



CHINO BASIN WATERMASTER

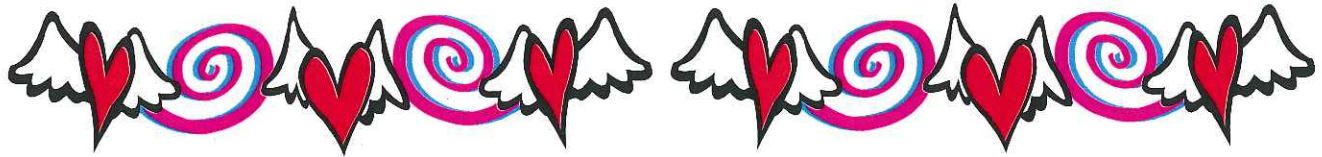


NOTICE OF MEETINGS

Thursday, February 9, 2012

- 9:00 a.m. – Appropriative Pool Meeting
- 11:00 a.m. – Non-Agricultural Pool Conference Call Meeting
- 1:00 p.m. – Agricultural Pool Meeting

AT THE CHINO BASIN WATERMASTER OFFICES
9641 San Bernardino Road
Rancho Cucamonga, CA 91730
(909) 484-3888



CHINO BASIN WATERMASTER

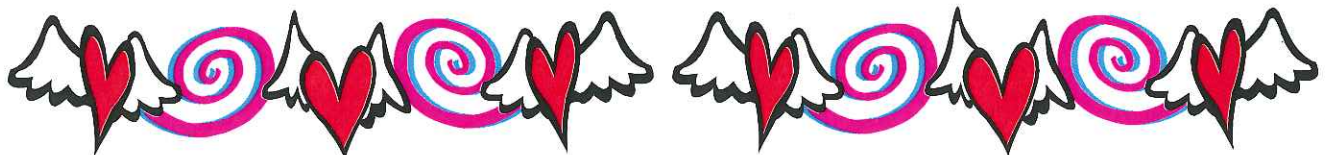
Thursday, February 9, 2012

9:00 a.m. – Appropriative Pool Meeting

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1:00 p.m. – Agricultural Pool Meeting

AGENDA PACKAGES



**CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING**

9:00 a.m. – February 9, 2012

WITH

*Mr. Marty Zvirbulis, 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 Annual Appropriative Pool Meeting held January 12, 2012 (Page 1)
2. Minutes of the Special Confidential Appropriative Pool Meeting held January 26, 2012 (Page 11)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of December 2011 (Page 31)
2. Watermaster VISA Check Detail for the month of December 2011 (Page 41)
3. Combining Schedule for the Period July 1, 2011 through December 31, 2011 (Page 45)
4. Treasurer's Report of Financial Affairs for the Period December 1, 2011 through December 31, 2011 (Page 49)
5. Budget vs. Actual Report for the Current Month, Year-To-Date, and Projected Fiscal Year (Page 53)

C. INTERVENTION INTO THE AGRICULTURAL POOL

Consider Approval for the Intervention of Tad Nakase (TDN Land Company) into the Agricultural Pool (Page 61)

D. APPROPRIATIVE POOL VOLUME VOTE

Consider Approval of the Calendar Year (February – December) 2012 Volume Vote (Page 65)

II. BUSINESS ITEMS

A. WATERMASTER MID-YEAR REVIEW, BUDGET TRANSFERS AND BUDGET AMENDMENTS

Consider (1) Staff recommends the Mid-Year Review Report for the Period July 1, 2011 through December 31, 2011 be received and filed as presented and (2) Staff recommends approval of the Budget Transfer Form T-12-02-01 and the Budget Amendment Form A-12-02-01 as presented (Page 73)

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

Consider Approval to Authorize the Watermaster Interim Chief Executive Officer to Finalize and then Enter into the Draft Reimbursement Agreement (Page 102)

C. CHINO CREEK WELL FIELD EXTENSOMETER LAND LEASE AGREEMENT

Consider Approval to Authorize the Watermaster Interim Chief Executive Officer to Finalize and then Enter into the Land Lease Agreement With San Bernardino County (Page 106)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

- 1. Paragraph 31 Appeal Tentative Opinion

B. CEO/STAFF REPORT

- 1. Recharge Master Plan Update/Storage Issues Review Process
- 2. WEI Analysis of Well Design for CDA Well I-20 & I-21
- 3. Data Release Procedures

IV. INFORMATION

- 1. Cash Disbursements for January 2012 (Page 130)
- 2. Newspaper Articles (Page 142)

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

- 1. CEO Search

VIII. FUTURE MEETINGS AT WATERMASTER

Wednesday, February 8, 2012	3:00 p.m.	Reserve Policy Workshop
Thursday, February 9, 2012	9:00 a.m.	Appropriative Pool Meeting
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Thursday, February 16, 2012	8:00 a.m.	IEUA DYY Meeting
Thursday, February 16, 2012	9:00 a.m.	Advisory Committee Meeting
Thursday, February 16, 2012	10:30 a.m.	Land Subsidence Committee Meeting
Thursday, February 23, 2012	11:00 a.m.	Watermaster Board Meeting

* Chino Basin Recharge Master Plan Update Steering Committee

Meeting Adjourn

**CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL MEETING**

11:00 a.m. – February 9, 2012

WITH

Mr. Bob Bowcock, Chair

Mr. Brian Geye, Vice-Chair

1-800-930-9525 PASS CODE: 917924

**Call can be taken at
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730**

AGENDA

CALL TO ORDER

ROLL CALL

AGENDA - ADDITIONS/REORDER

I. BUSINESS ITEMS - ROUTINE

A. MINUTES

1. Minutes of the Annual Non-Agricultural Pool Meeting held January 12, 2012 (Page 13)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of December 2011 (Page 31)
2. Watermaster VISA Check Detail for the month of December 2011 (Page 41)
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Consider Approval for the Intervention of Tad Nakase (TDN Land Company) into the Agricultural Pool (Page 61)

D. NON-AGRICULTURAL POOL VOLUME VOTE

Consider Approval of the Calendar Year (February – December) 2012 Volume Vote (Page 69)

II. BUSINESS ITEMS

A. WATERMASTER MID-YEAR REVIEW, BUDGET TRANSFERS AND BUDGET AMENDMENTS

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V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

Note: Confidential agenda and call in numbers will be provided separately.

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Thursday, February 16, 2012	10:30 a.m.	Land Subsidence Committee Meeting
Thursday, February 23, 2012	11:00 a.m.	Watermaster Board Meeting

* Chino Basin Recharge Master Plan Update Steering Committee

Meeting Adjourn

**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

1:00 p.m. – February 9, 2012

WITH

Mr. Bob Feenstra, Chair

Mr. Jeff Pierson, Vice-Chair

At The Offices Of

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

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D. MEETING TIME CONSIDERATION

Consider Changing the Meeting Time to 2:00 p.m. to Allow Staff Time to Prepare Comments and Motions from Morning Pool Meetings

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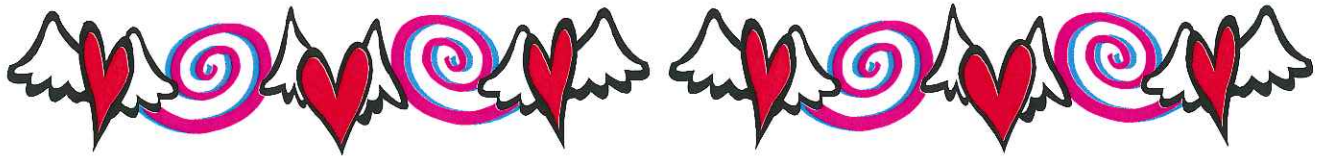
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* Chino Basin Recharge Master Plan Update Steering Committee

Meeting Adjourn

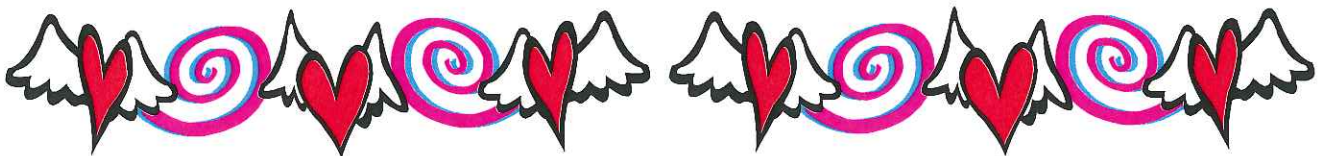


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Annual Appropriative Pool Meeting held on January 12, 2012
2. Special Confidential Appropriative Pool Meeting held on January 26, 2012



Draft Minutes
CHINO BASIN WATERMASTER
ANNUAL APPROPRIATIVE POOL MEETING

January 12, 2012

The Annual Appropriative Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on January 12, 2012 at 9:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT WHO SIGNED IN

Marty Zvirbulis, Chair	Cucamonga Valley Water District
Rosemary Hoerning	City of Upland
Raul Garibay	City of Pomona
Ron Craig	City of Chino Hills
Dave Crosley	City of Chino
Scott Burton	City of Ontario
Mark Kinsey	Monte Vista Water District
Van Jew	Monte Vista Irrigation Company
Robert Young	Fontana Water Company
Josh Swift	Fontana Union Water Company
Tom Harder	Jurupa Community Services District
Geoff Kamansky	Niagara Bottling Company
Ben Lewis	Golden State Water Company
Charles Moorrees	Santa Antonio Water Company
J. Arnold Rodriguez	Santa Ana River Water Company

Watermaster Board Members Present

Paula Lantz	City of Pomona
Bob Kuhn	Three Valleys Municipal Water District
Bill Kruger	City of Chino Hills

Watermaster Staff Present

Danielle Maurizio	Senior Engineer, Interim CEO
Joe Joswiak	Chief Financial Officer
Gerald Greene	Senior Environmental Engineer
Sherri Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present Who Signed In

Seth Zielke	Fontana Water Company
Sheri Rojo	Fontana Water Company
David De Jesus	Three Valleys Municipal Water District
Ken Jeske	California Steel Industries
Mike Maestas	City of Chino Hills
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Justin Scott-Coe	Monte Vista Water District
Sandra Rose	Monte Vista Water District
Craig Miller	Inland Empire Utilities Agency
Ryan Shaw	Inland Empire Utilities Agency
Eunice Ulloa	Chino Basin Water Conservation District
Curtis Paxton	Chino Desalter Authority
Veva Weamer	Wildermuth Environmental Inc.

Chair Zvirbulis called the Annual Appropriative Pool Meeting to order at 9:00 a.m.

AGENDA - ADDITIONS/REORDER

Ms. Maurizio stated Business Item D. has a revised version that was revised this morning, and it changes one of the reference numbers to a resolution from 09-01 to 11-01 and noted the revised resolution is available on the back table. Mr. Crosley asked that Consent Calendar Item. F. Levying Replenishment and Administrative Assessments is taken as a Business Item after Business Item A. Watermaster 2011/2012 Assessment Package. Chair Zvirbulis stated those changes were noted.

Chair Zvirbulis stated he wanted the committee to consider a matter regarding recent discussions offline about Business Items B. and C. related the applications for recharge and the need for additional discussion of those items before they are consider them as a committee. Chair Zvirbulis stated the recommendation would be to enter into a closed session after consideration of Business Item A. Chair Zvirbulis stated that change is noted.

I. ANNUAL ELECTIONS - ACTION

A. Calendar Year 2012 Appropriative Pool Officers

Nominations will be heard for the Appropriative Pool Chair to serve during calendar year 2012.

Chair	<u>Marty Zvirbulis, Cucamonga Valley Water District</u>
Vice-Chair	<u>Scott Burton, City of Ontario</u>
Secretary/Treasurer	<u>Watermaster Chief Executive Officer</u>

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

Moved to approve 2012 Appropriative Pool Officers, as presented

B. Calendar Year 2012 Advisory Committee Members

According to the rotation sequence established among the pools, the appropriators will be asked to appoint a designated representative to serve on the Advisory Committee during calendar year 2012.

Vice-Chair	Appropriative Pool <u>Rosemary Hoerning, City of Upland</u>
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Motion by Kinsey, second by Craig, and by unanimous vote

Moved to approve 2012 Appropriative Pool Advisory Committee member, as presented

C. Calendar Year 2012 Advisory Committee Minor Representatives

According to the Appropriative Pool Pooling Plan, minor producers are to elect two representatives to serve on the Advisory Committee during calendar year 2012. The minor producers for 2012 are: Arrowhead Mountain Spring Water, City of Norco, County of San Bernardino, Golden State Water Company, Marygold Mutual Water Company, Monte Vista Irrigation Company, Niagara Bottling Company, Nicholson Trust, San Antonio Water Company, Santa Ana River Water Company, West End Consolidated Water Company, and West Valley Water District.

Minor Rep #1	<u>San Antonio Water Company</u>
Minor Rep #2	<u>Santa Ana River Water Company</u>

Motion by Jew second by Hoerning, and by unanimous vote

Moved to approve 2012 Advisory Committee Representatives as San Antonio Water Company and Santa Ana River Water Company, as presented

D. Calendar Year 2012 Pool Representation on the Watermaster Board

Based on the Court-adopted Rotation Schedule for Representatives to the Watermaster, during calendar year 2012, the following will represent the Appropriative Pool on the Watermaster Board.

City of Chino Hills 2012-2014

New Member: William Kruger

Alternate: Peter Rogers

Fontana Union Water Company 2012-2014

New Member: James Curatalo

Alternate: Kathy Tiegs

II. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Appropriative Pool Meeting held December 8, 2011

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of November 2011
2. Watermaster VISA Check Detail for the month of November 2011
3. Combining Schedule for the Period July 1, 2011 through November 30, 2011
4. Treasurer's Report of Financial Affairs for the Period November 1, 2011 through November 30, 2011
5. Budget vs. Actual Current Month, Year-To-Date, and Fiscal Year-End

C. NOTICE OF INTENT

Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield

D. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 12-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, Re-Authorizing the Watermaster's Investment Policy

E. LOCAL AGENCY INVESTMENT FUND

Resolution 12-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF)

NOTE: Consent Calendar Item F. was pulled for separate discussion and motion, and to be considered a Business Item rather than a Consent Calendar Item after Business Item A. Watermaster 2011/2012 Assessment Package

G. APPROPRIATIVE POOL VOLUME VOTE

Consider Approval For Continuing the Calendar Year 2011 Volume Vote (as Presented and Approved in January 2011) Until the 2011-2012 Assessment Package is Approved and a New Volume Vote Can be Calculated and Acted Upon

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

Moved to approve Consent Calendar items A through E, and G, as presented

III. BUSINESS ITEMS

A. WATERMASTER 2011/2012 ASSESSMENT PACKAGE

Ms. Maurizio stated an Assessment Package Workshop was held last week and the Assessment Package was discussed in detail. Ms. Maurizio stated Watermaster normally does the Assessment Package process in the November/December time frame; however, there were a variety of reasons it was delayed this time. Ms. Maurizio gave the Assessment Package presentation in detail. Ms. Rojo inquired about the changes made to page 5A and asked for further clarification on specifics on that page, and also offered comment on this matter. Counsel Fife stated with regard to Ms. Rojo's comments it is not just Western Municipal Water District, it's

the expansion parties. Ms. Rojo stated this water is set aside to offset their replenishment obligation going in to the future. Counsel Fife stated that is correct. Mr. Rojo offered comment on the 400,000 acre-foot of drawdown and the two separate buckets. Ms. Maurizio stated staff will look at what Ms. Rojo presented and noted that will not affect the numbers in the Assessment Package and she knows there is a bit of true up that needs to occur on that account once the modeling work is all done. Chair Zvirbulis offered comment on the 225,000 acre-feet, which is looking empty over the next couple years and noted Ms. Rojo's points are important to clarify. Mr. Wildermuth stated when the 175 number was developed it was assumed that the expansion would come on time certain, it's coming on later. Mr. Wildermuth stated the planning date for building after these modeling runs Wildermuth is going to do, we have figured out that you can't use the 175 – you are going to use less, unless the desalter pumps more groundwater. Mr. Kinsey stated the point that is trying to be made here is, let's all take full advantage of the 400,000 acre-foot bucket that was created, if we have that flexibility. Mr. Kinsey stated as a point of clarity the Peace II Desalter Expansion, from his understanding, is the replenishment offset only applies to water which is used within the Chino Basin and doesn't apply as an offset for water which is exported out of the Chino Basin should that occur. Chair Zvirbulis asked if staff could go back and clarify those points for us. Counsel Fife stated it is an interesting concept which needs some thought and the language needs to be looked at in the Peace II Agreement to figure out what it exactly means. Mr. Young asked if this was going to the Advisory Committee and Watermaster Board this month and noted if that was the case the comments or concerns need to go to staff prior to those meetings so that all comments and concerns are presented to the Advisory Committee and Watermaster Board. Ms. Maurizio stated yes and prior the Advisory Committee meeting would be best.

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

Moved to approve Watermaster 2011/2012 Assessment Package, as presented

NOTE: Consent Calendar Item F. was pulled for separate discussion and motion, and to be considered a Business Item rather than a Consent Calendar Item after Business Item A. Watermaster 2011/2012 Assessment Package.

F. LEVYING REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS

Resolution 12-03 – Resolution Authorizing Levying Replenishment and Administrative Assessments for Fiscal Year 2011-2012

Motion by Kinsey second by Young, and by unanimous vote

Moved to approve Resolution 12-03 authorizing levying replenishment and administrative assessments for fiscal year 2011-2012, as presented

NOTE: The Confidential Session was taken out of order at 9:20 a.m. for discussion on Business Item B. and C.

The confidential session concluded at 10:20 a.m.

There was no reportable action from the confidential session.

The regular Appropriative Pool meeting reconvened at 10:20 a.m.

B. MATERIAL PHYSICAL INJURY ANALYSIS

Ms. Maurizio stated this item is on the agenda because last month Watermaster brought through the City of Upland and San Antonio Water Company's requests for Storage Agreements and for their Applications for Recharge, which triggered a great deal of discussion. Ms. Maurizio stated the discussions were reported to the Watermaster Board, and at the Board's request a Material Physical Injury Analysis was completed on all of the applications for Storage Agreements which have been received to date. Ms. Maurizio stated the Agricultural Pool at their meeting last month approved the Recharge Application component and not the Storage Agreement component.

Ms. Maurizio stated the Watermaster Board also requested that staff bring back this month only the Recharge Applications components. Mr. Wildermuth gave the Analysis of Material Physical Injury for the Local Storage Agreement Applications Pending on December 15, 2011 presentation in detail. Mr. Wildermuth reviewed the history of this matter, which applications were included in his analysis which equal 81,500 acre-feet of water, reviewed the impacts, and reviewed a Depth to Groundwater map in detail. Mr. Wildermuth stated with regard to the letter report that was in the meeting package, there is a support graphic that is used to show what the depth to water was in the areas of these recharge sites and the wells; which indicate we would not have any issues from high groundwater. Mr. Wildermuth reviewed the map in detail and noted the larger version of this map is available on the back table.

The Appropriative Pool Committee moved to receive and file the Material Physical Injury Analysis, as presented

C. APPLICATIONS FOR RECHARGE

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

Ms. Maurizio stated there are two Applications for Recharge being presented today from last month from the City of Upland and San Antonio Water Company. Ms. Maurizio stated, as stated previously at the request of the Board, staff has brought back just the Recharge Application component. Ms. Maurizio reviewed the two applications in detail. Ms. Maurizio stated the storage component of these applications are not being brought forward today; however, there will be meetings and/or workshops in the next few months to figure out how we are going to go forward with Storage Agreements. Ms. Maurizio stated with regard to the City of Upland's recycled water component it is unknown at this point and has not been evaluated for Material Physical Injury Analysis. Ms. Maurizio stated from discussions, she understands the City of Upland is a couple of years away from having that capacity anyway. Mr. Kinsey stated his motion will be for item C1 and C2 at the same time.

Motion by Kinsey, second by Moorrees, and by unanimous vote

Moved to approve the Recharge Applications for the City of Upland and San Antonio Water Company Applications for Recharge exclusive of recycled water, and to direct Watermaster to account for supplemental water recharged in the existing local supplemental storage account, as presented

IV. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Aqua Capital Management versus California Steel Industries
Counsel Fife stated just before the holidays there was a hearing in the other court room that this case was filed in; California Steel Industries (CSI) was asking that the case be dismissed because there is the adjudication that exists, and CSI was arguing that this legal issue

should be heard through the adjudication. Counsel Fife stated the judge clearly had difficulties figuring out the Chino Basin Adjudication but could tell that is where it needed to be, so the judge transferred the case to Judge Reichert. Counsel Fife stated the judge did not dismiss the case, and did not consolidate the case, he just figured Judge Reichert was the judge to understand this case and moved it on. Counsel Fife stated subsequently last week, Aqua Capital Management filed a 170.6 motion which is a motion to disqualify a judge. Counsel Fife stated everyone is allowed to file one 170.6 with no reason. Counsel Fife stated this case will now be moved to yet another judge and it is unclear how CSI will respond to that motion. Counsel Fife stated Watermaster Counsel will be talking to the Watermaster Board this month about what Watermaster should do; whether to intervene in the case to try and bring it back to Judge Reichert. Counsel Fife stated Watermaster could also file a Paragraph 15 motion and tee up the resolution of this with Judge Reichert, and it could be resolved in a short 30 day period. Counsel Fife stated Watermaster's concern is not with the substance of who should win, the concern is with the procedure of having water rights in Chino Basin being adjudicated by courts other than the Watermaster court.

2. December 16, 2011 Hearing

Counsel Fife stated this was the hearing to ask the Judge to continue the report on the progress under the Recharge Master Plan. Counsel Fife stated it was a quiet hearing, the Judge read the papers and was fine with the continuance; Judge Reichert gave Watermaster a six month continuance on that reporting.

3. Board Finding Regarding Compliance with Recharge Master Plan

Counsel Fife stated the Watermaster Board before the holidays considered the annual finding that is required under Peace II Agreement regarding compliance with the Recharge Master Plan. Counsel Fife stated the ultimate resolution of the Watermaster Board was that they made the finding of compliance; however, it was conditioned that within the next twelve months an Implementation Plan and a Financial Plan be created for the Recharge Master Plan through meetings or workshops. Counsel Fife noted there is a meeting scheduled to take place January 17, 2012 at 10:00 a.m. Counsel Fife stated over the next twelve months a new look at the plan has to happen including the development of an Implementation and Finance Plan, and then halfway through that process, a report needs to be made to the court on its progress. Mr. Burton inquired how Watermaster is going to address the issue of ultimate pumping in the basin, because the recent projections from Wildermuth shows something a lot different than what we had two years ago with the Recharge Master Plan, and he inquired as to what the process is for determining which assessment is correct or if it is something in the middle. Counsel Fife stated from a process standpoint there is the workshop next Tuesday which is the Recharge Master Plan Update Steering Committee. Counsel Fife stated one of the actions taken last month was to open that committee up to a broader group to whomever wants to participate, and it is his understanding that one of the first charges of that committee will be to lay out a process for resolving these issues. Counsel Fife stated that committee may need to take a fresh look at the Recharge Master Plan and come up with how they do that, and then simultaneously start to develop an Implementation and Finance Plan. Mr. Kinsey stated Mr. Burton's questions are very important because there are significant changes on long-term recharge needs and supplemental water needs for the basin in general.

B. CEO/STAFF REPORT

1. Recharge Update

Ms. Maurizio stated there will be updated numbers for the recharge update at the Advisory Committee meeting next week. Ms. Maurizio noted 500 acre-feet of storm was captured in the month of December.

2. Notice of Availability - Non-Agricultural Water

Ms. Maurizio stated the Notice of Availability is included in the meeting package starting on page 181. Ms. Maurizio stated there has been one Non-Agricultural party who offered some

of their stored water; Auto Club Speedway offered 250 acre-feet at \$406.64 an acre-foot. Ms. Maurizio stated there is a table included in the meeting package which shows what each Appropriator's part of that would look like should each Appropriator want to participate in this and want to purchase their portion of the water. Ms. Maurizio stated if all the Appropriators want the water then it will have to be re-divided out. Ms. Maurizio stated staff needs to hear back from the Appropriators by March 1, 2012; the parties can email Ms. Maurizio if you would like to purchase your share. A brief discussion on this matter ensued.

3. WEI Analysis of Well Design for CDA Well I-20

Ms. Maurizio stated Wildermuth has analyzed the well design for the CDA for their well number I-20 and it's consistent with the objectives. Ms. Maurizio offered a brief report on this item.

4. Chino Basin Watermaster Excess Reserves

Ms. Maurizio stated this item was discussed in detail during the December meetings and it was decided at those meetings to give back the excess reserves. Ms. Maurizio stated a formula was developed. Ms. Maurizio stated, during those meetings, Ms. Rojo brought up the point that the recharge debt payment has to be treated separately, and Ms. Maurizio noted that she agrees. Ms. Maurizio stated there is a handout on the back table for this item, which was also provided in the meeting package as a separate pdf file because it is an 11x17 document. Ms. Maurizio stated the document shows what the parties' portion is of the excess reserves now that the entire computations have been completed. Ms. Maurizio stated this return will show up on the invoice that comes with the Assessment Package. Ms. Maurizio stated some of the parties have more credit than what you will be assessed for, so some parties might be receiving a check instead of an invoice. Ms. Rojo stated to clarify there are remaining funds available in the Appropriative Pool fund balance and she asked that it be on the record that those funds then would be based on production based assessments. Chair Zvirbulis stated last month there was some discussion about convening a committee of our Chief Financial Officers or accountants to be volunteered to work with Watermaster staff to develop a sound policy for reserves. Ms. Maurizio stated now that the holidays are done and that Mr. Joswiak has returned, staff needs to get that process going. Ms. Maurizio stated Cucamonga Valley Water District has been the only party to volunteer anybody so far. Ms. Maurizio asked that the parties let her know if they are interested in volunteering someone to assist in this process. Ms. Maurizio stated it would be really nice to have that policy established before the end of March which is prior to the next budget cycle. Ms. Maurizio asked that parties send either herself or Mr. Joswiak an email with this regard.

5. West Venture Development Water Rights

Ms. Maurizio stated the West Venture Development Water Rights item was brought through last month because the Non-Agricultural Pool had requested to have West Venture's rights reallocated amongst the Pool. Ms. Maurizio reviewed the actions taken by the other Pools. Ms. Maurizio stated this is an update until further research is done and staff is trying to determine exactly what lots came out of that parcel, and staff is working with the City of Chino on this matter.

Added to CEO/STAFF REPORT

6. Basin Plan Amendment

Ms. Maurizio stated with regard to the Basin Plan Amendment, and the issues surrounding it not being noticed by the Regional Water Quality Control Board (RWQCB), has finally been noticed and it will be going before the RWQCB board on February 10, 2012. Ms. Maurizio stated the RWQCB removed the controversial language which was inadvertently attached, and thought to possibly delay its approval. Ms. Maurizio stated staff will keep the parties updated on this matter next month after the hearing.

7. Vertical Extensometer

Ms. Maurizio stated some of the parties asked that an update be given on the vertical extensometer this month. Ms. Maurizio stated this is the extensometer that was having difficulties with what parcel of land to put it on. Ms. Maurizio stated a parcel has been identified with the County and staff has been working to get that easement approved. Ms. Maurizio stated staff hopes to bring this back in February. Ms. Maurizio stated Tom Dodson will be doing the CEQA work on this and we will be using Best Drilling through a change order with the Desalter wells to construct it.

8. GRCC Meeting

Ms. Maurizio stated the GRCC meeting has been rescheduled from the date on the original agenda to January 17, 2012 from 8:30 a.m. to 9:30 a.m., which is just before the Chino Basin Recharge Master Plan Update Steering Committee meeting.

V. INFORMATION

1. Cash Disbursements for December 2011

Chair Zvirbulis inquired about cash disbursements being under information. Ms. Maurizio stated there are two parts where the financials show up. Mr. Joswiak stated when he first started Mr. Bowcock asked for more updated information on checks and staff created a new report, which has always been in the information section of the agenda.

2. Newspaper Articles

No comment was made.

VI. POOL MEMBER COMMENTS

No comment was made.

VII. OTHER BUSINESS

No comment was made.

NOTE: The Confidential Session was taken out of order at 9:20 a.m. for discussion on Business Item B. and C.

VIII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

There was no reportable action from the confidential session.

IX. FUTURE MEETINGS

Thursday, January 12, 2012	9:00 a.m.	Annual & Election Appropriative Pool Meeting @ CBWM
Thursday, January 12, 2012	11:00 a.m.	Annual & Election Non-Agricultural Pool Conference Call Meeting – and at CBWM
Thursday, January 12, 2012	1:00 p.m.	Annual & Election Agricultural Pool Meeting @ CBWM
Tuesday, January 17, 2012	8:30 a.m.	GRCC Meeting @ CBWM (New Date & Time)
Tuesday, January 17, 2012	10:00 a.m.	CB Recharge Master Plan Steering Committee Meeting @ CBWM
Thursday, January 19, 2012	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, January 19, 2012	9:00 a.m.	Annual & Election Advisory Committee Meeting @ CBWM

~~Tuesday, January 24, 2012 9:00 a.m. Canceled GRCC Meeting @ CBWM~~
Thursday, January 26, 2012 11:00 a.m. Annual & Election Watermaster Board Meeting
@ CBWM

Chair Zvirbulis dismissed the Appropriative Pool meeting at 10:45 a.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER
APPROPRIATIVE POOL SPECIAL CONFIDENTIAL SESSION MEETING
January 26, 2012

The Appropriative Pool Special Confidential Session Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on January 26, 2012 at 9:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT WHO SIGNED IN

Marty Zvirbulis, Chair	Cucamonga Valley Water District
Raul Garibay	City of Pomona
Dave Crosley	City of Chino
Mike Maestas	City of Chino Hills
Mark Kinsey	Monte Vista Water District
Robert Young	Fontana Water Company
Josh Swift	Fontana Union Water Company
Teri Layton	Santa Antonio Water Company
J. Arnold Rodriguez	Santa Ana River Water Company

APPROPRIATIVE POOL MEMBERS ON CONFERENCE CALL

Rosemary Hoerning	City of Upland
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Watermaster Staff Present for Roll

Sherri Molino	Recording Secretary
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Others Present on Conference Call

Tom McPeters	McPeters, McAlearney, Shimoff & Hatt
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Others Present at Watermaster

Sheri Rojo	Fontana Water Company
Seth Zielke	Fontana Water Company
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Jill Willis	Best Best & Krieger

Chair Zvirbulis called the Annual Appropriative Pool Confidential Session Meeting to order at 9:10 a.m.

I. CONFIDENTIAL SESSION - POSSIBLE ACTION

1. Appellate Court Tentative Ruling

Chair Zvirbulis report the confidential session action item as follows:

Direct Pool counsel to inform Watermaster that the Appropriative Pool will precede with oral argument on the item of the appeal before the appellate court.

The Appropriative Pool Confidential Session meeting was dismissed by Chair Zvirbulis at 10:13 a.m.

Secretary: _____

Minutes Approved: _____

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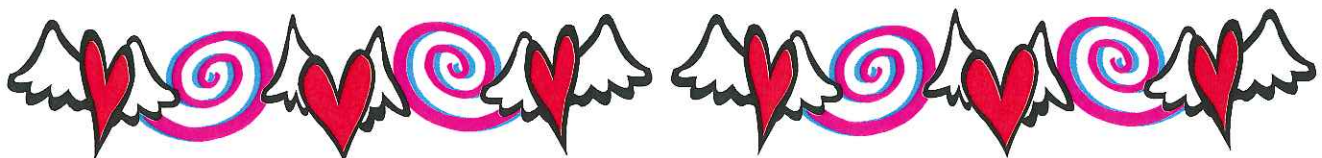


CHINO BASIN WATERMASTER

I. BUSINESS ITEM ROUTINE

A. MINUTES

1. Annual Non-Agricultural Pool
Conference Call Meeting held on January
12, 2012



Draft Minutes
CHINO BASIN WATERMASTER
ANNUAL NON-AGRICULTURAL POOL CONFERENCE CALL MEETING
January 12, 2012

The Annual Non-Agricultural Pool Conference Call Meeting was held via conference call using the Chino Basin Watermaster conference call number on January 12, 2012 at 11:00 a.m.

NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER

Bob Bowcock, Chair	Vulcan Materials Company (Calmat Division)
Ken Jeske	California Steel Industries

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Dave Penrice	Aqua Capital Management LP
Brian Geye	Auto Club Speedway
Lisa Hamilton	General Electric Company
Tom O'Neill	City of Ontario
Bob Lawn	Genon Electric

Watermaster Staff Present at Watermaster

Danielle Maurizio	Senior Engineer, Interim CEO
Joe Joswiak	Chief Financial Officer
Gerald Greene	Senior Environmental Engineer
Sherri Molino	Recording Secretary

Watermaster Board Counsel Present at Watermaster

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

Mark Wildermuth	Wildermuth Environmental Inc.
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Non-Agricultural Pool Counsel Present on Call

Allen Hubsch	Hogan Lovells US LLP
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Others Present at Watermaster

Dave Crosley	City of Chino
Kevin Austin	California Steel Industries
Paeter Garcia	California Steel Industries

Chair Bowcock called the Annual Non-Agricultural Pool Conference Call meeting to order at 11:04 a.m.

ROLL CALL

Sherri Molino called roll call.

AGENDA - ADDITIONS/REORDER

Chair Bowcock stated Watermaster staff asked that the agenda be reordered taking Business Item F. will follow Business Item H., so that the Assessment Package be taken prior to the Levying of Assessments. Ms. Maurizio stated Business Item D. has a revised version that was revised this morning, and it changes one of the reference numbers to a resolution from 09-01 to 11-01.

I. ANNUAL ELECTIONS – Action**A. Calendar-Year 2012 Non-Agricultural Pool Officers**

Nominations will be heard for Pool Chair, Pool Vice-Chair, Secretary, and Treasurer to serve during Calendar-Year 2012.

Chair	<u>Bob Bowcock, Vulcan Materials Company</u>
Vice-Chair	<u>Brian Geye, Auto Club Speedway</u>
Secretary	<u>Watermaster Chief Executive Officer</u>
Treasurer	<u>Watermaster Chief Executive Officer</u>

B. Calendar-Year 2012 Advisory Committee Members

Pool member(s) will be asked to elect Pool representatives and alternates to serve on the Advisory Committee during Calendar-Year 2012.

Member: <u>California Steel Industries</u>	Alternate: <u>None was chosen</u>
Member: <u>Auto Club Speedway</u>	Alternate: <u>None was chosen</u>
Member: <u>City of Ontario</u>	Alternate: <u>None was chosen</u>

C. Calendar-Year 2012 Advisory Committee Officers

Based on the rotation sequence established among the pools, the members of the Non-Agricultural Pool will be asked to appoint a designated representative, 2nd Vice-Chair of the Advisory Committee during Calendar-Year 2012. If the appointed representative is unable to attend an Advisory Committee meeting, a remaining pool officer may serve as his/her alternate.

2nd Vice-Chair Non-Agricultural Pool: Brian Geye, Auto Club Speedway

D. Calendar-Year 2012 Pool Representation on Watermaster Board

The Pool members will be asked to select one Pool representative to serve on the Watermaster Board during Calendar-Year 2012 and one alternate representative.

Member: Bob Bowcock, Vulcan Materials Company

Alternate: Brian Geye, Auto Club Speedway

II. BUSINESS ITEMS**A. MINUTES**

1. Minutes of the Non-Agricultural Pool Meeting held December 8, 2011

Motion by O'Neil, second by Jeske, and by unanimous vote

Moved to approve the December 8, 2011 minutes

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of November 2011
2. Watermaster VISA Check Detail for the month of November 2011
3. Combining Schedule for the Period July 1, 2011 through November 30, 2011
4. Treasurer's Report of Financial Affairs for the Period November 1, 2011 through November 30, 2011
5. Budget vs. Actual Current Month, Year-To-Date, and Fiscal Year-End

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

Moved to receive and file the financial reports without approval

C. NOTICE OF INTENT

Ms. Maurizio gave a report on this item.

Motion by Jeske, second by O'Neil, and by unanimous vote

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

D. CHINO BASIN WATERMASTER INVESTMENT POLICY

Ms. Maurizio gave a report on this item.

Motion by O'Neil, second by Jeske, and by unanimous vote

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

E. LOCAL AGENCY INVESTMENT FUND

Ms. Maurizio gave a report on this item.

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

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

Note: Item F. was pulled to take after Item H.

F. LEVYING REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS

Ms. Maurizio gave a report on this item.

Motion by O'Neil, second by Jeske, and by unanimous vote

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

G. NON-AGRICULTURAL POOL VOLUME VOTE

Ms. Maurizio gave a report on this item.

Motion by Geye, second by O'Neil, and by unanimous vote

Moved to approve staff recommendation

H. WATERMASTER 2011/2012 ASSESSMENT PACKAGE

Ms. Maurizio gave a report on this item. Mr. Hubsch offered comment on this matter. A discussion regarding this item ensued.

Motion by Jeske, second by Geye, and by majority vote – Dave Penrice voted no

Moved to receive the 2011-2012 Assessment Package, subject to reserving all the rights of the Non-Agricultural Pool's claims with respect to Paragraph 31 motion and the Aqua Capital Management versus California Steel Industries law suit, including dialog on storage losses which all should be included as footnotes on sheets 13A, 14A, and 15A, 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

Note: Item F. was taken after Item H.

I. MATERIAL PHYSICAL INJURY ANALYSIS

Ms. Maurizio gave a report on this item. Mr. Wildermuth gave a report on this item. A discussion regarding future potential recharge ensued.

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

Moved to receive and file the Material Physical Injury Analysis

J. APPLICATIONS FOR RECHARGE

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

Ms. Maurizio gave a report on this item.

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

Moved to approve the Recharge Applications for the City of Upland and San Antonio Water Company exclusive of recycled water and account for the water in existing local supplemental storage accounts, 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

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Aqua Capital Management versus California Steel Industries
Counsel Fife gave a report.
2. December 16, 2011 Hearing
Counsel Fife gave a report.
3. Board Finding Regarding Compliance with Recharge Master Plan
Counsel Fife gave a report.

B. CEO/STAFF REPORT

1. Recharge Update
Ms. Maurizio gave a report.
2. Notice of Availability - Non-Agricultural Water
Ms. Maurizio gave a report.
3. WEI Analysis of Well Design for CDA Well I-20
Ms. Maurizio gave a report.

4. Chino Basin Watermaster Excess Reserves
Ms. Maurizio gave a report.
5. West Venture Development Water Rights
Ms. Maurizio gave a report.
6. New Board Member from the City of Chino Hills, William Kruger
Ms. Maurizio gave a report.
7. New Board Member from Fontana Union Water Company, James Curatalo
Ms. Maurizio gave a report.

Added to CEO/STAFF REPORT

8. Basin Plan Amendment
Ms. Maurizio gave a report.
9. Vertical Extensometer
Ms. Maurizio gave a report.
10. GRCC Meeting
Ms. Maurizio gave a report.

IV. INFORMATION

1. Cash Disbursements for December 2011
No comment was made.
2. Newspaper Articles
No comment was made.

V. POOL MEMBER COMMENTS

No comment was made.

VI. OTHER BUSINESS

No comment was made.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

No confidential session was called

VIII. FUTURE MEETINGS

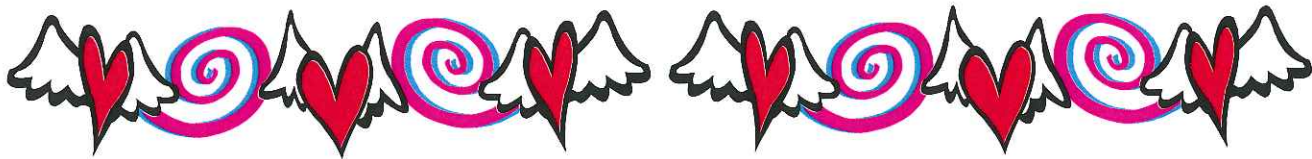
Thursday, January 12, 2012	9:00 a.m.	Annual & Election Appropriative Pool Meeting @ CBWM
Thursday, January 12, 2012	11:00 a.m.	Annual & Election Non-Agricultural Pool Conference Call Meeting – and at CBWM
Thursday, January 12, 2012	1:00 p.m.	Annual & Election Agricultural Pool Meeting @ CBWM
Tuesday, January 17, 2012	8:30 a.m.	GRCC Meeting @ CBWM (New Date & Time)
Tuesday, January 17, 2012	10:00 a.m.	CB Recharge Master Plan Steering Committee Meeting @ CBWM

Thursday, January 19, 2012	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, January 19, 2012	9:00 a.m.	Annual & Election Advisory Committee Meeting @ CBWM
Tuesday, January 24, 2012	9:00 a.m.	Cancelled GRCC Meeting @ CBWM
Thursday, January 26, 2012	11:00 a.m.	Annual & Election Watermaster Board Meeting @ CBWM

Chair Bowcock dismissed the Non-Agricultural Pool meeting at 12:04 p.m.

Secretary: _____

Minutes Approved: _____

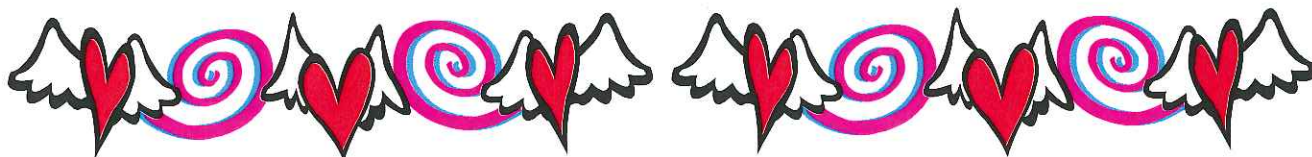


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Annual Agricultural Pool Meeting held on January 12, 2012



Draft Minutes
CHINO BASIN WATERMASTER
ANNUAL AGRICULTURAL POOL MEETING
January 12, 2012

The Annual Agricultural Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on January 12, 2012 at 1:00 p.m.

