



# CHINO BASIN WATERMASTER



## NOTICE OF MEETINGS

**Thursday, March 8, 2012**

- 9:00 a.m. – Appropriative Pool Meeting
- 11:00 a.m. – Non-Agricultural Pool Conference Call Meeting
- 2:00 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, March 8, 2012

9:00 a.m. – Appropriative Pool Meeting

11:00 a.m. – Non-Ag Pool Conference Call Meeting

2:00 p.m. – Agricultural Pool Meeting

## AGENDA PACKAGES



**CHINO BASIN WATERMASTER  
APPROPRIATIVE POOL MEETING**

9:00 a.m. – March 8, 2012

**WITH**

*Mr. Marty Zvirbulis, Chair  
Mr. Scott Burton, 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 Appropriative Pool Meeting held February 9, 2012 *(Page 1)*
2. Minutes of the Special Confidential Appropriative Pool Meeting held February 7, 2012 *(Page 7)*
3. Minutes of the Special Confidential Appropriative Pool Meeting held February 16, 2012 *(Page 9)*

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of January 2012 *(Page 23)*
2. Watermaster VISA Check Detail for the month of January 2012 *(Page 37)*
3. Combining Schedule for the Period July 1, 2011 through January 31, 2012 *(Page 41)*
4. Treasurer's Report of Financial Affairs for the Period January 1, 2012 through January 31, 2012 *(Page 45)*
5. Budget vs. Actual Report for the Period July 1, 2011 through January 31, 2012 *(Page 49)*

**C. WATER TRANSACTION**

1. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 2.372 acre-feet of water from San Antonio Water Company to Monte Vista Water District as a method of utilizing its SAWCO shares. This lease is made first from San Antonio's net underproduction in FY 2011-2012, with any remainder to be recaptured from storage. Date of application: February 9, 2012 *(Page 57)*
2. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 500.000 acre-feet of water from San Antonio Water Company to Monte Vista Water District. This lease is made first from San Antonio's net underproduction in FY 2011-2012, with any remainder to be recaptured from storage. Date of application: February 14, 2012 *(Page 71)*

**II. BUSINESS ITEMS**

**A. MATERIAL PHYSICAL INJURY ANALYSIS**

Consider Approval to Receive and File Wildermuth Environmental Inc. Material Physical Injury Analysis for the City of Ontario Application for Local Storage Agreement (Page 81)

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

Consider to Receive and File the Watermaster Annual Audit performed by Charles Z. Fedak & Company as Presented to the Watermaster Board on February 23, 2012 (Page 95)

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

Consider Approval of Proposed Supplemental Order for the Court Following the October 28, 2011 Hearing for Resolution 2010-04 (Page 151)

**D. PROPOSED CASH RESERVE POLICY**

Consider Approval of the Proposed Cash Reserve Policy 4.17 (Page 155)

**E. WATERMASTER RESTATED JUDGMENT**

Consider Approve the Restated Judgment as the "Official" Copy of the Judgment (Page 161)

**III. REPORTS/UPDATES**

**A. ENGINEERING REPORT**

1. Extensometer Progress

**B. CEO/STAFF REPORT**

1. Recharge Master Plan Update/Storage Issues Review Process
2. Investment Policy
3. Record and Document Request
4. CEO Search

**IV. INFORMATION**

1. Cash Disbursements for February 2012 (Page 171)

**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.

**VIII. FUTURE MEETINGS AT WATERMASTER**

Thursday, March 8, 2012	9:00 a.m.	Appropriative Pool Meeting
Thursday, March 8, 2012	11:00 a.m.	Non-Agricultural Pool Conference Call Mtg.
Thursday, March 8, 2012	<b>2:00 p.m.</b>	Agricultural Pool Meeting
<b>(PLEASE NOTE: NEW TIME FOR THE AGRICULTURAL POOL MEETINGS)</b>		
Thursday, March 15, 2012	8:00 a.m.	IEUA DYY Meeting
Thursday, March 15, 2012	9:00 a.m.	Advisory Committee Meeting
Thursday, March 15, 2012	10:00 a.m.	CB RMPU Steering Committee Mtg.
Thursday, March 22, 2012	9:00 a.m.	Land Subsidence Committee Meeting
Thursday, March 22, 2012	11:00 a.m.	Watermaster Board Meeting
Tuesday, March 27, 2012	9:00 a.m.	GRCC Meeting

**The Chino Basin Recharge Master Plan Update Steering Committee will now be meeting on a regular basis on the 1<sup>st</sup> and 3<sup>rd</sup> Thursday of every month at 10:00 a.m. starting in March until further notice**

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

11:00 a.m. – March 8, 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 Non-Agricultural Pool Conference Call Meeting held February 9, 2012  
(Page 11)

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of January 2012 (Page 23)
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**A. ENGINEERING REPORT**

- 1. Extensometer Progress

**B. CEO/STAFF REPORT**

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- 1. Cash Disbursements for February 2012 (Page 171)

**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.

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**CHINO BASIN WATERMASTER  
AGRICULTURAL POOL MEETING**

**2:00 p.m.** – March 8, 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

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**F. OLD BUSINESS**

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**A. AGRICULTURAL POOL GENERAL LEGAL COUNSEL REPORT**

**B. ENGINEERING REPORT**

1. Extensometer Progress

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# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Appropriative Pool Meeting held on February 9, 2012
2. Special Confidential Appropriative Pool Meeting held on February 7, 2012
3. Special Confidential Appropriative Pool Meeting held on February 16, 2012



***Draft Minutes***  
**CHINO BASIN WATERMASTER**  
**APPROPRIATIVE POOL MEETING**  
February 9, 2012

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

**APPROPRIATIVE POOL MEMBERS**

Marty Zvirbulis, Chair	Cucamonga Valley Water District
Scott Burton	City of Ontario
Rosemary Hoerning	City of Upland
Raul Garibay	City of Pomona
Ron Craig	City of Chino Hills
Dave Crosley	City of Chino
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
Ben Lewis	Golden State Water Company
Charles Moorrees	Santa Antonio Water Company

**Watermaster Board Members Present**

Paula Lantz	City of Pomona
Bob Kuhn	Three Valleys Municipal Water District

**Watermaster Staff**

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

**Others Present**

Curtis Aaron	California Steel Industries
Sheri Rojo	Fontana Water Company
Mike Maestas	City of Chino Hills
John Bosler	Cucamonga Valley Water District
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Justin Scott-Coe	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
Marsha Westropp	Orange County Water District

Chair Zvirbulis called the Appropriative Pool Meeting to order at 9:01 a.m.

**AGENDA - ADDITIONS/REORDER**

Mr. Jeske stated Item C. Intervention into the Agricultural Pool, will be amended as we go forward to require metering on that well. Mr. Jeske stated staff has received information from the City of Chino that this well may have use that has more than 10 acre-feet a year; staff need to make sure it is metered and monitored.

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

1. Minutes of the Annual Appropriative Pool Meeting held January 12, 2012
2. Minutes of the Special Confidential Appropriative Pool Meeting held January 26, 2012

**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

**C. INTERVENTION INTO THE AGRICULTURAL POOL**

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

**D. APPROPRIATIVE POOL VOLUME VOTE**

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

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

***Moved to approve Consent Calendar items A through D, which include the changes associated on the Intervention into the Agricultural Pool, as presented***

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

Mr. Joswiak gave the Watermaster Mid-Year Review, Budget Transfer and Budget Amendments presentation in detail. Mr. Craig inquired into the projected expenses being just 50% of the overall annual budget. Mr. Joswiak stated what Mr. Craig is referring to is the actual three categories that were frontloaded in the first six months. Mr. Joswiak explained his answer in greater detail. Mr. Craig inquired about the \$4.477M and if that was a rollup of those frontloaded budgets. Mr. Joswiak noted that is correct. Mr. Harder inquired about the project expenses. Mr. Joswiak stated the project expenses are all the 7100 categories, and that is where Watermaster is at financially for the first six months. Mr. Harder inquired if staff was anticipating spending that and Mr. Joswiak stated yes, going forward. Mr. Young stated it is low because invoices have not been paid even though projects have been done. Mr. Joswiak stated staff has not received any of the billings yet, and when we receive those then this variance will drop. Mr. Joswiak continued with the presentation. Mr. Jeske stated it is important to note the budget is running in the range that staff is projecting, or even higher at times. Mr. Jeske stated there was a large effort to do budgetary controls this year and simply budget less. Mr. Jeske offered further comment on budgetary controls. Mr. Jeske stated during a meeting yesterday there was a discussion on the reserve policy, and at that meeting it was noted Watermaster needs to budget accurately if we want to look at reserve policies that are different than the ones that are in place today. Mr. Jeske stated Watermaster expenses are going to run pretty typical as they have in the past two or three years. Mr. Moorrees stated when we went over the budget recently; I thought we reduced the reserves for legal expenses. Mr. Jeske stated there was discussion to create a legal contingency; however, that amount was not known this year. Mr. Kinsey stated he has several questions after the presentation is completed. Mr. Joswiak continued with the presentation. Mr. Joswiak discussed the revenue received from Metropolitan Water District (MWD). Mr. Jeske stated this is a one-time revenue and offered comment on this revenue. Mr. Jeske stated it seems appropriate to use this one-time revenue for a one-time expense. Mr. Kinsey inquired further about the revenue received from MWD. Mr. Jeske stated there is an ongoing revenue that was not received in the past, so Watermaster received several years worth in one year; there will be a piece of that received every year going forward which will be handed within the budget process in the future years. Mr. Joswiak continued with his presentation. Mr. Joswiak reviewed the budget transfers and amendments in detail. Mr. Kinsey stated he

really appreciated the level of the breakdown detail. Mr. Kinsey stated he had questions for Mr. Wildermuth; however, since he is not here, he will wait until they are here next time for some of his questions. Mr. Kinsey inquired about some of the Wildermuth budget dollars presented. Mr. Joswiak stated the Wildermuth budget not only includes their portion, it also contains their sub-contractor and lab costs, and further explained Mr. Kinsey's question in detail. Mr. Kinsey inquired about the Three Valleys Municipal Water Districts contribution of \$300,000 not coming in and how that affects the Wildermuth budget. Mr. Joswiak noted Watermaster received the \$300,000 last week. Mr. Kinsey asked that the summary of projections section of the presentation be pulled up. Mr. Kinsey inquired when Mr. Jeske retired from the City of Ontario and Mr. Jeske stated in 2008/2009. Mr. Kinsey stated he remembers three or four years ago when the parties initiated a process, mainly driven by the Advisory Committee and the city manager of Chino Hills, to really sit down and address Watermaster governance/process issues. Mr. Kinsey stated out of that course of action the parties felt the main issue was probably process-related rather than governance. Mr. Kinsey stated Watermaster committed to go through and develop procedures and policies more in line with what the other agencies do. Mr. Kinsey stated that was never completed, which leads to many questions, including the matter of the Paragraph 31 Motion which we are facing now. Mr. Kinsey offered further comment on the policy/procedure issues, the recently purchased replenishment water, storage issues, and unnecessary expenses. Mr. Kinsey asked that staff restart the process for the Watermaster Procedure/Policy Manual. Mr. Jeske stated he recalls that process and has discussed that with Watermaster staff recently. Mr. Jeske stated staff needs to finish working on that and bring it forward. Mr. Jeske asked that if anyone else has records that were part of that process to please assist in this matter. Mr. Jeske stated one of the reasons it was put on the shelf was because of the water auction and other personnel changes. Mr. Zvirbulis stated he remembers this being started and then it kind of dropped off the radar; however, there is now willingness by the parties to work together, without legal counsel, and restart that process of the Policy/Procedures Manual again. Mr. Burton inquired to Mr. Joswiak about the legal expense which appears to be over budget and asked how much of that was for the Paragraph 31 Motion. Mr. Joswiak stated \$39,800 has been budgeted for the year and for the first six months Watermaster has spent \$14,000.

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

***Moved to receive and file the mid-year review report and approve the budget transfers and budget amendments, as presented***

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

Mr. Jeske stated this item is for a reimbursement agreement between Chino Basin Watermaster and the Chino Desalter Authority (CDA). Mr. Jeske stated the CDA already has existing contracts for well drilling and this agreement would be using those existing contracts. Mr. Jeske stated this is a reimbursement agreement which would go to the CDA in the amount of \$295,000 plus a 10% contingency, along with giving the authority to the Watermaster CEO to enter into an agreement and finalize any details.

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

***Moved to approve authorizing Watermaster CEO to finalize and then enter into the Draft Reimbursement agreement, as presented***

**C. CHINO CREEK WELL FIELD EXTENSOMETER LAND LEASE AGREEMENT**

Mr. Jeske stated this item is regarding the land needed to put the extensometer on, which was just approved. Mr. Jeske offered the history on this item and noted after several discussions it was decided to go with the County for their property. Mr. Jeske stated the original quote, which has been discussed at other meetings, was excessively high; however, it was later found that the County provided Watermaster with the wrong lease amount, and that has now been modified from \$1,385 a month to \$133 a month. Mr. Jeske stated it is important to get this extensometer

in before the wells start pumping. A discussion regarding this item ensued. Mr. Greene pointed out the location of the land on a map for clarification.

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

***Moved to approve authorizing Watermaster CEO to finalize and then enter into the land lease agreement with San Bernardino County, as presented***

### III. REPORTS/UPDATES

#### A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

##### 1. Paragraph 31 Appeal Tentative Opinion

Mr. Jeske stated a tentative opinion was received and there has been a request for a hearing, which is not yet scheduled. Mr. Jeske stated when the hearing is scheduled all the parties will be notified.

#### B. CEO/STAFF REPORT

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

Mr. Jeske stated work has begun on the Recharge Master Plan Update (RMPU) and Watermaster has held two meetings on that matter. Mr. Jeske stated a draft outline has been developed and has been circulated. Mr. Jeske stated the next meeting is scheduled for February 14<sup>th</sup> at 9:00 a.m. Mr. Jeske stated he will be meeting with Mr. Wildermuth tomorrow to work on materials for that meeting. Mr. Jeske stated those meetings are open to anyone so that there is a collaborative process in reviewing the 2010 RMPU. Mr. Jeske thanked all the parties for working on the development of this committee which will be working on the existing 2010 RMPU.

##### 2. WEI Analysis of Well Design for CDA Well I-20 & I-21

Mr. Jeske stated this item is for wells I-20 and I-21; however, he will be reporting on well I-19 also. Mr. Jeske stated this item had a request made by the state that an annular seal be put into the wells between the two water zones; however, well I-20 had already been drilled and gravel packed, and it was not possible to get that seal in that one well. Mr. Jeske stated on well I-19 and I-21 the well design has been amended and that annular seal, as requested, will be placed in them. Mr. Jeske offered further history on this item.

##### 3. Data Release Procedures

Mr. Jeske stated this item relates to data release procedures. Mr. Jeske stated this particular item relates to releasing data for the Agricultural Pool well sampling which was performed by both Watermaster and the ABGL Group. Mr. Jeske noted the data results have been provided to the Regional Water Quality Control Board.

### IV. INFORMATION

#### 1. Cash Disbursements for January 2012

No comment was made on this item.

#### 2. Newspaper Articles

Mr. Jeske stated having newspaper articles in the meeting packages consume staff time and costly paper. Mr. Jeske inquired if this Committee still wants to have them in the package and if they are not important, Watermaster will save trees. A discussion regarding this matter ensued. Chair Zvirbulis stated the consensus is to stop providing newspaper articles in the meeting packages.

### V. POOL MEMBER COMMENTS

No comment was made on this item.

### VI. OTHER BUSINESS

No comment was made on this item.

Mr. Jeske stated this is your opportunity to provide comment to the Watermaster Board regarding the search for the CEO.

The regular open Appropriative Pool meeting was convened to hold its confidential session at 9:46 a.m.

**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

The confidential session concluded at 10:29 a.m.

There was no reportable action from the confidential session.

**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
Thursday, February 9, 2012	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
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Thursday, February 23, 2012	11:00 a.m.	Watermaster Board Meeting

\* Chino Basin Recharge Master Plan Update Steering Committee

Chair Zvirbulis adjourned the Appropriative Pool meeting at 10:30 a.m.

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

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

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**Draft Minutes**  
**CHINO BASIN WATERMASTER**  
**APPROPRIATIVE POOL SPECIAL CONFIDENTIAL SESSION MEETING**  
February 7, 2012

The Special Confidential Appropriative Pool Conference Call Meeting was taken at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on February 7, 2012 at 3:00 p.m.

