FWC would also like to request that in light of the FWC wells being near the vicinity that somewhere in that supplemental report those wells are considered as impacted and water quality is considered on those wells. Mr. Zielke stated he would like to turn the committee's attention to the application in which Mr. Kinsey stated that the source is FWC purchase retail water connection; currently FWC has no agreements in place with VMC or anyone else to put any of FWC's water into the Vulcan Pit for recharge or any other purpose. Mr. Zielke stated FWC wants to be on the record stating FWC are not partners in this project.

Chair Pierson asked for any further comments or questions on this item. Chair Pierson stated we will be receiving further information on this matter in the future. Chair Pierson stated all three Pools voted to move this forward on a receive and file motion and he would entertain a motion to receive and file the MPI Analysis to move continue to move this forward. Mr. Kinsey stated he would make that motion.

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

***Moved to receive and file the Wildermuth Environmental Inc. Material Physical Analysis for Material Physical Injury Analysis for Vulcan Material Company's Application for Local Storage Agreement, as presented***

**III. REPORTS/UPDATES****A. LEGAL REPORT****1. Order Adopting Restated Judgment, Approved Intervention of Tad Nakase (TDN Land Company) Into Chino Basin Judgment**

Counsel Herrema stated at the last Advisory Committee meeting he updated the parties on the motion that had been filed for adoption of the Restated Judgment and approval of the intervention of Tad Nakase into the Chino Basin Judgment. Counsel Herrema stated on the 27<sup>th</sup> of September the court issued its order adopting the Restated Judgment as the operative copy of the Judgment and there is a copy of that on the Watermaster FTP site under Legal 2012 Restated Judgment. Counsel Herrema stated the court made one minor change to the order that had been proposed and agreed upon by Watermaster legal counsel and counsel for the Pools; it's a minor change to one word, "caveat" to "condition", which does not change the effect of the order as we presented it. Counsel Herrema stated it is his opinion the effect of the court's change is negligible and carries out the intent that all the Pools and the Watermaster Board approved in the motion.

**B. ENGINEERING REPORT****1. Modeling Update**

Mr. Wildermuth stated this same presentation was given at the Pool meetings and inquired if this committee wanted to see it again. Ms. Hoerning stated she would like to see it again. Mr. Wildermuth stated there are two items under the Engineering Report section; however, he will take both Items 1 and 2 under the Modeling Update. Mr. Wildermuth gave the Update to the Chino Basin Groundwater Model and Evaluation of Basin Dynamics presentation. Mr. Wildermuth stated he would like to start the planning calibrations next month and get scenario 2 done next month also. However, that will depend on getting assurances from the Appropriate Pool members that the production estimates are right. Mr. Wildermuth stated he would like to schedule a workshop in November on calibration. Mr. Wildermuth stated sometime in the New Year we will schedule some workshops on the planning scenarios. It was noted a notice on the workshops will be sent out by Watermaster staff.

Chair Pierson stated this presentation was given at the Pool meetings and now at the Advisory Committee meeting, and he inquired if there were any comments or questions on Mr. Wildermuth's presentation today.

Mr. Burton asked that Mr. Wildermuth talk about the assumptions on additional stormwater capture with respect to balancing discharge and recharge; he is trying to understand how that relates to what our goals may be in the Recharge Master Plan Update (RMPU.) Mr. Wildermuth stated that is something that can be discussed in the next month or two. Mr. Wildermuth stated for the 2010 safe yield, for the balance of recharge and discharge, we should consider using what we have today. Mr. Wildermuth stated in going through these planning results, if we want to try and assume something different, then we could try that also. Mr. Wildermuth stated the plan was to go with what we know about today, and to the extent that we want to try and add new facilities and that is something we can discuss as we go through the process. Mr. Burton stated he agrees and if we are looking at long-term water supply needs and pumping, we also have to look at the RMP, and we may have a base minimum amount of recharge that we need to accomplish; however, there may be add-ons to that based on available financial resources, and the need to accomplish more recharge. Mr. Burton stated he is trying to understand, and as we move forward are we going to be looking at different assumptions, not only on water supply but on the recharge piece. Mr. Wildermuth stated in looking at the balance of recharge and discharge, we seem to be pretty much focused on recharge and not on the discharge side of it. Mr. Wildermuth stated maybe the solution isn't always new recharge facilities, it might be a different production scheme, and that is something that we can explore.

Mr. Kinsey stated he wants to make the same comment that he made at the Appropriative Pool meeting regarding the table. Mr. Kinsey stated he would like to add a column to the table which shows new yield through recharge pursuant to the Peace Agreement. Mr. Kinsey stated it is his understanding that number is wrapped up into the safe yield column and it would be better represented in a separate column which tracks safe yield from recharge. Ms. Rojo stated she did not understand what Mr. Kinsey was saying. Mr. Kinsey stated right now there is new yield from recharge occurring which is now shown separately but is showing as part of safe yield; the safe yield number is probably different than what is presented there. Mr. Kinsey stated he believes it is appropriate to track new yield from recharge separately from safe yield – we just don't want it to get lost in the future.

Chair Pierson inquired to Mr. Kavounas and Mr. Wildermuth if there was any reason that it could not be done as requested. Mr. Kavounas stated he does not know that there is a reason that can't be done; there is a difference between tracking water as water, and tracking water as accounted for by humans and he thinks that a big part of the modeling effort is for us to really understand the hydrology of the basin, and at the same time, keep track of and account for where the different components of water come from. Mr. Wildermuth stated in his office they have something called "the really big spreadsheet," and what that does is it has years across the top, then rows with production, and is a very detailed accounting of the type of information that Mr. Kinsey is talking about. Mr. Wildermuth stated at some level we do keep track of that; the short answer is yes, and we have already made big steps towards doing that. Chair Pierson stated it appears Mr. Wildermuth has the information needed to present what this committee needs to look at and preserve in their mind.

Ms. Rojo stated the column that Mr. Kinsey is asking for is a requirement of Peace II because the new yield from the induced inflow from the river is supposed to get added to the desalter replenishment account and is not part of the safe yield.

Mr. Wildermuth stated this table assumes efficient water market and is used to calculate replenishment. Mr. Wildermuth stated we don't know what the safe yield is when we start this process; we use 140,000 acre-feet as a starting point and then we let the model produce the result, and then we go back and look at what the model is telling us – we run it until we get some kind of convergence. Mr. Wildermuth stated he understands what is being asked for in the columns.

Mr. Kinsey stated maybe another way of going about it is through a footnote that states what the safe yield column does and doesn't include, and then as long as we have a resource for that somewhere else we won't lose the tracked new yield from stormwater capture that currently is allocated the same way safe yield is, so from an accounting standpoint how it is distributed does not make any sense or difference. Mr. Kinsey stated that may or may not be true in the future, so it may be more important to track it for allocation purposes.

Chair Pierson asked for any other comments. Mr. Kavounas stated for the purposes of the Advisory Committee here today, he knows this is a topic of very high importance to everyone, and he believes there will be an opportunity for Mr. Wildermuth to present his modeling in November when there will be a workshop that he is planning on holding. Mr. Kavounas stated that maybe it would be more productive if we compile all those comments at that time instead of at this meeting, when staff and engineering are not really structured to receive and comment on all the suggestions today.

Mr. Harder stated what he heard is there will be a workshop on this topic, and he strongly encourages that effort as he has some technical questions and is interested in the molecules as opposed to how it is presented today, and to have an opportunity to go through that in more detail.

Mr. Burton stated the stormwater capture is new yield, it's a subset of safe yield and it is allocated based on operating safe yield; however, as Ms. Rojo brought up the other component, which is new yield as a result of hydraulic control, that's allocated to desalter replenishment, so it is important to have a footnote when we are looking at total operating safe yield and how it may change, that we clearly understand that component.

Chair Pierson stated the consensus is we will address this issue at the appropriate time with Mr. Wildermuth at the workshops, which will be scheduled as soon as possible.

2. Planning Scenarios  
This item was discussed under the Modeling Update item.

### C. GM REPORT

1. Recharge Master Plan Update Timing  
Mr. Kavounas stated the Recharge Master Plan Update (RMPU) is heavily engaged in by all the parties, and for him personally, it was important to take a step back and understand what each item, document, filing, project, etc. is and when it's due. Mr. Kavounas stated he put his thoughts together, compiled them, and noted he can make that available to any party who wishes to see it. Mr. Kavounas stated he has shared this with John Schatz, who is working with the Appropriative Pool on some RMPU amendment issues. Mr. Kavounas stated his conclusion from reviewing Watermaster's history on the RMP is that the court expects a refinement of the stormwater recharge facilities projects, along with the funding and implementation plan by October 2013, and completion of projects by 2018. The court asked for a committee to be established for monitoring reporting and accounting practices for local stormwater recharge and new yield, but did not set a due date for when that work had to be done. The committee that the court ordered is the Steering Committee, and the work itself is Task 5. Mr. Kavounas stated the analysis, funding, and implementation plans for projects were ordered by the court to commence, but again there is no explicit date when the court said that they have to be done, although the implicit date is October 2013. In December 2011 the Watermaster Board adopted a motion to complete the RMPU amendment work including stormwater recharge matters, funding, and implementation plans by December 2012. In December 2011 the Watermaster Board adopted a motion, which was also adopted by the Advisory Committee, to complete the RMPU amendment work by December 2012. Mr. Kavounas stated the Board filed a progress report with the court in June 2012 as was required, and the report expressed the Board's direction that all the work would be completed by December 2012, and stated that progress would be made consistent with the Board's action. Mr. Kavounas stated with regard to status, as of today, last month Watermaster prepared a strawman for Task 5 for discussion purposes only. The Appropriative Pool has been meeting and discussing this actively, with John Schatz as the facilitator, and we have received comments from four entities which have been circulated. Mr. Kavounas stated the next step would be to work with the Pools and come up with a process going forward.

Chair Pierson stated it looks like we are not going to make the December 2012 deadline and inquired if staff will report this to the Watermaster Board. Mr. Kavounas stated staff will report this matter to the Watermaster Board. Mr. Kavounas stated that will be discussed during the Steering Committee meeting today and if staff and the parties do not think we will make the deadline then it will be decided what collectively comes back to the Pools, Advisory Committee, and Watermaster Board as an alternative that is credible enough to possibly get an extension to the deadline.

2. Safe Yield Calculation

Mr. Kavounas stated he came across the same question, which is "What are the obligations with regard to the safe yield calculation?" during several meetings, and his conclusion from digging through the history is that according to the Rules & Regulations the safe yield shall be recalculated in 2010/2011 based on data from a ten year period preceding. Mr. Kavounas stated there was a stipulation entered with the court in 2008 to address concerns raised by Monte Vista Water District (MVWD). Mr. Kavounas stated the stipulation included the language that Watermaster shall include in the RMPU, a comprehensive analysis and explanation of how and whether Watermaster will schedule a redetermination of the safe yield. Mr. Kavounas stated in response to that the RMPU of 2010, which was submitted to the court in an agreement by everyone and adopted by the court, included a methodology for recalculating, with the suggestion that Watermaster should use this methodology to recompute the safe yield in 2010/2011, and should apply this method every five years thereafter. Mr. Kavounas stated with regard to that status, the safe yield re-computation was not done in 2011; however WEI's modeling effort will lead us in the next few months to that redetermination. Mr. Kavounas stated there is money in the Watermaster budget for this work and the plan is to proceed forward.

Mr. Zielke inquired as to what the time line is to recompute those compilations regarding the safe yield. Mr. Kavounas stated, in looking at all that needs to be accomplished now, it looks like June 2013.

3. Notice of Availability

Mr. Kavounas stated the Pools dealt with this matter at their meetings and Counsel Herrema will finish the report on this item. Counsel Herrema stated the notice of availability is on an annual cycle. Annually the Watermaster sends a reminder to Non-Agricultural Pool members, and then they notify the Watermaster of any water they have available for sale to the Appropriate Pool by December 31<sup>st</sup>. The Watermaster, in turn, notifies the appropriators by January 31<sup>st</sup> of each appropriator's pro rata share of that water, and then the appropriators have until March 1<sup>st</sup> to notify Watermaster if they are interested. Counsel Herrema stated normally that is handled by a notice in our agenda package through the Pools, Advisory Committee, and Watermaster Board meetings. Counsel Herrema stated the reason it is being brought up today is that the rate is set according to the Judgment, which is set at 92% of the Metropolitan Water District's Replenishment Rate. However, there is presently no replenishment rate. Counsel Herrema stated the settlement that was entered into for the Paragraph 31 issue provides a process for setting a new rate that would apply to this process of making water available and purchasing water by the appropriators. Counsel Herrema stated the reason this is being brought up is if there is interest from the appropriators to purchase water, and there is an interest from the Non-Agricultural Pool to sell water, Watermaster would start a process according to the way it is described in the Settlement Agreement. Counsel Herrema stated Watermaster would have to determine what the new rate would be, and then make the appropriate motion on filing with the court as required. A discussion regarding a substitute rate, timing, and this matter ensued.

**D. INLAND EMPIRE UTILITIES AGENCY**

1. MWD Update – Oral

Mr. Shaw stated last week the Metropolitan Water District (MWD) board approved a tier extension to the existing ten-year purchase orders; these are the agreements that set out Tier 1 limits. Mr. Shaw stated this is just an extension so our Tier 1 limits will be the same and Inland Empire Utilities Agency will send around amended and restated purchase orders.

2. State and Federal Legislative Reports

No comment was made.

3. Community Outreach/Public Relations Report

No comment was made

4. IEUA Monthly Water Newsletter

No comment was made.

**E. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

No comments were made.

**IV. INFORMATION**

1. Cash Disbursements for August 2012

No comment was made.

**V. COMMITTEE MEMBER COMMENTS**

No comments were made.

**VI. OTHER BUSINESS**

Mr. Kavounas reminded the Advisory Committee of the upcoming Assessment Package Workshop on Tuesday October 30 at 2:00 p.m.

Mr. Kavounas stated the Land Subsidence Committee meeting will be held on October 31<sup>st</sup> at 10:00 a.m. at the Watermaster office.

Mr. Kavounas asked the Advisory Committee to please pay special attention to the Future Meetings schedule due to upcoming holidays and newly scheduled workshops.

**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**

** Tuesday, October 16, 2012	2:00 p.m.	Pre-Assessment Package Workshop
Thursday, October 18, 2012	8:00 a.m.	IEUA DYY Meeting
Thursday, October 18, 2012	9:00 a.m.	Advisory Committee Meeting
Thursday, October 18, 2012	10:00 a.m.	RMPU Steering Committee Meeting.
Thursday, October 25, 2012	11:00 a.m.	Watermaster Board Meeting
** Tuesday, October 30, 2012	2:00 p.m.	Assessment Package Workshop

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Thursday, November 1, 2012	10:00 a.m.	RMPU Steering Committee Meeting
Thursday, November 8, 2012	9:00 a.m.	Appropriative Pool Meeting
Thursday, November 8, 2012	11:00 a.m.	Non-Agricultural Pool Conference Call Mtg.
Thursday, November 8, 2012	1:30 p.m.	Agricultural Pool Meeting
Thursday, November 15, 2012	8:00 a.m.	IEUA DYY Meeting
Thursday, November 15, 2012	9:00 a.m.	Advisory Committee Meeting
Thursday, November 15, 2012	10:00 a.m.	RMPU Steering Committee Meeting
* Thursday, November 15, 2012	11:00 a.m.	Watermaster Board Meeting
Tuesday, November 20, 2012	9:00 a.m.	GRCC Meeting

\* **NOTE:** Watermaster Board Meeting changed from November 22<sup>nd</sup> to **November 15<sup>th</sup>** due to the Thanksgiving Holiday

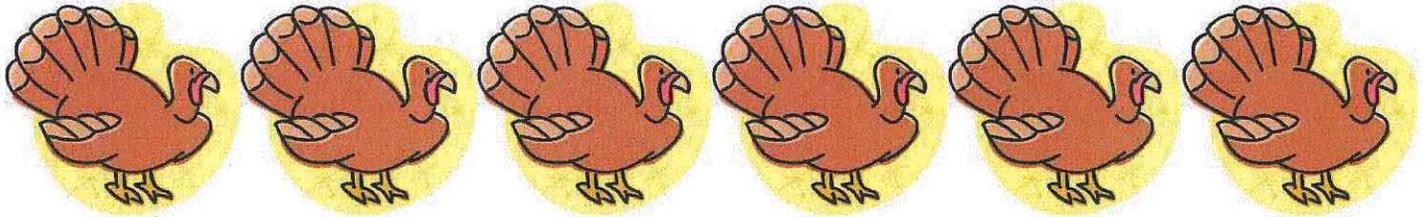
\*\* **NOTE:** Recently added

Chair Pierson adjourned the Advisory Committee meeting at 10:56 a.m.

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

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

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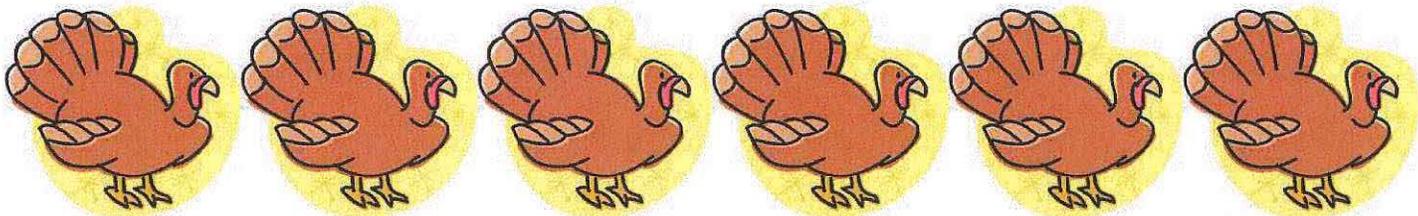


# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Watermaster Board Meeting held  
October 25, 2012



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

*October 25, 2012*

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on October 25, 2012 at 11:00 a.m.

**WATERMASTER BOARD MEMBERS PRESENT**

Bob Kuhn, Chair	Three Valleys Municipal Water District
Jim Curatalo	Fontana Union Water Company
Paula Lantz	City of Pomona
Steve Elie	Inland Empire Utilities Agency
Bob Bowcock	Vulcan Materials Company (Calmat Division)
Charles Field	Western Municipal Water District
Peter Rogers	City of Chino Hills
Paul Hofer	Agricultural Pool
Geoffrey Vanden Heuvel	Agricultural Pool

**Watermaster Staff Present**

Peter Kavounas	General Manager
Danielle Maurizio	Assistant General Manager
Joseph Joswiak	Chief Financial Officer
Sherri Molino	Recording Secretary

**Watermaster Consultants Present**

Scott Slater	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental Inc.

**Others Present**

Pete Hall	Ag Pool – State of California – CIM
Mark Kinsey	Monte Vista Water District
Art Kidman	Kidman Law LLP
David DeJesus	Three Valleys Municipal Water District
Marty Zvirbulis	Cucamonga Valley Water District
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Hank Stoy	Cucamonga Valley Water District
Raul Garibay	City of Pomona
Dave Crosley	City of Chino
Scott Burton	City of Ontario
Ron Craig	City of Chino Hills
Mike Maestas	City of Chino Hills
Nadeem Majaj	City of Chino Hills
Robert Young	Fontana Water Company
Sheri Rojo	Fontana Water Company
Craig Miller	Inland Empire Utilities Agency
Terry Catlin	Inland Empire Utilities Agency
Curtis Paxton	Chino Desalter Authority
Eunice Ulloa	Chino Basin Water Conservation District
Jack Safely	Western Municipal Water District
Todd Corbin	Jurupa Community Services District

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

**PLEDGE OF ALLEGIANCE****AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda.

**I. CONSENT CALENDAR****A. MINUTES**

1. Minutes of the Watermaster Board Meeting held September 27, 2012

**B. FINANCIAL REPORTS**

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

*Motion by Field, second by Rogers, and by unanimous vote*

***Moved to approve Consent Calendar items A through B, as presented***

**II. BUSINESS ITEMS****A. MATERIAL PHYSICAL INJURY ANALYSIS**

Mr. Kavounas stated Watermaster has received an Application for Local Storage Agreement by Vulcan Material Company (VMC), and the Watermaster process calls for the Watermaster's engineer to conduct a Material Physical Injury (MPI) Analysis. Mr. Kavounas stated WEI has performed that analysis and has concluded there is potential for material physical injury. Mr. Kavounas stated the item before the Watermaster Board today is to receive and file the WEI MPI Analysis.

Mr. Vanden Heuvel asked that Mr. Bowcock give an opinion or comments regarding this MPI.

Mr. Bowcock stated, as expressed at the Pool and Advisory Committee meetings, he has a lot of concern for the Watermaster precedence on this matter. Mr. Bowcock stated he is willing to accept the receive and file motion for the MPI analysis; however, he believes it is incumbent upon Watermaster to always be diligent in looking at MPI between parties for all activities through the process, and not a gate keeping or policing activity. Mr. Bowcock stated the Regional Water Quality Control Board (RWQCB) already governs water quality and degradation of water quality, which is their role and not Watermaster's. Mr. Bowcock offered further comment on his concerns, water quality, and MPI analysis requirements. Mr. Bowcock stated he has also expressed his concerns at each of the Pool meetings and the Advisory Committee meeting, and noted he will abstain from voting; however, he accepts the receive and file, and it his intent to always comply with all Watermaster requests.

Chair Kuhn called for a motion.

*Motion by Curatalo, second by Vanden Heuvel, and by unanimous vote – Abstention by Bowcock*

***Moved to receive and file the Wildermuth Environmental Inc. Material Physical Injury Analysis for Vulcan Material Company, as presented***

**III. REPORTS/UPDATES****A. LEGAL REPORT**

1. Order Adopting Restated Judgment, Approved Intervention of Tad Nakase (TDN Land Company) Into Chino Basin Judgment

Counsel Slater stated the Restated Judgment and the intervention of Tad Nakase was approved by the court. Counsel Slater stated with regard to the Restated Judgment the court made one minor change to the order that had been proposed and agreed upon by

Watermaster legal counsel and counsel for the Pools; it's a minor change to one word, "caveat" to "condition", which does not change the effect of order as we presented it. Counsel Slater stated this was accomplished with no opposition.

2. Watermaster Pool Membership and Party Status

Counsel Slater stated this item has been raised to the Watermaster staff and at various meetings over the last couple of months. Counsel Slater stated this has to do with Pool membership and the status of individuals, and party record keeping. Counsel Slater stated there was an expectation that some housekeeping would occur related to parties that no longer seem to have any association with the Judgment, and yet they continued to receive notices through the Watermaster database. Counsel Slater stated this led to discussion regarding the requirements to be in each of the Pools. Watermaster counsel with input from staff prepared a generic memorandum which articulates the standards to be within the Pools, and of particular interest is the fact that one must, if one is a member of the Agricultural Pool or the Overlying Non-Agricultural Pool, own land within the basin, and they must have a qualifying beneficial use. Counsel Slater stated the balance of the memo addresses how parties can be brought in through the process of an intervention as successors in interest; that has been customary and carried out routinely over the multiple decades that the Judgment has been in place. The memo concludes with an indication that there are lingering issues that confront staff, and ultimately the Board, in terms of administering the Judgment. Counsel Slater stated these along with other issues related to party status are susceptible of policy direction and there are cost consequences to some of these items. Counsel Slater stated we are not proposing a cost or a timeline associated with addressing them; however, we did want to call them to the Board's attention. Counsel Slater stated our expectation is this memo would serve as a springboard for your discussion and direction, and is not intended to articulate policy, existing or otherwise; it is intended to recite only that which is in the Judgment and the applicable documents. Counsel Slater stated to the extent that Watermaster wants to engage in rule making or policy direction, the custom would be to refer the matter to the Pools for advice and counsel, and then bringing back to the Watermaster Board any proposal that they would have on modification of Rules & Regulations. Counsel Slater stated the issues that have been identified that are pressing are what are we doing with non-participating parties such as the Agricultural Pool parties that have not formally gone through the intervention process, and lastly, an issue that which is the subject of some impending litigation is the form of possessory interest that an individual must have in order to exercise the rights under the Judgment. Counsel Slater offered further comment on the identified issues.

Chair Kuhn inquired if this was an original request made by Mr. Vanden Heuvel. Mr. Vanden Heuvel stated it might have come out of some of the questions that I had. Chair Kuhn stated he is going to ask for clarification, what would counsel or staff expect the Board to do with this – it is in the form of a draft and it does not create any precedent at this point other than the recommendation to read it in this draft form. Counsel Slater stated staff and counsel tried to articulate what the issue and concerns are and then note for the Board that the primary duty of Watermaster is to administer the decree; you are an extension of the court. Counsel Slater stated there are issues that should be addressed at some point. There is probably a need for working up a cost component of that, and there is probably a need to develop a sequence or level of urgency on how to handle them, such as all at once or sequentially. Counsel Slater stated staff and counsel would like direction to move this through the Pools to begin seeking advice and consent as to what ought to be done, and customarily this Board would provide the leadership and direction to initiate that process.

Mr. Vanden Heuvel stated he really appreciates the summary; this really helped to get clarity on this matter. Mr. Vanden Heuvel stated that the first and the second issues are about non-participating Agricultural Pool parties that have yet to be formally intervened, this is work that the Watermaster is always doing it seems, as we become aware of agricultural pumpers that may have not intervened. Mr. Vanden Heuvel stated as to cleaning up our

roles as people leave and so on, those seem like administrative tasks that don't need any kind of direction from the Watermaster Board for staff to do; those two items are different than the third one. Mr. Vanden Heuvel stated he appreciates the third item being identified; however, unless there is someone else who wants to take this item on, because from his perspective this is part of some litigation and a lot of these entities are in transition, it seems premature at this point in time. Mr. Vanden Heuvel offered further comment on the third item.

Chair Kuhn stated with regard to Mr. Vanden Heuvel's comments and the nature of this item, this is why he was asking for Board clarification as to how to move this down the road because, as Mr. Vanden Heuvel stated, there are other pressing issues that need to be worked on. Chair Kuhn asked that this item be brought back at another time.

Mr. Elie stated he agrees with the Chair's assessment; however, he wants to get a handle on it if there is something that staff is aware of that is on the horizon that might be coming this way in three to six months, and he would rather know about it now rather than later.

Counsel Slater stated he thinks counsel and staff are aware that there could be issues coming in this Board's direction and they relate to allocation questions within the Pool, they relate to party status, they relate to intervention, and each of these issues will be presented at some point in time. Counsel Slater stated he would rather achieve some input in advance of these issues finding their way one at a time, so that this Board would have the ability to address them; however, counsel and staff does not feel they be viewed as urgent. Counsel stated if it is this Board preference to handle them as they emerge from a process either by consensus and stipulation, and then approving it, or in some sort of a facilitated role – this Board will have that opportunity. Counsel Slater stated it is believed that intervention, allocation, and other facets of party status could find their way to this Board in the next six months.

Mr. Elie stated what he was asking was has something been vetted, and it sounds like counsel's lawyerly response gave us the answer.

Mr. Vanden Heuvel stated the challenge this Board has here is that we didn't just start this Judgment; we have a history, and in his reading of this memo, is that there has to be some possessory interest in order to hold over the Non-Agricultural rights. Mr. Vanden Heuvel stated that has not yet been defined; however, there is a standard – there has to be something, and to go and try to define it will be a process because everything we do here is a big negotiation. Mr. Vanden Heuvel offered further comments on this matter.

Counsel Slater stated there are two pathways here about how this Board wants to approach the problem. Counsel Slater stated a clear memorandum was provided; there are benefits to each, and he thinks the point is this Board would rather have the issue emerge from further discussion, if and when it ever emerges, and it will be dealt with at that time which is perfectly appropriate. Counsel Slater stated there are other things that we need to be working on and there are time allocation issues; although, to be responsive, your staff and counsel has said there are these issues in the queue, so this Board needs to be thoughtful on how they are going to be addressed.

Added item:

Counsel Slater stated there is an update on the Santa Ana Sucker litigation issue. Counsel Slater stated as a reminder, at one point in time Watermaster was urged to intervene into the Santa Ana Sucker litigation. Counsel Slater stated the US Fish and Wildlife Service designated a portion of the Santa Ana River as critical habitat for the Santa Ana Sucker. There was a significant piece of litigation that followed, led by Inland Empire Utilities Agency (IEUA) entities and just recently, a motion for summary judgment was handed down which was an opposition to

the contest filed by the water agencies. Counsel Slater stated the basis for designating the critical habitat was invalid. There is now a court ruling which says the designation is appropriate. Counsel Slater stated this means that the designation is of an endangered species or their habitat, and in this instance it is a designation of habitat, which does not mean parties can do things, there is a permitting process that has to be followed to get a take permit, and there is an added layer of regulatory review. Counsel Slater stated in discussing this with Mr. Wildermuth, our expectation is that Watermaster's activities may be distinguished from others – our activities will be largely unaffected; however, it may be more difficult for others to secure the permitting they want to carry out activities along the Santa Ana River. Counsel Slater stated the motion for summary judgment ruling will be appealed, and counsel and staff will continue to watch this matter.

## **B. ENGINEERING REPORT**

### **1. Modeling Update**

Mr. Wildermuth stated there are two items under the Engineering Report section; however, he will take both Item 1 and 2 under the Modeling Update. Mr. Wildermuth gave the Update to the Chino Basin Groundwater Model and Evaluation of Basin Dynamics presentation. Mr. Wildermuth stated he would like to start the planning calibrations next month and get scenario 2 done next month also. However, that will depend on getting assurances from the Appropriate Pool members that the production estimates are right.

Mr. Vanden Heuvel stated he had an opportunity to review this presentation prior to today, and if one looks at the questions that need to be answered, those questions seem to be driving this presentation. Mr. Vanden Heuvel read the questions presented in the presentation. Mr. Vanden Heuvel stated that is why he was surprised and wondering about the planning data, as to what people think is going to happen in the future. Mr. Vanden Heuvel stated that might be something that WEI can do when the model is updated; however, he is curious as to why people say what they are going to do in the future, which impacts the answers to the question of what they have done in the past and where we are today. Mr. Wildermuth stated he believes if we go through the scenarios in the presentation that may answer Mr. Vanden Heuvel's questions.

Mr. Wildermuth continued with the presentation.

Mr. Elie inquired how a transfer affects water levels. Mr. Wildermuth gave some examples how the transfers would affect water levels.

Mr. Wildermuth continued with the presentation. Mr. Wildermuth stated he would like to schedule a workshop in November on calibration. Mr. Wildermuth stated sometime in the New Year we will schedule some workshops on the planning scenarios. It was noted a notice on the workshops will be sent out by Watermaster staff.

Mr. Vanden Heuvel inquired in the Peace Agreement, or wherever one might find them, do they have a requirement that the safe yield be recalibrated on any kind of a regular basis on going forward. Mr. Kavounas stated, yes. Mr. Vanden Heuvel inquired how often. Mr. Kavounas stated Watermaster was asked to perform a safe yield recalculation in the year 2011 and every 5 years after. Mr. Vanden Heuvel stated then the anticipation is that safe yield is recalculated every five years. Mr. Kavounas agreed. Mr. Vanden Heuvel inquired to Mr. Wildermuth about planning scenario 3. Mr. Wildermuth stated he is very confident in answering Mr. Vanden Heuvel's question and noted WEI has not done runs to go back and recalculate it, and he explained what was done during the Peace II Agreement process. Mr. Vanden Heuvel asked what the relationship is between the emergence of new yield and hydraulic control. Mr. Wildermuth stated you have to have both. Mr. Vanden Heuvel stated can we assume that we have also moved up the achievement of hydraulic control by a year. Mr. Wildermuth stated, no. A discussion regarding this matter ensued. Mr. Vanden Heuvel inquired why we don't get to take the storage loss from 2%

down to zero until we reach hydraulic control. Mr. Wildermuth stated that is his understanding in the Peace Agreement. Mr. Vanden Heuvel offered comment on the 2%.

Mr. Bowcock inquired if it is exclusive to the Chino Creek Wellfield. Mr. Vanden Heuvel stated that is the only leak we have left. Mr. Wildermuth stated, yes. Mr. Bowcock asked the dollar value. Mr. Kinsey stated \$3M per year. A discussion regarding the 2% and the \$3M per year ensued.

Mr. Vanden Heuvel inquired since Watermaster has to recalculate the safe yield every 5 years is there is an embedded process to give us a safe yield that would have twenty years worth of shelf life by taking into account the planning plans of all of our appropriators. Mr. Vanden Heuvel stated maybe that is a good thing; however, we know things can change – in fact change is the only constant. Mr. Vanden Heuvel offered comment on the economy, the future, and safe yield. A discussion regarding Mr. Vanden Heuvel's comments ensued.

Chair Kuhn stated he does not think the Board can fully understand this going through it once and asked for more education on this matter.

Mr. Bowcock stated if we don't get this, then everything else that is currently being worked on is going to be wrong. Mr. Bowcock stated for those of you who don't know, a tour which was attended by most of our Board members and Pool chairs was provided by Watermaster of the basins and that tour gave us a real education. Mr. Bowcock stated what he found most interesting was to touch, feel, and talk to staff at the desalters and as we spoke to the operator; the operator was expressing concerns which Mr. Bowcock felt is contrary to what we are seeing in the model. Mr. Wildermuth stated that is not true. Mr. Bowcock stated that is what he envisioned and he needs to be educated better on this matter. Mr. Bowcock offered further comment on this matter.

Counsel Slater stated it sounds like this Board has chosen to couple the question of safe yield recalculation, hydraulic control, and losses, and that is not necessary to do that. There is a mandate that you take the losses to zero once hydraulic control is achieved; that is a requirement which is a mix of policy negotiation and court ordered package to ensure the projects were complete and the objective was achieved. It is not required though, that you maintain 2% until hydraulic control is achieved. What is needed is a demonstrated, factual presentation which provides credible substantial evidence to suggest that the loss figure is different from 2%; that is a different thing. Counsel Slater stated what you are hearing is that through the Chino Creek Wellfield you are still experiencing some leakage, whether it's 2% or not, it might be south of 2% and north a half percent – we just don't know. The second item is there is some level of urgency in trying to move forward with the study evaluation of safe yield and if the suggestion is that we ought have some sort of more dynamic determination of safe yield on an annual basis, then that can be complimentary to what is already being recommended by staff without losing 30 or 60 days while it is being hashed out.

Mr. Kavounas stated what he would add to the comments heard already is that in terms of planning scenarios he does not think Mr. Wildermuth is envisioning that whatever being planned today would necessarily hold out forever; when WEI redoes the safe yield recalculation 5 years from now, there will also be a new set of planning scenarios at that time based on what is known at that time.

Mr. Bowcock offered final comment on this matter.

A discussion on calculations ensued.

Mr. Kavounas stated WEI is going to do a workshop in November and Mr. Wildermuth is envisioning coming back each month for an update.

Mr. Vanden Heuvel stated what Mr. Bowcock is discussing is well documented and known about, which was predicted by the model. Mr. Vanden Heuvel stated he has a lot of confidence in Mr. Wildermuth's work, and he is challenging him to continue to use these planning numbers and embed them in things that need to be absolute. Mr. Wildermuth stated that is a demonstration that needs to be made.