Agricultural Pool Members Present Who Signed In

Bob Feenstra, Chair	Dairy
Nathan deBoom	Dairy
John Huitsing	Dairy
Gene Koopman	Milk Producers Council
Rob Vanden Heuvel	Milk Producers Council
Jeff Pierson	Crops
Glen Durrington	Crops
Jennifer Novak	State of California, Dept. of Justice, CIM

Watermaster Board Member Present

Paul Hofer	Crops
Geoffrey Vanden Heuvel	Dairy

Watermaster Staff Present

Danielle Maurizio	Senior Engineer, Interim CEO
Joe Joswiak	Chief Financial Officer
Gerald Greene	Senior Environmental Engineer
Sherri Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present Who Signed In

Tracy Egoscue	Paul Hastings
Dave Crosley	City of Chino
Gil Aldaco	City of Chino
Ken Jeske	California Steel Industries
Rick Reese	Geomatrix Consultants, Inc.
Bob Gluck	City of Ontario
Ron La Brucherie	Farmer
Don Galleano	Guest

Chair Feenstra called the Annual Agricultural Pool meeting to order at 1:03 p.m.

AGENDA - ADDITIONS/REORDER

Chair Feenstra wished all the parties present today a Happy New Year. Chair Feenstra thanked the 2011 Agricultural Pool committee members for a job well done and for their support last year with all the many important challenges that arose that year. Chair Feenstra introduced the 2012 Agricultural Pool committee members and offered introductions for Mr. Ron La Brucherie and Mr. Don Galleano.

Ms. Maurizio stated Business Item D. has a revised version which was revised this morning, and it changes one of the reference numbers to a resolution from 09-01 to 11-01 and noted the revised resolution is available on the back table. Ms. Maurizio stated Consent Calendar Item. F, Levying Replenishment and Administrative Assessments will be taken as a Business Item after Business Item A., Watermaster 2011/2012 Assessment Package.

I. ANNUAL ELECTIONS - ACTION

A. Calendar-Year 2012 Agricultural Pool Members

The Agricultural Pool membership shall consist of not less than ten representatives selected at large by members of the pool. Pool members will be asked to make any necessary changes to the following list in order to establish pool membership and alternates during calendar year 2012:

Current Agricultural Pool Members

Dairy: Robert Feenstra
Gene Koopman
Nathan deBoom
John Huitsing
Rob Vanden Heuvel

Crops: Glen Durrington
Jeff Pierson

State: Pete Hall
Jennifer Novak
Julie Cavender

Current Alternates:

Dairy: Syp Vander Dussen
Peter Hettinga

Crops: Dan Hostetler

State: Carol Boyd
Brian Pahel
Robert Nobles
Helen Arens

A discussion regarding the 2012 Agricultural Pool committee members and their alternates ensued. The recording secretary noted the changes made to the 2012 member slate of members.

NOTE: The above Agricultural Pool members and alternates list reflects the changes made at the January 12, 2012 annual meeting and not the list which was provided on the annual agenda.

Chair Feenstra turned the meeting over to Ms. Egoscue to call for the election of the 2012 Agricultural Pool officers.

B. Calendar Year 2012 Agricultural Pool Officers

Nominations will be heard for Pool Chair, followed by nominations for Pool Vice-Chair.

Chair	<u>Bob Feenstra, Dairy</u>
Vice-Chair	<u>Jeff Pierson, Crops</u>
Secretary/Treasurer	<u>Watermaster Chief Executive Officer</u>

*Motion by Koopman, second by Vanden Heuvel, and by unanimous vote
Moved to keep the same 2011 slate Chair and Vice-Chair positions, as presented*

Chair Feenstra resumed the chair position and continued the meeting as the 2012 Agricultural Pool Chair.

C. Calendar Year 2012 Advisory Committee Member

The pool members will be asked to determine the ten agricultural representatives to serve on the Advisory Committee and, according to the rotation sequence established among the pools, appoint a representative to serve as Chair of the Advisory Committee during calendar year 2012

Chair Agricultural Pool Jeff Pierson, Crops

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

Moved to approve 2012 Advisory Committee Member, as presented

Ms. Novak stated she was advised recently by Ms. Maurizio that the approved court rotation schedule for 2012 shows it is the State's turn to serve on the Watermaster Board this year; however, Ms. Novak stated the State of California will waive that and support the current directors to continue in that capacity.

D. Calendar-Year 2012 Pool Representation on Watermaster Board

The Pool members will be asked to consider selecting two representatives to serve on the Watermaster Board during Calendar-Year 2012 and one or two alternate representatives.

Member: Geoffrey Vanden Heuvel Alternate: Bob Feenstra/Jeff Pierson

Member: Paul Hofer Alternate: Jeff Pierson/Bob Feenstra

Motion by Koopman, second by de Boom, and by unanimous vote

Moved to keep the same 2011 slate for the Agricultural Pool positions for the members, their alternates, and their sub-alternates, as presented

II. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Agricultural Pool Meeting held December 8, 2011

Motion by Koopman, second by Pierson, and by unanimous vote – Durrington abstained

Moved to approve Consent Calendar item A, as presented

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of November 2011
2. Watermaster VISA Check Detail for the month of November 2011
3. Combining Schedule for the Period July 1, 2011 through November 30, 2011
4. Treasurer's Report of Financial Affairs for the Period November 1, 2011 through November 30, 2011
5. Budget vs. Actual Current Month, Year-To-Date, and Fiscal Year-End

C. NOTICE OF INTENT

Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield

D. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 12-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, Re-Authorizing the Watermaster's Investment Policy

E. LOCAL AGENCY INVESTMENT FUND

Resolution 12-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF)

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

Moved to approve Resolution 12-03 authorizing levying replenishment and administrative assessments for fiscal year 2011-2012, as presented

NOTE: Consent Calendar Item F. was pulled to take after Item H. and was voted on after Business Item A. Watermaster 2011/2012 Assessment Package.

III. BUSINESS ITEMS

A. WATERMASTER 2011/2012 ASSESSMENT PACKAGE

Ms. Maurizio stated an Assessment Package Workshop was held last week and the assessment package was discussed in detail. Ms. Maurizio stated Watermaster normally does the Assessment Package process in the November/December time frame; however, there were a variety of reasons it was delayed this time. Ms. Maurizio gave the Assessment Package presentation in detail. Ms. Maurizio gave the motion made at the Appropriative Pool. Ms. Maurizio stated the motion made at the Non-Agricultural Pool was different than the Appropriative Pool's. Ms. Maurizio stated the Non-Agricultural Pool wants footnotes about the Non-Agricultural Pool water that is still sitting in the individual accounts, which is still subject to an existing dispute, and also there is a dispute between Aqua Capital Management and California Steel Industries (CSI) regarding their water rights. CSI asked that also be footnoted as well. Mr. Koopman offered comment on replenishment water price, changing structure, and asked for an explanation on one of the presentation slides. A discussion on replenishment ensued. Mr. Koopman asked that staff provide a list of what water is in storage and what the actual storage capacity in the basin is. Mr. Koopman stated he wants the storage numbers, even if the water is called something other than storage water; actual wet water and who owns it. Ms. Maurizio stated all that information is in the Assessment Package; however, there have been discussions on potentially reclassifying some of it to call it a different kind of storage water. Ms. Maurizio reviewed pages 3A, 4A, and 15A of the Assessment Package with regard to Mr. Koopman's comments/questions. Mr. Koopman inquired if all that water is subject to losses and Ms. Maurizio stated yes it is; however, Monte Vista Water District feels that the carryover water on page 2A should not have losses applied to it because it is not local storage water. Ms. Maurizio stated if anything does need to be corrected out of those discussions, it will not affect any of the dollars in the Assessment Package, Watermaster can just give those acre-feet back to their excess carryover accounts. A discussion regarding the excess carryover account ensued. Mr. Pierson asked that Watermaster prepare something that is all on one sheet for the Agricultural Pool. Ms. Maurizio stated the losses have only been applied for approximately the last five years, not since the beginning of time. Mr. Geoff Vanden Heuvel inquired if this is a subject that will be covered in Wildermuth's Material Physical Injury Analysis discussion. Ms. Maurizio stated that it will be discussed, but there will not be a lot of discussed on storage numbers. Mr. Geoff Vanden Heuvel stated there is an issue here and the fact of the matter is over the last ten years, since the Peace Agreement, a lot of water has been accumulated under a lot of different names. Mr. Geoff Vanden Heuvel stated a comprehensive look needs to be done on everything that is in there and how it got in there, which was done for the original Peace Agreement. Mr. Geoff Vanden Heuvel offered further comment on this matter. Mr. Geoff Vanden Heuvel stated not only does a comprehensive look at this water need to be done, and from a policy standpoint, a discussion on how the various water got into the various places needs to also take place. Mr. Geoff Vanden Heuvel stated he does not want this entire thing to be legitimized because it was in the past and to start fresh as of today; this is serious enough to request a significant policy update. Mr. Durrington inquired if the total amount of water in storage could be provided from anything other than paperwork. Mr. Wildermuth stated, understanding the geological materials that are in the ground and where the water levels are, we can make an engineering estimate of what is in the total storage plus/minus 15 to 20%; it is believed there is an estimated 6M acre-feet total. Ms. Maurizio noted the Peace II Agreement specifically says the 100,000 cap is for new post-2000 supplemental storage, and there is a lot of water in excess carryover which is not subject to the cap, which doesn't violate the cap as far as she interprets the document. Mr. Geoff Vanden Heuvel inquired if, prior to the Peace Agreement, was there a lot of excess carryover water. Mr. Geoff Vanden Heuvel clarified his question and offered further comment on this matter. Ms. Novak stated she agrees with what Mr. Vanden Heuvel has stated today. Ms. Novak stated so much is done at Watermaster on a month-to-month and issue-by-issue basis that sometimes the parties lose sight of the big picture and where our individual

decisions fit in with the overall goals of Watermaster and where we are. Ms. Novak stated Watermaster has different ways of classifying water and different rules for those different waters so it would be very helpful to understand what it is that we have and why. Ms. Novak offered further comment on this matter. Counsel Fife stated this discussion is taking place under the Assessment Package item, and maybe when we are on Item C. there was an action by the Appropriative Pool that was consistent with what Agricultural Pool is trying to do. Chair Feenstra asked that Item A. be completed first. Mr. Pierson inquired about the footnotes that will be applied by the Non-Agricultural Pool and if they will be presented to the Advisory Committee. Ms. Maurizio stated yes, and those notations will be corrected prior to the package going to the Advisory Committee. Mr. Pierson asked if staff is asking for approval for what is in front of us now or what will be presented to the Advisory Committee. Ms. Egoscue stated this committee can only approve what is in front of it now, and gave a possible recommendation to staff moving forward. Ms. Novak asked what the footnotes are about. Ms. Maurizio stated the footnotes will be on pages 13A, 14A, and 15A for the three Non-Agricultural Pool pages. Ms. Maurizio stated she believes this Pool has approved things before with a statement that the person at the Advisory Committee can approve the specific item at that meeting. A discussion regarding this matter ensued.

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

Moved to approve the 2011-2102 Assessment Package which was in the meeting package today and to have the Agricultural Pool Chair and Agricultural Pool Legal Counsel review the Non-Agricultural footnotes being added to page 13A, 14A, and 15A prior to voting at the Advisory Committee, as presented

NOTE: Consent Calendar Item F. was pulled to be considered a Business Item rather than a Consent Calendar Item after Business Item A. Watermaster 2011/2012 Assessment Package.

F. LEVYING REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS

Ms. Maurizio stated this resolution states that Watermaster is allowed to bill all the parties their assessments and now that the Assessment Package has been approved, this resolution is now ready to be voted on.

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

Moved to approve Consent Calendar item F, as presented

B. MATERIAL PHYSICAL INJURY ANALYSIS

Ms. Maurizio stated this item is on the agenda because last month Watermaster brought through the City of Upland's and San Antonio Water Company's requests for Storage Agreements and for their Applications for Recharge, which triggered a great deal of discussion. Ms. Maurizio stated the discussions were reported to the Watermaster Board, and at the Board's request a Material Physical Injury Analysis was completed on all of the applications for Storage Agreements which have been received to date. Ms. Maurizio stated at your last Agricultural Pool meeting this committee approved the Recharge Application component and not the Storage Agreement component. Ms. Maurizio stated the Watermaster Board also requested that staff bring back this month only the Recharge Applications components. Mr. Wildermuth gave the Analysis of Material Physical Injury for the Local Storage Agreement Applications Pending on December 15, 2011 presentation in detail. Mr. Wildermuth reviewed the history of this matter, which applications were included in his analysis which equal 81,500 acre-feet of water, reviewed the impacts, and reviewed a Depth to Groundwater map in detail. Mr. Wildermuth stated with regard to the letter report that was in the meeting package, there is a support graphic that is used to show what the depth to water was in the areas of these recharge sites and the wells; which indicates we would not have any issues from high groundwater. Ms. Egoscue stated she has questions especially on the recycled water used in the Upland Basin. Ms. Egoscue inquired about the Wildermuth analysis on the recycled water use. Mr. Wildermuth stated no one would incur a water quality impact of significance that would make their wells un-potable or their

supplies un-potable from these recharge projects. Mr. Wildermuth stated in the Basin Plan we would be concerned about causing a concentration to exceed an objective as well as a beneficial use, and in both cases we are not impairing a beneficial use or causing the groundwater to exceed an objective. Ms. Egoscue inquired if that was the driver for how the City of Upland was dealt with, with regard to the recycled water use. Mr. Wildermuth stated it was different, and gave a detailed explanation as to why it is different. Mr. Wildermuth stated the Upland Basin has never been included in the current recharge permit and there has never been recycled water put in there. Mr. Wildermuth stated in order to put recycled water in there the current Inland Empire Utilities Agency (IEUA) permit would have to be amended after substantial regulatory demonstrations. Mr. Wildermuth offered further comment on recycled water in the Upland Basin and noted the City of Upland may need to go back and engineer their projects so that it does not have material physical injury, which is why staff is saying we can't go forward with an approval of that portion. Ms. Egoscue inquired about the level of treatment for the recycled water that the City of Upland wanted to use. Mr. Wildermuth stated it is tertiary Title 22. Mr. Geoffrey Vanden Heuvel inquired if the Material Physical Injury Analysis took into account all of the excess carryover water and other stored water that now exists in the basin. Mr. Wildermuth stated probably not all of it, and he noted he would have to go back and look and see how much was in storage when we did the work in 2009. Mr. Geoffrey Vanden Heuvel inquired was this work the end of the process or was this one piece of an overall policy development strategy. Ms. Maurizio stated with the actual report right now it is just being asked to receive and file it; however, out of this staff is planning on developing a process to look at all of the storage and move forward on approving Storage Agreements. Ms. Maurizio stated there will probably be a workshop that comes out of these discussions. Counsel Fife stated it is his understanding that this is one part of the foundation for a policy discussion about what is done with storage. A discussion regarding this matter ensued. Mr. Geoffrey Vanden Heuvel offered comment on the IEUA application which is a different type of application, and is more of a policy issue and not a material physical injury issue. Mr. Pierson inquired what the other Pools did with this item and Ms. Maurizio stated they moved to receive and file the report. Chair Feenstra inquired about the future workshop and what that workshop would accomplish. Ms. Maurizio stated one workshop will not be enough but it will kick off the discussions. Ms. Maurizio stated she has found traces of this same discussion for fourteen years, and since she has been here she has worked through it with three CEO's and two interim CEO's assignments, and we are still where we started fourteen years ago. Ms. Maurizio stated they have deferred over and over during the Peace Agreement, the Peace II Agreement, and then to now; however, the parties are still not in agreement on how to allocate the water. A discussion regarding the possible workshop and this matter ensued. Mr. Geoffrey Vanden Heuvel offered comment on the components of the Peace II Agreement with regard to this important matter. Mr. Geoffrey Vanden Heuvel stated the Agricultural Pool needs to be involved in this and possibly have Ms. Egoscue participate in the meetings/workshops to watch out for the Agricultural Pool's interests, and to make sure good public policy comes out of these meetings/workshops. Chair Feenstra asked that Ms. Egoscue take an active role with this regard. Mr. Koopman offered comment on alternative sources of water, the recent purchase of replenishment water, MWD availability of water in the future, and IEUA's possible participation as a holding source for water. Chair Feenstra stated there is a lot to discuss and to explore. Chair Feenstra stated the recommendation from staff is to receive and file this report.

Motion by Pierson, second by Koopman, and by unanimous vote

Moved to receive and file the Material Physical Injury Analysis, as presented

C. APPLICATIONS FOR RECHARGE

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

applications for Local Storage Agreements; and (3) the general terms and conditions concerning Preemptive Replenishment and Storage.

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

Ms. Maurizio stated there are two Applications for Recharge being presented today from last month from the City of Upland and San Antonio Water Company. Ms. Maurizio stated, as stated previously at the request of the Board, staff has brought back just the Recharge Application component. Ms. Maurizio reviewed the two applications in detail. Ms. Maurizio stated the storage component of these applications are not being brought forward today; however, there will be meetings and/or workshops in the next few months to figure out how we are going to go forward with Storage Agreements. Ms. Maurizio stated with regard to the City of Upland's recycled water component it is unknown at this point and has not been evaluated for Material Physical Injury Analysis. Ms. Maurizio stated from discussions, she understands the City of Upland is a couple of years away from having that capacity anyway. Ms. Maurizio then reviewed the motions made by the Appropriative Pool and the Non-Agricultural Pool. Mr. Geoffrey Vanden Heuvel asked for clarification on the other Pool's motions. Ms. Maurizio stated they basically disregarded the staff recommendation and made their own motions. Ms. Maurizio reviewed the motions in detail. A discussion regarding supplemental storage ensued. Ms. Maurizio stated the other Pools are very committed to working through the process and getting the storage agreement issue resolved. Counsel Fife stated the way they phrased their motions says nothing new and it is just to account for the water in existing storage agreements, so there is no storage agreement being approved here at all. Counsel Fife stated the action that was recommended was to approve recharge and notify them that it's at their own risk because they don't have a storage agreement. Counsel Fife stated what they said was, they were not going to approve a new storage agreement but whatever water they recharge will be accounted for in existing agreements. Mr. Geoffrey Vanden Heuvel stated that is a good motion. Mr. Pierson asked for clarification on C-1. Counsel Fife stated they were asking for a new storage agreement; however, staff was recommending the recharge component and not to approve the storage agreement component, and then to make sure they were aware that whatever happened with that water that they are recharging, would be subject to a workout on the quantity of local supplemental, including acknowledging there is going to be a process going forward and notifying them that whatever happened with the storage account in the future, not now but in the future, it was going to be subject to that whole workout. Counsel Fife stated staff was asked to leave the Appropriative Pool meeting so they could hold their closed session discussions this morning about these agenda items. Counsel Fife noted the Appropriative Pool's closed session lasted approximately one hour. Counsel Fife stated when the closed session was over and they reconvened their regular meeting, the motion that Ms. Maurizio read was the motion they gave us, which was to account for it in existing agreements. Counsel Fife explained the motions in detail. A lengthy discussion regarding this matter and how to form a motion ensued. Mr. Geoffrey Vanden Heuvel stated the motion could be just to pass what the Appropriative Pool passed as our motion. Ms. Maurizio read the motions from the two other Pools.

Motion by Koopman, second by Pierson, and by unanimous vote

Moved to approve the Recharge Applications for the City of Upland and San Antonio Water Company Applications for Recharge exclusive of recycled water and to direct Watermaster to account for supplemental water recharged in the existing local supplemental storage account, as presented

IV. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. Aqua Capital Management versus California Steel Industries**

Counsel Fife stated just before the holidays there was a hearing in the other court room that this case was filed in; California Steel Industries (CSI) was asking that the case be dismissed because there is the adjudication that exists, and CSI was arguing that this legal issue should be heard through the adjudication. Counsel Fife stated the judge clearly had difficulties figuring out the Chino Basin Adjudication but could tell that is where it needed to be, so the judge transferred the case to Judge Reichert. Counsel Fife stated the judge did not dismiss the case, and did not consolidate the case, he just figured Judge Reichert was the judge to understand this case and moved it on. Counsel Fife stated subsequently last week, Aqua Capital Management filed a 170.6 motion which is a motion to disqualify a judge. Counsel Fife stated everyone is allowed to file one 170.6 with no reason. Counsel Fife stated this case will now be moved to yet another judge and it is unclear how CSI will respond to that motion. Counsel Fife stated Watermaster Counsel will be talking to the Watermaster Board this month about what Watermaster should do; whether to intervene in the case to try and bring it back to Judge Reichert. Counsel Fife stated Watermaster could also file a Paragraph 15 motion and tee up the resolution of this with Judge Reichert, and it could be resolved in a short 30 day period. Counsel Fife stated Watermaster's concern is not with the substance of who should win, the concern is with the procedure of having water rights in Chino Basin being adjudicated by courts other than the Watermaster court.

2. December 16, 2011 Hearing

Counsel Fife stated this was the hearing to ask the Judge to continue the report on the progress under the Recharge Master Plan. Counsel Fife stated it was a quiet hearing, the Judge read the papers and was fine with the continuance; Judge Reichert gave Watermaster a six month continuance on that reporting.

3. Board Finding Regarding Compliance with Recharge Master Plan

Counsel Fife stated the Watermaster Board before the holidays considered the annual finding that is required under the Peace II Agreement regarding compliance with the Recharge Master Plan. Counsel Fife stated the ultimate resolution of the Watermaster Board was that they made the finding of compliance; however, it was conditioned that within the next twelve months an Implementation Plan and a Financial Plan be created for the Recharge Master Plan through meetings or workshops. Counsel Fife noted there is a meeting scheduled to take place January 17, 2012 at 10:00 a.m. Counsel Fife stated over the next twelve months a new look at the plan has to happen including the development of an Implementation and Finance Plan, and then halfway through that process, a report needs to be made to the court on its progress.

B. AGRICULTURAL POOL LEGAL COUNSEL REPORT

Ms. Egoscue stated on January 11, 2012 Watermaster counsel sent a proposed order regarding the October 28, 2011 hearing. Ms. Egoscue stated the issue was that the judge approved the mitigation measures for the desalting activities, but expressed a concern that he was barring any private claims by well owners against the Desalter Authority. Ms. Egoscue stated Watermaster counsel committed to working with the Agricultural Pool and the Desalter Authority to file a supplemental order. Ms. Egoscue stated yesterday she received that order, and that she made a preliminary review and had one question for Watermaster counsel. Ms. Egoscue stated there is a section that states it does not appear that any party objects to the order and inquired how counsel knows that. Counsel Fife stated what counsel sent Ms. Egoscue is a draft proposed order that will be submitted to the judge for his signature. Counsel Fife explained the document sent to Ms. Egoscue in detail. Ms. Novak inquired if this was going to go through the same process as last time, in that all the well owners and users would be contacted, or would we just go through the Watermaster process. Counsel Fife stated it would just be going through the

Watermaster process because people now know what is going on with the court and this is different because at the last hearing the judge expressed concern with what he was doing. Counsel Fife stated this order is a supplemental order for the judge to clarify what he was doing. Ms. Novak inquired about Ms. Egoscue's statement of "nobody was objecting to the signing of the order." Ms. Novak offered further comment regarding the objection statement and making it while not knowing if it is true or not. Ms. Novak asked how we verify that people do or don't object, and are we only relying on the Watermaster process, or is it going to be sent to people for their opinion on the wording etc. Counsel Fife stated since it is only a handful of people maybe it can be sent out to them. A discussion regarding this matter ensued. Ms. Novak suggested that maybe that section of language be taken out and Ms. Egoscue agreed. Counsel Fife stated that is fine to remove that language.

C. CEO/STAFF REPORT

1. Recharge Update

Ms. Maurizio stated there will be updated numbers for the recharge update at the Advisory Committee meeting next week. Ms. Maurizio noted 500 acre-feet of storm was captured in the month of December.

2. Notice of Availability - Non-Agricultural Water

Ms. Maurizio stated the Notice of Availability is included in the meeting package starting on page 181. Ms. Maurizio stated there has been one Non-Agricultural party who offered some of their stored water; Auto Club Speedway offered 250 acre-feet at \$406.64 an acre-foot. Ms. Maurizio stated the Appropriate Pool has until March 1, 2012 to inform Watermaster if they want to purchase that water. A discussion regarding this item ensued.

3. WEI Analysis of Well Design for CDA Well I-20

Ms. Maurizio stated Wildermuth has analyzed the well design for the CDA for their well number I-20, and it's consistent with the objectives and will be pumping only from the shallow system. Ms. Maurizio stated the well is constructed deeper; however, it will have the cement seal in it so it won't pump from the deeper aquifer, but should they choose to change it later they have that option. Ms. Novak stated she has concerns. Ms. Novak referenced page 197 of the meeting packet for the actual design diagrams and noted they are proposing to block pumping from the deeper zone to the shallow zone; this differs from the preliminary designs that were issued approximately one year ago. Ms. Novak offered detailed comments on the concerns regarding the new design for the seal which have been identified by the CDA zone consultants. Ms. Novak inquired why the recommendation for the installation of the initial proposed seal is now absent, especially when that well is within a mile or two of the Archibald South Plume and Chino Airport Plume. Ms. Novak stated that well is designed specifically to be pulling contaminants from those regions; this seal could minimize the risk of affecting good water quality. Mr. Wildermuth clarified it was the annular seal which Ms. Novak was talking about. Mr. Wildermuth stated the seal Ms. Novak is referring to was actually pitched back to them when Wildermuth Environmental first got this revision back. Mr. Wildermuth stated Wildermuth's staff recommended the annular seal be put in, and the CDA and their consultants came back and said there were concerns. Mr. Wildermuth offered further technical comments on this matter and noted Wildermuth's staff yielded to their professional recommendations. A lengthy discussion on water production problems with regard to the gravel pack consolidation ensued. Ms. Novak offered further comment on the size of the well and the digging of a much larger shaft, which is larger than they will need any time in the foreseeable future. Ms. Novak recommended that staff work with the CDA on this final design and that the two-foot cement seal be looked at again to see if it can be made more effective. Mr. Wildermuth stated in our past practice of doing wells like this, we have used annular seals; Wildermuth Engineering is not the design engineer and we don't have the responsibility for the integrity of the structure after it's built. Mr. Wildermuth stated Wildermuth was concerned about depressurizing the lower system and they have assured us that that will not happen. Ms. Novak noted she has property almost across the street from this well and her clients, the State of California, have concerns, and that just a small thing

that could be done, it is what can make the difference down the road between huge problems and no problem. Mr. Wildermuth stated what he would like to do is to meet with Ms. Novak's design consultant via a conference call and have this discussion and maybe bring it back next month. Mr. Durrington inquired about why they would want to go down to deeper water where it's not polluted; why pump it at all. Mr. Wildermuth stated the concern is these wells in the shallow zone are not producing as much water as we previously believed. Mr. Wildermuth stated a material physical injury analysis was done, and noted from that analysis that if these wells were constructed shallow we did not think there would be a subsidence problem. Mr. Wildermuth stated the CDA's consultants don't feel as strongly about subsidence as we do. Mr. Wildermuth stated at their risk they will dig a deeper well and seal off the bottom portion of it so there would not be a pumping problem, with the idea that subsidence would be continually monitored, and if subsidence was minimal or nonexistent they could possibly break out those plugs and pump more water. Mr. Wildermuth offered further comment on this matter. Mr. Koopman commented on drilling more wells, which would drive up the cost versus going into the deeper water where they can lower their cost. Mr. Koopman offered further comment on what he thinks is the RWQCB standpoint on this matter of cleaning up the basin. A discussion regarding Mr. Koopman's comments and this matter ensued. Mr. Wildermuth stated he will follow up on today's discussion items.

4. Chino Basin Watermaster Excess Reserves

Ms. Maurizio stated the Watermaster Board took action last month regarding the excess reserves and there is a handout on the back table on how that will be allocated out.

5. West Venture Development Water Rights

Ms. Maurizio stated the West Venture Development Water Rights item was brought through last month because the Non-Agricultural Pool had requested to have West Venture's rights reallocated amongst the Pool. Ms. Maurizio reviewed the actions taken by the other Pools. Ms. Maurizio stated this is an update until further research is done and staff is trying to determine exactly what lots came out of that parcel, and staff is working with the City of Chino on this matter.

Added to CEO/STAFF REPORT

6. Basin Plan Amendment

Ms. Maurizio stated with regard to the Basin Plan Amendment, and the issues surrounding it not being noticed by the Regional Water Quality Control Board (RWQCB), it has finally been noticed and will be going before the RWQCB board on February 10, 2012. Ms. Maurizio stated the RWQCB removed the controversial language which was inadvertently attached, and thought to possibly delay its approval. Ms. Maurizio stated staff will keep the parties updated on this matter next month after the hearing.

7. Vertical Extensometer

Ms. Maurizio stated some of the parties asked that an update be given on the vertical extensometer this month. Ms. Maurizio stated this is the extensometer that was having difficulties with what parcel of land to put it on. Ms. Maurizio stated a parcel has been identified with the County and staff has been working to get that easement approved. Ms. Maurizio stated staff hopes to bring this back in February. Ms. Maurizio stated Tom Dodson will be doing the CEQA work on this and we will be using Best Drilling through a change order with the Desalter wells to construct it.

8. GRCC Meeting

Ms. Maurizio stated the GRCC meeting has been rescheduled from the date on the original agenda to January 17, 2012 from 8:30 a.m. to 9:30 a.m., which is just before the Chino Basin Recharge Master Plan Update Steering Committee meeting.

9. New Board Members

Ms. Maurizio stated there are two new members coming on the Watermaster Board representing the Appropriative Pool. Ms. Maurizio stated Bill Kruger from the City of Chino Hills and Jim Curatalo from Fontana Union Water Company are the two new representatives starting at the annual Watermaster Board meeting in January.

Ms. Maurizio inquired about the February date for the Agricultural Pool meeting which has historically had a conflict due to the Farm Show, which often results in quorum issues. It was noted the February 9, 2011 scheduled date for the Agricultural Pool meeting does not conflict this year with that show. That is going to be held February 14, 15, and 16th this year.

D. OLD BUSINESS

Mr. Durrington stated last month it was noted the recent sampling results would be sent out to everyone. Ms. Maurizio stated there are still a of couple wells to be tested. Mr. Durrington stated there was a motion made several years ago that only the owners would receive this information and that has not been discussed. Ms. Novak asked that staff figure out the motion that was made regarding publishing water quality information and if it needs reversing, in the near future, then this Pool can revisit the issue. A lengthy discussion regarding this matter ensued. Ms. Egoscue stated this is easily distinguishable from the prior motion in that this is a very specific set of facts that was actually put into motion by the Regional Board issuing a draft Clean Up and Abatement Order to a group, known globally as the ABGL Group. Ms. Egoscue stated the ABGL Group started sampling and reported data, and what is being discussed now is after that data had been reported to the various home owners, it is the subsequent activity that the Watermaster undertook for properties that were not covered by the ABGL Group. Ms. Egoscue stated her strong advice in this particular instance, that the Agricultural Pool is not seen as somehow blocking the information that has already been disseminated, and is already a matter of public record because it is part of a state agencies direction and guidance. Ms. Egoscue stated it is her suggestion that the Agricultural Pool does not hold up any notification or any expression to these land owners that there is an issue. Chair Feenstra inquired to Ms. Egoscue regarding Ms. Novak's comments on perpetuity, and asked can we move forward, yes or no. Ms. Egoscue stated those are two different issues. Ms. Novak stated with regard to discussions over the last year, as to what the current policy of this committee would be, if we were to undertake a motion today or revisit the issue, the result might be different than it was in the past. Ms. Novak stated if that is the case, then procedurally speaking, if it turns out that we should not have allowed anything to released today...can't we say it was retroactive to this decision. Ms. Novak stated she understands these are two different cases; however, if people feel bound by some past decision it needs to be reviewed. Ms. Egoscue noted her concern in advising the Pool right now and causing any delay. Ms. Novak offered final comments on this matter. A discussing regarding this matter ensued. Ms. Egoscue stated the data has already been sent to the executive officer of the Regional Board and it is now public record, and anyone can get it as public information. Ms. Egoscue offered final comment on this matter. Ms. Novak inquired if staff can figure out what the motion was and what it said, and if it needs reversing we can revisit the issue.

V. INFORMATION

1. Cash Disbursements for December 2011
No comment was made.
2. Newspaper Articles
No comment was made.

V. INFORMATION

1. Cash Disbursements for December 2011
No comment was made.

- 2. Newspaper Articles
No comment was made.

VI. POOL MEMBER COMMENTS

No comment was made.

VII. OTHER BUSINESS

Mr. Koopman stated he has made this request in the past and asked that staff to provide a list of all the Agricultural Pool producers, farmer by farmer, that are using recycled water in their farming operations, how many acre-feet of water they are using, and who the water provider is who is getting the credit for the Agricultural transfer is. Ms. Maurizio reiterated what Mr. Koopman is looking for in the report.

The regular open Agricultural Pool meeting was convened to hold its confidential session at 2:50 p.m.

VIII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

The confidential session concluded at 3:50 p.m.

Chair Feenstra stated the Agricultural Pool meeting will close in memory of Mr. Ruben Ayala who died on January 4, 2012. Chair Feenstra stated Mr. Ayala was devoted to his community, was elected mayor in 1964, was a member of the San Bernardino county Board of Supervisors, and served as a state senator. Chair Feenstra stated Mr. Ayala was a valued member of the community and received many awards in the course of his lifetime, including the 2011 Spirit of Achievement Award from the City of Chino. Chair Feenstra asked that the Advisory Committee and Watermaster Board also be closed in memory of Mr. Ruben Ayala.

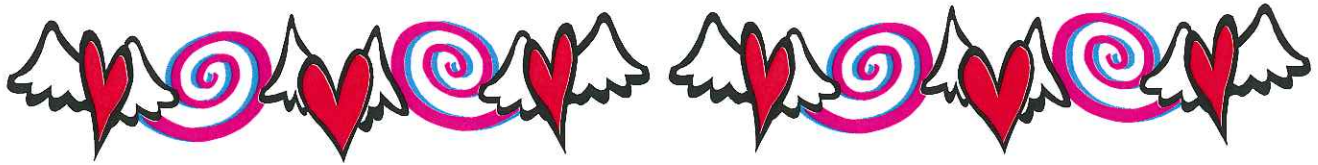
IX. FUTURE MEETINGS

Thursday, January 12, 2012	9:00 a.m.	Annual & Election Appropriative Pool Meeting @ CBWM
Thursday, January 12, 2012	11:00 a.m.	Annual & Election Non-Agricultural Pool Conference Call Meeting – and at CBWM
Thursday, January 12, 2012	1:00 p.m.	Annual & Election Agricultural Pool Meeting @ CBWM
Tuesday, January 17, 2012	8:30 a.m.	GRCC Meeting @ CBWM (New Date & Time)
Tuesday, January 17, 2012	10:00 a.m.	CB Recharge Master Plan Steering Committee Meeting @ CBWM
Thursday, January 19, 2012	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, January 19, 2012	9:00 a.m.	Annual & Election Advisory Committee Meeting @ CBWM
Tuesday, January 24, 2012	9:00 a.m.	Cancelled GRCC Meeting @ CBWM
Thursday, January 26, 2012	11:00 a.m.	Annual & Election Watermaster Board Meeting @ CBWM

The Annual Agricultural Pool was dismissed by Chair Feenstra at 3:05 p.m. in memory of Ruben Ayala who passed away on January 4, 2012

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR (App & Ag Pool)

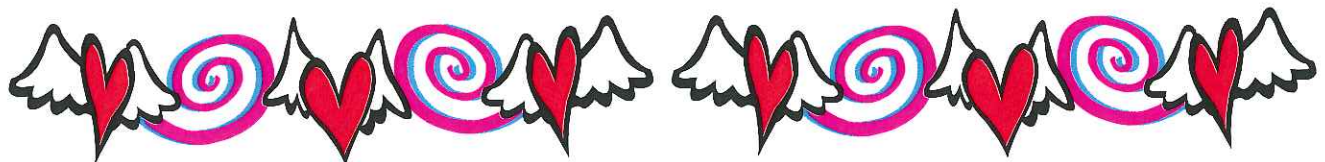
B. FINANCIAL REPORTS

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

I. BUSINESS ITEM ROUTINE (Non-Ag Pool)

B. FINANCIAL REPORTS

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





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: February 9, 2012
TO: Pool Members
SUBJECT: Cash Disbursement Report – Financial Report B1

SUMMARY

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

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

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

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of December 2011 were \$165,474.07. The most significant expenditures during the month were the Watermaster payrolls in the amounts of \$35,648.80 and \$36,959.50 (direct bank debits dated December 10, 2011 and December 24, 2011) and Hogan Lovells in the amount of \$27,060.61 (check number 15633 dated December 5, 2011).