**APPROPRIATIVE POOL MEMBERS PRESENT AT WATERMASTER**

Marty Zvirbulis, Chair	Cucamonga Valley Water District
Dave Crosley	City of Chino
Robert Young	Fontana Water Company
Josh Swift	Fontana Union Water Company

**APPROPRIATIVE POOL MEMBERS PRESENT ON THE CALL**

Mike Maestas	City of Chino Hills
Ron Craig	City of Chino Hills
Ben Lewis	Golden State Water Company
Charles Moorrees	Santa Antonio Water Company
Mark Kinsey	Monte Vista Water District
Van Jew	Monte Vista Irrigation Company
Scott Burton	City of Ontario
Rosemary Hoerning	City of Upland

**Others Present at Watermaster**

Sheri Rojo	Fontana Water Company
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District

**Others Present at on Call**

Art Kidman	McCormick, Kidman & Behrens
Jill Willis	Best Best & Krieger
John Schatz	Attorney at Law
Joe Aklufi	Aklufi & Wysocki

**Watermaster Staff Present for Roll Call**

Sherri Molino	Recording Secretary
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Chair Zvirbulis called the Special Confidential Appropriative Pool Meeting to order at 3:05 p.m.

**I. CONFIDENTIAL SESSION - POSSIBLE ACTION**

1. Paragraph 31 Appeal

**ACTIONS:** Provided in writing to recording secretary

- 1) Direct Appropriative Pool counsel John Schatz to engage special appellate counsel regarding Paragraph 31 Appeal.
- 2) Appropriative Pool directed negotiating team to pursue settlement discussions with Non-Agricultural Pool representatives.

Chair Zvirbulis adjourned the Special Confidential Appropriative Pool meeting at 4:10 p.m.



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

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

**DRAFT MINUTES**  
**CHINO BASIN WATERMASTER**  
**SPECIAL CONFIDENTIAL APPROPRIATIVE POOL MEETING**  
February 16, 2012

The Special Confidential Appropriative Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on February 16, 2012 at 8:00 a.m.

**APPROPRIATIVE POOL MEMBERS PRESENT**

Marty Zvirbulis, Chair  
Rosemary Hoerning  
Ron Craig  
Dave Crosley  
Mark Kinsey  
Van Jew  
Sheri Rojo  
Tom Harder  
Charles Moorrees

Cucamonga Valley Water District  
City of Upland  
City of Chino Hills  
City of Chino  
Monte Vista Water District  
Monte Vista Irrigation Company  
Fontana Water Company  
Jurupa Community Services District  
Santa Antonio Water Company

**Others Present**

Mike Maestas  
Jo Lynne Russo-Pereyra  
Justin Scott-Coe

City of Chino Hills  
Cucamonga Valley Water District  
Monte Vista Water District

Chair Zvirbulis called the Special Confidential Appropriative Pool Meeting to order at 8:00 a.m.

**I. CONFIDENTIAL SESSION - POSSIBLE ACTION**

1. Paragraph 31 Appeal

No action was taken.

Chair Zvirbulis adjourned the Special Confidential Appropriative Pool meeting at 8:57 a.m.

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

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

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# CHINO BASIN WATERMASTER

## I. BUSINESS ITEM ROUTINE

### A. MINUTES

1. Non-Agricultural Pool Conference Call Meeting held on February 9, 2012





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

*Motion by Geye, second by Aaron, and by unanimous vote*

***Moved to receive and file the financial reports, without approval***

### **C. INTERVENTION INTO THE AGRICULTURAL POOL**

Mr. Jeske gave a report on this item.

*Motion by Aaron, second by O'Neill, 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. NON-AGRICULTURAL POOL VOLUME VOTE**

Mr. Jeske gave a report on this item.

*Motion by Aaron, second by Geye, and by unanimous vote*

***Moved to approve the Volume Vote process and calculations for calendar year February – December 2012***

## **II. BUSINESS ITEMS**

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

Mr. Jeske introduced this item. Mr. Joswiak gave a presentation on this item.

*Motion by Aaron, second by O'Neill, and by unanimous vote*

***Moved to receive and file the mid-year review and approve staff recommendation for the budget transfers and budget amendments, 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***

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

Mr. Jeske gave a report on this item.

*Motion by Aaron, 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***

### **C. CHINO CREEK WELL FIELD EXTENSOMETER LAND LEASE AGREEMENT**

Mr. Jeske gave a report on this item.

*Motion by Aaron, 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***

## **III. REPORTS/UPDATES**

### **A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Paragraph 31 Appeal Tentative Opinion

Mr. Jeske gave a report on this item.

**B. CEO/STAFF REPORT**

1. Recharge Master Plan Update/Storage Issues Review Process  
Mr. Jeske gave a report on this item.
2. WEI Analysis of Well Design for CDA Well I-20 & I-21  
Mr. Jeske gave a report on this item.
3. Data Release Procedures  
Mr. Jeske gave a report on this item.

**IV. INFORMATION**

1. Cash Disbursements for January 2012  
No comment was made on this item.
2. Newspaper Articles  
Mr. Jeske gave a report on this item. It was noted the Non-Agricultural Pool agreed to stop putting newspaper articles in the meeting packages.

**V. POOL MEMBER COMMENTS**

No comment was made on this item.

**VI. OTHER BUSINESS**

No comment was made on this item.

**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.

A confidential session was held prior to the regular Non-Agricultural Pool meeting. Chair Bowcock stated there was not reportable action on the confidential session.

**VIII. FUTURE MEETINGS AT WATERMASTER**

Wednesday, February 8, 2012	3:00 p.m.	Reserve Policy Meeting
Thursday, February 9, 2012	9:00 a.m.	Appropriative Pool Meeting
Thursday, February 9, 2012	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, February 9, 2012	1:00 p.m.	Agricultural Pool Meeting
Tuesday, February 14, 2012	9:00 a.m.	* CB RMPU Steering Committee Meeting
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

Chair Bowcock adjourned the Agricultural Pool meeting at 11:30 a.m.

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

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

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# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Agricultural Pool Meeting held on February 9, 2012



**Draft Minutes**  
**CHINO BASIN WATERMASTER**  
**AGRICULTURAL POOL MEETING**

*February 9, 2012*

The Agricultural Pool Meeting was held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on February 9, 2012 at 1:00 p.m.

**Agricultural Pool Members Present**

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

**Watermaster Board Members Present**

Paul Hofer	Crops
Geoffrey Vanden Heuvel	Dairy

**Watermaster Staff Present**

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

**Others Present**

Tracy Egoscue	Egoscue Law Group
Dave Crosley	City of Chino
Paul Deutsch	Geomatrix Consultants, Inc.
Rick Reese	Geomatrix Consultants, Inc.
Curtis Paxton	Chino Desalter Authority
Bob Gluck	City of Ontario
Eunice Ulloa	Chino Basin Water Conservation District

Chair Feenstra called the Agricultural Pool meeting to order at 1:06 p.m.

**AGENDA - ADDITIONS/REORDER**

Chair Feenstra offered comment on Ms. Egoscue's new law group. Chair Feenstra noted Ms. Egoscue will now have more time for us. Congratulations!

Mr. Jeske stated he was just reminded to put Old Business on the Agricultural Pool's agendas and that has now been added back on all agendas on a regular basis.

Mr. Jeske stated, with regard to Item 1C on the intervention into the Agricultural Pool, the staff report states the water use is minimal and does not require it to be metered; however, conversations have taken place with the City of Chino who has provided water to them in a greater amount so that well will need to be metered, and the staff report going forward will be changed to reflect this needed change.

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

1. Minutes of the Annual Agricultural Pool Meeting held January 12, 2012

**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

**C. INTERVENTION INTO THE AGRICULTURAL POOL**

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

A discussion on the metering for the motion and metering of Agricultural wells ensued.

**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

A discussion regarding the possible time change ensued.

*Motion by Pierson, second by Durrington, and by unanimous vote*

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

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

Mr. Jeske introduced this item and stated the recommendation is to receive and file the Mid-Year Review and approve the budget transfers and budget amendments. Mr. Jeske stated both the Appropriative and Non-Agricultural Pools approved staff recommendations this morning. Mr. Joswiak gave the Watermaster Mid-Year Review, Budget Transfers and Budget Amendments presentation in detail. Chair Feenstra inquired about the recent Restated Judgment project with regard to their attorney fees, and he noted that he recalls that not much of that money which was set aside for that project has been spent. Mr. Joswiak stated he will review those numbers and referenced a slide in his presentation which indicated Chair Feenstra was correct in his recollection. Mr. Pierson stated what this presentation represents is a snapshot look at six months of activity and that does not mean that the underage will not be spent in the next six months. Mr. Joswiak stated that is correct. Mr. Rob Vanden Heuvel inquired about the 94% of the budget being spent and if that was 94% of the first six months. Mr. Joswiak stated that is for the first six month budget. Mr. Joswiak continued with his presentation. Mr. Pierson inquired about projects already being finished in the first six months. Mr. Joswiak stated there are some items that were done in the first six months that won't carry over to the next six months. Mr. Joswiak presented the next six months of financial projections. Mr. Pierson stated irrespective of the legal, which we are usually way off on, are you going to be proactive in looking at the non-mandated activities or legal activities to comply with the court, and start deferring some of those activities, or are you going to change the Assessment Package and increase the fees. Mr. Joswiak stated Watermaster will not change the Assessment Package. Mr. Pierson stated so we can assume that Watermaster is going to meet our current budget over the course of the next six months. Mr. Joswiak stated that will be difficult when we are at the 67% mark right now. Mr. Jeske stated that is in legal services. Mr. Jeske stated in looking back at the budget process recently and in the last several years, we always thought we could control legal expenses through the budget – that has never happened. Mr. Jeske offered further comment on the history of legal expenses. Mr. Jeske stated we are working to lower costs but sometimes it is a group effort that is needed to lower costs. Mr. Jeske stated all of the other

items on the agenda today are simply transfers from one area to another, so that we can keep the projects going. Mr. Jeske stated at this time there is no supplemental assessment needed. Mr. Jeske offered comment on the additional one-time revenue being received from Metropolitan Water District (MWD) from management work that Watermaster had done for them. Mr. Jeske stated Watermaster is suggesting that it use the bulk of that one time revenue to offset the one time salary expenses and extensometer costs without having to change the assessments. Chair Feenstra stated Mr. Pierson stated it perfectly when he said we all have to do is be diligent in our spending and see how we can get through this period. Chair Feenstra offered comment on the Restated Judgment and noted the Mr. McKinney told him that we are right on schedule so far with not a lot of expenses for that. Mr. Joswiak reviewed the budget transfers and budget amendments in detail. Mr. Pierson asked for clarification if we do go over budget and how is that covered, if it is taken out of the reserves. Mr. Joswiak stated it would come out of reserves; we don't want a special assessment. A discussion on Watermaster reserves ensued. Mr. Jeske stated so we are clear, staff can't go and spend the reserves, it has to come through the approval process to appropriate the dollars. Mr. Jeske stated staff will look again at the reserves again next year. Mr. Jeske stated we have a cooperative approach on the reserves. Chair Feenstra stated we all want to do what we can to meet the budgets that are in place. Mr. Hofer inquired why the MWD revenue was not included in the budget. Mr. Joswiak stated the previous CEO had the information on this matter and it was his decision not to include it. Mr. Joswiak stated the other issue was that MWD was sending emails to the previous CFO email address which was shut down and MWD never followed up on the matter for over a year and a half. Mr. Hofer inquired if we are now up to date. Mr. Joswiak stated yes, we are up to date, current on billings, and going forward staff will make sure this is budgeted correctly next year. A discussion on the MZ1 Monitoring Program and this item ensued. Chair Feenstra offered comment on Watermaster legal counsel attending all the Watermaster meetings.

*Motion by Pierson, second by Novak, and by unanimous vote*

***Moved to approve to receive and file the Mid-Year Review, and to approve the budget transfers and budget amendments, as presented***

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

Mr. Jeske stated this is an agreement with the Chino Basin Desalter Authority (CDA) to enter into a change order with their driller to accomplish the drilling for the extensometer in the amount of \$295,200 plus a 10% contingency, and to authorize the CEO to complete and execute the agreement. Mr. Greene noted he does not think his presentation on this item needs to be given today. Mr. Pierson asked for clarification on the change order contract and the value Watermaster is getting on this agreement. Mr. Jeske stated he had performed a field walk on the site and noted in your meeting packet is the proposal from the driller on the costs. Mr. Pierson stated he just wants to make sure the number we are getting is an appropriate value for the well that's being drilled. Mr. Greene stated we started out with the engineers cost opinion for the item, we disused the matter, and identified that the cost opinion was in the right range. Mr. Greene stated we informally checked with other drillers that the cost was in the right range. Mr. Greene stated once the site was identified we went out with the driller and driller stated he did not see anything that would cause any change in the cost opinion. Mr. Greene stated we now have a planed reimbursement agreement with the CDA as a change order under their existing contract, and he noted there is a 10% contingency. Mr. Pierson stated that did not answer his question of are we paying a fair and representative cost for drilling the well. Mr. Greene stated if we were comparing just the drilling then the answer is yes. A discussion regarding this matter ensued.

*Motion by Pierson, second by Durrington, and by unanimous vote*

***Moved to approve staff recommendation, as presented***

**C. CHINO CREEK WELL FIELD EXTENSOMETER LAND LEASE AGREEMENT**

Chair Feenstra stated he was asked by Wildermuth Environmental and others to get involved in the procurement of land and he offered history on this endeavor. Chair Feenstra stated he, as well as others, felt that the cost for the land from the county was excessive in cost; however, after investigation by Watermaster staff it was found that the county had made a mistake in their calculations and the price was much lower than quoted. Chair Feenstra stated after he went over the new figures he believes the county's offer sounded like a fair and reasonable solution and it was appropriate to go with the county lease, and to no longer pursue the private land owner for his property. Mr. Greene concurred with Chair Feenstra's summation. Mr. Jeske stated this is only a 400 square foot site and with that small of a parcel comparing a flat rate to a square foot rate just does not work out. Mr. Pierson stated this is a good value for this property and a good deal for us. Mr. Greene noted this is for a ten year agreement with two five-year optional extensions. Mr. deBoom asked where this property was and Mr. Greene pulled up a map and discussed its location. A discussion on the location and this matter ensued.

*Motion by Hall, second by Durrington, and by unanimous vote*

***Moved to approve staff recommendation, as presented***

**D. OLD BUSINESS**

Chair Feenstra inquired if there was any old business to be brought up. Chair Feenstra stated he has asked Mr. Rob Vanden Heuvel to speak on something today that is considered old business with the chairman. Chair Feenstra stated we have the TMDL matter and we have our representative on behalf of legal counsel, Frank Brommenschenkel, attend those meetings with the group out of San Jacinto. Mr. Rob Vanden Heuvel stated that is actually separate from the San Jacinto issue. What we have here, which has been discussed numerous times, is the Santa Ana Watershed Project Authority. Mr. Rob Vanden Heuvel stated they head up a task force dealing with this Total Maximum Daily Load (TMDL) of bacteria/pathogens in the Santa Ana River. Mr. Rob Vanden Heuvel stated agricultural is 1 of 15 possible contributors, so we are part of this task force. Mr. Rob Vanden Heuvel stated Pat Bolt has been attending these meetings on behalf of agricultural for five years and she is actually a Milk Producers Council consultant; we have picked up the cost for her to attend those meetings and report back. Mr. Rob Vanden Heuvel stated the Agricultural Pool has an interest in that process, as we are helping to fund the agricultural portion of that. Mr. Rob Vanden Heuvel stated it has recently come to his attention that Frank Brommenschenkel was starting to get involved. Mr. Rob Vanden Heuvel stated Frank is a good guy and he has worked with him on other projects; however, Pat did mention to me that having two people attend those meetings and splitting up crop agricultural and dairy agricultural is not necessarily a good strategic move on our part. Mr. Rob Vanden Heuvel stated having one central person dealing with agricultural and voting on behalf of agricultural on certain matters is optimal. Mr. Rob Vanden Heuvel stated what he would like to do is propose, if the board is in favor of it since there has not been a lot of reporting back on this matter, is to have Pat Bolt come in possibly twice a year a give a brief update; more frequently if there is a lot going on. Mr. Rob Vanden Heuvel stated this would then alleviate sending two people to those meetings when Pat has already been attending regularly and is doing a great job on our behalf. Chair Feenstra thanked Rob and stated he and Ms. Egoscue will monitor Frank and his activities. Mr. Pierson stated he agrees with Rob that Pat has been a very vociferous advocate of the agricultural position for both dairy and crops, and he thinks we don't need to have the extra expense of having Frank also attend those meetings especially given the budget constraints we are currently working on. Mr. Pierson stated he would like Pat to come and give brief presentations on what is taking place at those meetings so that we are kept apprised.