Ms. Lantz stated she has a question about the 2% and the explanation that Counsel Slater made that it is not mandatory to wait until we have hydraulic control before we look at that. Ms. Lantz stated what came out of this for her was the fact that it means a lot to so many agencies. Ms. Lantz stated she thinks that needs to be a presentation and evaluation, or whatever it needs to be for this Board, so that we can reexamine that. Ms. Lantz stated she thinks the second component of that is an explanation from engineering about what it would take to accelerate the control. Ms. Lantz inquired is it concentrating in this area, is it doing that so that we can make a policy decision about whether or not we want to focus energies on that to improve or lessen the losses even further.

Mr. Elie inquired to the genesis of the 2% and where did it come from; there is a lot of 'in this basin this is the way we have always done it'. Mr. Elie noted he did not understand that concept.

Mr. Vanden Heuvel stated this is not the first time we have asked Mr. Wildermuth these questions and so far, in his opinion, we have not gotten the right answer back. Mr. Vanden Heuvel offered further comment on this matter and noted there is a lot of money at stake with this 2%.

A discussion regarding all the discussions comments ensued.

2. Planning Scenarios  
This item was discussed under the Modeling Update item.

### C. GM REPORT

1. Recharge Master Plan Update Timing

Mr. Kavounas stated the Recharge Master Plan Update (RMPU) is heavily engaged in by all the parties, and for him personally, it was important to take a step back and understand what each item, document, filing, project, etc. is and when it's due. Mr. Kavounas stated he put his thoughts together, compiled them, and noted he can make that available to any party who wishes to see it. Mr. Kavounas stated he has shared this spreadsheet with John Schatz, who is working with the Appropriate Pool on some RMPU amendment issues. Mr. Kavounas stated his conclusion from reviewing Watermaster's history on the RMP is that the court expects a refinement of the stormwater recharge facilities projects, along with the funding and implementation plan, by October 2013, and completion of projects by 2018. The court asked for a committee to be established for monitoring reporting and accounting practices for local stormwater recharge and new yield, but did not set a due date for when that work had to be done. The committee that the court ordered is the Steering Committee, and the work itself is Task 5. Mr. Kavounas stated the analysis, funding, and implementation plans for projects that were ordered by the court to commence, but again there is no explicit date when the court said that they have to be done, although the implicit date is October 2013. In December 2011 the Watermaster Board adopted a motion to complete the RMPU amendment work including stormwater recharge matters, funding, and implementation plans by December 2012. In December 2011 the Watermaster Board adopted a motion which was also adopted by the Advisory Committee, to complete the RMPU amendment work by December 2012. Mr. Kavounas stated the Board filed a progress report with the court in June 2012 as was required, and the report expressed the Board's direction that all the work would be completed by December 2012, and stated that progress would be made consistent with the Board's action. Mr. Kavounas stated with

regard to status, as of today, last month Watermaster prepared a strawman for Task 5 for discussion purposes only. The Appropriative Pool has been meeting and discussing this actively, with John Schatz as the facilitator, and we have received comments from four entities which have been circulated. Mr. Kavounas stated the next step would be to work with the Pools and come up with a process going forward.

2. Safe Yield Calculation

Mr. Kavounas stated this item was discussed in Mr. Wildermuth's presentation; however, it is due in 2011 and is due every 5 years after.

Ms. Lantz stated she was not clear whether the safe yield calculation was done in 2011 or not. Mr. Kavounas stated it was not done and it is overdue, and that is why Mr. Wildermuth is doing it now and intends to have it complete in June 2013.

3. Notice of Availability

Mr. Kavounas stated this item will be discussed under the confidential session.

4. Other Activities

Mr. Kavounas stated this Board approved in the consent calendar the reports, including the report B5 and there is something that he would like to draw attention to; this is not an item this Board will take action on, it is for information only regarding something the auditors pointed out to Watermaster. Mr. Kavounas stated to be in compliance with GASB 27, Watermaster needs to start showing an item that has always been an expense item; however, it has not been shown on the balance sheet. The item is funding the pension liability. The auditors are now recommending that we show it, and staff will comply with that request. Mr. Kavounas offered history on this item.

Chair Kuhn inquired if staff has any calculation on what is really due, and what we are paying interest on. Mr. Kavounas stated approximately \$125,000. Chair Kuhn stated if Watermaster pays that off then that will make the interest go away. Mr. Kavounas stated that is correct.

Mr. Kavounas stated it was his pleasure to attend the City of Chino Hills October 9<sup>th</sup> City Council meeting in which he presented Mr. Bill Kruger a certificate for his retirement, which was Board approved in September.

Mr. Kavounas stated he attended the October 12<sup>th</sup> Bioenergy Facility dedication at IEUA, which it is the largest Bioenergy facility in the whole world and was very impressive.

Mr. Kavounas stated Watermaster hosted a Basin Tour two days ago, which was constructive and he appreciated all the people who took time out of their busy schedules to go on this tour. Mr. Kavounas stated Watermaster was asked to host another tour next May. Mr. Kavounas stated there are a few folders which were used during the tour left over if anyone wants to take a look at what was visited and discussed.

Mr. Kavounas stated he is attending the Southern California Water Committee's dinner tonight.

Mr. Kavounas stated he wanted to remind the parties that the ACWA conference is being held in December in San Diego, and he is planning on attending that conference. Mr. Kavounas offered comment on some of the speakers that will be attending that conference.

#### IV. INFORMATION

1. Cash Disbursements for August 2012

No comment was made.

**V. BOARD MEMBER COMMENTS**

Several of the Board members concurred it was a very good basin tour.

**VI. OTHER BUSINESS**

No comment was made.

The regular open Watermaster Board meeting was convened to hold its confidential session at 12:08 p.m.

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

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

1. Paragraph 31 Appeal

The confidential session concluded at 12:16 p.m.

Counsel Slater stated the motion from the confidential session was to authorize the Board Chair to execute a further implementation of the Paragraph 31 Settlement which will designate a substitute rate for Metropolitan Water District replenishment rates.

**VIII. FUTURE MEETINGS AT WATERMASTER**

Thursday, October 25, 2012	11:00 a.m.	Watermaster Board Meeting
Tuesday, October 30, 2012	2:00 p.m.	Assessment Package Workshop
** Wednesday, October 31, 2012	10:00 a.m.	Land Subsidence Committee Meeting

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Thursday, November 1, 2012	10:00 a.m.	RMPU Steering Committee Meeting
Thursday, November 8, 2012	9:00 a.m.	Appropriative Pool Meeting
Thursday, November 8, 2012	11:00 a.m.	Non-Agricultural Pool Conference Call Mtg.
Thursday, November 8, 2012	1:30 p.m.	Agricultural Pool Meeting
Thursday, November 15, 2012	8:00 a.m.	IEUA DYY Meeting
Thursday, November 15, 2012	9:00 a.m.	Advisory Committee Meeting
Thursday, November 15, 2012	10:00 a.m.	RMPU Steering Committee Meeting
* Thursday, November 15, 2012	11:00 a.m.	Watermaster Board Meeting
Tuesday, November 20, 2012	9:00 a.m.	GRCC Meeting

\* **NOTE:** Watermaster Board Meeting changed from November 22<sup>nd</sup> to **November 15<sup>th</sup>** due to the Thanksgiving Holiday

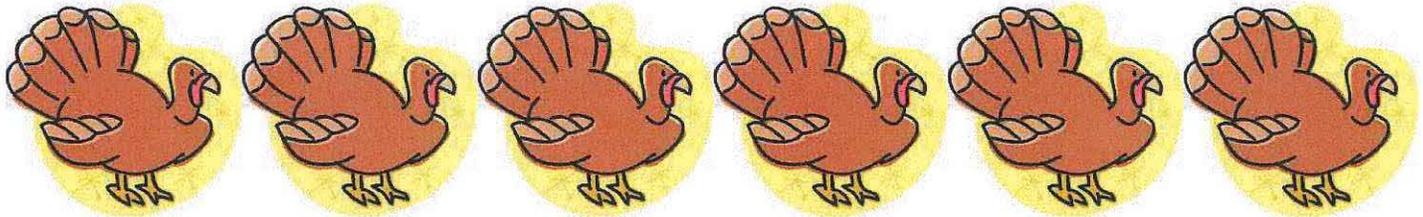
\*\* **NOTE:** Recently added

Chair Kuhn adjourned the Watermaster Board meeting at 12:19 p.m.

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

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

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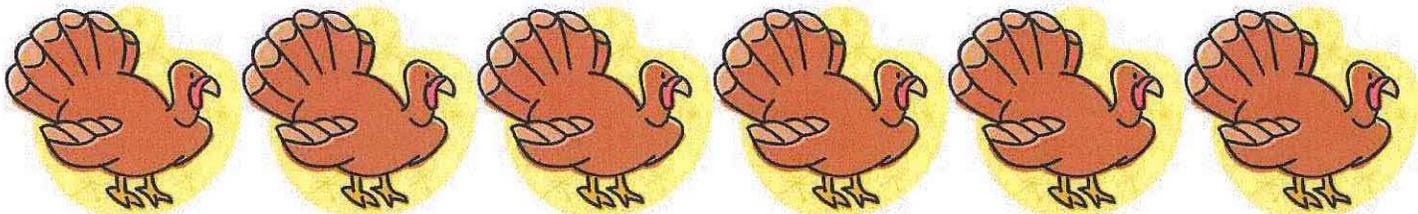


# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### B. FINANCIAL REPORTS

1. Cash Disbursements for the month of September 2012
2. Watermaster VISA Check Detail for the month of September 2012
3. Combining Schedule for the Period July 1, 2012 through September 30, 2012
4. Treasurer's Report of Financial Affairs for the Period September 1, 2012 through September 30, 2012
5. Budget vs. Actual Report for the Period July 1, 2012 through September 30, 2012





# CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.  
General Manager

## STAFF REPORT

**DATE:** November 15, 2012  
**TO:** Committee Members  
Watermaster Board Members  
**SUBJECT:** Cash Disbursement Report – Financial Report B1 (September 30, 2012)

### SUMMARY

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

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

**Fiscal Impact** – Funds disbursed were included in the FY 2012-2013 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 September 2012 were \$479,601.15. The most significant expenditures during the month were to Wildermuth Environmental, Inc. in the amount of \$207,403.98 (check number 16349 dated September 25, 2012); Brownstein Hyatt Farber Schreck in the amounts of \$69,597.91 and \$49,204.90 (check number 16290 dated September 6, 2012 and check number 16350 dated September 26, 2012); and McCall's Meter Sales and Service in the amount of \$27,572.43 (check number 16303 dated September 6, 2012).

### Actions:

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

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**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**September 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>
Bill Pmt -Check	09/04/2012	16287	DGO AUTO DETAILING		1012 · Bank of America Gen'l Ckg	
Bill	08/23/2012			Wash 4 trucks on 8/08/12 and 8/22/12	6177 · Vehicle Repairs & Maintenance	200.00
TOTAL						200.00
Bill Pmt -Check	09/06/2012	16288	APPLIED COMPUTER TECHNOLOGIES	2075	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2012	2075		Database Services - August 2012	6052.2 · Applied Computer Technol	3,746.60
TOTAL						3,746.60
Bill Pmt -Check	09/06/2012	16289	ARROWHEAD MOUNTAIN SPRING WATER	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2012	0023230253		Office Water Bottle - August 2012	6031.7 · Other Office Supplies	39.71
TOTAL						39.71
Bill Pmt -Check	09/06/2012	16290	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	07/31/2012	511190		511190	8375 · BHFS Legal - Appropriative Pool	2,245.68
				511190	8475 · BHFS Legal - Agricultural Pool	2,045.68
				511190	8575 · BHFS Legal - Non-Ag Pool	1,531.25
				511190	6275 · BHFS Legal - Advisory Committee	2,094.28
				511190	6375 · BHFS Legal - Board Meeting	6,233.54
				511190	6071 · BHFS Legal - Court Coordination	8,860.50
				511190	6072 · BHFS Legal - Annotated Judgment	6,772.05
				511190	6074 · BHFS Legal - Interagency Issues	1,160.10
				511190	6076 · BHFS Legal - Storage Issues	1,096.20
				511190	6078 · BHFS Legal - Miscellaneous	5,225.15
				511190	6907.30 · Peace II - CEQA	497.70
				511190	6907.33 · Desalter/Hydraulic Control	426.60
				511190	6907.39 · Recharge Master Plan	3,388.05
				511190	8575.1 · Paragraph 15 - CSI/Aqua Capital	8,692.73
Bill	07/31/2012	511191		511191	6073 · BHFS Legal - Personnel Matters	6,657.75
Bill	07/31/2012	511192		511192	6907.34 · Santa Ana River Water Rights	3,217.05
Bill	07/31/2012	511193		511193	6907.35 · Paragraph 31 Motion	9,124.20
Bill	07/31/2012	511194		511194	6907.36 · Santa Ana River Habitat	329.40
TOTAL						69,597.91
Bill Pmt -Check	09/06/2012	16291	CALPERS 457 PLAN	Payroll and Taxes for 08/05/12-08/18/12	1012 · Bank of America Gen'l Ckg	
General Journal	08/24/2012	08/24/2012	CALPERS 457 PLAN	Employee deductions for 08/05/12-08/18/12	2000 · Accounts Payable	2,094.55
TOTAL						2,094.55
Bill Pmt -Check	09/06/2012	16292	CHARLES Z. FEDAK & COMPANY		1012 · Bank of America Gen'l Ckg	
Bill	08/31/2012			Progress Billing - August 2012	6062 · Audit Services	1,550.00

P 23

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**September 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							1,550.00
	Bill Pmt -Check	09/06/2012	16293	COMPUTER NETWORK		1012 · Bank of America Gen'l Ckg	
	Bill	08/24/2012	85009		1 TB External Hard Drive	6055 · Computer Hardware	237.05
	Bill	08/24/2012	85011		Keyboard and labor	6055 · Computer Hardware	125.00
					Roxio 2012 software	6054 · Computer Software	92.00
	Bill	08/24/2012	85014		Upgraded monitors	6055 · Computer Hardware	81.89
TOTAL							535.94
	Bill Pmt -Check	09/06/2012	16294	DIRECTV	019447404	1012 · Bank of America Gen'l Ckg	
	Bill	08/31/2012	019447404		8/19/12 - 9/18/12	6031.7 · Other Office Supplies	89.99
TOTAL							89.99
	Bill Pmt -Check	09/06/2012	16295	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
	Bill	08/09/2012	L0094697		L0094697	7108.4 · Hydraulic Control-Lab Svcs	615.00
	Bill	08/09/2012	L0094696		L0094696	7108.4 · Hydraulic Control-Lab Svcs	2,065.00
	Bill	08/09/2012	L0093254		L0093254	7108.4 · Hydraulic Control-Lab Svcs	2,065.00
	Bill	08/09/2012	L0093253		L0093253	7108.4 · Hydraulic Control-Lab Svcs	615.00
	Bill	08/09/2012	L0093250		L0093250	7108.4 · Hydraulic Control-Lab Svcs	1,770.00
	Bill	08/09/2012	L0093304		L0093304	7108.4 · Hydraulic Control-Lab Svcs	1,532.00
	Bill	08/14/2012	L0095240		L0095240	7108.4 · Hydraulic Control-Lab Svcs	1,770.00
TOTAL							10,432.00
	Bill Pmt -Check	09/06/2012	16296	FOREVER YOUNG PORTRAITURE	08162012	1012 · Bank of America Gen'l Ckg	
	Bill	08/22/2012	08162012		08162012	6312 · Meeting Expenses	150.00
TOTAL							150.00
	Bill Pmt -Check	09/06/2012	16297	GOLDEN METERS SERVICE	295	1012 · Bank of America Gen'l Ckg	
	Bill	08/27/2012	295		295	7102.8 · In-line Meter-Calib & Test	350.00
TOTAL							350.00
	Bill Pmt -Check	09/06/2012	16298	GREAT AMERICA LEASING CORP.	12682250	1012 · Bank of America Gen'l Ckg	
	Bill	08/31/2012	12682250		Invoice - Monthly Service	6043.1 · Ricoh Lease Fee	2,788.53
					Usage for Black Copies	6043.2 · Ricoh Usage & Maintenance Fee	40.58
					Usage for Color Copies	6043.2 · Ricoh Usage & Maintenance Fee	131.65
					San Bernardino County property tax-3 machines	6043.1 · Ricoh Lease Fee	503.10
TOTAL							3,463.86
	Bill Pmt -Check	09/06/2012	16299	HALL, PETE*	AG POOL MEMBER COMPENSATION	1012 · Bank of America Gen'l Ckg	
	Bill	08/31/2012	7/19/12 Advisory Com		7/19/12 Advisory Committee Meeting - to replace cl 8470 · Ag Meeting Attend -Special		125.00

P24

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**September 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							125.00
	Bill Pmt -Check	09/06/2012	16300	HSBC BUSINESS SOLUTIONS	7003-7309-1000-2744	1012 - Bank of America Gen'l Ckg	
	Bill	08/31/2012	7003730910002744		Miscellaneous office supplies	6031.7 - Other Office Supplies	264.34
TOTAL							264.34
	Bill Pmt -Check	09/06/2012	16301	KRUGER, W. C. "BILL"	8/16/12 RMPU Meeting	1012 - Bank of America Gen'l Ckg	
	Bill	08/16/2012	8/16 RMPU Mtg		8/16/12 RMPU Meeting	6311 - Board Member Compensation	125.00
TOTAL							125.00
	Bill Pmt -Check	09/06/2012	16302	KUHN, BOB		1012 - Bank of America Gen'l Ckg	
	Bill	08/15/2012	8/15 Admin Mtg		8/15/12 Administrative Meeting	6311 - Board Member Compensation	125.00
	Bill	08/21/2012	8/21 Admin Mtg		8/21/12 Administrative Meeting	6311 - Board Member Compensation	125.00
	Bill	08/30/2012	8/30 Admin Mtg		8/30/12 Administrative Meeting	6311 - Board Member Compensation	125.00
	Bill	08/31/2012	8/31 Admin Mtg		8/31/12 Administrative Meeting	6311 - Board Member Compensation	125.00
TOTAL							500.00
P25	Bill Pmt -Check	09/06/2012	16303	MCCALL'S METER SALES & SERVICE		1012 - Bank of America Gen'l Ckg	
	Bill	08/08/2012	22823		22823	7102.5 - In-line Meter-Repair & Maint.	24,071.35
	Bill	08/14/2012	22840		22840	7102.5 - In-line Meter-Repair & Maint.	150.00
					22840	7102.8 - In-line Meter-Calib & Test	225.00
	Bill	08/28/2012	22913		22913	7102.5 - In-line Meter-Repair & Maint.	2,676.08
					22913	7102.8 - in-line Meter-Calib & Test	450.00
TOTAL							27,572.43
	Bill Pmt -Check	09/06/2012	16304	MIJAC ALARM	323185	1012 - Bank of America Gen'l Ckg	
	Bill	09/01/2012	323185		Building monitoring 9/01/12-11/30/12	6026 - Security Services	396.00
TOTAL							396.00
	Bill Pmt -Check	09/06/2012	16305	PARK PLACE COMPUTER SOLUTIONS, INC.	466	1012 - Bank of America Gen'l Ckg	
	Bill	08/31/2012	466		IT Services - August 2012	6052.1 - Park Place Comp Solutn	2,025.00
TOTAL							2,025.00
	Bill Pmt -Check	09/06/2012	16306	PAYCHEX	2012083000	1012 - Bank of America Gen'l Ckg	
	Bill	08/31/2012	2012083000		August 2012	6012 - Payroll Services	325.02
TOTAL							325.02
	Bill Pmt -Check	09/06/2012	16307	PREMIERE GLOBAL SERVICES	12079761	1012 - Bank of America Gen'l Ckg	
	Bill	08/31/2012	12079761		Call on 7/24/12	6909.1 - OBMP Meetings	34.16
					Service fee	6022 - Telephone	0.80

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**September 2012**

Type	Date	Num	Name	Memo	Account	Paid Amount
				Service fee	6022 · Telephone	14.95
TOTAL						49.91
Bill Pmt -Check	09/06/2012	16308	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	08/24/2012	08/24/2012	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS retirement for 08/05/12-08/18/12	2000 · Accounts Payable	5,366.84
TOTAL						5,366.84
Bill Pmt -Check	09/06/2012	16309	PURCHASE POWER	8000909000168851	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2012	8000909000168851		FedEx shipments	6042 · Postage - General	138.35
TOTAL						138.35
Bill Pmt -Check	09/06/2012	16310	R&D PEST SERVICES	0158619	1012 · Bank of America Gen'l Ckg	
Bill	09/05/2012	0158619		Ongoing building treatment - outside	6024 · Building Repair & Maintenance	85.00
TOTAL						85.00
Bill Pmt -Check	09/06/2012	16311	VERIZON		1012 · Bank of America Gen'l Ckg	
Bill	08/28/2012	012561121521714508		012561121521714508	7405 · PE4-Other Expense	177.15
Bill	08/31/2012	012519116950792103		012519116950792103	6022 · Telephone	483.82
TOTAL						660.97
Bill Pmt -Check	09/06/2012	16312	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2012	001017890001		Vision premium - September 2012	60182.2 · Dental & Vision Ins	26.71
TOTAL						26.71
Bill Pmt -Check	09/06/2012	16313	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
Bill	09/04/2012	08-k2 213849		Disposal service - September 2012	6024 · Building Repair & Maintenance	106.53
TOTAL						106.53
Bill Pmt -Check	09/13/2012	16314	SEVEN STAR PAINTING CO.		1012 · Bank of America Gen'l Ckg	
Bill	09/06/2012			Paint GM office	6024 · Building Repair & Maintenance	380.00
TOTAL						380.00
General Journal	09/15/2012	09/15/2012	Payroll and Taxes for 09/02/12-09/15/12	Payroll and Taxes for 09/02/12-09/15/12	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 09/02/12-09/15/12	1012 · Bank of America Gen'l Ckg	22,296.98
				Payroll Taxes for 09/02/12-09/15/12	1012 · Bank of America Gen'l Ckg	8,233.91
TOTAL						30,530.89
Check	09/17/2012	09/17/2012	Service Charge	Service Charge	1012 · Bank of America Gen'l Ckg	
				Service Charge	6039.1 · Banking Service Charges	222.50
TOTAL						222.50

926

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**September 2012**

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/17/2012	16315	ACWA JOINT POWERS INSURANCE AUTHORITY	00198	1012 · Bank of America Gen'l Ckg	
Bill	09/10/2012	00198		Prepayment - October 2012	1409 · Prepaid Life, BAD&D & LTD	124.05
				Premium - September 2012	60191 · Life & Disab.Ins Benefits	87.56
TOTAL						211.61
Bill Pmt -Check	09/17/2012	16316	AUTOMOBILE CLUB OF SOUTHERN CALIFORNI	Membership# 98966125	1012 · Bank of America Gen'l Ckg	
Bill	09/10/2012	4290049896612502		Annual membership	6177 · Vehicle Repairs & Maintenance	48.00
TOTAL						48.00
Bill Pmt -Check	09/17/2012	16317	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2012	XXXX-XXXX-XXXX-9341		Breakfast mtg	6909.1 · OBMP Meetings	13.95
				Ph probe kit for water quality sampling	7103.6 · Grdwtr Qual-Supplies	319.38
TOTAL						333.33
Bill Pmt -Check	09/17/2012	16318	CALPERS 457 PLAN	Payroll and Taxes for 08/19/12-09/01/12	1012 · Bank of America Gen'l Ckg	
General Journal	08/31/2012	08/31/2012	CALPERS 457 PLAN	Employee 457 deductions for 08/19/12-09/01/12	2000 · Accounts Payable	2,094.55
TOTAL						2,094.55
Bill Pmt -Check	09/17/2012	16319	EGOSCUE LAW GROUP	10129	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2012	10129		Legal services - August 2012	8467 · Ag Legal & Technical Services	275.00
TOTAL						275.00
Bill Pmt -Check	09/17/2012	16320	EUROFINS EATON ANALYTICAL	L0094764	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2012	L0094764		L0094764	7103.5 · Grdwtr Qual-Lab Svcs	658.00
TOTAL						658.00
Bill Pmt -Check	09/17/2012	16321	GRAINGER		1012 · Bank of America Gen'l Ckg	
Bill	08/28/2012	9913388964		9913388964	7104.6 · Grdwtr Level-Supplies	170.67
Bill	08/30/2012	9915812128		9915812128	7104.6 · Grdwtr Level-Supplies	18.49
Bill	08/30/2012	9915812110		9915812110	7104.6 · Grdwtr Level-Supplies	10.61
TOTAL						199.77
Bill Pmt -Check	09/17/2012	16322	GUARANTEED JANITORIAL SERVICE, INC.	6-29258	1012 · Bank of America Gen'l Ckg	
Bill	09/06/2012	6-29258		Service - September 2012	6024 · Building Repair & Maintenance	865.00
TOTAL						865.00
Bill Pmt -Check	09/17/2012	16323	HOGAN LOVELLS	2381389	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2012	2681389		Non-Ag Pool legal services - August 2012	8567 · Non-Ag Legal Service	2,310.00
TOTAL						2,310.00

P27

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**September 2012**

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/17/2012	16324	OFFICE DEPOT	61109157701	1012 · Bank of America Gen'l Ckg	
Bill	09/06/2012	61109157701		Invoice 61109157701	6031.7 · Other Office Supplies	147.87
TOTAL						147.87
Bill Pmt -Check	09/17/2012	16325	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	08/31/2012	08/31/2012	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS retirement for 08/19/12-09/01/12	2000 · Accounts Payable	5,370.81
TOTAL						5,370.81
Bill Pmt -Check	09/17/2012	16326	TELECOM SERVICES	5605	1012 · Bank of America Gen'l Ckg	
Bill	09/04/2012	5605		Program changes to voice-mail system	6022 · Telephone	150.00
TOTAL						150.00
Bill Pmt -Check	09/17/2012	16327	THE LAWTON GROUP	6017	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2012	IVC070000018993		Week ending 9/02/12	6017 · Temporary Services	384.00
TOTAL						384.00
Bill Pmt -Check	09/17/2012	16328	UNION 76	300-732-989	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2012	300732989		August 2012	6175 · Vehicle Fuel	304.06
TOTAL						304.06
Bill Pmt -Check	09/17/2012	16329	VERIZON WIRELESS	1116557125	1012 · Bank of America Gen'l Ckg	
Bill	09/12/2012	1116557125		Monthly service	6022 · Telephone	493.46
				Kavounas - iPad 4GE LTE 64GB	6055 · Computer Hardware	900.31
				Samsung Galaxy S III	6022 · Telephone	319.73
TOTAL						1,713.50
Bill Pmt -Check	09/17/2012	16330	WESTERN DENTAL SERVICES, INC.	Invoices 2154 and 2156	1012 · Bank of America Gen'l Ckg	
Bill	09/07/2012	2154, 2156		Dental premium - September 2012	60182.2 · Dental & Vision Ins	28.88
TOTAL						28.88
Bill Pmt -Check	09/19/2012	16331	CORELOGIC INFORMATION SOLUTIONS	80593891	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2012	80593891		80593891	7103.7 · Grdwtr Qual-Computer Svc	62.50
				80593891	7101.4 · Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	09/19/2012	16332	CUCAMONGA VALLEY WATER DISTRICT	Lease due October 1, 2012	1012 · Bank of America Gen'l Ckg	
Bill	09/17/2012			Lease due October 1, 2012	1422 · Prepaid Rent	6,098.00
TOTAL						6,098.00

P28

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**September 2012**

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/19/2012	16333	LEGAL SHIELD	111802	1012 · Bank of America Gen'l Ckg	
Bill	09/17/2012	111802		Employee deductions - September 2012	60194 · Other Employee Insurance	77.70
TOTAL						<u>77.70</u>
Bill Pmt -Check	09/19/2012	16334	OFFICE DEPOT	624436105001	1012 · Bank of America Gen'l Ckg	
Bill	09/17/2012	624436105001		Replacement office chair for receptionist	6031.7 · Other Office Supplies	107.74
TOTAL						<u>107.74</u>
Bill Pmt -Check	09/19/2012	16335	PRINTING RESOURCES		1012 · Bank of America Gen'l Ckg	
Bill	09/12/2012	58555		Name plate - Brian Geye	6031.7 · Other Office Supplies	28.44
Bill	09/12/2012	58394		Business cards - Kavounas, Maurizio, Yoo	6031.7 · Other Office Supplies	367.90
TOTAL						<u>396.34</u>
Bill Pmt -Check	09/19/2012	16336	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2012				60182.4 · Retiree Medical	136.61
TOTAL						<u>136.61</u>
Bill Pmt -Check	09/19/2012	16337	VERIZON BUSINESS	08072136	1012 · Bank of America Gen'l Ckg	
Bill	09/17/2012	08072136		08072136	6053 · Internet Expense	1,544.99
TOTAL						<u>1,544.99</u>
Bill Pmt -Check	09/20/2012	16338	K J CONSULTING	Consulting Services	1012 · Bank of America Gen'l Ckg	
Bill	09/20/2012				6061.4 · Other Contract Services	2,500.00
TOTAL						<u>2,500.00</u>
Bill Pmt -Check	09/25/2012	16339	ARROWHEAD MOUNTAIN SPRING WATER	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	09/19/2012	0023230253		Office Water Bottle - September 2012	6031.7 · Other Office Supplies	39.71
TOTAL						<u>39.71</u>
Bill Pmt -Check	09/25/2012	16340	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	09/24/2012	1394905143		Medical premiums- October 2012	60182.1 · Medical Insurance	5,590.73
TOTAL						<u>5,590.73</u>
Bill Pmt -Check	09/25/2012	16341	COMPUTER NETWORK	85241	1012 · Bank of America Gen'l Ckg	
Bill	09/19/2012	85241		Voltage regulators for GM office	6055 · Computer Hardware	286.63
TOTAL						<u>286.63</u>
Bill Pmt -Check	09/25/2012	16342	CUCAMONGA VALLEY IAAP	Sept. 26, 2012 Cucamonga IAAP Meeting	1012 · Bank of America Gen'l Ckg	
Bill	09/24/2012			Fee-Wilson and Molino-attend Chapter Meeting	6192 · Training & Seminars	50.00
TOTAL						<u>50.00</u>

P 29

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**September 2012**

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/25/2012	16343	DGO AUTO DETAILING		1012 · Bank of America Gen'l Ckg	
Bill	09/19/2012			Wash 4 trucks on 9/05/12 and 9/19/12	6177 · Vehicle Repairs & Maintenance	200.00
TOTAL						200.00
Bill Pmt -Check	09/25/2012	16344	DIRECTV	019447404	1012 · Bank of America Gen'l Ckg	
Bill	09/19/2012	019447404		9/19/12 -10/18/12	6031.7 · Other Office Supplies	89.99
TOTAL						89.99
Bill Pmt -Check	09/25/2012	16345	TELECOM SERVICES	5615	1012 · Bank of America Gen'l Ckg	
Bill	09/18/2012	5615		Work on phones in GM office	6022 · Telephone	150.00
TOTAL						150.00
Bill Pmt -Check	09/25/2012	16346	THE LAWTON GROUP	6017	1012 · Bank of America Gen'l Ckg	
Bill	09/09/2012	1VC070000019021		Week ending 9/09/12	6017 · Temporary Services	614.40
Bill	09/19/2012	IVC070000019049		Week ending 9/16/12	6017 · Temporary Services	768.00
TOTAL						1,382.40
P30 Bill Pmt -Check	09/25/2012	16347	UNITED HEALTHCARE	C0028994181	1012 · Bank of America Gen'l Ckg	
Bill	09/19/2012	C0028994181		Dental premium - October 2012	60182.2 · Dental & Vision Ins	451.27
TOTAL						451.27
Bill Pmt -Check	09/25/2012	16348	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	09/19/2012	001017890001		Vision premium - October 2012	60182.2 · Dental & Vision Ins	33.25
TOTAL						33.25
Bill Pmt -Check	09/25/2012	16349	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
Bill	08/31/2012	2012211		2012211	6906 · OBMP Engineering Services	1,514.50
Bill	08/31/2012	2012212		2012212	6906 · OBMP Engineering Services	16,881.75
Bill	08/31/2012	2012213		2012213	6906 · OBMP Engineering Services	3,850.00
Bill	08/31/2012	2012214		2012214	6906.1 · OBMP - Watermaster Model Update	53,176.00
Bill	08/31/2012	2012215		2012215	6906 · OBMP Engineering Services	7,250.00
Bill	08/31/2012	2012216		2012216	7103.3 · Grdwtr Qual-Engineering	11,548.75
Bill	08/31/2012	2012217		2012217	7104.3 · Grdwtr Level-Engineering	18,153.53
Bill	08/31/2012	2012218		2012218	7107.3 · Grd Level-SAR Imagery	14,000.00
				Tom Dodson & Assoc.	7107.61 · Grd Level-Chino Hills ASR	990.00
				2012218	7107.61 · Grd Level-Chino Hills ASR	1,823.75
Bill	08/31/2012	2012219		2012219	7107.2 · Grd Level-Engineering	19,169.55
Bill	08/31/2012	2012220		2012220	7108.3 · Hydraulic Control-Engineering	9,360.76
Bill	08/31/2012	2012221		2012221	7108.3 · Hydraulic Control-Engineering	222.50

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**September 2012**

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/31/2012	2012222		2012222	7108.3 · Hydraulic Control-Engineering	1,210.91
Bill	08/31/2012	2012223		2012223	7108.7 · Hydraulic Control - Prado Basin	22,150.76
Bill	08/31/2012	2012224		2012224	7202.3 · Comp Recharge-Implementation	12,698.75
Bill	08/31/2012	2012225		2012225	7402 · PE4-Engineering	4,521.25
Bill	08/31/2012	2012226		2012226	7502 · PE6&7-Engineering	1,141.39
Bill	08/31/2012	2012227		2012227	7101.31 · Prod Monitor-Engineering-Sub	2,417.37
Bill	08/31/2012	2012228		2012228	7103.31 · Grdwtr Qual-Engineering SubCont	5,322.46
TOTAL						207,403.98
<b>Bill Pmt -Check</b>	<b>09/26/2012</b>	<b>16350</b>	<b>BROWNSTEIN HYATT FARBER SCHRECK</b>		<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	08/31/2012	514132		514132	8375 · BHFS Legal - Appropriative Pool	3,091.95
				514132	8475 · BHFS Legal - Agricultural Pool	473.85
				514132	8575 · BHFS Legal - Non-Ag Pool	796.50
				514132	8575.1 · Paragraph 15 - CSI/Aqua Capital	1,160.55
				514132	6375 · BHFS Legal - Board Meeting	684.45
				514132	6071 · BHFS Legal - Court Coordination	1,377.45
				514132	6072 · BHFS Legal - Annotated Judgment	4,430.70
				514132	6073 · BHFS Legal - Personnel Matters	315.90
				514132	6074 · BHFS Legal - Interagency Issues	2,861.10
				514132	6076 · BHFS Legal - Storage Issues	1,750.50
				514132	6078 · BHFS Legal - Miscellaneous	5,058.00
				514132	6907.39 · Recharge Master Plan	6,764.60
Bill	08/31/2012	514133		514133	6073 · BHFS Legal - Personnel Matters	2,344.50
Bill	08/31/2012	514134		514134	6907.34 · Santa Ana River Water Rights	2,180.70
Bill	08/31/2012	514137		514137	6907.33 · Desalter/Hydraulic Control	4,591.80
Bill	08/31/2012	514135		514135	6907.35 · Paragraph 31 Motion	11,067.30
Bill	08/31/2012	514136		514136	6907.36 · Santa Ana River Habitat	255.05
TOTAL						49,204.90
<b>Bill Pmt -Check</b>	<b>09/26/2012</b>	<b>16351</b>	<b>GEOSCIENCE SUPPORT SERVICES, INC.</b>	<b>4555-11-05</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	08/31/2012	4555-11-05		August 2012	7107.61 · Grd Level-Chino Hills ASR	610.00
TOTAL						610.00
<b>General Journal</b>	<b>09/29/2012</b>	<b>09/29/2012</b>	<b>Payroll and Taxes for 09/16/12-09-29/12</b>	<b>Payroll and Taxes for 09/16/12-09-29/12</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
				Direct Deposits for 09/16/12-09-29/12	1012 · Bank of America Gen'l Ckg	19,488.58
				Payroll Taxes for 09/16/12-09-29/12	1012 · Bank of America Gen'l Ckg	5,978.55
TOTAL						25,467.13
<b>General Journal</b>	<b>09/30/2012</b>	<b>09/30/2012</b>	<b>Wage Works Direct Debits - Sept. 2012</b>	<b>Wage Works Direct Debits - Sept. 2012</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
				Wage Works Direct Debits - September 2012	1012 · Bank of America Gen'l Ckg	616.55

P31

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month  
September 2012

Type	Date	Num	Name	Memo	Account	Paid Amount
				Wage Works Direct Debits - September 2012	1012 - Bank of America Gen'l Ckg	30.77
				Wage Works Direct Debits - September 2012	1012 - Bank of America Gen'l Ckg	685.78
				Wage Works Direct Debits - September 2012	1012 - Bank of America Gen'l Ckg	76.25
TOTAL						1,409.35
					<b>Total Disbursements:</b>	<b><u>479,601.15</u></b>

P32



# CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.  
General Manager

## STAFF REPORT

**DATE:** November 15, 2012  
**TO:** Committee Members  
Watermaster Board Members  
**SUBJECT:** VISA Check Detail Report – Financial Report B2 (September 30, 2012)

### SUMMARY

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

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

**Fiscal Impact** – Funds disbursed were included in the FY 2012-2013 Watermaster Budget.

### BACKGROUND

A monthly VISA Check Detail report is provided to keep all members apprised of Watermaster expenditures charged against the General Manager, Assistant General Manager and Chief Financial Officer's Bank of America VISA card.