Actions:

- February 9, 2012 Appropriative Pool –
- February 9, 2012 Non-Agricultural Pool –
- February 9, 2012 Agricultural Pool –
- February 16, 2012 Advisory Committee –
- February 23, 2012 Watermaster Board –

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
December 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	12/05/2011	15625	DE BOOM, NATHAN	AG Pool Member Meeting Compensation	1012 - Bank of America Gen'l Ckg	
Bill	11/10/2011	11/10 Ag Pool Mtg		11/10/11 Ag Pool Meeting	8411 - Compensation	25.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill	12/05/2011	15626	DURRINGTON, GLEN	AG Pool Member Meeting Compensation	1012 - Bank of America Gen'l Ckg	
Bill	11/10/2011	11/10 Ag Pool Mtg		11/10/11 Ag Pool Meeting	8411 - Compensation	25.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill	12/05/2011	15627	FEENSTRA, BOB	11/07/11 Personnel Committee	1012 - Bank of America Gen'l Ckg	
Bill	11/07/2011	11/07 Personnel Comm		11/07/11 Special Board Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	11/08/2011	11/08 Board Meeting		11/10/11 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	11/10/2011	11/10 Ag Pool Mtg		11/17/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	11/17/2011	11/17 Advisory Comm		11/17/11 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	11/17/2011	11/17 Board Mtg				625.00
TOTAL						125.00
Bill	12/05/2011	15628	HALL, PETE*	11/17/11 Advisory Committee Meeting	1012 - Bank of America Gen'l Ckg	
Bill	11/17/2011	11/17 Advisory Comm		11/17/11 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	11/17/2011	11/17 Board Mtg				250.00
TOTAL						125.00
Bill	12/05/2011	15629	HUITSING, JOHN	AG Pool Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	11/10/2011	11/10 Ag Pool Mtg			8470 - Ag Meeting Attend -Special	125.00
TOTAL						125.00
Bill	12/05/2011	15630	KOOPMAN, GENE	AG Pool Member Meeting Compensation	1012 - Bank of America Gen'l Ckg	
Bill	11/10/2011	11/10 Ag Pool Mtg		11/10/11 Ag Pool Meeting	8411 - Compensation	25.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill	12/05/2011	15631	PIERSON, JEFFREY	11/10/11 Ag Pool Meeting	1012 - Bank of America Gen'l Ckg	
Bill	11/10/2011	11/10 Ag Pool Mtg		11/17/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	11/17/2011	11/17 Advisory Comm		11/17/11 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	11/17/2011	11/17 Board Mtg				375.00
TOTAL						125.00
Bill	12/05/2011	15632	GRAINGER	9687071523	1012 - Bank of America Gen'l Ckg	
Bill	11/15/2011	9687071523		9688083725	7103.6 - Grdwtr Qual-Supplies	29.42
Bill	11/15/2011	9688083725		9690356895	7103.6 - Grdwtr Qual-Supplies	191.75
Bill	11/18/2011	9690356895			7103.6 - Grdwtr Qual-Supplies	4.54
TOTAL						29.42

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
December 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	11/18/2011	9690356887		9690356887	7103.6 · Crtdwir Qual-Supplies	8.82 234.53
TOTAL						
Bill Pmt -Check	12/05/2011	15633	HOGAN LOVELLS	2626846	1012 · Bank of America Gen'l Ckg	27,060.61
Bill	11/30/2011	2626846		Non-Ag Legal Services - October 2011	8567 · Non-Ag Legal Service	27,060.61
TOTAL						
Bill Pmt -Check	12/05/2011	15634	PARK PLACE COMPUTER SOLUTIONS, INC.	457	1012 · Bank of America Gen'l Ckg	2,550.00
Bill	11/30/2011	457		IT Services - November 2011	6052.1 · Park Place Comp Solutn	2,550.00
TOTAL						
Bill Pmt -Check	12/05/2011	15635	PUMP CHECK	4447	1012 · Bank of America Gen'l Ckg	2,280.00
Bill	11/30/2011	4447		4447	7102.8 · In-line Meter-Calib & Test	2,280.00
TOTAL						
Bill Pmt -Check	12/05/2011	15636	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	106.53
Bill	12/01/2011	08-K2 213849		Disposal Service - December 2011	6024 · Building Repair & Maintenance	106.53
TOTAL						
Bill Pmt -Check	12/05/2011	15637	BOWCOCK, ROBERT	11/07/11	1012 · Bank of America Gen'l Ckg	125.00
Bill	11/07/2011	11/07 Personnel Comm		11/07/11 Personnel Committee Meeting	6311 · Board Member Compensation	125.00
Bill	11/17/2011	11/17 Board Mtg		11/17/11 Board Meeting	6311 · Board Member Compensation	250.00
TOTAL						
Bill Pmt -Check	12/05/2011	15638	ELIE, STEVEN	11/08/11	1012 · Bank of America Gen'l Ckg	125.00
Bill	11/08/2011	11/08 Board Mtg		11/08/11 Special Board Meeting	6311 · Board Member Compensation	125.00
Bill	11/17/2011	11/17 Board Mtg		11/17/11 Board Meeting	6311 · Board Member Compensation	250.00
TOTAL						
Bill Pmt -Check	12/05/2011	15639	HAUGHEY, TOM	11/07/11	1012 · Bank of America Gen'l Ckg	125.00
Bill	11/07/2011	11/07 Personnel Comm		11/07/11 Personnel Committee Meeting	6311 · Board Member Compensation	125.00
Bill	11/08/2011	11/08 Board Mtg		11/08/11 Special Board Meeting	6311 · Board Member Compensation	125.00
Bill	11/17/2011	11/17 Board Mtg		11/17/11 Board Meeting	6311 · Board Member Compensation	375.00
TOTAL						
Bill Pmt -Check	12/05/2011	15640	KUHN, BOB	11/07/11	1012 · Bank of America Gen'l Ckg	125.00
Bill	11/07/2011	11/07 Personnel Comm		11/07/11 Personnel Committee Meeting	6311 · Board Member Compensation	125.00
Bill	11/08/2011	11/08 Board Mtg		11/08/11 Special Board Meeting	6311 · Board Member Compensation	125.00
Bill	11/10/2011	11/10 Appro Pool		11/10/11 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	11/17/2011	11/17 Board Mtg		11/17/11 Board Meeting	6311 · Board Member Compensation	125.00
Bill	11/23/2011	11/23 Admin Mtg		11/23/11 Administrative Meeting	6311 · Board Member Compensation	625.00
TOTAL						

CHINO BASIN WATERMASTER
 Cash Disbursements For The Month of
 December 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	12/05/2011	15641	LANTZ, PAULA		1012 · Bank of America Gen'l Ckg	125.00
Bill	11/08/2011	11/08 Board Mtg		11/08/11 Special Board Meeting	6311 · Board Member Compensation	125.00
Bill	11/17/2011	11/17 Board Mtg		11/17/11 Board Meeting	6311 · Board Member Compensation	250.00
TOTAL						
Bill Pmt -Check	12/05/2011	15642	VANDEN HEUVEL, GEOFFREY		1012 · Bank of America Gen'l Ckg	125.00
Bill	11/08/2011	11/08 Board Mtg		11/08/11 Special Board Meeting	6311 · Board Member Compensation	125.00
Bill	11/10/2011	11/10 Ag Pool Mtg		11/10/11 Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	11/17/2011	11/17 Board Mtg		11/17/11 Board Meeting	6311 · Board Member Compensation	375.00
TOTAL						
Bill Pmt -Check	12/05/2011	15643	WILLIS, KENNETH		1012 · Bank of America Gen'l Ckg	125.00
Bill	11/07/2011	11/07 Personnel Comm		11/07/11 Personnel Committee Meeting	6311 · Board Member Compensation	125.00
Bill	11/08/2011	11/08 Board Mtg		11/08/11 Special Board Meeting	6311 · Board Member Compensation	125.00
Bill	11/17/2011	11/17 Board Mtg		11/17/11 Board Meeting	6311 · Board Member Compensation	375.00
TOTAL						
General Journal	12/10/2011	12/10/2011	Payroll and Taxes for 11/27/11-12/10/11	Payroll and Taxes for 11/27/11-12/10/11	1012 · Bank of America Gen'l Ckg	8,800.15
				Payroll Taxes for 11/27/11-12/10/11	1012 · Bank of America Gen'l Ckg	26,848.65
				Direct Deposits for 11/27/11-12/10/11	1012 · Bank of America Gen'l Ckg	35,648.80
TOTAL						
Bill Pmt -Check	12/12/2011	15644	APPLIED COMPUTER TECHNOLOGIES	2033	1012 · Bank of America Gen'l Ckg	2,366.60
Bill	11/30/2011	2033		Database Services - November 2011	6052.2 · Applied Computer Technol	2,366.60
TOTAL						
Bill Pmt -Check	12/12/2011	15645	CALPERS 457 PLAN		1012 · Bank of America Gen'l Ckg	2,805.62
General Journal	11/26/2011	11/26/2011	CALPERS 457 PLAN	457 Employee deductions for 11/13/11-11/26/11	2000 · Accounts Payable	2,805.62
TOTAL						
Bill Pmt -Check	12/12/2011	15646	CHARLES Z. FEDAK & COMPANY		1012 · Bank of America Gen'l Ckg	1,000.00
Bill	11/30/2011			Progress Billing - November 2011	6062 · Audit Services	1,000.00
TOTAL						
Bill Pmt -Check	12/12/2011	15647	DC LAW	15668	1012 · Bank of America Gen'l Ckg	130.00
Bill	11/30/2011	15668		Ag Pool Legal Services - 15668	8467 · Ag Legal & Technical Services	130.00
TOTAL						
Bill Pmt -Check	12/12/2011	15648	DGO AUTO DETAILING		1012 · Bank of America Gen'l Ckg	150.00
Bill	11/30/2011			Wash 3 trucks 11/02/11, 3 trucks 11/30/11	6177 · Vehicle Repairs & Maintenance	150.00
TOTAL						
Bill Pmt -Check	12/12/2011	15649	GRAINGER		1012 · Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
December 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	11/30/2011	9697287788		9697287788	7103.6 · Grdwtr Qual-Supplies	9.69
Bill	11/30/2011	9697287770		9697287770	7103.6 · Grdwtr Qual-Supplies	34.61
TOTAL						44.30
Bill Pmt -Check	12/12/2011	15650	GREAT AMERICA LEASING CORP.	11634411	1012 · Bank of America Gen'l Ckg	2,788.53
Bill	11/30/2011	11634411		Lease Invoice	6043.1 · Ricoh Lease Fee	243.05
				Usage for Black Copies	6043.2 · Ricoh Usage & Maintenance Fee	278.67
				Usage for Color Copies	6043.2 · Ricoh Usage & Maintenance Fee	3,310.25
TOTAL						580.11
Bill Pmt -Check	12/12/2011	15651	HSBC BUSINESS SOLUTIONS	7003-7309-1000-2744	1012 · Bank of America Gen'l Ckg	580.11
Bill	11/30/2011	7003730910002744		Miscellaneous office supplies	6031.7 · Other Office Supplies	580.11
TOTAL						810.00
Bill Pmt -Check	12/12/2011	15652	JAMES JOHNSTON	248	1012 · Bank of America Gen'l Ckg	810.00
Bill	11/30/2011	248		Website Consulting - November 2011	6052.3 · Website Consulting	810.00
TOTAL						417.00
Bill Pmt -Check	12/12/2011	15653	MIJAC ALARM	309996	1012 · Bank of America Gen'l Ckg	417.00
Bill	12/01/2011	309996		Fire District Annual Permit 2011-2012	6026 · Security Services	417.00
TOTAL						1,456.00
Bill Pmt -Check	12/12/2011	15654	MWH LABORATORIES	L0073587	1012 · Bank of America Gen'l Ckg	1,456.00
Bill	11/30/2011	L0073587			7503 · PE6&7-Contract Svcs (Plume)	1,456.00
Bill	11/30/2011	L0073594			7503 · PE6&7-Contract Svcs (Plume)	2,912.00
TOTAL						479.26
Bill Pmt -Check	12/12/2011	15655	PAYCHEX	2011120100	1012 · Bank of America Gen'l Ckg	479.26
Bill	11/30/2011	2011120100		November 2011	6012 · Payroll Services	479.26
TOTAL						8,357.23
Bill Pmt -Check	12/12/2011	15656	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	8,357.23
General Journal	11/26/2011	11/26/2011		CalPERS Retirement for 11/13/11-11/26/11	2000 · Accounts Payable	8,357.23
TOTAL						69.53
Bill Pmt -Check	12/12/2011	15657	PURCHASE POWER	8000909000168851	1012 · Bank of America Gen'l Ckg	69.53
Bill	11/30/2011	8000909000168851		Checks to IEUA, SCE, and return to WM	6042 · Postage - General	69.53
TOTAL						870.00
Bill Pmt -Check	12/12/2011	15658	RAUCH COMMUNICATION CONSULTANTS, LLC	Dec-1205	1012 · Bank of America Gen'l Ckg	870.00
Bill	11/30/2011	Dec-1205		Annual report - progress payment	6061.3 · Rauch	870.00
TOTAL						

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
December 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	12/12/2011	15659	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	494.40
Bill	11/27/2011	1VC070000017859		Week ending 11/27/11	6017 - Temporary Services	494.40
TOTAL						
Bill Pmt -Check	12/12/2011	15660	UNION 76	300-732-989	1012 - Bank of America Gen'l Ckg	290.09
Bill	11/30/2011	300732989		November 2011	6175 - Vehicle Fuel	290.09
TOTAL						
Bill Pmt -Check	12/12/2011	15661	VERIZON	012519116950792103	1012 - Bank of America Gen'l Ckg	541.88
Bill	11/27/2011	012519116950792103		012519116950792103	6022 - Telephone	197.27
Bill	11/29/2011	012561121521714508		012561121521714508	7405 - PE4-Other Expense	709.15
TOTAL						
Bill Pmt -Check	12/20/2011	15662	ACWA SERVICES CORPORATION	00198	1012 - Bank of America Gen'l Ckg	129.07
Bill	12/13/2011	00198		Prepayment - January 2012	1409 - Prepaid Life, BAD&D & LTD	129.06
Bill				December 2011	60191 - Life & Disab.Ins Benefits	256.13
TOTAL						
Bill Pmt -Check	12/20/2011	15663	CALPERS 457 PLAN	Payroll and Taxes for 11/27/11-12/10/11	1012 - Bank of America Gen'l Ckg	2,805.62
General Journal	12/10/2011	12/10/2011	CALPERS 457 PLAN	457 Employee deductions 11/27/11-12/10/11	2000 - Accounts Payable	2,805.62
TOTAL						
Bill Pmt -Check	12/20/2011	15664	COMPUTER NETWORK	Replace motherboard and power supply	1012 - Bank of America Gen'l Ckg	281.24
Bill	11/30/2011	82674		Service/labor HDMI Adapter	6055 - Computer Hardware	626.72
Bill	11/30/2011	82675			6055 - Computer Hardware	907.96
TOTAL						
Bill Pmt -Check	12/20/2011	15665	CORELOGIC INFORMATION SOLUTIONS	80369041	1012 - Bank of America Gen'l Ckg	62.50
Bill	11/30/2011	80369041		80369041	7103.7 - Grdwtr Qual-Computer Svc	62.50
Bill				80369041	7101.4 - Prod Monitor-Computer	125.00
TOTAL						
Bill Pmt -Check	12/20/2011	15666	CUCAMONGA VALLEY WATER DISTRICT	Lease Due January 1, 2012	1012 - Bank of America Gen'l Ckg	5,984.00
Bill	12/14/2011			Lease Due January 1, 2012	1422 - Prepaid Rent	5,984.00
TOTAL						
Bill Pmt -Check	12/20/2011	15667	GRAINGER	9695216789	1012 - Bank of America Gen'l Ckg	17.60
Bill	12/13/2011	9695216789		9703230289	7103.6 - Grdwtr Qual-Supplies	53.73
Bill	12/14/2011	9703230289			7103.6 - Grdwtr Qual-Supplies	71.33
TOTAL						
Bill Pmt -Check	12/20/2011	15668	GROOMAN'S PUMP & WELL DRILLING, INC.	12919	1012 - Bank of America Gen'l Ckg	373.65
Bill	12/07/2011	12919			7102.8 - In-line Meter-Callib & Test	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
December 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	12/07/2011	12915			7102.7 - In-line Meter	576.90
TOTAL						950.55
Bill Pmt -Check	12/20/2011	15669	GUARANTEED JANITORIAL SERVICE, INC.	28804	1012 - Bank of America Gen'l Ckg	865.00
Bill	12/13/2011	28804		Janitorial service - December 2011	6024 - Building Repair & Maintenance	865.00
TOTAL						
Bill Pmt -Check	12/20/2011	15670	MCCALL'S METER SALES & SERVICE	21714	1012 - Bank of America Gen'l Ckg	400.19
Bill	11/30/2011	21714			7102.5 - In-line Meter-Computer	675.00
Bill	11/30/2011	21748			7102.8 - In-line Meter-Calib & Test	800.38
Bill	11/30/2011	21748			7102.5 - In-line Meter-Computer	675.00
Bill	11/30/2011	21748			7102.8 - In-line Meter-Calib & Test	2,550.57
TOTAL						
Bill Pmt -Check	12/20/2011	15671	PREMIERE GLOBAL SERVICES	10078133	1012 - Bank of America Gen'l Ckg	24.96
Bill	11/30/2011	10078133		Monthly and service fees	6022 - Telephone	11.59
Bill	11/02/2011			11/02 Appropriate Pool Agenda call	8312 - Meeting Expenses	11.59
Bill	11/02/2011			11/02 Ag Pool Agenda call	8412 - Meeting Expenses	11.59
Bill	11/02/2011			11/02 Non Ag Pool Agenda call	8512 - Meeting Expense	7.90
Bill	11/10/2011			Storage call	7604 - PE8&9-Supplies	132.98
Bill	11/10/2011			11/10 Non Ag Pool mtg call	8512 - Meeting Expense	1.07
Bill	11/10/2011			11/10 Non Ag Pool mtg call	8512 - Meeting Expense	247.72
Bill	11/15/2011			11/15 CGC meeting call	6909.1 - OBMP Meetings	449.40
TOTAL						
Bill Pmt -Check	12/20/2011	15672	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	8,321.12
General Journal	12/10/2011	12/10/2011	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 11/27/11-12/10/11	2000 - Accounts Payable	8,321.12
TOTAL						
Bill Pmt -Check	12/20/2011	15673	SAFEGUARD DENTAL & VISION	4081215	1012 - Bank of America Gen'l Ckg	7.91
Bill	12/13/2011	4081215		Dental premium - December 2011	60182.2 - Dental & Vision Ins	7.91
TOTAL						
Bill Pmt -Check	12/20/2011	15674	SAN BERNARDINO COUNTY FLOOD CONTROL	Permit P-11998284	1012 - Bank of America Gen'l Ckg	1,977.00
Bill	12/13/2011	Permit P-11998284		Permit Annual Inspection/Time Extension fees	6909.3 - Other OBMP Expenses	1,977.00
TOTAL						
Bill Pmt -Check	12/20/2011	15675	STAPLES BUSINESS ADVANTAGE		1012 - Bank of America Gen'l Ckg	501.21
Bill	11/30/2011	8020388919		Miscellaneous office supplies	6031.7 - Other Office Supplies	212.68
Bill	12/10/2011	8020451934		Miscellaneous office supplies	6031.7 - Other Office Supplies	713.89
TOTAL						
Bill Pmt -Check	12/20/2011	15676	STAULA, MARY L	Retiree Medical	1012 - Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
December 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	12/14/2011				60182.4 - Retiree Medical	136.61
TOTAL						136.61
Bill Pmt -Check	12/20/2011	15677	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	824.00
Bill	11/30/2011	1VC0700000178991		Week ending 12/04/11	6017 - Temporary Services	824.00
TOTAL						824.00
Bill Pmt -Check	12/20/2011	15678	VERIZON BUSINESS	62349871	1012 - Bank of America Gen'l Ckg	1,545.23
Bill	12/14/2011	62349871		62349871	6053 - Internet Expense	1,545.23
TOTAL						1,545.23
Bill Pmt -Check	12/20/2011	15679	VERIZON WIRELESS	1036508753	1012 - Bank of America Gen'l Ckg	280.51
Bill	12/14/2011	1036508753		Monthly service	6022 - Telephone	280.51
TOTAL						280.51
Bill Pmt -Check	12/20/2011	15680	WESTERN DENTAL SERVICES, INC.	002483	1012 - Bank of America Gen'l Ckg	28.88
Bill	12/13/2011	002483		Dental premium - January 2012	60182.2 - Dental & Vision Ins	28.88
TOTAL						28.88
Bill Pmt -Check	12/20/2011	15681	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	129.67
Bill	11/30/2011	XXXX-XXXX-XXXX-9341		Plaque for Ken Willis	6031.7 - Other Office Supplies	590.47
				Thanksgiving lunch-11/17/11-Board meeting	6312 - Meeting Expenses	18.66
				Fedex charges	6042 - Postage - General	738.80
TOTAL						1,467.60
General Journal	12/24/2011	12/24/2011	Payroll and Taxes for 12/11/11-12/24/11	Payroll and Taxes for 12/11/11-12/24/11	1012 - Bank of America Gen'l Ckg	9,730.48
				Payroll Taxes for 12/11/11-12/24/11	1012 - Bank of America Gen'l Ckg	27,229.02
				Direct Deposits for 12/11/11-12/24/11	1012 - Bank of America Gen'l Ckg	36,959.50
TOTAL						73,919.00
General Journal	12/31/2011	12/31/2011	Wage Works Direct Debits - December 2011	Wage Works Direct Debits - December 2011	1012 - Bank of America Gen'l Ckg	485.40
				Wage Works Direct Debits - December 2011	1012 - Bank of America Gen'l Ckg	485.40
				Wage Works Direct Debits - December 2011	1012 - Bank of America Gen'l Ckg	76.25
				Wage Works Direct Debits - December 2011	1012 - Bank of America Gen'l Ckg	1,067.05
TOTAL						2,114.05
Total Disbursements:						165,474.07

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CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: February 9, 2012
TO: Pool Members
SUBJECT: VISA Check Detail Report – Financial Report B2

SUMMARY

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

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

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

BACKGROUND

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

DISCUSSION

Total cash disbursement during the month of December 2011 was \$738.80. The monthly charges for December 2011 were for routine and customary expenditures and properly documented with receipts.

Actions:

- February 9, 2012 Appropriative Pool –
- February 9, 2012 Non-Agricultural Pool –
- February 9, 2012 Agricultural Pool –
- February 16, 2012 Advisory Committee –
- February 23, 2012 Watermaster Board –

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CHINO BASIN WATERMASTER
 VISA Check Detail Report
 December 2011

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt - Check	12/29/2011	15681	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	129.67
Bill	11/30/2011	XXXX-XXXX-XXXX-9341		Plaque for Ken Willis	6031.7 - Other Office Supplies	590.47
				Thanksgiving lunch-11/17/11-Board meeting	6312 - Meeting Expenses	18.66
				Fedex charges	6042 - Postage - General	738.80
Total Disbursements:						738.80

TOTAL

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STAFF REPORT

DATE: February 9, 2012
TO: Pool Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2011 through December 31, 2011 - Financial Report B3

SUMMARY

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

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

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

BACKGROUND

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

DISCUSSION

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

Actions:

- February 9, 2012 Appropriative Pool –
- February 9, 2012 Non-Agricultural Pool –
- February 9, 2012 Agricultural Pool –
- February 16, 2012 Advisory Committee –
- February 23, 2012 Watermaster Board –

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUNDWATER OPERATIONS		EDUCATION FUNDS	GRAND TOTALS	BUDGET 2011-2012
			APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS			
Administrative Revenues:										
Administrative Assessments			7,674	912	286			1	-	\$6,097,177
Interest Revenue									8,872	150,010
Mutual Agency Project Revenue	405,777								405,777	411,000
Grant Income									-	0
Miscellaneous Income									-	0
Total Revenues	405,777		7,674	912	286			1	414,649	6,658,187
Administrative & Project Expenditures:										
Watermaster Administration	409,080								409,080	425,107
Watermaster Board-Advisory Committee	101,291								101,291	155,297
Ag Pool Misc. Expense - Ag Fund				99					99	-
Pool Administration			24,967	74,149	65,711				164,827	503,922
Optimum Basin Mgmt Administration		671,936							671,936	1,161,401
OBMP Project Costs		1,759,298							1,759,298	4,166,221
Debt Service		471,400							471,400	450,964
Education Funds Use								375	375	10,000
Mutual Agency Project Costs										
Total Administrative/OBMP Expenses	510,372	2,902,634	24,967	74,149	65,711			375	3,578,307	6,873,187
Net Administrative/OBMP Expenses	(104,595)	(2,902,634)								
Allocate Net Admin Expenses To Pools		2,431,234	71,925	29,100	3,570					
Allocate Net OBMP Expenses To Pools		471,400	1,671,841	676,412	82,982					
Allocate Debt Service to App Pool		471,400								
Agricultural Expense Transfer*			779,661	(779,661)						
Total Expenses	3,019,793		99	812	152,263			375	3,578,307	6,873,187
Net Administrative Income	(3,012,119)				(151,977)			(374)	(3,163,658)	(215,000)
Other Income/(Expense)										0
Replenishment Water Assessments			2,377,250						2,377,250	0
Non-Ag Stored Water Purchases							7		7	0
Interest Revenue							10,269,933		10,269,933	0
MWD Water Purchases										0
Non-Ag Stored Water Purchases			(2,377,250)						(2,377,250)	0
MWD Water Purchases							(10,269,932)		(10,269,932)	0
Groundwater Replenishment							(25,146)		(25,146)	0
Net Other Income/(Expense)							(25,138)		(25,138)	0
Net Transfers To/(From) Reserves	(3,188,796)		(3,012,119)	812	(151,977)		(25,138)	(374)	(3,188,796)	(215,000)
Working Capital, July 1, 2011			6,922,600	475,807	282,721		21,928	630	7,861,937	
Working Capital, End Of Period			3,910,461	476,619	130,744		(3,209)	256	4,673,141	4,673,141
09/10 Assessable Production			78,733,238	31,854,766	3,907,911				114,495,915	
09/10 Production Percentages			68.765%	27.822%	3.413%				100.000%	

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

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CHINO BASIN WATERMASTER

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

DATE: February 9, 2012
TO: Pool Members
SUBJECT: Treasurer's Report of Financial Affairs for the Period December 1, 2011 through December 31, 2011 - Financial Report B4

SUMMARY

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

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

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

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period December 1, 2011 through December 31, 2011 is provided to keep all members apprised of the total cash in banks (Bank of America and LAIF) and on hand at the Watermaster office (petty cash) at the end of the period stated. The Treasurer's Report details the change (increase or decrease) in the overall cash position of Watermaster, as well as the changes (increase or decrease) to the assets and liabilities section of the balance sheet. The report also provides a detailed listing of all deposits and/or withdrawals in the California State Treasurer's Local Agency Investment Fund (LAIF), the most current effective yield as of the last quarter, and the ending balance in LAIF as of the reporting date.

DISCUSSION

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

Actions:

- February 9, 2012 Appropriative Pool –
- February 9, 2012 Non-Agricultural Pool –
- February 9, 2012 Agricultural Pool –
- February 16, 2012 Advisory Committee –
- February 23, 2012 Watermaster Board –

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

DEPOSITORIES:		
Cash on Hand - Petty Cash	\$	500
Bank of America		
Governmental Checking-Demand Deposits	\$	2,263,213
Zero Balance Account - Payroll	\$	-
Local Agency Investment Fund - Sacramento		
TOTAL CASH IN BANKS AND ON HAND		12/31/2011
TOTAL CASH IN BANKS AND ON HAND		11/30/2011
	\$	7,715,672
		7,037,647
PERIOD INCREASE (DECREASE)	\$	678,025

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:		
Accounts Receivable	\$	28,565
Assessments Receivable		932,542
Prepaid Expenses, Deposits & Other Current Assets		(126,358)
Accounts Payable		190,402
Accrued Payroll, Payroll Taxes & Other Current Liabilities		8,262
Transfer to/(from) Reserves		(355,389)
PERIOD INCREASE (DECREASE)	\$	678,025

SUMMARY OF FINANCIAL TRANSACTIONS:

Balances as of 11/30/2011					
Deposits	\$	1,585,188	\$	-	\$ 7,037,647
Transfers		843,499		-	843,499
Withdrawals/Checks		(107,929)		107,929	-
		(57,545)		(107,929)	(165,474)
Balances as of 12/31/2011	\$	2,263,213	\$	-	\$ 7,715,672
PERIOD INCREASE OR (DECREASE)	\$	678,025	\$	-	678,025

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
----------------	-------------	------------	----------	----------	------------------	------------------	----------------

TOTAL INVESTMENT TRANSACTIONS \$ -

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

**INVESTMENT STATUS
December 31, 2011**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 5,451,959			
TOTAL INVESTMENTS	\$ 5,451,959			

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

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

Respectfully submitted,

Joseph S. Joswiak
Chief Financial Officer
Chino Basin Watermaster



CHINO BASIN WATERMASTER

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STAFF REPORT

DATE: February 9, 2012
TO: Pool Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2011 through December 31, 2011 - Financial Report - B5

SUMMARY

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

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

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

BACKGROUND:

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

DISCUSSION:

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

There were Budget Transfers T-12-02-01 and Budget Amendments A-12-02-1 proposed for the month of December 2011. These transfers/amendments are expected to be offset by the unbudgeted revenue of \$294,776.62 as detailed in the *Other Income and Expense* section on page 6, as well as budget realignments and cost savings in other areas.

Year-To-Date (YTD) for the six months ending December 31, 2011, all but seven categories were at or below the projected budget. The categories above budget were the Watermaster Salary Costs (6010's) of \$24,694.49; Watermaster Legal Services (6070's) of \$891.39; Advisory Committee Expenses (6200's) of \$1,280.37; Watermaster Board Expenses (6300's) of \$15,062.62; Non-Ag Pool Administration

Expenses (8500's) of \$14,854.63; Groundwater Quality Monitoring (7103's) of \$15,965.84; and Cooperative Efforts/Salt Management (7500's) of \$17,012.34.

With regards to the salary of the former Watermaster CEO, a new line item 6011.2 (WM Staff – Administrative Paid Leave) has been created. The full salary cost of Mr. Alvarez will be charged against this line item and his costs will not be allocated to OBMP, projects, or other expense categories going forward. By not allocating Mr. Alvarez's costs to the other cost areas, the category 6010 (Salary Costs) will reflect an over budget for the remainder of the year. Added to the financial reports as part of the November reporting cycle, the chart listed below summarized the Watermaster salary costs compared to the year-to-date budget. To date, the total Watermaster salary expenses are \$2,642 or 0.4% below the budgeted amount of \$753,614. The following details are provided:

	Jul '11 - Dec 11	Budget	\$ Over Budget	% of Budget	Annual Budget
WM Salary Expense					
6011 - WM Staff Salaries	221,314.67	221,361.18	-46.51	99.98%	441,032.00
6011.2 - WM Staff - Admin. Paid Leave	55,426.29	0.00	55,426.29	100.0%	0.00
6011.3 - WM Staff - Temporary Upgrade	4,792.93	0.00	4,792.93	100.0%	0.00
6201 - Advisory Committee - WM Staff Salaries	9,561.41	10,620.52	-1,059.11	90.03%	21,241.00
6301 - Watermaster Board - WM Staff Salaries	16,148.32	14,958.00	1,190.32	107.96%	29,916.00
8301 - Appropriative Pool - WM Staff Salaries	14,322.41	14,225.02	97.39	100.69%	28,450.00
8401 - Agricultural Pool - WM Staff Salaries	10,864.08	12,467.48	-1,603.40	87.14%	24,935.00
8501 - Non-Agricultural Pool - WM Staff Salaries	6,225.41	7,116.52	-891.11	87.48%	14,233.00
6901 - OBMP - WM Staff Salaries	112,573.59	108,495.98	4,077.61	103.76%	216,992.00
7101.1 - Production Monitor - WM Staff Salaries	49,645.36	61,074.98	-11,429.62	81.29%	104,150.00
7102.1 - In-line Meter - WM Staff Salaries	4,441.94	5,181.52	-739.58	85.73%	10,363.00
7103.1 - Grdwater Quality - WM Staff Salaries	43,310.63	52,097.48	-8,786.85	83.13%	80,195.00
7104.1 - Grdwater Level - WM Staff Salaries	20,798.67	44,931.52	-24,132.85	46.29%	89,863.00
7105.1 - Sur Wtr Qual - WM Staff Salaries	0.00	1,496.02	-1,496.02	0.0%	2,992.00
7107.1 - Grd Level Monitoring - WM Staff Salaries	0.00	783.00	-783.00	0.0%	1,566.00
7108.1 - Hydraulic Control - WM Staff Salaries	559.50	3,636.52	-3,077.02	15.39%	7,273.00
7201 - Comp Recharge - WM Staff Salaries	41,045.26	62,543.48	-21,498.22	65.63%	125,087.00
7301 - PE3&5 - WM Staff Salaries	11,156.66	18,771.52	-7,614.86	59.43%	37,543.00
7401 - PE4 - WM Staff Salaries	3,468.47	6,117.52	-2,649.05	56.7%	12,235.00
7501.1 - PE 6&7 - WM Staff Salaries (Plume)	18,213.75	0.00	18,213.75	100.0%	0.00
7501 - PE6&7 - WM Staff Salaries	2,274.45	1,496.02	778.43	152.03%	2,992.00
7601 - PE8&9 - WM Staff Salaries	13,134.25	22,711.50	-9,577.25	57.83%	45,423.00
7701 - Inactive Well - WM Staff Salaries	0.00	206.50	-206.50	0.0%	413.00
Subtotal WM Staff Costs	659,278.05	670,292.28	-11,014.23	98.36%	1,296,894.00
60185 - Vacation	44,187.86	33,749.30	10,438.56	130.93%	51,922.00
60186 - Sick Leave	17,237.46	20,655.00	-3,417.54	83.45%	41,310.00
60187 - Holidays	30,268.12	28,917.00	1,351.12	104.67%	41,310.00
Subtotal WM Paid Leaves	91,693.44	83,321.30	8,372.14	110.05%	134,542.00
Total WM Salary Costs	750,971.49	753,613.58	-2,642.09	99.65%	1,431,436.00

During the Budget Workshops, the Watermaster legal expenses are being allocated to the specific areas of activity. For example, the legal meeting expenses related to the Appropriative, Agricultural, and Non-Agricultural Pools as well as the Advisory Committee and Board are shown in those specific areas. General ledger accounts have been created and the expenses are appropriately categorized. This provides a clearer picture of the actual costs associated with each individual group. Also, a new category

for Watermaster Legal Services (6070) was established for fiscal year 2011/2012. These expenses are associated with administrative legal services for Watermaster.

Added to the financial reports as part of the November reporting cycle, the chart listed below summarizes the Brownstein Hyatt Farber Schreck expenses compared to the year-to-date budget. To date, the BHFS expenses are \$23,142 or 6.2% below the budgeted amount of \$373,936. The following details are provided:

	Jul '11 - Dec '11	Budget	\$ Over Budget	% of Budget	Annual Budget
6070 - Watermaster Legal Services					
6071 - BHFS Legal - Court Coordination	0.00	19,550.02	-19,550.02	0.0%	39,100.00
6072 - BHFS Legal - Restated Judgment	18,306.96	62,400.00	-44,093.04	29.34%	62,400.00
6073 - BHFS Legal - Personnel Matters	33,479.65	4,937.48	28,542.17	678.07%	9,875.00
6074 - BHFS Legal - Interagency Issues	3,510.45	17,150.02	-13,639.57	20.47%	34,300.00
6075 - BHFS Legal - Replenishmnt Water	42,186.60	0.00	42,186.60	100.0%	0.00
6078 - BHFS Legal - Miscellaneous	35,885.25	28,440.00	7,445.25	126.18%	56,880.00
Total 6070 - Watermaster Legal Services	133,368.91	132,477.52	891.39	100.67%	202,555.00
6275 - BHFS Legal - Advisory Committee	18,674.97	15,405.00	3,269.97	121.23%	30,810.00
6375 - BHFS Legal - Board Meeting	41,272.08	28,815.00	12,457.08	143.23%	45,630.00
8375 - BHFS Legal - Appropriative Pool	10,558.87	10,665.00	-106.13	99.01%	21,330.00
8475 - BHFS Legal - Agricultural Pool	10,034.07	15,405.00	-5,370.93	65.14%	30,810.00
8575 - BHFS Legal - Non-Ag Pool	9,696.90	4,740.00	4,956.90	204.58%	9,480.00
Total BHFS Legal Services	90,236.89	75,030.00	15,206.89	120.27%	138,060.00
6907.3 - WM Legal Counsel					
6907.30 - Peace II - CEQA	0.00	0.00	0.00	0.0%	0.00
6907.31 - S. Archibald Plume-Formerly OIA	3,219.75	12,312.52	-9,092.77	26.15%	24,625.00
6907.32 - Chino Airport Plume	8,866.95	12,837.52	-3,970.57	69.07%	25,675.00
6907.33 - Desalter Negotiations	77,880.86	67,425.00	10,455.86	115.51%	67,425.00
6907.34 - Santa Ana River Water Rights	4,984.72	12,562.50	-7,577.78	39.68%	25,125.00
6907.35 - Paragraph 31 Motion	14,105.71	39,200.00	-25,094.29	35.98%	39,200.00
6907.36 - Santa Ana River Habitat	7,969.13	0.00	7,969.13	100.0%	0.00
6907.37 - Water Auction	0.00	0.00	0.00	0.0%	0.00
6907.38 - Reg. Water Quality Cntrl Board	0.00	6,875.02	-6,875.02	0.0%	13,750.00
6907.39 - Recharge Master Plan	10,161.00	15,216.00	-5,055.00	66.78%	25,360.00
6907.3 - WM Legal Counsel - Other	0.00	0.00	0.00	0.0%	0.00
Total 6907.3 - WM Legal Counsel	127,188.12	166,428.56	-39,240.44	76.42%	221,160.00
Total Brownstein, Hyatt, Farber, Schreck Costs	350,793.92	373,936.08	-23,142.16	93.81%	561,775.00

OBMP Engineering Services and Legal Costs:

Several individual line items within the 6900 (Optimum Basin Mgmt Plan) are above the Year-To-Date budget. These are the 6901 (WM Staff Salaries) of \$4,077.61; the 6906 (OBMP Engineering Services-Other) of \$2,329.98; and the 6906.1 (OBMP Watermaster Model Update) of \$7,001.31. These overages totaling \$13,408.90 are a direct result of increased activities and allocating the budget in equal 1/12 portions throughout the fiscal year. The Year-To-Date expenses in these categories are running ahead of budget and should level off as the fiscal year progresses.

Within the category 6900 (Optimum Basin Mgmt Plan) are the remaining Watermaster's legal expenses. Within the legal expense category, some individual line item activities were above the budget \$18,425

while the majority of line item activities were below the budget \$57,665. Above the budget line items were the Desalter Negotiations of \$10,456 and the Santa Ana River Habitat of \$7,969. The individual legal projects/activities that were below budget for the Y-T-D period were the South Archibald Plume (formerly the OIA Plume) of \$9,092, the Chino Airport Plume \$3,970, the Santa Ana River Water Rights Application of \$7,578, the Paragraph 31 Motion of \$25,094, the Regional Water Quality Control Board of \$6,875 and the Recharge Master Plan of \$5,055. For the six month period, the overall cumulative Y-T-D budget was \$166,429 and actual legal expenses totaled \$127,188 which resulted in an (Under) budget variance of (\$39,240) or (23.6%).

Overall, the Optimum Basin Management Plan (OBMP) category was \$588,713 compared to a budget of \$624,193 for an (Under) budget of (\$35,480) or (5.7%) of December 31, 2011.

	Jul '11 - Dec '11	Budget	\$ Over Budget	% of Budget
6900 · Optimum Basin Mgmt Plan				
6901 · WM Staff Salaries	112,573.59	108,495.98	4,077.61	103.76%
6903 · OBMP SAWPA Group	11,655.00	11,655.00	0.00	100.0%
6906 · OBMP Engineering Services				
6906.1 · OBMP - Watermaster Model Update	204,010.48	197,009.17	7,001.31	103.55%
6906 · OBMP Engineering Services - Other	130,434.48	128,104.50	2,329.98	101.82%
Total 6906 · OBMP Engineering Services	334,444.96	325,113.67	9,331.29	102.87%
6907 · OBMP Legal Fees				
6907.3 · WM Legal Counsel				
6907.30 · Peace II - CEQA	0.00	0.00	0.00	0.0%
6907.31 · S. Archibald Plume-Formerly OIA	3,219.75	12,312.52	-9,092.77	26.15%
6907.32 · Chino Airport Plume	8,866.95	12,837.52	-3,970.57	69.07%
6907.33 · Desalter Negotiations	77,880.86	67,425.00	10,455.86	115.51%
6907.34 · Santa Ana River Water Rights	4,984.72	12,562.50	-7,577.78	39.68%
6907.35 · Paragraph 31 Motion	14,105.71	39,200.00	-25,094.29	35.98%
6907.36 · Santa Ana River Habitat	7,969.13	0.00	7,969.13	100.0%
6907.37 · Water Auction	0.00	0.00	0.00	0.0%
6907.38 · Reg. Water Quality Cntrl Board	0.00	6,875.02	-6,875.02	0.0%
6907.39 · Recharge Master Plan	10,161.00	15,216.00	-5,055.00	66.78%
6907.3 · WM Legal Counsel - Other	0.00	0.00	0.00	0.0%
Total 6907.3 · WM Legal Counsel	127,188.12	166,428.56	-39,240.44	76.42%
Total 6907 · OBMP Legal Fees	127,188.12	166,428.56	-39,240.44	76.42%
6909 · OBMP Other Expenses				
6909.1 · OBMP Meetings	874.28	0.00	874.28	100.0%
6909.3 · Other OBMP Expenses	1,977.00	0.00	1,977.00	100.0%
6909.4 · Printing	0.00	0.00	0.00	0.0%
6909.5 · Ad Hoc Litigation Committee	0.00	0.00	0.00	0.0%
6909 · OBMP Other Expenses - Other	0.00	12,500.02	-12,500.02	0.0%
Total 6909 · OBMP Other Expenses	2,851.28	12,500.02	-9,648.74	22.81%
Total 6900 · Optimum Basin Mgmt Plan	588,712.95	624,193.23	-35,480.28	94.32%

The OBMP Implementation Projects (accounts 7100's – 7700's) were all under budget as of December 31, 2011 except for Category 7103 (Groundwater Quality Monitoring) which was over budget by \$15,966 and 7500 (Cooperative Efforts/Salt Management) by \$17,012.

Category 7107 (Ground Level Monitoring) contains the annual budget costs of \$365,945 for the installation of a vertical extensometer in the Chino Creek Well Field area at a new location since an existing well site is not suitable. The budget was front-loaded for the first six months of the fiscal year. To date, we have not received any progress billings. This category also includes the budgeted quarterly InSar Imagery costs of \$30,000 which are tracking well below the budget.

Category 7200 (Comprehensive Recharge Program) contains the budgeted cost of \$245,750 for the San Sevine channel repair. The budget of \$245,750 for this project was front-loaded for the first six months of the fiscal year. To date, we have received progress repair billings in the amount of \$221,945 and expect the remaining invoices of \$23,805 will be received within the next few months.

The Recharge Improvement Debt Payment (Category 7690) is another category which the budget and expense fluctuate due to the timing of expense receipts. Watermaster expects that a credit from IEUA in the amount of \$296,000 will be forthcoming in the month of January 2012. This credit is the direct result of the refinancing efforts by IEUA and a true-up of the budgeted costs vs. actual payments on the debt servicing to IEUA. Currently, this category is below the budgeted amount by \$129,564. Excess funds from this category could be used for the upcoming 3-year Turner Basin Improvements, which are estimated in the range of \$120K+.

Added to the financial reports as part of the November reporting cycle, the chart listed below summarizes the Wildermuth Environmental, Inc. expenses compared to the Year-To-Date budget. As of December 31, 2011, the WEI expenses are \$509,663 or 31.2% below the budgeted amount of \$1,632,406. The following details are provided:

	Jul '11 - Dec '11	Budget	\$ Over Budget	% of Budget	Annual Budget
6906.1 · OBMP - Watermaster Model Update	204,010.48	197,009.17	7,001.31	103.55%	204,010.00
6906 · OBMP Engineering Services - Other	130,434.48	128,104.50	2,329.98	101.82%	256,209.00
7103.3 · Grdwtr Qual.Engineering	65,025.10	48,253.48	16,771.62	134.76%	80,507.00
7103.5 · Grdwtr Qual.Lab Svcs	31,330.00	23,441.52	7,888.48	133.65%	36,883.00
7104.3 · Grdwtr Level.Engineering	135,057.14	93,572.02	41,485.12	144.34%	151,144.00
7104.8 · Grdwtr Level-Contracted Serv	0.00	5,000.02	-5,000.02	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equip	0.00	6,962.50	-6,962.50	0.0%	13,925.00
7107.2 · Grd Level.Engineering	133,055.01	83,217.52	49,837.49	159.89%	166,435.00
7107.3 · Grd Level-SAR Imagery	0.00	60,000.00	-60,000.00	0.0%	120,000.00
7107.6 · Grd Level-Contract Svcs	114,163.26	112,367.48	1,795.78	101.6%	224,735.00
7107.7 · Grd Level-Extensometer Install	0.00	365,945.00	-365,945.00	0.0%	365,945.00
7107.8 · Grd Level-Cap Equip Exte	0.00	12,881.00	-12,881.00	0.0%	25,762.00
7108.3 · Hydraulic Control-Engineering	92,950.98	139,830.98	-46,880.00	66.47%	279,662.00
7108.4 · Hydraulic Control-Lab Svcs	75,734.00	85,424.48	-9,690.48	88.66%	170,849.00
7108.9 · Hydraulic Control-Contract Svcs	0.00	999.98	-999.98	0.0%	2,000.00
7109.3 · Recharge & Well - Engineering	1,990.00	11,160.00	-9,170.00	17.83%	11,160.00
7202.2 · Engineering Svc	0.00	5,160.00	-5,160.00	0.0%	10,320.00
7202.3 · Comp Recharge-Implementation	32,810.09	115,500.00	-82,689.91	28.41%	231,000.00
7303 · PE3&5.Engineering - Other	30,220.74	47,840.00	-17,619.26	63.17%	47,840.00
7402 · PE4.Engineering	16,071.52	22,866.00	-6,794.48	70.29%	45,732.00
7403 · PE4.Contract Svcs	0.00	5,000.02	-5,000.02	0.0%	10,000.00
7502 · PE6&7.Engineering	22,362.18	24,080.02	-1,717.84	92.87%	48,160.00
7503 · PE6&7-Contract Svcs (Plume)	37,528.00	37,790.00	-262.00	99.31%	37,790.00
Total Wildermuth Environmental, Inc. Costs	1,122,742.98	1,632,405.69	-509,662.71	68.78%	2,550,068.00

During the last few months, there have discussions between the Wildermuth and Watermaster staff, as well as other parties, regarding the possible cost overages at completion in several of the ongoing projects. These projects are the horizontal extensometer and the CCWF extensometer.