Chair Feenstra stated he and Mr. deBoom sat down with Mr. Kashak from the Regional Water Quality Control Board (RWQCB) this morning and there are some concerns relating to manure spreading and that type of activity in the San Jacinto Basin. Chair Feenstra stated he wants to bring this to the board's attention that the RWQCB is looking more and more closely to the application of live stock fertilizers to crop ground. Mr. Durrington stated he thought you had to spread manure and work it into the ground right away in San Jacinto. Mr. Rob Vanden Heuvel

stated by law you are limited to spreading manure only on crop land. Mr. Rob Vanden Heuvel offered further comment on the San Jacinto requirements and on Chino manure going out to the San Jacinto area. A discussion regarding this matter ensued. Mr. Rob Vanden Heuvel stated the San Jacinto area is dealing with significant salt issues, that we fortunately have a Desalter to deal with those types of issues. Mr. Rob Vanden Heuvel stated their agricultural community is dealing with a lot of issues in that area and there are Milk Producer Counsel Members there. Mr. Rob Vanden Heuvel offered final comment on Chino manure. Chair Feenstra stated he wanted to discuss that personally with more people.

Chair Feenstra stated we have an opportunity, which Milk Producers Counsel has been very helpful and supportive of, in that we have the possibility to bring a major composter into the area that is going to compost just manure. Chair Feenstra stated right now the State Air Resources Board – South Coast provides the opportunity for dairy farmers to compost on site and they don't have to comply with the regulations that their forefathers did. Chair Feenstra stated we would have the opportunity to bring a new person into town, a big company to take a whole lot of manure into this facility, compost it, and truck it out. Chair Feenstra stated that was another part of our meeting with Mr. Kasha this morning, and he is going to be looking to the RWQCB to provide a letter for us to support our position with the South Coast Air Quality Management District. Chair Feenstra offered comment on the loss of agricultural in the Chino Basin and this matter. Chair Feenstra stated to get a dairy to release its manure is very difficult. Chair Feenstra stated he does not know if today, or possibly at our next meeting, is the time to ask for support from the Watermaster for the implementation of a major composter in the Chino Basin to move this material out. Mr. Jeske stated that would be an item that would have to be agenzized through the Watermaster process, or you may want to just put it on your agenda for direction. Chair Feenstra inquired to Mr. Rob Vanden Heuvel if it would be better that it go through the entire process or through just the Agricultural Pool. Mr. Rob Vanden Heuvel stated he thinks this issue is of interest to the Agricultural Pool and not the other parties, and for expedient purposes, the Agricultural Pool would be appropriate. Mr. Geoffrey Vanden Heuvel stated your largest roadblock is going to be the AQMD, and he offered further comment on the AQMD and the politics of this matter. Mr. Geoffrey Vanden Heuvel stated this board is going to have to justify this to the Watermaster Board and family because they are not as knowledgeable on this matter. Mr. Geoffrey Vanden Heuvel stated with this matter he suggests that it be a good idea to get all the Pools to recommend it to the Advisory Committee, and ultimately on to the Watermaster Board, that Watermaster support this. Mr. Geoffrey Vanden Heuvel offered further comment on this matter. Chair Feenstra stated an environmental representative for Harvest was with him and the representatives of South Coast yesterday along with several other parties, and he told them that he would be coming back with letters from cities, the dairy industry, the farm bureau, the County, and from other groups of political interests for the area. Chair Feenstra stated he likes Geoffrey's thoughts and asked that Watermaster staff put this topic on the upcoming agendas. Mr. Jeske stated there is going to have to be a lot of facts and information provided to move forward on this, and noted there are multiple impacts from that type of facility and we will probably want to limit our discussion to those we have information and responsibility with. Mr. Jeske stated Chair Feenstra mentioned the Air Quality District, which Watermaster does not have an air quality specialist, and offered further comment on this matter. Mr. Jeske stated this is not going to be a quick process and what he thought he heard is this process needs to be moving rather quickly. Mr. Geoffrey Vanden Heuvel offered final comments on the AQMD rules, individual composting, community composting rules, and effects on groundwater. Chair Feenstra offered comment on how political this is, and on the complexity of this whole matter. Ms. Novak stated at this point in time she does not have enough information to say whether the Agricultural Pool should be involved in this or not, let alone approve some sort of recommendation coming out of the Agricultural Pool in favor of a private industry that is looking to relocate and have a business here. Ms. Novak stated she would really like to see as much information as possible provided via a staff report or even a proposed letter. Ms. Novak stated she appreciates the information that has been given here today; however, was wondering about a CEQA review, what is currently being done with the manure, and other impacts or implications from a company that she knows nothing about, etc. and all of that, plus probably

more should be included in the staff reports as this item comes up for consideration. Chair Feenstra stated he won't mention a private company again because it is a regional composter, and offered comment on using fertilizer at the prison, which we all support, and there is still a lot of material in the valley that we can't get out. Chair Feenstra stated we are an Agricultural Pool so we are going to work hard to assist dairy farmers in getting this material where it can best be used and saving the air; we will spend some time on this if time permits and noted that Ms. Novak can object. Ms. Novak stated for the chair to speak as the Agricultural Pool, she strongly suggests that it be tied into water supply and quality as much as possible and take it out of the realm of air quality, which is a different interest. Chair Feenstra asked that staff place this on the agenda and he noted he will work with staff in the days ahead to educate and inform, and move the process forward. Chair Feenstra noted he will also be working with Ms. Egoscue on this matter. Mr. Pierson stated he would like to support Mr. Rob Vanden Heuvel, Chair Feenstra and Ms. Novak, and he believes this is a policy issue that needs to really be looked at, and he offered final comments on this matter. A lengthy discussion regarding the process of keeping all the parties well informed on any item that comes before them and this matter ensued. Mr. Rob Vanden Heuvel stated manure is not an objectionable item, it is a valuable asset. Mr. Jeske stated staff can agendaize this item and prepare a report that will allow for discussion. Mr. Jeske stated the information is going to have to come from a third party that has the information on the project because staff is not in the position to try and put this together neither time wise, budget wise, or expertise wise. Mr. Rob Vanden Heuvel stated he would assist with that.

Mr. Durrington inquired about the well that Ms. Novak was concerned about. Ms. Novak stated that item is coming up later on the agenda.

### III. REPORTS/UPDATES

#### A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

##### 1. Paragraph 31 Appeal Tentative Opinion

Mr. Jeske stated the tentative report is out and there have been requests for a hearing, however, it is not yet scheduled.

#### B. AGRICULTURAL POOL LEGAL COUNSEL REPORT

Ms. Egoscue stated that as Watermaster legal counsel is not in the audience she will direct this to the interim CEO. Ms. Egoscue stated at the last meeting it was discussed that a motion be made that pertained to the judge and the issue about liability, and the liability of individual parties in their ability to go outside the Desalter Authority if they had some damage their property. Ms. Egoscue stated she, Counsel Fife and counsel for the Desalter Authority came to an agreement on a motion and inquired as to the status of that motion, which is set to be filed with the judge. Mr. Jeske stated he did not know the status of that. Mr. Jeske stated he will find out the status and get that to her. Ms. Egoscue stated that the remainder of her comments are for closed session.

#### C. CEO/STAFF REPORT

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

Mr. Jeske stated work has begun on the Recharge Master Plan Update (RMPU) and Watermaster has held two meetings on that matter. Mr. Jeske stated a draft outline has been developed and has been circulated. Mr. Jeske stated the next meeting is scheduled for February 14<sup>th</sup> at 9:00 a.m. Mr. Jeske stated he will be meeting with Mr. Wildermuth tomorrow to work on materials for that meeting. Mr. Jeske stated those meetings are open to anyone so that there is a collaborative process in reviewing the 2010 RMPU.

##### 2. WEI Analysis of Well Design for CDA Well I-20 & I-21

Mr. Jeske stated this item is for wells I-20 and I-21; however, he will be reporting on well I-19 also. Mr. Jeske stated this item had a request made by the state that an annular seal be put into the wells between the two water zones; however, well I-20 had already been drilled and gravel packed, and it was not possible to get that seal in that one well. Mr. Jeske stated on

well I-19 and I-21 the well design has been amended and that annular seal, as requested, will be placed in them. Mr. Jeske offered further history on this item.

3. Data Release Procedures

Mr. Jeske stated with regard to the water sampling that has been done, he is working with the chair on notifications and analysis reports, and to provide in a letter the proper agency where an individual may go if they have questions or any complications in this process. Mr. Jeske stated we want to make sure that the information we send out actually assists the people.

Chair Feenstra stated that Ms. Maurizio brought a draft letter in for him for review, which Ms. Egoscue will also review. Chair Feenstra stated there will be a few changes to the letter to consider, including possibly adding the chair's phone number.

Mr. Jeske stated the other item is related to data release, at which he was not present when the actual request was made. Mr. Jeske stated this was a request for the history of how Watermaster releases data, what data, and how it is released. Mr. Jeske stated staff compiled that information from our files and provided it to Ms. Novak and Chair Feenstra. Mr. Jeske stated there are copies of the entire research on the back table. Mr. Jeske stated the most significant find for this project is on page U2 which is the most recent Resolution of Watermaster, and the one that Watermaster works from. Mr. Jeske stated until there is another recommendation this is what will be used. Mr. Jeske stated hopefully that satisfies what information that was needed in this matter. Mr. Durrington inquired if that rescinds the motion to not release any of the test results. Mr. Jeske stated the answer is yes, but that happened in steps - there were several motions made that rescinded the original motion which Mr. Durrington is referring to. Mr. Jeske stated the only one that is pertinent now is the standing Resolution that is in effect and the other things are just history on the matter, which is what was asked for - the history. Mr. Durrington offered further comment. Chair Feenstra stated he spoke to Ms. Egoscue and Ms. Novak about the release of data and we felt comfortable with that, and if someone is going to file suit then they can.

Chair Feenstra offered comment on the property lessee that will not allow testing to be done on his property, and noted he has made some phone calls and now believes that the testing will now be able to be completed. Ms. Maurizio thanked Chair Feenstra for his work on this.

**IV. INFORMATION**

1. Cash Disbursements for January 2012

No comment was made on this item.

2. Newspaper Articles

Mr. Jeske stated we have spoken to other Pools this morning and they have all said stop putting the newspaper articles into the meeting packages. Mr. Jeske stated staff needs direction from this Pool also. Mr. Durrington commented on this matter. Chair Feenstra instructed staff to stop putting the articles into the future packages.

**V. POOL MEMBER COMMENTS**

No comment was made on this item.

**VI. OTHER BUSINESS**

No comment was made on this item.

The regular open Agricultural Pool meeting was convened to hold its confidential session at 2:22 p.m.



**VII. 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.

- 1. CEO Search

The confidential session concluded at 3:16 p.m.

No action was reported out of confidential session.

**VIII. FUTURE MEETINGS AT WATERMASTER**

Wednesday, February 8, 2012	3:00 p.m.	Reserve Policy Meeting
Thursday, February 9, 2012	9:00 a.m.	Appropriative Pool Meeting
Thursday, February 9, 2012	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, February 9, 2012	1:00 p.m.	Agricultural Pool Meeting
Tuesday, February 14, 2012	9:00 a.m.	* CB RMPU Steering Committee Meeting
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

Chair Feenstra adjourned the Agricultural Pool meeting at 3:16 p.m.

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

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



# CHINO BASIN WATERMASTER

## **I. CONSENT CALENDAR (App & Ag Pool)**

### **B. FINANCIAL REPORTS**

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

## **I. BUSINESS ITEM ROUTINE (Non-Ag Pool)**

### **B. FINANCIAL REPORTS**

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





# 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:** March 8, 2012  
**TO:** Pool Members  
**SUBJECT:** Cash Disbursement Report – Financial Report B1

### SUMMARY

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

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

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

### BACKGROUND

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

### DISCUSSION

Total cash disbursements during the month of January 2012 were \$3,004,442.90. The most significant expenditures during the month were the 3<sup>rd</sup> of 4 annual payments to the Non-Agricultural Pool for the sale of water. The total amount issued for the 3<sup>rd</sup> annual installment payments to the Non-Agricultural Pool for the sale was \$2,377,249.88. The largest checks were issued to The City of Ontario (check number 15709 dated January 10, 2012 in the amount of \$758,479.54), AQUA Capital Management LP (check number 15684 dated January 10, 2012 in the amount of \$503,912.94) and Genon West LP (check number 15695 dated January 10, 2012 in the amount of \$334,722.24).

If the Non-Agricultural Pool payments were excluded, the most significant expenditures during the month would have been to Wildermuth Environmental, Inc. (check number 15728 dated January 10, 2012 in the amount of \$176,555.02 and check number 15763 dated January 25, 2012 in the amount of \$144,626.83); and Brownstein Hyatt Farber Schreck (check number 15687 dated January 10, 2012 in the amount of \$56,320.61 and check number 15764 dated January 25, 2012 in the amount of \$42,793.40).

### Actions:

March 8, 2012 Appropriative Pool –  
March 8, 2012 Non-Agricultural Pool –  
March 8, 2012 Agricultural Pool –  
March 15, 2012 Advisory Committee –  
March 22, 2012 Watermaster Board –

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CHINO BASIN WATERMASTER  
 Cash Disbursements For The Month of  
 January 2012

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	01/10/2012	15682	AMERON	3rd of 4 payments	1012 - Bank of America Gen'l Ckg	109,071.65
Bill	11/30/2011			3rd of 4 payments, beginning 1/2010	5105 - Purchase of Non-Ag Pool Water	109,071.65
TOTAL						
Bill Pmt -Check	01/10/2012	15683	APPLIED COMPUTER TECHNOLOGIES	2040	1012 - Bank of America Gen'l Ckg	1,984.10
Bill	12/31/2011	2040		Database Services - December 2011	6052.2 - Applied Computer Technol	1,984.10
TOTAL						
Bill Pmt -Check	01/10/2012	15684	AQUA CAPITAL MANAGEMENT LP	3rd of 4 payments	1012 - Bank of America Gen'l Ckg	503,912.94
Bill	11/30/2011			3rd of 4 payments, beginning 1/2010	5105 - Purchase of Non-Ag Pool Water	503,912.94
TOTAL						
Bill Pmt -Check	01/10/2012	15685	ARROWHEAD MOUNTAIN SPRING WATER	0023230253	1012 - Bank of America Gen'l Ckg	26.65
Bill	12/31/2011	0023230253		Office Water Bottle - December 2011	6031.7 - Other: Office Supplies	26.65
TOTAL						
Bill Pmt -Check	01/10/2012	15686	AUTO CLUB SPEEDWAY	3rd of 4 payments	1012 - Bank of America Gen'l Ckg	76,446.24
Bill	11/30/2011			3rd of 4 payments, beginning 1/2010	5105 - Purchase of Non-Ag Pool Water	76,446.24
TOTAL						
Bill Pmt -Check	01/10/2012	15687	BROWNSTEIN HYATT FARBER SCHRECK	444585 - BHFS Legal - Appropriative Pool	1012 - Bank of America Gen'l Ckg	2,190.15
Bill	11/30/2011	444585		444585 - BHFS Legal - Agricultural Pool	8375 - BHFS Legal - Appropriative Pool	2,190.15
				444585 - BHFS Legal - Non-Ag Pool	8475 - BHFS Legal - Agricultural Pool	1,596.15
				444585 - BHFS Legal - Advisory Committee	8575 - BHFS Legal - Non-Ag Pool	4,833.00
				444585 - BHFS Legal - Board Meeting	6275 - BHFS Legal - Advisory Committee	4,761.00
				444585 - BHFS Legal - Restated Judgment	6375 - BHFS Legal - Board Meeting	355.50
				444585 - BHFS Legal - Personnel Matters	6072 - BHFS Legal - Restated Judgment	4,606.20
				444585 - BHFS Legal - Interagency Issues	6073 - BHFS Legal - Personnel Matters	631.80
				444585 - BHFS Legal - Replenishmt Water	6074 - BHFS Legal - Interagency Issues	8,376.30
				444585 - BHFS Legal - Miscellaneous	6075 - BHFS Legal - Replenishmt Water	3,712.62
				444585 - Recharge Master Plan	6078 - BHFS Legal - Miscellaneous	2,947.95
				444586 - BHFS Legal - Personnel Matters	6907.39 - Recharge Master Plan	16,900.65
				444587 - Santa Ana River Water Rights	6073 - BHFS Legal - Personnel Matters	1,979.84
				444588 - Desalter Negotiations	6907.34 - Santa Ana River Water Rights	777.15
				444589 - Paragraph 31 Motion	6907.33 - Desalter Negotiations	462.15
TOTAL						56,320.61
Bill Pmt -Check	01/10/2012	15688	CALPERS	1394905143	1012 - Bank of America Gen'l Ckg	5,899.48
Bill	12/31/2011	1394905143		Medical Premiums - January 2012	60182.1 - Medical Insurance	5,899.48
TOTAL						