### DISCUSSION

Total cash disbursement during the month of September 2012 was \$333.33. This payment was processed by check number 16317 dated September 17, 2012. The monthly charges for September 2012 were for routine and customary expenditures and properly documented with receipts.

### Actions:

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

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CHINO BASIN WATERMASTER  
 VISA Check Detail Report  
 September 2012

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/17/2012	16317	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2012	XXXX-XXXX-XXXX-9341		Breakfast mtg	6909.1 · OBMP Meetings	13.95
				Ph probe kit for water quality sampling	7103.6 · Grdwtr Qual-Supplies	319.38
TOTAL					<b>Total Disbursements:</b>	<b>333.33</b>

P35

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PETER KAVOUNAS, P.E.  
General Manager

## STAFF REPORT

**DATE:** November 15, 2012

**TO:** Committee Members  
Watermaster Board Members

**SUBJECT:** Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2012 through September 30, 2012 - Financial Report B3 (September 30, 2012)

### SUMMARY

**Issue** – Record of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2012 through September 30, 2012.

**Recommendation** – Staff recommends the Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2012 through September 30, 2012 be received and filed as presented.

**Fiscal Impact** – Funds disbursed were included in the FY 2012-2013 Watermaster Budget.

### BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Working Capital for the period July 1, 2012 through September 30, 2012 is provided to keep all members apprised of the FY 2012/2013 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 have 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:

November 8, 2012 Appropriative Pool – Approved unanimously  
November 8, 2012 Non-Agricultural Pool – Moved to receive and file without approval  
November 8, 2012 Agricultural Pool – Approved unanimously  
November 15, 2012 Advisory Committee –  
November 15, 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, 2012 THROUGH SEPTEMBER 30, 2012

Financial Report - B3

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUNDWATER OPERATIONS		EDUCATION FUNDS	GRAND TOTALS	BUDGET 2012-2013
			APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS			
<b>Administrative Revenues:</b>										
Administrative Assessments			-		60,000				60,000	\$6,612,663
Interest Revenue			3,726	421	113			0	4,260	39,600
Mutual Agency Project Revenue	-								-	152,938
Grant Income									-	0
Miscellaneous Income									-	0
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>3,726</b>	<b>421</b>	<b>60,113</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>64,260</b>	<b>6,805,201</b>
<b>Administrative &amp; Project Expenditures:</b>										
Watermaster Administration	236,257								236,257	428,643
Watermaster Board-Advisory Committee	28,793								28,793	197,279
Ag Pool Misc. Expense - Ag Fund				-					-	400
Pool Administration			11,971	20,650	25,666				58,287	597,959
Optimum Basin Mgmt Administration		286,657							286,657	1,209,186
OBMP Project Costs		731,167							731,167	4,020,806
Debt Service		504,688							504,688	501,055
Basin Recharge Improvements		17,000							17,000	272,829
Education Funds Use								-	-	257
Mutual Agency Project Costs									-	10,000
<b>Total Administrative/OBMP Expenses</b>	<b>265,051</b>	<b>1,539,511</b>	<b>11,971</b>	<b>20,650</b>	<b>25,666</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,862,849</b>	<b>7,238,413</b>
<b>Net Administrative/OBMP Expenses</b>	<b>(265,051)</b>	<b>(1,539,511)</b>								
Allocate Net Admin Expenses To Pools	265,051		178,051	77,092	9,907				-	
Allocate Net OBMP Expenses To Pools		1,034,823	695,157	300,985	38,681				-	
Allocate Debt Service to App Pool		504,688	504,688						-	
Agricultural Expense Transfer*			398,727	(398,727)					-	
<b>Total Expenses</b>	<b>1,788,594</b>		<b>-</b>	<b>74,254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,862,849</b>	<b>7,238,413</b>
<b>Net Administrative Income</b>			<b>(1,784,869)</b>	<b>421</b>	<b>(14,141)</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>(1,798,588)</b>	<b>(433,212)</b>
<b>Other Income/(Expense)</b>										
Replenishment Water Assessments									-	0
Non-Ag Stored Water Purchases									-	0
Interest Revenue						15			15	0
MWD Water Purchases									-	0
Non-Ag Stored Water Purchases									-	0
MWD Water Purchases									-	0
Groundwater Replenishment									-	0
Refund-Excess Reserves									-	0
Refund-Recharge Debt									-	0
<b>Net Other Income/(Expense)</b>						<b>15</b>			<b>15</b>	<b>0</b>
<b>Net Transfers To/(From) Reserves</b>		<b>(1,798,573)</b>	<b>(1,784,869)</b>	<b>421</b>	<b>(14,141)</b>	<b>15</b>	<b>-</b>	<b>0</b>	<b>(1,798,573)</b>	<b>(433,212)</b>
Working Capital, July 1, 2012			5,104,766	477,493	138,089	24,627	158,251	256	5,903,483	
Working Capital, End Of Period			3,319,897	477,915	123,949	24,643	158,251	256	4,104,910	4,104,910
<b>11/12 Assessable Production</b>			<b>79,342.533</b>	<b>34,353.325</b>	<b>4,414.887</b>				<b>118,110.745</b>	
<b>11/12 Production Percentages</b>			<b>67.176%</b>	<b>29.086%</b>	<b>3.738%</b>				<b>100.000%</b>	

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

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# CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.  
General Manager

## STAFF REPORT

**DATE:** November 15, 2012

**TO:** Committee Members  
Watermaster Board Members

**SUBJECT:** Treasurer's Report of Financial Affairs for the Period September 1, 2012 through September 30, 2012 - Financial Report B4 (September 30, 2012)

### SUMMARY

**Issue** – Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of September 1, 2012 through September 30, 2012.

**Recommendation** – Staff recommends the Treasurer's Report of Financial Affairs for the Period September 1, 2012 through September 30, 2012 be received and filed as presented.

**Fiscal Impact** – Funds disbursed were included in the FY 2012-2013 Watermaster Budget.

### BACKGROUND

A Treasurer's Report of Financial Affairs for the Period September 1, 2012 through September 30, 2012 is provided to keep all members apprised of the total cash in banks (Bank of America, LAIF, and CalTRUST) 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) and/or CalTRUST, 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:

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

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**CHINO BASIN WATERMASTER  
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD  
SEPTEMBER 1 THROUGH SEPTEMBER 30, 2012**

Financial Report - B4

**DEPOSITORIES:**

Cash on Hand - Petty Cash			\$ 500
Bank of America			
Governmental Checking-Demand Deposits	\$ 220,775		
Zero Balance Account - Payroll	\$ -		220,775
Local Agency Investment Fund - Sacramento			<u>4,222,502</u>
<b>TOTAL CASH IN BANKS AND ON HAND</b>		9/30/2012	\$ 4,443,776
<b>TOTAL CASH IN BANKS AND ON HAND</b>		8/31/2012	<u>4,921,629</u>
<b>PERIOD INCREASE (DECREASE)</b>			<u>\$ (477,853)</u>

**CHANGE IN CASH POSITION DUE TO:**

Decrease/(Increase) in Assets:	Accounts Receivable	\$ (4,276)
	Assessments Receivable	232
	Prepaid Expenses, Deposits & Other Current Assets	1,300
(Decrease)/Increase in Liabilities	Accounts Payable	(141,144)
	Accrued Payroll, Payroll Taxes & Other Current Liabilities	3,000
	Transfer to/(from) Reserves	<u>(336,965)</u>
<b>PERIOD INCREASE (DECREASE)</b>		<u>\$ (477,853)</u>

**SUMMARY OF FINANCIAL TRANSACTIONS:**

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 8/31/2012	\$ 500	\$ 198,627	\$ -	\$ 4,722,502	\$ 4,921,629
Deposits	-	501,708	-	-	501,708
Transfers	-	(53,054)	53,054	(500,000)	(500,000)
Withdrawals/Checks	-	(426,507)	(53,054)	-	<u>(479,561)</u>
Balances as of 9/30/2012	\$ 500	\$ 220,774	\$ -	\$ 4,222,502	\$ 4,443,776
<b>PERIOD INCREASE OR (DECREASE)</b>	\$ -	\$ 22,147	\$ -	\$ (500,000)	<u>\$ (477,853)</u>

P43





# CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.  
General Manager

## STAFF REPORT

**DATE:** November 15, 2012

**TO:** Committee Members  
Watermaster Board Members

**SUBJECT:** Budget vs. Actual Report for the Period July 1, 2012 through September 30, 2012 -  
Financial Report - B5 (September 30, 2012)

### SUMMARY

**Issue** – Record of revenues and expenses of Watermaster for the Period of July 1, 2012 through September 30, 2012.

**Recommendation** – Staff recommends the Budget vs. Actual Report for the Period July 1, 2012 through September 30, 2012 be received and filed as presented.

**Fiscal Impact** – Funds disbursed were included in the FY 2012-2013 Watermaster Budget.

### BACKGROUND:

A Budget vs. Actual Report for the period July 1, 2012 through September 30, 2012 is provided to keep all members apprised of the total revenues and expenses for the current fiscal year. The expense section is categorized into four distinct sections. Those sections are: General and Administrative Expenses; Optimal Basin Management Program Expenses; Project Expenses; and Other Income/Expenses.

### DISCUSSION:

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

There were no Budget Transfers or Budget Amendments proposed or presented for the accounting period of September 2012 or during last month's Pool, Advisory and Board meetings.

Year-To-Date (YTD) for the three months ending September 30, 2012, all but three categories were at or below the projected budget. Overall, the (YTD) Actual Expenses were \$800,900 or 30.0% below the (YTD) Budgeted Expenses of \$2,663,748. The three categories above budget were the Watermaster Legal Services (6070's) over budget by the amount of \$7,878; Groundwater Quality Monitoring Expenses

(7103's) over budget by the amount of \$11,352; and Hydraulic Control Monitoring Expenses (7108's) over budget by the amount of \$6,527. All three expense categories which were over budget were the 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. At the current time, a budget transfer request is not scheduled to adjust any categories in the next month.

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 September 30, 2012, the total (YTD) Watermaster salary expenses are \$66,584 or 18.0% below the (YTD) budgeted amount of \$369,209. The following details are provided:

	Jul '12 - Sep '12	Budget	\$ Over Budget	% of Budget	Annual Budget
<b>WM Salary Expense</b>					
6011 · WM Staff Salaries	125,987.76	115,639.99	10,347.77	108.95%	462,560.00
6011.2 · WM Staff - Admin. Paid Leave	2,380.75	0.00	2,380.75	100.0%	0.00
6201 · Advisory Committee - WM Staff Salaries	2,225.67	5,527.00	-3,301.33	40.27%	22,105.00
6301 · Watermaster Board - WM Staff Salaries	3,787.88	7,776.00	-3,988.12	48.71%	31,104.00
8301 · Appropriative Pool - WM Staff Salaries	3,946.38	7,376.25	-3,429.87	53.5%	29,505.00
8401 · Agricultural Pool - WM Staff Salaries	4,180.34	6,482.53	-2,302.19	64.49%	25,930.00
8501 · Non-Agricultural Pool - WM Staff Salaries	3,260.56	3,678.75	-418.19	88.63%	14,715.00
6901 · OBMP - WM Staff Salaries	44,648.04	56,138.53	-11,490.49	79.53%	224,554.00
7101.1 · Production Monitor - WM Staff Salaries	18,395.21	26,998.97	-8,603.76	68.13%	107,996.00
7102.1 · In-line Meter - WM Staff Salaries	1,208.80	2,634.28	-1,425.48	45.89%	10,537.00
7103.1 · Grdwater Quality - WM Staff Salaries	12,072.06	15,016.03	-2,943.97	80.39%	60,064.00
7104.1 · Grdwater Level - WM Staff Salaries	13,302.07	22,644.28	-9,342.21	58.74%	90,577.00
7105.1 · Sur Wtr Qual - WM Staff Salaries	0.00	779.53	-779.53	0.0%	3,118.00
7107.1 · Grd Level Monitoring - WM Staff Salaries	0.00	420.00	-420.00	0.0%	1,680.00
7108.1 · Hydraulic Control - WM Staff Salaries	3,337.86	1,870.78	1,467.08	178.42%	7,483.00
7201 · Comp Recharge - WM Staff Salaries	15,044.86	32,812.50	-17,767.64	45.85%	131,250.00
7301 · PE3&5 - WM Staff Salaries	578.98	9,662.72	-9,083.74	5.99%	38,651.00
7401 · PE4 - WM Staff Salaries	0.00	3,172.03	-3,172.03	0.0%	12,688.00
7501.1 · PE 6&7 - WM Staff Salaries (Plume)	2,257.72	6,000.00	-3,742.28	37.63%	24,000.00
7501 · PE6&7 - WM Staff Salaries	350.22	1,880.72	-1,530.50	18.62%	7,523.00
7601 · PE8&9 - WM Staff Salaries	1,923.04	11,734.97	-9,811.93	16.39%	46,940.00
7701 · Inactive Well - WM Staff Salaries	0.00	105.00	-105.00	0.0%	420.00
<b>Subtotal WM Staff Costs</b>	<b>258,888.20</b>	<b>338,350.86</b>	<b>-79,462.66</b>	<b>76.52%</b>	<b>1,353,400.00</b>
60185 · Vacation	22,053.34	13,224.47	8,828.87	166.76%	52,898.00
60186 · Sick Leave	13,912.87	10,580.25	3,332.62	131.5%	42,321.00
60187 · Holidays	7,771.11	7,053.50	717.61	110.17%	42,321.00
<b>Subtotal WM Paid Leaves</b>	<b>43,737.32</b>	<b>30,858.22</b>	<b>12,879.10</b>	<b>141.74%</b>	<b>137,540.00</b>
<b>Total WM Salary Costs</b>	<b>302,625.52</b>	<b>369,209.08</b>	<b>-66,583.56</b>	<b>81.97%</b>	<b>1,490,940.00</b>

The chart listed below summarizes the Brownstein Hyatt Farber Schreck (BHFS) expenses as of September 30, 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 September 30, 2012, the BHFS expenses are \$32,781 or 16.9%

below the (YTD) budgeted amount of \$193,808. As approved during the July 2012 meetings, the Pools, Advisory Committee and the Board meeting for the month of August was not held. As a result, the related meeting expenses from (BHFS) are lower than budgeted. For the month of September, there were some individual line items that were over the budgeted amount, but overall the BHFS expenses were on target with the overall legal budget. The following details are provided:

	Jul '12 - Sep '12	Budget	\$ Over Budget	% of Budget	Annual Budget
<b>6070 · Watermaster Legal Services</b>					
6071 · BHFS Legal - Court Coordination	12,110.71	8,987.53	3,123.18	134.75%	35,950.00
6072 · BHFS Legal - Annotated Judgment	13,743.00	19,000.02	-5,257.02	72.33%	57,000.00
6073 · BHFS Legal - Personnel Matters	10,165.95	7,625.00	2,540.95	133.32%	7,625.00
6074 · BHFS Legal - Interagency Issues	4,021.20	10,980.00	-6,958.80	36.62%	43,920.00
6075 · BHFS Legal - Replenishmnt Water	0.00	0.00	0.00	0.0%	0.00
6076 · BHFS Legal - Storage Issues	6,253.20	0.00	6,253.20	100.0%	0.00
6078 · BHFS Legal - Miscellaneous	15,964.25	7,787.53	8,176.72	205.0%	31,150.00
<b>Total 6070 · Watermaster Legal Services</b>	<b>62,258.31</b>	<b>54,380.08</b>	<b>7,878.23</b>	<b>114.49%</b>	<b>175,645.00</b>
6275 · BHFS Legal - Advisory Committee	4,721.23	7,320.00	-2,598.77	64.5%	29,280.00
6375 · BHFS Legal - Board Meeting	10,667.93	21,060.00	-10,392.07	50.66%	84,240.00
8375 · BHFS Legal - Appropriative Pool	7,961.13	7,320.00	641.13	108.76%	29,280.00
8475 · BHFS Legal - Agricultural Pool	4,149.88	7,320.00	-3,170.12	56.69%	29,280.00
8575 · BHFS Legal - Non-Ag Pool	5,348.60	7,320.00	-1,971.40	73.07%	29,280.00
8575.1 · BHFS Legal - Paragraph 15 CSI/Aqua	10,072.88	0.00	10,072.88	100.0%	0.00
<b>Total BHFS Legal Services</b>	<b>42,921.65</b>	<b>50,340.00</b>	<b>-7,418.35</b>	<b>85.26%</b>	<b>201,360.00</b>
<b>6907.3 · WM Legal Counsel</b>					
6907.30 · Peace II - CEQA	497.70	0.00	497.70	100.0%	0.00
6907.31 · South Archibald Plume	0.00	7,950.00	-7,950.00	0.0%	31,800.00
6907.32 · Chino Airport Plume	0.00	7,950.00	-7,950.00	0.0%	31,800.00
6907.33 · Desalter/Hydraulic Control	6,705.45	12,525.00	-5,819.55	53.54%	50,100.00
6907.34 · Santa Ana River Water Rights	9,153.00	8,312.53	840.47	110.11%	33,250.00
6907.35 · Paragraph 31 Motion	20,390.17	17,800.00	2,590.17	114.55%	17,800.00
6907.36 · Santa Ana River Habitat	1,513.25	5,287.50	-3,774.25	28.62%	21,150.00
6907.37 · Water Auction	0.00	0.00	0.00	0.0%	0.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	2,987.53	-2,987.53	0.0%	11,950.00
6907.39 · Recharge Master Plan	17,433.94	11,125.03	6,308.91	156.71%	44,500.00
6907.40 · Storage Agreements	0.00	4,450.03	-4,450.03	0.0%	17,800.00
6907.41 · Prado Basin Habitat Sustainability	153.00	4,450.03	-4,297.03	3.44%	17,800.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	6,250.03	-6,250.03	0.0%	25,000.00
<b>Total 6907 · WM Legal Counsel</b>	<b>55,846.51</b>	<b>89,087.68</b>	<b>-33,241.17</b>	<b>62.69%</b>	<b>302,950.00</b>
<b>Total Brownstein, Hyatt, Farber, Schreck Costs</b>	<b>161,026.47</b>	<b>193,807.76</b>	<b>-32,781.29</b>	<b>83.09%</b>	<b>679,955.00</b>

**OBMP Engineering Services and Legal Costs:**

For September 30, 2012, the 6900 (Optimum Basin Mgmt Program) section was below the Year-To-Date (YTD) budget by \$38,067 or 20.5%. 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 \$10,237 while some other

line item activities were below the budget \$43,479. Above the budget line items were the Peace II CEQA of \$498; the Santa Ana River Water Rights of \$840; the Paragraph 31 Motion of \$2,590; and the Recharge Master Plan of \$6,309. The individual legal projects/activities that were below budget for the Year-To-Date (YTD) period were the South Archibald Plume of \$7,950; the Chino Airport Plume of \$7,950; the Desalter/Hydraulic Control of \$5,820; the Santa Ana River Habitat of \$3,774; the Regional Water Quality Control Board of \$2,988; Storage Agreements of \$4,450; Prado Basin Habitat Sustainability of \$4,297; and Unanticipated Legal Expenses of \$6,250. For the three months ended September 30, 2012, the overall cumulative (YTD) budget was \$89,088 and the actual (BHFS) legal expenses totaled \$55,847 which resulted in an under budget variance of \$33,241 or 37.3%.

The chart listed below summarizes the Optimum Basin Management Program (OBMP) expenses as of September 30, 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 \$259,032 compared to a (YTD) budget of \$345,184 for an under budget of \$86,151 or 25.0% as of September 30, 2012.

	Jul '12 - Sep '12	Budget	\$ Over Budget	% of Budget	Annual Budget
<b>6900 · Optimum Basin Mgmt Plan</b>					
6901 · WM Staff Salaries	44,648.04	56,138.53	-11,490.49	79.53%	224,554.00
6903 · OBMP SAWPA Group	10,593.00	11,000.00	-407.00	96.3%	11,000.00
<b>6906 · OBMP Engineering Services</b>					
6906.1 · OBMP - Watermaster Model Update	73,576.00	99,828.00	-26,252.00	73.7%	99,828.00
6906.8 · OBMP - Reports	140.00	0.00	140.00	100.0%	0.00
6906 · OBMP Engineering Services - Other	74,180.75	86,135.25	-11,954.50	86.12%	344,541.00
<b>Total 6906 · OBMP Engineering Services</b>	<b>147,896.75</b>	<b>185,963.25</b>	<b>-38,066.50</b>	<b>79.53%</b>	<b>444,369.00</b>
<b>6907 · OBMP Legal Fees</b>					
<b>6907.3 · WM Legal Counsel</b>					
6907.30 · Peace II - CEQA	497.70	0.00	497.70	100.0%	0.00
6907.31 · South Archibald Plume	0.00	7,950.00	-7,950.00	0.0%	31,800.00
6907.32 · Chino Airport Plume	0.00	7,950.00	-7,950.00	0.0%	31,800.00
6907.33 · Desalter/Hydraulic Control	6,705.45	12,525.00	-5,819.55	53.54%	50,100.00
6907.34 · Santa Ana River Water Rights	9,153.00	8,312.53	840.47	110.11%	33,250.00
6907.35 · Paragraph 31 Motion	20,390.17	17,800.00	2,590.17	114.55%	17,800.00
6907.36 · Santa Ana River Habitat	1,513.25	5,287.50	-3,774.25	28.62%	21,150.00
6907.37 · Water Auction	0.00	0.00	0.00	0.0%	0.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	2,987.53	-2,987.53	0.0%	11,950.00
6907.39 · Recharge Master Plan	17,433.94	11,125.03	6,308.91	156.71%	44,500.00
6907.40 · Storage Agreements	0.00	4,450.03	-4,450.03	0.0%	17,800.00
6907.41 · Prado Basin Habitat Sustainability	153.00	4,450.03	-4,297.03	3.44%	17,800.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	6,250.03	-6,250.03	0.0%	25,000.00
<b>Total 6907 · WM Legal Counsel</b>	<b>55,846.51</b>	<b>89,087.68</b>	<b>-33,241.17</b>	<b>62.69%</b>	<b>302,950.00</b>
<b>Total 6907 · OBMP Legal Fees</b>	<b>55,846.51</b>	<b>89,087.68</b>	<b>-33,241.17</b>	<b>62.69%</b>	<b>302,950.00</b>
<b>6909 · OBMP Other Expenses</b>					
6909.1 · OBMP Meetings	48.11	0.00	48.11	100.0%	0.00
6909.3 · Other OBMP Expenses	0.00	494.25	-494.25	0.0%	1,977.00
6909.4 · Printing	0.00	0.00	0.00	0.0%	0.00
6909.5 · Ad Hoc Litigation Committee	0.00	0.00	0.00	0.0%	0.00
6909.6 · OBMP Expenses - Miscellaneous	0.00	2,500.03	-2,500.03	0.0%	10,000.00
<b>Total 6909 · OBMP Other Expenses</b>	<b>48.11</b>	<b>2,994.28</b>	<b>-2,946.17</b>	<b>1.61%</b>	<b>11,977.00</b>
<b>Total 6900 · Optimum Basin Mgmt Plan</b>	<b>259,032.41</b>	<b>345,183.74</b>	<b>-86,151.33</b>	<b>75.04%</b>	<b>994,850.00</b>

The OBMP Implementation Projects (accounts 7100's – 7700's) were (Under) budget as of September 30, 2012 with the exception of the Groundwater Quality Monitoring category (7103's) which was over budget by the amount of \$11,352; and the Hydraulic Control Monitoring category (7108's) which was over budget by the amount of \$6,527. These over budget categories were 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 were slightly ahead of budget and should level off as the fiscal year progresses. At the current time, a budget transfer request is not scheduled to adjust this category in the next month.

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 September 30, 2012, the total (YTD) Engineering expenses are \$98,025 or 15.9% below the (YTD) budget amount of \$615,271. The following details are provided:

As noted below, \$44,810.55 has been "Carried Over" from FY 2011/12 per the Watermaster policy 4.17 which was approved during FY 2011/12. These amounts, along with any other "Carried Over" expenses will not be included in the upcoming Assessment process because these dollar amounts were previously funded from last year's Assessment process.

	Jul '11 - Sep '12	Budget	\$ Over Budget	% of Budget	Annual Budget
6906 · OBMP Engineering Services - Other	74,180.75	86,135.25	-11,954.50	86.12%	344,541.00
6906.1 · OBMP - Watermaster Model Update	73,576.00	99,828.00	-26,252.00	73.7%	99,828.00
6906.8 · OBMP - Reports	140.00	0.00	140.00	100.0%	0.00
7103.3 · Grdwtr Qual-Engineering	26,978.75	16,764.00	10,214.75	160.93%	67,056.00
7103.31 · Grdwtr Qual-Engineering-SubContractor	7,040.07	0.00	7,040.07	100.0%	0.00
7103.5 · Grdwtr Qual-Lab Svcs	7,246.00	9,642.00	-2,396.00	75.15%	38,568.00
7104.3 · Grdwtr Level-Engineering	45,680.95	48,099.00	-2,418.05	94.97%	192,396.00
7104.8 · Grdwtr Level-Contracted Serv	0.00	2,500.03	-2,500.03	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equip	0.00	3,481.25	-3,481.25	0.0%	13,925.00
7107.2 · Grd Level-Engineering	71,903.06	60,317.28	11,585.78	119.21%	167,769.00
7107.3 · Grd Level-SAR Imagery	14,000.00	22,500.00	-8,500.00	62.22%	90,000.00
7107.6 · Grd Level-Contract Svcs	0.00	31,325.03	-31,325.03	0.0%	122,300.00
7107.61 · Grd Level-Chino Hills ASR	5,415.25	37,626.47	-32,211.22	14.39%	150,506.00
7107.8 · Grd Level-Cap Equip Exte	0.00	8,511.50	-8,511.50	0.0%	20,546.00
7108.3 · Hydraulic Control-Engineering	40,691.36	32,879.53	7,811.83	123.76%	131,518.00
7108.4 · Hydraulic Control-Lab Svcs	24,667.00	16,915.22	7,751.78	145.83%	67,661.00
7108.7 · Hydraulic Control-PradoBasin Habitat	49,477.54	58,856.22	-9,378.68	84.07%	208,856.25
7108.9 · Hydraulic Control-Contract Svcs	0.00	1,125.00	-1,125.00	0.0%	4,500.00
7109.3 · Recharge & Well - Engineering	0.00	5,385.00	-5,385.00	0.0%	21,540.00
7202.3 · Comp Recharge-Implementation	48,249.25	25,003.97	23,245.28	192.97%	100,016.00
7303 · PE3&5-Engineering - Other	12,314.50	7,585.97	4,728.53	162.33%	30,344.00
7402 · PE4-Engineering	7,151.25	13,015.50	-5,864.25	54.94%	52,062.00
7403 · PE4-Contract Svcs	0.00	3,750.00	-3,750.00	0.0%	15,000.00
7502 · PE6&7-Engineering	1,463.89	19,921.27	-18,457.38	7.35%	61,822.30
7502.1 · PE6&7-Engineering Svcs (Plume)	7,070.67	0.00	7,070.67	100.0%	0.00
7504 · PE6&7-Contract Svcs	0.00	1,272.00	-1,272.00	0.0%	5,088.00
7602 · PE8&9-Engineering	0.00	2,832.00	-2,832.00	0.0%	11,328.00
<b>Total Wildermuth Environmental, Inc. Costs</b>	<b>517,246.29</b>	<b>615,271.49</b>	<b>-98,025.20</b>	<b>84.07%</b>	<b>2,027,170.55 *</b>

\* Wildermuth and Subcontractor Engineering Budget of \$1,982,360 plus Carryover Funds from FY 2011/12 of \$44,810.55 = \$2,027,170.55  
Carryover Funds FY 2011/12 = \$24,500.00 (7107.2), \$1,000.00 (7107.6), \$4,500.00 (7107.8), \$8,856.25 (7108.7) and \$5,954.30 (7502) = \$44,810.55

**Other Income and Expense:**

There are no significant items to report within the category of Other Income and Expenses for the month of September 30, 2012.

With the approval of the new "Carry Over" funding policy on March 22, 2012, there were amounts of \$433,212.48 carried over into the current fiscal year budget (FY 2012/13) as follows:

<b>"Carried Over" Expenses At June 30, 2012</b>	
Verizon VoIP Equipment, Installation	\$ 1,500.00
GM Search Expenses - Balance of Contract	\$ 9,000.00
Wildermuth Project Expenses	\$ 44,810.55
Chino Hills ASR Project	\$ 104,977.00
Recharge Improvement Projects	\$ 272,829.00
Appropriative Pool Legal Services Fund Balance	\$ 95.93
<b>Total Balance, June 30, 2012</b>	<b>\$ 433,212.48</b>
<b>"Carried Over" Balance, July 1, 2012</b>	<b>\$ 433,212.48</b>
<b>Less: (Invoices Received To Date FY 2012/13)</b>	
GM Search Expenses - Balance of Contract	\$ (9,000.00)
Wildermuth Project Expenses	\$ (44,810.55)
Recharge Project - Turner Basin Invoice from IEUA	\$ (17,000.00)
<b>Updated Balance as of September 30, 2012</b>	<b>\$ 362,401.93</b>

Watermaster carried over \$272,829 in the Recharge Improvements Project categories. The amount of \$162,236 has been appropriated for use for the upcoming 3-year Turner Basin Improvements (7690.2), estimated in the range of \$270K+. The amount of \$30,900 has been appropriated for the Hickory Basin improvement project (7690.3) while the remaining amount of \$79,693 has been appropriated for Other Recharge Improvement Projects (7690.9).

As invoices are received from the vendors and booked against these items listed above, the "Carried Over" balance will be reduced throughout the current fiscal year. At June 30, 2013, any remaining balances of the FY 2011/12 expenses (if any), along with any new FY 2012/13 expenses, will then be "Carried Over" into the FY 2013/14 budget. During the audit fieldwork, there were discussions with the Charles Z. Fedak & Company senior auditor and Watermaster staff regarding the proper accounting treatment of the "Carried Over" funding process. The senior auditor has approved and concurs with the current accounting treatment and process for recording the "Carried Over" funding.

With the exceptions previously noted, there were no other unusual or significant transactions or events which occurred during the month of September 2012. Looking ahead, the month of October should not bring any unexpected expenses or provide significant budget variances.

**Audit Field Work:**

Auditors from the audit firm of Charles Z. Fedak & Company were previously onsite at the Watermaster offices on July 16<sup>th</sup> and 17<sup>th</sup> to conduct scheduled field work for the upcoming FY 2011/2012 financial

audit. Final field work was completed during the week of October 5<sup>th</sup> with the Annual Financial and Audit Reports scheduled for issuance in mid to late November 2012. The presentation of the Annual Financial and Audit Reports to the Board by the Senior Manager of Charles Z. Fedak & Company is scheduled for December 20, 2012.

The preliminary report to Watermaster staff from the Senior Manager revealed no operational or internal control issues or concerns. There was an adjusting entry regards to GASB No. 27 which deals with Accounting for Pensions by State and Local Government Employers. As a direct result of the ongoing pension discussions and public scrutiny within California, the auditors have been ensuring that all of their public agency/government clients are following GASB No. 27. According to the Summary of Statement No. 27, "Employers that participate in *cost sharing multiple employer defined pension plans* are required to recognize pension expenditures/expense equal to the employer's contractually required contributions and a liability for unpaid contributions".

Since Watermaster has less than 100 active members/employees, Watermaster is required by CalPERS to participate in a risk pool. Watermaster currently is a member of the "Miscellaneous 2.5% at 55 Risk Pool". There are approximately 163 governmental agencies participating as part of this risk pool. Some of the public agencies who are currently participants of this pool are the Association of California Water Agencies, City of Lake Elsinore, Crestline Village Water District, Lake Arrowhead Community Services District, Monte Vista County Water District, and Rancho Cucamonga Fire Protection District, just to name a few.

According to CalPERS, "At the time of joining a risk pool, a side fund is created to account for the difference between the funded status of the pool and the funded status of your plan". According to recent information from CalPERS, Watermaster's Side Fund is currently \$123,961. CalPERS calculates the interest due and principal reduction each year and reduces the Side Fund balance. Watermaster staff has received a current amortization schedule from CalPERS for the outstanding liability amount to determine if the estimated balance of \$123,961 should be paid off in full to reduce current and future interest expense. The auditors have recommended, and Watermaster staff has complied, to record the outstanding liability of \$123,961 on the Balance Sheet for the CalPERS Side Fund. The previous audit firm of Mayer Hoffman McCann did not request or require Watermaster to book this entry on the Balance Sheet.

In the first quarter of 2013, Watermaster staff will bring to the Pools, Advisory Committee and Board, a staff recommendation which will include the options available for the CalPERS Side Fund of \$123,961, including one option which would be payoff the current existing balance in FY 2012/13.

#### **Upcoming Assessment Invoicing:**

Regarding the upcoming FY 2012/13 Assessment invoices, once the Assessment Package has been approved by the Pools, Advisory Committee, and the Board, Watermaster will create and email the Assessment invoices. Planning on the Board approving the Assessment Package at the November 15<sup>th</sup> meeting, Watermaster staff will create and email the Assessment invoices on or before Tuesday, November 20<sup>th</sup>. The Assessment invoices are due 30 days from invoice date, so payment should be received by Watermaster on or before December 20<sup>th</sup>, prior to the Holiday office closure.