Horizontal Extensometer. There is no specific line item in the FY 2011-2012 budget for installation of this facility. This facility was intended to be installed during FY 2010-2011, but Watermaster's negotiations with the land owner to obtain a right-of-entry agreement progressed slower than expected, and wasn't completed until July 2011. WEI was able to purchase all equipment, finish designs, and perform some offsite construction activities during FY 2010-2011, but was not able to access the site and complete the installation. Watermaster's FY 2010-2011 budget did not carry over to FY 2011-2012. WEI anticipates this effort to cost \$66,000 at completion.

Vertical Extensometer. Watermaster's FY 2011-2012 budget includes the cost to identify an existing well near the CCWF, and retrofit that well as a cable extensometer facility (\$65,945). The recommendation from the Land Subsidence Committee to construct a new extensometer came late in the Watermaster budgeting process, and was included in the FY 2011-2012 budget. Three Valleys Municipal Water District has committed \$300,000 to this project if a new extensometer is built. This is a total budget of \$365,945 to construct the new extensometer. WEI estimates the total cost to install a new cable extensometer facility near the CCWF will be approximately \$450,000. This estimated cost exceeds the available budget by about \$84,000.

Other Income and Expense:

In August 2011, Watermaster received two payments from the Metropolitan Water District. Metropolitan entered into agreements with Watermaster and other member agencies and partners for dry-year groundwater storage. Pursuant to Section VI of these agreements, Metropolitan committed to pay an annual administrative fee to one of the partners on each of the agreements for the 25-year term of the each agreement a) beginning on July 1st after the initial storage of water in each program, and b) with the set fee dollar amount escalating annually by the lesser of 2.5% or CPI. Watermaster received \$145,568.70 for the FY 2009/2010 payment (due July 1, 2010) and \$149,207.92 for the FY 2010/2011 payment (due July 1, 2011). The total amount received of \$294,776.62 was recorded to account 4040 (Cooperative Agreements). These revenue items were not included in the FY 2011/2012 budget and these payments are in excess of the projected revenue amount. The amount of \$294,776.62 can be used to offset and additional extensometer costs as listed above, as well as any other salary or other unexpected expenses which may occur in the current fiscal year.

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

Actions:

- February 9, 2012 Appropriative Pool –
- February 9, 2012 Non-Agricultural Pool –
- February 9, 2012 Agricultural Pool –
- February 16, 2012 Advisory Committee –
- February 23, 2012 Watermaster Board –

CHINO BASIN WATERMASTER

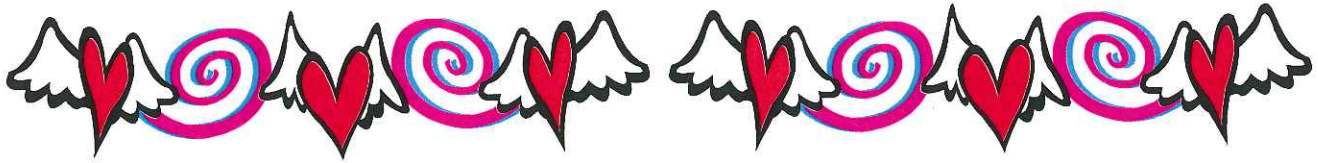
Budget vs. Actual
Current Month, Year-To-Date and Fiscal Year-End

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Accrual Basis

Income	1/12th of the Total Budget			6/12th (50%) of the Total Budget			100% of the Total Budget		
	For The Month of December 2011			Year-To-Date as of December 31, 2011			Fiscal Year End as of June 30, 2012		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Projected	Budget	% of Budget
4010 - Local Agency Subsidies	0.00	0.00	0.0%	405,776.62	111,000.00	294,776.62	705,776.62	411,000.00	171.72%
4110 - Admin Asmnts-Approp Pool	0.00	0.00	0.0%	0.00	0.00	0.00	5,840,178.00	5,840,178.00	100.0%
4120 - Admin Asmnts-Non-Agri Pool	0.00	0.00	0.0%	0.00	0.00	0.00	256,999.00	256,999.00	100.0%
4700 - Non Operating Revenues	3,414.41	37,502.50	9.1%	8,872.09	75,005.00	-66,132.91	150,010.00	150,010.00	100.0%
4900 - Miscellaneous Income	0.00	0.00	0.0%	0.00	0.00	0.00	0.00	0.00	0.0%
Total Income	3,414.41	37,502.50	9.1%	414,648.71	186,005.00	228,643.71	6,952,963.62	6,658,187.00	104.43%
Gross Profit	3,414.41	37,502.50	9.1%	414,648.71	186,005.00	228,643.71	6,952,963.62	6,658,187.00	104.43%
Expense									
6010 - Salary Costs	69,113.40	46,583.96	148.36%	297,033.59	272,339.10	24,694.49	592,376.00	472,976.00	125.37%
6020 - Office Building Expense	8,158.81	8,331.00	97.93%	49,043.50	51,509.00	-2,465.50	103,369.00	103,369.00	100.0%
6030 - Office Supplies & Equip.	1,044.96	2,125.00	49.18%	9,903.41	12,750.00	-2,846.59	25,500.00	25,500.00	100.0%
6040 - Postage & Printing Costs	5,829.92	5,065.00	115.1%	25,341.76	35,590.00	-10,248.24	66,180.00	66,180.00	100.0%
6050 - Information Services	7,514.33	12,085.00	62.18%	55,568.42	75,510.00	-19,941.58	148,020.00	148,020.00	100.0%
6060 - Contract Services	0.00	0.00	0.0%	10,775.86	34,000.00	-23,224.14	34,000.00	34,000.00	100.0%
6070 - Watermaster Legal Services	21,705.40	22,079.58	98.31%	133,368.91	132,477.52	891.39	202,555.00	202,555.00	100.0%
6080 - Insurance	0.00	0.00	0.0%	17,740.87	19,036.00	-1,295.13	19,036.00	19,036.00	100.0%
6110 - Dues and Subscriptions	0.00	0.00	0.0%	14,846.15	15,260.00	-413.85	30,000.00	30,000.00	100.0%
6140 - WM Admin Expenses	306.80	250.00	122.72%	634.31	1,500.00	-865.69	3,000.00	3,000.00	100.0%
6150 - Field Supplies	0.00	0.00	0.0%	297.58	500.00	-202.42	1,600.00	1,600.00	100.0%
6170 - Travel & Transportation	948.47	2,212.50	42.87%	8,650.41	10,985.00	-2,334.59	21,970.00	21,970.00	100.0%
6190 - Conferences & Seminars	0.00	0.00	0.0%	3,614.44	8,750.00	-5,135.56	17,500.00	17,500.00	100.0%
6200 - Advisory Comm - WM Board	3,869.26	4,504.25	85.9%	28,305.87	27,025.50	1,280.37	54,051.00	54,051.00	100.0%
6300 - Watermaster Board Expenses	11,259.72	7,237.17	4,022.55	72,985.60	57,922.98	15,062.62	101,246.00	101,246.00	100.0%
8300 - Appr PI-WM & Pool Admin	4,555.05	4,190.00	365.05	24,568.92	25,140.00	-173.08	50,280.00	50,280.00	100.0%
8400 - Agri Pool-WM & Pool Admin	4,225.50	5,319.09	-1,093.59	25,105.71	31,914.46	-6,808.75	63,829.00	63,829.00	100.0%
8467 - Ag Legal & Technical Services	8,117.50	17,583.33	-9,465.83	39,042.99	105,500.02	-66,457.03	211,000.00	211,000.00	100.0%
8470 - Ag Meeting Attend -Special	1,600.00	1,000.00	600.00	10,000.00	6,000.00	4,000.00	12,000.00	12,000.00	100.0%
8471 - Ag Pool Expense	0.00	16,250.00	-16,250.00	0.00	32,500.00	-32,500.00	65,000.00	65,000.00	100.0%
8485 - Ag Pool - Misc. Exp. - Ag Fund	0.00	0.00	0.0%	99.94	0.00	99.94	0.00	0.00	0.0%
8500 - Non-Ag PI-WM & Pool Admin	4,705.19	8,476.08	-3,769.89	65,711.15	50,858.52	14,854.63	101,713.00	101,713.00	100.0%
6500 - Education Funds Use Exps	0.00	0.00	0.0%	375.00	375.00	0.00	375.00	375.00	100.0%
9400 - Depreciation Expense	0.00	0.00	0.0%	0.00	0.00	0.00	0.00	0.00	0.0%
9500 - Allocated G&A Expenditures	-27,932.12	-60,049.92	32,117.80	-217,738.80	-360,299.48	142,560.68	-720,599.00	-720,599.00	100.0%
6900 - Optimum Basin Mgmt Plan	37,654.07	75,018.15	-37,364.08	588,712.95	624,193.23	-35,480.28	1,053,121.00	935,026.00	112.63%
6950 - Mutual Agency Projects	0.00	0.00	0.0%	0.00	0.00	0.00	10,000.00	10,000.00	100.0%
9501 - G&A Expenses Allocated-OBMP	10,368.07	18,031.25	-7,663.18	83,223.23	108,187.50	-24,964.27	216,375.00	216,375.00	100.0%
7101 - Production Monitoring	8,484.71	8,741.67	-256.96	50,020.36	61,449.88	-11,429.62	104,900.00	104,900.00	100.0%
7102 - In-line Meter Installation	6,180.80	5,530.25	111.76%	25,792.23	33,181.50	-7,389.27	66,363.00	66,363.00	100.0%
7103 - Grdwtr Quality Monitoring	28,203.14	12,986.67	15,206.47	142,945.82	126,979.98	15,965.84	209,923.00	203,960.00	102.92%

	1/12th of the Total Budget			6/12th (50%) of the Total Budget			100% of the Total Budget		
	For The Month of December 2011			Year-To-Date as of December 31, 2011			Fiscal Year End as of June 30, 2012		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Projected	Budget	% of Budget
7104 - Gdwtr Level Monitoring	26,026.85	21,042.24	123.69%	155,855.81	156,216.06	99.77%	297,806.00	276,432.00	107.73%
7105 - Sur Wtr Qual Monitoring	0.00	291.00	0.0%	0.00	1,796.00	0.0%	3,592.00	3,592.00	100.0%
7107 - Ground Level Monitoring	50,347.47	62,728.00	80.26%	247,218.27	635,194.00	38.92%	1,003,587.00	904,443.00	110.96%
7108 - Hydraulic Control Monitoring	21,952.68	38,315.34	57.3%	169,244.48	229,891.96	73.62%	427,078.00	459,784.00	92.89%
7109 - Recharge & Well Monitoring Prog	0.00	0.00	0.0%	1,990.00	11,160.00	17.83%	6,696.00	11,160.00	60.0%
7200 - PE2- Comp Recharge Pgm	8,081.46	51,658.92	15.64%	67,400.91	796,267.46	8.46%	1,233,275.00	1,341,785.00	91.91%
7300 - PE3&5-Water Supply/Desalte	6,566.35	3,795.25	173.02%	43,454.56	70,611.50	61.54%	81,764.00	93,383.00	87.56%
7400 - PE4- Mgmt Plan	2,946.23	5,663.91	52.02%	20,546.17	35,033.54	58.65%	74,458.00	70,067.00	106.27%
7500 - PE6&7-CoopEfforts/SaltMgmt	9,036.31	4,262.66	211.99%	80,378.39	63,366.04	126.65%	38,854.00	89,942.00	43.69%
7600 - PE8&9-StorageMgmt/Conj Use	199.71	3,785.25	5.28%	13,162.23	22,886.50	57.51%	45,773.00	45,773.00	100.0%
7690 - Recharge Improvement Debt Pymt	0.00	0.00	0.0%	471,400.00	600,964.00	78.44%	450,964.00	450,964.00	100.0%
7700 - Inactive Well Protection Prgm	167.97	0.00	100.0%	167.97	706.50	23.78%	1,413.00	1,413.00	100.0%
9602 - G&A Expenses Allocated-Projects	17,564.06	42,018.67	41.8%	134,515.62	252,111.98	53.36%	504,224.00	504,224.00	100.0%
Total Expense	358,803.07	457,121.27	78.49%	3,578,306.96	4,477,339.35	79.92%	7,034,767.00	6,873,187.00	102.35%
Net Ordinary Income	-355,388.66	-419,618.77	84.69%	-3,163,658.27	-4,291,334.35	73.72%	-81,803.38	-215,000.00	38.05%
Other Income	0.00	0.00	0.0%	7.01	0.00	100.0%	150.00	0.00	100.0%
4225 - Interest Income	0.00	0.00	0.0%	0.00	0.00	0.0%	686,814.15	0.00	100.0%
4210 - Approp Pool-Replenishment	0.00	0.00	0.0%	0.00	0.00	0.0%	27,469.75	0.00	100.0%
4220 - Non-Ag Pool-Replenishment	0.00	0.00	0.0%	0.00	0.00	0.0%	12,647,183.31	0.00	100.0%
4600 - Groundwater Sales	0.00	0.00	0.0%	12,647,183.31	0.00	100.0%	13,361,617.21	0.00	100.0%
Total Other Income	0.00	0.00	0.0%	12,647,190.32	0.00	100.0%	10,269,932.04	0.00	100.0%
Other Expense	0.00	0.00	0.0%	10,269,932.04	0.00	100.0%	2,402,395.88	0.00	100.0%
5010 - Groundwater Replenishment	0.00	0.00	0.0%	2,402,395.88	0.00	100.0%	822,485.91	-215,000.00	-282.55%
5100 - Other Water Purchases	0.00	0.00	0.0%	-3,188,795.87	-4,291,334.35	74.31%	607,485.91	-215,000.00	-6,176.66%
9999 - Tol(From) Reserves	-355,388.66	-419,618.77	84.69%	9,488,532.05	-4,291,334.35	-220.99%	13,279,813.83	-215,000.00	38.05%
Total Other Expense	-355,388.66	-419,618.77	84.69%	3,163,658.27	-4,291,334.35	73.72%	81,803.38	215,000.00	0.0%
Net Other Income	355,388.66	419,618.77	84.69%	0.00	0.00	0.0%	0.00	0.00	0.0%
Net Income	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%

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



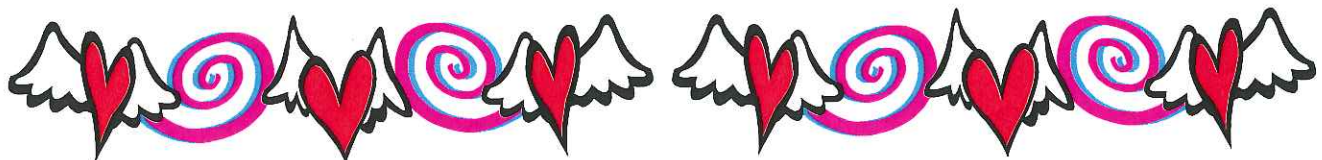
CHINO BASIN WATERMASTER

I. CONSENT CALENDAR (App Pool)

C. INTERVENTION INTO THE AG POOL

I. BUSINESS ITEM ROUTINE (Non-Ag Pool)

C. INTERVENTION INTO THE AG POOL





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: February 9, 2012
TO: Pool Committee Members
SUBJECT: Intervention into the Agricultural Pool

SUMMARY

Recommendation – Staff recommends approval of the Intervention of Tad Nakase (TDN Land Company) into the Agricultural Pool.

BACKGROUND

According to Paragraph 60 of the Judgment:

"[Any] person newly proposing to produce water from the Chino Basin may become a party to this Judgment upon filing a petition in intervention. Said intervention must be confirmed by order of this Court. Such intervener shall thereafter be a party bound by this judgment and entitled to the rights and privileges accorded under the Physical Solution herein, through the pool to which the Court shall assign such intervener."

According to Watermaster's Rules and Regulations section 2.27:

"Watermaster will receive and make recommendations regarding petitions for intervention and accumulate them for filing with the Court from time to time (Judgment paragraph. 60 and Order re Intervention Procedures, July 14, 1978.)"

Watermaster received a petition to Intervene into the Judgment from Tad Nakase on January 19, 2012. It is staffs' understanding that this production has been ongoing, but its existence has only recently come to Watermaster's attention. The water is used to irrigate a nursery, approximately eight acres in size. The estimated annual water production is less than five acre-feet and therefore there are no plans to meter the well at this time.

Staff recommends approval of the intervention into the Agricultural Pool.

Actions:

- February 9, 2012 Appropriative Pool –
- February 9, 2012 Non-Agricultural Pool –
- February 9, 2012 Agricultural Pool –
- February 16, 2012 Advisory Committee –
- February 23, 2012 Watermaster Board –

NEW EARTH NURSERIES

Wholesale to the public

Your source for the largest selection
of outdoor plants

5211 Edison Ave., Chino, CA 91710
Central and Edison

Tel: (909) 465-0688 Fax: (909) 465-0939

Tad Nakase



Date: 1/19/12

Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730
Attn: Danni Maurizio, Interim CEO

Subject: Intervention into Chino Basin Watermaster

Dear Ms. Maurizio:

I, or the company I represent (see below), request intervention into the Chino Basin Watermaster Judgment. I/we request that the Watermaster attorneys process the Intervention paperwork through the Court.

Number of wells 1

Permission is granted to obtain drilling logs from _____ Water Well Drilling Co.

Location(s) of wells (including addresses, parcel numbers, and landmarks): 5211 EDISON AVE
CHINO, CA 91710 WEST SIDE ~ 3-400 FT FROM
EDISON

Type of usage (Irrigation, Dairy, Domestic, etc.)

DOMESTIC NURSERY

Property Owner (Well Owner) Information:

Name: TAD NAKASE

Address: 5211 10171 NORTHAMPTON AVE WESTMINSTER CA

Phone: 714 412 7326 Email: 97685

Property Occupant (Well User) Information (if different from Owner):

Name: SAME

Address: _____

Phone: _____ Email: _____

Representative Handling Intervention:

Name: TAD NAKASE Title: _____

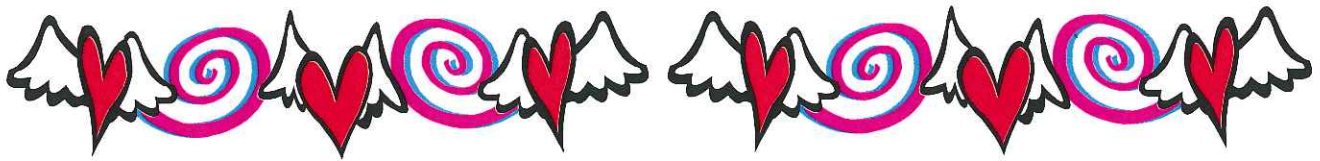
Address: _____

Phone: _____ Email: _____

Sincerely,

Signed:  Print name TAD NAKASE

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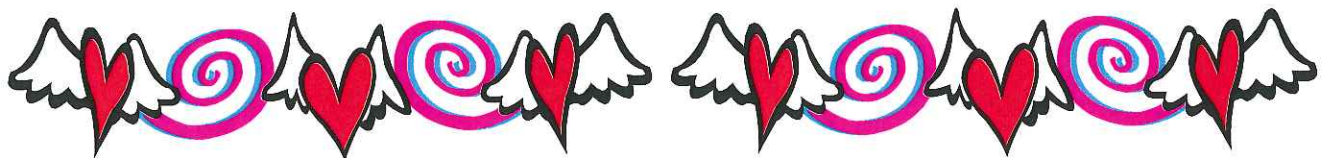
CHINO BASIN WATERMASTER

I. CONSENT CALENDAR (App Pool)

**D. APPROPRIATIVE POOL VOLUME
VOTE**

I. BUSINESS ITEM ROUTINE (Non-Ag Pool)

**D. NON-AGRICULTURAL POOL
VOLUME VOTE**





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: February 9, 2012
TO: Appropriative Pool Committee Members
SUBJECT: Calendar Year (February – December) 2012 Appropriative Pool Volume Vote

SUMMARY

Recommendation – Staff recommends approval of the Calendar Year (February – December) 2012 Volume Vote as presented.

BACKGROUND

Following the approval of each Assessment Package, volume vote calculations for the new calendar year are performed and Parties are allocated a voting percentage. The 2011-2012 Assessment Package was approved by the Board on January 26, 2012.

The Appropriative Pool Volume Vote allocation is attached. The total voting power on the Pool Committee is 1,000 votes. Of these, 500 votes are allocated based on each Party's percentage of Operating Safe Yield. The remaining 500 votes are allocated proportionally based on production during the preceding year.

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February 9, 2012 Appropriative Pool –

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Chino Basin Watermaster 2011-2012 Appropriative Pool Volume Vote

Assessment Year 2011-2012 (Production Year 2010-2011)

	Assessable Production			Share of Operating Yield		TOTAL VOLUME VOTE	
	Acre-Ft	Percentage	Votes	Acre-Ft	Votes	Non-Minor	Minor
Arrowhead Mtn Spring Water Co	408.457	0.521%	2.605	0.000	0.000		2.605
Chino Hills, City Of	1,766.644	2.253%	11.265	2,111.422	19.253	30.518	
Chino, City Of	673.146	0.858%	4.292	4,033.857	36.782	41.075	
Cucamonga Valley Water District	19,334.924	24.659%	123.293	3,619.454	33.004	156.297	
Fontana Union Water Company	0.000	0.000%	0.000	6,391.736	58.283	58.283	
Fontana Water Company	8,348.452	10.647%	53.236	1.000	0.009	53.245	
Fontana, City Of	0.000	0.000%	0.000	0.000	0.000		0.000
Golden State Water Company	443.945	0.566%	2.831	411.476	3.752		6.583
Jurupa Community Services District	13,501.296	17.219%	86.094	2,061.118	18.794	104.888	
Marygold Mutual Water Company	1,107.368	1.412%	7.061	655.317	5.975		13.037
Monte Vista Irrigation Company	0.000	0.000%	0.000	676.759	6.171		6.171
Monte Vista Water District	8,869.574	11.312%	56.559	4,823.954	43.987	100.546	
Niagara Bottling, LLC	1,344.692	1.715%	8.575	0.000	0.000		8.575
Nicholson Trust	0.000	0.000%	0.000	4.000	0.036		0.036
Norco, City Of	0.000	0.000%	0.000	201.545	1.838		1.838
Ontario, City Of	10,604.065	13.524%	67.619	11,373.816	103.711	171.330	
Pomona, City Of	10,527.824	13.427%	67.133	11,215.852	102.271	169.404	
San Antonio Water Company	716.095	0.913%	4.566	1,506.888	13.740		18.307
San Bernardino County Shtg Prk	17.605	0.022%	0.112	0.000	0.000		0.112
Santa Ana River Water Company	12.514	0.016%	0.080	1,301.374	11.866		11.946
Upland, City Of	733.813	0.936%	4.679	2,852.401	26.009	30.689	
West End Consolidated Water Company	0.000	0.000%	0.000	947.714	8.642		8.642
West Valley Water District	0.000	0.000%	0.000	644.317	5.875		5.875
TOTAL	78,410.414	100.000%	500.000	54,834.000	500.000	916.274	83.726
						1,000.000	

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CHINO BASIN WATERMASTER

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Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

STAFF REPORT

DATE: February 9, 2012
TO: Overlying (Non-Agricultural) Pool Committee Members
SUBJECT: Calendar Year (February – December) 2012 Overlying (Non-Agricultural) Pool Volume Vote

SUMMARY

Recommendation – Staff recommends approval of the Calendar Year (February – December) 2012 Volume Vote as presented.

BACKGROUND

Following the approval of each Assessment Package, volume vote calculations for the new calendar year are performed and Parties are allocated a voting percentage. The 2011-2012 Assessment Package was approved by the Board on January 26, 2012.

The Overlying (Non-Agricultural) Pool Volume Vote allocation is attached. The total voting power on the Pool Committee is 1,484 votes. Of these, 742 votes are to be allocated based on one vote for each ten acre-feet or fraction thereof of Safe Yield. The remaining 742 votes are allocated proportionally based on production during the preceding year.

However, due to recent water transfers, if each Party is given one vote for each ten acre-feet or fraction thereof of Safe Yield, the total for that portion of the Volume Vote is 743 rather than 742. The logical solution is to pro-rata reduce the 743 votes down to 742 votes, which is the same methodology that was used last fiscal year. Please note that it will have a very minor effect on each Party's vote.

Actions:

February 9, 2012 Non-Agricultural Pool –

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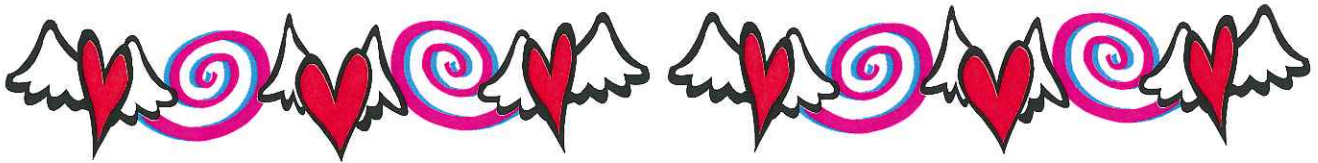
Peace II

Chino Basin Watermaster 2011-2012 Non-Ag Pool Volume Vote

Assessment Year 2011-2012 (Production Year 2010-2011)

	Assessable Production			Share of Operating Yield			TOTAL VOLUME VOTE
	Acre-Ft	Percentage	Votes	Acr- Ft	WV Realloc	Votes	
Ameron Inc	27.753	0.709%	5.261	97.858	0.208	9.987	15.247
Angelica Textile Service	54.441	1.391%	10.319	18.789	0.040	1.997	12.317
Aqua Capital Management	0.000	0.000%	0.000	948.118	2.020	95.871	95.871
Auto Club Speedway	448.854	11.466%	85.081	1,000.000	2.130	100.864	185.945
California Steel Industries Inc	1,084.920	27.715%	205.648	1,300.000	2.769	130.824	336.472
Ccg Ontario, Llc	0.000	0.000%	0.000	0.000	0.000	0.000	0.000
General Electric Company	0.207	0.005%	0.039	0.000	0.000	0.000	0.039
GenOn West, LP	328.075	8.381%	62.187	954.540	2.033	95.871	158.058
Kaiser Ventures Inc	0.000	0.000%	0.000	0.000	0.000	0.000	0.000
KCO, LLC / The Koll Company	0.000	0.000%	0.000	0.000	0.000	0.000	0.000
Loving Savior Of The Hills	0.000	0.000%	0.000	0.000	0.000	0.000	0.000
Ontario City Non-Ag	1,368.717	34.965%	259.443	2,327.807	4.958	233.685	493.128
Praxair Inc	0.000	0.000%	0.000	1.000	0.002	0.999	0.999
San Antonio Winery	11.445	0.292%	2.169	0.000	0.000	0.000	2.169
San Bernardino Cty (Chino Airport)	158.588	4.051%	30.061	133.870	0.285	13.981	44.042
Southern California Edison Company	0.000	0.000%	0.000	0.000	0.000	0.000	0.000
Space Center Mira Loma Inc.	93.706	2.394%	17.762	104.121	0.222	10.985	28.747
Swan Lake Mobile Home Park	337.793	8.629%	64.029	464.240	0.989	46.937	110.966
Vulcan Materials Company	0.000	0.000%	0.000	0.000	0.000	0.000	0.000
West Venture Development	0.000	0.000%	0.000	0.000	0.000	0.000	0.000
TOTAL	3,914.499	100.000%	742.000	7,350.343	15.656	742.000	1,484.000

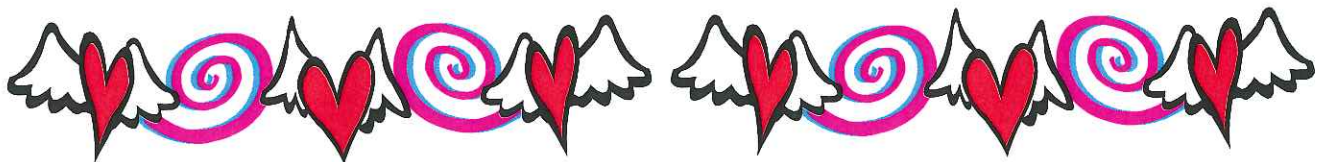
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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

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





CHINO BASIN WATERMASTER

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

DATE: February 9, 2012
TO: Committee Members
SUBJECT: Mid-Year Review of FY2011/2012, Budget Transfers and Budget Amendments

SUMMARY

Issue – Mid Year Review of the Watermaster revenues and expenses for the Period of July 1, 2011 through December 31, 2011, along with the accompanying Budget Transfers and Budget Amendment requests between Watermaster accounts.

Recommendation – (1) Staff recommends the Mid-Year Review Report for the Period July 1, 2011 through December 31, 2011 be received and filed as presented. (2) Staff recommends approval of the Budget Transfer Form T-12-02-01 and the Budget Amendment Form A-12-02-01 as presented.

Financial Impact – The Budget Transfer is a reallocation of approved budgeted funds while the Amendment is appropriating unbudgeted revenue of \$211,580 which has not been previously allocated or appropriated to a project or expense category.

BACKGROUND:

Each month, a Budget vs. Actual Report is provided to the Pools, Advisory Committee and Board. This report provides a detailed description and analysis of the monthly Watermaster financials and accounts or activities, if any, that are projected to be under or over budget. This report titled "Budget vs. Actual Report for the Period July 1, 2011 through December 31, 2011 - Financial Report - B5" can be found in the Consent Calendar, Section B, Report 5. This report (B-5) is provided as support and is the basis of the information discussed in the Mid Year Report. A Mid-Year Review for the period July 1, 2011 through December 31, 2011 is provided to keep all members apprised of the actual and projected total expenses for the current fiscal year. It also provides a process for reallocating budget to other expense categories to provide continued funding, or amending the approved budget to ensure the categories are funded properly.

BUDGET TRANSFERS:

With regards to the process of budget transfers, the following information is provided:

The Chino Basin Watermaster budget has four main budget categories:

- General & Administrative Expenses
- Optimal Basin Management Program Expenses
- Project Expenditures
- Other Income/Expenses

The CEO has authority to transfer funds within the main budget categories up to \$25,000 without Board approval. However, to allow for full transparency in the process, the Pools, Advisory Committee, and the Board will be informed of all budget transfers less than \$25,000.

Budget transfers greater than \$25,000 *within the same categories* must be formally approved by the Pools, the Advisory Committee, and then by the Board.

If there are insufficient funds within same category, the CEO may propose a transfer from one main category to another. All budget transfers from one main category to another, regardless of the amount, require approval by the Pools, the Advisory Committee, and then by the Board.

All budget transfers are processed in and recorded in the accounting system.

BUDGET AMENDMENT:

If there are no budgeted funds available to transfer to the line item, the CEO will submit a Budget Amendment request to the Pools, Advisory Committee, and then to the Board for approval.

All budget amendments will be presented to the Pools, Advisory Committee, and the Board for formal approval. The budget amendment should indicate the anticipated source of funding for the approved increase.

All budget amendments are processed in and recorded in the accounting system.

DISCUSSION:

UNBUDGETED REVENUE:

In August 2011, Watermaster received two payments from the Metropolitan Water District. Metropolitan entered into agreements with Watermaster and other member agencies and partners for dry-year groundwater storage. Pursuant to Section VI of these agreements, Metropolitan committed to pay an annual administrative fee to one of the partners on each of the agreements for the 25-year term of the each agreement a) beginning on July 1st after the initial storage of water in each program, and b) with the set fee dollar amount escalating annually by the lesser of 2.5% or CPI. Watermaster received \$145,568.70 for the FY 2009/2010 payment (due July 1, 2010) and \$149,207.92 for the FY 2010/2011 payment (due July 1, 2011). The total amount received of \$294,776.62 was recorded to account 4040 (Cooperative Agreements). These revenue items were not included in the FY 2011/2012 budget and these payments are in excess of the projected revenue amount. The amount of \$294,776.62 can be used to offset any unexpected administrative, OBMP or project expenses which may occur in the current fiscal year.

SALARY EXPENSES:

The Watermaster approved budget for FY 2011/2012 provided for the salaries budget of \$1,431,436 which was allocated to various GL accounts based upon projected work activities. The chart listed below details the salary expense as of December 31, 2011. The chart shows that while in certain specific line items, the categories might be over or under budget, as a whole, the Watermaster salaries budget is \$2,642 under budget for the first half of the fiscal year.

	Jul '11 - Dec 11	Budget	\$ Over Budget	% of Budget	Annual Budget
WM Salary Expense					
6011 · WM Staff Salaries	221,314.67	221,361.18	-46.51	99.98%	441,032.00
6011.2 · WM Staff - Admin. Paid Leave	55,426.29	0.00	55,426.29	100.0%	0.00
6011.3 · WM Staff - Temporary Upgrade	4,792.93	0.00	4,792.93	100.0%	0.00
6201 · Advisory Committee - WM Staff Salaries	9,561.41	10,620.52	-1,059.11	90.03%	21,241.00
6301 · Watermaster Board - WM Staff Salaries	16,148.32	14,958.00	1,190.32	107.96%	29,916.00
8301 · Appropriative Pool - WM Staff Salaries	14,322.41	14,225.02	97.39	100.69%	28,450.00
8401 · Agricultural Pool - WM Staff Salaries	10,864.08	12,467.48	-1,603.40	87.14%	24,935.00
8501 · Non-Agricultural Pool - WM Staff Salaries	6,225.41	7,116.52	-891.11	87.48%	14,233.00
6901 · OBMP - WM Staff Salaries	112,573.59	108,495.98	4,077.61	103.76%	216,992.00
7101.1 · Production Monitor - WM Staff Salaries	49,645.36	61,074.98	-11,429.62	81.29%	104,150.00
7102.1 · In-line Meter - WM Staff Salaries	4,441.94	5,181.52	-739.58	85.73%	10,363.00
7103.1 · Grdwater Quality - WM Staff Salaries	43,310.63	52,097.48	-8,786.85	83.13%	80,195.00
7104.1 · Grdwater Level - WM Staff Salaries	20,798.67	44,931.52	-24,132.85	46.29%	89,863.00
7105.1 · Sur Wtr Qual - WM Staff Salaries	0.00	1,496.02	-1,496.02	0.0%	2,992.00
7107.1 · Grd Level Monitoring - WM Staff Salaries	0.00	783.00	-783.00	0.0%	1,566.00
7108.1 · Hydraulic Control - WM Staff Salaries	559.50	3,636.52	-3,077.02	15.39%	7,273.00
7201 · Comp Recharge - WM Staff Salaries	41,045.26	62,543.48	-21,498.22	65.63%	125,087.00
7301 · PE3&5 - WM Staff Salaries	11,156.66	18,771.52	-7,614.86	59.43%	37,543.00
7401 · PE4 - WM Staff Salaries	3,468.47	6,117.52	-2,649.05	56.7%	12,235.00
7501.1 · PE 6&7 - WM Staff Salaries (Plume)	18,213.75	0.00	18,213.75	100.0%	0.00
7501 · PE6&7 - WM Staff Salaries	2,274.45	1,496.02	778.43	152.03%	2,992.00
7601 · PE8&9 - WM Staff Salaries	13,134.25	22,711.50	-9,577.25	57.83%	45,423.00
7701 · Inactive Well - WM Staff Salaries	0.00	206.50	-206.50	0.0%	413.00
Subtotal WM Staff Costs	659,278.05	670,292.28	-11,014.23	98.36%	1,296,894.00
60185 · Vacation	44,187.86	33,749.30	10,438.56	130.93%	51,922.00
60186 · Sick Leave	17,237.46	20,655.00	-3,417.54	83.45%	41,310.00
60187 · Holidays	30,268.12	28,917.00	1,351.12	104.67%	41,310.00
Subtotal WM Paid Leaves	91,693.44	83,321.30	8,372.14	110.05%	134,542.00
Total WM Salary Costs	750,971.49	753,613.58	-2,642.09	99.65%	1,431,436.00

Going forward, the Watermaster salaries budget will be over budget. The approved budget of \$1,431,436 did not anticipate for the changes and associated unbudgeted costs with regards to the CEO position, along with the payout of accrued vacation and administrative leave at the end of the CEO contract. The approved FY 2011/2012 budget also did not include the costs associated with hiring a part-time Interim CEO for a 6-month period beginning January 17, 2012 and continuing until July 17, 2012. It is projected that the total additional costs for the former CEO and Interim CEO will be approximately \$120,000.

WILDERMUTH ENVIRONMENTAL AND OTHER ENGINEERING:

Watermaster staff and the Wildermuth Environmental, Inc. (WEI) staff have numerous meetings throughout the year to continuously evaluate the ongoing OBMP and project needs in conjunction with the budgetary constraints. The Wildermuth Environmental, Inc. Estimated Cost at Completion (ECAC) report (see Table 1 below), details the line by line categories and calculates a shortfall of \$341,580 within the (WEI) budget for the OBMP and Project related expenses. Please note that the overall Wildermuth approved budget for FY 2011/2012 is \$2,250,068 which does not include the additional funding or expenses of \$300,000 which is being provided by Three Valleys Metropolitan Water District. When the amount of \$300,000 is added to the WEI budget of \$2,250,068 the total Engineering budget is

\$2,550,068. When compared to the ECAC report, the shortfall is reduced from \$341,580 down to \$41,580.

Table 1
 Chino Basin Watermaster: Invoice Projections for Engineering Tasks for Fiscal Year 2011/12
 As of December 31, 2011

Acct #	Description	Original Budget	Revised Budget	Billed Jul-11	Billed Aug-11	Billed Sep-11	Billed Oct-11	Billed Nov-11	Billed Dec-11	Projected Jan-12
6906	OBMP Engineering	\$ 256,209	\$ 256,209	\$ 13,913	\$ 10,119	\$ 48,216	\$ 31,270	\$ 12,860	\$ 15,958	\$ 21,980
6906.1	Evaluate Basin	204,010	204,010	54,189	36,124	40,080	34,485	39,123	-	30,000
7103.3	Groundwater Quality Monitoring Program	117,390	117,390	7,316	19,253	12,425	18,122	22,928	9,981	9,600
7104.3	Groundwater Level Monitoring Program	175,069	175,069	16,804	31,408	24,054	16,239	23,132	23,421	12,142
7107	MZ1 Monitoring Program	602,877	602,877	10,283	36,873	31,414	87,377	28,100	50,347	30,000
7108	Hydraulic Control Monitoring Program	452,511	452,511	22,486	39,347	19,240	31,431	34,467	34,348	36,570
7109	Recharge and Well Monitoring Program	11,160	11,160	-	-	-	-	-	-	-
7202	Comprehensive Recharge Plan	241,320	241,320	430	-	-	14,113	13,135	5,133	20,000
7303	Engineering Support for Desalters	47,840	47,840	11,341	2,498	3,334	4,538	2,000	6,511	3,000
7402	Management Zone Strategies	55,732	55,732	3,661	2,011	1,825	888	5,111	2,575	3,450
7502	Water Quality Committee	85,950	85,950	-	-	-	-	13,745	8,617	5,000
Totals		\$ 2,250,068	\$ 2,250,068	\$ 140,402	\$ 177,630	\$ 180,588	\$ 218,471	\$ 195,691	\$ 156,892	\$ 172,342

Acct #	Description	Projected Feb-12	Projected Mar-12	Projected Apr-12	Projected May-12	Projected Jun-12	Total Projected	Under / (Over) Rev. Budget	YTD % Billed Rev. Budget	Projected % Rev. Budget
6906	OBMP Engineering	\$ 17,980	\$ 17,980	\$ 13,980	\$ 9,980	\$ 9,980	\$ 224,304	\$ 31,905	52%	86%
6906.1	Evaluate Basin	30,000	30,000	30,000	30,000	-	354,010	(150,000)	100%	174%
7103.3	Groundwater Quality Monitoring Program	15,170	4,218	1,040	1,040	2,060	123,353	(5,963)	77%	105%
7104.3	Groundwater Level Monitoring Program	10,140	12,870	6,188	10,270	9,778	196,443	(21,374)	77%	112%
7107	MZ1 Monitoring Program	9,800	78,700	365,313	67,800	225,035	1,002,021	(399,144)	37%	166%
7108	Hydraulic Control Monitoring Program	68,847	83,088	26,051	21,843	21,691	419,805	32,706	40%	93%
7109	Recharge and Well Monitoring Program	2,232	2,232	-	2,232	-	6,696	4,464	0%	60%
7202	Comprehensive Recharge Plan	20,000	20,000	20,000	10,000	10,000	132,810	108,510	14%	55%
7303	Engineering Support for Desalters	3,000	-	-	-	-	36,221	11,619	63%	76%
7402	Management Zone Strategies	8,900	9,200	18,500	4,000	-	60,122	(4,390)	29%	106%
7502	Water Quality Committee	500	7,000	500	-	500	35,862	50,088	28%	42%
Totals		\$ 186,569	\$ 245,286	\$ 481,572	\$ 157,165	\$ 279,042	\$ 2,591,648	\$ (341,580)	48%	115%

Note: Billed includes MWH Laboratory Invoices paid directly by Watermaster.
 Excludes Invoices for project 007-010 Perchlorate in the City of Pomona Service Area - CBWM



Note: Table 1 includes the additional expense of \$300,000 for the vertical extensometer in account 7107 but does not include the additional revenue provided by TVMWD of \$300,000.