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
January 2012

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	125.00
TOTAL						375.00
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

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
January 2012

Type	Date	Numb	Name	Memo	Account	Paid Amount
TOTAL						627.09
Bill Pmt -Check	01/10/2012	15699	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	25.00
TOTAL						100.00
Bill Pmt -Check	01/10/2012	15704	KUHN, BOB	AG Pool Member Meeting Compensation	1012 - Bank of America Gen'l Ckg	125.00
Bill	12/08/2011	12/08 Appro Pool Mtg		12/08/11 Appropriative Pool Meeting	6311 - Board Member Compensation	125.00
Bill	12/12/2011	12/12 Admin Mtg		12/12/11 Administrative Meeting	6311 - Board Member Compensation	125.00
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
Bill	12/19/2011	12/19 Admin Mtg		12/19/11 Administrative Meeting	6311 - Board Member Compensation	125.00
TOTAL						625.00
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		12/08/11 Appropriative 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	125.00
Bill	12/19/2011	12/19 Admin Mtg		12/19/11 Administrative Meeting	6311 - Board Member Compensation	125.00
TOTAL						375.00
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-Callb & 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			3rd of 4 payments, beginning 1/2010	5105 - Purchase of Non-Ag Pool Water	146,346.76

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
January 2012

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						148,346.76
Bill Pmt -Check	01/10/2012	15708	MWH LABORATORIES		1012 - Bank of America Gen'l Ckg	
Bill	11/22/2011	L0074529		L0074529 - Gridwtr Qual-Lab Svcs	7103.5 - Gridwtr Qual-Lab Svcs	1,066.00
Bill	11/22/2011	L0074065		L0074065 - Gridwtr Qual-Lab Svcs	7103.5 - Gridwtr 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	L0073528		L0073528 - 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	1903701		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 - Gridwtr 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	9.67
				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		1012 - Bank of America Gen'l Ckg	
Bill	12/08/2011	12/08 Ag Pool Mtg		12/08/11 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00



CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
January 2012

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 Pmt -Check	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						51.80
Bill Pmt -Check	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	60194 - Other Employee Insurance	51.80
TOTAL						48.71
Bill Pmt -Check	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						8,357.23
Bill Pmt -Check	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	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS retirement for 12/11/11-12/24/11	2000 - Accounts Payable	8,357.23
TOTAL						2,419.50
Bill Pmt -Check	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						10,237.34
Bill Pmt -Check	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						11,825.90
Bill Pmt -Check	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						539.66
Bill Pmt -Check	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	60191 - Life & Disab. Ins Benefits	539.66
TOTAL						1,708.82
Bill Pmt -Check	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						659.20
Bill Pmt -Check	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

CHINO BASIN WATERMASTER  
 Cash Disbursements For The Month of  
 January 2012

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	12/31/2011	1VC070000017980		Week ending 12/25/11	6017 - Temporary Services	751.90
TOTAL						2,070.30
Bill Pmt -Check	01/10/2012	15724	UNITED HEALTHCARE	0026237178 Dental premium - January 2012	1012 - Bank of America Gen'l Ckg 60182.2 - Dental & Vision Ins	447.47
Bill	12/31/2011	0026237178				447.47
TOTAL						125.00
Bill Pmt -Check	01/10/2012	15725	VANDEN HEUVEL, GEOFFREY	6311 12/08/11 Ag Pool Meeting 12/15/11 Board Meeting	1012 - Bank of America Gen'l Ckg 6311 - Board Member Compensation 6311 - Board Member Compensation	125.00
Bill	12/08/2011	12/08 Ag Pool Mtg				125.00
Bill	12/15/2011	12/15 Board Mtg				250.00
TOTAL						167.27
Bill Pmt -Check	01/10/2012	15726	VERIZON	012561121521714508 012519116950792103	1012 - Bank of America Gen'l Ckg 7405 - PE4-Other Expense 6022 - Telephone	483.79
Bill	12/20/2011	012561121521714508				651.06
Bill	12/20/2011	012519116950792103				
TOTAL						26.71
Bill Pmt -Check	01/10/2012	15727	VISION SERVICE PLAN	00-101789-0001 Vision insurance premium - January 2012	1012 - Bank of America Gen'l Ckg 60182.2 - Dental & Vision Ins	26.71
Bill	12/20/2011	001017890001				
TOTAL						5,025.00
Bill Pmt -Check	01/10/2012	15728	WILDERMUTH ENVIRONMENTAL INC	2011435 - Grd Level-Engineering 2011436 - OBMP - Watermaster Model Update 2011437 - OBMP Engineering Services 2011438 - OBMP Engineering Services 2011439 - OBMP Engineering Services 2011440 - OBMP Engineering Services 2011441 - Grdwtr Level-Engineering 2011442 - Grdwtr Qual-Engineering 2011443 - Hydraulic Control-Engineering 2011444 - Hydraulic Control-Engineering 2011445 - Hydraulic Control-Engineering 2011447 - PE3&5-Engineering 2011448 - PE4-Engineering 2011449 - Recharge & Well - Engineering 2011450 - Comp Recharge-Implementation 2011451 - PE6&7-Engineering 2011446 - Grd Level-Engineering 2011446 - Grd Level-Contract Svcs	1012 - Bank of America Gen'l Ckg 7107.2 - Grd Level-Engineering 6906.1 - OBMP - Watermaster Model Update 6906 - OBMP Engineering Services 6906 - OBMP Engineering Services 6906 - OBMP Engineering Services 6906 - OBMP Engineering Services 6906 - OBMP Engineering Services 7104.3 - Grdwtr Level-Engineering 7103.3 - Grdwtr Qual-Engineering 7108.3 - Hydraulic Control-Engineering 7108.3 - Hydraulic Control-Engineering 7108.3 - Hydraulic Control-Engineering 7303 - PE3&5-Engineering 7402 - PE4-Engineering 7109.3 - Recharge & Well - Engineering 7202.3 - Comp Recharge-Implementation 7502 - PE6&7-Engineering 7107.2 - Grd Level-Engineering 7107.6 - Grd Level-Contract Svcs	5,025.00 39,123.28 7,095.00 125.00 530.00 3,210.00 23,131.75 17,927.50 9,774.00 1,164.10 9,393.12 2,000.00 5,111.34 1,990.00 13,135.00 13,745.00 6,074.93 18,000.00 176,555.02
Bill	11/30/2011	2011435				
Bill	11/30/2011	2011436				
Bill	11/30/2011	2011437				
Bill	11/30/2011	2011438				
Bill	11/30/2011	2011439				
Bill	11/30/2011	2011440				
Bill	11/30/2011	2011441				
Bill	11/30/2011	2011442				
Bill	11/30/2011	2011443				
Bill	11/30/2011	2011444				
Bill	11/30/2011	2011445				
Bill	11/30/2011	2011447				
Bill	11/30/2011	2011448				
Bill	11/30/2011	2011449				
Bill	11/30/2011	2011450				
Bill	11/30/2011	2011451				
Bill	11/30/2011	2011446				
TOTAL						176,555.02
Bill Pmt -Check	01/10/2012	15729	WILLIS, KENNETH		1012 - Bank of America Gen'l Ckg	

TOTAL P30

CHINO BASIN WATERMASTER  
 Cash Disbursements For The Month of  
 January 2012

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	11,013.34
				Payroll taxes for 12/25/11-01/07/12	1012 - Bank of America Gen'l Ckg	11,013.34
				Direct deposits for 12/25/11-01/07/12	1012 - Bank of America Gen'l Ckg	26,167.24
TOTAL						37,180.58
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 - Grdwtr 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						6,596.01
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  
January 2012

TOTAL		Type	Date	Num	Name	Memo	Account	Paid Amount
	15738	Bill Pmt -Check	01/17/2012		HOGAN LOVELLS	2634088	1012 - Bank of America Gen'l Ckg	125.00
	2634088	Bill	12/31/2011			Non-Ag Pool legal services - November 2011	8567 - Non-Ag Legal Service	1,455.74
TOTAL								1,455.74
	15739	Bill Pmt -Check	01/17/2012		MIJAC ALARM	311502	1012 - Bank of America Gen'l Ckg	147.00
	311502	Bill	01/16/2012			Commercial monitoring from 1/01/12 - 3/31/12	6026 - Security Services	147.00
TOTAL								147.00
	15740	Bill Pmt -Check	01/17/2012		PAYCHEX	2011122900	1012 - Bank of America Gen'l Ckg	244.02
	2011122900	Bill	12/31/2011			Payroll services - December 2011	6012 - Payroll Services	244.02
TOTAL								244.02
	15741	Bill Pmt -Check	01/17/2012		PREMIERE GLOBAL SERVICES	10285534	1012 - Bank of America Gen'l Ckg	87.82
	10285534	Bill	12/30/2011			11/29/11 call re: Archibald South Plume	7103.6 - Grdwtr Qual-Supplies	87.82
						12/01 call re: Supplemental Water Recharge	7204 - Comp Recharge-Supplies	42.31
						12/08 Non Ag Pool Mig	8512 - Meeting Expense	187.78
						Monthly service fees	6022 - Telephone	21.98
TOTAL								319.89
	15742	Bill Pmt -Check	01/17/2012		PRINTING RESOURCES	57586	1012 - Bank of America Gen'l Ckg	48.71
	57586	Bill	01/16/2012			Nameplates for Bill Kruger, Peter Rogers	6031.7 - Other Office Supplies	48.71
TOTAL								48.71
	15743	Bill Pmt -Check	01/17/2012		PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	8,317.10
	01/13/2012	General Journal	01/13/2012			CalPERS retirement pymts for 12/25/11-01/07/12	2000 - Accounts Payable	8,317.10
TOTAL								8,317.10
	15744	Bill Pmt -Check	01/17/2012		R&D PEST SERVICES	0151257	1012 - Bank of America Gen'l Ckg	85.00
	0151257	Bill	01/10/2012			Continuing treatment outside/inside bldg.	6024 - Building Repair & Maintenance	85.00
TOTAL								85.00
	15745	Bill Pmt -Check	01/17/2012		SAFEGUARD DENTAL & VISION	4135450	1012 - Bank of America Gen'l Ckg	7.91
	4135450	Bill	01/02/2012			Dental premium - January 2012	60182.2 - Dental & Vision Ins	7.91
TOTAL								7.91
	15746	Bill Pmt -Check	01/17/2012		SPAM SOAP, INC	563016	1012 - Bank of America Gen'l Ckg	201.60
	563016	Bill	01/06/2012			Semi-annual billing-spam software licenses	6054 - Computer Software	201.60
TOTAL								201.60
	15747	Bill Pmt -Check	01/17/2012		STAULA, MARY L	Retiree Medical	1012 - Bank of America Gen'l Ckg	136.61
	01/31/2012	Bill	01/31/2012				60182.4 - Retiree Medical	136.61

TOTAL  
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CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
January 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	
Bill	12/31/2011	300732989		Fuel costs - December 2011	6175 - Vehicle Fuel	153.47
TOTAL						153.47
Bill Pmt -Check	01/17/2012	15749	UNITED PARCEL SERVICE	2x81x0	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	2x81x0		Packages for the month	6042 - Postage - General	61.91
TOTAL						61.91
Bill Pmt -Check	01/17/2012	15750	VERIZON BUSINESS	63285938	1012 - Bank of America Gen'l Ckg	
Bill	01/16/2012	63285938			6053 - Internet Expense	1,562.96
TOTAL						1,562.96
Bill Pmt -Check	01/17/2012	15751	VILLEGAS, VICTORIA E.	10/28/2011 Hearing Transcript	1012 - Bank of America Gen'l Ckg	
Bill	01/16/2012			1/21/2011 Hearing Transcript	6909.4 - Printing	1,585.00
TOTAL						1,585.00
Bill Pmt -Check	01/17/2012	15752	WESTERN DENTAL SERVICES, INC.	002483	1012 - Bank of America Gen'l Ckg	
Bill	01/16/2012	002483		Dental premium - February 2012	60182.2 - Dental & Vision Ins	28.88
TOTAL						28.88
Bill Pmt -Check	01/17/2012	15753	YUKON DISPOSAL SERVICE	08-K2 213849	1012 - Bank of America Gen'l Ckg	
Bill	01/10/2012	08-K2 213849		Disposal service for January 2012	6024 - Building Repair & Maintenance	106.53
TOTAL						106.53
Bill Pmt -Check	01/25/2012	15754	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	XXXX-XXXX-XXXX-9341		Holiday luncheon for staff	6141.3 - Admin Meetings	306.80
				To purchase ink cartridges for CFO printer	6031.7 - Other Office Supplies	42.84
				Lunch for 12/15 Board meeting	6312 - Meeting Expenses	556.64
TOTAL						906.28
Bill Pmt -Check	01/25/2012	15755	g.Neil	0245951	1012 - Bank of America Gen'l Ckg	
Bill	01/18/2012	0245951		Poster guard protection-Federal HR Posters	6031.7 - Other Office Supplies	59.99
TOTAL						59.99
Bill Pmt -Check	01/25/2012	15756	GROOMAN'S PUMP & WELL DRILLING, INC.	12930	1012 - Bank of America Gen'l Ckg	
Bill	12/31/2011	12930			7703 - Inactive Well-Contract Svcs	167.97
Bill	12/31/2011	12937			7103.4 - Grdwtr Qual-Contract Svc	475.00
Bill	12/31/2011	12927			7102.8 - In-line Meter-Callb & Test	209.74
Bill	12/31/2011	12936			7102.8 - In-line Meter-Callb & Test	593.33
Bill	12/31/2011	12926			7102.8 - In-line Meter-Callb & Test	453.72
TOTAL						1,899.76

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

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
<b>TOTAL</b>						
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		21853	7102.5 - In-line Meter-Computer	2,503.94
				21853	7102.7 - In-line Meter	1,500.00
				21853	7102.8 - In-line Meter-Callib & Test	4,215.62
<b>TOTAL</b>						
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
<b>TOTAL</b>						
Bill Pmt -Check	01/25/2012	15760	PUMP CHECK	4482	1012 - Bank of America Gen'l Ckg	117.34
Bill	12/31/2011	4482		4482	7102.5 - In-line Meter-Computer	190.00
				4479	7102.9 - In-line Meter-Callib & Test	2,850.00
				4479	7102.8 - In-line Meter-Callib & Test	75.00
				4479	7102.5 - In-line Meter-Computer	112.50
				4479	7103.4 - Grdwtr Qual-Contract Svc	3,344.84
<b>TOTAL</b>						
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
<b>TOTAL</b>						
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
<b>TOTAL</b>						
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	14,299.00
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
				2011476 - Associated Engineers	7107.6 - Grd Level-Contract Svcs	4,017.28
				2011476 - Michael C. Carpenter	7107.6 - Grd Level-Contract Svcs	

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

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	12/31/2011	2011477		2011478 - Western Gunitr 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 - PE8&7-Engineering	7502 - PE8&7-Engineering	8,617.18
Bill	12/31/2011	2011482		2011482 - Bill To Lewis Brisobis	6906 - OBMP Engineering Services	5,335.00
<b>TOTAL</b>						<b>144,626.83</b>
Bill Pmt -Check	01/25/2012	15764	BROWNSTEIN HYATT FARBEN SCHRECK		1012 - Bank of America Gen'l Ckg	1,560.96
Bill	12/31/2011	445074		445074 - BHFS Legal - Appropriative Pool	8375 - BHFS Legal - Appropriative Pool	1,560.96
				445074 - BHFS Legal - Agricultural Pool	8475 - BHFS Legal - Agricultural Pool	1,876.87
				445074 - BHFS Legal - Non-Ag Pool	8575 - BHFS Legal - Non-Ag Pool	2,865.38
				445074 - BHFS Legal - Advisory Committee	6275 - BHFS Legal - Advisory Committee	5,800.18
				445074 - BHFS Legal - Board Meeting	6375 - BHFS Legal - Board Meeting	1,146.70
				445074 - BHFS Legal - Personnel Matters	6073 - BHFS Legal - Personnel Matters	579.15
				445074 - BHFS Legal - Replenishmnt Water	6075 - BHFS Legal - Replenishmnt Water	10,348.65
				445074 - BHFS Legal - Miscellaneous	6078 - BHFS Legal - Miscellaneous	7,213.05
				445074 - Recharge Master Plan	6907.39 - Recharge Master Plan	9,630.90
				445075 - BHFS Legal - Personnel Matters	6073 - BHFS Legal - Personnel Matters	210.60
				445076 - S. Archibald Plume-Formerly OIA	6907.31 - S. Archibald Plume-Formerly OIA	42,793.40
<b>TOTAL</b>						<b>50.00</b>
Bill Pmt -Check	01/25/2012	15765	CUCAMONGA VALLEY JAAP	Jan. 23, 2012 Cucamonga Valley JAAP 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
<b>TOTAL</b>						<b>552.90</b>
Bill Pmt -Check	01/25/2012	15766	INLAND EMPIRE UTILITIES AGENCY		1012 - Bank of America Gen'l Ckg	552.90
Bill	12/31/2011	90009071		Readiness to serve	8456 - IEUA Readiness To Serve	552.90
<b>TOTAL</b>						<b>1,066.00</b>
Bill Pmt -Check	01/25/2012	15767	MWH LABORATORIES		1012 - Bank of America Gen'l Ckg	1,066.00
Bill	12/31/2011	L0076453		L0076453 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,066.00
Bill	12/31/2011	L0077437		L0077437 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	578.00
Bill	12/31/2011	L0075987		L0075987 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	2,074.00
Bill	12/31/2011	L0076106		L0076106 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	838.00
Bill	12/31/2011	L0075979		L0075979 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,456.00
Bill	12/31/2011	L0074690		L0074690 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	488.00
Bill	12/31/2011	L0075313		L0075313 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	1,456.00
Bill	12/31/2011	L0074687		L0074687 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	578.00
Bill	12/31/2011	L0074688		L0074688 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	578.00
Bill	12/31/2011	L0074684		L0074684 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	578.00
Bill	12/31/2011	L0074980		L0074980 - Grdwtr Qual-Lab Svcs	7103.5 - Grdwtr Qual-Lab Svcs	3,684.00