Just a reminder, this year's Assessment invoicing will include the standard Assessment amounts per the Assessment Package, along with any Special Assessments and the "Excess Cash Reserve" refund credits of \$788,647. Currently, the Appropriative Pool has a Special Assessment of \$75,000 as approved during their "Closed Session" on September 13, 2012. The \$75,000 will be allocated to the Appropriative Pool members based upon a formula of 50% of the FY 2011/12 "Averaged Production & Exchanges" and 50% of the "Assigned Share of Operating Safe Yield.

**Actions:**

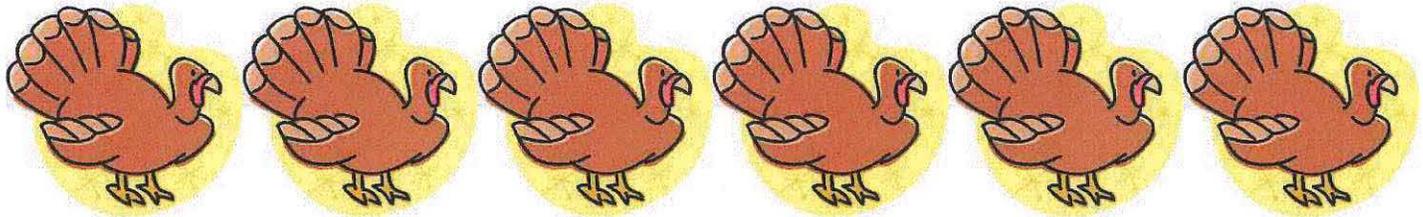
- November 8, 2012 Appropriative Pool – Approved unanimously
- November 8, 2012 Non-Agricultural Pool – Moved to receive and file without approval
- November 8, 2012 Agricultural Pool – Approved unanimously
- November 15, 2012 Advisory Committee –
- November 15, 2012 Watermaster Board –

	1/12th (8.33%) of the Total Budget				3/12th (25%) of the Total Budget				100% of the Total Budget			
	For The Month of September 2012				Year-To-Date as of September 30, 2012				Fiscal Year End as of June 30, 2013			
	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%	0.00	0.00	0.00	0.0%	152,938.00	152,938.00	0.00	100.0%
4110 - Admin Asmnts-Approp Pool	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	6,360,952.00	6,360,952.00	0.00	100.0%
4120 - Admin Asmnts-Non-Agri Pool	0.00	0.00	0.00	0.0%	60,000.00	60,000.00	0.00	100.0%	251,711.00	251,711.00	0.00	100.0%
4700 - Non Operating Revenues	4,260.40	9,900.00	-5,639.60	43.03%	4,260.40	9,900.00	-5,639.60	43.03%	39,600.00	39,600.00	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>4,260.40</b>	<b>9,900.00</b>	<b>-5,639.60</b>	<b>43.03%</b>	<b>64,260.40</b>	<b>69,900.00</b>	<b>-5,639.60</b>	<b>91.93%</b>	<b>6,805,201.00</b>	<b>6,805,201.00</b>	<b>0.00</b>	<b>100.0%</b>
<b>Gross Profit</b>	<b>4,260.40</b>	<b>9,900.00</b>	<b>-5,639.60</b>	<b>43.03%</b>	<b>64,260.40</b>	<b>69,900.00</b>	<b>-5,639.60</b>	<b>91.93%</b>	<b>6,805,201.00</b>	<b>6,805,201.00</b>	<b>0.00</b>	<b>100.0%</b>
<b>Expense</b>												
6010 - Salary Costs	42,876.24	41,056.54	1,819.70	104.43%	122,794.58	131,814.99	-9,020.41	93.16%	519,684.00	519,684.00	0.00	100.0%
6020 - Office Building Expense	9,379.76	9,268.00	111.76	101.21%	25,214.52	25,876.00	-661.48	97.44%	104,845.00	104,845.00	0.00	100.0%
6030 - Office Supplies & Equip.	3,740.32	2,625.00	1,115.32	142.49%	5,681.60	6,125.00	-443.40	92.76%	24,500.00	24,500.00	0.00	100.0%
6040 - Postage & Printing Costs	3,370.29	4,397.33	-1,027.04	76.64%	10,828.76	13,592.03	-2,763.27	79.67%	62,368.00	62,368.00	0.00	100.0%
6050 - Information Services	8,338.53	13,691.33	-5,352.80	60.9%	29,257.80	38,990.68	-9,732.88	75.04%	143,796.00	143,796.00	0.00	100.0%
6060 - Contract Services	2,500.00	11,500.00	-9,000.00	21.74%	17,260.00	26,500.00	-9,240.00	65.13%	43,400.00	43,400.00	0.00	100.0%
6070 - Watermaster Legal Services	14,348.41	15,584.99	-1,236.58	92.07%	62,258.31	54,380.08	7,878.23	114.49%	175,645.00	175,645.00	0.00	100.0%
6080 - Insurance	0.00	0.00	0.00	0.0%	17,476.72	19,393.00	-1,916.28	90.12%	19,393.00	19,393.00	0.00	100.0%
6110 - Dues and Subscriptions	0.00	0.00	0.00	0.0%	12,187.00	13,035.00	-848.00	93.49%	27,500.00	27,500.00	0.00	100.0%
6140 - WM Admin Expenses	509.19	208.34	300.85	244.4%	509.19	624.94	-115.75	81.48%	2,500.00	2,500.00	0.00	100.0%
6150 - Field Supplies	278.23	250.00	28.23	111.29%	278.23	350.00	-71.77	79.49%	1,400.00	1,400.00	0.00	100.0%
6170 - Travel & Transportation	1,471.61	2,175.00	-703.39	67.66%	4,106.74	5,567.50	-1,460.76	73.76%	21,170.00	21,170.00	0.00	100.0%
6190 - Conferences & Seminars	250.00	125.00	125.00	200.0%	400.00	3,750.00	-3,350.00	10.67%	15,000.00	15,000.00	0.00	100.0%
6200 - Advisory Comm - WM Board	3,680.63	4,448.67	-768.04	82.74%	7,002.97	13,346.97	-6,344.00	52.47%	53,385.00	53,385.00	0.00	100.0%
6300 - Watermaster Board Expenses	8,504.68	11,966.17	-3,461.49	71.07%	21,790.22	35,973.47	-14,183.25	60.57%	143,894.00	143,894.00	0.00	100.0%
8300 - Appr PI-WM & Pool Admin	4,656.52	11,190.42	-6,533.90	41.61%	11,970.55	33,667.15	-21,696.60	35.56%	134,380.93	134,380.93	0.00	100.0%
8400 - Agri Pool-WM & Pool Admin	3,959.28	5,273.58	-1,314.30	75.08%	8,655.18	15,820.78	-7,165.60	54.71%	63,283.00	63,283.00	0.00	100.0%
8467 - Ag Legal & Technical Services	0.00	17,583.33	-17,583.33	0.0%	7,170.00	52,750.03	-45,580.03	13.59%	211,000.00	211,000.00	0.00	100.0%
8470 - Ag Meeting Attend -Special	2,950.00	1,441.67	1,508.33	204.62%	4,825.00	4,324.97	500.03	111.56%	17,300.00	17,300.00	0.00	100.0%
8471 - Ag Pool Expense	0.00	0.00	0.00	0.0%	0.00	16,250.00	-16,250.00	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%	0.00	100.00	-100.00	0.0%	400.00	400.00	0.00	100.0%
8500 - Non-Ag PI-WM & Pool Admin	5,479.41	8,916.25	-3,436.84	61.45%	25,665.87	26,748.75	-1,082.88	95.95%	106,995.00	106,995.00	0.00	100.0%
6500 - Education Funds Use Expens	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	257.00	257.00	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	-24,567.57	-61,046.50	36,478.93	40.24%	-71,995.97	-183,139.50	111,143.53	39.31%	-732,558.00	-732,558.00	0.00	100.0%
6900 - Optimum Basin Mgmt Plan	69,393.93	144,505.72	-75,111.79	48.02%	259,032.41	345,183.74	-86,151.33	75.04%	994,850.00	994,850.00	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	11,510.10	17,861.33	-6,351.23	64.44%	27,624.15	53,584.03	-25,959.88	51.55%	214,336.00	214,336.00	0.00	100.0%
7101 - Production Monitoring	9,408.97	9,062.17	346.80	103.83%	22,632.87	27,186.47	-4,553.60	83.25%	108,746.00	108,746.00	0.00	100.0%
7102 - In-line Meter Installation	4,125.09	7,180.16	-3,055.07	57.45%	35,108.60	41,540.56	-6,431.96	84.52%	106,162.00	106,162.00	0.00	100.0%
7103 - Grdwtr Quality Monitoring	24,220.94	14,478.16	9,742.78	167.29%	54,786.89	43,434.56	11,352.33	126.14%	173,738.00	173,738.00	0.00	100.0%

P53

	1/12th (8.33%) of the Total Budget				3/12th (25%) of the Total Budget				100% of the Total Budget			
	For The Month of September 2012				Year-To-Date as of September 30, 2012				Fiscal Year End as of June 30, 2013			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
7104 · Gdwtr Level Monitoring	21,403.80	24,581.08	-3,177.28	87.07%	59,182.79	79,724.53	-20,541.74	74.23%	318,898.00	318,898.00	0.00	100.0%
7105 · Sur Wtr Qual Monitoring	0.00	259.83	-259.83	0.0%	0.00	779.53	-779.53	0.0%	3,118.00	3,118.00	0.00	100.0%
7107 · Ground Level Monitoring	17,949.15	57,229.58	-39,280.43	31.36%	91,318.31	265,677.28	-174,358.97	34.37%	659,428.00	659,428.00	0.00	100.0%
7108 · Hydraulic Control Monitoring	50,241.47	34,263.50	15,977.97	146.63%	118,173.76	111,646.75	6,527.01	105.85%	420,018.25	420,018.25	0.00	100.0%
7109 · Recharge & Well Monitoring Prog	0.00	1,795.00	-1,795.00	0.0%	0.00	5,385.00	-5,385.00	0.0%	21,540.00	21,540.00	0.00	100.0%
7200 · PE2- Comp Recharge Pgm	25,168.91	49,438.84	-24,269.93	50.91%	271,921.86	346,804.69	-74,882.83	78.41%	1,374,719.00	1,374,719.00	0.00	100.0%
7300 · PE3&5-Water Supply/Desalte	0.00	6,332.92	-6,332.92	0.0%	12,893.48	18,998.72	-6,105.24	67.87%	75,995.00	75,995.00	0.00	100.0%
7400 · PE4- Mgmt Plan	2,496.63	6,854.16	-4,357.53	36.43%	7,680.76	20,562.56	-12,881.80	37.35%	82,250.00	82,250.00	0.00	100.0%
7500 · PE6&7-CoopEfforts/SaltMgmt	322.50	7,706.59	-7,384.09	4.19%	11,142.50	29,073.99	-17,931.49	38.33%	98,433.30	98,433.30	0.00	100.0%
7600 · PE8&9-StorageMgmt/Conj Use	216.12	4,884.84	-4,668.72	4.42%	1,953.06	14,654.44	-12,701.38	13.33%	58,618.00	58,618.00	0.00	100.0%
7690 · Recharge Improvement Debt Pymt	0.00	0.00	0.00	0.0%	521,688.00	773,884.00	-252,196.00	87.41%	773,884.00	773,884.00	0.00	100.0%
7700 · Inactive Well Protection Prgm	0.00	76.67	-76.67	0.0%	0.00	229.97	-229.97	0.0%	920.00	920.00	0.00	100.0%
9502 · G&A Expenses Allocated-Projects	13,057.47	43,185.17	-30,127.70	30.24%	44,371.82	129,555.47	-85,183.65	34.25%	518,222.00	518,222.00	0.00	100.0%
<b>Total Expense</b>	<b>341,240.61</b>	<b>530,350.84</b>	<b>-189,110.23</b>	<b>64.34%</b>	<b>1,862,848.53</b>	<b>2,663,748.13</b>	<b>-800,899.60</b>	<b>69.93%</b>	<b>7,238,413.48</b>	<b>7,238,413.48</b>	<b>0.00</b>	<b>100.0%</b>
<b>Net Ordinary Income</b>	<b>-336,980.21</b>	<b>-520,450.84</b>	<b>183,470.63</b>	<b>64.75%</b>	<b>-1,798,588.13</b>	<b>-2,593,848.13</b>	<b>795,260.00</b>	<b>69.34%</b>	<b>-433,212.48</b>	<b>-433,212.48</b>	<b>0.00</b>	<b>100.0%</b>
<b>Other Income</b>												
4210 · Approp Pool-Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4220 · Non-Ag Pool-Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4225 · Interest Income	15.29	0.00	15.29	100.0%	15.29	0.00	15.29	100.0%	0.00	0.00	0.00	0.0%
4226 · LAIF Fair Market Value	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4600 · Groundwater Sales	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 Other Income</b>	<b>15.29</b>	<b>0.00</b>	<b>15.29</b>	<b>100.0%</b>	<b>15.29</b>	<b>0.00</b>	<b>15.29</b>	<b>100.0%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>Other Expense</b>												
5010 · Groundwater Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5100 · Other Water Purchases	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9996 · Refund-Excess Reserves-Approp.	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9997 · Refund-Excess Reserves-NonAg	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9998 · Refund-Recharge Debt-Approp.	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9999 · To/(From) Reserves	-336,964.92	-520,450.84	183,485.92	64.75%	-1,798,572.84	-2,593,848.13	795,275.29	69.34%	-433,212.48	-433,212.48	0.00	100.0%
<b>Total Other Expense</b>	<b>-336,964.92</b>	<b>-520,450.84</b>	<b>183,485.92</b>	<b>64.75%</b>	<b>-1,798,572.84</b>	<b>-2,593,848.13</b>	<b>795,275.29</b>	<b>69.34%</b>	<b>-433,212.48</b>	<b>-433,212.48</b>	<b>0.00</b>	<b>100.0%</b>
<b>Net Other Income</b>	<b>336,980.21</b>	<b>520,450.84</b>	<b>-183,470.63</b>	<b>64.75%</b>	<b>1,798,588.13</b>	<b>2,593,848.13</b>	<b>-795,260.00</b>	<b>69.34%</b>	<b>433,212.48</b>	<b>433,212.48</b>	<b>0.00</b>	<b>100.0%</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>

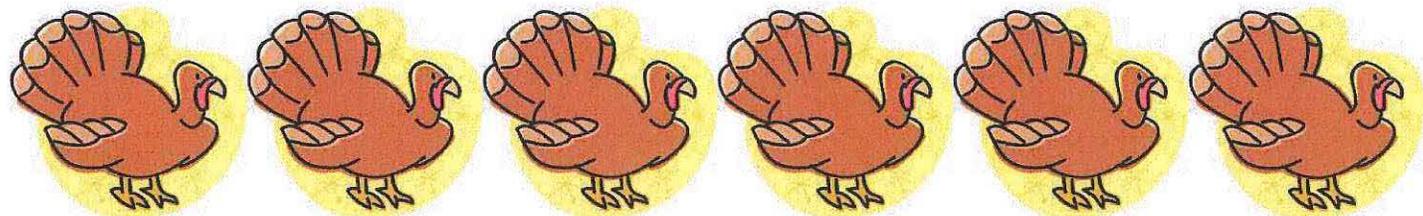
Note: Please see the staff report (Financial Report-B5) for additional detailed information on the account categories.



# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

- A. 1. PHYSICAL SOLUTION TRANSFER RATE SUBSTITUTION
- 2. MOTION TO COURT FOR FILING 2012-13 PHYSICAL SOLUTION TRANSFER RATE





# 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:** November 15, 2012  
**TO:** Committee Members  
Watermaster Board Members  
**SUBJECT:** Physical Solution Transfer Rate Substitution

### SUMMARY

**Issue** - A motion to allow substitution of Physical Solution Transfer rate for FY 2012-13 would request a temporary deviation from the terms of the Judgment to utilize a substitute "Physical Solution Transfer" rate applicable to transfers from the Overlying (Non-Agricultural) Pool to Watermaster, and thence to members of the Appropriative Pool, pursuant to Paragraph 9 of Exhibit "G" to the Judgment. If granted, this would allow Watermaster to substitute the Tier 1 MWD Untreated rate for the MWD Replenishment Rate for FY 2012-13, as the parties have been informed that MWD will not publish a Replenishment Rate for 2013.

**Recommendation** - Recommend approval of the proposed FY 2012-13 substitute Physical Solution Transfer rate and approve Watermaster legal counsel's filing of motion to allow Physical Solution Transfer rate substitution with the Court.

### Background

Paragraph 9 of Exhibit "G" to the Judgment, entitled "Physical Solution Transfers," provides mechanisms pursuant to which, during the term of the Peace Agreement, the members of the Overlying (Non-Agricultural) Pool have the right to transfer or lease their quantified Production rights and carry-over water held in storage accounts. Pursuant to the procedures outlined in Paragraph 9, Paragraph 9(d) of Exhibit "G" specifies that the payment for water purchased for transfer to Watermaster, and thence to the members of the Appropriative Pool, will be 92% of the then-prevailing "[Metropolitan Water District of Southern California] Replenishment Rate."

According to Watermaster's past practice, the MWD Replenishment Rate utilized is that which will be applicable for the calendar year in which Watermaster's purchase takes place. As applied to transfers in Fiscal Year 2012-13, as payment would be made by June 30, 2013, MWD's Replenishment Rate for 2013 would be utilized. The parties to the Judgment have been informed, however, that the MWD almost certainly will not publish a Replenishment Rate for 2013. If this is the case, Watermaster and the parties

to the Judgment would be left without a rate from which to calculate the rate for Physical Solution Transfers in Fiscal Year 2012-13.

Recognizing this problem, if MWD does not publish a 2013 Replenishment Rate, Watermaster, the Overlying (Non-Agricultural) Pool and the Appropriative Pool have agreed that the substitution of MWD's 2013 Tier 1 Untreated rate for its Replenishment Rate for Physical Solution Transfers during Fiscal Year 2012-13 would be appropriate. This was approved by the Appropriative Pool and the Overlying (Non-Agricultural) Pool at the last Pools meetings on October 11, 2012, and by the Board at its October 25, 2012 meeting.

The Court's approval of a substitute rate under Paragraph 9(d) of Exhibit "G" would temporarily allow transfers to proceed without further issue, while the parties then have time to discuss a long-term solution in the event MWD will not publish Replenishment Rates in the future.

**Actions:**

- November 8, 2012 Appropriative Pool – Approved unanimously
- November 8, 2012 Non-Agricultural Pool – Unanimously moved to approve the stipulation on the Physical Solution Transfer Rate Substitution and to not oppose the Watermaster motion
- November 8, 2012 Agricultural Pool – Approved unanimously
- November 15, 2012 Advisory Committee –
- November 15, 2012 Watermaster Board –

1 **SCOTT SLATER (State Bar No. 117317)**  
2 **BRADLEY J. HERREMA (State Bar No. 228976)**  
3 **BROWNSTEIN HYATT FARBER SCHRECK, LLP**  
4 21 East Carrillo Street  
5 Santa Barbara, CA 93101-2706  
6 Telephone: 805.963.7000  
7 Facsimile: 805.965.4333

8 Attorneys for  
9 **CHINO BASIN WATERMASTER**

10  
11 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
12 FOR THE COUNTY OF SAN BERNARDINO

13 CHINO BASIN MUNICIPAL WATER  
14 DISTRICT,

15 Plaintiff,

16 v.

17 CITY OF CHINO, et al.,

18 Defendant.

19 **Case No. RCV 51010**

20 [Assigned for All Purposes to the Honorable  
21 STANFORD E. REICHERT]

22 **NOTICE OF MOTION AND MOTION**  
23 **FOR COURT APPROVAL OF**  
24 **TEMPORARY SUBSTITUTE RATE FOR**  
25 **PHYSICAL SOLUTION TRANSFERS**  
26 **UNDER EXHIBIT "G" TO THE**  
27 **JUDGMENT**

28 TO ALL PARTIES AND TO THEIR RESPECTIVE ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE THAT on December \_\_\_, 2012 at 10:00 a.m. or as soon thereafter as this matter may be heard, in Department C- I of the Chino Division of the San Bernardino County Superior Court, located at 13260 Central Avenue, Chino, California 91710, Chino Basin Watermaster ("Watermaster") will move and hereby does move, pursuant to Paragraph 15 of the Judgment in this action, for an Order approving a temporary substitute rate applicable to "physical solution transfers" pursuant to Exhibit "G" to the Judgment in this matter. This request is made pursuant to the Court's continuing jurisdiction and authority to enforce and carry out the Judgment in this action with respect to the rights established thereunder.

The Motion will be based upon this Notice of Motion and Motion, the attached

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1 Memorandum of Points and Authorities, the pleadings, records and files in this action, and upon  
2 such oral argument and other evidence as may be presented at the hearing on the Motion.

3  
4 Dated: November \_\_, 2012

BROWNSTEIN HYATT FARBER  
SCHRECK, LLP

7 By: \_\_\_\_\_  
8 SCOTT S. SLATER  
9 BRADLEY J. HERREMA  
10 Attorneys for Plaintiff  
11 CHINO BASIN WATERMASTER

BROWNSTEIN HYATT FARBER SCHRECK, LLP  
21 East Carrillo Street  
Santa Barbara, CA 93101-2706

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1 MEMORANDUM OF POINTS AND AUTHORITIES

2  
3 **I. INTRODUCTION**

4 Pursuant to Paragraph 15 of the Judgment in this action, the Chino Basin Watermaster  
5 (“Watermaster”) respectfully requests that the Court grant this Motion and the relief herein  
6 requested, which are necessary to enforce and carry out the Chino Basin Judgment<sup>1</sup> (“Judgment”).  
7 Watermaster petitions the Court to allow Watermaster to temporarily deviate from the  
8 requirements of certain provisions of Exhibit “G” to the Judgment, due to unique circumstances  
9 for Fiscal Year 2012-2013. Specifically, Watermaster seeks the Court’s approval to utilize a  
10 substitute “Physical Solution Transfer” rate applicable to transfers from the Overlying (Non-  
11 Agricultural) Pool to Watermaster, and thence to members of the Appropriative Pool, pursuant to  
12 Paragraph 9 of Exhibit “G” to the Judgment, as explained below.

13 **II. BACKGROUND**

14 Under this Court’s continuing jurisdiction, reserved to it pursuant to Paragraph 15 of the  
15 Judgment, upon application of any party by properly noticed motion and after hearing thereon,  
16 the Court may “...make such further or supplemental orders to direction as may be necessary or  
17 appropriate for interpretation, enforcement or carrying out of this Judgment, and to modify,  
18 amend or amplify any of the provisions of the Judgment.” (Judgment, ¶ 15.)

19 Exhibit “G” to the Judgment is the Overlying Non-Agricultural Pooling Plan. Paragraph 9  
20 of Exhibit “G,” entitled “Physical Solution Transfers,” provides mechanisms pursuant to which,  
21 during the term of the Peace Agreement, the members of the Overlying (Non-Agricultural) Pool  
22 have the right to transfer or lease their quantified Production rights and carry-over water held in  
23 storage accounts. (Judgment, Exh. “G”, ¶ 9.) Specifically as pertains to this Motion, the members  
24 of the Overlying (Non-Agricultural) Pool may transfer water to Watermaster, and thence to  
25 members of the Appropriative Pool, in accordance with the guidelines contained in Paragraph 9.

26 <sup>1</sup> On September 27, 2012, this Court entered an Order Adopting Restated Judgment, Approving  
27 Intervention of Tad Nakase (TDN Land Company) into the Chino Basin Judgment. Pursuant to  
28 that Order, the Court ordered that the Restated Judgment shall serve as the official and legally  
operative copy of the Judgment in this case. All references to the “Judgment” herein are to that  
Restated Judgment.

1 (Judgment, Exh. "G", ¶ 9.)

2 By way of summary, the procedure for these transfers, as described in Paragraph 9 of  
3 Exhibit "G", is as follows: by December 31 of each year, the members of the Overlying (Non-  
4 Agricultural) Pool shall notify Watermaster of the amount of water each member shall make  
5 available in their individual discretion for purchase by the Appropriators. By January 31 of the  
6 following year, Watermaster shall provide a Notice of Availability of each Appropriator's pro-  
7 rata share of such water. (Judgment, Exh. "G", ¶ 9.(a).) The members of the Appropriative Pool  
8 have until March 1 of that year to determine whether to purchase such pro-rata share, and if a  
9 member's pro-rata share is not purchased, it is made available to the remaining members of the  
10 Pool in accordance with their resulting pro-rata shares. (Judgment, Exh. "G", ¶ 9.(c).)  
11 Commensurate with the cumulative commitments by members of the Appropriative Pool to  
12 purchase the water made available by the members of the Overlying (Non-Agricultural Pool),  
13 Watermaster will purchase the surplus water made available by the Overlying (Non-Agricultural)  
14 Pool on behalf of the members of the Appropriative Pool, and, by June 30 of each year, each  
15 member of the Appropriative Pool must complete its payment for its share of the water made  
16 available. (Judgment, Exh. "G", ¶ 9.(d).) Paragraph 9.(d) of Exhibit "G" specifies that payment  
17 for such purchased water will be 92% of the then-prevailing "[Metropolitan Water District of  
18 Southern California] Replenishment Rate." (*Id.*)

19 **III. ARGUMENT**

20 **A. Temporary Adjustment of the Physical Solution Transfer Rate is Necessary in**  
21 **the Event MWD does not Publish a Replenishment Rate**

22 As described above, Paragraph 9(d) of Exhibit G provides that Watermaster will purchase  
23 the surplus water made available by the Overlying (Non-Agricultural) Pool water, on behalf of  
24 the members of the Appropriative Pool, at a rate of 92% of the then-applicable Metropolitan  
25 Water District of Southern California ("MWD") Replenishment Rate. (Judgment, Exh. G, ¶ 9(d).)  
26 According to Watermaster's past practices, the MWD Replenishment Rate utilized is that  
27 applicable for the calendar year in which Watermaster's purchase takes place. As applied to  
28 transfers in Fiscal Year 2012-13, as payment would be made by June 30, 2013, MWD's

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1 Replenishment Rate for 2013 would be utilized. Watermaster, the members of the Appropriative  
2 Pool, and the members of the Overlying (Non-Agricultural) Pool have been informed, however,  
3 that the MWD likely will not publish a Replenishment Rate for 2013. Accordingly, if this is the  
4 case, Watermaster and the parties to the Judgment would be left without a rate from which to  
5 calculate the rate for Physical Solution Transfers in Fiscal Year 2012-13.

6 Recognizing this problem, if MWD does not publish a 2013 Replenishment Rate,  
7 Watermaster, the Overlying (Non-Agricultural) Pool and the Appropriative Pool have stipulated  
8 that the substitution of MWD's 2013 Tier 1 Untreated rate for its Replenishment Rate for  
9 Physical Solution Transfers during Fiscal Year 2012-13 would be appropriate. (See attached  
10 Stipulation and Proposed Order.) Watermaster and the members of the Appropriative and  
11 Overlying (Non-Agricultural) Pools have all agreed that MWD's Tier 1 Untreated rate is a proper  
12 rate to be used temporarily. It is important that the substitute rate be identified prior to the  
13 December 31, 2012 date by which members of the Overlying (Non-Agricultural) Pool must  
14 determine whether to make water available for transfer so that they may properly evaluate  
15 whether to do so. The Court's approval of a substitute rate under Paragraph 9(d) of Exhibit "G"  
16 would temporarily allow transfers to proceed without further issue, allowing the parties to discuss  
17 a long-term solution in the event MWD does not publish Replenishment Rates in the future.

18 **B. Court Approval is Necessary for Watermaster Compliance with the Peace II**  
19 **Measures**

20 In its December 21, 2007 Order, this Court approved the amendment to the Judgment to  
21 include the current Exhibit "G." (Order Concerning Motion for Approvals of Peace II Documents  
22 (Dec. 21, 2007), at p 7:11-12.) The Court required Watermaster to "proceed in accordance with  
23 the second amendment to the Peace Agreement," and "comply with all commitments it has made  
24 in the Peace II documents...." (Order Concerning Motion for Approvals of Peace II Documents  
25 (Dec. 21, 2007), at p 7:13-14, p. 8:24-25.) In order to remain compliant with Watermaster's  
26 Peace II obligations and with the terms of Exhibit "G" to the Judgment, Watermaster seeks court  
27 approval to temporarily deviate from the terms of the Judgment and utilize the MWD 2013 Tier 1  
28 Untreated rate in place of the MWD Replenishment Rate for transfers under Paragraph 9 of

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Exhibit G. Watermaster requests that the temporary substitute 2013 Tier 1 Untreated rate apply only for Physical Solution Transfers in Fiscal Year 2012-2013, and only in the event that, prior to December 31, 2012, MWD does not publish a 2013 Replenishment Rate.

**IV. CONCLUSION**

For the reasons stated above, there is good cause to grant Watermaster's Motion for Court Approval of Temporary Substitute Rate under Exhibit "G", allowing temporary deviation from the terms of the Judgment to substitute MWD's Tier 1 Untreated rate for Fiscal Year 2012-2013 for MWD's Replenishment Rate, in the event no rate is published for 2013.

Dated: November \_\_, 2012

BROWNSTEIN HYATT FARBER  
SCHRECK, LLP

By: \_\_\_\_\_  
SCOTT S. SLATER  
BRADLEY J. HERREMA  
Attorneys for Plaintiff  
CHINO BASIN WATERMASTER

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IT IS HEREBY STIPULATED AND AGREED, by and among the undersigned counsel, solely on behalf of the parties that they represent of record, as follows:

1. If any member of the Overlying (Non-Agricultural) Pool Committee (each, a "NAP Electing Member") elects, pursuant to Section 9(a) of Exhibit "G" to the Judgment, to make any or all of its current annual Production right or water held in storage available for purchase by the members of the Appropriative Pool, then such offer shall be subject to the terms and conditions of Section 9 of Exhibit "G", except that the phrase "92% of the then-prevailing 'MWD Replenishment Rate'" shall be replaced with the phrase "92% of the water rate for Full Service Untreated Volumetric Cost: Tier 1, as adopted by the Metropolitan Water District of Southern California as of the date hereof to be effective during the period of January 1, 2013 through June 30, 2013, for each acre foot so transferred." The terms and conditions of this Stipulation shall apply only to water made available by a NAP Electing Member between the date hereof and December 31, 2012, and only in the event that MWD does not, prior to December 31, 2012, publish a MWD Replenishment Rate that is effective during the period of January 1, 2013 through June 30, 2013.

2. The approval of a temporary substitute rate for Physical Solution Transfers herein shall have no precedential effect in regard to the rate that may be implemented for Physical Solution Transfers in years other than Fiscal Year 2012-2013.

3. Legal counsel for the Watermaster Board shall file a motion seeking entry of an order of the Court approving the rate substitution described in paragraph 1 above, and shall provide notice to other parties thereof. No assertion of fact or law contained in any paper filed

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with the Court by the Watermaster Board shall be construed as the belief or position of any other party.

Dated: November \_\_, 2012

HOGAN LOVELLS US, LLP

By: \_\_\_\_\_  
ALLEN W. HUBSCH  
Attorneys for CHINO BASIN  
WATERMASTER OVERLYING (NON-  
AGRICULTURAL) POOL

Dated: November \_\_, 2012

BY: \_\_\_\_\_  
JOHN J. SCHATZ  
Attorneys for CHINO BASIN  
WATERMASTER APPROPRIATIVE  
POOL

Dated: November \_\_, 2012

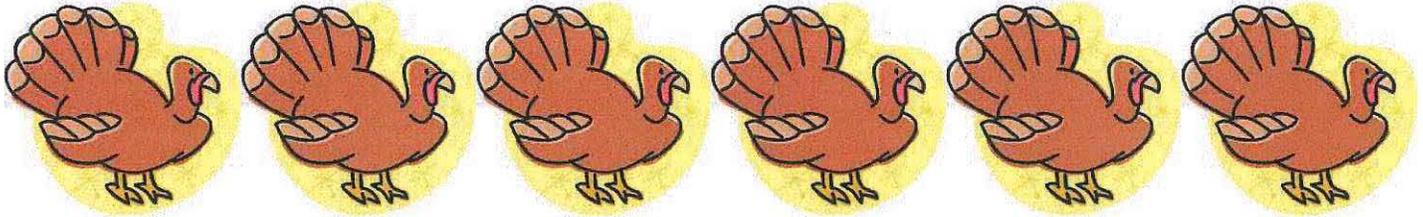
BROWNSTEIN HYATT FARBER  
SCHRECK, LLP  
BY: \_\_\_\_\_  
SCOTT S. SLATER  
BRADLEY J. HERREMA  
Attorneys for CHINO BASIN  
WATERMASTER

ORDER

Pursuant to the stipulation of the parties and good cause appearing thereof, IT IS SO ORDERED.

DATED: \_\_\_\_\_, 2012

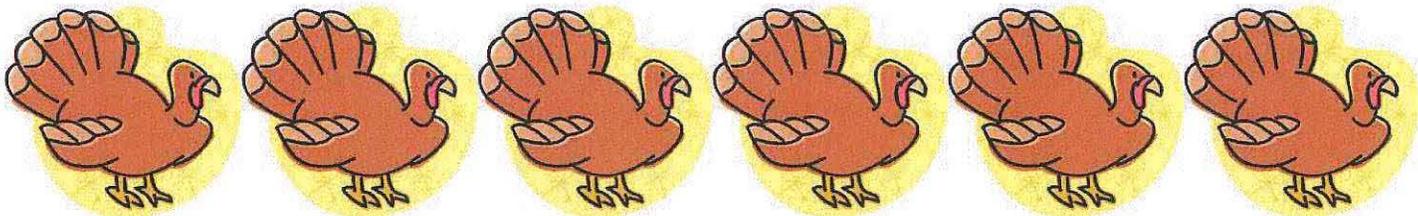
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Judge of the Superior Court



# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### B. CONSIDERATION OF RMPU AMENDMENT SCHEDULE





# 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:** November 15, 2012  
**TO:** Committee Members  
Watermaster Board Members  
**SUBJECT:** RMPU Amendment Schedule

### SUMMARY

**Issue** - Watermaster has been ordered by the Court to amend the 2010 Recharge Master Plan Update (RMPU), which it anticipates will be completed by October 2013. In December 2011 the Watermaster Board directed completion of the work by December 2012. While progress has been made, a number of issues have caused delays and at this time it is unlikely that the RMPU Amendment can be completed by the December 2012 date. The Steering Committee reviewed a schedule that if adhered to would complete the RMPU Amendment by October 2013.

**Recommendation** – Staff recommends adopting the attached (under separate cover) schedule. This represents a change from the motion adopted by the Advisory Committee and the Board in December 2011 as it extends the Recharge Master Plan Update Amendment completion date from December 2012 to October 2013.

**Financial Impact** – Wildermuth Environmental Inc. (WEI) estimates that completion of the work as proposed will cost \$118,236 in Fiscal Year 2012-13, or \$80,000 more than the amount available in the budget (Item 7202.3-OBMP Program Element 2: Comp Recharge, Implementation RMPU). This cost increase will be offset by anticipated lower costs in other areas. Specifically it is anticipated that approximately \$35,000 of work previously scheduled for MZ1 (Item 7107-Ground Level Monitoring; budget \$524,451) will be deferred due to the ongoing testing in the area; and the Proof of Concept (Item 7209-OBMP Pgm Element 2: Com Recharge, Proof of Concept; budget \$300,000) actual expenses are expected to be considerably lower. A Budget Transfer document of approximately \$80,000 is not being submitted with the current proposal, however a Budget Transfer document will be submitted, if necessary, as part of the Mid-Year Review.