The account adjustment from the (WEI) projected budget (including the additional funds of \$300,000 from TVMWD) is as follows:

Account	Description	Approved Budget	Projected Budget	Under/(Over) Budget
6906	OBMP Engineering	\$ 256,209	\$ 224,304	\$ 31,905
6906.1	Evaluate Basin	\$ 204,010	\$ 354,010	\$ (150,000)
7103.3	Groundwater Quality Monitoring Program	\$ 117,390	\$ 123,353	\$ (5,963)
7104.3	Groundwater Level Monitoring Program	\$ 175,069	\$ 196,443	\$ (21,374)
7107	MZ1 Monitoring Program	\$ 602,877	\$ 1,002,021	\$ (399,144)
7108	Hydraulic Control Monitoring Program	\$ 452,511	\$ 419,805	\$ 32,706
7109	Recharge and Well Monitoring Program	\$ 11,160	\$ 6,696	\$ 4,464
7202	Comprehensive Recharge Program	\$ 241,320	\$ 132,810	\$ 108,510
7303	Engineering Support for Desalters	\$ 47,840	\$ 36,221	\$ 11,619
7402	Management Zone Strategies	\$ 55,732	\$ 60,122	\$ (4,390)
7502	Water Quality Committee	\$ 85,950	\$ 35,862	\$ 50,088
	Subtotal WEI Budget	\$ 2,250,068	\$ 2,591,648	\$ (341,580)
7107	TVMWD Contribution	\$ 300,000	\$ -	\$ 300,000
	Total Engineering Budget	\$ 2,550,068	\$ 2,591,648	\$ (41,580)

February 9, 2012

LATEST UPDATED INFORMATION:

On February 2nd, Watermaster received additional updated information regarding the extensometer costs, which included updated project costs and contingency. The amount from the December 31, 2011 ECAC report shows a shortfall of \$41,580 which has been increased to \$91,580. The additional budgeted amount of \$91,580 has been included in the Amendment Form A-12-02-01.

The following (14 pages) provide specific project related information from WEI to detail the ongoing activities and project status.

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**Chino Basin Watermaster
 Budget and Description of Engineering Tasks
 Fiscal Year 2011/2012**

*Progress and Estimated Cost at Completion for the Period:
 July 1, 2011 through December 31, 2011*

6906 – Optimum Basin Management Program: General Engineering
Tasks
<ul style="list-style-type: none"> • Pool, Advisory, Watermaster Meetings • Other General Meetings as Requested • Evaluation of Transfers, Assessment of Supplemental Water Recharge • Miscellaneous Data Requests • Miscellaneous CEO Requests • Water Rights Compliance Reporting • Project Management
Milestones/Accomplishments
<p>Pool, Advisory, Watermaster Meetings</p> <ul style="list-style-type: none"> • Prepared for and attended monthly Pool, Advisory, Watermaster Meetings in the period July through December. • Other General Meetings as Requested <ul style="list-style-type: none"> • Participated in the October 2011 Court proceedings (prepared declaration, participated in hearing planning meetings and conference calls, prepared serveral versions of a Powerpoint presentation for use in live testimony, provided testimony). • Participated in conference calls for agenda preparation for the November 2011 Watermaster process meetings • Evaluation of Transfers, Assessment of Supplemental Water Recharge – No Activity • Miscellaneous Data Requests <ul style="list-style-type: none"> • Provided the IEUA with maps that demonstrate Chino Basin monitoring program in support of the Desalter Expansion Grant Proposal. • Provided groundwater-elevation data to the Cooperative Well Measuring Program. • Provided GeoPentech with MZI groundwater-level elevation. • At the request of Chino Basin Watermaster, generated a groundwater elevation change raster from Fall 2006 to Spring 2010 and prepared a map for MWDSC. • Delivered the Phase 3 Chino Desalter Preliminary Design Report to Kurt Burtchold at the Regional Board. • Fulfilled a data request for the Chino Basin Water Conservation District with daily evaporation data for the Chino Basin area. • Delivered shapefiles of the Chino Basin Management Zones to Jurupa Community Service District. • Prepared a soil classification map of the Chino Basin and distributed to IEUA staff and Katy Kunysz at the MWDSC. • Provided IEUA with daily wastewater discharge data used for the Recharge Optimization Modeling Study. • Created an ArcMap layer file of the 2010 depiction of the VOC plumes in the Chino Basin, and a

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reference map, and delivered to Frank Yoo at Watermaster.

- **Miscellaneous CEO Requests**
 - Provided assistance in updating the Annual Report.
 - Evaluated material physical injury for the GE recharge application.
 - Completed material physical injury analysis for seven pending local storage agreements.
 - Prepared a letter report on Watermaster's compliance with the 2010 Recharge Master Plan Update.
 - Assisted the CEO in preemptive recharge planning.
- **Water Rights Compliance Reporting**
 - Pursuant to Watermaster's Water Rights Permit 21225, WEI staff prepared and submitted the 2010/11 Annual Streamflow Monitoring Report that describes the impact of stormwater diversions by the Watermaster/IEUA on flow entering the Santa Ana River. The report is due each year to the Department of Fish and Game on October 1st. WEI Submitted the draft Streamflow Monitoring Report to Gerry Greene and Bradley Herrema on September 27, 2011 and the final report on September 30, 2011.
 - Project Management
 - Analyzed staffing requirements and made assignments for various tasks.
 - Reviewed and approved MWH Laboratory invoices.
 - Prepared the estimated cost at completion (ECAC) and Integrated Schedule and Budget reports.

Budget	Billed	ECAC	Projected (Over)/Under
\$256,209	\$132,424	\$224,304	\$31,905

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6906.1 – Evaluate Basin Dynamics Pursuant to the Peace Agreement, Watermaster Rules and Regulations			
Tasks			
<ul style="list-style-type: none"> Purpose: New modeling is required to meet several objectives of the Judgment, the Peace Agreements, Watermaster Rules and Regulations, and the September 2010 court order regarding implementation of the 2010 Recharge Master Plan Update. These efforts include the recalibration of the 2007 Watermaster Model and the use of this model to complete several required assessments that include: completion of the safe yield estimate, evaluation of new yield created by the desalters and reoperation, evaluation of the state of hydraulic control, evaluation of the balance of recharge and discharge, evaluation of storage losses, and evaluation of the cumulative effects of transfers. 			
Milestones/Accomplishments			
<ul style="list-style-type: none"> All data was collected to update the model Revised hydrostratigraphy based on new wells Revised and updated groundwater pumping and wet water recharge Refined land use files and improved the resolution of agricultural pumping and return flows Revised riparian vegetation mapping and evapotranspiration estimates Revised initial estimates of aquifer properties Revised estimates of return flows from septic tanks Revised estimates of water system losses to groundwater Selected calibration targets Initiated calibration 			
Budget	Billed	ECAC	Projected (Over)/Under
\$204,010	\$204,010	\$354,010	(\$150,000)

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7103 – PEI: Groundwater Quality Monitoring Program			
Tasks			
<p><i>Purpose: [Basin Plan and Max Benefit] Obtain groundwater quality information in and adjacent to Chino Basin. These data are required for the triennial ambient water quality update mandated by the Basin Plan and for the Hydraulic Control Monitoring Program – a maximum benefit requirement in the Basin Plan. The data are also used for the Biannual State of the Basin report and estimating influent water quality to desalter wells.</i></p>			
<ul style="list-style-type: none"> • Obtain Groundwater Quality Data Routinely from about 200 Wells from All Appropriators and Cooperators in and Adjacent to Chino Basin. This represents about 20,000 records in Watermaster's database. Subtasks include: <ul style="list-style-type: none"> • phone calls and meetings with water quality staff • uploading hardcopy, spreadsheet, and laboratory electronic data deliverables to Watermaster's database. • Collect and Analyze Groundwater Quality Samples from About 50 Private Wells. Subtasks include: <ul style="list-style-type: none"> • annual re-evaluation of the key well program due to abandoned and destroyed wells • selecting the wells to be sampled • coordinating and scheduling with Watermaster staff whom is performing the fieldwork, and with the analytical laboratory. • uploading field and laboratory data to Watermaster's database. • The field work follows the standard operating procedures (SOPs) and the Quality Assurance Project Plan (QAPP) defined in the 2004 HCMP Work Plan. • Characterize Groundwater Quality Conditions and Trends. Subtasks include: <ul style="list-style-type: none"> • create time-history plots of key water quality constituents, e.g., TDS and nitrate-nitrogen. • Create maps showing the spatial distribution of water quality constituents. • Attend meetings on regional water quality issues as required (e.g., SAWPA's Emerging Contaminants Workgroup meetings) 			
Milestones/Accomplishments			
<ul style="list-style-type: none"> • Obtained January 2011 through June 2011 groundwater quality data from 12 appropriators and cooperators in and adjacent to Chino Basin to be used for the 2011 HCMP Annual Report, 2012 SOB Report, and the Triennial Update of the Ambient Water Quality as required by the Basin Plan. • Processed and uploaded into the database, 70 percent of the January 2011 through June 2011 groundwater quality data collected from appropriators and cooperators in the Chino Basin. • Designed the 2011 Key Well Program Groundwater Quality Monitoring Program, which includes water quality sampling at a network of private wells throughout the southern Chino Basin, the MZ3 wells, and Kaiser Plume monitoring wells. • Provided scheduling and planning assistance to Watermaster staff for the 2011 Key Well Groundwater Quality Monitoring Program. Forty two groundwater quality samples were collected from September through December 2011 and sent to MWH Laboratories. • Finalized 25 water quality exhibits for the 2010 State of the Basin Report 			
Budget	Billed	ECAC	Projected (Over)/Under
\$117,390	\$90,025	\$123,353	(\$5,963)

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7104 – PEI: Groundwater Level Monitoring Program			
Tasks			
<p><i>Purpose: [Basin Plan and Max Benefit] Obtain groundwater level information in and adjacent to Chino Basin. These data are required for the triennial ambient water quality update mandated by the Basin Plan and for the Hydraulic Control Monitoring Program – a maximum benefit requirement in the Basin Plan. The data are also used for the Biannual State of the Basin report and for the Chino Basin Groundwater Model.</i></p>			
<ul style="list-style-type: none"> • Collect and Analyze Groundwater Level Measurements from About 184 Wells. Subtasks include: <ul style="list-style-type: none"> • annual re-evaluation of the key well program due to abandoned and destroyed wells • scheduling the field work • performing the field work: manual measurements are collected monthly at 72 wells and transducer data is downloaded quarterly at 112 wells. • process, QC, and upload of manual water level measurements to Watermaster’s database • process, QC, and upload of transducer data to Watermaster’s database • field work follows the SOPs and the QAPP defined in the 2004 HCMP Work Plan. • Routinely collect, process, QC, and upload water level measurements to Watermaster’s database that were compiled by CBWM staff from all Appropriators and Cooperators in and Adjacent to Chino Basin. • Routinely collect, process, QC, and upload transducer data from about 30 wells that was downloaded in the field by CBWM staff. • Characterize Groundwater Level Conditions and Trends. Subtasks include: <ul style="list-style-type: none"> • create time-history plots of groundwater elevations • create maps showing groundwater elevation contours 			
Milestones/Accomplishments			
<ul style="list-style-type: none"> • Performed 432 groundwater level measurements at the 72 wells in the Monthly Groundwater Level Program. • Uploaded all monthly measured water levels into the Watermaster database. • Downloaded, processed, analyzed, and uploaded to the database 2011 third quarter transducer data at 82 groundwater monitoring wells in August and September. • Downloaded, processed, analyzed, and uploaded to the database 2011 fourth quarter transducer data at 64 groundwater monitoring wells in November. • Processed, analyzed, and uploaded to the database 29 transducer files downloaded by Watermaster staff for February through May 2011 data. • Processed, analyzed, and uploaded to the database 30 transducer files downloaded by Watermaster staff for May through September 2011 data. • Prepared 23 groundwater level exhibits for the 2010 State of the Basin Report • Prepared and submitted to the DWR the Monitoring Plan for the Chino Basin for the Statewide Groundwater Elevation Monitor Program (CASGEM). 			
Budget	Billed	ECAC	Projected (Over)/Under
\$175,069	\$135,057	\$196,443	(\$21,374)

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7107 – PEI: Ground Level Monitoring Program	
Tasks	
<i>Purposes:</i>	<i>The first purpose is verify the protective nature of the current MZI Plan with regard to permanent land subsidence and ground fissuring in the Managed Area. The second purpose to develop information that will lead to a revised pumping and recharge plan to minimize the risk of future land subsidence and ground fissuring across all of MZI.</i>
	<ul style="list-style-type: none"> • Setup and Maintenance of Monitoring Network. Subtasks include: <ul style="list-style-type: none"> • Equipment maintenance at the Ayala Park Extensometer and across entire monitoring network • Install, calibrate, and maintain horizontal monitoring equipment across zone of historical ground fissures • Prepare technical specifications, install, calibrate, and maintain a new extensometer/piezometer facility to be located in the Southeast Area, near the Chino Creek Well Field • Aquifer System Monitoring and Testing. Subtasks include: <ul style="list-style-type: none"> • Collection and organization of groundwater-level and groundwater-production data from wells in MZI monitoring network • Conduct controlled aquifer-system stress testing and associated monitoring • Assist the City of Chino Hills with its aquifer injection test at Well CH-16, and to coordinate with the Department of Water Resources on Local Groundwater Assistant Grant reporting and administration • Aquifer System Monitoring and Testing – Outside Pro • Ground Level Surveys. Subtasks include: <ul style="list-style-type: none"> • Conduct Fall 2011 ground-level survey in Managed Area • Conduct Spring 2012 survey and EDMs (horizontal monitoring) near the zone of historical fissuring • Ground Level Surveys - Outside Pro • InSAR – subsidence monitoring across entire Chino Basin for 2010-11 • InSAR – perform comparisons between the current system used to collect InSAR data (EnviSat) and alternate systems (TerraSAR-X, Radarsat, etc.) to determine the feasibility of various alternatives if the current system fails before a replacement satellite is launched in 2013 • InSAR – Outside Pro
Milestones/Accomplishments	
	<ul style="list-style-type: none"> • Performed monthly routine maintenance and manual checking of water levels at the Ayala Park Extensometer facility. • Replaced two malfunctioning transducers in the MZI network. • Maintained a continuous internet connection to the Ayala Park Extensometer facility to facilitate a “live” data read from the PA-7 piezometer on Watermaster’s web site. • Performed quarterly downloads of data from the Ayala Park Extensometer Facility and the cable extensometers at the PC vault. Post-processed, checked and cataloged extensometer and piezometer data to the MZI database. Prepared stress-strain diagrams of water levels at piezometers vs. extensometers. • Downloaded, cataloged, and checked transducer data from MZI monitoring network of wells. Uploaded extensometer data to the Watermaster database, and selected a representative data set to upload to the

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HydroDaVE database.

- Installed 63 benchmark monuments in the area of the Chino Creek Well Field, and incorporated the new monuments into the existing MZI survey network.
- Performed Fall 2011 ground-level survey across MZI Managed Area.
- Ordered InSAR data from the European Space Agency for 2010-11 (EnviSat system).
- Ordered sample InSAR data from an alternate satellite system (TerraSAR-X) and performed preliminary comparisons between the two datasets.
- Coordinated with DWR staff on status of AB3030 grant for aquifer injection pilot testing at CH-16. Submitted the initial progress report and invoice to the Department of Water Resources. Requested and obtained an amendment to the Local Groundwater Assistance Grant agreement allowing for an extension of the schedule through April 2014.
- Prepared technical specifications for an extensometer and nested piezometer near the Chino Creek Well Field.
- Coordinated with the County of San Bernardino to identify a site for the CCWF Extensometer facility, and to prepare a draft easement agreement for the site on County property.
- Reached an easement agreement with a private land owner that allows Watermaster to install and maintain a horizontal extensometer.
- Installed, tested, and calibrated a horizontal extensometer designed to measure horizontal strain across the zone of historical fissuring.
- Budget note: It is expected that Three Valleys Municipal Water District will contribute \$300,000 to the construction of the extensometer near the Chino Creek Well Field.
- Budget note: The Land Subsidence Committee recommended an apportionment of \$100,000 from unallocated Watermaster funds at the December 15th meeting to augment the ground-level monitoring program budget. These funds are intended to cover the cost of construction and installation of the horizontal extensometer in MZI and the vertical extensometer in the vicinity of the Chino Creek Well Field.

Revised Budget	Billed	ECAC	Projected (Over)/Under
\$602,877	\$225,373	\$1,002,021	(\$399,144)

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7108 – PEI: Hydraulic Control Monitoring Program

Tasks

Purpose: [Basin Plan and Max Benefit] Obtain surface water discharge and water quality data from the Santa Ana River and its tributaries and groundwater quality information in and adjacent to Chino Basin. These data are required by the Basin Plan (the surface water stations and frequencies are specified in Table 5-8a) and for the Hydraulic Control Monitoring Program – a maximum benefit requirement in the Basin Plan. The data are also used for the Biannual State of the Basin report and for the Chino Basin Groundwater Model.

- Measure Discharge at Specified Surface Water Stations in the Santa Ana River and Tributaries. Direct Discharge measurements are made at 6 stations every other week. Subtasks include:
 - scheduling the field work
 - performing the field work
 - QA/QC'ing the discharge calculations
 - uploading the discharge data to Watermaster's database.
 - The field work follows the SOPs and the QAPP defined in the 2004 HCMP Work Plan.
- Collect Grab Surface Water Quality Samples at Specified Surface Water Stations in the Santa Ana River and Tributaries. Samples are collected at 14 stations every other week as mandated by the Basin Plan. Samples are also collected from 3 POTWs every other week. When applicable water quality samples are also collected at five sites along Chino Creek to investigate rising groundwater. The Subtasks include:
 - scheduling the field work and coordinating with the analytical laboratory
 - performing the field work
 - uploading field and laboratory data to Watermaster's database.
- Collect annual groundwater quality samples from the 21 HCMP monitoring wells. Subtasks include:
 - scheduling the field work and coordinating with the analytical laboratory
 - performing the field work
 - uploading field and laboratory data to Watermaster's database.
- Collect near-river groundwater samples at the NAWQA and SARWC Wells. The 2 NAWQA and 2 SARWC wells are sampled monthly. Subtasks include:
 - scheduling the field work and coordinating with the analytical laboratory
 - performing the field work
 - uploading field and laboratory data to Watermaster's database.
- Routinely collect discharge data from the Santa Ana River and its tributaries measured by the USGS and collect treatment plant effluent discharge and water quality data collected by the IEUA, City of Riverside, the City of Corona, and the WRCRWA. All data are processed, checked for QA/QC and loaded to Watermaster's database.
- Interpretation of HCMP Data and Data Analyses/Comparison with Metrics. All data generated in the HCMP, as well as the GWQMP and the GWLMP will be analyzed and used to demonstrate the degree of hydraulic control obtained by basin re-operation and desalter production.
- 2011 Aerial Photograph. Watermaster will purchase a compressed, digital 2011 Aerial Photograph of the Chino Basin Area in support of the HCMP.
- HCMP Monitoring Well Master Plan and Grant Applications. Watermaster and IEUA will develop a master plan of new monitoring wells that will be required to demonstrate hydraulic control in Chino Basin as part of the Maximum Benefit requirement.
- Reports—Compose four quarterly data reports and one annual HCMP report (draft and final).

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- Regulatory Support – Watermaster and IEUA will work with the Regional Board to petition revised surface water monitoring program element of the HCMP monitoring program.
- Meetings

Milestones/Accomplishments

- 42 manual discharge measurements were collected at six stations in the Santa Ana River and tributaries as mandated by the Basin Plan. The discharge measurements were processed, reviewed, and uploaded to the database.
- 184 grab surface water quality samples were collected from 14 stations in the Santa Ana River and tributaries as mandated by the Basin Plan, and 5 sites along Chino Creek. Samples were sent to MWH Laboratories.
- 36 grab water quality samples were collected from three treatment plants that discharge to the Santa Ana River and tributaries as mandated by the Basin Plan. Samples were sent to MWH Laboratories
- Processed and uploaded into the database 100 percent of the surface water quality data obtained from MWH laboratories for the HCMP Surface Water Quality Program for July through December 2011 sampling events.
- Collected, and uploaded to the database results from biweekly grab water quality samples collected from IEUA for March through September 2011, for their four treatment plants that discharge to the Santa Ana River and tributaries as mandated by the Basin Plan.
- Daily discharge data for March through September 2011 were collected and uploaded into the database from seven treatment plants that discharge to the Santa Ana River and tributaries as mandated by the Basin Plan.
- Daily discharge data for March through September 2011 were collected from the USGS website and uploaded into the database, for eight stations in the Santa Ana River and tributaries as mandated by the Basin Plan.
- 24 monthly groundwater quality samples were collected from near river wells (NAWQA and SARWC wells). Samples were sent to MWH Laboratories.
- 21 annual groundwater quality samples were collected from the HCMP monitoring wells in September 2011. Samples were sent to MWH Laboratories
- Processed, uploaded into the database, and check for QA/QC the groundwater quality data collected for the HCMP Groundwater Quality Monitoring Program for July through December 2011.
- The Second Quarter 2011 Surface Water Monitoring Program Report was submitted to the Regional Board on July 15, 2011.
- The Third Quarter 2011 Surface Water Monitoring Program Report was submitted to the Regional Board on October 15, 2011.
- Prepared Basin Plan Amendment documents to submit to the Regional Board to revise the surface water monitoring program element of the HCMP monitoring program.

Budget	Billed	ECAC	Projected (Over)/Under
\$452,511	\$181,319	\$419,805	\$32,706

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7109 – PEI: Recharge and Well Monitoring Program: Pursuant to the Groundwater Recharge Permit and Maximum Benefit			
Tasks			
<p><i>Purpose: [Max Benefit] IEUA will prepare reports related to the Chino Basin Groundwater Recycled Water Recharge Program. Watermaster will peer review the reports.</i></p> <ul style="list-style-type: none"> Review Quarterly and Annual Reports for Chino Basin Recycled Water Groundwater Recharge Program Review results of the Brooks Basin Tracer Test. Review Start-Up Protocol Reports as needed. 			
Milestones/Accomplishments			
<ul style="list-style-type: none"> At the request of Watermaster, Quarterly and Annual Reported developed by IEUA were not reviewed this reporting period. We recommend that we resume review of these reports, because Watermaster is a co-permittee on the Chino Basin Groundwater Recharge Program and it would be in Watermaster's best interests to ensure that – to the extent possible – the reports are factually correct, free from errors, and demonstrates compliance with the permit. 			
Budget	Billed	ECAC	Projected (Over)/Under
\$11,160	\$0	\$6,696	\$4,464

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7202 – PE2: Comprehensive Recharge Plan			
Tasks			
<p><i>The purposes of this task are to provide engineering and institutional support to the Watermaster in the early implementation of the 2010 Recharge Master Plan Update as directed by the Court and the Watermaster Board. This will include the following efforts:</i></p> <ul style="list-style-type: none"> • Develop new groundwater production and replenishment projections pursuant to recommendations in the 2010 RMPU and as ordered by the Court in its October 8, 2010 Order. • As-requested work from the Watermaster CEO specifically in support of the 2010 RMPU steering committee. • As-requested attendance at the GRCC meetings 			
Milestones/Accomplishments			
<ul style="list-style-type: none"> • At Watermaster CEO direction, we attended the July 2011 GRCC meeting. • Prepared revised groundwater production and replenishment projections and submitted a draft report to Watermaster Parties in December 2011 for their review. Conducted a workshop in December 2011 with the Watermaster Parties. • Prepared for and participated in 2011 RMPU Steering Committee meetings in October 25, November 8, and December 7. 			
Budget	Billed	ECAC	Projected (Over)/Under
\$241,320	\$32,810	\$132,810	\$108,510

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7303 – Engineering Support for Desalters			
Tasks			
<p><i>Purpose: [Basin Plan and Max Benefit] Plan, site, drill, and construct wells for the Chino Creek Desalter Well Field. This well field is required for hydraulic control in the southwest portion of Chino Basin – hydraulic control is a necessary condition for maximum benefit in the Basin Plan.</i></p> <ul style="list-style-type: none"> • Chino Creek Desalter Well Field. Subtasks include: <ul style="list-style-type: none"> • Coordination with CDA, other agencies, and consultant for desalter well field development. • Review well siting. • Review of lithologic/geophysical logs and testing data, and review well design. • Provide groundwater flow modeling support to assess the effects of planned desalter well field operations, including the addition of new wells. 			
Milestones/Accomplishments			
<ul style="list-style-type: none"> • Reviewed borehole and testing data as the CCWF wells have been drilled. • Prepared letters to Watermaster CEO on the proposed designs of the CCWF wells with regard to Watermaster objectives of achieving hydraulic control and not causing damaging land subsidence. • 			
Budget	Billed	ECAC	Projected (Over)/Under
\$47,840	\$30,221	\$36,221	\$11,619

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7402 – PE4: Management Zone Strategies			
Tasks			
<p><i>Purposes:</i></p> <p>1) To verify the protective nature of the current MZI Plan with regard to permanent land subsidence and ground fissuring in the Managed Area.</p> <p>2) To develop a pumping and recharge plan to minimize the risk of future land subsidence and ground fissuring across all of MZI.</p> <ul style="list-style-type: none"> • PE4/MZI: Data Analyses and Reports. Subtasks include: <ul style="list-style-type: none"> • Analysis of production, piezometric, extensometer, ground-level survey, horizontal strain, InSAR, and seismic data • Preparation of MZI Annual Report • PE4/MZI: Meetings and Administration <ul style="list-style-type: none"> • Develop a scope of work and cost-estimate for FY2012-13 			
Milestones/Accomplishments			
<ul style="list-style-type: none"> • Compiled and formatted piezometric and extensometer data to analyze the response of the deep aquifer in MZI to seasonal production at Well CH-17. • Provided written progress reports and outlined budget changes stemming from to the installation of the horizontal extensometer facility in MZI and the siting and construction of a vertical extensometer in the vicinity of the Chino Creek Well Field with Watermaster staff. • Prepared for and attended Land Subsidence Committee meetings to coordinate and provide periodic updates on the subsidence work in the Chino Basin. This included meetings to discuss budget changes related to the installation of the horizontal extensometer facility in MZI and the siting and construction of a vertical extensometer in the vicinity of the Chino Creek Well Field. 			
Budget	Billed	ECAC	Projected (Over)/Under
\$55,732	\$16,072	\$60,122	(\$4,390)

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7502 – Water Quality Committee			
Tasks			
<i>Purpose: These tasks address special water quality issues that impact Chino Basin.</i>			
<ul style="list-style-type: none"> • Water Quality Committee Meetings. This task assumes four, quarterly meetings with the WQC. • As Needed Investigations (e.g., perchlorate isotopes). This task is for special water quality studies, for example, a perchlorate isotope source study of Hole Lake, and/or a study of low detection limit perchlorate in the Santa Ana River and potential impacts to Chino Basin due to increased desalter and JCSD pumping. • Ontario International Airport VOC Plume. Subtasks include: <ul style="list-style-type: none"> • coordination and negotiation with OIA PRPs • Chino Airport VOC Plume. Subtasks include: <ul style="list-style-type: none"> • coordination and negotiation with Chino Airport PRP. • ESTCP Cross-Fault Study 			
Milestones/Accomplishments			
<ul style="list-style-type: none"> • Water Quality Committee Meetings. • No Water Quality Committee meetings occurred during the reporting period. Ontario International Airport (OIA) VOC Plume. Subtasks include: <ul style="list-style-type: none"> • Coordination and negotiation with OIA PRPs. • Oversight of PRP monitoring program. • Uploaded data from the ABGL/Watermaster duplicate sample events (taps and wells) into HydroDaVE. • On October 13, 2011, Erler & Kalinowski, Inc. (EKI) published a Remedial Investigation Report (RI) concerning the Archibald South Plume. This report was prepared on behalf of the Potentially Responsible Parties (PRPs) at the Ontario International Airport (OIA): Aerojet, Boeing, General Electric, and Lockheed Martin (ABGL). At the request of Watermaster, WEI reviewed this report and prepared comments. The comments will be provided to Watermaster the first week in January 2012. Chino Airport VOC Plume. <ul style="list-style-type: none"> • Exchanged groundwater quality and groundwater elevation data with the County's Consultant, TetraTech. These data were subsequently loaded into HydroDaVE. • ESTCP Cross-Fault Study <ul style="list-style-type: none"> • Prepared for and attended the ESTCP Technical Advisory Committee (TAC) meeting on October 26, 2011, where Watermaster is a participant. Watermaster provided considerable groundwater elevation and groundwater quality data to the principal investigators of that study. 			
Budget	Billed	ECAC	Projected (Over)/Under
\$85,950	\$22,362	\$35,862	\$50,088

LEGAL EXPENSES:

A review of the Brownstein legal expenses as of December 31, 2011 shows that the legal costs are under budget by \$23,142 or 6.2% when consolidated. However, some of the legal budget items were front loaded for the first six months such as the Restated Judgment (6072), the Desalter Negotiations (6907.33) and the Paragraph 31 Motion (6907.35). There were also some legal line items that were budgeted for, but had no activity during the period (i.e. Court Coordination and Regional Water Quality Control Board). And the reverse, line items that had no budget, but due to unforeseen actions, had activity during the period (i.e. Replenishment Water, Santa Ana River Habitat). Projecting the expense forward to June 30, 2012, if we take into account the past expenses/issues that will not continue into the next half of the fiscal year, and project ongoing any new issues for the upcoming six months, we can estimate that the year-end legal budget will be above the approved budget of \$561,775 by a range of approximately \$87,813 to \$187,813. No budget adjustments or transfers are recommended at this time.

Estimated Costs at Year End (using 1 st half actual):	\$ 701,588
Less:	
Costs Not Anticipated For 2 nd Half:	
Replenishment Water (6075):	(\$ 42,000)
Desalter Negotiations (6907.33):	(\$ 60,000)
Add:	
Increased Costs For 2 nd Half:	
Storage Agreement Issues (6076):	\$ 25,000 to \$75,000
Recharge Master Plan (6907.39):	<u>\$ 25,000 to \$75,000</u>
Projected Legal Expenses:	<u>\$ 649,588 to \$749,588</u>

	Jul '11 - Dec '11	Budget	\$ Over Budget	% of Budget	Annual Budget
6070 - Watermaster Legal Services					
6071 - BHFS Legal - Court Coordination	0.00	19,550.02	-19,550.02	0.0%	39,100.00
6072 - BHFS Legal - Restated Judgment	18,306.96	62,400.00	-44,093.04	29.34%	62,400.00
6073 - BHFS Legal - Personnel Matters	33,479.65	4,937.48	28,542.17	678.07%	9,875.00
6074 - BHFS Legal - Interagency Issues	3,510.45	17,150.02	-13,639.57	20.47%	34,300.00
6075 - BHFS Legal - Replenishment Water	42,186.60	0.00	42,186.60	100.0%	0.00
6078 - BHFS Legal - Miscellaneous	35,885.25	28,440.00	7,445.25	126.18%	56,880.00
Total 6070 - Watermaster Legal Services	133,368.91	132,477.52	891.39	100.67%	202,555.00
6275 - BHFS Legal - Advisory Committee	18,674.97	15,405.00	3,269.97	121.23%	30,810.00
6375 - BHFS Legal - Board Meeting	41,272.08	28,815.00	12,457.08	143.23%	45,630.00
8375 - BHFS Legal - Appropriative Pool	10,558.87	10,665.00	-106.13	99.01%	21,330.00
8475 - BHFS Legal - Agricultural Pool	10,034.07	15,405.00	-5,370.93	65.14%	30,810.00
8575 - BHFS Legal - Non-Ag Pool	9,696.90	4,740.00	4,956.90	204.58%	9,480.00
Total BHFS Legal Services	90,236.89	75,030.00	15,206.89	120.27%	138,060.00
6907.3 - WM Legal Counsel					
6907.30 - Peace II - CEQA	0.00	0.00	0.00	0.0%	0.00
6907.31 - S. Archibald Plume-Formerly OIA	3,219.75	12,312.52	-9,092.77	26.15%	24,625.00
6907.32 - Chino Airport Plume	8,866.95	12,837.52	-3,970.57	69.07%	25,675.00
6907.33 - Desalter Negotiations	77,880.86	67,425.00	10,455.86	115.51%	67,425.00
6907.34 - Santa Ana River Water Rights	4,984.72	12,562.50	-7,577.78	39.68%	25,125.00
6907.35 - Paragraph 31 Motion	14,105.71	39,200.00	-25,094.29	35.98%	39,200.00
6907.36 - Santa Ana River Habitat	7,969.13	0.00	7,969.13	100.0%	0.00
6907.37 - Water Auction	0.00	0.00	0.00	0.0%	0.00
6907.38 - Reg. Water Quality Cntrl Board	0.00	6,875.02	-6,875.02	0.0%	13,750.00
6907.39 - Recharge Master Plan	10,161.00	15,216.00	-5,055.00	66.78%	25,360.00
6907.3 - WM Legal Counsel - Other	0.00	0.00	0.00	0.0%	0.00
Total 6907.3 - WM Legal Counsel	127,188.12	166,428.56	-39,240.44	76.42%	221,160.00
Total Brownstein, Hyatt, Farber, Schreck Costs	350,793.92	373,936.08	-23,142.16	93.81%	561,775.00

The attached forms T-12-02-01 and A-12-02-01 are provided as documentation to clearly show which general ledger accounts are being reduced and which general ledger accounts are being increased. The unbudgeted revenue of \$294,776 is being allocated to the accounts of \$211,580 leaving a balance of \$83,196 of un-appropriated funds for later use. Overall, the approved expense budget for FY 2011-2012 of \$6,873,187 will be increased by an additional amount of \$211,580, to a new approved budget of \$7,084,767. The form T-12-02-01 is a zero based document, which means the reductions and additions within the general ledger accounts equal.



**CHINO BASIN WATERMASTER
 BUDGET TRANSFERS**

ATTACHMENT #T-12-02-01

To: **All Parties**

T-12-02-01

From: Joseph S. Joswiak, CFO Date: February 9, 2012

Describe reason for the transfer between budget categories here: To transfer funds to cover anticipated cost overages in accounts referenced below.

Budgetary account reduction

Line Item Description	Account Number	Amount
OBMP Engineering Services	6906	\$ (31,905)
Hydraulic Control - Engineering	7108.3	\$ (32,706)
Recharge and Well - Engineering	7109.3	\$ (4,464)
Comprehensive Recharge - Implementation	7202.3	\$ (108,510)
PE 3&5 - Engineering - Other	7303	\$ (11,619)
PE 6&7 - Engineering	7502	\$ (50,088)
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -

Budgetary account addition

OBMP - Watermaster Model Update	6906.1	\$ 150,000
Groundwater Quality - Engineering	7103.3	\$ 5,963
Groundwater Level - Engineering	7104.3	\$ 21,374
Ground Level Monitoring - Extensometer	7107.7	\$ 57,564
PE4 - Engineering	7402	\$ 4,391
		\$ -
		\$ -
		\$ -
		\$ -

Should be zero

Transfer Procedure

- Staff brings the transfer request to the Appropriate Pool for information purposes if the transfer is under \$25,000. Transfers over \$25,000 within the same budget category require Pools, Advisory Committee and Board approval. Transfers between budget categories, regardless of amount must be approved by the Pools, Advisory Committee and Board
- Once the form has been completed by the CFO, and approved by the board if required, the Chief Financial Officer will prepare and process the budget transfer in the accounting system.
- A log will be maintained by the CFO detailing the transfer.
- A fiscal year file will also be kept to hold all budget amendment forms for auditor review.

Finance Use Only

Date Board Approved _____

Finance Log # _____

Date Posted _____

Posted By _____

Approved by _____

Date approved _____



ATTACHMENT A-12-02-01

**CHINO BASIN WATERMASTER
 BUDGET AMENDMENT**

To: **All Parties**

Fiscal Year 2011-2012

From : Joseph S. Joswiak, CFO Date: February 9, 2012

Describe reason for the budget amendment here: The Watermaster approved FY 2011/2012 budget did not include the CEO changes during the year. The Wildermuth ECAC report as of December 31, 2011 shows a shortfall when consolidated of \$41,580. Most recent information from WEI regarding the extensometer project has revealed a change in the ECAC amounts. With the most current construction estimates and other project related costs, the overall shortfall amount has increased from \$41,580 to \$91,580. The MWD unbudgeted revenue of \$294,776 will be partially appropriated, leaving a remaining balance of \$83,196 to be appropriated at later date, if required.

Expenditure Amendment

<i>Line Item Description</i>	<i>Account Number</i>	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Amendment Amount</i>
Watermaster Staff Salaries	6011	\$441,032	\$561,032	\$120,000
Groundwater Level - Extensometer Install	7107.7	\$365,945	\$457,525	\$91,580
TOTAL:				\$ 211,580

Revenue Source

<i>Line Item Description</i>	<i>Account Number</i>	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Amendment Amount</i>
Cooperative Agreement - MWD	4040	\$0	(\$211,580)	(\$211,580)
TOTAL:				\$(211,580)

Amendment Procedure

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

Finance Use Only

Date Board Approved _____
 Entered into System By _____
 Finance Log # _____
 Date Posted _____
 Approved By _____
 Date Approved _____

ACTIONS:

- February 9, 2012 Appropriative Pool –
- February 9, 2012 Non-Agricultural Pool –
- February 9, 2012 Agricultural Pool –
- February 16, 2012 Advisory Committee –
- February 23, 2012 Watermaster Board –

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CHINO BASIN WATERMASTER
BUDGET TRANSFERS

To: All Parties

T-12-02-01

From: Joseph S. Joswiak, CFO Date: February 9, 2012

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Budgetary account addition		
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PE4 - Engineering	7402	\$ 4,391
		\$ -
		\$ -
		\$ -
		\$ -

Should be zero

Transfer Procedure

1. Staff brings the transfer request to the Appropriate Pool for information purposes if the transfer is under \$25,000. Transfers over \$25,000 within the same budget category require Pools, Advisory Committee and Board approval. Transfers between budget categories, regardless of amount must be approved by the Pools, Advisory Committee and Board
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CHINO BASIN WATERMASTER BUDGET AMENDMENT

To: **All Parties**

Fiscal Year 2011-2012

From: Joseph S. Joswiak, CFO Date: _____

February 9, 2012

Describe reason for the budget amendment here: The Watermaster approved FY 2011/2012 budget did not include the CEO changes during the year. The Wildermuth ECAC report as of December 31, 2011 shows a shortfall when consolidated of \$41,580. Most recent information from WEI regarding the extensometer project has revealed a change in the ECAC amounts. With the most current construction estimates and other project related costs, the overall shortfall amount has increased from \$41,580 to \$91,580. The MWD unbudgeted revenue of \$294,776 will be partially appropriated, leaving a remaining balance of \$83,196 to be appropriated at later date, if required.

Expenditure Amendment

<i>Line Item Description</i>	<i>Account Number</i>	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Amendment Amount</i>
Watermaster Staff Salaries	6011	\$441,032	\$561,032	\$120,000
Groundwater Level - Extensometer Install	7107.7	\$365,945	\$457,525	\$91,580
TOTAL:				\$ 211,580

Revenue Source

<i>Line Item Description</i>	<i>Account Number</i>	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Amendment Amount</i>
Cooperative Agreement - MWD	4040	\$0	(\$211,580)	(\$211,580)
TOTAL:				\$ (211,580)

Amendment Procedure

1. Staff takes amendment requests to the Pools, Advisory Committee & Board for approval.
2. The Chief Financial Officer will prepare and process the budget entry.
4. A log will be maintained by the Finance Department detailing the adjustment.
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Finance Use Only

Date Board Approved _____

Entered into System By _____

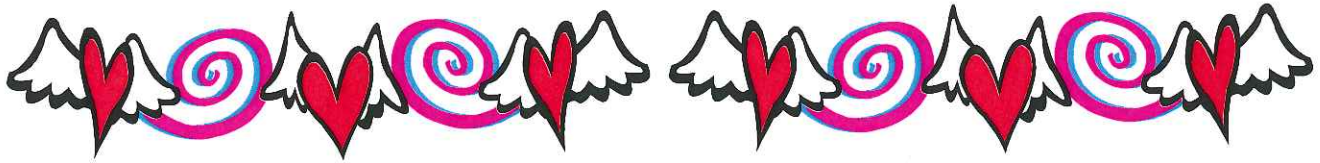
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Date Approved _____

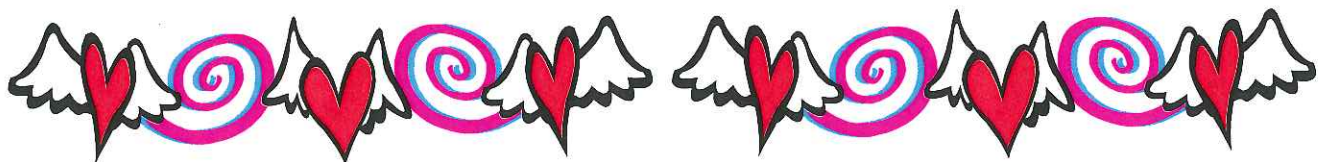
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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

- B. CHINO CREEK WELL FIELD EXTENSOMETER
CONSTRUCTION CHANGE ORDER
REIMBURSEMENT AGREEMENT WITH CHINO
DESALTER AUTHORITY**





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: February 9, 2012

TO: Pool Members

SUBJECT: Approval of Chino Creek Well Field Extensometer Construction Change Order Reimbursement Agreement with Chino Desalter Authority

SUMMARY

Issue – Consider Approval of a Proposed Reimbursement Agreement Between Watermaster and Chino Desalter Authority for Construction of the Chino Creek Well Field Extensometer.