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
January 2012

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		
Bill	01/08/2012	1VC070000018027		Week ending 1/08/12	6017 - Temporary Services	659.20	
Bill	01/23/2012	1VC070000018050		Week ending 1/15/12	6017 - Temporary Services	824.00	
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		
			Payroll taxes for 01/08/12-01/21/12	Payroll taxes for 01/08/12-01/21/12	1012 - Bank of America Gen'l Ckg	12,143.73	
			Direct deposits for 01/08/12-01/21/12	Direct deposits for 01/08/12-01/21/12	1012 - Bank of America Gen'l Ckg	29,195.49	
TOTAL							41,342.22
General Journal	01/31/2012	01/31/2012	Wage Works Direct Debits - January 2012	Wage Works Direct Debits - January 2012	1012 - Bank of America Gen'l Ckg		
			Wage Works Direct Debits - January 2012	Wage Works Direct Debits - January 2012	1012 - Bank of America Gen'l Ckg	495.40	
			Wage Works Direct Debits - January 2012	Wage Works Direct Debits - January 2012	1012 - Bank of America Gen'l Ckg	495.40	
			Wage Works Direct Debits - January 2012	Wage Works Direct Debits - January 2012	1012 - Bank of America Gen'l Ckg	495.40	
TOTAL							1,486.20
Total Disbursements:						3,004,442.90	





# CHINO BASIN WATERMASTER

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## STAFF REPORT

**DATE:** March 8, 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 January 2012.

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

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

### BACKGROUND

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

### DISCUSSION

Total cash disbursement during the month of January 2012 was \$906.28. The monthly charges for January 2012 were for routine and customary expenditures and properly documented with receipts.

### Actions:

March 8, 2012 Appropriative Pool –  
March 8, 2012 Non-Agricultural Pool –  
March 8, 2012 Agricultural Pool –  
March 15, 2012 Advisory Committee –  
March 22, 2012 Watermaster Board –

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CHINO BASIN WATERMASTER  
 VISA Check Detail Report  
 January 2012

Type	Num	Date	Name	Memo	Account	Paid Amount
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
<b>Total Disbursements:</b>						<b>906.28</b>

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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:** March 8, 2012  
**TO:** Pool Members  
**SUBJECT:** Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2011 through January 31, 2012 - Financial Report B3

### SUMMARY

**Issue** – Record of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2011 through January 31, 2012.

**Recommendation** – Staff recommends the Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2011 through January 31, 2012 be received and filed as presented.

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

### BACKGROUND

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

### DISCUSSION

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

### Actions:

March 8, 2012 Appropriative Pool –  
March 8, 2012 Non-Agricultural Pool –  
March 8, 2012 Agricultural Pool –  
March 15, 2012 Advisory Committee –  
March 22, 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 JANUARY 31, 2012

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS		GROUNDWATER OPERATIONS		EDUCATION FUNDS	GRAND TOTALS	BUDGET 2011-2012
			AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS			
Administrative Revenues:									
Administrative Assessments									\$6,097,177
Interest Revenue			7,674	912	286		1	8,872	150,010
Mutual Agency Project Revenue	705,777							705,777	622,580
Grant Income									0
Miscellaneous Income									0
<b>Total Revenues</b>	<b>705,777</b>	<b>-</b>	<b>7,674</b>	<b>912</b>	<b>286</b>	<b>-</b>	<b>1</b>	<b>714,649</b>	<b>6,869,767</b>
Administrative & Project Expenditures:									
Watermaster Administration	473,265							473,265	545,107
Watermaster Board-Advisory Committee	113,471							113,471	155,297
Ag Pool Misc. Expense - Ag Fund				99				99	-
Pool Administration		774,198	31,426	89,738	70,928			192,091	503,822
Optimum Basin Mgmt. Administration		2,200,463						774,198	1,279,496
OBMP Project Costs		178,135						2,200,463	4,139,706
Debt Service								178,135	450,964
Education Funds Use							375	375	375
Mutual Agency Project Costs									10,000
<b>Total Administrative/OBMP Expenses</b>	<b>586,736</b>	<b>3,152,796</b>	<b>31,426</b>	<b>89,738</b>	<b>70,928</b>	<b>-</b>	<b>375</b>	<b>3,932,097</b>	<b>7,084,767</b>
Allocate Net Admin Expenses To Pools	(119,041)	(3,152,796)	(82,117)	(32,824)	(4,100)			-	-
Allocate Net OBMP Expenses To Pools		2,974,661	2,051,998	820,221	102,442			-	-
Allocate Debt Service to App Pool		178,135	178,135					-	-
Agricultural Expense Transfer*			877,135	(877,135)				-	-
<b>Total Expenses</b>	<b>3,056,575</b>	<b>99</b>	<b>99</b>	<b>169,271</b>	<b>168,271</b>	<b>-</b>	<b>375</b>	<b>3,932,097</b>	<b>7,084,767</b>
<b>Net Administrative Income</b>	<b>(3,048,901)</b>	<b>812</b>	<b>(3,048,901)</b>	<b>812</b>	<b>(168,985)</b>	<b>-</b>	<b>(374)</b>	<b>(3,217,449)</b>	<b>(215,000)</b>
Other Income/(Expense)									0
Replenishment Water Assessments			2,377,250					2,377,250	0
Non-Ag Stored Water Purchases						7		7	0
Interest Revenue									0
MWD Water Purchases						10,269,933		10,269,933	0
Non-Ag Stored Water Purchases			(2,377,250)					(2,377,250)	0
MWD Water Purchases						(10,269,932)		(10,269,932)	0
Groundwater Replenishment						(25,146)		(25,146)	0
Net Other Income/(Expense)						(25,138)		(25,138)	0
<b>Net Transfers To/(From) Reserves</b>	<b>(3,242,586)</b>	<b>812</b>	<b>(3,048,901)</b>	<b>812</b>	<b>(168,985)</b>	<b>(25,138)</b>	<b>(374)</b>	<b>(3,242,586)</b>	<b>(215,000)</b>
Working Capital, July 1, 2011	6,922,600		475,807	282,721	282,721	35,379	630	7,875,387	
Working Capital, End Of Period	3,873,699		476,619	113,736	113,736	10,241	256	4,632,801	4,632,801
<b>10/11 Assessable Production</b>	<b>78,410,414</b>	<b>31,342,082</b>	<b>31,342,082</b>	<b>3,914,499</b>	<b>3,914,499</b>			<b>113,666,995</b>	
<b>10/11 Production Percentages</b>	<b>68.983%</b>	<b>27.574%</b>	<b>27.574%</b>	<b>3.444%</b>	<b>3.444%</b>			<b>100.000%</b>	

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

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# CHINO BASIN WATERMASTER

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

## STAFF REPORT

**DATE:** March 8, 2012  
**TO:** Pool Members  
**SUBJECT:** Treasurer's Report of Financial Affairs for the Period January 1, 2012 through January 31, 2012 - Financial Report B4

### SUMMARY

**Issue** – Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of January 1, 2012 through January 31, 2012.

**Recommendation** – Staff recommends the Treasurer's Report of Financial Affairs for the Period January 1, 2012 through January 31, 2012 be received and filed as presented.

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

### BACKGROUND

A Treasurer's Report of Financial Affairs for the Period January 1, 2012 through January 31, 2012 is provided to keep all members apprised of the total cash in banks (Bank of America and LAIF) and on hand at the Watermaster office (petty cash) at the end of the period stated. The Treasurer's Report details the change (increase or decrease) in the overall cash position of Watermaster, as well as the changes (increase or decrease) to the assets and liabilities section of the balance sheet. The report also provides a detailed listing of all deposits and/or withdrawals in the California State Treasurer's Local Agency Investment Fund (LAIF), the most current effective yield as of the last quarter, and the ending balance in LAIF as of the reporting date.

### DISCUSSION

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

### Actions:

March 8, 2012 Appropriative Pool –  
March 8, 2012 Non-Agricultural Pool –  
March 8, 2012 Agricultural Pool –  
March 15, 2012 Advisory Committee –  
March 22, 2012 Watermaster Board –

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**CHINO BASIN WATERMASTER  
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD  
JANUARY 1 THROUGH JANUARY 31, 2012**

<b>DEPOSITORIES:</b>		
Cash on Hand - Petty Cash	\$	500
Bank of America		
Governmental Checking-Demand Deposits	\$	1,147,512
Zero Balance Account - Payroll	\$	-
Local Agency Investment Fund - Sacramento		
<b>TOTAL CASH IN BANKS AND ON HAND</b>		<b>1/31/2012</b>
<b>TOTAL CASH IN BANKS AND ON HAND</b>		<b>12/31/2011</b>
<b>PERIOD INCREASE (DECREASE)</b>		<b>\$ (2,612,286)</b>

**CHANGE IN CASH POSITION DUE TO:**

Decrease/(Increase) in Assets:	\$	25,306
Accounts Receivable		77,967
Assessments Receivable		2,435
Prepaid Expenses, Deposits & Other Current Assets		(2,681,804)
(Decrease)/Increase in Liabilities		17,600
Accounts Payable		(53,790)
Accrued Payroll, Payroll Taxes & Other Current Liabilities		
Transfer to/(from) Reserves		
<b>PERIOD INCREASE (DECREASE)</b>		<b>\$ (2,612,286)</b>

**SUMMARY OF FINANCIAL TRANSACTIONS:**

	Balances as of	12/31/2011	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Deposits		\$ 2,263,213	\$ -	\$ -	\$ 5,465,410	\$ 7,729,122	
Transfers		1,888,743	-	-	3,414	1,892,157	
Withdrawals/Checks		(78,523)	78,523	(1,500,000)	-	(1,500,000)	
		(2,925,920)	(78,523)	-	-	(3,004,443)	
Balances as of 1/31/2012		\$ 1,147,512	\$ -	\$ -	\$ 3,968,824	\$ 5,116,836	
<b>PERIOD INCREASE OR (DECREASE)</b>		<b>\$ (1,115,700)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,496,586)</b>	<b>\$ (2,612,286)</b>	

**CHINO BASIN WATERMASTER  
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD  
JANUARY 1 THROUGH JANUARY 31, 2012**

**INVESTMENT TRANSACTIONS**

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
1/10/2012	Withdrawal	L.A.I.F.	\$ (1,500,000)				
1/13/2012	Interest	L.A.I.F.	\$ 3,141				
<b>TOTAL INVESTMENT TRANSACTIONS</b>			<b>\$ (1,496,859)</b>				

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

**INVESTMENT STATUS  
January 31, 2012**

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

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

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

Respectfully submitted,

Joseph S. Joswiak  
Chief Financial Officer  
Chino Basin Watermaster



# CHINO BASIN WATERMASTER

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## STAFF REPORT

**DATE:** March 8, 2012  
**TO:** Pool Members  
**SUBJECT:** Budget vs. Actual Report for the Period July 1, 2011 through January 31, 2012 - Financial Report - B5

### SUMMARY

**Issue** – Record of revenues and expenses of Watermaster for the Period of July 1, 2011 through January 31, 2012.

**Recommendation** – Staff recommends the Budget vs. Actual Report for the Period July 1, 2011 through January 31, 2012 be received and filed as presented.

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

### BACKGROUND:

A Budget vs. Actual Report for the period July 1, 2011 through January 31, 2012 is provided to keep all members apprised of the total revenues and expenses for the current fiscal year. The expense section is categorized into four distinct sections. Those sections are: General and Administrative Expenses; Optimal Basin Management Program Expenses; Project Expenses; and Other Income/Expenses.

### DISCUSSION:

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

There were Budget Transfers and Budget Amendments approved during the February 2012 Pool, Advisory Committee and Board meeting processes. The "Amended" Total Revenues increased from \$6,658,187 to \$6,869,767 (an increase of \$211,580) while the "Amended" Total Expenses increased from \$6,873,187 to \$7,084,767 (an increase of \$211,580).

Year-To-Date (YTD) for the seven months ending January 31, 2012, all but six categories were at or below the projected budget. The categories above budget were the Watermaster Legal Services (6070's) of \$13,612; Advisory Committee Expenses (6200's) of \$2,491; Watermaster Board Expenses (6300's) of

\$14,090; Appropriative Pool Administration Expenses (8300's) of \$2,096; Non-Ag Pool Administration Expenses (8500's) of \$11,596; and Cooperative Efforts/Salt Management (7500's) of \$19,024.

The chart listed below summarized the Year-To-Date (YTD) Actual Watermaster salary costs compared to the Year-To-Date (YTD) Budget. Please be advised that the "\$ Over Budget" and the "% of Budget" columns are a comparison of the (YTD) Actual to the (YTD) Budget, not the 12-month Annual Budget. The 12-month Annual Budget column is presented only to provide the data in a full and complete format. As of January 31, 2012, the total (YTD) Watermaster salary expenses are \$10,622 or 1.2% above the YTD budgeted amount of \$890,349. The following details are provided:

	Jul '11 - Jan '12	Budget	\$ Over Budget	% of Budget	Annual Budget
<b>WM Salary Expense</b>					
6011 · WM Staff Salaries	262,133.78	258,536.34	3,597.44	101.39%	441,032.00
6011.2 · WM Staff - Admin. Paid Leave	49,192.40	20,000.00	29,192.40	245.96%	0.00
6011.3 · WM Staff - Temporary Upgrade	7,223.90	0.00	7,223.90	100.0%	0.00
6201 · Advisory Committee - WM Staff Salaries	12,705.71	12,390.60	315.11	102.54%	21,241.00
6301 · Watermaster Board - WM Staff Salaries	17,650.41	17,451.00	199.41	101.14%	29,916.00
8301 · Appropriative Pool - WM Staff Salaries	18,409.94	16,595.85	1,814.09	110.93%	28,450.00
8401 · Agricultural Pool - WM Staff Salaries	13,841.04	14,545.40	-704.36	95.16%	24,935.00
8501 · Non-Agricultural Pool - WM Staff Salaries	7,792.88	8,302.60	-509.72	93.86%	14,233.00
6901 · OBMP - WM Staff Salaries	135,570.36	126,578.65	8,991.71	107.1%	216,992.00
7101.1 · Production Monitor - WM Staff Salaries	60,571.81	69,754.15	-9,182.34	86.84%	104,150.00
7102.1 · In-line Meter - WM Staff Salaries	5,351.13	6,045.10	-693.97	88.52%	10,363.00
7103.1 · Grdwater Quality - WM Staff Salaries	45,716.21	56,780.40	-11,064.19	80.51%	80,195.00
7104.1 · Grdwater Level - WM Staff Salaries	26,278.88	52,420.10	-26,141.22	50.13%	89,863.00
7105.1 · Sur Wtr Qual - WM Staff Salaries	0.00	1,745.35	-1,745.35	0.0%	2,992.00
7107.1 · Grd Level Monitoring - WM Staff Salaries	0.00	913.50	-913.50	0.0%	1,566.00
7108.1 · Hydraulic Control - WM Staff Salaries	1,472.74	4,242.60	-2,769.86	34.71%	7,273.00
7201 · Comp Recharge - WM Staff Salaries	65,322.57	72,967.40	-7,644.83	89.52%	125,087.00
7301 · PE3&5 - WM Staff Salaries	18,957.29	21,900.10	-2,942.81	86.56%	37,543.00
7401 · PE4 - WM Staff Salaries	3,997.12	7,137.10	-3,139.98	56.01%	12,235.00
7501.1 · PE 6&7 - WM Staff Salaries (Plume)	19,011.81	0.00	19,011.81	100.0%	0.00
7501 · PE6&7 - WM Staff Salaries	2,274.45	1,745.35	529.10	130.32%	2,992.00
7601 · PE8&9 - WM Staff Salaries	25,674.85	26,496.75	-821.90	96.9%	45,423.00
7701 · Inactive Well - WM Staff Salaries	0.00	309.75	-309.75	0.0%	413.00
<b>Subtotal WM Staff Costs</b>	<b>799,149.28</b>	<b>796,858.09</b>	<b>2,291.19</b>	<b>100.29%</b>	<b>1,296,894.00</b>
60185 · Vacation	45,862.72	36,345.40	9,517.32	126.19%	51,522.00
60186 · Sick Leave	20,714.70	24,097.50	-3,382.80	85.96%	41,310.00
60187 · Holidays	35,244.58	33,048.00	2,196.58	106.65%	41,310.00
<b>Subtotal WM Paid Leaves</b>	<b>101,822.00</b>	<b>93,490.90</b>	<b>8,331.10</b>	<b>108.91%</b>	<b>134,542.00</b>
<b>Total WM Salary Costs</b>	<b>900,971.28</b>	<b>890,348.99</b>	<b>10,622.29</b>	<b>101.19%</b>	<b>1,431,436.00</b>