## Background

When the Recharge Master Plan Update (RMPU) was presented to the Court in 2010 there was uncertainty about the demand projections of water purveyors in Chino Basin. Demand projections are updated every five years in a planning document titled Urban Water Management Plan (UWMP), required of each water purveyor every five years, in years ending in 0 and 5. However in 2010, due to hydrologic circumstances and new laws, an extension was given and UWMPs were to be completed in June 2011.

In light of the potential change in water demands that these UWMPs would reflect the Court's Order was to amend the 2010 RMPU, mainly to reflect water demand projections and to adjust the recommended recharge projects that had been previously identified, and to propose a financing and implementation plan. The Court expected the Amendment to be completed in three years from the time of the Order, or, October 2013.

In December 2011 Watermaster Board directed staff to complete the RMPU Amendment by December 2012. This direction was provided to address concerns of imbalance between production and recharge in MZ3, with the thought that the sooner the Amendment would be completed, the sooner it would be possible to commence projects focused on the area of imbalance.

A number of factors both internal and external to Watermaster resulted in delaying progress of the required work. To date there has been good progress and Sections 1 through 4 have been prepared and adopted by the Board. Sections 5 through 8 remain to be completed, and Watermaster staff prepared a schedule that shows the required activities could be completed by October 2013, missing the Board's deadline of December 2012, but complying with the date the Court anticipates completion.

To address the concerns about imbalance in MZ3 while the schedule is extended, staff has identified proof-of-concept projects in MZ3 and is using budgeted funds to move those forward. Specifically at this time IEUA is moving forward with the required permitting activities for the Wineville Basin, and expects to be able to start recharge activities at the end of the storm season. Further, Watermaster staff is reviewing possible water management options that would assist in production sustainability in the short term. In addition to the Wineville Basin project Watermaster and IEUA will be collaborating on a proof-of-concept project in the Jurupa Basin and plan to budget funds for that in FY 2013-14.

The attached schedule (under separate cover) was presented to the Steering Committee at its meeting on November 1, 2012. The schedule requires rather intensive work from Watermaster staff and Wildermuth Environmental (WEI), and timely reviews by the parties. The review periods are noted in the schedule, and it is important that they be observed closely to be successful. The schedule contemplates intense collaboration and work from all through February 2013. The months of March through June 2013 require work to be performed by WEI and updates to be provided to the Steering Committee on a regular basis. Finally, the months of July through September of 2013 again required active collaboration. During the work some key agreements need to be reached and it is proposed that these are brought through the Watermaster process for bottom-up approval.

Key dates include:

1. Consideration & agreement on area of projects' focus to be analyzed: December 2012
2. Consideration & agreement of evaluation criteria: January 2013
3. Consideration & agreement of the funding and implementation plan: August 2013
4. Adoption of RMPU Amendment: September 2013

It should be noted that while the work to amend the 201 RMPU is ongoing WEI will also be proceeding with the recalculation of the Safe Yield, and anticipates this work will be completed by June of 2013.

According to the Peace II Agreement the Recharge Master Plan was to be prepared by 2010 and updated as necessary, but at least once every 5 years. The Amendment that is the subject of this report was not contemplated and it is unclear if the next RMPU should be undertaken in 2015 or perhaps 2018. Watermaster staff intends to bring forth a recommendation regarding the timing of the next Recharge

Master Plan Update at the time of the proposed adoption of the RMPU Amendment by the Pools, Advisory Committee, and Board.

In light of the nature of the work and sensitivity of the schedule it is recommended that the schedule be adopted by each of the Pools, the Advisory Committee and the Board as a way of indicating commitment.

Attachment Under Separate Cover

**Actions:**

November 8, 2012 Appropriative Pool – Approved unanimously

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

November 8, 2012 Agricultural Pool –

November 15, 2012 Advisory Committee –

November 15, 2012 Watermaster Board –

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## **BUSINESS ITEM B.**

### **CONSIDERATION OF RMPU AMENDMENT SCHEDULE**

#### ***Draft Schedule To Complete 2013 RMPU Amendment***

***There Are Two Pages Both 11 x 17 For This Item***

***The staff letter for this package is in the meeting package and the 2 11x17 sheets are under separate cover***

Can be found on the following link:

[www.cbwm.org/ftp](http://www.cbwm.org/ftp)

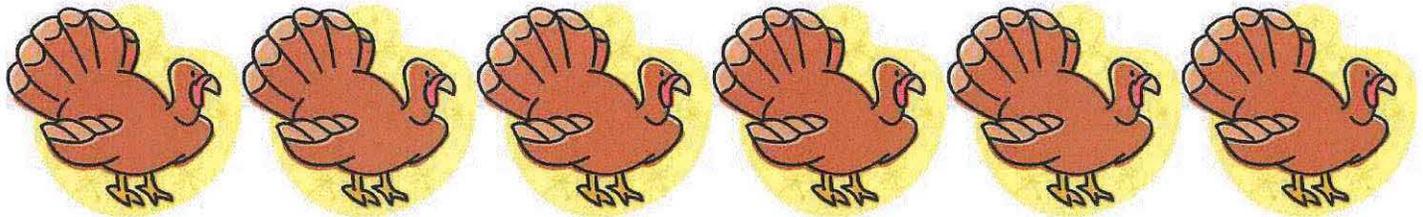
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MEETINGS, PACKAGES, AND AGENDAS

FOR THE PDF TITLED:

***20121108 # Draft Schedules To Complete 2013 RMPU Amendment***

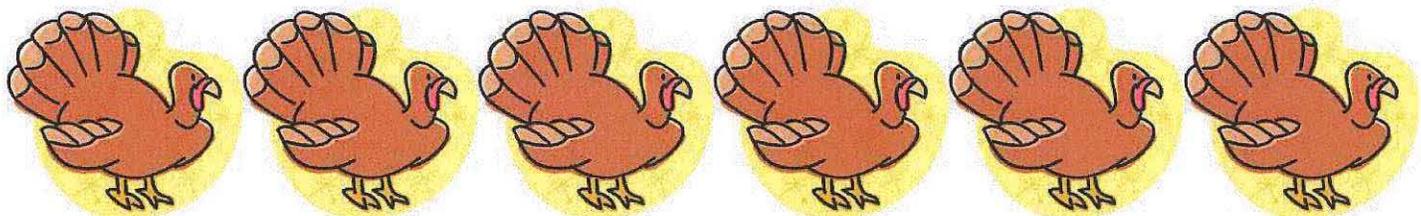
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# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### C. CHINO BASIN WATERMASTER 2012-2013 ASSESSMENT PACKAGE





# CHINO BASIN WATERMASTER

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

---

PETER KAVOUNAS, P.E.  
General Manager

## STAFF REPORT

**DATE:** November 15, 2012  
**TO:** Committee Members  
Watermaster Board Members  
**SUBJECT:** Fiscal Year 2012-2013 Assessment Package

### SUMMARY

**Issue** - Chino Basin Watermaster Fiscal Year 2012-2013 Assessment Package.

**Recommendation** - Staff recommends approval of the Fiscal Year 2012-2013 Assessment Package as presented, with express acknowledgment of the treatment of the topics as described in this Staff Report.

**Fiscal Impact** - The Assessment Package creates the funds that are used during this fiscal year for budgeted expenses.

### BACKGROUND

Watermaster issues an Assessment Package annually based on the previous production year (July 1 through June 30). Production information is generally collected quarterly, and other necessary information is collected annually. The Assessment Package creates funds that are used during the current fiscal year for budgeted expenses. Assessments are based on the approved budget divided by the total assessable production in the Basin.

### DISCUSSION

The Parties of the Non-Agricultural Pool and the Appropriative Pool were each sent a copy of their Water Activity Report in August that summarized their water activity for the previous year, including production, Dry Year Yield (DYY), land use conversions, transfers, and assignments. Each Party was asked to verify the data gathered and summarized by Watermaster. All of the Water Activity Reports were received back, and any necessary corrections were made.

Watermaster held a Pre-Assessment Workshop on October 16, 2012, and then an Assessment Package Workshop on October 30, 2012. The purpose of the Pre-Assessment Package Workshop was to review unique topics to the Assessment Package, as there were many this year. The Assessment Package Workshop purpose was to review the prior year production, transfers, DYY, etc., and to review the current year cash requirements pursuant to the adopted budget and the resulting impact on assessments. Discussion at the workshop covered the breakdown of how assessments are calculated.

During and following the workshops, topics were discussed and decided on. These topics include the following:

- Carryover losses were adjusted in this Assessment Package. The Peace Agreements state that losses are to be applied to Local Storage. By definition, Carryover water is not Local Storage. Watermaster is making a one-time adjustment in this Assessment Package, consistent with the loss provisions of the Peace Agreements, and returning losses applied during the past six years. This one-time adjustment is being treated differently than an adjustment subject to the four-year period of limitation contained in the Peace II Agreement. The adjusted amounts have been placed into the Annual Accounts as shown in the columns titled "Prior Year Adjustments." In the case of permanent water transfers, the adjustments are credited to the purchaser of the water right. Details of these adjustments can be found in Appendix A of the Assessment Package.
- The Paragraph 31 Settlement Agreements were addressed. The sale and transfer of 90-percent of the Non-Agricultural June 30, 2007 storage balances, exclusive of CSI, were credited to the Excess Carryover accounts of the Appropriators. Per the Agreements, losses on the stored water are shared between the Appropriative and Non-Agricultural Parties. The transfer of 10-percent of the Non-Agricultural June 30, 2007 storage balances, inclusive of CSI, was dedicated to Desalter replenishment. A special account for this dedication was created on Page 5A of the Assessment Package. The water was deemed to have been dedicated on June 30, 2007; therefore, as Watermaster had assessed losses on that water since that time and during the pendency of the Paragraph 31 litigation, these losses were returned to the Non-Agricultural Pool Parties. There were two Non-Agricultural Pool Parties that, based on their activities over the last five years, would have had negative balances if their entire amounts of June 30, 2007 storage amounts had been transferred. Therefore, per the Agreements, there was a "storage deficit adjustment quantity" of 17.143 acre-feet to avoid these negative balances. Also included within these transfers was California Steel Industries' "further compensation" as detailed in its Agreement. Details of these transfers can be found in Appendix B (Appropriative Pool) and Appendix D (Non-Agricultural Pool) of the Assessment Package.
- Adjustments were made to the Desalter replenishment accounts, in addition to the Non-Agricultural Pool dedication stated above. Accounts were added on Page 5A for the three Preemptive Replenishment Agreements for City of Chino, City of Ontario, and Jurupa Community Services District. As stated in the Agreements, losses do not apply to these accounts. Also, a correction was made to the Pre-Peace II (Non-Western) Desalter Re-Operation Account, consistent with Watermaster's compliance with Condition Subsequent 7, which was approved through the Watermaster process and then approved by the Court in February 2009. An amount of 29,070 acre-feet was deducted from that account to correct for anticipated New Yield Santa Ana River inflow that did not happen. At this time the current amount of New Yield induced from the Santa Ana River is unknown. When the modeling work is complete, later in the fiscal year, the New Yield will be known and will be applied to the account in next year's Assessment Package. Details of this correction can be found in Appendix D of the Assessment Package.
- Fontana Water Company and Niagara Bottling purchased preemptive replenishment water during Production Year 2011-2012. That water was added into their supplemental storage accounts. The 85/15 Rule applies to that portion of preemptive replenishment purchased and used during Production Year 2011-2012 to offset overproduction. During that same period in which replenishment water was made available by Metropolitan Water District, Monte Vista Water District and the City of Ontario certified in lieu water via IEUA. That water remains in their annual accounts, since what remains in the ground is unpumped native water and they have not applied to Watermaster to store that water other than as unproduced native water.

- San Antonio Water Company recharged 101 acre-feet of non-native supplemental water during the production year, and that amount has been added to its supplemental account.
- Voluntary Agreements were discussed. It was noted that the language in Peace Agreement Section 5.3(i) states that "The appropriator providing service shall be entitled to a credit to offset Production to the extent it is serving the overlying land up to the amount of the historical maximum annual quantity of water previously used on the property." However, Watermaster's practice has been to not limit voluntary agreements by the historical property usage because it is often very difficult, if not impossible, to determine. The treatment of Voluntary Agreements in the Assessment Package is consistent with its past practice.
- In this Assessment Package, two-percent losses have been applied to water in Local Storage accounts (Excess Carryover and Supplemental). Losses are to be applied until hydraulic control is achieved, and it has not yet been achieved.
- The New Yield credit resulting from the Chino Basin Facilities Improvement Projects is again zero in this Assessment Package. New Yield is allocated to the Appropriators based on their percent of Operating Safe Yield. Production Years 2003-2004 through 2007-2008 each allocated 12,000 acre-feet total of New Yield, and 2008/2009 through 2011/2012 each allocated zero acre-feet. Per Condition Subsequent 7, the current production year of 2012-2013 will be the fifth and final year of zero credit. The credit will then be recalculated based on historical data, and will continue to be recalculated every five years thereafter.

The Revised Draft Assessment Package is attached. It has been reviewed by the Pools as presented in this Meeting Package. Budgeted costs slightly increased this year, as approved in May 2012, and assessable production increased as well. The Assessment Package identifies total assessable production for all Pools as 118,101 acre-feet, resulting in assessments of \$8.76/acre-foot for Admin and \$41.84/acre-foot for OBMP, excluding recharge debt service and assessments for replenishment water. For production year 2011-2012, there is a replenishment obligation of 1,097 acre-feet. The new replenishment rate is \$607, which is MWD's \$593 Tier 1 rate plus IEUA's \$12 surcharge plus OCWD's \$2 connection fee. If approved through the Watermaster process in November, the invoices will be mailed in late November. Included on the invoices will be the excess reserve refunds/credits. Also included will be any approved special assessments.

**Actions:**

November 8, 2012 Appropriative Pool – Approve the Assessment Package as presented, with express acknowledgment of the treatment of topics described in the staff report including the additional items described by Watermaster staff, and with the understanding Jurupa Community Services District will give conditional approval for the Assessment Package now, which will allow time for review prior to the Advisory Committee meeting vote

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

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

November 15, 2012 Advisory Committee –

November 15, 2012 Watermaster Board –

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## **BUSINESS ITEM C.**

### **CHINO BASIN WATER MASTER**

#### **Fiscal Year 2012-2013 ASSESSMENT PACKAGE**

*The Staff Letter for This Item is in The Meeting Package*

*The Actual Assessment Package is Under Separate Cover*

Can be found on the following link:

[www.cbwm.org/ftp](http://www.cbwm.org/ftp)

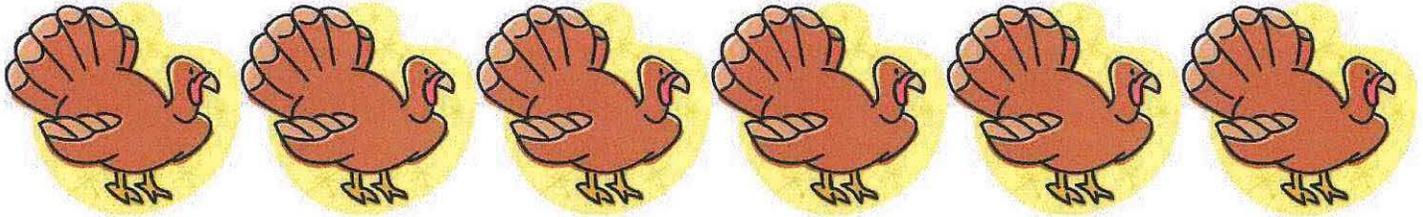
PLEASE LOOK IN THE FOLDER:

MEETINGS, PACKAGES, AND AGENDAS

FOR THE PDF TITLED:

**20121108 Chino Basin Fiscal Year 2012-2103  
Assessment Package**

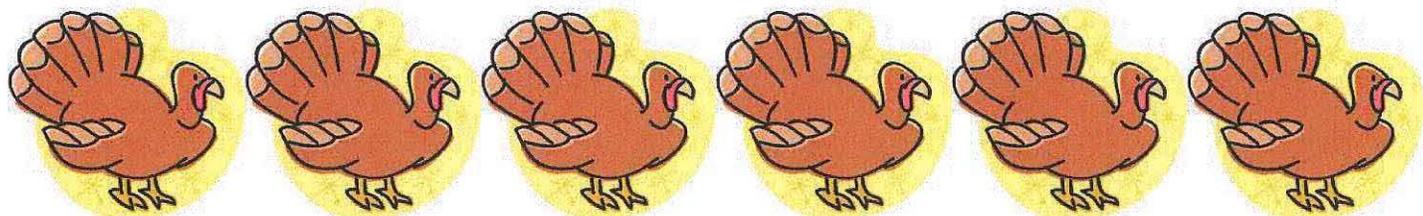
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# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### D. LEVYING REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS





# 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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PETER KAVOUNAS, P.E.  
General Manager

## STAFF REPORT

**DATE:** November 15, 2012  
**TO:** Committee Members  
Watermaster Board Members  
**SUBJECT:** Resolution to Levy Replenishment and Administrative Assessments for Fiscal Year 2012-2013 (Production Year 2011-2012)

### SUMMARY

**Issue** – Resolution 12-07: A resolution of the Chino Basin Watermaster levying replenishment and administrative assessments for Fiscal Year 2012-2013.

**Recommendation** - Staff recommends approval of Resolution 12-07.

**Fiscal Impact** - The Assessment Package creates the funds that are used during this fiscal year for budgeted expenses.

### BACKGROUND

Watermaster issues an Assessment Package annually based on the previous production year (July 1 through June 30). Production information is generally collected quarterly, and other necessary information is collected annually. The Assessment Package creates funds that are used during the current fiscal year for budgeted expenses. Assessments are based on the approved budget divided by the total assessable production in the Basin. Watermaster is entitled with powers to levy and collect administrative and replenishment assessments necessary to maintain water levels and to cover the cost of administering the Chino Basin Judgment. Pursuant to the Judgment, each party has thirty days from the date of invoice to remit the amount of payment for assessments due. After that date, interest will accrue on that portion which was due as provided for in Section 55 (c) of the Judgment.

### DISCUSSION

The Draft Assessment Package is being considered for approval this month. Budgeted costs slightly increased this year, as approved in May 2012, and assessable production increased as well. The Assessment Package identifies total assessable production for all Pools as 118,101 acre-feet, resulting in assessments of \$8.76/acre-foot for Admin and \$41.84/acre-foot for OBMP, excluding recharge debt

service and assessments for replenishment water. For production year 2011-2012, there is a replenishment obligation of 1,097 acre-feet. The new replenishment rate is \$607, which is MWD's \$593 Tier 1 rate plus IEUA's \$12 surcharge plus OCWD's \$2 connection fee. The assessments for Agricultural Pool water that is reallocated to the Appropriative Pool are \$6.21/acre-foot for Admin and \$29.67/acre-foot for OBMP. The total recharge debt payment, allocated amongst the Appropriators based on their percentage of Operating Safe Yield, is \$501,055.00. If the Assessment Package and this Resolution are approved through the Watermaster process in November, the invoices will be mailed in late November or early December. Included on the invoices will be the excess reserve refunds/credits. Also included will be any approved special assessments.

**Actions:**

November 8, 2012 Appropriative Pool – Approved unanimously

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

November 8, 2012 Agricultural Pool – Approved unanimously

November 15, 2012 Advisory Committee –

November 15, 2012 Watermaster Board –

**RESOLUTION 12-07**

**A RESOLUTION OF THE CHINO BASIN WATERMASTER LEVYING REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS FOR FISCAL YEAR 2012-2013**

WHEREAS, the Chino Basin Watermaster was appointed on January 27, 1978, under Case No. RCV 51010 (formerly case No. SCV 164327) entitled Chino Basin Municipal Water District v. City of Chino, et al., with powers to levy and collect administrative and replenishment assessments necessary to maintain water levels and to cover the cost of administering the Chino Basin Judgment; and

WHEREAS, the Watermaster Advisory Committee approved and the Watermaster Board adopted the Fiscal Year 2012-2013 Budget on May 24, 2012 to carry out the necessary Watermaster functions under the Judgment; and

WHEREAS, the parties named in this Judgment have pumped 1,097.132 acre-feet of water in excess of the operating safe yield, which is required to be replaced at the expense of the parties in accordance with the assessment formulas for the respective pools.

NOW, THEREFORE, BE IT RESOLVED that the Chino Basin Watermaster levies the respective assessments for each pool effective November 15, 2012 as showed on Exhibit "A" attached hereto.

BE IT FURTHER RESOLVED, that pursuant to the Judgment, each party has thirty-days from the date of invoice to remit the amount of payment for assessments due. After that date, interest will accrue on that portion which was due as provided for in Section 55 (c) of the Judgment.

THE FOREGOING RESOLUTION was

**APPROVED** by the Advisory Committee on the 15<sup>th</sup> day of November 2012.

**ADOPTED** by the Watermaster Board on the 15<sup>th</sup> day of November 2012.

By:

\_\_\_\_\_  
Chairman, Watermaster Board

APPROVED:

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

ATTEST:

\_\_\_\_\_  
Secretary, Watermaster Board

Exhibit "A"  
Resolution 12-07

Summary  
of  
Assessments  
Fiscal Year 2012-2013  
Production Year 2011-2012

1. OVERLYING (NON-AGRICULTURAL) POOL

a.	2012-2013 Budget	\$ <u>8.76</u> Per AF - Admin.
		\$ <u>41.84</u> Per - OBMP
b.	Replenishment	\$ <u>607.00</u> Per AF

2. APPROPRIATIVE POOL

a.	Administration	
	1. 2012-2013 Budget	\$ <u>8.76</u> Per AF - Admin.
		\$ <u>41.84</u> Per - OBMP
	2. Ag Pool Reallocated	
		\$ <u>6.21</u> Per AF - Admin.
		\$ <u>29.67</u> Per AF - OBMP
b.	100% Net Replenishment	\$ <u>607.00</u> Per AF
c.	15/85 Water Activity	
	15% Replenishment Assessments	\$ <u>1,346.44</u>
	15% Water Transaction Activity	\$ <u>315,905.47</u>
d.	Pomona Credit	\$ <u>0.0</u>
e.	Recharge Debt Payment	\$ <u>501,055.00</u>

STATE OF CALIFORNIA            )  
                                          ) ss  
COUNTY OF SAN BERNARDINO    )

I, Peter Kavounas, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 12-07, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

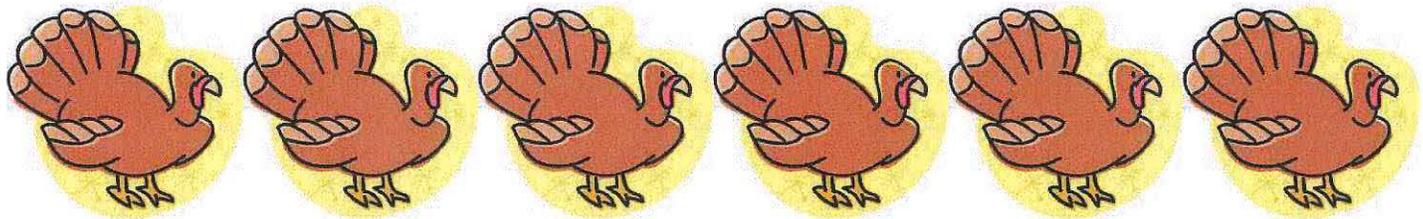
AYES:            0  
NOES:            0  
ABSENT:          0  
ABSTAIN:         0

CHINO BASIN WATERMASTER

\_\_\_\_\_  
Secretary

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

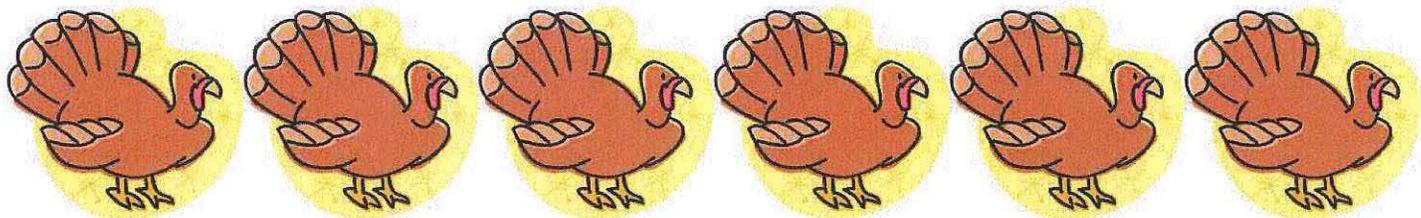
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# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### E. APPLICATION FOR RECHARGE





# 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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PETER KAVOUNAS, P.E.  
General Manager

## STAFF REPORT

**DATE:** November 15, 2012  
**TO:** Committee Members  
Watermaster Board Members  
**SUBJECT:** Vulcan Materials Company Application for Recharge

### SUMMARY

**Issue** – On September 12, 2012, Vulcan Materials Company submitted an Application for a Local Supplemental Storage Agreement for 1,200,000 acre-feet to be placed into a Local Supplemental Storage Account, inclusive of an Application for Recharge. Vulcan Materials Company has requested prompt Watermaster action on its Application. At this time there are nine pending Applications for Local Storage Agreements (LSAs) (collectively “Applications”) that have been deferred pending review of their contents for: (1) completeness; (2) consistency with the Peace II Measures and their relative priority; and (3) stakeholder input and a Watermaster determination on the general terms and conditions concerning Preemptive Replenishment and Storage. The Vulcan Materials Company Application has been deemed complete and Wildermuth Environmental, Inc. (WEI) has performed a Material Physical Injury analysis on it. The analysis concluded that the recharge plan in Vulcan Material’s Application has the potential to cause Material Physical Injury, and that the Material Physical Injury can be avoided. There still remain open questions concerning the availability of Local Storage under present accounting (Second Amendment to the Peace Agreement), the relative priority among pending Applications and the complete set of Preemptive Replenishment and Storage rules.

**Recommendation** – Watermaster should approve Vulcan Materials Company’s Application in so far as Recharge is concerned if it demonstrates, to Watermaster’s satisfaction, that the water recharged at the Vulcan Pit will not become contaminated through contact with the soil, or that any water quality degradation caused by contact with the soil will not result in a chemical concentration in the recharge water to increase to a level that would exceed a maximum contaminant level established in California Code of Regulation Title 22 or a notification level established by the Department of Public Health. Also, Watermaster should condition the Storage element so that it is expressly subject to subsequent Watermaster determinations on: (1) the quantity of Local Supplemental Water in Storage; (2) the priority among all competing Applications for Local Storage Agreements; and (3) the general terms and conditions concerning Preemptive Replenishment and Storage. This means that Vulcan Materials Company may begin recharging water upon approval by Watermaster as provided herein. However, its intention to hold, store and recover the Supplemental Water is still subject to the stated subsequent Watermaster determinations. Furthermore, this action would be without prejudice to other

pending Applications or the priority among competing Applications. Staff and counsel expect that Watermaster can reasonably make the referenced determinations on a timeline consistent with the Recharge Master Plan Update. This approach will allow Vulcan Materials Company to proceed with recharge activities subject to the ongoing regulation of Watermaster of Storage Agreements on equitable, non-discriminatory grounds but without prejudice to other pending Applications. Moreover, Watermaster will (1) continue monitoring as planned in the Optimum Basin Management Program, (2) use all new or revised information when analyzing the hydrologic balance as required by the Peace Agreement and Peace II Agreement and report to Watermaster if a potential for material physical injury is discovered so that it may be further addressed by Watermaster on a non-discriminatory basis, and (3) approve the Application for Recharge element as presented.

**Fiscal Impact –None.**

## **BACKGROUND**

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

Similar to this Vulcan Materials Company Application, Applications for Local Supplemental Storage Agreements by both the City of Upland and the San Antonio Water Company, inclusive of Applications for Recharge, were discussed extensively during the December 2011 and January 2012 Pool meetings, and during the February 2012 Advisory and Board meetings. Ultimately, both Applications were approved subject to further Watermaster determinations concerning: (1) the determination of available capacity for Local Supplemental Storage Agreements pursuant to Section 2 of the Second Amendment to the Peace Agreement (100,000 acre-foot cap); (2) the establishment of rules concerning the priority among competing Applications for Local Supplemental Storage; and (3) the general terms and conditions applicable to Storage and Preemptive Replenishment in connection with the Recharge Master Plan. Accordingly until these determinations have been made, the storage and recovery of any water recharged by the City of Upland and by San Antonio Water Company are not guaranteed. Also stated was that no Party with a pending Application for a Local Supplemental Storage Agreement will be prejudiced by Watermaster's conditional action on the City of Upland's and San Antonio Water Company's Applications.

On October 8, 2012, a Notice was issued for Vulcan Materials Company's Application for a LSA for 1,200,000 acre-feet to be placed into a Local Supplemental Storage Account. Inclusive of this Notice was their Application for Recharge for 1,200,000 acre-feet of Fontana Water Company retail water into the "Vulcan Groundwater Recharge Facility."

## **DISCUSSION**

On September 12, 2012, Vulcan Materials Company submitted Form 1, an Application for a Local Supplemental Storage Agreement (Attachment 1). The Application identifies the maximum quantity of the storage account to be 1,200,000 acre-feet to be placed into a Local Supplemental Storage Account. The Application states that the purposes of storing water are to stabilize or reduce future water costs/assessments, facilitate utilization of other available sources of supply, facilitate replenishment under certain well sites, and preserve pumping right for a changed future potential use.

The Application states that the method of placement in storage is via percolation/recharge and a Form 2, Application for Recharge, is included. The Application for Recharge (attached) states that the "Vulcan Groundwater Recharge Facility" will be utilized and that the source of water is Fontana Water Company retail water. Fontana Water Company has stated that at this time there is no agreement in place for the delivery of water to the Vulcan Pit. The Application does not state the method and location of recapture. At the time of recapture, the Vulcan Materials Company will need to submit appropriate recapture forms.

This Application for Recharge was considered by each of the respective Pool committees during the month of October 2012. Per the Watermaster Rules and Regulations, this Application cannot be scheduled earlier than thirty days from the date of the October 8, 2012 notice and must wait a minimum of twenty-one calendar days after the last pool committee review, before consideration by the Advisory Committee. The last Committee to review this was the Overlying (Ag) Pool at its October 11, 2012 meeting. After consideration by the Advisory Committee, the Application is to be considered by the Board. According to the Rules and Regulations the Application can be considered by the Advisory Committee on November 15, 2012 and then by the Watermaster Board, also on November 15, 2012.

The Material Physical Injury analysis performed by WEI (Attachment 1) WEI letter dated October 5, 2012 WEI letter states that the recharge plan in Vulcan Material Company's Application has the potential to cause Material Physical Injury. It is WEI's opinion that this potential Material Physical Injury could be avoided if Vulcan Materials Company were to demonstrate, to Watermaster's satisfaction, that the water recharged at the Vulcan Pit will not become contaminated through contact with the soil, or that any water quality degradation caused by contact with the soil will not result in a chemical concentration in the recharge water to increase to a level that would exceed a maximum contaminant level established in California Code of Regulation Title 22 or a notification level established by the Department of Public Health.

WEI has prepared a subsequent letter (Attachment 3) WEI letter dated November 1, 2012 further outlining the concerns with the proposed recharge and presenting a plan for the project proponent to follow to perform the necessary site characterization.

Staff recommends approval of the Application for Recharge as presented, on the condition that the project proponent must demonstrate by following the WEI site characterization plan, to Watermaster's satisfaction, that the Material Physical Injury can be avoided. Once approved, Vulcan Materials Company may begin recharging the water as described in the Application. It should be noted that Vulcan Materials Company is recharging the water at some risk because Watermaster's approval of the storage element of the Local Supplemental Storage Agreement is subject to further Watermaster determinations concerning: (1) the determination of available capacity for Local Supplemental Storage Agreements pursuant to Section 2 of the Second Amendment to the Peace Agreement (100,000 acre-foot cap); (2) the establishment of rules concerning the priority among competing Applications for Local Supplemental Storage; and (3) the general terms and conditions applicable to Storage and Preemptive Replenishment in connection with the Recharge Master Plan. Accordingly, until these determinations have been made, the storage and recovery of any water recharged by Vulcan Materials Company is not guaranteed. Moreover, no party with a pending Application for Local Supplemental Storage Agreements will be prejudiced by Watermaster's conditional action on Vulcan Materials Company's Application.

**Actions:**

October 11, 2012 Appropriative Pool – Moved to approve Watermaster staff recommendation as presented in the staff letter and to approve the Recharge Permit with the request that staff report back to the Appropriative Pool at their next meeting on the site investigation requirements and results of any further analyses

October 11, 2012 Non-Agricultural Pool – Moved to approve staff recommendation, with one abstention by Bob Bowcock, 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

October 11, 2012 Agricultural Pool – Moved to approve Watermaster staff recommendation as presented in the staff letter and to approve the Recharge Permit with the request that staff report back to the Appropriative Pool at their next meeting on the site investigation requirements and results of any further analyses

November 15, 2012 Advisory Committee –

November 15, 2012 Watermaster Board –

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ADDITIONAL INFORMATION ATTACHED Yes [ ] No [X]

  
Applicant

**TO BE COMPLETED BY WATERMASTER:**

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

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

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

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

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

DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_

APPLICATION  
FOR  
RECHARGE

APPLICANT

Vulcan Materials Company \_\_\_\_\_ September 12, 2012 \_\_\_\_\_  
 Name of Party Date Requested Date Approved

405 North Indian Hill Boulevard \_\_\_\_\_ 1,200 Acre-feet \_\_\_\_\_ Acre-feet  
 Street Address Amount Requested Amount Approved

Claremont CA 91711 \_\_\_\_\_ 100 AF / Month \_\_\_\_\_ 12 Months \_\_\_\_\_  
 City State Zip Code Projected Rate of Projected Duration of  
 Recharge Recharge

Telephone: (909) 621-1266 \_\_\_\_\_ Facsimile: (909) 621-1196 \_\_\_\_\_

SOURCE OF SUPPLY

Water from:  
 State Water Project  
 Colorado River  
 Local Supplemental Source: Fontana Water Company Purchased Retail Water Connection  
 Recycled Water  
 Other, explain \_\_\_\_\_

METHOD OF RECHARGE

PERCOLATION Basin Name Vulcan Groundwater Recharge Facility  
 Location MZ-3

INJECTION Well Number \_\_\_\_\_  
 Location (attach map) \_\_\_\_\_

EXCHANGE Facility Name \_\_\_\_\_  
 Share of Safe Yield \_\_\_\_\_  
 Carry Over Right \_\_\_\_\_  
 Water in Storage \_\_\_\_\_  
 Pumping Capacity (cfs) \_\_\_\_\_

WATER QUALITY AND WATER LEVELS

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

California Title 22 Drinking Water  
MZ-3

**MATERIAL PHYSICAL INJURY**

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

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

\* The Vulcan Groundwater Recharge Facility property has never used or stored any hazardous materials as defined by the State of California or United States Environmental Protection Agency. The aggregate mine was developed on previously natural alluvium and is free from all chemical pollution and contamination. Water quality to be recharged exceeds the requirements of the Santa Ana Regional Water Quality Control Boards Basin Plan objectives.