Recommendation – Authorize the Watermaster Interim Chief Executive Officer to Finalize and then Enter into the Draft Reimbursement Agreement.

Financial Impact – The Engineer's Cost Opinion for Construction of the Chino Creek Well Field Extensometer is \$295,200, plus 10% contingency recommendation. Category 7107.7 (Ground Level Extensometer Installation) of the 2011-12 Watermaster budget was approved at \$365,945.

BACKGROUND

Watermaster's obligations contained in the monitoring and mitigation requirements in the Final Peace II SEIR call for the expansion of Watermaster's subsidence monitoring program into the vicinity of the Chino Creek Well Field (CCWF). The program includes monitoring by InSAR, ground-level surveys, and extensometers. The monitoring program is to begin prior to startup of the CCWF, so that any subsidence caused by the CCWF can be identified and mitigated, if necessary.

The purpose of the extensometer is to measure the physical deformation (compaction) of the aquifer system sediments as pumping at the desalter wells causes drawdown. Monitoring of pumping, groundwater levels, and deformation of the aquifer system at the extensometer can reveal the cause-and-effect relationships between pumping/drawdown and subsidence. The data from the extensometer will provide the criteria for managing pumping/drawdown in the event the Land Subsidence Committee identifies a need to mitigate the subsidence.

Watermaster staff performed a search of its database for an appropriate existing well near the CCWF to install a cable extensometer. To be "appropriate," a well must be located near the CCWF and at least 600 ft deep. No wells were identified as appropriate through this search. While no existing wells were determined to be appropriate, there were also advantages to constructing a new extensometer:

1. There are two distinct aquifer systems in this area—a shallow unconfined system, and a deep confined system. A new extensometer facility can be constructed as two cable extensometers within two separate piezometers that are nested in one borehole. In this arrangement, the piezometers and extensometers can measure depth-specific groundwater levels and compaction, and thereby differentiate drawdown and compaction in each of the two aquifer systems, which is a necessary purpose of this monitoring facility.
2. A new extensometer facility, designed for this particular purpose, has a better chance of returning data of higher resolution and accuracy than a facility constructed from an existing well.
3. A detailed description of the borehole sediments is necessary to accurately interpret the extensometer data. Drilling a new borehole, as opposed to relying on the generalized descriptions of the borehole sediments on an old well driller's log, is an opportunity to collect a higher-resolution and better description of the borehole sediments.
4. The piezometers of this extensometer facility could also function as monitoring wells for the Hydraulic Control Monitoring Program.
5. While an existing well would likely be located on private property and dedicated to an existing purpose, the new monitoring facility has been located on public land, which should expedite agreement negotiation and construction of the monitoring facility.
6. The CCWF Extensometer is to be installed, calibrated and operational, prior to CCWF production for delivery to the CDA. The CCWF wells are currently under construction, so final parcel selection and change order expedited construction of the CCWF extensometer by the current well contractor is warranted to avoid delays in operation of the CCWF and demonstrate additional progress in achieving hydraulic control to meet the maximum benefit objectives.

Construction and implementation costs for the CCWF Extensometer are currently estimated at \$487,798, plus \$1,596 for this year's Land Use Agreement cost, and a \$30,000 extensometer construction contingency. Category 7107.7 (Ground Level Extensometer Installation) of the 2011-12 Watermaster budget was approved in the amount of \$365,945, which includes \$300,000 committed by Three Valleys Municipal Water District, through the Peace Agreement, for an MZ-1 project and was recently received by Watermaster. On December 15, 2011, the Land Subsidence Committee recommended apportionment of \$100,000 in unallocated Watermaster funds to augment the ground-level monitoring program budget. The Land Subsidence Committee request was intended to cover the construction and installation costs of the MZ-1 horizontal and CCWF vertical (cable) extensometers. The February 2012 Mid Year Budget Transfer Staff Report and recommendations address the resulting funding deficiency between the approved budget and current cost estimates.

Actions:

- February 9, 2012 Appropriative Pool –
- February 9, 2012 Non-Agricultural Pool –
- February 9, 2012 Agricultural Pool –
- February 16, 2012 Advisory Committee –
- February 23, 2012 Watermaster Board –

TERM SHEET

Chino Basin Watermaster Reimbursement for Construction
of the Chino Creek Well Field Extensometer

February 23, 2012

WHEREAS, the Chino Basin Watermaster ("Watermaster") wishes to drill and construct an extensometer facility in the vicinity of the area known as the Chino Creek Well Field ("CCWF").

WHEREAS, the Chino Basin Desalter Authority ("CDA") is currently drilling and constructing wells in the CCWF.

WHEREAS, efficiencies and cost savings could be realized if Best Drilling, the contractor that is currently performing the work for CDA, was instructed to additionally perform the work to drill and construct the wells for the extensometer.

WHEREAS, the CDA is willing to instruct Best Drilling to additionally drill and construct the extensometer wells by way of a change order if Watermaster will agree to reimburse CDA for the cost of the change order.

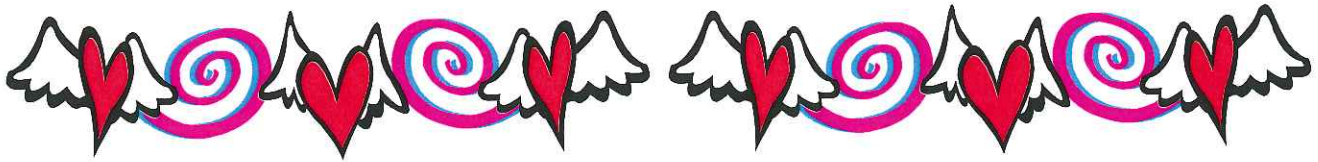
NOW THEREFORE IT IS AGREED THAT:

1. CDA will issue a change order to Best Drilling to perform additional work to drill and construct the CCWF Extensometer wells.
2. Watermaster, through its consultants Wildermuth Environmental, Inc. ("WEI"), will act as project manager for the additional drilling work.
3. CDA will instruct Best Drilling to perform the additional work under the direction of WEI and to WEI's specifications.
4. Watermaster will reimburse CDA for any costs associated with the change order.
5. Watermaster will advance funds to CDA for the change order in the amount of \$295,200, which is the estimated cost for Best Drilling to perform the work to drill and construct the CCWF Extensometer wells.

Ken Jeske, Interim Chief Executive Officer
Chino Basin Watermaster

Curtis D. Paxton, Chief Executive Officer
Chino Basin Desalter Authority

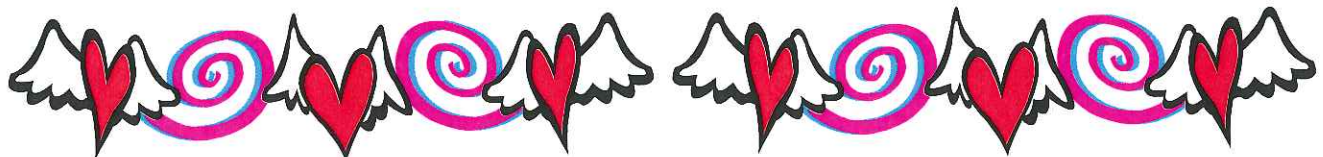
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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

- C. CHINO CREEK WELL FIELD
EXTENSOMETER LAND LEASE
AGREEMENT





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: February 9, 2012
TO: Pool Members
SUBJECT: Approval of Chino Creek Well Field Extensometer Land Lease Agreement

SUMMARY

Issue – Consider Approval of a Proposed Agreement Between Watermaster and the County of San Bernardino for Lease of Land for Construction of the Chino Creek Well Field Extensometer.

Recommendation – Authorize the Watermaster Interim Chief Executive Officer to Finalize and then Enter into the Land Lease Agreement With San Bernardino County.

Financial Impact – The Unbudgeted First Year Watermaster Land Lease Agreement Cost is \$1,596. This Cost will be Adjusted Annually Thereafter, Based on the Consumer Price Index (CPI), for a Ten (10) Year Term, with the Option for Two (2) Five (5) Year Extensions.

BACKGROUND

Watermaster's obligations contained in the monitoring and mitigation requirements in the Final Peace II SEIR call for the expansion of Watermaster's subsidence monitoring program into the vicinity of the Chino Creek Well Field (CCWF). The program includes monitoring by InSAR, ground-level surveys, and extensometers. The monitoring program is to begin prior to startup of the CCWF, so that any subsidence caused by the CCWF can be identified and mitigated, if necessary.

The purpose of the extensometer is to measure the physical deformation (compaction) of the aquifer system sediments as pumping at the desalter wells causes drawdown. Monitoring of pumping, groundwater levels, and deformation of the aquifer system at the extensometer can reveal the cause-and-effect relationships between pumping/drawdown and subsidence. The data from the extensometer will provide the criteria for managing pumping/drawdown in the event the Land Subsidence Committee identifies a need to mitigate the subsidence.

Watermaster staff performed a search of its database for an appropriate existing well near the CCWF to install a cable extensometer. To be "appropriate," a well must be located near the CCWF and at least 600 ft deep. No wells were identified as appropriate through this search. While no existing wells were determined to be appropriate, there were also advantages to constructing a new extensometer:

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Construction and implementation costs for the CCWF Extensometer are currently estimated at \$487,798, plus the \$1,596 recommend for approval through this Land Use Agreement, and a \$30,000 extensometer construction contingency. Category 7107.7 (Ground Level Extensometer Installation) of the 2011-12 Watermaster budget was approved in the amount of \$365,945, which includes \$300,000 committed by Three Valleys Municipal Water District, through the Peace Agreement, for an MZ-1 project and was recently received by Watermaster. On December 15, 2011, the Land Subsidence Committee recommended apportionment of \$100,000 in unallocated Watermaster funds to augment the ground-level monitoring program budget. The Land Subsidence Committee request was intended to cover the construction and installation costs of the MZ-1 horizontal and CCWF vertical (cable) extensometers. The February 2012 Mid Year Budget Transfer Staff Report and recommendations address the resulting funding deficiency between the approved budget and current cost estimates.

Actions:

- February 9, 2012 Appropriative Pool –
- February 9, 2012 Non-Agricultural Pool –
- February 9, 2012 Agricultural Pool –
- February 16, 2012 Advisory Committee –
- February 23, 2012 Watermaster Board –

COUNTY OF SAN BERNARDINO

LEASE AGREEMENT

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

COUNTY: COUNTY OF SAN BERNARDINO
Real Estate Services Department
385 North Arrowhead Avenue, Third Floor
San Bernardino, CA 92415

PREMISES: Approximately 400 square feet of County-owned land
south of the Chino Airport in Chino, California
(as outlined in Exhibit "A" attached)

TERM OF LEASE: Ten (10) years

COMMENCEMENT DATE OF LEASE: March 1, 2012 or upon execution by all parties

COUNTY CONTRACT NUMBER:

TYPED: 01/19/2011

REV: 1/26/2010 (110568.13)

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- Exhibit "A" – Map
- Exhibit "B" - Improvements
- Exhibit "C" - List of Former County Officials

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LEASE AGREEMENT

1. **PARTIES:** This lease ("Lease") is made between The County of San Bernardino ("COUNTY"), and the Chino Basin Watermaster ("TENANT"), who agree as follows:

2. **PREMISES LEASED:** COUNTY owns land south of the Chino Airport in Chino, California. COUNTY hereby leases to TENANT and TENANT leases from COUNTY a portion of Assessor Parcel No. 1056101010000 consisting of approximately 400 square feet of a larger parcel consisting of approximately 625,086 square feet (14.35 acres) known as ("Premises"), as described in Exhibit "A", Premises. The Premises are leased subject to all easements, reservations, restrictions, rights and rights-of-way of record.

3. **TERM:**

a. **Initial Term.** The Lease's initial term ("Initial Term") shall commence on March 1, 2012 or upon execution by all parties ("Commencement Date") and end on February 28, 2022 ("Ending Date").

4. **RENT:**

a. TENANT shall pay to COUNTY annual rental payments of One Thousand Five Hundred Ninety Six and 00/100 Dollars (\$1596.00), commencing when the term commences and continuing for the first twelve (12) months of the term. Thereafter, the annual rent shall be subject to annual adjustments on the anniversary of the Commencement Date based on the change in the Consumer Price Index as provided below:

The base for computing the adjustment is the Consumer Price Index ("C.P.I."), Pacific Cities and U.S. City Average, All Items, Los Angeles, Anaheim and Riverside, Urban Wage Earners and Clerical Workers (1982-1984 = 100), published by the United States Department of Labor, Bureau of Labor Statistics ("Index"), which is in effect two (2) months prior to the date of the commencement of the initial term ("Beginning Index"). The Index in effect two (2) months prior to the adjustment date in question ("Extension Index") is to be used in determining the amount of the adjustment. If the Extension Index has increased over the Beginning Index, the rent for the following year (until the next rent adjustment) shall be set by multiplying the rent in effect at the beginning of the Initial Term by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index. If the Index is changed so that the base year differs from that in effect when the term commences, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

b. Rent for any partial year shall be prorated. All rent shall be paid to COUNTY at the address to which notices to COUNTY are given.

5. **OPTION TO EXTEND TERM:** COUNTY gives TENANT the option to extend the term of the Lease on the same provisions and conditions, except for the annual rent, for two (2) five-year periods ("extended terms") following expiration of the Initial Term, by TENANT giving notice of its intention to exercise the option to COUNTY prior to the expiration of the preceding term. The rent for each extended term shall be adjusted by good faith negotiation of the parties to the fair market rental rate then prevailing based upon the rental rates of comparable leased property in San Bernardino County.
6. **RETURN OF PREMISES:** The TENANT agrees that it will, upon any termination of this Lease, return the Premises to bare land, removing all fixtures and equipment.
7. **HOLDING OVER:** TENANT shall not hold over and continue to occupy the Premises without the written consent of the COUNTY. In such event the tenancy shall be deemed to be a tenancy from year-to-year upon the same terms and conditions, including rent, as existed and prevailed at the time of the expiration of the term of this Lease.
8. **TAXES:** COUNTY shall pay all real property taxes, and general and special assessments levied and assessed against the Premises.
9. **USE:** TENANT shall occupy the Premises during the term hereof only for the installation, maintenance and monitoring of a dual-nested piezometer with internal cable extensometers near the Chino Creek Well Field south of Chino Airport. TENANT shall comply with all laws, ordinances and regulations applicable to the use of the Premises, including the requirements of the Federal Aviation Administration, as may be amended. TENANT shall promptly comply with all governmental orders and directions for the correction, prevention and abatement of any violations in or upon, or in connection with Premises, at TENANT's sole expense.
10. **HEALTH, SAFETY AND FIRE CODE REQUIREMENTS:** As a condition precedent to the existence of this Lease, TENANT, at its sole expense will ensure the Premises used by TENANT meet the applicable requirements of the Health, Safety, Fire and Building Codes for public and governmental buildings, including any requirements for a notice of completion, certificate of occupancy and the Americans with Disabilities Act ("ADA").
11. **SIGNS:** TENANT will display only such sign or signs on the Premises as are not prohibited by law.
12. **IMPROVEMENTS:** TENANT will construct and maintain a dual-nested piezometer with internal cable extensometers (TENANT Property) near the Chino Creek Well Field south of Chino Airport as set forth on Exhibit "B", Improvements, attached hereto, provided that said Improvements shall be approved in writing by COUNTY prior to the commencement of any work and provided further that all Improvements are completed in: (1) accordance with the plans and specifications (as defined on Exhibit "B") approved by COUNTY, (ii) a good and workmanlike manner, (iii) conformity with all county, city, state and federal regulations, any and all applicable permits and the Master Plan for the Airport. TENANT shall provide COUNTY with not less than ten (10) days' notice prior to the commencement of any work in, on or about

the Premises so that COUNTY, at COUNTY'S option, may post a Notice of Non Responsibility as provided by law. All work shall be completed by duly licensed and insured contractors, which contractors shall be acceptable to COUNTY. COUNTY makes no representation with the applicability of public bidding procedures or requirements for the payment of prevailing wages hereunder.

13. **FIXTURES:** All TENANT owned fixtures will be removed and the Premises put back to bare land by TENANT at the termination or expiration of the lease.

14. **MAINTENANCE:** TENANT, at its cost, shall maintain and repair the TENANT Property as is necessary to keep such TENANT Property in a safe and orderly condition. TENANT shall be responsible for weed abatement on the Premises.

15. **UTILITIES:** TENANT shall pay for all its utilities, maintenance and repair charges, including costs of installation of said utilities as required.

16. **HOLD HARMLESS:** To the fullest extent permitted by law, the parties agree to save, indemnify, defend, and hold harmless each other from any and all liability, claims, suits, actions, arbitration proceedings, administrative proceedings, and regulatory proceedings, losses, expenses, or any injury or damage of any kind whatsoever, whether actual, alleged or threatened, attorney fees, court costs, and any other costs of any nature without restriction incurred in relation to, as a consequence of, or arising out of, the performance of this Agreement, and attributable to the fault of the other. Following a determination of the percentage of fault and or liability by agreement between the parties or a court of competent jurisdiction, the party responsible for liability to the other will indemnify the other party to this Agreement for the percentage of liability determined.

17. **INSURANCE:** TENANT and COUNTY shall each be responsible for providing insurance coverage to protect its own interests and exposures under this Lease.

18. **DESTRUCTION OF PREMISES:** During the term of this Lease, if any casualty renders a portion of the Premises unusable for the purpose intended, TENANT may terminate this Lease as of the date of casualty. If this Lease is terminated, the TENANT shall have a reasonable time to remove the TENANT Property and vacate the Premises.

19. **TENANT'S DEFAULT:** Except where another time limit is specifically provided, TENANT shall be in default of this Lease if TENANT fails or refuses to perform any material provisions of this Lease and such failure or refusal to perform is not cured within thirty (30) days following TENANT'S receipt of written notice of default from COUNTY. If the default cannot reasonably be cured within thirty (30) days, TENANT shall not be in default of this Lease if TENANT commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.

20. **COUNTY'S REMEDIES ON TENANT'S DEFAULT:** COUNTY, at anytime after TENANT is in default, can terminate this Lease immediately upon written notice to TENANT or can cure the default at COUNTY's cost. If COUNTY at any time, by reason of TENANT'S

default, pays any sum or does any act that requires the payment of any sum (including charges for COUNTY's employees and equipment), the sum paid by COUNTY shall be due from TENANT to COUNTY within five (5) days of notice of such sum, and if paid at a later date shall bear interest at the maximum rate the COUNTY is permitted by law to charge from the date the sum was paid by COUNTY until COUNTY is reimbursed by TENANT. If TENANT fails to reimburse COUNTY as required by this paragraph, COUNTY shall have the right to withhold from future rent due the sum COUNTY has paid until COUNTY is reimbursed in full for the sum and interest on it. The remedies set forth in this paragraph are in addition to and do not in any manner limit other remedies set forth in particular paragraphs of this Lease.

21. TENANT'S DEFAULT: The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by TENANT:

a. The vacating for more than thirty (30) consecutive days or abandonment of the Premises by TENANT.

b. The failure by TENANT to perform any material provisions of this Lease to be performed by TENANT, including the payment of rent, where such failure shall continue for a period of thirty (30) days after notice by COUNTY to TENANT; provided, however, that if the nature of TENANT's default is such that more than thirty (30) days are reasonably required for its cure, then TENANT shall not be deemed to be in default if TENANT commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion. The purpose of this notice requirement is to extend the notice requirements of the unlawful detainer statutes of California.

22. TENANT'S REMEDIES ON COUNTY'S DEFAULT: TENANT, at anytime after COUNTY is in default, can terminate this Lease immediately upon written notice to COUNTY or can cure the default at TENANT's cost. If TENANT at any time, by reason of COUNTY's default, pays any sum or does any act that requires the payment of any sum (including charges for TENANT's employees and equipment), the sum paid by TENANT shall be due from COUNTY to TENANT within five (5) days of notice of such sum, and if paid at a later date shall bear interest at the maximum rate the TENANT is permitted by law to charge from the date the sum was paid by TENANT until TENANT is reimbursed by COUNTY. If COUNTY fails to reimburse TENANT as required by this paragraph, TENANT shall have the right to withhold from future rent due the sum TENANT has paid until TENANT is reimbursed in full for the sum and interest on it. The remedies set forth in this paragraph are in addition to and do not in any manner limit other remedies set forth in particular paragraphs of this Lease.

23. COUNTY'S DEFAULT: The occurrence of the following events shall constitute a default and breach of this Lease by COUNTY:

a. The failure by COUNTY to perform any material provisions of this Lease to be performed by COUNTY, where such failure shall continue for a period of thirty (30) days after notice by TENANT to COUNTY; provided, however, that if the nature of COUNTY's default is such that more than thirty (30) days are reasonably required for its cure, then COUNTY shall not

be deemed to be in default if COUNTY commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

24. COUNTY'S ACCESS TO PREMISES: COUNTY and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes:

- a. To determine whether the Premises are in good condition; and,
- b. To do any necessary maintenance and to make any restoration to the Premises that COUNTY has the right or obligation to perform; and,
- c. To serve, post, or keep posted any notices required by law; and,
- d. To post "for sale" signs at any time during the term, to post "for rent" or "for Lease" signs during the last three (3) months of the term.

COUNTY shall conduct its activities on the Premises as allowed in this paragraph in a manner that will cause the least possible inconvenience, annoyance, or disturbance to TENANT.

25. AIRPORT DEVELOPMENT: COUNTY, at its sole discretion, shall determine and may from time to time change the routes of surface ingress and egress to the Premises, but agrees to locate such routes as conveniently as may be done for TENANT, having in mind the reasonable requirements of COUNTY with respect to the operation of the Airport. COUNTY ALSO REERVES THE RIGHT TO FURTHER DEVELOP OR IMPROVE THE Airport as it sees fit, regardless of the desires or view of the TENANT and without interference or hindrance.

26. NOTICES:

a. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated two (2) TENANT working days from the time of mailing if mailed as provided in this paragraph.

TENANT'S address:

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

COUNTY's address:

County of San Bernardino
Real Estate Services Department
825 East Third Street, Room 207
San Bernardino, CA 92415-0832

b. If, at any time after the TENANT accepts the Premises, the COUNTY assigns or transfers a non-controlling interest of its rights in the Premises to a third party, COUNTY must notify TENANT of its action at least fifteen (15) TENANT working days prior to completing any such action.

c. If, at any time after the TENANT accepts the Premises, the COUNTY assigns or transfers a controlling interest of its rights in the Premises to a third party, COUNTY must notify TENANT of its action at least fifteen (15) TENANT working days prior to completing any such action. The new owner must provide TENANT with evidence of completion of such action. The parties shall immediately execute an amendment to this Lease stating the change of ownership of the Premises.

27. **INCORPORATION OF PRIOR AGREEMENT:** This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose.

28. **WAIVERS:** No waiver by either party of any provisions of this Lease shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provisions.

29. **AMENDMENTS:** No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successor in interest, expressing by its terms an intention to modify this Lease.

30. **SUCCESSORS:** This Lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto.

31. **SEVERABILITY:** If any word, phrase, clause, sentence, paragraph, section, article, part or portion of this Lease is or shall be invalid for any reason, the same shall be deemed severable from the remainder hereof and shall in no way affect or impair the validity of this Lease or any other portion thereof.

32. **TIME OF ESSENCE:** Time is of the essence of each provision of this Lease which specifies a time within which performance is to occur. In the absence of any specific time for performance, performance may be made within a reasonable time.

33. **QUIET ENJOYMENT:** Subject to the provisions of this Lease and conditioned upon performance of all the provisions to be performed by TENANT hereunder, COUNTY shall secure to COUNTY during the Lease term the quiet and peaceful possession of the Premises and all right and privilege appertaining thereto.

34. **PROVISIONS ARE COVENANTS AND CONDITIONS:** All provisions, whether covenants or conditions, on the part of either party shall be deemed to be both covenants and conditions.

35. **CONSENT:** Whenever consent or approval of either party is required that party shall not unreasonably withhold, condition or delay such consent or approval.

36. **EXHIBITS:** All exhibits referred to are attached to this Lease and incorporated by reference.

37. **LAW AND VENUE:** This Lease shall be construed and interpreted in accordance with the laws of the State of California. The parties acknowledge and agree that this lease was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue for any action or claim brought by any party to this lease will be the Superior Court of California, County of San Bernardino, and San Bernardino District. Each party hereby waives any law, statute (including but not limited to Code of Civil Procedure section 394), or rule of court that would allow them to request or demand a change of venue. If any action or claim concerning this lease is brought by and third party, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, County of San Bernardino, San Bernardino District.

38. **ATTORNEYS' FEES AND COSTS:** If any legal action is instituted to enforce or declare any party's rights hereunder, each party, including the prevailing party, must bear its own costs and attorneys' fees. This paragraph shall not apply to those costs and attorneys' fees directly arising from any third party legal action against **either party for whom the other party has an obligation to hold harmless, indemnify and defend pursuant to the provisions of this Lease.**

39. **CAPTIONS, TABLE OF CONTENTS AND COVER PAGE:** The paragraph captions, table of contents and the cover page of this Lease shall have no effect on its interpretations.

40. **SURVIVAL:** The obligations of the parties that, by their nature, continue beyond the term of this Lease, will survive the termination of this Lease.

41. **FORMER COUNTY OFFICIALS:** TENANT agrees to provide or has already provided information on former County administrative officials (as defined below) who are employed by or represent TENANT. The information provided includes a list of former County administrative officials who terminated County employment within the last five years and who are now officers, principals, partners, associates or members of the business. The information should also include the employment and/or representative capacity and the dates these individuals began employment with or representation of your business. For purposes of this provision, "County administrative official" is defined as a member of the Board of Directors or such officer's staff, County Administrative Officer or member of such officer's staff, County department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit. (See Exhibit "C", List of Former County Officials.)

42. **BROKER'S COMMISSIONS:** Neither party has utilized a broker who has negotiated or otherwise provided services in connection with this Lease, therefore neither party shall be responsible for payment of broker's commissions.

43. **PUBLIC RECORDS DISCLOSURE:** All information received by the COUNTY from the TENANT or any source concerning this Lease, including the Lease itself, may be treated by the COUNTY as public information subject to disclosure under the provisions of the California Public Records Act, Government Code Section 6250 *et seq.* (the "Public Records Act"). TENANT understands that although all materials received by the COUNTY in connection with this Lease are intended for the exclusive use of the COUNTY, they are potentially subject to disclosure under the provisions of the Public Records Act. In the event a request for disclosure of any part or all of any information which TENANT has reasonably requested COUNTY to hold in confidence is made to the COUNTY, the COUNTY shall notify the TENANT of the request and shall thereafter disclose the requested information unless the TENANT, within five (5) days of receiving notice of the disclosure request, requests nondisclosure, provides COUNTY a legally sound basis for the nondisclosure, and agrees to indemnify, defend, and hold the COUNTY harmless in any/all actions brought to require disclosure. TENANT waives any and all claims for damages, lost profits, or other injuries of any and all kinds in the event COUNTY fails to notify TENANT of any such disclosure request and/or releases any information concerning this Lease received from the TENANT or any other source.

44. **CONDEMNATION:** If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (all of which are herein called "condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than ten percent (10%) of the floor area of the Premises, or more than twenty-five percent (25%) of the portion of the Common Areas or that portion of the Premises designated for TENANT's parking, is taken by condemnation, TENANT may, at TENANT's option, to be exercised in writing within thirty (30) days after COUNTY shall have given TENANT written notice of such taking (or in the absence of such notice, within thirty (30) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If TENANT does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in the same proportion as the rentable floor area of the Premises taken bears to the total rentable floor area of the Premises. No reduction of rent shall occur if the condemnation does not apply to any portion of the Premises. TENANT shall be entitled to receive the following amounts of any award for the taking of all or any part of the Premises under the power of eminent domain or any payment made under threat of the exercise of such power: (a) one hundred percent (100%) of any amount attributable to any excess of the market value of the Premises for the remainder of the Lease Term over the present value as of the Termination Date of the Rent payable for the remainder of the Lease Term (commonly referred to as the "bonus value" of the Lease); and (b) TENANT shall have the right to make a separate claim in the Condemnation proceeding for: (i) The taking of the amortized or undepreciated value of any trade fixtures or leasehold improvements owned by TENANT that TENANT has the right to remove at the end of the Lease term and that TENANT elects not to remove; (ii) Reasonable removal and relocation costs for any trade fixtures or leasehold improvements that TENANT has

the right to remove and elects to remove (if Condemnor approves of the removal); (iii) Loss of goodwill; (iv) Relocation costs under Government Code section 7262, the claim for which TENANT may pursue by separate action independent of this Lease; and (v) Any other amount in addition to the foregoing that the TENANT is allowed under condemnation law. TENANT shall have the right to negotiate directly with Condemnor for the recovery of the portion of the Award that TENANT is entitled to under **subparagraph (b)** of this paragraph. In the event that this Lease is not terminated by reason of such condemnation, COUNTY shall repair any damage to the Premises caused by such condemnation authority pursuant to **Paragraph 13, MAINTENANCE**, and **Paragraph 17, DESTRUCTION OF PREMISES**.

45. USE OF AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 FUNDS AND REQUIREMENTS: This Contract may be funded in whole or in part with funds provided by the American Recovery and Reinvestment Act of 2009 ("ARRA"), signed into law on February 17, 2009. Section 1605 of ARRA prohibits the use of recovery funds for a project for the construction, alteration, maintenance or repair of a public building or public work (both as defined in 2 CFR 176.140) unless all of the iron, steel and manufactured goods (as defined in 2 CFR 176.140) used in the project are produced in the United States. A waiver is available under three limited circumstances: (i) Iron, steel or relevant manufactured goods are not produced in the United States in sufficient and reasonable quantities and of a satisfactory quality; (ii) Inclusion of iron, steel or manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent; or (iii) Applying the domestic preference would be inconsistent with the public interest. This is referred to as the "Buy American" requirement. Request for a waiver must be made to the TENANT for an appropriate determination.

Section 1606 of ARRA requires that laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to ARRA shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 31). This is referred to as the "wage rate" requirement.

The above described provisions constitute notice under ARRA of the Buy American and wage rate requirements. COUNTY must contact the TENANT contact if it has any questions regarding the applicability or implementation of the ARRA Buy American and wage rate requirements. COUNTY will also be required to provide detailed information regarding compliance with the Buy American requirements, expenditure of funds and wages paid to employees so that the TENANT may fulfill any reporting requirements it has under ARRA. The information may be required as frequently as monthly or quarterly. COUNTY agrees to fully cooperate in providing information or documents as requested by the TENANT pursuant to this provision. Failure to do so will be deemed a default and may result in the withholding of payments and termination of this Contract.

COUNTY may also be required to register in the Central Contractor Registration (CCR) database at <http://www.ccr.gov> and may be required to have its subcontractors also register in the

same database. COUNTY must contact the TENANT with any questions regarding registration requirements.

46. SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS: In addition to the requirements described in "Use of ARRA Funds and Requirements," proper accounting and reporting of ARRA expenditures in single audits is required. LICENSEE agrees to separately identify the expenditures for each grant award funded under ARRA on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by the Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations." This identification on the SEFA and SF-SAC shall include the Federal award number, the Catalog of Federal Domestic Assistance (CFDA) number, and amount such that separate accountability and disclosure is provided for ARRA funds by Federal award number consistent with the recipient reports required by ARRA Section 1512 (c). In addition, LICENSEE agrees to separately identify to each subcontractor and document at the time of sub-contract and at the time of disbursement of funds, the Federal award number, any special CFDA number assigned for ARRA purposes, and amount of ARRA funds. LICENSEE may be required to provide detailed information regarding expenditures so that the County may fulfill any reporting requirements under ARRA described in this section. The information may be required as frequently as monthly or quarterly. LICENSEE agrees to fully cooperate in providing information or documents as requested by the TENANT pursuant to this provision. Failure to do so will be deemed a default and may result in the withholding of payments and termination of this Contract.

47. MATERIAL MISREPRESENTATION: If during the course of the administration of this lease, either party determines that the other party has made a material misstatement or misrepresentation or that materially inaccurate information has been provided, this Lease may be immediately terminated. If this Lease is terminated according to this provision, the terminating party is entitled to pursue any available legal remedies against the other party.

48. INTERPRETATIONS: As this Lease was jointly prepared by both parties, the language in all parts of this Lease shall be construed, in all cases, according to its fair meaning, and not for or against either party hereto.

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49. **AUTHORIZED SIGNATORS:** Both parties to this Lease represent that the signators executing this document are fully authorized to enter into this agreement.

COUNTY OF SAN BERNARDINO

**TENANT: CHINO BASIN
WATERMASTER**

Josie Gonzales, Chair, Board of Supervisors

By: _____

Ken Jeske

Date: _____

Title: Interim CEO

SIGNED AND CERTIFIED THAT
A COPY OF THIS DOCUMENT
HAS BEEN DELIVERED TO THE
CHAIRMAN OF THE BOARD

Date: _____

LAURA H. WELCH, Clerk of the Board of
Supervisors

By: _____

Deputy

Date: _____

Approved as to Legal Form:

JEAN-RENE BASLE, County Counsel
San Bernardino County, California

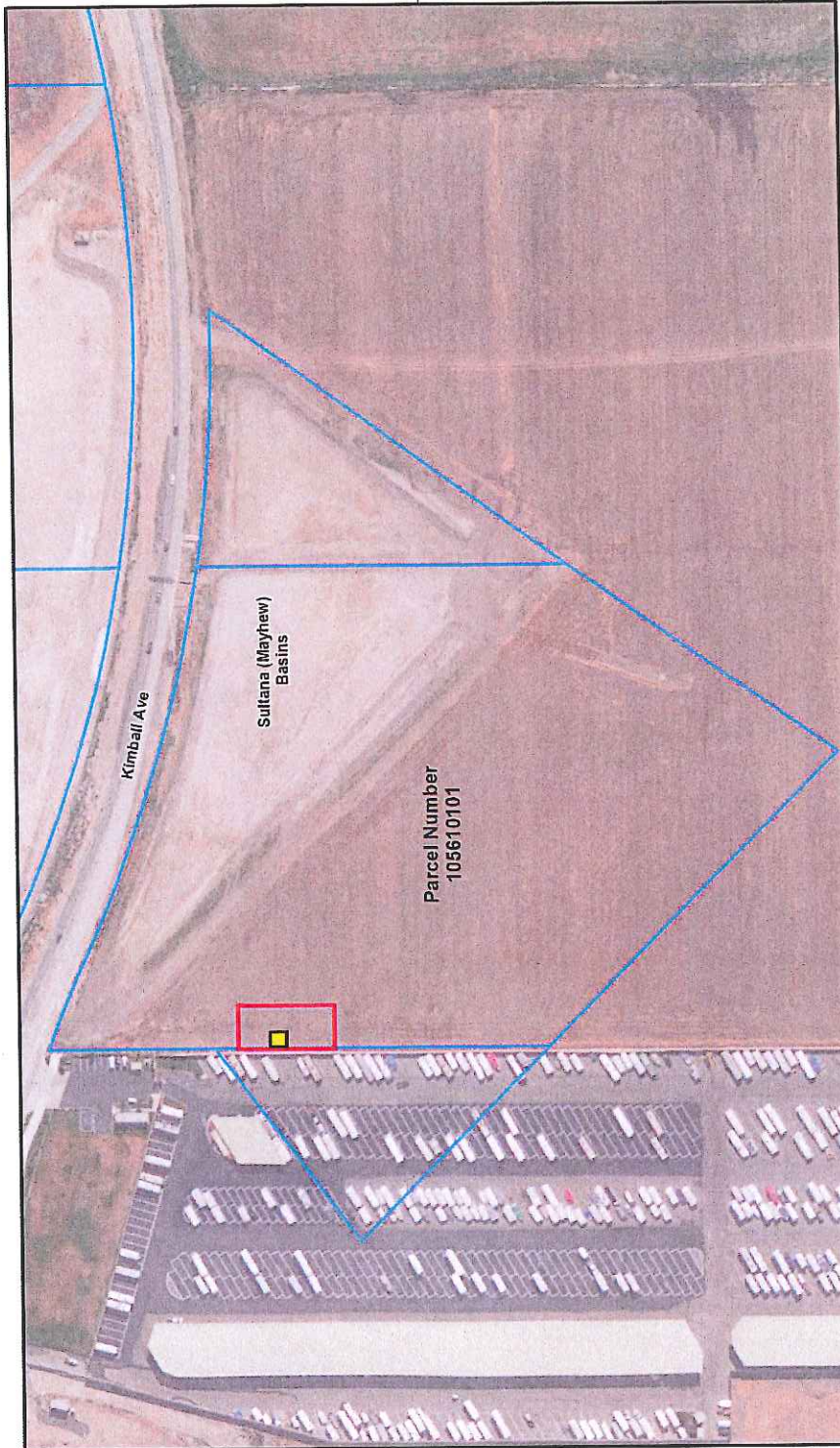
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Deputy

Date: _____

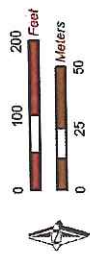
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EXHIBIT "A" PREMISES



Produced for:

Premises for the
CCWF Extensometer Facility
Exhibit "A"



- Approximate Temporary Construction Work Area
60 by 130 feet
- Approximate Lease Area
20 by 20 feet
- Parcels
San Bernardino County Airport



Produced by:
WILDERMUTH
ENVIRONMENTAL, INC.
www.wilderemuthenvironmental.com

Author: TCR
Date: 20120201
File: County_Property_Disc_20111218.mxd

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EXHIBIT "B" IMPROVEMENTS

Project Summary: Drill one 17.5-inch diameter borehole to about 600 feet below the ground surface. Install and develop two 4-inch diameter PVC piezometers within the borehole. Install one cable extensometer within each piezometer. The well head completion will be about 4 feet underground within a 6 feet by 6 feet concrete vault that will be approximately flush with the ground surface. The extensometer instrumentation, a deep-cycle battery, and a data logger will be installed within vault.

Project Location: The approximate location for the facility is shown in Exhibit "A". The Assessor's Parcel Number for the property is 1056101010000.

Construction Schedule: The project is scheduled to begin in early March, 2012. The total time for construction will be approximately eight to eleven weeks:

- *Piezometers.* Borehole drilling and well construction will take approximately three to four weeks. This phase will include 24-hour per day work, and could include weekend work. Well development and wellhead completion will take approximately two to three weeks and will be conducted during daylight hours only.
- *Cable Extensometers.* Construction of the cable extensometers will take approximately three to four weeks immediately following the completion of the piezometers. This work will be conducted during weekdays and daylight hours only.

Temporary Construction Work Area: A temporary construction work area with an area of approximately 7,800 square feet (sq. ft.) and dimensions of at least 60 feet by 130 feet is required for the drilling rig and ancillary equipment during piezometer installation. The drilling rig mast height is approximately 65 feet above ground level. An area of approximately 900 sq. ft. and dimensions of approximately 30 feet by 30 feet is required for installation of the cable extensometer equipment.

Final Lease Area and Final Facility Size: The well head and monitoring equipment will be contained within a precast underground concrete vault with inside dimensions of approximately six feet long by six feet wide by four feet deep. The vault will have dual hinged doors that are traffic-rated to 16,000 pounds of wheel load. The vault will extend three to four inches above grade to allow for future settling so that surface water will drain away from the vault. If site conditions allow, four bollards will be installed near the corners of the vault. A permanent easement of approximately 400 sq. ft. and dimensions of approximately 20 feet by 20 feet is requested. The space above the easement should remain unoccupied so that the facility can be serviced using a crane or rig with a derrick, if necessary in the future.

Long-term Facility Access: Watermaster staff will visit the site periodically to download data and maintain the facility. Visits will take place on weekdays during daylight hours:

- Routine data retrieval and facility maintenance will take place one day per month for

approximately one to three hours. Access to the site will include the use of a pick-up truck or utility van.

- Infrequently, additional maintenance of the facility may be required. For example, well redevelopment may be necessary after several years of operation. Redevelopment rigs are typically about 20 feet long and have mast heights of 25 to 36 feet.