Added to the financial reports in the month of November 2011, the chart listed below summarizes the Brownstein Hyatt Farber Schreck (BHFS) expenses as of January 31, 2012 compared to the Year-To-Date (YTD) budget. Please be advised that the "\$ Over Budget" and the "% of Budget" columns are a comparison of the (YTD) Actual to the (YTD) Budget, not the 12-month Annual Budget. The 12-month Annual Budget column is presented only to provide the data in a full and complete format. As of January 31, 2012, the BHFS expenses are \$3,515 or 0.9% above the (YTD) budgeted amount of \$406,088. The following details are provided:

	Jul '11 - Jan '12	Budget	\$ Over Budget	% of Budget	Annual Budget
<b>6070 - Watermaster Legal Services</b>					
6071 - BHFS Legal - Court Coordination	0.00	22,808.35	-22,808.35	0.0%	39,100.00
6072 - BHFS Legal - Restated Judgment	18,306.96	62,400.00	-44,093.04	29.34%	62,400.00
6073 - BHFS Legal - Personnel Matters	47,576.29	5,760.40	41,815.89	825.92%	9,875.00
6074 - BHFS Legal - Interagency Issues	3,510.45	20,008.35	-16,497.90	17.55%	34,300.00
6075 - BHFS Legal - Replenishmnt Water	42,186.60	0.00	42,186.60	100.0%	0.00
6076 - BHFS Legal - Storage Agreements	5,054.07	0.00	5,054.07	100.0%	0.00
6078 - BHFS Legal - Miscellaneous	41,134.94	33,180.00	7,954.94	123.98%	56,880.00
<b>Total 6070 - Watermaster Legal Services</b>	<b>157,769.31</b>	<b>144,157.10</b>	<b>13,612.21</b>	<b>109.44%</b>	<b>202,555.00</b>
6275 - BHFS Legal - Advisory Committee	21,209.93	17,972.50	3,237.43	118.01%	30,810.00
6375 - BHFS Legal - Board Meeting	43,699.08	31,617.50	12,081.58	138.21%	45,630.00
8375 - BHFS Legal - Appropriative Pool	12,874.97	12,442.50	432.47	103.48%	21,330.00
8475 - BHFS Legal - Agricultural Pool	12,350.17	17,972.50	-5,622.33	68.72%	30,810.00
8575 - BHFS Legal - Non-Ag Pool	11,503.85	5,530.00	5,973.85	208.03%	9,480.00
<b>Total BHFS Legal Services</b>	<b>101,638.00</b>	<b>85,535.00</b>	<b>16,103.00</b>	<b>118.83%</b>	<b>138,060.00</b>
<b>6907.3 - WM Legal Counsel</b>					
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	14,364.60	-11,144.85	22.41%	24,625.00
6907.32 - Chino Airport Plume	9,042.45	14,977.10	-5,934.65	60.38%	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	14,656.25	-9,671.53	34.01%	25,125.00
6907.35 - Paragraph 31 Motion	34,144.19	39,200.00	-5,055.81	87.1%	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	8,020.85	-8,020.85	0.0%	13,750.00
6907.39 - Recharge Master Plan	12,954.29	17,752.00	-4,797.71	72.97%	25,360.00
6907.3 - WM Legal Counsel - Other	0.00	0.00	0.00	0.0%	0.00
<b>Total 6907.3 - WM Legal Counsel</b>	<b>150,195.39</b>	<b>176,395.80</b>	<b>-26,200.41</b>	<b>85.15%</b>	<b>221,160.00</b>
<b>Total Brownstein, Hyatt, Farber, Schreck Costs</b>	<b>409,602.70</b>	<b>406,087.90</b>	<b>3,514.80</b>	<b>100.87%</b>	<b>561,775.00</b>

**OBMP Engineering Services and Legal Costs:**

Several individual line items within the 6900 (Optimum Basin Mgmt Program) are above the Year-To-Date budget. These are the 6901 (WM Staff Salaries) of \$8,992 and the 6906 (OBMP Engineering Services-Other) of \$19,691. These overages totaling \$28,683 are a direct result of increased activities and allocating the budget in equal 1/12 portions throughout the fiscal year. The Year-To-Date expenses in these categories are running ahead of budget and should level off as the fiscal year progresses.

Within the category 6900 (Optimum Basin Mgmt Program) are the remaining Brownstein Hyatt Farber Schreck (BHFS) Watermaster's legal expenses. Within the legal expense category, some individual line item activities were above the budget \$18,425 while the majority of line item activities were below the budget \$44,625. 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 Year-To-Date period were the South Archibald Plume (formerly the OIA Plume) of \$11,145, the Chino Airport Plume \$5,934, the Santa Ana River Water Rights Application of \$9,671, the Paragraph 31 Motion of \$5,056, the Regional Water Quality Control Board of \$8,021 and the Recharge Master Plan of \$4,798. For the seven months ended January 31, 2012, the overall cumulative (YTD) budget was \$176,396 and

the actual (BHFS) legal expenses totaled \$150,196 which resulted in an (Under) budget variance of (\$26,200) or (14.9%).

The chart listed below summarizes the Optimum Basin Management Program (OBMP) expenses as of January 31, 2012 compared to the Year-To-Date (YTD) budget. Please be advised that the "\$ Over Budget" and the "% of Budget" columns are a comparison of the (YTD) Actual to the (YTD) Budget, not the 12-month Annual Budget. The 12-month Annual Budget column is presented only to provide the data in a full and complete format. Overall, the Optimum Basin Management Program (OBMP) category was \$675,024 compared to a (YTD) budget of \$682,678 for an (Under) budget of (\$7,654) or (1.1%) as of January 31, 2012.

	Jul '11 - Jan '12	Budget	\$ Over Budget	% of Budget	Annual Budget
<b>6900 - Optimum Basin Mgmt Plan</b>					
6901 - WM Staff Salaries	135,570.36	126,578.65	8,991.71	107.1%	216,992.00
6903 - OBMP SAWPA Group	11,655.00	11,655.00	0.00	100.0%	11,655.00
6906 - OBMP Engineering Services					
6906.1 - OBMP - Watermaster Model Update	204,010.48	204,010.00	0.48	100.0%	354,010.00
6906 - OBMP Engineering Services - Other	169,146.37	149,455.25	19,691.12	113.18%	224,304.00
<b>Total 6906 - OBMP Engineering Services</b>	<b>373,156.85</b>	<b>353,465.25</b>	<b>19,691.60</b>	<b>105.57%</b>	<b>578,314.00</b>
6907 - OBMP Legal Fees					
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	14,364.60	-11,144.85	22.41%	24,625.00
6907.32 - Chino Airport Plume	9,042.45	14,977.10	-5,934.65	60.38%	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	14,656.25	-9,671.53	34.01%	25,125.00
6907.35 - Paragraph 31 Motion	34,144.19	39,200.00	-5,055.81	87.1%	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	8,020.85	-8,020.85	0.0%	13,750.00
6907.39 - Recharge Master Plan	12,954.29	17,752.00	-4,797.71	72.97%	25,360.00
6907.3 - WM Legal Counsel - Other	0.00	0.00	0.00	0.0%	0.00
<b>Total 6907.3 - WM Legal Counsel</b>	<b>150,195.39</b>	<b>176,395.80</b>	<b>-26,200.41</b>	<b>85.15%</b>	<b>221,160.00</b>
<b>Total 6907 - OBMP Legal Fees</b>	<b>150,195.39</b>	<b>176,395.80</b>	<b>-26,200.41</b>	<b>85.15%</b>	<b>221,160.00</b>
6909 - OBMP Other Expenses					
6909.1 - OBMP Meetings	874.28	0.00	874.28	100.0%	0.00
6909.3 - Other OBMP Expenses	1,977.00	0.00	1,977.00	100.0%	0.00
6909.4 - Printing	1,595.00	0.00	1,595.00	100.0%	0.00
6909.5 - Ad Hoc Litigation Committee	0.00	0.00	0.00	0.0%	0.00
6909 - OBMP Other Expenses - Other	0.00	14,583.35	-14,583.35	0.0%	25,000.00
<b>Total 6909 - OBMP Other Expenses</b>	<b>4,446.28</b>	<b>14,583.35</b>	<b>-10,137.07</b>	<b>30.49%</b>	<b>25,000.00</b>
<b>Total 6900 - Optimum Basin Mgmt Plan</b>	<b>675,023.88</b>	<b>682,678.05</b>	<b>-7,654.17</b>	<b>98.88%</b>	<b>1,053,121.00</b>

The OBMP Implementation Projects (accounts 7100's – 7700's) were all under budget as of January 31, 2012 except for category 7500 (Cooperative Efforts/Salt Management) which was over budget by \$19,024. During the budget development, Watermaster anticipated and allocated a small amount of labor and effort towards this category. However, as a direct result of the enhanced efforts regarding the South Archibald Plume monitoring and testing, a larger unanticipated labor cost has been recorded.

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 the new location. As of January 31, 2012, we have not received any progress billings and expect the first payment to the Chino



Basin Desalter Authority of approximately \$295,200 to be issued in March 2012. This category also includes the budgeted quarterly InSar Imagery costs of \$60,000 which are tracking well below the budget.

The Recharge Improvement Debt Payment (Category 7690) is another category which the budget and expense fluctuate due to the timing of expense receipts. Watermaster received a credit from IEUA in the amount of \$296,265 during the month of January. This credit is the direct result of the refinancing efforts by IEUA and a true-up of the budgeted costs vs. actual payments on the debt servicing to IEUA. Currently, this category is below the budgeted amount by \$272,829. Excess funds from this category could be used for the upcoming 3-year Turner Basin Improvements, which are estimated in the range of \$120K+.

Added to the financial reports during the month of November 2011, the chart listed below summarized the Year-To-Date (YTD) Actual Wildermuth Environmental, Inc., (WEI) and other Engineering costs compared to the Year-To-Date (YTD) Budget. Please be advised that the "\$ Over Budget" and the "% of Budget" columns are a comparison of the (YTD) Actual to the (YTD) Budget, not the 12-month Annual Budget. The 12-month Annual Budget column is presented only to provide the data in a full and complete format. As of January 31, 2012, the total (YTD) Engineering expenses are \$474,586 or 26.6% below the (YTD) budgeted amount of \$1,784,524. The following details are provided:

	Jul '11 - Jan '12	Budget	\$ Over Budget	% of Budget	Annual Budget
6906.1 · OBMP - Watermaster Model Update	204,010.48	204,010.00	0.48	100.0%	204,010.00
6906 · OBMP Engineering Services - Other	169,146.37	149,455.25	19,691.12	113.18%	256,209.00
7103.3 · Grdwtr Qual-Engineering	78,418.85	53,962.40	24,456.45	145.32%	80,507.00
7103.5 · Grdwtr Qual-Lab Svcs	31,330.00	25,515.10	5,814.90	122.79%	36,883.00
7104.3 · Grdwtr Level-Engineering	156,870.58	106,167.35	50,703.23	147.76%	151,144.00
7104.8 · Grdwtr Level-Contracted Serv	0.00	5,833.35	-5,833.35	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equip	0.00	10,443.75	-10,443.75	0.0%	13,925.00
7107.2 · Grd Level-Engineering	164,265.11	97,087.10	67,178.01	169.19%	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	125,896.76	131,095.40	-5,198.64	96.03%	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	115,145.78	163,136.15	-47,990.37	70.58%	279,662.00
7108.4 · Hydraulic Control-Lab Svcs	96,303.00	99,661.90	-3,358.90	96.63%	170,849.00
7108.9 · Hydraulic Control-Contract Svcs	0.00	1,166.65	-1,166.65	0.0%	2,000.00
7109.3 · Recharge & Well - Engineering	0.00	11,160.00	-11,160.00	0.0%	11,160.00
7202.2 · Engineering Svc	0.00	6,020.00	-6,020.00	0.0%	10,320.00
7202.3 · Comp Recharge-Implementation	48,767.68	134,750.00	-85,982.32	36.19%	231,000.00
7303 · PE3&5-Engineering - Other	34,520.74	47,840.00	-13,319.26	72.16%	47,840.00
7402 · PE4-Engineering	19,896.52	26,677.00	-6,780.48	74.58%	45,732.00
7403 · PE4-Contract Svcs	0.00	5,833.35	-5,833.35	0.0%	10,000.00
7502 · PE6&7-Engineering	27,838.43	28,093.35	-254.92	99.09%	48,160.00
7503 · PE6&7-Contract Svcs (Plume)	37,528.00	37,790.00	-262.00	99.31%	37,790.00
<b>Total Wildermuth Environmental, Inc. Costs</b>	<b>1,309,936.30</b>	<b>1,784,524.10</b>	<b>-474,585.80</b>	<b>73.41%</b>	<b>2,550,068.00</b>

**Other Income and Expense:**

In August 2011, Watermaster received two payments from the Metropolitan Water District. Metropolitan entered into agreements with Watermaster and other member agencies and partners for dry-year groundwater storage. Pursuant to Section VI of these agreements, Metropolitan committed to pay an annual administrative fee to one of the partners on each of the agreements for the 25-year term of the

each agreement a) beginning on July 1<sup>st</sup> after the initial storage of water in each program, and b) with the set fee dollar amount escalating annually by the lesser of 2.5% or CPI. Watermaster received \$145,568.70 for the FY 2009/2010 payment (due July 1, 2010) and \$149,207.92 for the FY 2010/2011 payment (due July 1, 2011). The total amount received of \$294,776.62 was recorded to account 4040 (Cooperative Agreements). A portion of the \$294,776.62 (the amount of \$211,580) has now been included in the FY 2011/2012 budget. This amount of \$211,580 is being used to offset and additional extensometer costs as well as other salary costs. The balance of un-appropriated revenue of \$83,196.62 ( $\$294,776.62 - \$211,580.00 = \$83,196.62$ ) will be used for any unanticipated expenses that might arise before the end of the fiscal year.