**ADDITIONAL INFORMATION ATTACHED** Yes [ ] No [X]

  
Applicant

**TO BE COMPLETED BY WATERMASTER:**

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

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

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

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

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

DATE OF BOARD APPROVAL: \_\_\_\_\_ Agreement # \_\_\_\_\_

**CHINO BASIN WATERMASTER**  
**STANDARD**  
**LOCAL STORAGE AGREEMENT # \_\_\_\_\_**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, by and between Chino Basin Watermaster, (herein "Watermaster") and Vulcan Materials Company \_\_\_\_\_, (herein "Local Storage Party") pursuant to the Judgment entered January 27, 1978 and the Peace Agreement and Implementation Plan dated June 29, 2000.

**STORAGE AUTHORITY.** The authority is hereby granted to the above Storage Party, pursuant to the terms and conditions hereof, to store 1,200 acre-feet of water in the Chino Basin and to recapture the same for reasonable beneficial use as indicated on the forms or attachments below: The right to store water under this Local Storage Agreement is not transferable or assignable.

Excess Carry Over     Local Supplemental or Imported     Both

**STORAGE APPROVAL .** In submitting the Application for Local Storage, Applicant presented the following forms in addition to Form 1:

- Form 2    Application for Recharge
- Form 3    Application for Sale or Transfer of Right to Produce Water in Storage
- Form 4    Application or Amendment to Application to Recapture Water in Storage
- Form 5    Application Transfer Annual Production Right or Safe Yield
- Form 6    Application by a Party to the Judgment to Participate in a Storage & Recovery Program
- Form 7    Application for Reimbursement or Credit Against OBMP Assessments

All additional forms are included herein by reference and deemed approved or conditioned as attached.

**TERM OF AGREEMENT.** This Agreement shall continue in effect coterminous with the Peace Agreement unless or until the Agreement is modified, amended or terminated by Watermaster action. Except for losses or other factors as Watermaster may establish, any water in storage at the time of termination of this Agreement shall remain to the credit of Storage Party for subsequent recapture in its normal operations, i.e., termination of the Agreement shall affect termination of the right to place water in storage, but shall not impair the integrity of water stored or the right to recapture the same. Local Storage Agreements do not require court approval.

This Agreement and all provisions thereof are applicable to and binding upon not only the parties hereto, but also upon their respective heirs, executors, administrators, successors, assigns, lessors and licensees and upon the agents, employees and attorneys in fact of all such persons.

The following standard terms and conditions are deemed incorporated in any local storage agreement approved by Watermaster.

**ASSIGNMENT OF STORAGE CAPACITY.** Storage capacity is not assignable. Water in storage may be assigned, sold, leased or transferred as herein or subsequently approved.

**LOSSES ATTRIBUTABLE TO STORED WATER.** Pursuant to the Peace Agreement, losses may be applied to water stored hereunder after July 1, 2005.

**RECAPTURE.** Storage Party may recapture Stored Water by the direct extraction of groundwater from Chino Basin as herein approved by Watermaster. Each Storage Party shall apply to Watermaster in writing using Form 4 at least thirty (30) days prior to commencement of direct recapture if Form 4 is not included herewith, or if the recapture plan is different than that originally submitted to Watermaster. Watermaster shall determine whether significant adverse impacts will result to the Chino Basin and to other producers by reason of such production and shall either confirm, deny, or modify such proposed extraction schedule.

**PROCEDURES AND ACCOUNTING FOR WATER STORED.** Watermaster shall maintain a continuing account of water stored in and recaptured from Storage Party's account, which shall be available for review upon reasonable notice by Storage Party.

**REPORTS TO WATERMASTER.** Storage Party shall file with Watermaster such reports, forms, or additional information as is reasonably required by Watermaster in order to provide full information as to storage, losses and recapture of Stored Water hereunder.

**WATERMASTER'S RIGHT OF INSPECTION.** Watermaster shall have the right to inspect at reasonable times the records and facilities of Storage Party with relation to storage and recapture of water in the Chino Basin.

**NOTICE.** Any notices may be given by mail and postage prepaid addressed as follows:

Watermaster

Chino Basin Watermaster  
8632 Archibald Avenue, Suite 109  
Rancho Cucamonga, CA 91730

Storage Party

As set forth on the application.

**ADDITIONAL CONDITIONS OR TERMS.** In granting approval of this storage agreement, Watermaster placed the following additional conditions in the agreement:

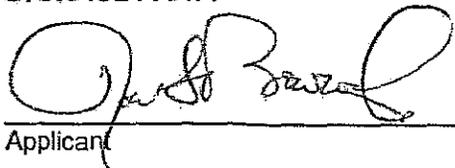
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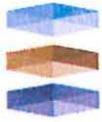
**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be duly executed by their authorized officers.

**WATERMASTER**

**STORAGE PARTY**

\_\_\_\_\_  
Watermaster Approval

  
\_\_\_\_\_  
Applicant



October 5, 2012

Chino Basin Watermaster  
Attention: Mr. Peter Kavounas, CEO  
9641 San Bernardino Road  
Rancho Cucamonga, CA 91730

**Subject: *Analysis of Material Physical Injury for the Vulcan Material's Applications for a Local Storage Agreement, Pending as of September 12, 2012***

Dear Mr. Kavounas:

Pursuant to your direction, Wildermuth Environmental, Inc. (WEI) conducted a material physical injury (MPI) analysis of Vulcan Material's revised September 12, 2012 Local Storage Agreement (LSA) application. This MPI analysis has been done pursuant to the Watermaster Rules and Regulations and the Peace Agreement and consistent with past practices. Specifically, Article 10 of Watermaster Rules and Regulations (paragraph 10.10) requires that:

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

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

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

Vulcan Material's proposed LSA project description does not contain the operational detail required to apply the Watermaster groundwater models to evaluate MPI as it doesn't contain a recapture plan. As such, this MPI analysis only considers recharge and storage.

This MPI analysis is based on the Judgment and our professional experience in the Chino Basin, including the collection and analysis of monitoring data, past evaluations of Chino Basin storage programs, groundwater modeling of various Chino Basin groundwater management alternatives, and prior MPI analyses—specifically, the recent modeling investigations for the Dry-year Yield Program Expansion (2007-2008), the *Production Optimization and Evaluation of the Peace II Project Description* (2009), the final *2010 State of the Basin Report, Vulcan Basin Environmental Assessment Review* (2006) and *Work Plan for Site Assessment – Vulcan Basin* (2006), all of which were prepared by WEI.

## **Vulcan Material's LSA Application of September 12, 2012**

Vulcan Materials submitted Watermaster forms 1, 2, and 8, applying for an LSA of 1,200 acre-ft and intends to fill that storage with up to 100 acre-ft/yr of municipal drinking water obtained from the Fontana Water Company. Form 2 states that the recharge will occur in MZ3 and specifically in the "Vulcan Groundwater Recharge Facility" (VGRF), a facility that does not currently exist. Based on verbal information conveyed to me, I have assumed that the VGRF is the existing Vulcan Pit, located in Fontana and adjacent to the West Fontana Channel. Vulcan Materials did not include a recapture plan in its LSA application, so it is unclear as to how the stored water will be recaptured and used.

**Groundwater Level Impacts (liquefaction, land subsidence, and increases in pump lift).** This is a put-and-take program, and, as such, the general impact will be to increase storage and thereby slightly increase groundwater levels in the Basin, followed by a return to the groundwater levels that would have existed had the proposed storage program never occurred. The proposed project will produce a localized increase in groundwater levels in the specific area where recharge occurs. The depth to groundwater beneath the general area of recharge is about 400 ft-bgs. There will be no adverse impacts from the groundwater level changes caused by the proposed program.

**Balance of Recharge and Discharge in Every Area and Subarea.** As mentioned above, this is a put-and-take program, and, as such, the general impact will be to increase storage and thereby slightly increase groundwater levels in the Basin, followed by a return to the groundwater levels that would have existed had the proposed storage program never occurred. There may be a regional imbalance because recharge may not occur or be tributary to where the stored water will actually be produced. The impact of the proposed storage program on the balance of recharge discharge cannot be determined until Vulcan Materials precisely specifies how the storage water will be recaptured. That said, the recharge of supplemental water in MZ3 should improve the hydrologic balance in MZ3 regardless of where the stored water is eventually recovered.

**Total Dissolved Solids and Total Nitrogen Concentrations of Recharge Water.** The total dissolved solids and total nitrogen concentrations of the recharge water are less than the drinking water standards and their respective Basin Plan Objectives, and, as such, there will be no adverse total dissolved solids or total nitrogen concentration impacts from the recharge and storage of FWC water in MZ3.

**Water Quality Impacts on Other Pumpers.** The Vulcan Pit has been the subject of several environmental investigations to date; most of the resultant reports are confidential and were not available for review in this analysis. WEI has conducted a review of some of these reports in a past investigation conducted for the Watermaster. Areas of concern were identified that were above the pit floor. We also review GeoTracker<sup>1</sup> database which did not provide useful information. Based on an October 4, 2012 conversation with Robert Bowcock who represents Vulcan Materials, the recharge will occur on the pit floor and the precise location on the pit floor is unknown. None of the documents that WEI reviewed in its 2006 work contained a comprehensive environmental assessment of the pit floor. One report indicated the presence of a maintenance site on the pit floor in the 1990s<sup>2</sup>. Elevated arsenic concentration was detected in the soil on the west side of the

<sup>1</sup> <http://geotracker.waterboards.ca.gov/>

<sup>2</sup> Environmental Profiles Inc., 2002. Comprehensive Site Report, CalMat Fontana, 8747 Lime Avenue, Fontana, California, June 5, 2002.

property above the pit floor and the origin of the arsenic was suggested to be "most likely" natural<sup>3</sup>. Natural or not, the identified range of arsenic concentration in the soil is problematic for recharge in the absence of a demonstration to the contrary. The presence of arsenic in the soils on the pit floor in the area of proposed recharge is unknown to us at this time. Based on the information available to us at the time of this writing, there may be contaminated soils on pit floor.

The site has never been used for recharge and therefore contaminated soils in the pit, if any, could still be present. Recharging water through such soils could result in groundwater contamination. No definitive conclusion on potential water quality impacts on other pumpers can be determined in the absence of a specific plan for recharge in the basin that indicates precisely where the recharge will occur and that the soils underlying the recharge area are free from contamination. This plan should include a characterization of the soils underlying the actual recharge area and the area of conveyance from the FWC turnout to the area of recharge to determine if these soils are contaminated and if they would contaminate the recharge water. The potential for MPI exists but can be resolved: Vulcan Materials needs to provide existing reports or conduct new studies that provide Watermaster assurances that the recharged water will not become contaminated through contact with soils or that any water quality degradation caused by contact with the soil will not result in a chemical concentration in the recharge water to increase to level that would exceed a maximum contaminant level established in California Code of Regulation Title 22 or a notification level established by the Department of Public Health.

### **Conclusion**

At of the time of this writing, the recharge plan in Vulcan Material's LSA application has the potential to cause MPI. It is our opinion that this potential MPI could be avoided if Vulcan Materials were to demonstrate, to Watermaster's satisfaction, that the water recharged at the Vulcan Pit will not become contaminated through contact with the soil or that any water quality degradation caused by contact with the soil will not result in a chemical concentration in the recharge water to increase to level that would exceed a maximum contaminant level established in California Code of Regulation Title 22 or a notification level established by the Department of Public Health.

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

Yours truly,

**Wildermuth Environmental, Inc.**



Mark J. Wildermuth, PE  
President

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<sup>3</sup> CDM, 2005. Subsurface Investigation at the Fontana Operation, Fontana, California, 8747 Lime Avenue, Fontana, California, December 6, 2005.

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November 1, 2012

Mr. Peter Kavounas, General Manager  
Chino Basin Watermaster  
9241 San Bernardino Road  
Rancho Cucamonga, CA 91730

**Subject: Potential Sources of Contaminants and Pathways of Concern:  
*Vulcan Materials Company, 8747 South Lime Avenue, Fontana, California***

Dear Mr. Kavounas:

Pursuant to your direction, Wildermuth Environmental, Inc. (WEI) conducted a material physical injury (MPI) analysis of Vulcan Materials Company's (VMC) revised September 12, 2012 Local Storage Agreement (LSA) application. That MPI analysis (WEI, 2012) was done pursuant to the Watermaster Rules and Regulations and the Peace Agreement and consistent with past practices.

VMC applied for an LSA of 1,200 acre-feet and intends to fill that storage with up to 100 acre-feet/month of municipal drinking water obtained from the Fontana Water Company. The recharge would occur in Chino Management Zone 3 (MZ3) and specifically in the "Vulcan Groundwater Recharge Facility" (VGRF), a facility that does not currently exist. VMC did not include a recapture plan in its LSA application, so it is unclear as to how the stored water will be recaptured and used. Based on an October 4, 2012 conversation between Mr. Wildermuth and Robert Bowcock who represents VMC, the recharge will occur at an unknown location on the pit floor. The MPI analysis identified potential water quality concerns related to the LSA project proposed by VMC - these concerns are further outlined in this letter.

### **Background**

VMC's Fontana facility (the Site) is located at 8747 South Lime Avenue in Fontana, California and is comprised of 57 acres of land that at various times since the 1940s has been the site of aggregate extraction and asphalt production. Former operators at the Site include Triangle Rock, Inc., Fontana Paving, Inc., Boral Resources, Inc., Blue Diamond Materials, Livingston Graham, and Hanson Aggregates. The most recent asphalt production plant - built in the 1990s - was in the southwestern portion of the Site, while the eastern portion of the Site was the location of the extraction area and is as much as 120 feet below surrounding grade.

### **Environmental Investigations**

WEI had previously conducted a review of some of these reports in a past investigation conducted for the Watermaster and this review suggests that there are areas of potential concern above the pit floor in the northwestern portion of the property, although none of the documents that WEI reviewed in its 2006 work contained a comprehensive environmental assessment of the pit floor itself. The few samples collected from the pit floor and historical drainage patterns leave open the possibility of contamination in soils in the pit floor. The reports that WEI reviewed are summarized below and referenced herein.

**FMA – Fontana Paving Reclamation Plan.** FMA (1990) was contracted by Fontana Paving, Inc. to develop and file a Reclamation Plan with the State of California, Department of Conservation. The intent of the report was to inform the City of Fontana, the County of San Bernardino, and the State of California about the site characteristics and environmental issues once operations had ended at the site and to provide a plan for future reclamation of the property. The Fontana Paving Reclamation Plan was intended to comply with the California Surface Mining and Reclamation Act of 1975 (SMARA). Not surprisingly, the figure entitled *Fontana Paving Mining Plan* shows that surface drainage flowed from the southwestern portion of the property – which includes the underground storage tanks, the asphalt plant, hazardous material/waste material storage area, maintenance shop, and the septic tank leach fields – toward the eastern portion of the Site where excavation has historically taken place<sup>1</sup>.

**ENSR – Site Assessment Report.** ENSR (1995) was contracted by FBR, Inc. to assess the spatial extent of soil contamination from a former underground storage tank (UST) that contained asphaltic oil and/or diesel fuel. The 10,000 gallon UST – formerly a riveted rail car – was removed on February 21, 1995. The former location of this UST is shown as the “*Area of Former UST Excavation*” in Figure 2 from ENSR (1995); a copy of this figure is attached to this letter. Sixty-eight soil samples were analyzed for total recoverable petroleum hydrocarbons (TRPH), total extractable hydrocarbons (TEPH), benzene, ethylbenzene, toluene, xylenes (BTEX), halogenated volatile organic chemicals (HVOCs), and polychlorinated biphenyl compounds (PCBs). TRPH (asphaltic oils) and TEPH (diesel range organics) had maximum concentrations of 22,000 mg/kg and 15,000 mg/kg, respectively in boring B-1 which is located in the former UST excavation area. There is an area to the east which consists of semi-solidified asphaltic material with TRPH and TEPH maximum concentrations of 43,000 mg/kg and 5,500 mg/kg. The horizontal and vertical extent of contamination was about 50 feet and 45 feet, respectively. The ENSR (1995) report concluded that it is “impractical to excavate and remove the impacted soil due to the presence of buildings and power transmission lines...” The report further proposes to cap the contaminated area until mining operations approach that portion of the Site.

**UST Removals for Boral Resources.** The County of San Bernardino, Fire Department, Hazardous Materials Division (1997) prepared a case closure summary report for the removal of three USTs: a 10,000 gallon diesel/asphaltic oil tank, a 3,000 gallon gasoline tank, and a 6,000 gallon gasoline tank. A map was not included in the copy of the case closure summary report that we reviewed. Six borings were drilled and diesel-range total petroleum hydrocarbons (TPH-D) and TRPH were found at maximum concentrations of 25,000 mg/kg and 43,000 mg/kg, respectively. The horizontal and vertical extent of contamination was about 20-25 feet and 57 feet, respectively. Residual soil contamination was left in place, based on a human health risk assessment. Erickson, Inc. (1998) was contracted by Boral Resources/Blue Diamond to remove one 10,000 gallon diesel UST and appurtenant piping. The former location of this UST is shown as the “*10K Diesel*” in Figure 2 from Erickson (1998); a copy of this figure is attached to this letter. Relatively minor concentrations of TPH-D – 11 mg/kg – were found in one sample at 20 feet below ground surface in one of the borings. No further action has been conducted at this site.

**Morhol, Inc. – Limited Geophysical Investigation, Abandoned Quarry Site.** Morhol, Inc. (1998) was contracted by Calmat to excavate 45 backhoe pits to determine subsurface conditions at the Vulcan Pit. The locations of these backhoe pits are on a 1985 aerial photograph from Morhol (1998); a copy of this figure is attached to this letter. These pits ranged in depth from 5 to 13 feet

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<sup>1</sup> Corroborated in Section 5.4.2.

below grade. The pits were logged by a geotechnical consultant, photographs were taken for documentation, and samples were collected for laboratory testing. "Oiled gravel, asphalt or lime treated surface[s]" were encountered in several excavations. Six of the trenches encountered either refusal on asphalt or concrete or concrete footings. Four of the excavations near the asphalt plant had "buried trash, including paint and chemical cans and plastic containers, wood debris, metal and plastic pipes up to 6 inches in diameter, copper wiring, and tar, with areas of diesel soaked soil..." The Morhol report concludes that operations at the site have "left behind hydrocarbon (diesel fuel?) contaminated soil and significant quantities of buried construction debris as well as other chemical contaminants."

**Spectrum Geophysics. – Environmental Terrain Conductivity Study.** Based on the results of the Morhol, Inc. study, Spectrum Geophysics (1998) was hired to utilize a terrain conductivity meter to identify subsurface features such as buried conduits and building foundations. Several features were identified in the study, including a buried steel-reinforced concrete foundation, metal debris, and a buried conduit. Other measured anomalies are related to surface features. The locations of the terrain conductivity survey anomalies are on an oversize hardcopy plate from Spectrum Geophysics and the anomalies are described in their report (1998). The survey was generally in the southwestern portion of the site.

**Environmental Profiles Inc. – Site Investigation.** CalMat contracted with Environmental Profiles (1999) to perform a site investigation that included six excavations at target areas that were based on an earlier site walk. Various debris was encountered in the excavations, including "transformer cans..., fueling hose, wire and assorted junk...an asphalt kiln and portions of tanks."

**Environmental Profiles Inc. – Site Assessment.** Vulcan Materials CalMat Division contracted with Environmental Profiles (2000) to perform a site assessment that included four soil borings and the collection and analysis of 17 soil samples. Environmental Profiles estimated about 1,400 cubic yards of soil had TPH concentrations greater than 1,000 mg/kg and this soil was recommended for removal.

**Leighton Consulting, Inc. – Phase I and II Environmental Site Assessments.** Leighton Consulting, Inc. (2004a-b) was contracted by the County of San Bernardino Department of Public Works to conduct Phase I and II environmental site assessments of the Vulcan Pit. The Phase I site assessment summarizes results found from searching environmental databases and observations of stained soils from an earlier site visit. During the Phase II investigation, Leighton collected four soil samples from the bottom and sides of the Vulcan Pit. The sample collected from the southern slope, adjacent to the West Fontana Channel, contained oil-range hydrocarbons (540 mg/kg) and 1,2,4-trimethylbenzene (3.3 ug/kg). The sample collected from the concrete waste accumulated on the northern slope of the pit and the sample from the bottom of the pit had "concentrations of arsenic [that] exceed the US EPA PRGs<sup>2</sup> and maximum concentration ranges detected in background California soils. Additional assessment of arsenic concentrations and local background concentrations appears warranted."

**CDM – Phase I Environmental Site Assessment and Subsurface Investigation.** CDM (2005a-b) was contracted by VMC to conduct a Phase I environmental site assessment and a subsurface investigation of the Vulcan Pit. During the subsurface investigation, nine soil borings were advanced: two at the former maintenance shop, one at the former diesel UST location, one at the former septic leach field, one at the former asphalt plant, one at the former asphalt plant/excavation, two at the former landfill, and one at the backfilled quarry. TPH concentrations,

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<sup>2</sup> Preliminary Remediation Goals

associated with shallow samples containing solid asphalt fragments and stained soils, were found in the former landfill area and in the backfilled former extraction area. Arsenic concentrations were found in borings in the former landfill and former diesel UST areas. CDM's interpretation is that the elevated arsenic levels are not site-related but are due to a naturally-occurring arseniferous stratum. However, in each of these borings the sample depths with the higher arsenic are below fill containing asphalt materials. Note that the Leighton report also found elevated arsenic in samples in different locations at the site and at different elevations.

We also reviewed the GeoTracker<sup>3</sup> and EnviroStor<sup>4</sup> databases through HydroDaVE. There is a GeoTracker site called Landfill, Fontana:

[http://geotracker.waterboards.ca.gov/profile\\_report.asp?global\\_id=L10004317706](http://geotracker.waterboards.ca.gov/profile_report.asp?global_id=L10004317706)

and an EnviroStor site called Boral Resources:

[http://www.envirostor.dtsc.ca.gov/public/profile\\_report.asp?global\\_id=37290008](http://www.envirostor.dtsc.ca.gov/public/profile_report.asp?global_id=37290008)

**GeoTracker Site.** The Fontana Landfill was operated in the 1980s by Conrock Company in a sand and gravel pit. According to correspondence with the Regional Board<sup>5</sup>, the material disposed at the site was mostly concrete, asphalt, and wood (less than 10 percent). The Regional Board issued a Waste Discharge Requirement (WDR) Order 80-156 for the operation of the facility in 1980 and the site ceased operation in the 1990. The monitoring and reporting program consisted of monitoring and reporting the volume of the waste; there is no water quality monitoring at the site. From 1990 until 2001, Fontana Paving dumped asphalt at the former Fontana Landfill. The Regional Board rescinded the WDR in 2001, with Rescission Order No. 01-67. The Regional Board file also contains the staff inspection reports and phone logs. This file was sent to the State Retention Center in Sacramento; the Regional Board is retrieving the file. At Watermaster's direction, WEI will review this file.

**EnviroStor Site.** There is no information on Boral Resources on the DTSC website, just a listing of the physical address as 8747 South Lime Avenue, Fontana, California. Boral Resources – at that location – is on a Cal EPA list of "Hazardous Waste and Substances Sites" from the *Facility Inventory Database*.

### Hydraulic Pathways and Contaminant Mobilization

The reports that were available and reviewed suggest that the characterization and assessment of individual sites at the VMC Fontana facility have not been adequately completed and most recommend further environmental studies. In addition, there is little characterization of the soils in the pit floor itself. WEI based its finding of the *potential* for MPI on the following findings:

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<sup>3</sup> GeoTracker was created by the State Water Resources Control Board to manage data for sites that may impact groundwater: underground storage tanks (UST), Department of Defense, etc. Permitted facilities, such as operating USTs and land disposal sites are also managed in GeoTracker.

<sup>4</sup> EnviroStor was created by the Department of Toxic Substances Control (DTSC) and provides access to detailed information on hazardous waste permitted and corrective action facilities, as well as existing site cleanup information.

<sup>5</sup> Email from Cindy Li, dated October 17, 2012. GeoTracker website initially contained no information about the Fontana Landfill, until the Regional Board uploaded WDR Order and the Rescission Order this week.

- Historically, surface drainage flowed from the southwestern portion of the property – which includes the underground storage tanks, the asphalt plant, hazardous material/waste storage material, maintenance shop, and the septic tank leach fields – toward the eastern portion of the facility where excavation has historically taken place.
- The western/southwestern portion of the Site at the upstream portion of this drainage had areas of elevated TRPH (asphaltic oils) and TEPH (diesel range organics).
- There is a storm drain that directs surface flow from the adjacent property to the north (D&K Concrete) to the pit floor.
- There is an indication that there was a maintenance site on the pit floor in the 1990s.
- CDM collected samples with elevated arsenic concentrations – above background levels typically found in native California soils – in several samples below fill containing asphalt.
- One of the conclusions from the Leighton Phase II Environmental Site Assessment report was that the sample collected from the concrete waste on the northern slope of the pit and the sample from the bottom sediments of the pit had “concentrations of arsenic [that] exceed the US EPA PRGs and maximum concentration ranges detected in background California soils. Additional assessment of arsenic concentrations and local background concentrations appears warranted.”
- Some studies suggest that asphalt may contain and have the potential to leach elevated levels of arsenic.<sup>6</sup> Other studies have shown that there is little arsenic leached from recycled asphalt pavement (RAP) (Townsend and Brantley, 1998). Because RAP has been exposed to the environment for a number of years, it may have different leaching characteristics from newly made asphalt and asphaltic oils. The project proponent should conduct a thorough literature review of asphalt/asphaltic oils and the potential for leaching of trace metals into the environment.
- One would expect that arsenic (either arsenate or arsenite ions) would exhibit limited mobility in the vadose zone due to sorption to and coprecipitation with metal oxides, especially iron oxides; sorption to clay-mineral surfaces; and association with sulfide minerals and organic carbon. However, arsenic mobility is pH- and redox-dependent with mobility increasing with increasing pH and in more reducing environments. Macropore by-pass (preferential pathways) has also been postulated to account for greater than expected arsenic transport in the vadose zone (Corwin *et al.*, 1999).

The site has never been used for recharge and therefore contaminated soils in the pit, if any, could still be present. Recharging water through such soils could result in groundwater contamination. No definitive conclusion on potential groundwater quality impacts on other pumpers can be determined in the absence of a specific plan for recharge in the basin that indicates precisely where the recharge will occur and that the soils underlying the recharge area are free from contamination.

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<sup>6</sup> [http://oehha.ca.gov/public\\_info/facts/pdf/ArsenicFact2012.pdf](http://oehha.ca.gov/public_info/facts/pdf/ArsenicFact2012.pdf)

### Subsurface Characterization at the Site and Off-Site Properties

The project proponent should first develop a description of the water conveyance and the actual recharge area. Subsequently the project proponent should prepare a work plan for the characterization of the soils underlying the actual recharge area and the area of conveyance from the Fontana Water Company (FWC) turnout to the area of recharge to determine if these soils are contaminated and if they would contaminate the recharge water. The *potential* for MPI exists but can be resolved: VMC needs to provide existing reports or conduct new studies that provide Watermaster assurances that the recharged water will not become contaminated through contact with soils or that any water quality degradation caused by contact with the soil will not result in a chemical concentration in the recharge water to increase to a level that would exceed a maximum contaminant level established in California Code of Regulation Title 22 or a notification level established by the Department of Public Health. The work plan should describe a study that would characterize the pit floor – both areally and vertically, and provide sufficient information to determine the likelihood of impact to underlying groundwater.

This study should be conducted in phases. In order to understand the potential impact to underlying groundwater, one must first understand the hydraulics of the basin and the hydrogeological characteristics of the subsurface below the pit floor as these will determine where the recharged water is moving. The infiltration rate at the initiation of recharge will likely be high and will degrade substantially over time during sustained recharge operations.<sup>7</sup> This means that under sustained recharge operations, the area of the pool of water in the pit will grow over time as more area will be required for recharge. Figure 1 is an aerial photograph of the Vulcan pit that shows the limits of inundation for three assumed pools of water in the pit. This figure was developed to illustrate the spatial extent of a soil investigation that would be required to characterize soil contamination that could be mobilized to groundwater from recharge in the pit. WEI obtained topographic information<sup>8</sup> from the San Bernardino County Flood Control District (SBCFCD) and used these data to determine the area of inundation and volume in storage for three specific elevations. The red-hatched area in Figure 1 shows inundation to an elevation of 1145 feet above mean sea level (MSL), which would cover an area of 10 acres and hold 107 acre-feet of water. The green and blue-hatched areas show inundation of 20 and 30 acres (584 and 1460 acre-feet), respectively. The lower and intermediate elevations provide a representative range of inundation areas that VMC should be expected to sample and analyze for soil contamination. That said, the area of investigation could be substantially larger depending on subsurface geologic conditions that control the where the water goes after it passes the atmosphere-soil interface. The study should characterize the depth of the unconsolidated sediments to the underlying fine-grained unit, the lateral continuity of this fine-grained unit, and the permeability of this unit. The project proponent should propose the number and locations of borings required to develop this understanding to a high degree of certainty. Deeper borings may be required depending on the permeability of the underlying fine-grained unit. The findings from this initial phase of the study should be documented in a technical memorandum to be reviewed by Watermaster and other stakeholders. A workshop presenting the findings from the first phase is also recommended.

<sup>7</sup> Based on our previous work in the Chino Basin, we have found that the percolation rate will decrease over time with sustained recharge.

<sup>8</sup> According to the SBCFCD, the topographic map is several years old – the information would need to be field-confirmed or re-acquired. The inundation areas depicted in this figure are for illustrative purposes only.

Once there is agreement on a conceptual hydraulic model of where recharged water may migrate to – vertically and laterally – the project proponent would develop a sampling and analysis plan. The project proponent should identify proposed analytes, but at a minimum, samples should be analyzed for general mineral, general physical, TRPH, TEPH, and trace metals. Again samples should be collected at locations and in sufficient numbers to characterize the sediments below the pit floor and extending laterally to the extent that recharged waters may move laterally below the pit floor. As with the first phase, the findings from this second phase of the study should be documented in a technical memorandum to be reviewed by Watermaster and other stakeholders and a workshop should be conducted.

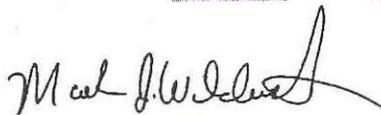
Together the results from the first two phases should be sufficient to determine – with a high degree of certainty – the potential for water quality impacts to groundwater from the LSA project. Depending on the results of this study, the following courses of action may be recommended:

- No mitigation required; the project can proceed as planned.
- Further investigations are warranted.
- Soil cleanup and/or removal is required.
- Downgradient monitoring wells are needed.

Please call me if you have any questions.