DRAFT

EXHIBIT "C"

LIST OF FORMER COUNTY OFFICIALS

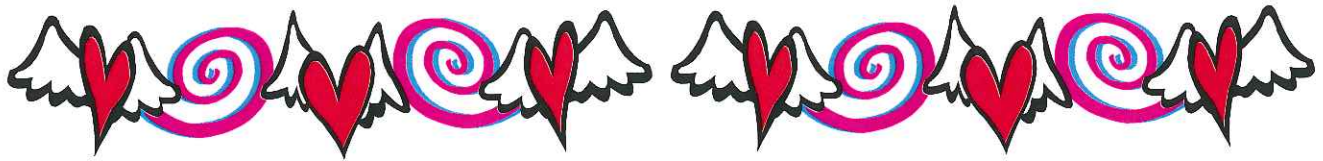
INSTRUCTIONS: List the full name of the former COUNTY Administrative Official, the title/description of the Official's last position with the COUNTY, the date the Official terminated COUNTY employment, the Official's current employment and/or representative capacity with the TENANT, the date the Official entered TENANT's employment and/or representation.

OFFICIAL'S NAME:

REQUIRED INFORMATION

DRAFT

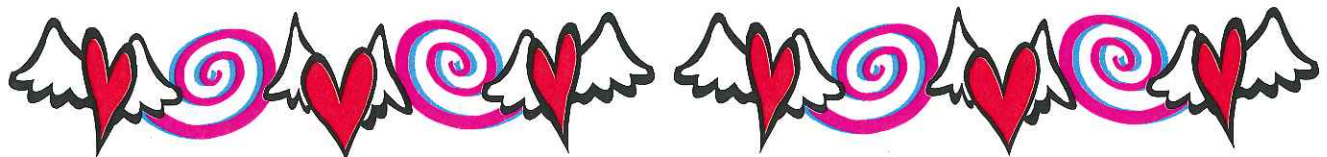
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CHINO BASIN WATERMASTER

IV. INFORMATION

1. Cash Disbursements for January 2012



CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
As of January 31, 2012

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check Bill	01/10/2012 11/30/2011	15682	AMERON	3rd of 4 payments 3rd of 4 payments, beginning 1/2010	1012 - Bank of America Gen'l Ckg 5105 - Purchase of Non-Ag Pool Water	109,071.65 109,071.65
TOTAL						
Bill Pmt -Check Bill	01/10/2012 12/31/2011	15683 2040	APPLIED COMPUTER TECHNOLOGIES	2040 Database Services - December 2011	1012 - Bank of America Gen'l Ckg 6052.2 - Applied Computer Technol	1,964.10 1,964.10
TOTAL						
Bill Pmt -Check Bill	01/10/2012 11/30/2011	15684	AQUA CAPITAL MANAGEMENT LP	3rd of 4 payments 3rd of 4 payments, beginning 1/2010	1012 - Bank of America Gen'l Ckg 5105 - Purchase of Non-Ag Pool Water	503,912.94 503,912.94
TOTAL						
Bill Pmt -Check Bill	01/10/2012 12/31/2011	15685 0023230253	ARROWHEAD MOUNTAIN SPRING WATER	0023230253 Office Water Bottle - December 2011	1012 - Bank of America Gen'l Ckg 6031.7 - Other Office Supplies	26.65 26.65
TOTAL						
Bill Pmt -Check Bill	01/10/2012 11/30/2011	15686	AUTO CLUB SPEEDWAY	3rd of 4 payments 3rd of 4 payments, beginning 1/2010	1012 - Bank of America Gen'l Ckg 5105 - Purchase of Non-Ag Pool Water	78,446.24 78,446.24
TOTAL						
Bill Pmt -Check Bill	01/10/2012 11/30/2011	15687 444585	BROWNSTEIN HYATT FARBBER SCHRECK	444585 - BHFS Legal - Appropriative Pool 444585 - BHFS Legal - Agricultural Pool 444585 - BHFS Legal - Non-Ag Pool 444585 - BHFS Legal - Advisory Committee 444585 - BHFS Legal - Board Meeting 444585 - BHFS Legal - Restated Judgment 444585 - BHFS Legal - Personnel Matters 444585 - BHFS Legal - Interagency Issues 444585 - BHFS Legal - Replenishmnt Water 444585 - BHFS Legal - Miscellaneous 444585 - Recharge Master Plan	1012 - Bank of America Gen'l Ckg 8375 - BHFS Legal - Appropriative Pool 8475 - BHFS Legal - Agricultural Pool 8575 - BHFS Legal - Non-Ag Pool 6275 - BHFS Legal - Advisory Committee 6375 - BHFS Legal - Board Meeting 6072 - BHFS Legal - Restated Judgment 6073 - BHFS Legal - Personnel Matters 6074 - BHFS Legal - Interagency Issues 6075 - BHFS Legal - Replenishmnt Water 6078 - BHFS Legal - Miscellaneous 6907.39 - Recharge Master Plan	2,190.15 2,190.15 1,596.15 4,833.00 4,761.00 355.50 4,606.20 631.80 6,376.30 3,712.62 2,947.95
Bill Pmt -Check Bill	11/30/2011 11/30/2011	444586 444587		444586 - BHFS Legal - Personnel Matters 444587 - Santa Ana River Water Rights	6073 - BHFS Legal - Personnel Matters 6907.34 - Santa Ana River Water Rights	16,900.65 1,979.84
Bill Pmt -Check Bill	11/30/2011 11/30/2011	444588 444589		444588 - Desalter Negotiations 444589 - Paragraph 31 Motion	6907.33 - Desalter Negotiations 6907.35 - Paragraph 31 Motion	777.15 462.15
TOTAL						56,320.61
Bill Pmt -Check Bill	01/10/2012 12/31/2011	15688 1394905143	CALPERS	1394905143 Medical Premiums - January 2012	1012 - Bank of America Gen'l Ckg 60182.1 - Medical Insurance	5,899.48 5,899.48
TOTAL						

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

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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						627.09
Bill Pmt -Check	01/10/2012	15688	HUITSING, JOHN	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	125.00
Bill	12/08/2011	12/08 Ag Pool Mtg		12/08/11 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						250.00
Bill Pmt -Check	01/10/2012	15700	INLAND EMPIRE UTILITIES AGENCY	90008862	1012 - Bank of America Gen'l Ckg	552.90
Bill	12/31/2011	90008862		Readiness to Serve charges	8456 - IEUA Readiness To Serve	552.90
TOTAL						1104.90
Bill Pmt -Check	01/10/2012	15701	JAMES JOHNSTON	249	1012 - Bank of America Gen'l Ckg	855.00
Bill	12/31/2011	249		Website Consulting - December 2011	6052.3 - Website Consulting	855.00
TOTAL						1710.00
Bill Pmt -Check	01/10/2012	15702	JESKE, KEN	12/15/2011 Board Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	12/15/2011	12/15 Board Mtg		12/15/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	01/10/2012	15703	KOOPMAN, GENE	AG Pool Member Meeting Compensation	1012 - Bank of America Gen'l Ckg	25.00
Bill	12/08/2011	12/08 Ag Pool Mtg		12/08/11 Ag Pool Meeting	8411 - Compensation	100.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	125.00
TOTAL						150.00
Bill Pmt -Check	01/10/2012	15704	KUHN, BOB	12/08/11 Appropriative Pool Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	12/08/2011	12/08 Appro Pool Mtg		12/12/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	12/12/2011	12/12 Admin Mtg		12/13/11 Personnel Committee Meeting	6311 - Board Member Compensation	125.00
Bill	12/13/2011	12/13 Personnel Comm		12/15/11 Board Meeting	6311 - Board Member Compensation	125.00
Bill	12/15/2011	12/15 Board Mtg		12/19/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	12/19/2011	12/19 Admin Mtg				625.00
TOTAL						1250.00
Bill Pmt -Check	01/10/2012	15705	LANTZ, PAULA	12/08/11 Appropriative Pool Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	12/08/2011	12/08 Appro Pool Mtg		12/15/11 Board Meeting	6311 - Board Member Compensation	125.00
Bill	12/15/2011	12/15 Board Mtg		12/19/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	12/19/2011	12/19 Admin Mtg				375.00
TOTAL						750.00
Bill Pmt -Check	01/10/2012	15706	MCCALL'S METER SALES & SERVICE	21752	1012 - Bank of America Gen'l Ckg	675.00
Bill	12/09/2011	21752		21752	7102.8 - In-line Meter-Callib & Test	675.00
TOTAL						1350.00
Bill Pmt -Check	01/10/2012	15707	MOBILE COMMUNITY MGMT	3rd of 4 payments	1012 - Bank of America Gen'l Ckg	146,346.76
Bill	11/30/2011	15707		3rd of 4 payments, beginning 1/2010	5105 - Purchase of Non-Ag Pool Water	146,346.76
TOTAL						146,346.76

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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						146,346.76
Bill Pmt -Check	01/10/2012	15708	MWH LABORATORIES		1012 - Bank of America Gen'l Ckg	
Bill	11/22/2011	L0074529		L0074529 - Growtr Qual-Lab Svcs	7103.5 - Growtr Qual-Lab Svcs	1,066.00
Bill	11/22/2011	L0074065		L0074065 - Growtr Qual-Lab Svcs	7103.5 - Growtr Qual-Lab Svcs	1,554.00
Bill	11/30/2011	L0073666		L0073666 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,475.00
Bill	11/30/2011	L0073523		L0073523 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,532.00
Bill	11/30/2011	L0073529		L0073529 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	11/30/2011	L0073530		L0073530 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	11/30/2011	L0073878		L0073878 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,830.00
Bill	11/30/2011	L0074071		L0074071 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	11/30/2011	L0074525		L0074525 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	11/30/2011	L0074681		L0074681 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,770.00
Bill	11/30/2011	L0074972		L0074972 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,135.00
TOTAL						16,722.00
Bill Pmt -Check	01/10/2012	15709	ONTARIO, CITY OF*	3rd of 4 payments	1012 - Bank of America Gen'l Ckg	
Bill	11/30/2011			3rd of 4 payments, beginning 1/2010	5105 - Purchase of Non-Ag Pool Water	758,479.54
TOTAL						758,479.54
Bill Pmt -Check	01/10/2012	15710	PARK PLACE COMPUTER SOLUTIONS, INC.	458	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	458		IT Services - December 2011	6052.1 - Park Place Comp Solutn	3,150.00
TOTAL						3,150.00
Bill Pmt -Check	01/10/2012	15711	PAUL HASTINGS LLP	1919701	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	1909701		Ag Pool Legal Services - November 2011	8467 - Ag Legal & Technical Services	8,117.50
TOTAL						8,117.50
Bill Pmt -Check	01/10/2012	15712	PETTY CASH	2386-2396	1012 - Bank of America Gen'l Ckg	
Bill	01/09/2012			Supplies for 10/25 RMP Workshop	7204 - Comp Recharge-Supplies	14.56
				Parking-G. Greene-10/18 CORO Luncheon	6191 - Conferences - General	35.00
				Water quality monitoring supplies	7103.6 - Growtr Qual-Supplies	45.96
				Supplies-11/07 Personnel Committee Meeting	6141.2 - Committee Meetings	62.26
				Supplies-11/10 & 12/08 Appropriative Pool Mtgs	8312 - Meeting Expenses	54.95
				Metrolink fare-Maurizio-MWD Replen. workshops	6170 - Travel & Transportation	49.50
				Reimburse-Maurizio for plug adapter for computer	6055 - Computer Hardware	9.87
				Supplies for 12/15 Advisory Committee mtg	6212 - Meeting Expense	35.97
				Purchase cake for Ken Willis-12/15 Board Mtg	6312 - Meeting Expenses	17.99
				Purchase remote for back office entry gate	6031.7 - Other Office Supplies	33.91
TOTAL						359.77
Bill Pmt -Check	01/10/2012	15713	PIERSON, JEFFREY	12/08/11 Ag Pool Meeting	1012 - Bank of America Gen'l Ckg	
Bill	12/08/2011				8470 - Ag Meeting Attend -Special	125.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	12/15/2011	12/15 Advisory Comm		12/15/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	12/15/2011	12/15 Board Mtg		12/15/11 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						375.00
Bill	01/10/2012	15714	PRAXAIR	3rd of 4 payments	1012 - Bank of America Gen'l Ckg	248,306.72
Bill	11/30/2011			3rd of 4 payments, beginning 1/2010	5105 - Purchase of Non-Ag Pool Water	248,306.72
TOTAL						496,613.44
Bill	01/10/2012	15715	LEGAL SHIELD	111802	1012 - Bank of America Gen'l Ckg	51.80
Bill	12/20/2011	111802		Employee deductions - December 2011	60184 - Other Employee Insurance	51.80
TOTAL						103.60
Bill	01/10/2012	15716	PRINTING RESOURCES	57504	1012 - Bank of America Gen'l Ckg	48.71
Bill	12/20/2011	57504		Nameplates for Kathy Tiegs, Joe LeClaire	6031.7 - Other Office Supplies	48.71
TOTAL						97.42
Bill	01/10/2012	15717	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	8,357.23
General Journal	12/24/2011	12/24/2011		CalPERS retirement for 12/11/11-12/24/11	2000 - Accounts Payable	8,357.23
TOTAL						16,714.46
Bill	01/10/2012	15718	PURCHASE POWER	8000909000168851	1012 - Bank of America Gen'l Ckg	2,419.50
Bill	12/31/2011	8000909000168851		Postage refill, meter supplies, misc. shipments	6042 - Postage - General	2,419.50
TOTAL						4,839.00
Bill	01/10/2012	15719	SAN BERNARDINO COUNTY - DEPT. AIRPORTS	3rd of 4 payments	1012 - Bank of America Gen'l Ckg	10,237.34
Bill	11/30/2011			3rd of 4 payments, beginning 1/2010	5105 - Purchase of Non-Ag Pool Water	10,237.34
TOTAL						20,474.68
Bill	01/10/2012	15720	SOUTHERN CALIFORNIA EDISON COMPANY	3rd of 4 payments	1012 - Bank of America Gen'l Ckg	11,825.90
Bill	11/30/2011			3rd of 4 payments, beginning 1/2010	5105 - Purchase of Non-Ag Pool Water	11,825.90
TOTAL						23,651.80
Bill	01/10/2012	15721	STANDARD INSURANCE CO.	Policy # 00-640888-0009	1012 - Bank of America Gen'l Ckg	539.66
Bill	12/31/2011	00640888-0009		Life and AD&D premium	60181 - Life & Disab.ins Benefits	539.66
TOTAL						1,079.32
Bill	01/10/2012	15722	STATE COMPENSATION INSURANCE FUND	1970970-11	1012 - Bank of America Gen'l Ckg	1,708.82
Bill	12/31/2011	1970970-11		Workers Comp Insurance - December 2011	60183 - Worker's Comp Insurance	1,708.82
TOTAL						3,417.64
Bill	01/10/2012	15723	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	659.20
Bill	12/20/2011	1VC070000017924		Week ending 12/11/11	6017 - Temporary Services	659.20
Bill	12/31/2011	1VC070000017954		Week ending 12/18/11	6017 - Temporary Services	659.20
TOTAL						1,977.60

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	12/31/2011	1VC070000017980		Week ending 12/28/11	6017 - Temporary Services	751.90
TOTAL						2,070.30
Bill Pmt -Check	01/10/2012	15724	UNITED HEALTHCARE	0026237178	1012 - Bank of America Gen'l Ckg	447.47
Bill	12/31/2011	0026237178		Dental premium - January 2012	60182.2 - Dental & Vision Ins	447.47
TOTAL						894.94
Bill Pmt -Check	01/10/2012	15725	VANDEN HEUVEL, GEOFFREY	6311	1012 - Bank of America Gen'l Ckg	125.00
Bill	12/08/2011	12/08 Ag Pool Mtg		12/08/11 Ag Pool Meeting	6311 - Board Member Compensation	125.00
Bill	12/15/2011	12/15 Board Mtg		12/15/11 Board Meeting	6311 - Board Member Compensation	250.00
TOTAL						500.00
Bill Pmt -Check	01/10/2012	15726	VERIZON	012561121521714508	1012 - Bank of America Gen'l Ckg	167.27
Bill	12/20/2011	012561121521714508		012561121521714508	7405 - PE4-Other Expense	483.79
Bill	12/20/2011	012519116950792103		012519116950792103	6022 - Telephone	651.06
TOTAL						1,292.12
Bill Pmt -Check	01/10/2012	15727	VISION SERVICE PLAN	00-101789-0001	1012 - Bank of America Gen'l Ckg	26.71
Bill	12/20/2011	001017890001		Vision insurance premium - January 2012	60182.2 - Dental & Vision Ins	26.71
TOTAL						53.42
Bill Pmt -Check	01/10/2012	15728	WILDERMUTH ENVIRONMENTAL INC	2011435 - Grd Level-Engineering	1012 - Bank of America Gen'l Ckg	5,025.00
Bill	11/30/2011	2011435		2011435 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	39,123.28
Bill	11/30/2011	2011436		2011436 - OBMP - Watermaster Model Update	6906.1 - OBMP - Watermaster Model Update	7,095.00
Bill	11/30/2011	2011437		2011437 - OBMP Engineering Services	6906 - OBMP Engineering Services	125.00
Bill	11/30/2011	2011438		2011438 - OBMP Engineering Services	6906 - OBMP Engineering Services	530.00
Bill	11/30/2011	2011439		2011439 - OBMP Engineering Services	6906 - OBMP Engineering Services	3,210.00
Bill	11/30/2011	2011440		2011440 - OBMP Engineering Services	6906 - OBMP Engineering Services	23,131.75
Bill	11/30/2011	2011441		2011441 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	17,927.50
Bill	11/30/2011	2011442		2011442 - Grdwtr Qual-Engineering	7103.3 - Grdwtr Qual-Engineering	9,774.00
Bill	11/30/2011	2011443		2011443 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	1,164.10
Bill	11/30/2011	2011444		2011444 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	9,393.12
Bill	11/30/2011	2011445		2011445 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	2,000.00
Bill	11/30/2011	2011447		2011447 - PE3&5-Engineering	7303 - PE3&5-Engineering	5,111.34
Bill	11/30/2011	2011448		2011448 - PE4-Engineering	7402 - PE4-Engineering	1,990.00
Bill	11/30/2011	2011449		2011449 - Recharge & Well - Engineering	7109.3 - Recharge & Well - Engineering	13,135.00
Bill	11/30/2011	2011450		2011450 - Comp Recharge-Implementation	7202.3 - Comp Recharge-Implementation	13,745.00
Bill	11/30/2011	2011451		2011451 - PE6&7-Engineering	7502 - PE6&7-Engineering	6,074.93
Bill	11/30/2011	2011446		2011446 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	18,000.00
Bill	11/30/2011	2011446		2011446 - Grd Level-Contract Svcs	7107.6 - Grd Level-Contract Svcs	176,555.02
TOTAL						213,351.00
Bill Pmt -Check	01/10/2012	15729	WILLIS, KENNETH		1012 - Bank of America Gen'l Ckg	

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	12/13/2011	12/13 Personnel Comm		12/13/11 Personnel Committee Meeting	6311 - Board Member Compensation	125.00
Bill	12/15/2011	12/15 Board Mtg		12/15/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
General Journal	01/13/2012	01/13/2012	Record Payroll & Taxes for 12/25/11 - 01/07/12	Record Payroll & Taxes for 12/25/11 - 01/07/12	1012 - Bank of America Gen'l Ckg	11,013.94
				Payroll taxes for 12/25/11-01/07/12	1012 - Bank of America Gen'l Ckg	26,167.24
				Direct deposits for 12/25/11-01/07/12	1012 - Bank of America Gen'l Ckg	37,180.58
TOTAL						74,361.76
Bill Pmt -Check	01/17/2012	15730	CALIFORNIA GROUNDWATER COALITION	2012 Membership Dues	1012 - Bank of America Gen'l Ckg	4,750.00
Bill	01/16/2012			2012 Membership Dues-Jan/Jun	6111 - Membership Dues	4,750.00
				2012 Membership Dues-Jul/Dec	1433 - Prepaid Membership Dues	9,500.00
TOTAL						19,000.00
Bill Pmt -Check	01/17/2012	15731	CALPERS 457 PLAN	Record Payroll and Taxes for 12/25/11-01/07/12	1012 - Bank of America Gen'l Ckg	2,805.62
General Journal	01/13/2012	01/13/2012	CALPERS 457 PLAN	457 Employee payments for 12/25/11-01/07/12	2000 - Accounts Payable	2,805.62
TOTAL						5,611.24
Bill Pmt -Check	01/17/2012	15732	CHINO HILLS, CITY OF*	3	1012 - Bank of America Gen'l Ckg	733.50
Bill	01/10/2012	3		3	7107.6 - Grd Level-Contract Svcs	733.50
TOTAL						1,467.00
Bill Pmt -Check	01/17/2012	15733	CORELOGIC INFORMATION SOLUTIONS	80394552	1012 - Bank of America Gen'l Ckg	62.50
Bill	12/31/2011	80394552		80394552	7103.7 - Grdwir Qual-Computer Svc	62.50
				80394552	7101.4 - Prod Monitor-Computer	125.00
TOTAL						250.00
Bill Pmt -Check	01/17/2012	15734	CUCAMONGA VALLEY WATER DISTRICT	Lease Due February 1, 2012	1012 - Bank of America Gen'l Ckg	5,984.00
Bill	01/16/2012			Lease Due February 1, 2012	1422 - Prepaid Rent	5,984.00
TOTAL						11,968.00
Bill Pmt -Check	01/17/2012	15735	GREAT AMERICA LEASING CORP.	11750190	1012 - Bank of America Gen'l Ckg	2,788.53
Bill	12/31/2011	11750190		Copier lease invoice	6043.1 - Ricoh Lease Fee	180.51
				Usage for Black Copies	6043.2 - Ricoh Usage & Maintenance Fee	379.47
				Usage for Color Copies	6043.2 - Ricoh Usage & Maintenance Fee	3,348.51
TOTAL						6,696.01
Bill Pmt -Check	01/17/2012	15736	GUARANTEED JANITORIAL SERVICE, INC.	28848	1012 - Bank of America Gen'l Ckg	865.00
Bill	01/16/2012	28848		Janitorial service - January 2012	6024 - Building Repair & Maintenance	865.00
TOTAL						1,730.00
Bill Pmt -Check	01/17/2012	15737	HAUGHEY, TOM	12/13/2011 Personnel Committee Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	12/13/2011	12/13 Personnel Comm		12/13/11 Personnel Committee Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00

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

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						125.00
Bill Pmt -Check Bill	01/17/2012 12/31/2011	15738 2634088	HOGAN LOVELLS	2634088 Non-Ag Pool legal services - November 2011	1012 - Bank of America Gen'l Ckg 8567 - Non-Ag Legal Service	1,455.74 1,455.74
TOTAL						147.00
Bill Pmt -Check Bill	01/17/2012 01/16/2012	15739 311502	MIJAC ALARM	311502 Commercial monitoring from 1/01/12 - 3/31/12	1012 - Bank of America Gen'l Ckg 6026 - Security Services	147.00 147.00
TOTAL						244.02
Bill Pmt -Check Bill	01/17/2012 12/31/2011	15740 2011122900	PAYCHEX	2011122900 Payroll services - December 2011	1012 - Bank of America Gen'l Ckg 6012 - Payroll Services	244.02 244.02
TOTAL						87.82
Bill Pmt -Check Bill	01/17/2012 12/30/2011	15741 10285534	PREMIERE GLOBAL SERVICES	10285534 11/29/11 call re: Archibald South Plume 12/01 call re: Supplemental Water Recharge 12/08 Non Ag Pool Mtg Monthly service fees	1012 - Bank of America Gen'l Ckg 7103.6 - Grdwtr Qual-Supplies 7204 - Comp Recharge-Supplies 8612 - Meeting Expense 6022 - Telephone	87.82 42.31 167.78 21.98 319.89
TOTAL						48.71
Bill Pmt -Check Bill	01/17/2012 01/16/2012	15742 57586	PRINTING RESOURCES	57586 Nameplates for Bill Kruger, Peter Rogers	1012 - Bank of America Gen'l Ckg 6031.7 - Other Office Supplies	48.71 48.71
TOTAL						8,317.10
Bill Pmt -Check General Journal	01/17/2012 01/13/2012	15743 01/13/2012	PUBLIC EMPLOYEES' RETIREMENT SYSTEM PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493 CalPERS retirement pymts for 12/25/11-01/07/12	1012 - Bank of America Gen'l Ckg 2000 - Accounts Payable	8,317.10 8,317.10
TOTAL						85.00
Bill Pmt -Check Bill	01/17/2012 01/10/2012	15744 0151257	R&D PEST SERVICES	0151257 Continuing treatment outside/inside bldg.	1012 - Bank of America Gen'l Ckg 6024 - Building Repair & Maintenance	85.00 85.00
TOTAL						7.91
Bill Pmt -Check Bill	01/17/2012 01/02/2012	15745 4135450	SAFEGUARD DENTAL & VISION	4135450 Dental premium - January 2012	1012 - Bank of America Gen'l Ckg 60182.2 - Dental & Vision Ins	7.91 7.91
TOTAL						201.60
Bill Pmt -Check Bill	01/17/2012 01/06/2012	15746 S63016	SPAM SOAP, INC	S63016 Semi-annual billing-spam software licenses	1012 - Bank of America Gen'l Ckg 6054 - Computer Software	201.60 201.60
TOTAL						136.61
Bill Pmt -Check Bill	01/17/2012 01/31/2012	15747 01/31/2012	STAULA, MARY L	Retiree Medical	1012 - Bank of America Gen'l Ckg 60182.4 - Retiree Medical	136.61

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
As of January 31, 2012

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						136.61
Bill Pmt -Check	01/17/2012	15748	UNION 76	300-732-989	1012 - Bank of America Gen'l Ckg	153.47
Bill	12/31/2011	300732989		Fuel costs - December 2011	6175 - Vehicle Fuel	153.47
TOTAL						61.91
Bill Pmt -Check	01/17/2012	15749	UNITED PARCEL SERVICE	2x81x0	1012 - Bank of America Gen'l Ckg	61.91
Bill	12/31/2011	2x81x0		Packages for the month	6042 - Postage - General	61.91
TOTAL						1,562.96
Bill Pmt -Check	01/17/2012	15750	VERIZON BUSINESS	63285938	1012 - Bank of America Gen'l Ckg	1,562.96
Bill	01/16/2012	63285938			6053 - Internet Expense	1,562.96
TOTAL						1,595.00
Bill Pmt -Check	01/17/2012	15751	VILLEGAS, VICTORIA E.	10/28/2011 Hearing Transcript	1012 - Bank of America Gen'l Ckg	1,595.00
Bill	01/16/2012			1/21/2011 Hearing Transcript	6909.4 - Printing	1,595.00
TOTAL						28.88
Bill Pmt -Check	01/17/2012	15752	WESTERN DENTAL SERVICES, INC.	002483	1012 - Bank of America Gen'l Ckg	28.88
Bill	01/16/2012	002483		Dental premium - February 2012	60182.2 - Dental & Vision Ins	28.88
TOTAL						106.53
Bill Pmt -Check	01/17/2012	15753	YUKON DISPOSAL SERVICE	08-K2 213849	1012 - Bank of America Gen'l Ckg	106.53
Bill	01/10/2012	08-K2 213849		Disposal service for January 2012	6024 - Building Repair & Maintenance	106.53
TOTAL						306.80
Bill Pmt -Check	01/25/2012	15754	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	306.80
Bill	12/31/2011	XXXX-XXXX-XXXX-9341		Holiday luncheon for staff	6141.3 - Admin Meetings	42.84
				To purchase ink cartridges for CFO printer	6031.7 - Other Office Supplies	556.64
				Lunch for 12/15 Board meeting	6312 - Meeting Expenses	906.28
TOTAL						59.99
Bill Pmt -Check	01/25/2012	15755	g.Neil	0245951	1012 - Bank of America Gen'l Ckg	59.99
Bill	01/18/2012	0245951		Poster guard protection-Federal HR Posters	6031.7 - Other Office Supplies	59.99
TOTAL						167.97
Bill Pmt -Check	01/25/2012	15756	GROOMAN'S PUMP & WELL DRILLING, INC.	12930	1012 - Bank of America Gen'l Ckg	167.97
Bill	12/31/2011	12930			7703 - Inactive Well-Contract Svcs	475.00
Bill	12/31/2011	12937			7103.4 - Grdwr Qual-Contract Svc	209.74
Bill	12/31/2011	12927			7102.8 - In-line Meter-Callib & Test	593.33
Bill	12/31/2011	12936			7102.8 - In-line Meter-Callib & Test	453.72
Bill	12/31/2011	12926			7102.8 - In-line Meter-Callib & Test	1,899.76
TOTAL						

CHINO BASIN WATERMASTER
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	01/25/2012	15757	LEGAL SHIELD	111802	1012 - Bank of America Gen'l Ckg	51.80
Bill	01/18/2012	111802		Employee deductions - January 2012	60194 - Other Employee Insurance	51.80
TOTAL						
Bill Pmt -Check	01/25/2012	15758	MCCALL'S METER SALES & SERVICE	21853	1012 - Bank of America Gen'l Ckg	211.68
Bill	01/10/2012	21853			7102.5 - In-line Meter-Computer	2,503.94
					7102.7 - In-line Meter	1,500.00
					7102.8 - In-line Meter-Callb & Test	4,215.62
TOTAL						
Bill Pmt -Check	01/25/2012	15759	PITNEY BOWES CREDIT CORPORATION	6684246	1012 - Bank of America Gen'l Ckg	546.30
Bill	01/18/2012	6684246		Leasing charge	6044 - Postage Meter Lease	546.30
TOTAL						
Bill Pmt -Check	01/25/2012	15760	PUMP CHECK	4482	1012 - Bank of America Gen'l Ckg	117.34
Bill	12/31/2011	4482			7102.5 - In-line Meter-Computer	190.00
					7102.8 - In-line Meter-Callb & Test	2,850.00
					7102.5 - In-line Meter-Computer	75.00
					7103.4 - Ordwtr Qual-Contract Svc	112.50
						3,344.84
TOTAL						
Bill Pmt -Check	01/25/2012	15761	TELECOM SERVICES	5478	1012 - Bank of America Gen'l Ckg	125.00
Bill	01/18/2012	5478		Changes to voice-mail system	6022 - Telephone	125.00
TOTAL						
Bill Pmt -Check	01/25/2012	15762	VERIZON WIRELESS	1045449179	1012 - Bank of America Gen'l Ckg	336.77
Bill	01/08/2012	1045449179		Monthly cell phone service	6022 - Telephone	336.77
TOTAL						
Bill Pmt -Check	01/25/2012	15763	WILDERMUTH ENVIRONMENTAL INC		1012 - Bank of America Gen'l Ckg	1,800.00
Bill	12/31/2011	2011468		2011468 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	10,453.75
Bill	12/31/2011	2011469		2011469 - OBMP Engineering Services	6906 - OBMP Engineering Services	4,081.51
Bill	12/31/2011	2011470		2011470 - OBMP Engineering Services	6906 - OBMP Engineering Services	23,420.94
Bill	12/31/2011	2011471		2011471 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	4,981.25
Bill	12/31/2011	2011472		2011472 - Grdwtr Qual-Engineering	7103.3 - Grdwtr Qual-Engineering	14,298.00
Bill	12/31/2011	2011473		2011473 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	1,102.50
Bill	12/31/2011	2011474		2011474 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	6,346.98
Bill	12/31/2011	2011475		2011475 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	6,271.88
Bill	12/31/2011	2011476		2011476 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	36,000.00
Bill	12/31/2011	2011476		2011476 - Associated Engineers	7107.6 - Grd Level-Contract Svcs	4,017.28
Bill	12/31/2011	2011476		2011476 - Michael C. Carpenter	7107.6 - Grd Level-Contract Svcs	

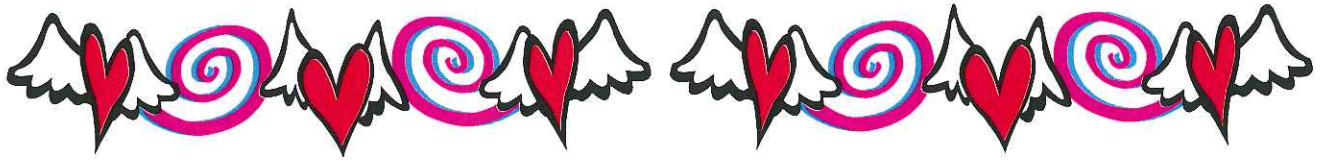
CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	12/31/2011	2011477		2011476 - Western Gunn Hydrology, LLC	7107.6 - Grd Level-Contract Svcs	2,258.31
Bill	12/31/2011	2011478		2011477 - PE3&5-Engineering	7303 - PE3&5-Engineering	6,511.25
Bill	12/31/2011	2011479		2011478 - PE4-Engineering	7402 - PE4-Engineering	2,575.00
Bill	12/31/2011	2011480		2011479 - OBMP Engineering Services	6906 - OBMP Engineering Services	1,422.50
Bill	12/31/2011	2011481		2011480 - Comp Recharge-Implementation	7202.3 - Comp Recharge-Implementation	5,132.50
Bill	12/31/2011	2011482		2011481 - PE6&7-Engineering	7502 - PE6&7-Engineering	8,617.18
Bill	12/31/2011	2011482		2011482 - Bill To Lewis Brisbois	6906 - OBMP Engineering Services	5,335.00
TOTAL						144,626.83
Bill	01/25/2012	15764	BROWNSTEIN HYATT FARBEN SCHRECK	445074 - BHFS Legal - Appropriative Pool	1012 - Bank of America Gen'l Ckg	1,560.96
Bill	12/31/2011	445074		445074 - BHFS Legal - Agricultural Pool	8375 - BHFS Legal - Appropriative Pool	1,560.96
				445074 - BHFS Legal - Non-Ag Pool	8475 - BHFS Legal - Agricultural Pool	1,876.87
				445074 - BHFS Legal - Advisory Committee	8575 - BHFS Legal - Non-Ag Pool	2,865.38
				445074 - BHFS Legal - Board Meeting	6275 - BHFS Legal - Advisory Committee	5,800.18
				445074 - BHFS Legal - Personnel Matters	6375 - BHFS Legal - Board Meeting	1,146.70
				445074 - BHFS Legal - Replenishment Water	6073 - BHFS Legal - Personnel Matters	579.15
				445074 - BHFS Legal - Miscellaneous	6075 - BHFS Legal - Replenishment Water	10,348.65
				445074 - Recharge Master Plan	6078 - BHFS Legal - Miscellaneous	7,213.05
				445075 - BHFS Legal - Personnel Matters	6907.39 - Recharge Master Plan	9,630.90
				445076 - S. Archibald Plume-Formerly OIA	6073 - BHFS Legal - Personnel Matters	210.60
TOTAL						42,793.40
Bill	01/25/2012	15765	CUCAMONGA VALLEY IAAP	Jan. 23, 2012 Cucamonga Valley IAAP Mtg	1012 - Bank of America Gen'l Ckg	50.00
Bill	01/23/2012			Fee for J. Wilson and S. Molino	6192 - Training & Seminars	50.00
TOTAL						100.00
Bill	01/25/2012	15766	INLAND EMPIRE UTILITIES AGENCY	90009071	1012 - Bank of America Gen'l Ckg	552.90
Bill	12/31/2011	90009071		Readiness to serve	8456 - IEUA Readiness To Serve	552.90
TOTAL						1,086.00
Bill	01/25/2012	15767	MWH LABORATORIES	L0076453 - Grdwtr Qual-Lab Svcs	1012 - Bank of America Gen'l Ckg	1,086.00
Bill	12/31/2011	L0076453		L0077437 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,086.00
Bill	12/31/2011	L0077437		L0075987 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	578.00
Bill	12/31/2011	L0075987		L0076106 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	2,074.00
Bill	12/31/2011	L0076106		L0075979 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	838.00
Bill	12/31/2011	L0075979		L0074690 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,456.00
Bill	12/31/2011	L0074690		L0075313 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	488.00
Bill	12/31/2011	L0075313		L0074687 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,456.00
Bill	12/31/2011	L0074687		L0074688 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	578.00
Bill	12/31/2011	L0074688		L0074684 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	578.00
Bill	12/31/2011	L0074684		L0074980 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	3,684.00
Bill	12/31/2011	L0074980				
TOTAL						17,684.00

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CHINO BASIN WATERMASTER
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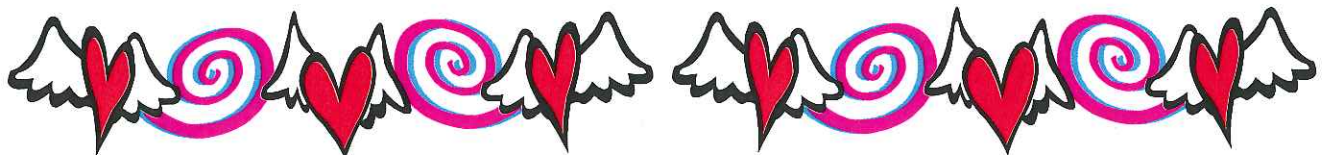
Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	12/31/2011	L0075977		L0075970 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,086.00
Bill	12/31/2011	L0076461		L0076461 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,456.00
TOTAL						16,424.00
Bill Pmt -Check	01/25/2012	15768	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	659.20
Bill	01/08/2012	1VC070000018027		Week ending 1/08/12	6017 - Temporary Services	824.00
Bill	01/23/2012	1VC070000018050		Week ending 1/15/12	6017 - Temporary Services	1,483.20
TOTAL						1,483.20
General Journal	01/27/2012	01/27/2012	Payroll and taxes for 01/08/12-01/21/12	Payroll and taxes for 01/08/12-01/21/12	1012 - Bank of America Gen'l Ckg	12,143.73
				Payroll taxes for 01/08/12-01/21/12	1012 - Bank of America Gen'l Ckg	28,198.49
				Direct deposits for 01/08/12-01/21/12	1012 - Bank of America Gen'l Ckg	41,342.22
TOTAL					Total Disbursements:	3,002,956.70



CHINO BASIN WATERMASTER

IV. INFORMATION

2. Newspaper Articles





NEWS

Inland water agencies are prepared for a dry year[Print Page](#)

Agencies in Riverside and San Bernardino counties took advantage of heavy runoff last winter and recharged local groundwater basins

**By Douglas Headrick
General Manager
San Bernardino Valley
Municipal Water District**

Published: Wednesday, February 1, 2012 3:38 PM PST

As recently as October, weather forecasters were predicting that California ski resorts would have another wet winter, potentially matching last winter's record snowfall.

Unfortunately, the anticipated wet winter hasn't materialized. And if the current dry weather pattern persists, we could actually wind up with one of the driest winters on record.

But while the continuing dry spell is worrisome, inland Southern California water agencies are well prepared for a dry spell because they stored a record amount of water underground last year – about 78,000 acre feet. That's enough water to sustain 300,000 people for a year.

"When it comes to water, it's feast or famine in Southern California," said Bob Tincher, manager of engineering and planning for San Bernardino Valley Municipal Water District. "So when we do get a lot of rainfall, we capitalize on it and store as much as we can underground. That way we can use it during droughts."

The heavily populated areas of western San Bernardino County depend on local mountain runoff for about 70 percent of their water supply. Some of the runoff is diverted by local water agencies into spreading basins, where it percolates into the ground, recharging local groundwater basins that supply local agencies with most of their water supply.

Inland agencies supplement the balance of their water supply with imported State Water Project water from Northern California, which is used for both direct deliveries and groundwater recharge.

"We have a very high level of coordination and cooperation with one another, which enables us to make the best use of our local and imported water resources," Tincher said of Valley District's relationship with other water agencies.

Indeed, while Valley District is the inland region's primary supplier of imported water, it works closely with its partners to save runoff from the Santa Ana River. Through these partnerships, water is recharged into basins owned by the San Bernardino Valley Conservation District.

"We received nearly 53,000 acre feet of San Bernardino Mountain water recharged into the Mill Creek and Santa Ana spreading basins last year," said Daniel Cozad, the conservation district's general manager, adding that last year was the third biggest year for groundwater recharge in a century.

Another 22,000 acre-feet of imported water was also recharged into the groundwater basin using the conservation district's facilities.

Inland water agencies coordinate their groundwater recharge operations through the Basin Technical Advisory Committee or BTAC, a collaborative group that includes representatives from 13 agencies serving a 300-square mile area of western Riverside and San Bernardino counties.

Agencies actively participating in the BTAC include San Bernardino Valley Municipal Water District, East Valley Water District, West Valley Water District, City of San Bernardino Water Department, Western Municipal Water District, City of Riverside Public Utilities, Yucaipa Valley Water District, San Bernardino Valley Water Conservation District, City of Redlands, San Bernardino County Flood Control District and City of Loma Linda but is open to all agencies who wish to participate.

BTAC meetings are held at 1:30 p.m. on the first Monday of every month at Valley District's headquarters at 380 E. Vanderbilt Way, San Bernardino. More information about the BTAC is available at www.sbvmd.com.

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PG & E agrees to \$3.6 million settlement; half goes to Hinkley school

By Jim Steinberg, Staff Writer

Posted: 02/01/2012 08:53:00 PM PST

HINKLEY - Pacific Gas & Electric Co. has agreed to pay a \$3.6 million fine for violating a regulatory agency's order to contain a plume of chromium 6 contaminated water to the boundaries known in 2008, company and regulatory officials confirmed Wednesday night.

Since the third quarter of 2011, the known plume boundary has grown northward by about two miles, although officials say the plume may have been in that space for some time previously.

At PG & E's insistence, half of the fine will go to Hinkley Elementary School to develop a whole water replacement system.

A water board official said PG & E is planning to pipe drinking water into the school from outside the Hinkley area.

Drinking

fountains at the school were shut down - for the first time - last fall, at the request of parents.