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

**Actions:**

- March 8, 2012 Appropriative Pool –
- March 8, 2012 Non-Agricultural Pool –
- March 8, 2012 Agricultural Pool –
- March 15, 2012 Advisory Committee –
- March 22, 2012 Watermaster Board –

	1/12th of the Total Budget			7/12th (58%) of the Total Budget			100% of the Total Budget		
	For The Month of January 2012			Year-To-Date as of January 31, 2012			Fiscal Year End as of June 30, 2012		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Projected	Budget	% of Budget
<b>Income</b>									
4010 · Local Agency Subsidies	300,000.00	511,580.00	58.64%	705,776.62	622,580.00	113.36%	705,776.62	622,580.00	113.36%
4110 · Admin Asmnts-Approp Pool	0.00	0.00	0.0%	0.00	0.00	0.0%	5,844,797.00	5,844,797.00	100.0%
4120 · Admin Asmnts-Non-Agri Pool	0.00	0.00	0.0%	0.00	0.00	0.0%	252,380.00	252,380.00	100.0%
4700 · Non Operating Revenues	0.00	0.00	0.0%	8,872.09	75,005.00	11.83%	150,010.00	150,010.00	100.0%
4900 · Miscellaneous Income	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
<b>Total Income</b>	<b>300,000.00</b>	<b>511,580.00</b>	<b>58.64%</b>	<b>714,648.71</b>	<b>697,585.00</b>	<b>102.45%</b>	<b>6,952,963.62</b>	<b>6,869,767.00</b>	<b>101.21%</b>
<b>Gross Profit</b>	<b>300,000.00</b>	<b>511,580.00</b>	<b>58.64%</b>	<b>714,648.71</b>	<b>697,585.00</b>	<b>102.45%</b>	<b>6,952,963.62</b>	<b>6,869,767.00</b>	<b>101.21%</b>
<b>Expense</b>									
6010 · Salary Costs	50,005.98	55,343.99	90.36%	324,539.57	327,683.09	99.04%	592,976.00	592,976.00	100.0%
6020 · Office Building Expense	8,370.56	9,268.00	90.32%	57,414.06	60,777.00	94.47%	103,369.00	103,369.00	100.0%
6030 · Office Supplies & Equip.	1,206.45	2,125.00	56.77%	11,109.86	14,875.00	74.69%	25,500.00	25,500.00	100.0%
6040 · Postage & Printing Costs	3,960.93	4,365.00	90.74%	29,302.69	39,955.00	73.34%	66,180.00	66,180.00	100.0%
6050 · Information Services	18,465.40	13,335.00	138.47%	74,033.82	88,845.00	83.33%	148,020.00	148,020.00	100.0%
6060 · Contract Services	2,028.75	0.00	100.0%	12,804.61	34,000.00	37.66%	34,000.00	34,000.00	100.0%
6070 · Watermaster Legal Services	24,400.40	11,679.58	208.92%	157,769.31	144,157.10	109.44%	202,555.00	202,555.00	100.0%
6080 · Insurance	0.00	0.00	0.0%	17,740.87	19,036.00	93.2%	19,036.00	19,036.00	100.0%
6110 · Dues and Subscriptions	11,935.00	12,010.00	99.38%	26,781.15	27,270.00	98.21%	30,000.00	30,000.00	100.0%
6140 · WM Admin Expenses	62.26	250.00	24.9%	696.57	1,750.00	39.8%	3,000.00	3,000.00	100.0%
6150 · Field Supplies	0.00	100.00	0.0%	297.58	600.00	49.6%	1,600.00	1,600.00	100.0%
6170 · Travel & Transportation	1,704.73	1,600.00	106.55%	10,355.14	12,585.00	82.28%	21,970.00	21,970.00	100.0%
6190 · Conferences & Seminars	545.00	4,375.00	12.46%	4,159.44	13,125.00	31.69%	17,500.00	17,500.00	100.0%
6200 · Advisory Comm - WM Board	5,715.23	4,504.25	126.89%	34,021.10	31,529.75	107.9%	54,051.00	54,051.00	100.0%
6300 · Watermaster Board Expenses	6,464.14	7,437.17	86.92%	79,449.74	65,360.15	121.56%	101,246.00	101,246.00	100.0%
8300 · Appr PI-WM & Pool Admin	6,458.58	4,190.00	154.14%	31,425.50	28,330.00	107.15%	50,280.00	50,280.00	100.0%
8400 · Agri Pool-WM & Pool Admin	5,618.06	5,319.09	105.62%	30,723.77	37,233.55	82.52%	63,829.00	63,829.00	100.0%
8467 · Ag Legal & Technical Services	8,670.81	17,583.33	49.31%	47,713.80	123,083.35	38.77%	211,000.00	211,000.00	100.0%
8470 · Ag Meeting Attend -Special	1,300.00	1,000.00	130.0%	11,300.00	7,000.00	161.43%	12,000.00	12,000.00	100.0%
8471 · Ag Pool Expense	0.00	0.00	0.0%	0.00	32,500.00	0.0%	65,000.00	65,000.00	100.0%
8485 · Ag Pool - Misc. Exp. - Ag Fund	0.00	0.00	0.0%	99.34	0.00	100.0%	0.00	0.00	0.0%
8500 · Non-Ag PI-WM & Pool Admin	5,217.17	8,476.08	61.55%	70,928.32	59,332.60	119.54%	101,713.00	101,713.00	100.0%
6500 · Education Funds Use Expns	0.00	0.00	0.0%	375.00	375.00	100.0%	375.00	375.00	100.0%
9400 · Depreciation Expense	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
9500 · Allocated G&A Expenditures	-36,000.93	-60,049.92	59.95%	-253,739.73	-420,349.40	60.36%	-720,599.00	-720,599.00	100.0%
6900 · Optimum Basin Mgmt Plan	84,320.93	89,114.07	94.62%	675,023.88	713,307.30	94.63%	1,053,121.00	1,053,121.00	100.0%
6950 · Mutual Agency Projects	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
9501 · G&A Expenses Allocated-OBMP	15,951.26	18,031.25	88.47%	99,174.49	126,218.75	78.57%	216,375.00	216,375.00	100.0%
7101 · Production Monitoring	10,926.45	8,741.67	124.99%	60,946.81	70,191.65	86.83%	104,900.00	104,900.00	100.0%
7102 · In-line Meter Installation	5,349.81	5,530.25	96.74%	31,142.04	38,711.75	80.45%	66,363.00	66,363.00	100.0%
7103 · Grdwtr Quality Monitoring	15,845.29	21,287.75	74.43%	158,791.11	165,239.25	96.1%	209,923.00	209,923.00	100.0%

	1/12th of the Total Budget			7/12th (58%) of the Total Budget			100% of the Total Budget		
	For The Month of January 2012			Year-To-Date as of January 31, 2012			Fiscal Year End as of June 30, 2012		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Projected	Budget	% of Budget
7104 · Gdwtr Level Monitoring	27,293.65	26,570.16	102.72%	183,149.46	200,346.20	91.42%	297,806.00	297,806.00	100.0%
7105 · Sur Wtr Qual Monitoring	0.00	316.00	0.0%	0.00	2,112.00	0.0%	3,592.00	3,592.00	100.0%
7107 · Ground Level Monitoring	42,943.60	32,728.00	131.21%	290,161.87	667,922.00	43.44%	1,003,500.00	1,003,500.00	100.0%
7108 · Hydraulic Control Monitoring	43,677.04	37,743.17	115.72%	212,921.52	221,846.15	95.98%	427,078.00	427,078.00	100.0%
7109 · Recharge & Well Monitoring Prog	0.00	0.00	0.0%	0.00	0.00	0.0%	6,696.00	6,696.00	100.0%
7200 · PE2- Comp Recharge Pgm	230,381.54	211,107.59	109.13%	915,637.45	922,365.05	99.27%	1,233,275.00	1,233,275.00	100.0%
7300 · PE3&5-Water Supply/Desalte	8,350.63	6,795.25	122.89%	55,555.19	59,787.75	92.92%	81,764.00	81,764.00	100.0%
7400 · PE4- Mgmt Plan	4,522.12	5,827.91	77.59%	25,068.29	34,067.45	73.58%	74,457.00	74,457.00	100.0%
7500 · PE6&7-CoopEfforts/SaltMgmt	6,274.31	4,262.66	147.19%	86,652.69	67,628.70	128.13%	88,942.00	88,942.00	100.0%
7600 · PE8&9-StorageMgmt/Conj Use	5,040.60	3,872.75	130.16%	25,702.83	26,759.25	96.05%	45,773.00	45,773.00	100.0%
7690 · Recharge Improvement Debt Pymt	-293,265.00	-150,000.00	195.51%	178,135.00	450,964.00	39.5%	450,964.00	450,964.00	100.0%
7700 · Inactive Well Protection Prgm	0.00	353.25	0.0%	167.97	1,059.75	15.85%	1,413.00	1,413.00	100.0%
9502 · G&A Expenses Allocated-Projects	20,049.66	42,018.67	47.72%	154,565.28	294,130.65	52.55%	504,224.00	504,224.00	100.0%
Total Expense	353,790.41	467,211.97	75.72%	3,932,097.39	4,812,710.84	81.7%	7,084,767.00	7,084,767.00	100.0%
Net Ordinary Income	-53,790.41	44,368.03	-121.24%	-3,217,448.68	-4,115,125.84	78.19%	-131,803.38	-215,000.00	61.3%
Other Income	0.00	0.00	0.0%	0.00	0.00	0.0%	150.00	0.00	100.0%
4225 · Interest Income	0.00	0.00	0.0%	7.01	0.00	7.01	0.00	0.00	100.0%
4210 · Approp Pool-Replenishment	0.00	0.00	0.0%	0.00	0.00	0.0%	696,814.15	696,814.15	100.0%
4220 · Non-Ag Pool-Replenishment	0.00	0.00	0.0%	0.00	0.00	0.0%	27,469.75	27,469.75	100.0%
4600 · Groundwater Sales	0.00	0.00	0.0%	12,647,183.31	0.00	100.0%	12,647,183.31	12,647,183.31	100.0%
Total Other Income	0.00	0.00	0.0%	12,647,183.32	0.00	100.0%	13,361,617.21	13,361,617.21	100.0%
Other Expense	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	100.0%
5010 · Groundwater Replenishment	0.00	0.00	0.0%	10,269,932.04	0.00	100.0%	10,269,932.04	10,269,932.04	100.0%
5100 · Other Water Purchases	0.00	0.00	0.0%	2,402,395.88	0.00	100.0%	2,402,395.88	2,402,395.88	100.0%
9999 · To/(From) Reserves	-53,790.41	44,368.03	-121.24%	-3,242,586.28	-4,115,125.84	78.8%	557,485.91	-215,000.00	-259.3%
Total Other Expense	-53,790.41	44,368.03	-121.24%	9,429,741.64	-4,115,125.84	-229.15%	13,229,813.83	-215,000.00	-6,153.4%
Net Other Income	53,790.41	-44,368.03	-121.24%	3,217,448.68	4,115,125.84	78.19%	131,803.38	215,000.00	61.3%
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 & Ag Pool)

### C. WATER TRANSACTION

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

## I. BUSINESS ITEM ROUTINE (Non-Ag Pool)

### C. WATER TRANSACTION

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



***CHINO BASIN WATERMASTER***

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

March 1, 2012

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

**NOTICE OF APPLICATION(S) RECEIVED**

Date of Application: **February 9, 2012**

Date of this notice: **March 1, 2012**

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

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

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

Appropriative Pool: March 8, 2012

Non-Agricultural Pool: March 8, 2012

Agricultural Pool: March 8, 2012

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

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

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

Watermaster address:

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

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

# **CHINO BASIN WATERMASTER**

## **NOTICE OF TRANSFER OF WATER**

Notification Dated: March 1, 2012

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



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## CHINO BASIN WATERMASTER

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

**DATE:** March 1, 2012  
**TO:** Watermaster Interested Parties  
**SUBJECT:** Summary and Analysis of Application for Water Transaction

### Summary –

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

### Issue –

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

### Recommendation –

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

### Fiscal Impact –

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

### Background

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

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

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

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

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

**DISCUSSION**

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

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



# San Antonio Water Company

Incorporated October 25, 1882

Serving the original Ontario Colony lands

RECEIVED

February 9, 2012

FEB 13 2012

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

CHINO BASIN WATERMASTER

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

Dear Mr. Jeske:

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

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

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

Respectfully,

Charles Moorrees  
General Manager

/cm

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

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

FISCAL YEAR 2011 - 2012

DATE REQUESTED: 2-2-12

AMOUNT REQUESTED: 2.372 Acre-Feet

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

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

**PURPOSE OF TRANSFER:**

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

**WATER IS TO BE TRANSFERRED FROM:**

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

**WATER IS TO BE TRANSFERRED TO:**

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

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

Is the Buyer an 85/15 Party? Yes  No

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

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

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

2-10,000 gpm

---

Projected Rate of Recapture \_\_\_\_\_ Projected Duration of Recapture \_\_\_\_\_

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

Pumping

---

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

Regular production wells

---

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

---



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**WATER QUALITY AND WATER LEVELS**

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

If yes, please explain:

Nitrate concentrations range between 19-70 ppm

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

504-533

**MATERIAL PHYSICAL INJURY**

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

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

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

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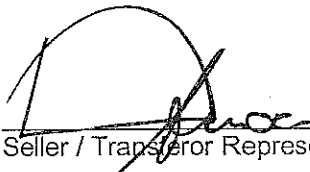
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**SAID TRANSFER SHALL BE CONDITIONED UPON:**

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

**ADDITIONAL INFORMATION ATTACHED**

Yes  No

  
 \_\_\_\_\_  
 Seller / Transferor Representative Signature

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

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

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

**TO BE COMPLETED BY WATERMASTER STAFF:**

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

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

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

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

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

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

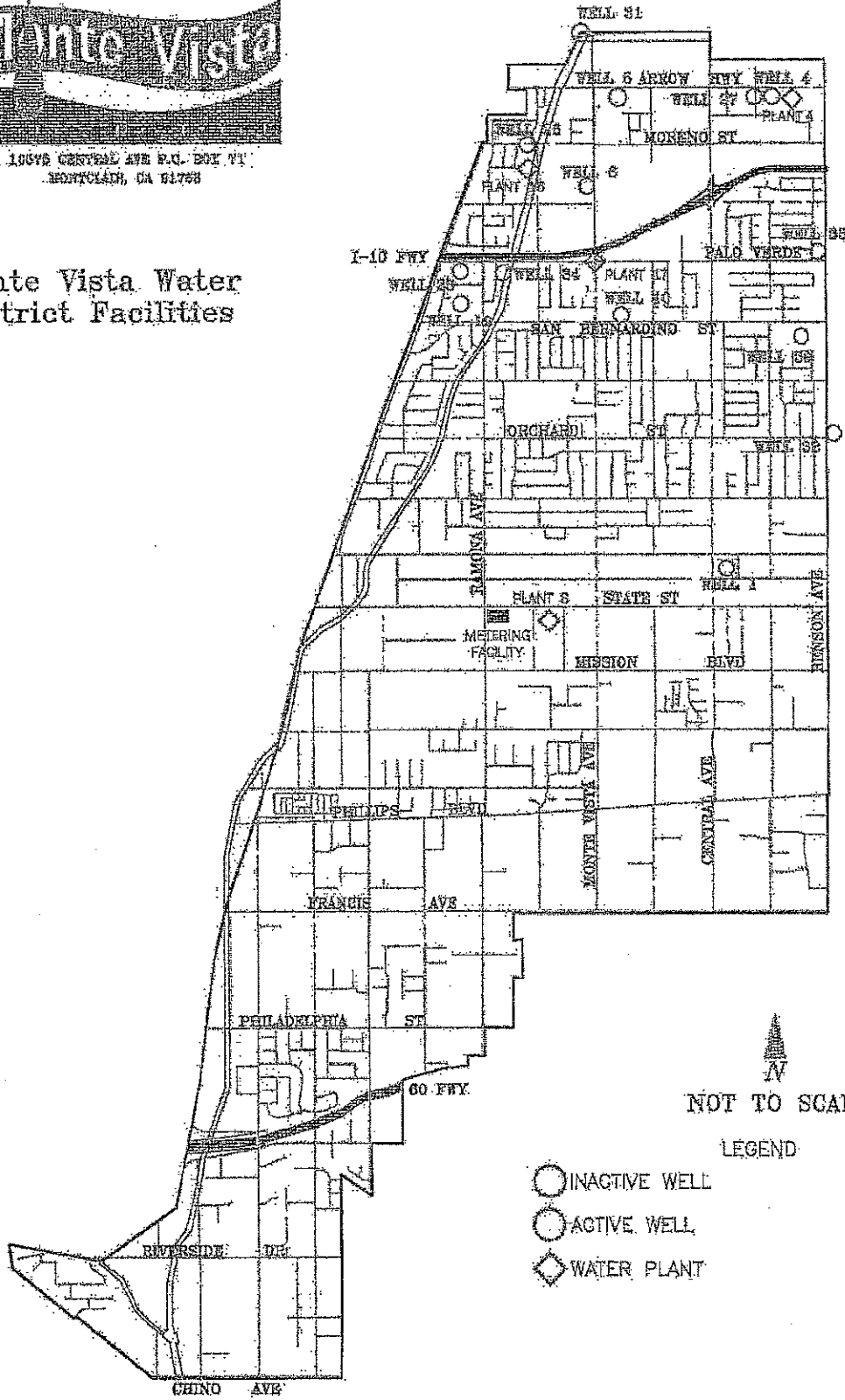
DATE OF BOARD APPROVAL: \_\_\_\_\_





15000 CENTRAL AVE P.O. BOX 111  
MONTICLARE, CA 91758

### Monte Vista Water District Facilities



NOT TO SCALE

#### LEGEND

- INACTIVE WELL
- ACTIVE WELL
- ◇ WATER PLANT

# MONTE VISTA WATER DISTRICT

## Recapture Plan

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

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

<u>Well</u>	<u>Production Acre-Feet/Day</u>
4	4.2
5	6.1
6	5.2
10	5.2
19	9.0
26	9.0
27	9.0
28	9.0
30	9.0
31	9.0
32	9.0
33	9.0
34	9.0
<hr/>	
Daily Total	102.0

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

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***CHINO BASIN WATERMASTER***

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

March 1, 2012

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

**NOTICE OF APPLICATION(S) RECEIVED**

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

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

- Notice of Sale or Transfer – The lease and/or purchase of 500,000 acre-feet of water from San Antonio Water Company to Monte Vista Water District. This lease is made first from San Antonio’s net underproduction in FY 2011-2012, with any remainder to be recaptured from storage.