Sincerely,

**Wildermuth Environmental, Inc.**



Mark Wildermuth, PE  
President



William E. Leever, CHg  
Principal Hydrogeologist

cc: Danielle Maurizio, PE, Assistant GM/Watermaster

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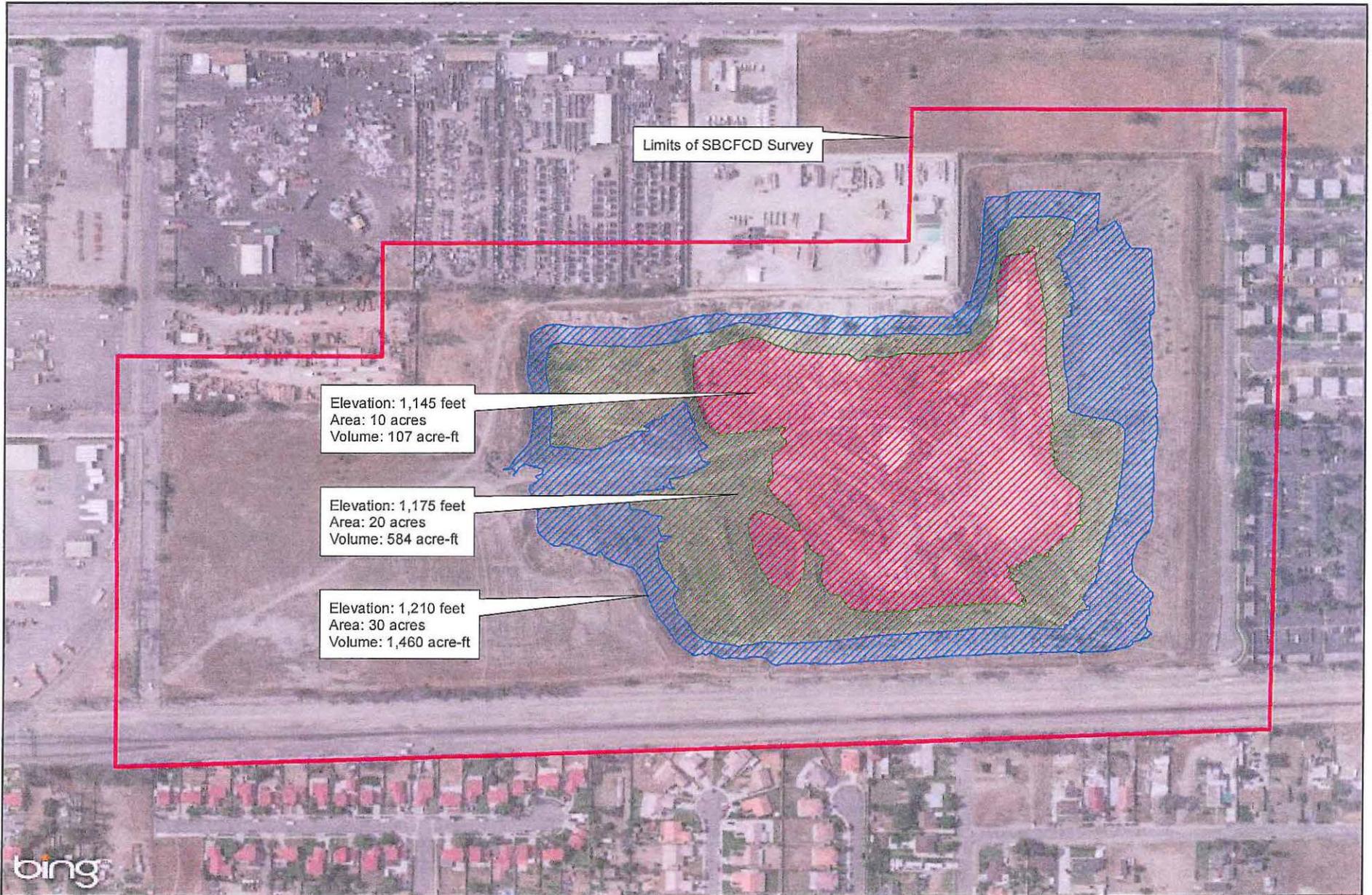
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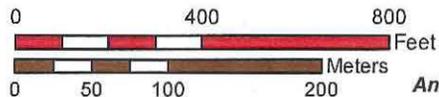


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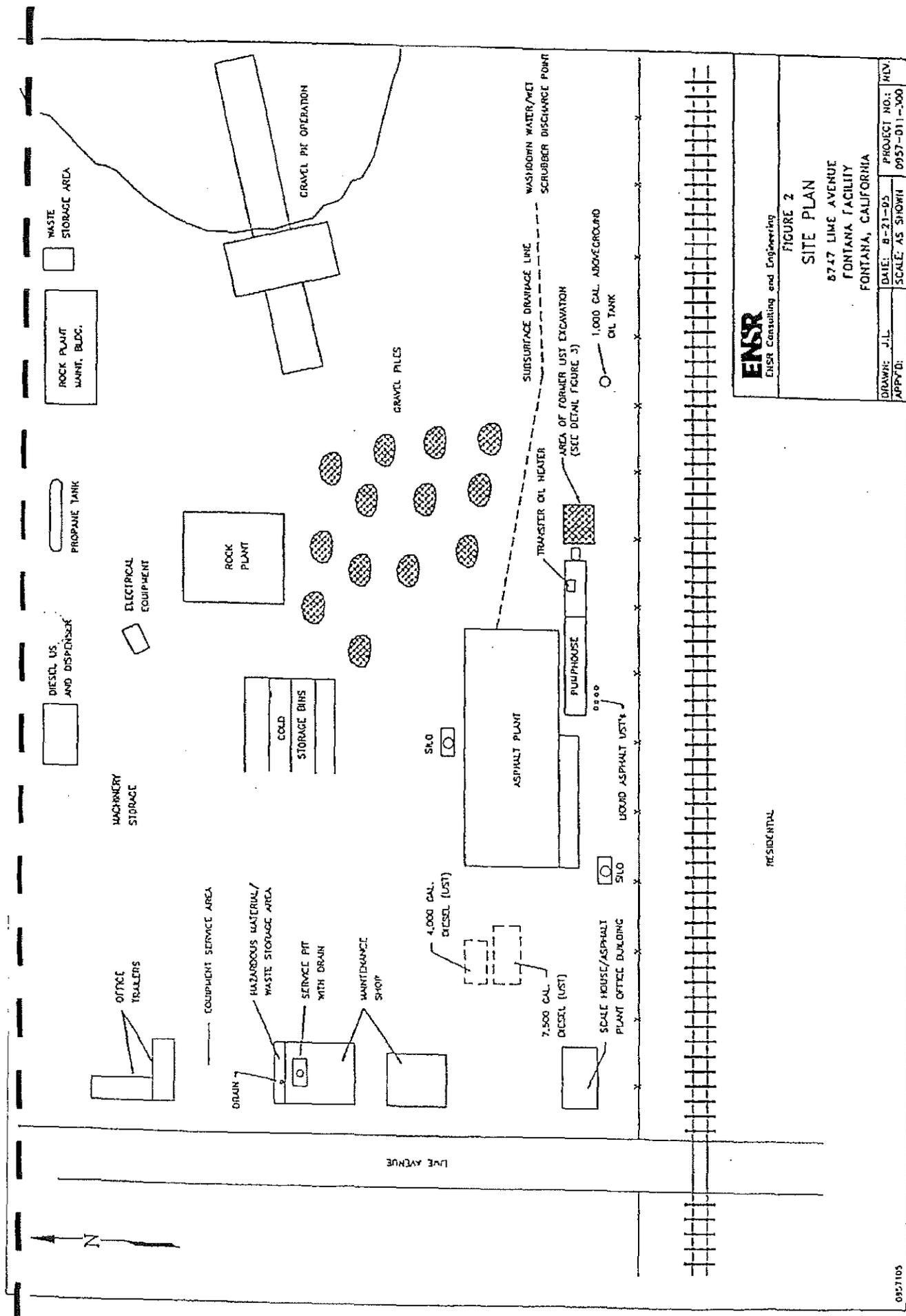
Author: MAB  
 Date: 11/1/2012  
 Name: Vulcan\_Pit



Characterization of the Potential  
 Inundation to Vulcan Pit

Investigation of the Material Physical Injury  
 Analysis for Vulcan Material Recharge Application  
 Dated September 12, 2012

Figure 1



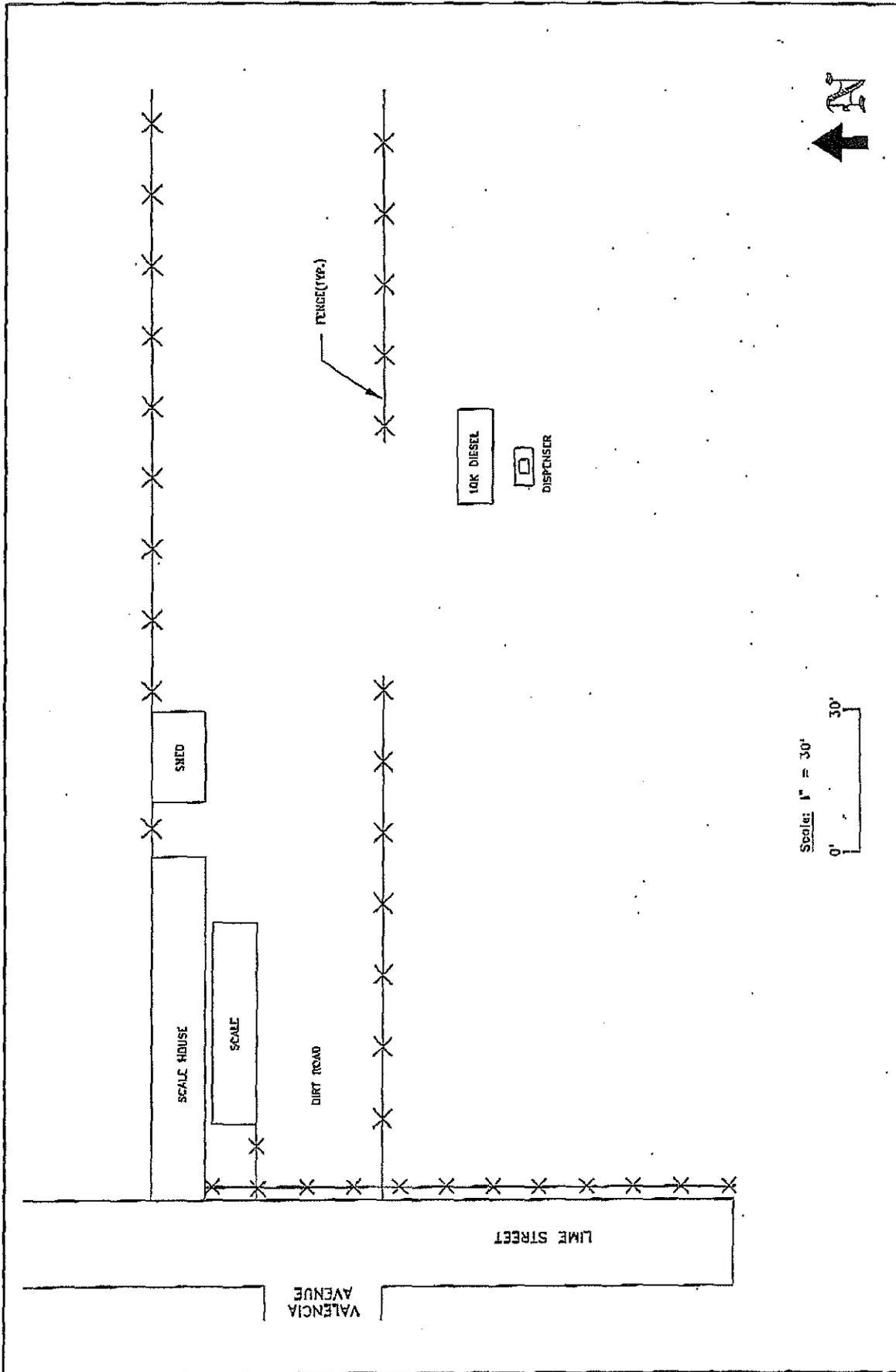
**ENSR**  
ENSR Consulting and Engineering

**FIGURE 2**  
**SITE PLAN**  
8747 LIME AVENUE  
FONTANA FACILITY  
FONTANA, CALIFORNIA

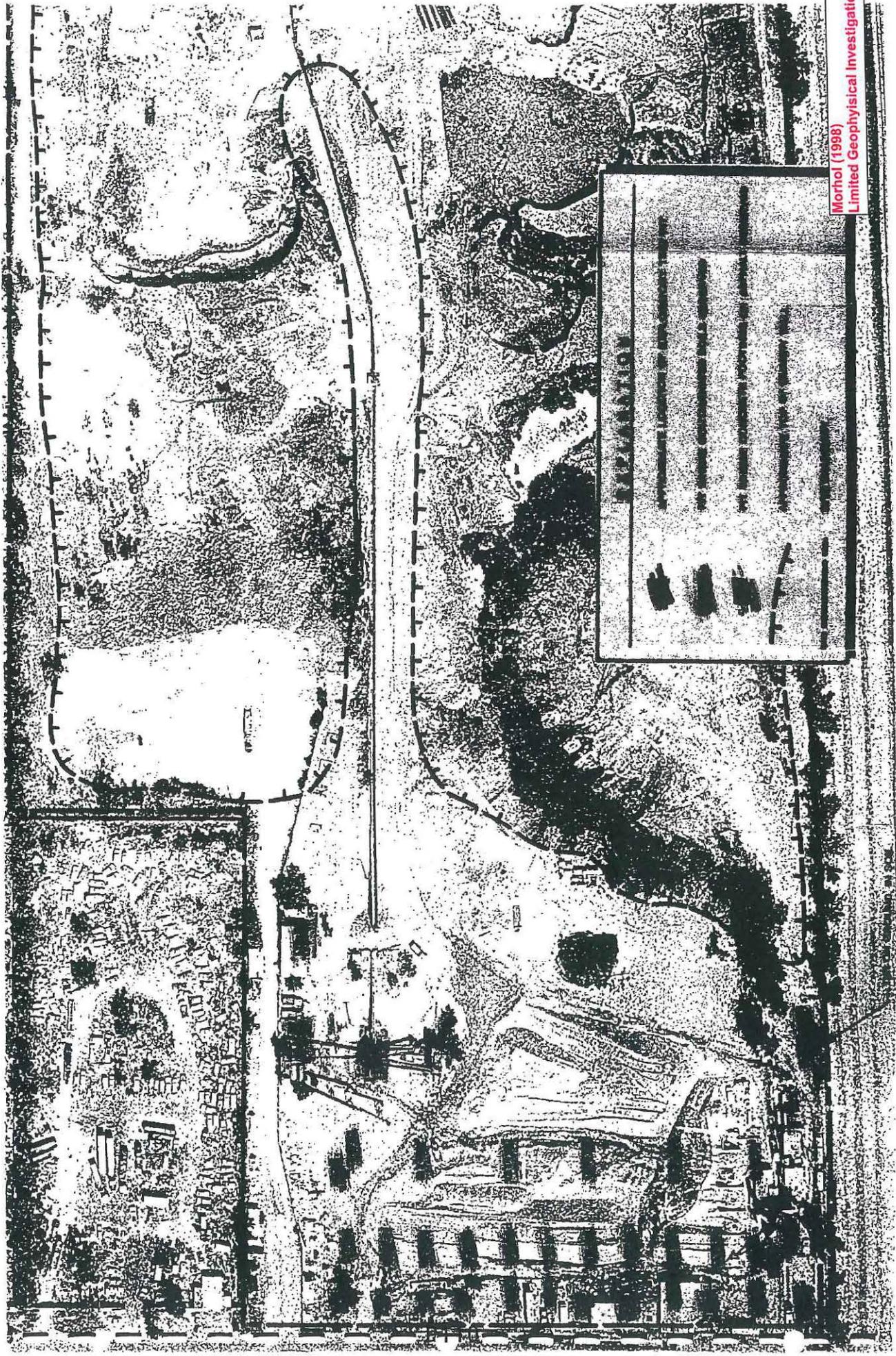
DRAWN: J.L.	DATE: 8-23-95	PROJECT NO.: MN
APPROV:	SCALE: AS SHOWN	0957-D11-100

RESIDENTIAL

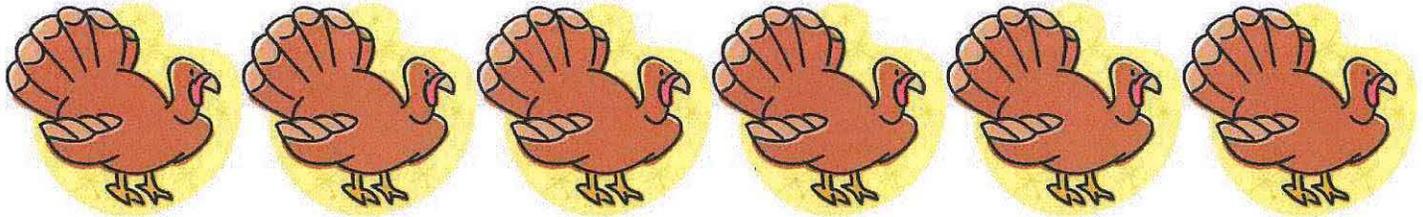
0957105



<b>Project Name:</b> BLUE DIAMOND 8747 LIME STREET FONTANA, CA 92335		<b>DATE:</b> 12/97		<b>Job No:</b> 5507566P	<b>Figure:</b> 2
		<b>Braten By:</b> P. JONES		<b>Approach By:</b> R. PCNDURYHI	



Morhol (1998)  
Limited Geophysical Investigation

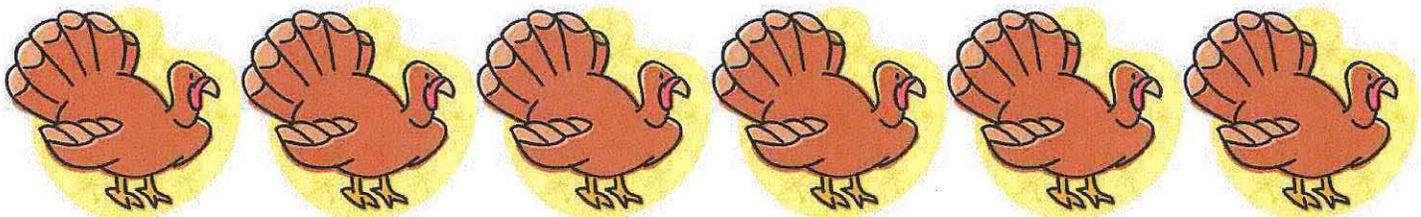


# CHINO BASIN WATERMASTER

## III. REPORTS / UPDATES

### C. INLAND EMPIRE UTILITIES AGENCY

2. State and Federal Legislative Reports
3. Community Outreach/Public Relations Report



**CHINO BASIN WATERMASTER**

**ADVISORY COMMITTEE**

**November 15, 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:**

- State and Federal Legislative Reports
- Community Outreach/Public Relations Report

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# *Agricultural Resources*

635 Maryland Avenue, N.E.  
Washington, D.C. 20002-5811  
(202) 546-5115  
[agresources@erols.com](mailto:agresources@erols.com)

October 28, 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, October 2012

This is a short report. Unlike typical reports – this one is “speculation” heavy and “news” short.

*Congress in October – AND NOW – Poised for November.* Congress adjourned in September and was not in session at any time in October. Lots of jockeying underway for what will (or might) happen in November. Here’s a list of major categorical issues to be addressed the moment the election is over.

- \* **Sequestration.** Reports are swirling. Maybe this is addressed in the Lame Duck – and perhaps not. Groups of members are now publicly declaring that sequester should take place, resulting in 8-10% budget reductions beginning January 1. No indication whatsoever that a budget agreement will be reached to avert sequestration. Self-selected groups of senators, on a bi-partisan basis, are working to prepare a first-step plan (its fate is absolutely uncertain. If Sequestration is invoked, there will be a scramble at every department and every agency to devise and implement a plan. It is anticipated that if there is a sequester – political chaos will ensue (led by defense agencies and contractors)
  
- \* **Debt Limit.** The Federal ability to borrow money is fast approaching its limit. Increasing the limit requires an Act of Congress. If not increased and enacted – this is a

mechanism to force a “shut down government.” This is potentially very serious and has global economic implications. In a post-election period – what will occur is unknown.

- \* **Appropriations.** Short-term funding is in place through March. Appropriators have been working (quietly) to finalize all funding bills for FY 2013. Whether or not the bills can be finalized during the Lame Duck is a complete unknown.
- \* **Major Authorizations – Pending (Transportation and Farm Bills) Among Others.** Senator Boxer, Chair, Senate Environment and Public Works Committee, is working to move a major, multi-year Transportation (Highway and Mass Transit) bill. And the House-Senate Ag Committee leaders are trying to do the same with the farm bill (also a multi-year authorization). House Majority Leader Eric Cantor, this week, indicated that the farm bill will be amended onto a must-pass bill. There are other major bills pending. Whether or not any are considered during the Lame Duck is, again, unknown at this time.
- \* **Tax Reform.** No one really believes that a major tax bill could be enacted during the Lame Duck. However, a process that leads to it could result (a by-product of budget and funding decisions). In order to reduce individual tax rates (a key proposal), major sections of the tax code will be subject to amendment (or, in a lot of cases, outright repeal). Numbers don’t work any other way. So, this begs the question – what will be changed. We’re already on notice that some want to scrap or reduce the Municipal Bond provisions of the Code. This has potentially profound implications for all public utilities – IEUA included. This is on the “watch” list.
- \* **Washington’s Favorite Parlour Game – Who’s Got the Gavel?** No matter what happens in the election – Congress will undergo significant leadership change within its Committees. If the House remains in Republican control (which is more and more likely), there will still be a new generation of new Chairs. In the Senate, there will be a similar change – regardless who controls the Chamber.

To be sure, the election results will guide, influence and direct what happens with these issues. One last thing – what happens if the Electoral College is tied (several poll-driving scenarios suggest the possibility)? Election will then go to the House of Representatives where each state has one vote. If that happens, everything becomes even more complicated.

We are in a period of outright uncertainty. What is not known overwhelms what is. Beginning the morning after the election, we jump into hyper-mode.

Meanwhile, we have a little storm activity back here. It’s in all the papers and on every channel. As this report is being finalized:

- \* We are braced for 24-26 hours, beginning at 6:00 tonight – peak of the storm – and will extend to almost dawn tomorrow am.

- \* Sustained winds of 40-45 MPH with spikes to 60-70 MPH (a level one hurricane).
- \* An hour or so to the West – 2-3 Feet of SNOW.
- \* Power outages anticipated for millions.
- \* Washington is shut down today – and likely will be for several days following the storm.

Never a dull moment.

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# *Innovative Federal Strategies* LLC

Comprehensive Government Relations

## MEMORANDUM

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

**From:** Letitia White and Heather Hennessey

**Date:** October 26, 2012

**Re:** October Monthly Legislative Update

Congress was not in session at all during the month of October, and the heavy campaigning taking place across the nation has left Washington all but deserted! But the political parties continue to position for the important Lame Duck session during which all of the major policy decisions of this year will take place.

IFS was thrilled to see the latest round of Title XVI grants announced during October. The announcement indicates that the Bureau will take applications and then make funding awards as soon as the FY 2013 Energy and Water bill is passed. IEUA should be well positioned for another successful round of funding, and we will help with Congressional letters of support as we have in the past.

### ***Potential for an Omnibus Appropriations Bill in the Lame Duck***

When the President signed the long term Continuing Resolution in September to fund the government through March of 2013, most people in Washington assumed that the Appropriations process was halted until the next Congress. Opinions were mixed as to whether this was a good thing or a bad thing. Having averted any possibility of a government shutdown was generally positive, but both parties lost leverage by agreeing to flat line funding.

Recent actions suggest that Appropriations may once again be on the agenda for later this year. Staff was instructed to cancel overseas travel during October and begin the process of working out agreements on minor issues. That work has continued behind closed doors for the past several weeks. Appropriations leadership would prefer that these bills pass during the Lame Duck session so that policy and funding changes contained in the bills can take effect. If the bills do not pass by the end of December, they will die with the rest of the unfinished legislation left behind by the 112<sup>th</sup> Congress.

However, the many hurdles to passage of the appropriations bills may stop this progress. The first problem is the short calendar between the elections and the end of the year. Coupled with the very long list of legislative crises which demand action before January, the appropriations bills may be forced to wait because they have until March before they present a crisis. Furthermore, Omnibus appropriations bills are not popular because they package so many bills into one up or down vote.

## *Innovative Federal Strategies LLC*

### ***The Gang of Eight Tries to Find a Solution to the Fiscal Cliffs***

Eighteen months ago, the Gang of Six tried to save us all from financial ruin by banding together to tackle the debt limit increase. Now, having added two additional members, the Gang of Eight is working to keep the country from going over the fiscal cliffs. Even if the nickname is a little silly, the job before the bipartisan group of eight Senators is extremely serious. And they are engaging in serious debate about the fiscal cliffs problem while most of Washington is on the campaign trail. The Senators in the Gang include:

- Michael Bennett of Colorado (D)
- Saxby Chambliss of Georgia (R)
- Tom Coburn of Oklahoma (R)
- Kent Conrad of North Dakota (D)
- Mike Crapo of Idaho (R)
- Dick Durbin of Illinois (D)
- Mike Johanns of Nebraska (R)
- Mark Warner of Virginia (D)

Despite the fact that the Gang does not seem to be drafting legislation or getting closer to the goal of cutting \$4 trillion from the federal deficit in the next ten years, they are enjoying more goodwill than the rest of Congress and providing a bipartisan bright spot in the landscape of gridlock. Anything that the Gang can do to facilitate debate and bring the two warring political parties closer together would be seen as a positive step forward, even if they never write specific legislation.

This bipartisan group is attracting new attention and redoubling their efforts as the date for the January fiscal cliffs, tax hikes and sequestration budget cuts comes closer. Almost two years ago, six of the eight Senators began meeting with the goal of facilitating bipartisan conversation about budget cuts, spending reforms and deficit reduction. Their most recent meeting at Mount Vernon in mid-October received a great deal of media attention, but it is not clear that policy differences are being resolved during the meetings. Senate leadership has not been very encouraging of their efforts, with Senate Majority Leader Harry Reid (D-NV) going so far as to believe that the Gang of Six's self-promoting undermined his own negotiation efforts on a debt ceiling increase in July 2011.

One major flaw facing the Gang is that the House of Representatives is completely absent from their ongoing discussions. The Republican House will have a major role in shaping whatever agreement comes to pass so ignoring them during the formative stages of a deal is dangerous.



CALIFORNIA STRATEGIES, LLC

Date: October 26, 2012  
To: Inland Empire Utilities Agency  
From: John Withers, Jim Brulte  
Re: October Activity Report

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Please find our monthly activity report for California Strategies, LLC. We appreciate the opportunity to serve IEUA Directors and Staff and look forward to serving IEUA in the months ahead.

- Monthly Strategy Meetings
  - Participated in monthly strategy meeting with Tom Love
  - Were given specific tasks by IEUA General Manager Tom Love
  - Began strategy discussions regarding renewal IEUA contract with Los Angeles Sanitation District
  - Reported to Tom Love on San Bernardino County issues related IEUA areas of interest
  - Scheduled meetings with Greg Devereaux to follow up on issues raised by Tom Love
  
- Continued Monitoring of the San Diego vs. MET issues
  
- Water Softener Ordinance
  - Updated Tom Love on ordinance adoption remaining entities
  
- Development of the Preserve
  - Briefed Tom Love on discussion with Randall Lewis regarding development in the Preserve in the West Valley and in Southern California
  
- Election Outcome and ramifications
  - Began preparing documents for IEUA staff on the election outcome and ramifications related to IEUA issues

18800 VON KARMAN AVENUE, STE. 190 · IRVINE, CALIFORNIA 92612  
TELEPHONE (949) 252-8990 · FACSIMILE (949) 252-8911  
WWW.CALSTRAT.COM

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**October 26, 2012**

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



**Overview:**

The Governor has taken final action on all bills passed during the 2011/2012 Legislative Session. He signed close to 900 bills while vetoing 120 pieces of legislation. Significant pieces of legislation were signed into law concerning energy procurement, rainwater capture, cap and trade revenue, net-energy metering and the “right to water.”

California Environmental Quality Act (CEQA) reform was tabled at the end of the Legislative Session, however Senate President Pro Tem Steinberg has recently appointed Senator Michael Rubio as the chair of the Senate Environmental Quality Committee and a good sign for further action on CEQA. A group of stakeholders is working together to ensure that the views of public agencies are represented as the discussions over CEQA reform start.

Adoption of amendments to the State Water Resources Control Board (SWRCB) recycled water policy concerning constituents of emerging concern was delayed so that the board can consider comments from all stakeholders.

As SB 1122 (Rubio), the 250 MW biogas procurement program moves into the implementation phase, progress is being made in working to get utility interconnection agreements and costs under control and PPA contracts to be at a manageable level.

The California Public Utilities Commission has opened an investigation into San Onofre Nuclear Generation Station (SONGS) focusing on causes of the outages, utilities’ responses, the plant’s future’ and effects on providing safe, reliable service at reasonable rates.

Finally, as the first Cap and Trade allowance auction nears, there has been a flurry of activity related to the Cap and Trade program. The actual effects of Cap and Trade have only been projected, but as the auction nears and the results of the practice auction have been synthesized, some actual consequences have started to emerge and regulators are working to fix some of the issues. For example, some waste to energy plants have become exempt from the cap; and an allowance price cap has been urged. The California Air Resources Board is also considering relief for some power generators.

# Inland Empire Utilities Agency

## Status Report – October 2012

### *Governor Brown Acts on Final Legislation of 2011-2012 Legislative Session*

Governor Brown had until September 30 to sign or veto legislation acted on at the end of the 2011-2012 Legislative Session. In addition to the delay of the water bond and pension reform, which have been extensively covered in previous months, the following are some key pieces of legislation that were passed and signed by the Governor.

AB 1532 (Speaker Perez) creates the Greenhouse Gas (GhG) Reduction Fund Investment Plan and Communities Revitalization Act to establish procedures for the investment of regulatory fees derived from the auction of GhG allowances in the Cap and Trade Program. The bill requires the revenue to be spent on energy efficiency, clean and renewable energy generation, distributed renewable energy generation, transmission and storage within a three-year investment plan to be developed by the Department of Finance.

AB 685 (Eng) declared that it is a policy of the state that every human has the right to safe, clean, affordable and accessible drinking water. There are concerns that the bill could be interpreted by a court as creating an enforceable right, potentially requiring the state to ensure that individuals have access to clean drinking water at the state's expense.

AB 1750 (Solorio) enacts the Rainwater Capture Act of 2012, which authorizes residential, commercial and governmental landowners to install, maintain and operate rain barrel systems and rainwater capture systems provided that they comply with certain requirements.

SB 965 (Wright) allows communication between a water board member and a stakeholder as long as the communication is fully disclosed and placed in the board's official public record.

AB 2174 (Alejo) prioritizes funding for the Fertilizer Research and Education Program and identifies specific entities to develop technical education and research programs resulting in more agronomically sound uses of fertilizer, including reducing nitrates in groundwater, minimizing environmental impacts, and limiting greenhouse gas emissions.

SB 1122 (Rubio) requires the California Public Utilities commission (CPUC) to create a 250 MW procurement program for biomass and biogas. Specifically, the legislation directs the investor owned utilities to procure at least 250 MW of electrical generating capacity and allocates the capacity as follows: 110 MW for biogas from wastewater treatment, municipal organic waste diversion, food processing, and codigestion; 90 MW from dairy and agricultural bioenergy and 50 MW using byproducts of sustainable forest management.

AB 2196 (Chesbro) and AB 1900 (Gatto) address the CEC biomethane injection moratorium and the injection of biogas into common carrier pipelines in California. Both are important so that

biomethane injection can resume in-state. Wastewater processes have the potential to produce biomethane, if agencies choose to do and should benefit from these measures.

SB 594 (Wolk) would allow for aggregated net-energy metering on contiguous property. Entities could install one solar facility and net-meter it against all meters on that particular property. This is an important proposal to expand opportunities and benefits from solar energy generation.

### ***CEQA Reform***

As reported in September, California Environmental Quality Act (CEQA) reform failed to gain enough traction at the end of the Legislative Session but is expected to return next year. The likely resurgence has been confirmed by the appointment of Senator Michael Rubio (D-Bakersfield) as the chair of the Senate Environmental Quality Committee. Senator Rubio was the author of the CEQA reform legislation that was introduced, but not taken up for a vote, this year.

President pro Tem Steinberg issued a statement in September indicating that CEQA reform would be an "agenda priority" in 2013. Rubio plans to convene stakeholder meetings and at least one informational hearing before the Legislature convenes in December to examine necessary reforms.

The Dolphin Group has been collaborating with the California Special Districts Association (CSDA) to ensure that IEUA and other public agencies have a seat at the table when discussions start. It will be important to be involved to ensure that not only are reforms important to IEUA are included, as well as positive aspects of CEQA are maintained.

The timeline on CEQA reform may be expedited should Proposition 30, the Governor's tax increase, fail in November. Should the Legislature seek to get a two-thirds vote from to raise taxes, CEQA reform may be a big bargaining chip for in return for the necessary Republican votes.

### ***State Water Resources Control Board Delays Action on Recycled Water Policy Updates***

The State Water Resources Control Board delayed adopting amendments to the board's recycled water policy. The amendments would add new water quality monitoring requirements for emerging chemicals and contaminants, such as pharmaceuticals and pesticides. The changes add more potential "chemicals of emerging concern" to the list of pollutants the board may require local agencies to monitor at recycled water plants. The goal of the policy is to clarify how recycled water use can be expanded, while protecting water quality statewide.

During the discussion, staff asked the board to consider how officials can advance a plan to fund the additional monitoring, one option being to ask major discharges to voluntarily monitor.

The delay is to allow staff to respond to all comments submitted on the policy.

### ***Bioenergy Policy Changes***

The passage and implementation of SB 1122 (Rubio) gives bioenergy stakeholders an opportunity to shed some light on some of the more challenging aspects of permitting, contracting and building bioenergy projects in California. With an increase in discussions about bioenergy within the Legislature and regulatory agencies, issues like the cost to interconnect to the grid and system upgrade costs are being given more attention than in the past. Additionally, the standard PPA contract is being discussed. Stakeholders are working with the California Public Utilities Commission and the utilities to work on a standard contract that is a manageable size. Finally, as the EPIC Triennial Investment Plan is considered at the California Energy Commission, bioenergy stakeholders are working to ensure that there are opportunities for funding of bioenergy deployment throughout the state.

### ***SONGS Review***

As widely reported, when the San Onofre Nuclear Generating Station (SONGS) went off line early this year, Southern California Edison (SCE), San Diego Gas & Electric (SDG&E), Cal-ISO and the California Public Utilities Commission (CPUC) all rushed to craft and set into motion a plan that would provide enough power to Southern California to make up for the lost power from SONGS through the hot summer. Now that the warm season is over, regulators are focusing not only on the cause of the shut down, but how the costs related to the shut down are being spread to ratepayers.

A new investigation would track all SONGS-related costs since January, including costs relating to steam-generator replacement, outage-related investigations, studies, repairs and replacement power, as well as the cost of litigation and proceeding participation. According to the CPUC order, subaccounts would identify various types of SONGS-related costs, including capital costs in rate base and costs for replacement power and demand response during the outage. Additionally, the investigation will focus on causes of the outages, utilities' responses, the plant's future, and effects on providing safe, reliable service at reasonable rates.

There has been support for the investigation from consumer groups, who are quick to point out that SCE and SDG&E make a total of about \$2 million per day from ratepayers off the idle plant. Consumer groups are pleased that the order stated, "all SONGS related costs collected in rates from January 1, 2012 forward are subject to refund."

Finally, SCE has submitted to the Nuclear Regulatory Commission for a partial restart for Unit No. 2 that would entail bringing the plant back at reduced power and periodically shutting it down to check on tube wear.

### ***Cap and Trade Updates***

#### ***Waste-to-Energy Bioenergy Plants Exempt from GHG Caps***

In late September, the California Air Resources Board approved an exemption for bioenergy facilities from the cap and trade program. The change comes after a CalRecycle study found that waste-to-energy facilities have a smaller carbon footprint than previously thought, and confirm that these projects reduce lifecycle GHG emissions. Environmentalists argue that waste-to-energy projects can lead to potentially localized air pollution problems.

### *Allowance Price Cap Urged*

A panel of economists is urging California regulators to set a price cap on emissions trading allowances, which will be first auctioned on November 14, 2012. The panel states that a price cap could help avoid a potential massive spike in allowance prices that could lead to market manipulation and risk harming electric grid reliability.

California Air Resources Board (CARB) officials are confident that the price containment reserve mechanism built into the program will be adequate in preventing allowance prices from rising too rapidly. The reserve allowances would be utilized to buy and sell if prices escalate to certain levels under the regulation. Concerns over market manipulation remain high among stakeholders. The November auction will be the first test of the program and will be closely watched by not only those under the cap, but regulators, administration officials, and legislators to see how it functions and how much revenue is generated by the auction.

### *CARB Considers Relief for Power Generators*

CARB will likely adopt a rule to provide "transition assistance" to some power generators to help offset the cost of complying with cap and trade compliance costs. While the plan still lacks significant details, it is likely that generators holding "legacy" electricity contracts with state entities made prior to the enactment of AB 32 in 2006, will see significant cost relief. The issue CARB is trying to address is the handful of power purchase contracts between power generators and utilities that existed before 2006 regulated under the cap and trade program. Some of these power generators could simply choose to idle their facilities rather than pay the costs of upgrading plants or purchasing allowances in the November auction. If generators chose to idle, state power supply reliability could be impacted.

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**Date:** November 14, 2012

**To:** The Honorable Board of Directors

**Through:** Special Public, Legislative Affairs, and Water Resources Committee  
(11/07/12)

**From:** Thomas A. Love  
General Manager

**Submitted by:** Sondra Elrod  
Administration and Public Affairs Officer

**Subject:** Public Outreach and Communication

---

### **RECOMMENDATION**

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

### **BACKGROUND**

November 2012

- October 23-November 15, Upland High School Plant Fundraiser pilot launches as part of the Inland Empire Garden Friendly Program and Garden in Every School® Program to help schools raise funds for themselves.
- November 2, City of Fontana and Fontana Water Company's RW dedication at Southridge Community Park at the corner of Cherry Avenue and Live Oak Avenue beginning at 10:00 a.m.
- November 3, Fall Festival of Birds (SAWA), Chino Creek Park, 10:00 a.m. to 3:00 p.m.
- November 3, MWD Solar Cup Boat Building Workshop (Los Osos HS), Three Valleys MWD, 8:00 a.m.
- November 8, Mary Blasingame's retirement luncheon in the Event Room beginning at Noon.
- November 10, Volunteer Event, Chino Creek Park, 8:30 a.m. to 12:00 p.m.
- November 10, MWD Solar Cup Boat Building Workshop (Chino HS), Three Valleys MWD, 8:00 a.m.
- November 12, State Water Board "Wetlands Policy Staff Workshop" at IEUA in the Board Room from 1:00 p.m. to 4:00 p.m.
- November 15, Pam Adams' retirement luncheon in the Event Room beginning at Noon.

Public Outreach and Communications

November 14, 2012

Page 2

- November 27, Tour of IEUA facilities for AQMD GM, Barry Wallerstein, beginning at 10:00 a.m.

December 2012

- December 1, IEUA Employee Association Holiday Dinner, Sierra La Verne Country Club, 6:00 p.m. to 11:00 p.m.
- December 24, IEUA Holiday Luncheon, Los Serranos Country Club, 11:00 a.m. to 3:00 p.m.

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.
- Ongoing water wise gardening classes
- Free Sprinkler Nozzles Program ad will run in Sunday's Daily Bulletin on September 16, October 19, and November 17, 2012.