Between 1952 and 1966, PG & E used chromium 6, also known as hexavalent chromium, to reduce corrosion in cooling towers at its natural gas compressor station in Hinkley.

At that time, the cancer-causing aspects of chromium 6 were not known.

Wastewater from the cooling towers were discharged in unlined ponds at the site, allowing the chromium 6 contaminated liquids to

percolate into the groundwater.

Jeff Smith, a PG & E spokesman said, "PG & E felt it was important that as much of the settlement as possible be returned to the Hinkley community."

At community advisory committee meetings -

a group PG & E organized in the community - members have noted their concerns about the health of schoolchildren at the school, Smith said.

Lauri Kemper, assistant executive officer, of the Lahontan Regional Water Control Board, said chromium 6 levels at the wells that serve the school have varied between one and two parts per billion, below what a controversial PG & E study determined was the natural background level for the area.

The findings of that background level study are under review.

"This is excellent. This is what we have been fighting for," said Joel Valenzuela, who has two daughters attending the school. "We have been fighting for them (PG & E) to take responsibility."

"The school is the centerpiece of our



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community," he said, adding that he was concerned the Barstow school district, which runs the Hinkley school, would siphon some of the money.

Kemper said the way the settlement agreement is structured, that won't happen.

Kemper said that the water agency was motivated to work out a settlement with PG & E because the company had proposed that much of its fine be spent for the benefit of the Hinkley community.

"That sounds good. That sounds real good," said James Dodd, who serves on the community advisory board with Valenzuela, and has lived in Hinkley for 34 years.

"I'm glad to see the water board is stepping up and doing something...we are now starting to see some action."

Valenzuela said that because the water agency did not warn parents about the extend of chromium 6 contamination in the school's water, it should not be allowed to keep any of the settlement funds.

Instead of sending half of the settlement to the state, that should be used to establish a college fund for the school's graduates, he said.

"Our children have been damaged by this (drinking the water at school)," Valenzuela said.

"I have spent thousands of dollars to protect my children at home with water purification systems, and bottled water, and then I find out my kids have been drinking contaminated water at school."

Valenzuela said that Hinkley's population - and the school's students - have dwindled dramatically in recent years because of the chromium 6 plume.

Kemper said that the water board notified the school district of the well sampling results and "it was up to them to decide whether or not to tell parents."

Half of the \$1.8 million settlement goes into the state Water Resources Control Board Waste Discharge Permit Fund, Kemper said.

The settlement agreement will go to the water agency's board of directors for final approval when it meets at the Hampton Inn in Barstow on March 14 and 15, Kemper said.

Reach Jim [via email](#), or call him at 3855.



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National Geographic Daily News

Reclaimed Wastewater for Drinking: Safe But Still a Tough Sell

A new report highlights advancements in reclamation technology and predicts growth in treatment programs.



Mechanic Jimmy Pennella uses a flashlight and a needle to stop fibers in membranes from leaking at the Groundwater Replenishing System in Orange County Water District in Fountain Valley, California.

Photograph by Ann Johansson, Corbis

Ker Than

For National Geographic News

Published January 31, 2012

This story is part of a special National Geographic News series on global water issues.

Water filtration technology has advanced to the point where wastewater can be rendered safe for drinking, according to a new report, but legislative and psychological hurdles will need to be overcome before widespread adoption can happen.

"Expanding water reuse could significantly increase the nation's water resource, particularly in coastal communities," said Rhodes Trussell, president of Trussell Technologies in Pasadena, California, and chair of the committee that wrote the report.

Treated wastewater, also known as reclaimed water, is commonly used for irrigation and industry. And many towns already rely on reused water simply because they draw water downstream from other municipalities' wastewater release pipes.

"De facto reuse takes place throughout the country," Trussell said.

But getting the public to knowingly drink treated wastewater has been a tough sell.

(Related: "Raiding the Bread Basket: Use and Abuse of the Mississippi River Basin")

New Report Underscores Safety

A new report by the National Research Council (NRC) that reviewed current wastewater treatment technologies found that the possible health risks associated with exposure to chemical contaminants are minimal.

"Available technology can reduce chemical and microbial contaminants to levels comparable to or lower than those present in many current drinking water supplies," Trussell said.

Trussell and the other NRC report authors say the government could do much to help increase public confidence in wastewater treatment programs for drinking—also known as potable use—and help to provide a consistent minimum level of protection across the nation. Many of these goals could be met by toughening federal regulations, they add.

"For example," Trussell said, "under the Clean Water Act, the pretreatment regulations, which have made tremendous strides to reduce toxics in the nation's wastewater since they were first implemented, could be updated to more aggressively pursue organic contaminants that were not identified on the original 1977 list." In other words, by updating the standards in keeping with current knowledge, consumers can feel more confident that the water is truly safe.

Another challenge is that water reuse regulations can vary widely by location. "In most coastal communities, municipal wastewater belongs to the wastewater utility and retaining it for reuse is fairly easy," Trussell explained. "In many inland communities that water already [legally] belongs to a downstream user."

But perhaps the biggest hurdle that will need to be overcome before the public will accept drinking recycled wastewater is not technological or legislative, but psychological.

(See an interactive map of the world's most important river basins.)

Getting Used to the Idea

"The psychological side is often what's critical," said Paul Rozin, a psychologist at the University of Pennsylvania. Rozin appears in the upcoming documentary *Last Call at the Oasis*, which investigates several aspects of the looming global water crisis.

Most people have a deep revulsion to the idea of drinking reclaimed water, explained Rozin. "The revulsion comes from its closeness to sewage," he said. "For tap water or bottled water, people tend not to think where it comes from. But for recycled water, they do." (This despite the fact that many people already drink water drawn downstream from wastewater operations.)

One way to overcome this revulsion is to provide some mental separation between the recycled water and its source. In *Last Call at the Oasis*, for example, the filmmakers try selling treated water under the catchy product name of "Porcelain Springs" and enlist comedy actor Jack Black to vouch for its drinkability.

Another possibility, Rozin said, is to follow the example set by Singapore. "They're switching over to recycled water and they're doing it gradually and also giving people an economic advantage to switch," he said.

"First, they take recycled water and pump it into the ground so they don't go directly from recycled water to drinking. And they will also provide the water at any catered event [for free]."

One example of a successful wastewater-recycling program is the Groundwater Replenishment System in Orange County, California, Trussell said. There, wastewater is treated to a level exceeding state and federal drinking standards and is then released into local groundwater recharge basins, where it will eventually be re-drawn for municipal or private use. Previously, treated wastewater was simply discharged into the Pacific Ocean. But the new process should help extend the life of the aquifers, and it may make the idea of reclaimed water more appealing than more direct recycling, since the water receives additional filtering in the ground.

"This project just broke ground for expansion from 70 to 100 million gallons per day," Trussell said.

(Calculate your own water footprint.)

The Groundwater Replenishment System and other programs across the United States provide reasons to be optimistic about the future of wastewater treatment programs, Trussell said. "Increasingly, projects are being conducted in the open and have successfully garnered public support," he added.

In general, Penn's Rozin said, people often greatly underestimate their ability to adapt to new things, including drinking treated water.

"There's no doubt that people can get used to it," he said. "It's just a matter of getting them there."

But while wastewater recycling could contribute significantly to the nation's available freshwater, it will not in itself solve all the water problems that we will face in the coming decades.

"Our estimate is that reuse of all the wastewater we discharge to the oceans and estuaries would increase the water available to U.S. municipalities by about 6 percent," he added. "Significant, but no panacea."

(Related: "Sewer Mining: Efficient Water Recycling Coming to a Community Near You")

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sbsun.com

Northern boundary of Hinkley plume continues to grow

Jim Steinberg, Staff Writer

Posted: 01/31/2012 12:33:41 PM PST

Document: [Map - Chromium results for third quarter 2011 groundwater](#)

Document: [Map - Chromium results for fourth quarter 2011 groundwater](#)
HINKLEY - The northern boundaries of that plume of contaminated groundwater continues to advance.

Water samples from new test wells - many installed this past summer - show chromium 6 contamination, above background level, extending north of Mountain General Road for the first time.

It is not clear, however, if the plume is growing at a rapid pace, or if the plume has been larger than originally thought for some time.

The thought behind some of the new well placements was to get ahead of the plume and then work backward to map its location.

It now appears the drilling may not have extended far enough north to get ahead of the plume.

The results of new samples from test wells were released Tuesday.

Jeff Smith, Pacific Gas & Electric Co. spokesman, said "what this really tells us is there is a lot more work to be done to define the plume."

Decades ago, before the cancer risks posed by chromium 6 were known, PG&E used this chemical to protect the metal and prevent algae

growth within cooling towers at its natural gas pumping station in Hinkley.

Periodically this water was dumped into unlined ponds, a standard practice at that time.

The result has created an underground plume of contaminated groundwater that is now more than four miles long.

Reach Jim [via email](#) or call him at 909-386-3855.



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REGION: Winter shaping up to be a dry one

BY JANET ZIMMERMAN

STAFF WRITER

zimmerman@pe.com

Published: 29 January 2012 07:11

PM

The consequences of this winter's lack of rain are plain to see on Dennis Blehm's family-owned farm in Hemet, where the wheat crop has sprouted, turned brown and withered over the crusted soil.

"I'd say in 10 days, we'll lose our seed. It's sprouted, it's grown, it's going to die," said Blehm, whose harvest is sold to mills for flour, bread, dog food and other products. "There's only about 2 inches of moisture in the ground and we need 6 to 10 inches."

Blehm is a dry-land farmer, relying strictly on rainfall instead of irrigation. This year has so far been a low spot in an up-and-down business, one of many that rely on the weather for their profit.

The snowpack in the Sierra Nevada last month was the second driest December on record, and January — usually the wettest month — is lagging behind normal, even with the recent storms.

Farmers such as Blehm are fretting, winter sports are suffering and water managers are mulling over supplies. The U.S. Drought Monitor shows abnormally dry conditions in Inland Southern California and moderate drought for much of the northern part of the state.

Blehm farms on 7,800 acres spread around Hemet, Perris, Nuevo and other areas. He stands to lose a good portion of his \$1 million crop, especially if 80-degree temperatures and drying winds persist.

Blehm has had so many loss claims on his crop insurance over the past decade that he will be reimbursed for only half his losses, he said.

This year reminds him of the spring of 2007, when rain was a tenth of normal. That marked the first of the state's three-year drought.

'DISMALLY DRY'

This week, state water officials will trek into the Sierra to take their monthly snowpack measurements. What they find won't be a surprise.

"It's just dismally dry for this time of year," said Dave Rizzardo, chief of snow surveys and water supply forecasting for the state Department of Water Resources. For snow in the northern Sierra, "we're almost 20 inches behind last year's pace."

The Sierra readings are critical because that snowmelt fills reservoirs that feed the State Water Project, which supplies two-thirds of the state.

Riverside had just under a half-inch of rain in December, about a third of normal for the month. January also brought a little less than a half-inch, more than 2 inches below average.

Sierra snowpack was just 10 percent of normal until the first of three storms hit Jan. 19, raising levels to 33 percent of normal when last measured.

John Gless, who farms 300 acres in Riverside, Hemet, Coachella and Kern County, already is buying irrigation water for his citrus trees — two months earlier than normal. The dry weather also is causing other problems.

“Without the rain to clean the trees and leach the salts, the growth of the fruit is smaller this year,” he said.

In the Central Valley, numerous irrigation districts delivered water almost two months earlier than usual for stressed winter feed crops and fruit and nut trees.

HARD TO RECOVER

Similar pain is being felt by ski shops in the San Bernardino Mountains.

At Goldsmith’s Board House in Big Bear Lake, January sales and rentals are way down, owner Linda Goldsmith said.

“Somebody said, ‘It’s a beautiful day,’ and I said, ‘Yeah, unfortunately, it is,’” she said.

Business is driven by perceptions, Goldsmith said. When people down the hill are wearing shorts and flip-flops, it’s hard for them to imagine good snow conditions in the mountains. But December snow laid down a decent base and snowmaking made up the rest, she said.

At Snow Summit, all of the 26 runs are open except one, which is closed for snowmaking, according to the resort’s website.

The resort received about 4 inches of snow this month. The average January snowfall at Big Bear Lake is 14.8 inches, according to the Western Regional Climate Center.

“We need a winter kick,” Goldsmith said.

In the water industry, December, January and February are known as “the big three” because they are responsible for the bulk of winter weather.

Missing one of those months is hard to make up for by the end of the season, but two dry months is almost impossible to recover from, said Rizzardo of the Department of Water Resources.

A drought has not been declared by state officials, largely because last year’s record rain and snowfall left reservoirs with ample supplies. Lake Shasta, the system’s largest reservoir, is at 68 percent of capacity, average for this time of year, according to a state website.

The force in play both years has been La Niña, although this year’s dry weather is more typical of the weather system, which cools the ocean in the Pacific and pushes the jet stream and cold arctic air to the north.

Another factor is a positive Arctic oscillation, an atmospheric pressure pattern that has kept the jet stream north and pushed storms into Alaska. Last year, a negative Arctic oscillation overruled La Niña’s influence and

pushed strong, cold storms into California, said William Patzert, a climatologist at NASA's Jet Propulsion Laboratory in Pasadena.

"The question is, 'Can we salvage anything in February and March?' At this point, I'm counseling caution," he said.

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University of La Verne eyed as regional center for water research, industry

Neil Nisperos, Staff Writer

Created: 01/26/2012 02:46:01 PM PST

LA VERNE - Local officials, in seeking solutions to make the region's water supply more reliable, are eyeing the University of La Verne as a linchpin for research and growth for new, locally based water industries.

The university held its annual Water Technology Conference on Thursday, and dozens of speakers from water agencies, politics and academia gathered there to discuss new ways of dealing with the problem.

The conference, officials said, is a first step as ULV positions itself as a potential national research center for water technology innovation and a model for economic development.

Stakeholders are looking at the potential for this to spur economic growth within the surrounding area.

ULV, in a partnership with Cal Poly Pomona, aims to build a "water institute" for students expected to work for potential water-related industries nearby when they graduate.

"If the university has land available to develop a 'water campus,' we should be doing everything in our power to make that vision a reality," said Phil Hawkey, ULV's executive vice president.

The university's main campus is near Metropolitan Water District's F.E. Weymouth Water Treatment Plant, which contains one of the world's top water research laboratories.

Randall Lewis of the Upland-based Lewis Group of Companies said the region could be home to an industry cluster for water.

"The bigger part of it is we need to work on water, but we're interested as regional partners in what can we do to help bring jobs to this area," Lewis said.

Reps. Grace Napolitano, D-Santa Fe Springs, and Joe Baca, D-San Bernardino, attended the event and encouraged the partnership and development plans. Napolitano is the ranking minority member and a former chairwoman of the House Subcommittee on Water and Power.

"Our water supply faces increasing strains from climate change and a growing population," Napolitano said. "As we begin to

explore new ways to provide clean water, like water recycling and desalination, the research done by our scientists and researchers will be more important than ever."



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Greg Dewey, provost at the University of La Verne, and Rep. Joe Baca, D-San Bernardino, speak at the annual Water Technology Conference held at the university on Thursday. School officials are looking to open a water industry research institute at the school. (Neil Nisperos/Staff)

Baca said partnerships and collaboration become important "as we look at our water needs today and for the future."

"It's important we look and develop the best technologies and think tanks for this effort, and to make sure we understand how much water we have today and in the future, and how safe is that water going to be as well," Baca said.

Wildlife protection measures, drought and climate change have increased uncertainty over supply reliability for Southern California.

The Metropolitan Water District, the region's largest water supplier, is working on projects to reroute water around protected waterways in Northern California, which have reduced imported water supplies to Southern California. Other plans include seawater desalination.

"Southern California has entered an era of limits when it comes to imported supplies, and that's reflected not only in the Delta, but also in the Colorado River," said MWD spokesman Bob Muir. "What we're trying to do as a region is to identify and maintain reliability."

Reach Neil [via email](#), call him at 909-483-9356, or find him on Twitter [@InlandGov](#).

An advertisement for BIG 5 SPORTING GOODS. At the top, it says "BIG 5 SPORTING GOODS" in white text on a blue background. Below that, in large red letters, is "THE NEW YOU IS HERE", where the "O" in "YOU" is a heart shape. To the left of the text is a photograph of a woman in a pink sports bra and dark leggings, appearing to be in motion. At the bottom, there is a red banner that says "CARDIO STRENGTH TONING" and a green button that says "WIN A \$50 GIFT CARD".

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The Mercury News

MercuryNews.com

Report highlights California's huge 'wave power' potential

By Dana Hull
dhull@mercurynews.com

Posted: 01/19/2012 02:42:30 PM PST

Updated: 01/20/2012 10:10:08 AM PST

A new report by the Department of Energy says that waves off California's 1,100-mile coastline could generate more than 140 terawatt hours of electricity a year -- enough to power 14 million homes -- if tidal and wave energy was developed to its maximum potential.

The United States uses about 4,000 terawatt hours of electricity a year; 1 terawatt hour powers about 100,000 American homes.

"California's wave and tidal current resources offer real opportunities to generate renewable energy using water-power technologies in the future," Energy Secretary Steven Chu said in a statement.

Wave energy uses a variety of devices placed in the ocean to generate electricity, but the technology has not been widely used in the United States. The Department of Energy is sponsoring three demonstration projects off the coast of Oregon, in Washington's Puget Sound area and in Maine.

Currently, California has no wave energy project up and running, but the California Ocean Protection Council says one project off the coast of San Onofre has received a preliminary permit. The permitting process is complex and involves several federal and state agencies, including the Federal Energy Regulatory Commission and the Bureau of Ocean Energy Management.

"Wave energy projects have a very low profile -- much lower than a wind turbine," Mike Reed, team leader for water-power technologies at the Department of Energy, said in an interview. "The devices are

located two to three miles off shore -- you can't see

them from the shore."

The Energy Department's Water Power Program is trying to quantify the nation's potential water-power resources so that investors, developers and policymakers can make decisions about where to place them.

Pacific Gas & Electric last year suspended its Humboldt WaveConnect Project, a pilot project off the coast of Humboldt County, amid opposition from some environmentalists and concerns about the lengthy permitting process, escalating costs and feasibility. Many Humboldt County environmentalists opposed WaveConnect over concerns that it would damage local fisheries and marine ecology.

Contact Dana Hull at 408-920-2706.

Department of energy Wave REport:
The wave report, "Mapping and Assessment of the United States Ocean Wave Energy Resource," can be found at: <http://www1.eere.energy.gov/water/pdfs/mappingandassessment.pdf>



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Jerry Brown says he'd support delaying water bond

Marisa Lagos, Wyatt Buchanan, Chronicle Staff Writers
 Friday, January 20, 2012

Irvine --

Gov. Jerry Brown indicated Thursday that he would support delaying an \$11 billion water bond currently on the November ballot, saying a massive overhaul of the state's water system can begin without voters approving huge borrowing this year.

Postponing the bond measure - which has already been pushed back once - could give Brown's five-year, \$35 billion tax increase a better chance of passing in November. Brown made the comments on a two-day tour of Southern California, where he appeared before civic leaders in Los Angeles, Orange and San Diego counties to tout his budget proposal, tax plan and stress the state's strengths.

Speaking after a meeting with the Orange County Business Council on Thursday morning, the governor said the statewide general obligation water bond is not immediately necessary because ratepayers in several water districts would foot the bill for a conveyance project - like a pipeline or canal - to move water through or around the Sacramento-San Joaquin River Delta.

"My time frame does not require that that be done in November. ... I don't want to make that kind of decision sitting here in Orange County. But we definitely have to take a look at that project and make sure it really fits with what's absolutely needed," Brown said.

Plan ready by summer

Such a project could take the form of massive tunnels under the delta that would bring water to pumps that feed Southern California and parts of the Bay Area. Brown said an initial plan for what the project would look like would be completed by summer.

"Our obstacle is not the big water bond there. It's the environmental impact report and the state and federal permits, that's what we've got to do," he said. "Then at some point, we've got to have the money for the habitat restoration, but these are 50-year programs, and I think that bond issue is one I'm going to take a look at."

Brown mentioned delta habitat restoration and water storage as key parts of the statewide bond, though they make up just \$5.2 billion of the \$11 billion bond. The governor and leaders in the

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The Palms Casino Resort	\$76

Legislature have said they want to revisit the size of the bond, and lawmakers also have raised the possibility of a delay.

When the bond was first approved by the Legislature in 2009 for the November 2010 ballot, leaders stressed the urgency of fixing California's aging water infrastructure and reversing the quick decline of the delta habitat.

Cynthia Koehler, California water legislative director for the Environmental Defense Fund, said she is not concerned that the massive construction project would happen without a major effort to restore the delta's ecosystem and said she doesn't doubt Brown's commitment to that.

Besides, she said, "The law requires a deal where these things are going forward hand in hand." The organization has a neutral position on the bond measure.

Brown also spent time this week defending the goals of his budget, saying proposed cuts to welfare and medical services for the poor and increased taxes do not conflict with his commitment to building a \$100 billion high-speed-rail project and pursuing those major upgrades to the state's water system.

"For some, chewing gum and jumping rope is daunting, but I think we can handle both. We have to invest, and we have to cut. We have to cut operating costs while we build the foundations of an abundant future," he said.

On the road

Brown had barely wrapped up his State of the State speech Wednesday in Sacramento when he hit the road to Southern California, a population-rich - and politically crucial- region the governor will need in order to pass his tax plan this fall.

Over two days, Brown met with Burbank educators to get their ideas on reform; received a warm welcome from city and community leaders at Los Angeles City Hall; and attempted to sell business and community leaders on his budget plan - which relies on a temporary tax increase - in the Republican strongholds of Orange and San Diego counties.

Teachers and school administrators at Bret Harte Elementary School in Burbank spent nearly two hours separately chatting with Brown about their challenges and needs, and emerged impressed with the governor's candor and openness. Brown proposed vague education reforms in his speech Wednesday, calling for reducing the number of tests students must take and concentrating more power at the local, not state, level, and said he was in Burbank not to speak to educators, but hear from them.

"We talked to him about the lack of resources, that we have too many kids in our classrooms - I think he understood our frustration," said Lisa Crystal, a kindergarten teacher at Bret Harte who

has been a teacher for 13 years. "We spend so many hours preparing to take tests. He seemed like he definitely listened to what our needs are."

In Orange County, business leaders indicated they would be open to supporting the governor's tax plan - particularly because it would earmark billions of dollars for education, and would not raise taxes above what most people were paying in 2010.

E-mail the writers at mlagos@sfchronicle.com and wbuchanan@sfchronicle.com.

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2012/01/20/BAAA1MRMM7.DTL>

This article appeared on page **C - 1** of the San Francisco Chronicle

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Upland to bring water well back on line

sandra.emerson@inlandnewspapers.com

909-483-8555

@UplandNow

By Sandra Emerson, Staff Writer

Posted: 01/18/2012 04:52:17 PM PST

Updated: 01/18/2012 05:05:11 PM PST

UPLAND - The city will be gaining a water well.

City Council members have agreed to pull \$790,000 from the water fund to rehabilitate an out-of-work well in the northwestern portion of the city.

They also approved a cooperation agreement with the West End Consolidated Water Company to carry out the rehabilitation.

"It will allow us to more fully utilize our water supply resources and helps to support the city's goal of maintaining low water rates for our customers," said Rosemary Hoerning, the city's public works director.

The well, known as Upland Foothill No. 3, is at 1332 Charmaine Drive and is operated by the West End Consolidated Water Company.

The well was previously used as a Six Basins production facility for irrigation purposes, but was taken out of commission when the 210 Freeway was constructed.

It is now used as a monitoring facility by Six Basins.

Having the additional well will provide an alternate water source for the city when one of the other wells is out for repair.

The city also will have the opportunity to take advantage of surplus water when available from Six Basins.

"It was just in very poor shape, but it was a very fruitful well," Councilman Ken Willis said. "Because of the heavy rains last year, especially, we were able to draw water. It's in a good position to draw substantial water, but we have to do a lot of work on it if we want to be able to continue to use it."



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Suit pits sucker fish habitat against Inland Empire water rights

Opponents of the federal plan, which is intended to protect the Santa Ana sucker fish, say it puts Inland Empire water supplies and development in jeopardy.

By Louis Sahagun, Los Angeles Times

9:12 PM PST, January 14, 2012

A federal plan to preserve more than 9,000 acres of river habitat so that the threatened Santa Ana sucker fish can fulfill its complex life cycle has run into stiff resistance from critics who say it jeopardizes development and water supplies in the Inland Empire.

Two cities and 10 water districts have sued the U.S. Fish and Wildlife Service in U.S. District Court over the agency's decision to preserve the habitat. They say that it imposes restrictions on water conservation, groundwater recharge and flood control operations that affect water supplies for 1 million residents, and that it threatens plans to sell Santa Ana River water to thirsty communities elsewhere.

Environmental groups led by the Center for Biological Diversity, CalTrout, the Sierra Club and the Audubon Society responded by filing petitions to intervene in the case on behalf of the federal agency. A hearing on the case has been scheduled for February.

The suckers, which scientists know as *Catostomus santaanae*, were once abundant across Southern California. They have mottled gray backs and silver bellies, grow to about 5 inches in length and have large, thick lips and small mouths that suck up algae and other organisms. Critics of the federal plan have dubbed the sucker "Southern California's delta smelt," a reference to a protected 2-inch fish whose movements restrict the pumping operations of the state's biggest water projects in the Sacramento-San Joaquin Delta.


The plan to save the Santa Ana sucker involves designating critical habitat areas, which would then require federal agencies to consult with the Fish and Wildlife Service before they carry out, fund or authorize any action that could destroy or alter the protected zones. An independent analysis conducted on behalf of the Fish and Wildlife Service showed that costs related to preserving and managing the habitat could range from about \$14 million to \$450 million over 20 years.

The legal dispute began after the agency designated 9,331 acres of critical habitat in rivers, creeks and

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washes in Los Angeles, San Bernardino and Riverside counties. The 2010 action was an attempt to resolve a decade-long legal dispute with environmentalists over the fate of the sucker, which evolved in regional flood cycles thousands of years ago.

Of particular concern are northern reaches of the 96-mile-long Santa Ana River system that environmentalists contend must be protected so that seasonal ebbs and flows can move gravel to downstream spawning grounds.

Scott Sobiech, deputy field supervisor for the Fish and Wildlife Service, said the Santa Ana River "is no longer the free-flowing perennial it used to be, and since the fish was listed as a threatened species in 2000, its numbers have continued to decline in the fragmented habitat it persists in."

Opponents argue that some areas designated as critical habitat are dry for most of the year and therefore of no help to the sucker. They also say the designation could threaten rights to water behind the 6-year-old Seven Oaks Dam near Highland. Seven Oaks currently serves as a flood control facility, but local water districts have expressed interest in storing water there for urban uses.

"Our concern is that water used for people could be thrown down the river in a last-ditch attempt to save the fish, and we can't let that happen," said Douglas Headrick, general manager of the San Bernardino Valley Municipal Water District. "The agency's designation is based on a backroom settlement with environmental groups. The public deserves and expects more than that."

Adam Lazar, attorney for the Center for Biological Diversity, said the designation would not curtail water supplies. "I believe the opponents' real concern is to build water projects for homes, businesses and industries that don't yet exist, and to sell water to Los Angeles and San Diego and other districts that desperately want it," Lazar said.

louis.sahagun@latimes.com

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12:15 PM, Jan. 16, 2012 | Comments

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Written by
K Kaufmann
The Desert Sun

The Coachella Valley Water District's wastewater reclamation plant in Palm Desert racked up a pile of awards from the California Water Environment Association's Colorado River Basin Section.

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Coachella Valley Water District

-- Collection Systems of the Year award for facilities covering more than 500 square miles, for the collection and conveyance of wastewater. The district's service area covers more than 1,000 square miles in Riverside, Imperial and San Diego counties.

-- Education and Public Outreach award for educational tours and programs conducted at the plant.

-- Plant Operator of the Year award to Braulio Gudino, plant operator.

Supervisor of the Year award to Bernie Saucedo, crew chief for the collection system construction team. Saucedo is a 28-year employee of the district.

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The Palm Desert plant received the Plant of the Year award in 2010 and in five other previous years. It is the largest of CVWD's six treatment plants.

It treats a daily average of 10 million gallons of wastewater collected from homes and businesses in Cathedral City, Rancho Mirage, Indian Wells and Palm Desert.

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Winning the section awards means CVWD will be eligible for statewide awards from the association, a professional trade group.



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Government

OC Water District Breaks Ground on Expanded Water Purification Facility

Once completed, the system will help quench the thirst of 850,000 residents.

By Stephanie Weldy | Email the author | January 17, 2012

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The Orange County Water District in Fountain Valley broke ground Tuesday afternoon on a water purification system expansion that will bring clean water to an additional 350,000 county residents every year.

The groundwater replenishment system is the largest water purification facility of its kind. The expansion of the facility will include 31,000 acre-feet per year of new water supplies and will add 30 million gallons per day of replenished water to the 70 million gallons per day that is already replenished by the current system. According to GWRS Steering Committee Chairman Roger Yoh, the current system supplies enough water for 500,000 Orange County residents each year. The expanded system will supply enough for 850,000 residents.

The replenishment system uses water that has been used in everyday amenities, including sewers, toilets and washing machines, and treats the water through a three-step process. The process includes micro filtration, reverse osmosis, ultraviolet light and hydrogen peroxide, and treats the water to put it in a near-distilled state.

According to OCWD research, the expansion of the GWRS will minimize dependency on imported water supplies and minimize any risk of water shortage in the event of a natural disaster or drought. The project will employ approximately 150 people in the development, construction and operations trade.

The project will cost \$142.7 million to create and is scheduled to be finished in September 2014. It has received more than 20 awards including the Stockholm 2008 Industry Water Award for the year's most excellent water development on an international scale.

Correction: An earlier version of this story said the project would be done this fall. It is supposed to be completed in September 2014.

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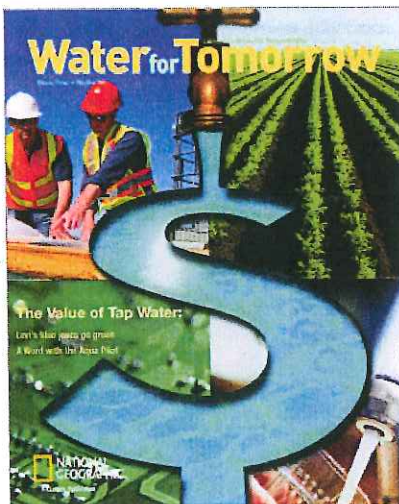
Value of Water Headlines Latest Issue of 'Water For Tomorrow' Magazine

You will receive a confirmation email shortly containing further instructions on how to complete your subscription.

Submitted by Sarah Langford on Wed, 01/11/2012 - 3:46pm in [Communications](#)
 Committee Water for Tomorrow Water News

The value of a clean and reliable water source is front and center in the latest issue of [Water for Tomorrow](#) magazine, which reaches subscribers this week.

Produced by ACWA in partnership with National Geographic Custom Publishing, the magazine features a variety of features, fun facts and interviews designed to educate and inform Californians about the state's water supply and delivery system.



The most recent cover story, "The Value of Tap Water: Our Most Vital Resource is a True Bargain," gives an in-depth look at the factors that drive the cost of treating and delivering water, including increases in energy costs, the need to invest in water infrastructure and the need to invest in new supplies. The story includes a case study of the San Francisco Public Utilities Commission effort to modernize its aging infrastructure and charts showing how water compares to other common household products and services.

The magazine also puts California's water supply in a global perspective – showing how easy it is to take for granted our clean and reliable water service.

Water conservation casestudies showcase Levi's new Water<Less Jeans, which saved 156 million liters of water around the world in 2011, and Save Our Water's "Real People, Real Savings" campaign.

ACWA thanks *Water for Tomorrow* sponsors Cardino Entrix, CH2MHill, The Covello Group and Kennedy-Jenks Consultants and advertiser Niagara Conservation for their support in this project.

View the latest issues and all past issues at www.waterfortomorrowmag.com.

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Study: Treated wastewater can be safer than existing water supplies

By Melissa Pamer, Staff Writer

Posted: 01/10/2012 01:57:45 PM PST

Updated: 01/10/2012 02:02:36 PM PST

Reusing treated wastewater - a process rejected a decade ago as "toilet to tap" in Los Angeles - could help meet future water needs across the country, and in some cases may be safer than existing drinking supplies, according to a study released Tuesday.

The National Research Council examined challenges and benefits of reusing wastewater as water supplies dwindle and population increases.

Some 12 billion gallons of wastewater are discharged into oceans and estuaries each day, the report calculated. If that water was purified and reused, it could make up 6 percent of the nation's water supply.

"That's significant," said R. Rhodes Trussell, chairman of the committee that wrote the report, which was sponsored in part by the LADWP.

"It could have an important impact for the nation's water resources."

Population growth - especially in Southern California, where water resources are scarce - has increased demand for water. That, coupled with the threat of global climate change, makes reuse a prime alternative, the authors say.

Pollutant analysis and treatment technology

have improved in recent years, and reused water can be as safe or safer than existing drinking water supplies, the report said.

"We have a lot more confidence now than we once did," said Trussell, who is president of a water-focused environmental engineering company in Pasadena.

The report comes as DWP projects are on hold while the utility

awaits the fate of a requested water-rate increase, now in the hands of the City Council.

The utility's goal is to increase its water recycling more than tenfold by 2035, and it wants to release plans this spring to realize that goal, according to a DWP primer on the issue. The utility did not comment by deadline on the status of water recycling projects.

A decade ago, the department's plans to purify wastewater from Donald C. Tillman Reclamation Plant in Van Nuys and reintroduce it to the water supply through spreading grounds in Sun Valley were killed after a public outcry. Critics dubbed the plan "toilet to tap."

In the last few years, the utility has been cautious in reintroducing the concept of



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"advanced water treatment."

The National Research Council report said that as more data becomes available on the safety of wastewater reuse, public debate is "evolving and maturing."

Standardized federal regulations for water reuse - instead of the existing patchwork of state rules - would protect public health and could boost confidence in the safety of the practice, the report states.

The 363-page report was sponsored by the Los Angeles Department of Water and Power and several other regional water and sanitation districts. The National Research Council is part of the National Academies of Science, a scholarly society created by Congress.

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News Release

FOR IMMEDIATE RELEASE

DATE: January 9, 2012
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EMAIL: jscottcoe@mvwd.org

Monte Vista Water District Launches "e-Waterline" Email Newsletter

MONTCLAIR, CA In response to increased customer demand for online services, Monte Vista Water District is launching a new customer email newsletter this week. The *e-Waterline* is the latest in a series of enhanced online and automated services provided by the District, including a new Online Bill Pay system and a redesigned and updated website.

The *e-Waterline* newsletter provides an opportunity for the District to communicate with its customers more effectively. The newsletter will be sent out every 1-2 months and provide subscribers with the latest District news, upcoming events, and conservation programs. The first edition includes information on the recent water rate adjustment, potential threats to northern California imported water supplies, the winner of a regional student poster contest, and a new high efficiency showerhead exchange program. The newsletter's attractive design includes colorful images and banners, as well as up-to-date listings of upcoming events, job openings, and projects for bid, all with links to more information on the District's website.

"The *e-Waterline* will help us to continue communicating effectively with our customers, especially with those who are paying their bills online," said Sandra Rose, president of the board of directors. "I can't wait for the first issue to come out!"

The District has a long history of successful communication with customers through its *Waterline* print newsletter. The *Waterline* is distributed through customer bills 2-3 times per year, and is read by nearly 60 percent of District customers, according to a recent customer satisfaction survey. However, since the District's Online Bill Pay

MORE→

Page 2 Monte Vista Water District / Email Newsletter

system became available in 2009, over one quarter of District customers have elected to pay their bills online. Many Online Bill Pay customers continue to receive paper bills, but a growing number elect to go "paperless" and no longer receive the printed newsletter.

The District launched a newly renovated website in 2010, including enhanced online interactive content. The website is visited by over 5,500 unique users every month, demonstrating a significant interest among District customers in online content and services. For example, over half of those who signed up for the District's latest water-wise gardening class used the website's online registration form.

Anyone wishing to receive the e-Waterline can sign up at the District's website, www.mvwd.org.

###

e-Waterline
Monte Vista Water District
January 4, 2012

Water Saving Tip:
Run only full loads in your clothes and dish washers. You'll save 100-800 gallons per month!

In This Issue:
• Special Message
• District News
• Watch the Water

Calendar:
Fri, Mar 16
Water Conservation Expedition March Contest Deadline
Sat, Mar 10
Water Saving Hunt and Rewards Program
Tue, Feb 21
Water Conservation Workshop, Water Audit, and Water Conservation Contest
Sat, Jan 26
Environmentally Friendly Water Conservation Contest
Thu, Jan 25
Water Conservation Conference 2012
Wed, Jan 25
Board of Directors Meeting
Sat, Jan 21
Environmentally Friendly Water Conservation Contest
Wed, Jan 11
Board of Directors Meeting

The e-Waterline is a publication of Monte Vista Water District.

Special Message

Welcome to the e-Waterline!
Welcome to Monte Vista Water District's new e-mail newsletter, the e-Waterline! This free e-mail newsletter, sent out every 1-2 months, provides our customers with the latest District news, upcoming events, and conservation programs.
If you do not wish to receive the e-Waterline, simply scroll to the bottom of this email and follow the instructions to unsubscribe.

District News

2012 Water Rates Update
A scheduled rate adjustment, reflecting an average 10-12 percent increase over 2011 rates, will become effective January 1, 2012. [More...](#)

Poster Contest Winner Recognized in Regional Competition
Zachary Araneta from Our Lady of Lourdes School was recognized recently for his award-winning poster depicting a water conservation message. Customers can pick up the 2012 "Water is Life" calendar at the District Office. [More...](#)

Delta Disrupted
The science is clear. A significant portion of the state's water supply could be wiped out for a year or longer if a major earthquake strikes Northern California. Studies show such a disaster could contaminate and cut off a key drinking water supply for two out of three Californians, with impacts cascading throughout the state. [More...](#)

The first edition of the Monte Vista Water District e-Waterline email newsletter

Monte Vista Water District provides retail and wholesale water services to a population of over 130,000 in the communities of Montclair, Chino Hills, and portions of Chino.



HOME > NEWS > LOCAL

La Nina Has Arctic Ally in Prolonging Warm, Dry Weather

Winter takes a January vacation as the Metropolitan Water District prepares for what could be California's driest year on record

By Patrick Healy | Wednesday, Jan 11, 2012 | Updated 6:23 AM PST

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The Metropolitan Water District is preparing for what could be the driest year on record.

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It's tempting to attribute the unseasonably warm and dry January completely to the Pacific Ocean temperature pattern dubbed "La Nina," long-associated with reduced precipitation in California.

But wait -- La Nina was also present last winter, when more rainfall than usual drenched Los Angeles and the snowfall in the Sierra Nevada was even higher than normal -- as much as 50 feet in places. Now bare spots are evident even at higher elevations.

"This is truly a tale of two 'Ninas,'" said Bill Patzert, PhD, the world renowned climatologist

based at Pasadena's Jet Propulsion Laboratory.

Patzert has focused his research on the weather implications of La Nina and its opposite, El Nino, associated with wetter than usual winters for California.

So how can two Ninas have such different outcomes? Patzert believes the wildcard is to be found to the north in another meteorological phenomenon known as the "arctic oscillation," a variation in the strength of what can be imagined as an atmospheric barrier.

PHOTOS AND VIDEOS



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When the arctic oscillation is in a weak phase, as last winter, cold, moist air can escape the arctic region and head south. But when the oscillation is in a strong phase, as this winter, Patzert said it tends to reinforce the dry influence of La Nina at U.S. latitudes.

Patzert likened it to a "fence" that shields us from the arctic air.

The impact is dramatic. So far this season, the LA area has received only 3.76 inches of rain, compared to a normal to-date measurement of 5.24 inches, and 12.28 inches by this time last year, according to the National Weather Service.

In December 2010, we received about 10 inches of rain. Last month, LA received only one inch, and not a trace since Dec. 17.

January warm spells are not all that unusual in Southern California. But we're not alone in the warm and dry weather conditions. Apart from

the Sierra, snowfall is far below normal in the Rockies of Colorado and the Wasatch Range of Utah.

Temperatures this past week in the ski resort of Park City, Utah, above 7,000 feet in elevation, have soared well into the 40s. Farther east, parents have been taking their children to outdoor playgrounds in Kansas City, Mo. Tennis players have been bringing out their rackets for outdoor matches as far north as Minneapolis. In the southern tier, the dryness has only intensified the ongoing drought in Texas and New Mexico.

But California faces no imminent drought threat, according to Jeffrey Kightlinger, general manager of the [Metropolitan Water District](#). He credits the storage of water from last winter's bountiful runoff, noting that the MWD's largest Southern California reservoir, Diamond Valley Lake near Hemet, is well over 90 percent of capacity.

The MWD is planning for the possibility that this could be California's driest year on record. But even if that proves to be the case, Kightlinger said there is enough stored water to see us through "three tough years in a row" before cutbacks would be unavoidable.

So how much longer will the warm, dry weather continue?

La Nina might remain in place several more months. What complicates long-range forecasting is the fact that the arctic oscillation has a much shorter period, at times flipping in a matter of weeks or not, Patzert said.

Next month, February, usually is our wettest. Patzert advised it's too early to write off this winter. That said, he's sticking with his forecast that the rest of this season will be drier than usual, but

added, "I'm going to keep my fingers crossed that I'm wrong."

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