Educational Updates

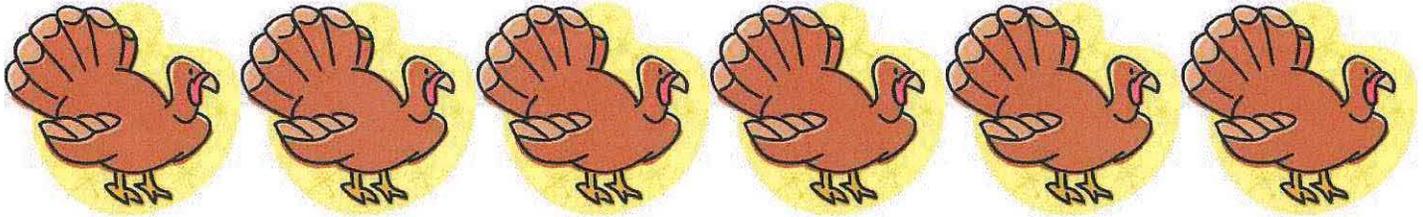
- The Water Education Water Awareness Committee (WEWAC) hosted a Project WET Workshop (Water Education for Teachers) at the Frontier Project on October 17, 2012. Twelve teachers that attended were from schools within IEUA's service area.
- The 2012-2013 school years marketing for outreach programs has begun. All schools within IEUA's service area were sent IEUA's educational opportunity brochure and schools have begun to sign up for the Water Discovery Field Trip at the Chino Creek Park.
- Los Osos High School attended the MWD Solar Cup Boat Building Workshop on November 3, 2012 at Three Valleys MWD. Chino HS will be attending on November 10, 2012.
- Construction and work days have begun with the schools participating in the 2012-2013 Garden in Every School® program.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

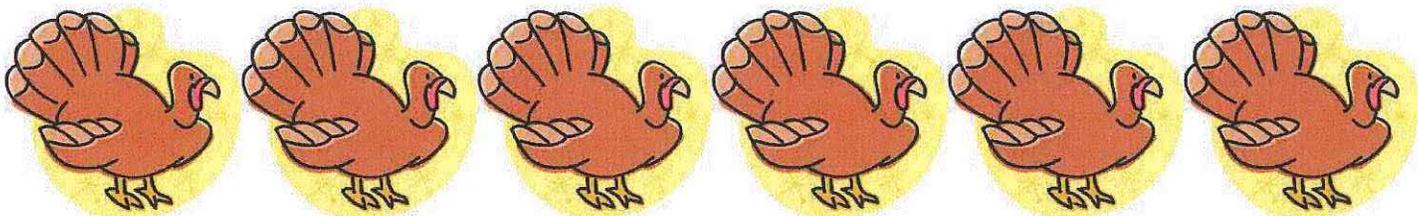
The above-mentioned activities are budgeted in the FY 2011/12 Administrative Service Fund, Public Information Services budget.



# CHINO BASIN WATERMASTER

## IV. INFORMATION

### I. Cash Disbursements for October 2012



**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**October 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 Pmt -Check	10/03/2012	16352	APPLIED COMPUTER TECHNOLOGIES	2078	1012 · Bank of America Gen'l Ckg	
Bill	09/27/2012	2078		Database Consultant - September 2012	6052.2 · Applied Computer Technol	3,056.60
TOTAL						3,056.60
Bill Pmt -Check	10/03/2012	16353	BOWCOCK, ROBERT		1012 · Bank of America Gen'l Ckg	
Bill	09/13/2012	9/13 Appro Pool Mtg		9/13/12 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	09/18/2012	9/18 Admin Mtg		9/18/12 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	09/27/2012	9/27 Board Mtg		9/27/12 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	10/03/2012	16354	CALPERS 457 PLAN	Payroll and Payroll Taxes for 09/02/12-09/15/12	1012 · Bank of America Gen'l Ckg	
General Journal	09/15/2012	09/15/2012	CALPERS 457 PLAN	Employee 457 deductions for 09/02/12-09/15/12	2000 · Accounts Payable	2,764.86
TOTAL						2,764.86
Bill Pmt -Check	10/03/2012	16355	CURATALO, JAMES		1012 · Bank of America Gen'l Ckg	
Bill	09/05/2012	9/25 Admin Mtg		9/25/12 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	09/27/2012	9/27 Board Mtg		9/27/12 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	10/03/2012	16356	DE BOOM, NATHAN		1012 · Bank of America Gen'l Ckg	
Bill	09/13/2012	9/13 Ag Pool Mtg		9/13/12 Ag Pool Mtg	8411 · Compensation	25.00
				AG Pool Member Meeting Compensation	8470 · Ag Meeting Attend -Special	100.00
Bill	09/21/2012	9/21 Special Ag Mtg		9/21/12 Special Ag Pool Mtg	8411 · Compensation	25.00
				AG Pool Member Meeting Compensation	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	10/03/2012	16357	DURRINGTON, GLEN		1012 · Bank of America Gen'l Ckg	
Bill	09/13/2012	9/13 Ag Pool Mtg		9/13/12 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	10/03/2012	16358	ELIE, STEVEN		1012 · Bank of America Gen'l Ckg	
Bill	09/19/2012	9/19 Admin Mtg		9/19/12 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	09/27/2012	9/27 Board Mtg		9/27/12 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	10/03/2012	16359	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
Bill	09/30/2012	L0098338		L0098338	7108.4 · Hydraulic Control-Lab Svcs	615.00
Bill	09/30/2012	L0098339		L0098339	7108.4 · Hydraulic Control-Lab Svcs	2,065.00

Page 29

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**October 2012**

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	09/30/2012	L0098340			7108.4 · Hydraulic Control-Lab Svcs	2,065.00
Bill	09/30/2012	L0098341			7108.4 · Hydraulic Control-Lab Svcs	615.00
Bill	09/30/2012	L0098342			7108.4 · Hydraulic Control-Lab Svcs	2,065.00
Bill	09/30/2012	L0098345			7108.4 · Hydraulic Control-Lab Svcs	2,065.00
Bill	09/30/2012	L009837			7108.4 · Hydraulic Control-Lab Svcs	615.00
Bill	09/30/2012	L009838			7108.4 · Hydraulic Control-Lab Svcs	2,065.00
Bill	09/30/2012	L009839			7108.4 · Hydraulic Control-Lab Svcs	2,065.00
TOTAL						14,235.00
<b>Bill Pmt -Check</b>	<b>10/03/2012</b>	<b>16360</b>	<b>FEENSTRA, BOB</b>		<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	09/05/2012	9/05 Admin Mtg		9/05/12 Administrative Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/13/2012	9/13 Ag Pool Mtg		9/13/12 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/20/2012	9/20 Advisory Comm		9/20/12 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/20/2012	9/20 RMPU Mtg		9/20/12 RMPU Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/21/2012	9/21 Special Ag Mtg		9/21/12 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/27/2012	9/27 Board Mtg		9/27/12 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						750.00
<b>P130</b>						
<b>Bill Pmt -Check</b>	<b>10/03/2012</b>	<b>16361</b>	<b>FOREVER YOUNG PORTRAITURE</b>	<b>09252012</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	09/25/2012	09252012		09252012	6312 · Meeting Expenses	150.00
TOTAL						150.00
<b>Bill Pmt -Check</b>	<b>10/03/2012</b>	<b>16362</b>	<b>GROOMAN'S PUMP &amp; WELL DRILLING, INC.</b>		<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	09/23/2012	13130		13130	7103.4 · Grdwtr Qual-Contract Svc	425.00
Bill	09/23/2012	13131		13131	7103.4 · Grdwtr Qual-Contract Svc	170.00
Bill	09/23/2012	13132		13132	7102.8 · In-line Meter-Calib & Test	589.05
Bill	09/26/2012	13145		13145	7102.7 · In-line Meter-Labor	1,878.25
Bill	09/26/2012	13144		13144	7102.7 · In-line Meter-Labor	688.95
Bill	09/26/2012	13133		13133	7102.7 · In-line Meter-Labor	181.77
TOTAL						3,933.02
<b>Bill Pmt -Check</b>	<b>10/03/2012</b>	<b>16363</b>	<b>HALL, PETE*</b>		<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	09/13/2012	9/13 Appro Pool Mtg		9/13/12 Appropriative Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/13/2012	9/13 Ag Pool Mtg		9/13/12 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/20/2012	9/20 Advisory Comm		9/20/12 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/20/2012	9/20 RMPU Mtg		9/20/12 RMPU Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/21/2012	9/21 Special Ag Pool		9/21/12 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/27/2012	9/27 Board Mtg		9/27/12 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						750.00

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**October 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 Pmt -Check	10/03/2012	16364	HUITSING, JOHN		1012 · Bank of America Gen'l Ckg	
Bill	09/21/2012	9/21 Special Ag Pool		9/21/12 Special Ag Pool Meeting	8411 · Compensation	25.00
				Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	10/03/2012	16365	KOOPMAN, GENE		1012 · Bank of America Gen'l Ckg	
Bill	09/13/2012	9/13 Ag Pool Mtg		9/13/12 Ag Pool Meeting	8411 · Compensation	25.00
				AG Pool Member Meeting Compensation	8470 · Ag Meeting Attend -Special	100.00
Bill	09/21/2012	9/21 Special Ag Pool		9/21/12 Special Ag Pool Meeting	8411 · Compensation	25.00
				AG Pool Member Meeting Compensation	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	10/03/2012	16366	KUHN, BOB		1012 · Bank of America Gen'l Ckg	
Bill	09/06/2012	9/06 Admin Mtg		9/06/12 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	09/12/2012	9/12 Admin Mtg		9/12/12 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	09/13/2012	9/13 Appro Pool Mtg		9/13/12 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	09/27/2012	9/27 Board Mtg		9/27/12 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	10/03/2012	16367	LANTZ, PAULA		1012 · Bank of America Gen'l Ckg	
Bill	09/10/2012	9/10 Admin Mtg		9/10/12 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	09/13/2012	9/13 Appro Pool Mtg		9/13/12 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	09/20/2012	9/20 Advisory Comm		9/20/12 Advisory Committee Meeting	6311 · Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	10/03/2012	16368	MCCALL'S METER SALES & SERVICE	22746	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2012	22746		22746	7102.8 · In-line Meter-Calib & Test	225.00
				22746	7102.7 · In-line Meter-Labor	343.96
				22746	7102.5 · In-line Meter-Repair & Maint.	100.00
TOTAL						668.96
Bill Pmt -Check	10/03/2012	16369	PARK PLACE COMPUTER SOLUTIONS, INC.	467	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2012	467		IT Services - September 2012	6052.1 · Park Place Comp Solutn	2,550.00
TOTAL						2,550.00
Bill Pmt -Check	10/03/2012	16370	PAYCHEX	2012092700	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2012	2012092700		September 2012	6012 · Payroll Services	230.76
TOTAL						230.76
Bill Pmt -Check	10/03/2012	16371	PIERSON, JEFFREY		1012 · Bank of America Gen'l Ckg	

P131

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**October 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	09/05/2012	9/05 Admin Mtg		9/05/12 Administrative Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/13/2012	9/13 Ag Pool Mtg		9/13/12 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/20/2012	9/20 Advisory Comm		9/20/12 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/20/2012	9/20 RMPU Mtg		9/20/12 RMPU Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/21/2012	9/21 Special Ag Mtg		9/21/12 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/27/2012	9/27 Board Meeting		9/27/12 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
<b>TOTAL</b>						<b>750.00</b>
<b>Bill Pmt -Check</b>	<b>10/03/2012</b>	<b>16372</b>	<b>PUBLIC EMPLOYEES' RETIREMENT SYSTEM</b>	<b>Payor #3493</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
General Journal	09/15/2012	09/15/2012	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 09/02/12-09/15/12	2000 · Accounts Payable	6,611.02
<b>TOTAL</b>						<b>6,611.02</b>
<b>Bill Pmt -Check</b>	<b>10/03/2012</b>	<b>16373</b>	<b>ROGERS, PETER</b>		<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	09/20/2012	9/20 Advisory Comm		9/20/12 Advisory Committee Meeting	6311 · Board Member Compensation	125.00
Bill	09/27/2012	9/27 Board Mtg		9/27/12 Board Meeting	6311 · Board Member Compensation	125.00
<b>TOTAL</b>						<b>250.00</b>
<b>Bill Pmt -Check</b>	<b>10/03/2012</b>	<b>16374</b>	<b>STANDARD INSURANCE CO.</b>	<b>Policy # 00-649299-0009</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	09/26/2012	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.ins Benefits	443.07
<b>TOTAL</b>						<b>443.07</b>
<b>Bill Pmt -Check</b>	<b>10/03/2012</b>	<b>16375</b>	<b>THE LAWTON GROUP</b>	<b>6017</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	09/23/2012	IVC070000019078		Week Ending 9/23/12	6017 · Temporary Services	768.00
<b>TOTAL</b>						<b>768.00</b>
<b>Bill Pmt -Check</b>	<b>10/03/2012</b>	<b>16376</b>	<b>VANDEN HEUVEL, GEOFFREY</b>		<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	09/17/2012	9/17 Admin Mtg		9/17/12 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	09/20/2012	9/20 RMPU Mtg		9/20/12 RMPU Meeting	6311 · Board Member Compensation	125.00
Bill	09/21/2012	9/21 Special Ag Mtg		9/21/12 Special Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	09/27/2012	9/27 Board Meeting		9/27/12 Board Meeting	6311 · Board Member Compensation	125.00
<b>TOTAL</b>						<b>500.00</b>
<b>Bill Pmt -Check</b>	<b>10/03/2012</b>	<b>16377</b>	<b>VANDEN HEUVEL, ROB</b>		<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	09/21/2012	9/21 Special Ag Pool		9/21/12 Special Ag Pool Meeting	8411 · Compensation	25.00
				Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
<b>TOTAL</b>						<b>125.00</b>
<b>Bill Pmt -Check</b>	<b>10/03/2012</b>	<b>16378</b>	<b>VERIZON</b>	<b>012561121521714508</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	09/30/2012	012561121521714508		012561121521714508	7405 · PE4-Other Expense	176.63
<b>TOTAL</b>						<b>176.63</b>

P132

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**October 2012**

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	10/04/2012	16379	GUARANTEED JANITORIAL SERVICE, INC.	6-29315	1012 · Bank of America Gen'l Ckg	
Bill	10/03/2012	6-29315		Janitorial Service - October 2012	6024 · Building Repair & Maintenance	865.00
TOTAL						<u>865.00</u>
Bill Pmt -Check	10/04/2012	16380	KAVOUNAS, PETER	Travel Expense Reimbursement	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2012			Travel expense reimbursement	6171.1 · GM - Reimbursement	161.23
TOTAL						<u>161.23</u>
Bill Pmt -Check	10/04/2012	16381	MIJAC ALARM	324739	1012 · Bank of America Gen'l Ckg	
Bill	10/03/2012	324739		Building alarm monitoring 10/01/12-12/31/12	6026 · Security Services	147.00
TOTAL						<u>147.00</u>
Bill Pmt -Check	10/04/2012	16382	VERIZON	012519116950792103	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2012	012519116950792103		012519116950792103	6022 · Telephone	429.24
TOTAL						<u>429.24</u>
Bill Pmt -Check	10/04/2012	16383	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
Bill	10/03/2012	08 k2 213849		Disposal service for October 2012	6024 · Building Repair & Maintenance	106.53
TOTAL						<u>106.53</u>
Bill Pmt -Check	10/10/2012	16384	A & R TIRE	3-7066	1012 · Bank of America Gen'l Ckg	
Bill	10/03/2012	3-7066		Field truck repairs - 4 tires	6177 · Vehicle Repairs & Maintenance	704.64
TOTAL						<u>704.64</u>
Bill Pmt -Check	10/10/2012	16385	CALPERS 457 PLAN	Payroll and Taxes for 09/16/12-09-29/12	1012 · Bank of America Gen'l Ckg	
General Journal	09/29/2012	09/29/2012	CALPERS 457 PLAN	Employee 457 deductions for 09/16/12-09-29/12	2000 · Accounts Payable	2,764.86
TOTAL						<u>2,764.86</u>
Bill Pmt -Check	10/10/2012	16386	COMPUTER NETWORK	85380	1012 · Bank of America Gen'l Ckg	
Bill	10/04/2012	85380		USB Cable	6055 · Computer Hardware	21.55
TOTAL						<u>21.55</u>
Bill Pmt -Check	10/10/2012	16387	CORELOGIC INFORMATION SOLUTIONS	80616283	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2012	80616283		80616283	7103.7 · Grdwtr Qual-Computer Svc	62.50
				80616283	7101.4 · Prod Monitor-Computer	62.50
TOTAL						<u>125.00</u>
Bill Pmt -Check	10/10/2012	16388	GREAT AMERICA LEASING CORP.	12802058	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2012	12802058		Monthly invoice	6043.1 · Ricoh Lease Fee	2,788.53

P 138

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**October 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>
				Usage for Black Copies	6043.2 · Ricoh Usage & Maintenance Fee	196.12
				Usage for Color Copies	6043.2 · Ricoh Usage & Maintenance Fee	385.64
TOTAL						<u>3,370.29</u>
<b>Bill Pmt -Check</b>	<b>10/10/2012</b>	<b>16389</b>	<b>HOGAN LOVELLS</b>	<b>2888861</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	09/30/2012	2688861		Non-Ag Legal Services - September 2012	8567 · Non-Ag Legal Service	897.75
TOTAL						<u>897.75</u>
<b>Bill Pmt -Check</b>	<b>10/10/2012</b>	<b>16390</b>	<b>HSBC BUSINESS SOLUTIONS</b>	<b>7003-7309-1000-2744</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	09/30/2012	7003730910002744		Miscellaneous office supplies	6031.7 · Other Office Supplies	852.39
TOTAL						<u>852.39</u>
<b>Bill Pmt -Check</b>	<b>10/10/2012</b>	<b>16391</b>	<b>NORDBAK'S PROMOTIONAL PRODUCTS</b>	<b>100412</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	10/04/2012	100412		Jackets for staff	6154 · Uniforms	133.12
TOTAL						<u>133.12</u>
<b>Bill Pmt -Check</b>	<b>10/10/2012</b>	<b>16392</b>	<b>PETTY CASH</b>	<b>2412-2428</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	09/30/2012			Supplies for 4/24 and 8/16 mtgs, misc. supplies	6141.3 · Admin Meetings	143.15
				Purchase cleaner for auxilliary room, notebooks	6031.7 · Other Office Supplies	17.63
				Purchase zip ties for field trucks	6151 · Small Tools & Equipment	6.97
				MetroLink fare-D. Maurizio to attend MWD Mtgs	6174 · Transportation	34.00
				Supplies for 4/19, 5/17 & 7/18 Advisory Comm.	6212 · Meeting Expense	56.07
				Purchase water quality monitoring supplies	7103.6 · Grdwtr Qual-Supplies	50.13
				Supplies for 5/17 and 7/18 DYY mtgs	7604 · PE8&9-Supplies	30.02
				Supplies for 6/14 Appropriative Pool Mtg	8312 · Meeting Expenses	38.07
TOTAL						<u>376.04</u>
<b>Bill Pmt -Check</b>	<b>10/10/2012</b>	<b>16393</b>	<b>PREMIERE GLOBAL SERVICES</b>	<b>12285252</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	09/30/2012	12285252		Service fee	6022 · Telephone	14.95
				Service fee	6022 · Telephone	5.85
				Call for Appropriative Pool Agenda	8312 · Meeting Expenses	15.49
				Call for Ag Pool Agenda	8412 · Meeting Expenses	15.49
				Call for Non Ag Pool Agenda	8512 · Meeting Expense	15.49
				9/13 Non Ag Pool Mtg Call	8512 · Meeting Expense	65.38
				RMPU Update call on 9/19	7207 · Comp Recharge-Other	100.27
				RMPU Update call on 9/19	7207 · Comp Recharge-Other	39.23
TOTAL						<u>272.15</u>
<b>Bill Pmt -Check</b>	<b>10/10/2012</b>	<b>16394</b>	<b>PRINTING RESOURCES</b>	<b>58603</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	09/30/2012	58603		Title plates - General Manager & Asst. GM	6031.7 · Other Office Supplies	28.44

P134

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**October 2012**

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						28.44
Bill Pmt -Check	10/10/2012	16395	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	09/29/2012	09/29/2012	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 09/16/12-09/29/12	2000 · Accounts Payable	6,786.00
TOTAL						6,786.00
Bill Pmt -Check	10/10/2012	16396	SAN BERNARDINO COUNTY FLOOD CONTROL IFC 022/13		1012 · Bank of America Gen'l Ckg	
Bill	10/01/2012	FC 022/13		License Agreement with SCE-Etiwanda Basins	7205 · Comp Recharge-Other Expense	5,000.00
TOTAL						5,000.00
Bill Pmt -Check	10/10/2012	16397	THE LAWTON GROUP	6017	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2012	IVC070000019105		Week Ending 9/30/12	6017 · Temporary Services	768.00
TOTAL						768.00
Bill Pmt -Check	10/10/2012	16398	UNION 76	300-732-989	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2012	300732989		Vehicle fuel - September 2012	6175 · Vehicle Fuel	198.38
TOTAL						198.38
<b>P135</b>	Bill Pmt -Check	10/18/2012	16399	ACWA JOINT POWERS INSURANCE AUTHORITY 00198	1012 · Bank of America Gen'l Ckg	
	Bill	10/16/2012	00198	Prepayment - November 2012	1409 · Prepaid Life, BAD&D & LTD	122.31
				October 2012	60191 · Life & Disab.Ins Benefits	110.96
TOTAL						233.27
Bill Pmt -Check	10/18/2012	16400	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2012	XXXX-XXXX-XXXX-9341		Fastrack replenishment	6174 · Transportation	30.00
				Purchase GM office equip, earthquake supplies	6031.7 · Other Office Supplies	965.20
				Purchase Watermaster shirts, jacket for GM	6154 · Uniforms	271.26
				Lunch for 9/27 Board Meeting	6312 · Meeting Expenses	355.50
				Admin meetings - GM and board/pool members	6141.3 · Admin Meetings	366.04
				GM-attend 2012 SCWC Annual Meeting & Dinner	6191 · Conferences - General	200.00
				Board minute books	6031.7 · Other Office Supplies	766.90
				Misc. office supplies	6031.7 · Other Office Supplies	105.61
TOTAL						3,060.51
Bill Pmt -Check	10/18/2012	16401	CUCAMONGA VALLEY WATER DISTRICT	Lease due November 1, 2012	1012 · Bank of America Gen'l Ckg	
Bill	10/16/2012			Lease due November 1, 2012	1422 · Prepaid Rent	6,098.00
TOTAL						6,098.00
Bill Pmt -Check	10/18/2012	16402	g.Neil	0731368	1012 · Bank of America Gen'l Ckg	
Bill	10/16/2012	0731368		Poster guard protection for Federal HR Posters	6031.7 · Other Office Supplies	42.50

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month  
October 2012

For Informational Purposes Only

	Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL							42.50
	Bill Pmt -Check	10/18/2012	16403	GROOMAN'S PUMP & WELL DRILLING, INC.	13154	1012 - Bank of America Gen'l Ckg	
	Bill	10/10/2012	13154		13154	7103.4 - Grdwtr Qual-Contract Svc	3,566.71
TOTAL							3,566.71
	Bill Pmt -Check	10/18/2012	16404	LEGAL SHIELD	111802	1012 - Bank of America Gen'l Ckg	
	Bill	10/16/2012	0111802		Employee deductions - October 20123	60194 - Other Employee Insurance	77.70
TOTAL							77.70
	Bill Pmt -Check	10/18/2012	16405	STAULA, MARY L	Retiree Medical	1012 - Bank of America Gen'l Ckg	
	Bill	10/31/2012			Retiree Medical	60182.4 - Retiree Medical	136.61
TOTAL							136.61
	Bill Pmt -Check	10/18/2012	16406	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	
	Bill	10/07/2012	1VC070000019133		Week Ending 10/07/12	6017 - Temporary Services	768.00
TOTAL							768.00
P 136	Bill Pmt -Check	10/18/2012	16407	THREE VALLEYS MUNICIPAL WATER DIST	November 1, 2012 Leadership Breakfast	1012 - Bank of America Gen'l Ckg	
	Bill	10/16/2012			Nov. 1, 2012 Leadership Breakfast - Kavounas	6191 - Conferences - General	15.00
TOTAL							15.00
	Bill Pmt -Check	10/18/2012	16408	VERIZON BUSINESS	66010423	1012 - Bank of America Gen'l Ckg	
	Bill	10/16/2012	66010423		66010423	6053 - Internet Expense	1,558.87
TOTAL							1,558.87
	Bill Pmt -Check	10/18/2012	16409	VERIZON WIRELESS	1125436970	1012 - Bank of America Gen'l Ckg	
	Bill	10/16/2012	1125436970		Monthly service	6022 - Telephone	454.03
TOTAL							454.03
	Bill Pmt -Check	10/18/2012	16410	WESTERN DENTAL SERVICES, INC.		1012 - Bank of America Gen'l Ckg	
	Bill	10/16/2012			Dental premium - October 2012	60182.2 - Dental & Vision Ins	28.88
TOTAL							28.88
	General Journal	10/19/2012	10/19/2012	Payroll and Taxes for 09/30/12-10/13/12	Payroll and Taxes for 09/30/12-10/13/12	1012 - Bank of America Gen'l Ckg	
					Direct Deposits for 09/30/12-10/13/12	1012 - Bank of America Gen'l Ckg	19,154.07
					Payroll Taxes for 09/30/12-10/13/12	1012 - Bank of America Gen'l Ckg	6,327.74
TOTAL							25,481.81
	Bill Pmt -Check	10/23/2012	16411	BROWNSTEIN HYATT FARBER SCHRECK		1012 - Bank of America Gen'l Ckg	

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**October 2012**

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	09/30/2012	515801		515801	8375 · BHFS Legal - Appropriative Pool	2,623.50
				515801	8475 · BHFS Legal - Agricultural Pool	1,630.35
				515801	8575 · BHFS Legal - Non-Ag Pool	3,020.85
				515801	8575.1 · Paragraph 15 - CSI/Aqua Capital	219.60
				515801	6275 · BHFS Legal - Advisory Committee	2,626.95
				515801	6375 · BHFS Legal - Board Meeting	3,749.94
				515801	6071 · BHFS Legal - Court Coordination	1,872.76
				515801	6072 · BHFS Legal - Annotated Judgment	2,540.25
				515801	6073 · BHFS Legal - Personnel Matters	766.80
				515801	6076 · BHFS Legal - Storage Issues	3,406.50
				515801	6078 · BHFS Legal - Miscellaneous	5,681.10
				515801	6907.39 · Recharge Master Plan	7,281.29
				515801	6907.41 · Prado Basin Habitat Sustain	153.00
Bill	09/30/2012	515802		515802	6907.34 · Santa Ana River Water Rights	3,755.25
Bill	09/30/2012	515803		515803	6907.33 · Desalter/Hydraulic Control	1,687.05
Bill	09/30/2012	515804		515804	6907.35 · Paragraph 31 Motion	198.67
Bill	09/30/2012	515805		515805	6907.36 · Santa Ana River Habitat	928.80
Bill	09/30/2012	515807		515807	6073 · BHFS Legal - Personnel Matters	81.00
<b>TOTAL</b>						<b>42,223.66</b>
Bill Pmt -Check	10/23/2012	16412	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	10/15/2012	1394905143		Medical premiums - November 2012	60182.1 · Medical Insurance	4,710.03
<b>TOTAL</b>						<b>4,710.03</b>
Bill Pmt -Check	10/23/2012	16413	CALPERS 457 PLAN	Payroll and Taxes for 09/30/12-10/13/12	1012 · Bank of America Gen'l Ckg	
General Journal	10/19/2012	10/19/2012	CALPERS 457 PLAN	Employee 457 deductions for 09/30/12-10/13/12	2000 · Accounts Payable	2,764.86
<b>TOTAL</b>						<b>2,764.86</b>
Bill Pmt -Check	10/23/2012	16414	CHINO HILLS, CITY OF*	6	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2012	6		6	7107.61 · Grd Level-Chino Hills ASR	456.50
<b>TOTAL</b>						<b>456.50</b>
Bill Pmt -Check	10/23/2012	16415	COMPUTER NETWORK	85487	1012 · Bank of America Gen'l Ckg	
Bill	10/15/2012	85487		Fix receptionist computer	6057 · Computer Maintenance	190.00
<b>TOTAL</b>						<b>190.00</b>
Bill Pmt -Check	10/23/2012	16416	CUCAMONGA VALLEY IAAP	10/24/12 Cucamonga Valley IAAP Chapter Mtg	1012 · Bank of America Gen'l Ckg	
Bill	10/22/2012			Fee-Wilson & Molino-attend 10/24/12 meeting	6192 · Training & Seminars	50.00
<b>TOTAL</b>						<b>50.00</b>

Pg 37

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**October 2012**

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	10/23/2012	16417	DGO AUTO DETAILING		1012 - Bank of America Gen'l Ckg	
Bill	10/22/2012			Wash 4 trucks on 10/04/12 and 10/19/12	6177 - Vehicle Repairs & Maintenance	200.00
TOTAL						200.00
Bill Pmt -Check	10/23/2012	16418	EUROFINS EATON ANALYTICAL		1012 - Bank of America Gen'l Ckg	
Bill	09/30/2012	L0100922		L0100922	7103.5 - Grdwtr Qual-Lab Svcs	578.00
Bill	09/30/2012	L0100839		L0100839	7103.5 - Grdwtr Qual-Lab Svcs	2,074.00
Bill	09/30/2012	L0101578		L0101578	7103.5 - Grdwtr Qual-Lab Svcs	2,074.00
Bill	09/30/2012	L0101237		L0101237	7103.5 - Grdwtr Qual-Lab Svcs	1,862.00
TOTAL						6,588.00
Bill Pmt -Check	10/23/2012	16419	INLAND EMPIRE UTILITIES AGENCY	90010755	1012 - Bank of America Gen'l Ckg	
Bill	10/01/2012	90010755		GW Recharge O&M Cost Reimbursement	7206 - Comp Recharge-O&M	208,488.25
TOTAL						208,488.25
Bill Pmt -Check	10/23/2012	16420	PITNEY BOWES CREDIT CORPORATION	6684246-AU12	1012 - Bank of America Gen'l Ckg	
Bill	10/16/2012	6684246-CT12		Leasing charges	6044 - Postage Meter Lease	547.37
TOTAL						547.37
Bill Pmt -Check	10/23/2012	16421	PRINTING RESOURCES	58703	1012 - Bank of America Gen'l Ckg	
Bill	10/16/2012	58703		Business cards for S. Molino	6031.7 - Other Office Supplies	110.93
TOTAL						110.93
Bill Pmt -Check	10/23/2012	16422	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	10/13/2012	10/13/2012	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 09/30/12-10/13-12	2000 - Accounts Payable	6,786.00
TOTAL						6,786.00
Bill Pmt -Check	10/23/2012	16423	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	
Bill	10/16/2012	1VC070000019162		Week Ending 10/14/12	6017 - Temporary Services	768.00
TOTAL						768.00
Bill Pmt -Check	10/23/2012	16424	WILDERMUTH ENVIRONMENTAL INC		1012 - Bank of America Gen'l Ckg	
Bill	09/30/2012	2012229		2012229	6906 - OBMP Engineering Services	247.50
Bill	09/30/2012	2012230		2012230	6906 - OBMP Engineering Services	4,220.00
Bill	09/30/2012	2012231		2012231	6906 - OBMP Engineering Services	3,862.50
Bill	09/30/2012	2012232		2012232	6906 - OBMP Engineering Services	1,578.75
Bill	09/30/2012	2012233		2012233	6906.1 - OBMP - Watermaster Model Update	20,400.00
Bill	09/30/2012	2012234		2012234	6906 - OBMP Engineering Services	7,487.50
Bill	09/30/2012	2012235		2012235	7103.3 - Grdwtr Qual-Engineering	7,531.25
Bill	09/30/2012	2012236		2012236	7104.3 - Grdwtr Level-Engineering	20,686.40

TOTAL P138

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month**  
**October 2012**

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	09/30/2012	2012237		2012237	7107.61 · Grd Level-Chino Hills ASR	1,535.00
Bill	09/30/2012	2012238		2012238	7107.2 · Grd Level-Engineering	15,957.65
Bill	09/30/2012	2012239		2012239	7108.3 · Hydraulic Control-Engineering	8,443.79
Bill	09/30/2012	2012240		2012240	7108.3 · Hydraulic Control-Engineering	4,998.71
Bill	09/30/2012	2012241		2012241	7108.7 · Hydraulic Control - Prado Basin	17,013.78
Bill	09/30/2012	2012242		2012242	7202.3 · Comp Recharge-Implementation	22,126.50
Bill	09/30/2012	2012243		2012243	7402 · PE4-Engineering	2,320.00
Bill	09/30/2012	2012244		2012244	7502 · PE6&7-Engineering	322.50
Bill	09/30/2012	2012245		2012245	7108.3 · Hydraulic Control-Engineering	4,906.00
Bill	09/30/2012	2012246		2012246	7101.31 · Prod Monitor-Engineering-Sub	1,632.79
Bill	09/30/2012	2012247		2012247	7103.31 · Grdwtr Qual-Engineering SubCont	1,717.61
TOTAL						146,988.23
Bill Pmt -Check	10/25/2012	16425	ARROWHEAD MOUNTAIN SPRING WATER	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	10/25/2012	0023230253		Office Water Bottle - October 2012	6031.7 · Other Office Supplies	113.40
TOTAL						113.40
Bill Pmt -Check	10/25/2012	16426	DIRECTV	019447404	1012 · Bank of America Gen'l Ckg	
Bill	10/25/2012	019447404		Office service for 10/19/12 -11/18/12	6031.7 · Other Office Supplies	89.99
TOTAL						89.99
Bill Pmt -Check	10/25/2012	16427	K J CONSULTING	Consulting Services	1012 · Bank of America Gen'l Ckg	
Bill	10/25/2012			Ken Jeske Consulting Services	6061.4 · Other Contract Services	2,500.00
TOTAL						2,500.00
Bill Pmt -Check	10/25/2012	16428	MCCALL'S METER SALES & SERVICE	23078	1012 · Bank of America Gen'l Ckg	
Bill	10/11/2012	23078		23078	7102.8 · In-line Meter-Calib & Test	450.00
TOTAL						450.00
Bill Pmt -Check	10/25/2012	16429	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	10/25/2012	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	421.25
TOTAL						421.25
Bill Pmt -Check	10/25/2012	16430	UNITED HEALTHCARE	0029262375	1012 · Bank of America Gen'l Ckg	
Bill	10/25/2012	0029262375		Dental premium - November 2012	60182.2 · Dental & Vision Ins	499.33
TOTAL						499.33
General Journal	10/27/2012	10/27/2012	Payroll and Taxes for 10/14/12-10/27/12	Payroll and Taxes for 10/14/12-10/27/12	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 10/14/12-10/27/12	1012 · Bank of America Gen'l Ckg	18,836.65
				Payroll Taxes for 10/14/12-10/27/12	1012 · Bank of America Gen'l Ckg	6,621.42

P 139

CHINO BASIN WATERMASTER  
 Cash Disbursements For The Month  
 October 2012

For Informational Purposes Only

TOTAL	Type	Date	Num	Name	Memo	Account	Paid Amount
							25,458.07
						Total Disbursements:	<u>557,146.29</u>

P140