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

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

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

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

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

Watermaster address:

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

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

# **CHINO BASIN WATERMASTER**

## **NOTICE OF TRANSFER OF WATER**

Notification Dated: March 1, 2012

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

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## CHINO BASIN WATERMASTER

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

**DATE:** March 1, 2012  
**TO:** Watermaster Interested Parties  
**SUBJECT:** Summary and Analysis of Application for Water Transaction

### Summary –

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

### Issue –

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

### Recommendation –

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

### Fiscal Impact –

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

### Background

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

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

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

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



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

**DISCUSSION**

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

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

FISCAL YEAR 2011 - 2012

DATE REQUESTED: February 14, 2012

AMOUNT REQUESTED: 500 Acre-Feet

<b>TRANSFER FROM (SELLER / TRANSFEROR):</b> San Antonio Water Company			<b>TRANSFER TO (BUYER / TRANSFEREE):</b> Monte Vista Water District		
Name of Party			Name of Party		
<u>139 North Euclid Avenue</u>			<u>10575 Central Avenue</u>		
Street Address			Street Address		
<u>Upland</u>	<u>CA</u>	<u>91786</u>	<u>Montclair</u>	<u>CA</u>	<u>91763</u>
City	State	Zip Code	City	State	Zip Code
<u>909-982-4107</u>			<u>909-624-0035</u>		
Telephone			Telephone		
<u>909-920-3047</u>			<u>909-624-0037</u>		
Facsimile			Facsimile		

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

**PURPOSE OF TRANSFER:**

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

**WATER IS TO BE TRANSFERRED FROM:**

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

**WATER IS TO BE TRANSFERRED TO:**

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

**IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.")**

Is the Buyer an 85/15 Party?

Yes  No

Is the purpose of the transfer to meet a current demand over and above production right?

Yes  No

Is the water being placed into the Buyer's Annual Account?

Yes  No

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

Projected Rate of Recapture

Projected Duration of Recapture

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

Pumping

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

Regular production wells

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

**WATER QUALITY AND WATER LEVELS**

Are the Parties aware of any water quality issues that exist in the area?

Yes  No

If yes, please explain:

Nitrate concentrations range between 19-70 ppm

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

504-533

**MATERIAL PHYSICAL INJURY**

Are any of the recapture wells located within Management Zone 1?

Yes  No

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

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

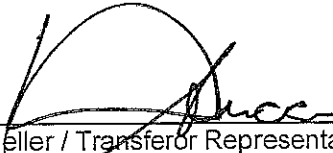
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\_\_\_\_\_


**SAID TRANSFER SHALL BE CONDITIONED UPON:**

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

**ADDITIONAL INFORMATION ATTACHED**

Yes  No

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

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

**TO BE COMPLETED BY WATERMASTER STAFF:**

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

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

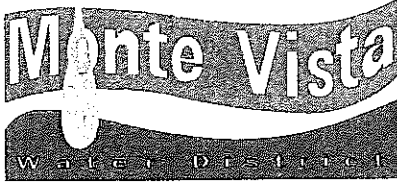
DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: \_\_\_\_\_

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

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

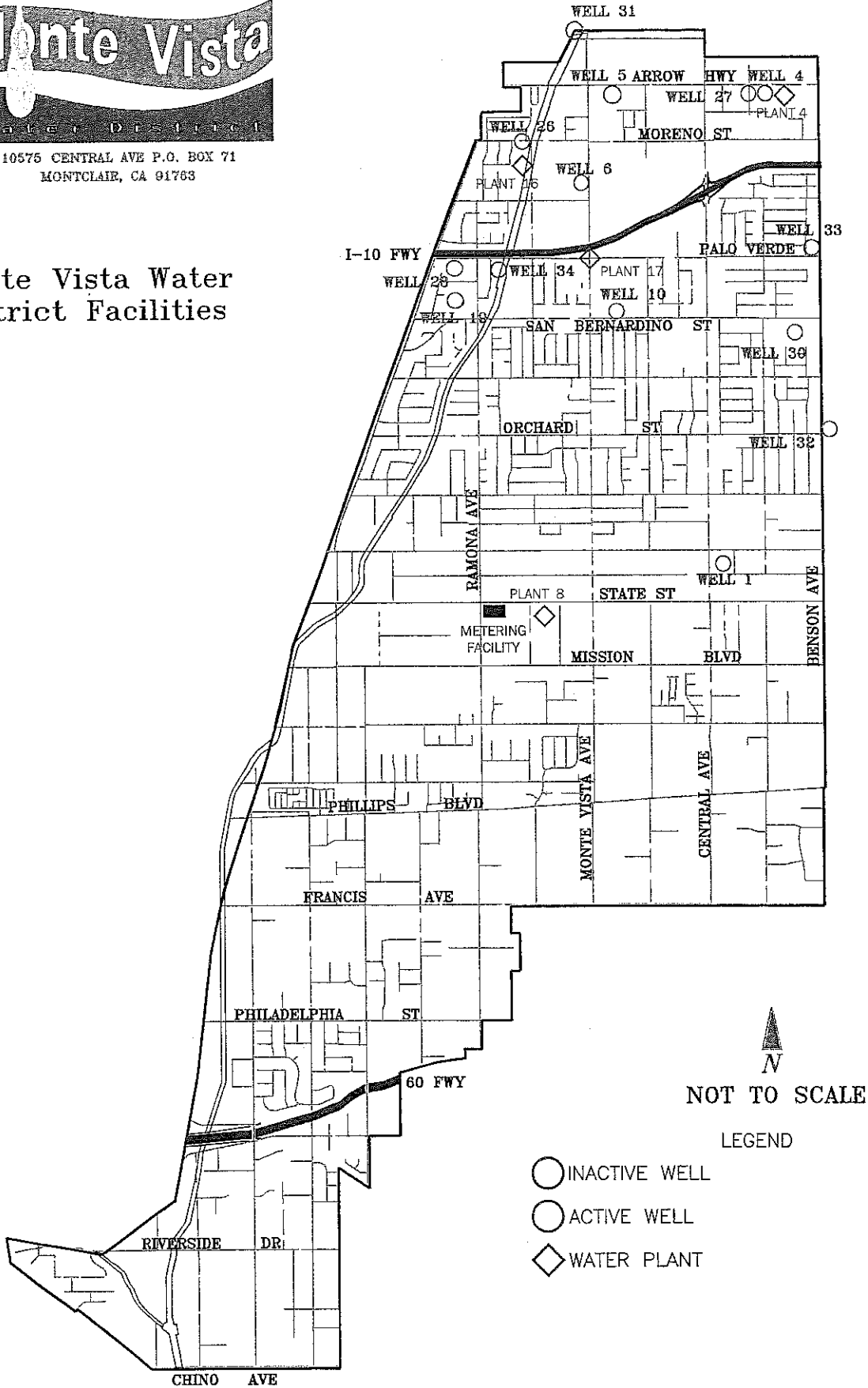
DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_

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



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

# Monte Vista Water District Facilities



N  
NOT TO SCALE

LEGEND

- INACTIVE WELL
- ACTIVE WELL
- ◇ WATER PLANT



# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### A. MATERIAL PHYSICAL INJURY ANALYSIS





# 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:** March 8, 2012  
**TO:** Committee Members  
**SUBJECT:** Material Physical Injury Analysis for the City of Ontario's Application for a Local Supplemental Storage Agreement

### SUMMARY

**Issue** – Material physical injury analyses were performed, and received and filed by the Watermaster Board in January 2012, on the seven pending Applications for Local Supplemental Storage Agreements that had been received as of December 15, 2011. The City of Ontario recently submitted an Application for a Local Supplemental Storage Agreement, and it needs to have a Material Physical Injury analysis performed in on it as well.

**Recommendation** – Staff recommends receiving and filing Wildermuth Environmental, Inc.'s (WEI's) Material Physical Injury analysis for the City of Ontario's Application for a Local Storage Agreement (LSA).

**Fiscal Impact** – None.

### BACKGROUND

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

In January 2012, as directed by the Board, Staff performed Material Physical Injury analyses on all of the pending Applications for Local Storage Agreements that had been received as of December 15, 2011. There were seven pending Applications, which had been submitted by Cucamonga Valley Water District, City of Fontana, Monte Vista Water District, Fontana Water Company, Inland Empire Utilities Agency (IEUA), City of Upland, and San Antonio Water Company (SAWCO). They dated as far back as May 2006, and were for a total of 81,500.000 acre-feet. The applications had not been acted upon by Watermaster because there are many pending issues regarding supplemental storage, particularly regarding the rules for priority among competing applications, the classification of the types of storage

and regarding the current cap on Storage of Supplemental Water described in paragraph 5.2(b)(iv) and 5.2(b)(vii) of the Peace Agreement the Peace II Agreement increased from 50,000 to 100,000 acre-feet.

The analyses were performed, and it was determined that none of the storage programs in the proposed Applications would cause a Material Physical Injury under the assumptions in which they were analyzed. It was also noted that some changes in the Applications should be formally submitted to the Watermaster prior to approving the Applications to ensure that the Applications are complete and that the proposed storage programs are implemented consistent with the Material Physical Injury analysis described.

At the January 2012 Advisory Committee meeting, in addition to receiving and filing the Material Physical Injury analyses, the Committee took action to initiate a process in which representatives of all three Pools, Watermaster staff, technical experts, and legal counsel start to work through the identification of potential storage issues. Then, once that group develops a draft process to address the storage issues, it will be brought through the entire Watermaster process.

## **DISCUSSION**

On January 26, 2012, the City of Ontario submitted an Application for a Local Supplemental Storage Agreement (attached). The Application states that the requested amount is 20,000.000 acre-feet and the purpose of the storage account is to store recycled water that is currently being recharged on behalf of the City of Ontario by IEUA. The City of Ontario is entitled to approximately 21 percent of the total amount of recycled water recharged by IEUA, and in addition, a purchase of up to 3,000.000 acre-feet of recharged recycled water from the City of Fontana.

Attached, please find WEI's Analysis of Material Physical Injury for the City of Ontario's pending Application for a Local Supplemental Storage Agreement. WEI's analysis concludes:

- The proposed Application will not cause a Material Physical Injury under the assumptions in which it was analyzed.
- The City of Ontario will have to submit an application to Watermaster to recapture the water stored in the proposed LSA, and a separate Material Physical Injury analysis will need to be done on the recapture plan.

Staff recommends receiving and filing WEI's Material Physical Injury Analysis for the City of Ontario's Application. Staff further recommends that this Application be considered with the other seven pending applications at the appropriate time as the process is developed.

### **Actions:**

March 8, 2012 Appropriative Pool –  
March 8, 2012 Non-Agricultural Pool –  
March 8, 2012 Agricultural Pool –  
March 15, 2012 Advisory Committee –  
March 22, 2012 Watermaster Board –





**WILDERMUTH™**  
ENVIRONMENTAL INC.

February 28, 2012

Chino Basin Watermaster  
Attention: Mr. Kenneth Jeske, Interim CEO  
9641 San Bernardino Road  
Rancho Cucamonga, CA 91730

**Subject: Analysis of Material Physical Injury for the City of Ontario Local Storage Agreement Application, Pending as of January 26, 2012**

Dear Mr. Jeske:

Pursuant to your direction, Wildermuth Environmental, Inc. (WEI) conducted a material physical injury (MPI) analysis of the City of Ontario's January 26, 2012 Local Storage Agreement (LSA) application. This MPI analysis has been done pursuant to the Watermaster Rules and Regulations and the Peace Agreement. Specifically, Article 10 of Watermaster Rules and Regulations (paragraph 10.10) requires that:

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

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

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

The City's proposed LSA project description does not contain the operational detail required to apply the Watermaster groundwater models to evaluate MPI. The City's LSA application does not include a recapture plan, and, as such, the MPI analysis considers only recharge and storage. The MPI analysis presented herein is based on our professional experience and judgment in the Chino Basin, including the collection and analysis of monitoring data, past evaluation of Chino Basin storage programs, groundwater modeling of various groundwater management alternatives in the Chino Basin, and prior MPI analyses—specifically, the recent past modeling investigations for the Dry-year Yield Program Expansion (2007-2008), the *Production Optimization and Evaluation of the Peace II Project Description* (2009), and the draft 2010 *State of the Basin Report*.

**City of Ontario LSA Application of January 26, 2012**

The City of Ontario applied for an LSA for 20,000 acre-ft and intends to fill that storage with recycled water that is recharged by the Inland Empire Utilities Agency (IEUA) pursuant to the joint

Watermaster and IEUA recharge permit. The City is entitled to about 21 percent of the recycled water recharged by the IEUA and to purchase up to 3,000 acre-ft/yr of the City of Fontana's share of recycled water recharged by IEUA. The City did not include a recapture plan in its LSA application, so it is unclear as to how the stored water will be recaptured and used. A recharge application for the current IEUA and Watermaster recycled water recharge program was approved by Watermaster in 2007 pursuant to the Watermaster Rules and Regulations and the Peace Agreement, and therefore the recharge of recycled water for the City's proposed storage program has already been reviewed and approved by Watermaster.

**Groundwater Level Impacts (liquefaction, land subsidence, and increases in pump lift).** This is a put-and-take program, and, as such, the general impact will be to increase storage and thereby increase groundwater levels in the Basin slightly, followed by a return to the groundwater levels that would exist if this storage program never occurred. The proposed project will produce a localized increase in groundwater levels in the vicinity of the recharge basins where the recycled water recharge occurs, and this mounding will continue at a near constant level for a duration equal to the minimum of the of the City's LSA term or the duration of Watermaster and IEUA's recycled water recharge program, whichever is shorter. The depth to groundwater beneath the recycled water recharge facilities ranges from 230 ft-bgs to 680 ft-bgs. There will be no adverse impacts from the groundwater level changes caused by the proposed program.

**Balance of Recharge and Discharge in Every Area and Subarea.** As mentioned above, this is a put-and-take program, and, as such, the general impact will be to increase storage and thereby increase groundwater levels in the Basin slightly, followed by a return to the groundwater levels that would exist if this proposed storage program never occurred. There may be a regional imbalance because recharge may not occur or be tributary to where the stored water is actually produced. The impact of the proposed storage program on the balance of recharge discharge cannot be determined until a recapture plan is filed and approved by Watermaster.

**Total Dissolved Solids and Total Nitrogen Concentration of the Recharge Water.** This issue was already covered in the recharge application for the current recycled water recharge program, and it was determined that there will be no material physical injury.

**Water Quality Impacts on Other Pumpers.** This issue was already covered in the recharge application for the current recycled water recharge program, and it was determined that there will be no material physical injury.

## **Conclusion**

There will be no potential material physical injury from the proposed LSA for the recharge and storage of recycled water. The City will have to submit an application to Watermaster to recapture the water stored in the proposed LSA, and a separate MPI analysis will need to be done on the recapture plan.

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

Wildermuth Environmental, Inc.

A handwritten signature in black ink, appearing to read "Mark J. Wildermuth". The signature is fluid and cursive, with a large, sweeping initial "M".

Mark J. Wildermuth, PE  
President

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CITY OF



ONTARIO

ONTARIO MUNICIPAL UTILITIES COMPANY

PAUL S. LEON  
MAYOR

SHEILA MAUTZ  
MAYOR PRO TEM

ALAN D. WAPNER  
JIM W. BOWMAN  
DEBRA DORST-PORADA  
COUNCIL MEMBERS

CHRIS HUGHES  
CITY MANAGER

MARY E. WIRTES, MMC  
CITY CLERK

JAMES R. MILHISER  
TREASURER

SCOTT BURTON  
UTILITIES GENERAL MANAGER

January 26, 2012

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

Attn: Ken Jeske

Subject: Application for Local Storage Agreement

This correspondence transmits the City of Ontario's application for a local supplemental storage agreement in the amount of 20,000 acre-feet. The purpose of the storage account would be to store recycled water recharged on behalf of the City by IEUA.

Should you have any questions or require any additional information, please contact Tom O'Neill at (909) 395-2676.

Sincerely,

A handwritten signature in black ink that reads "Scott Burton".

Scott Burton  
Utilities General Manager

Enclosures

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**APPLICATION  
FOR  
LOCAL STORAGE AGREEMENT**

**APPLICANT**

City of Ontario	January 26, 2012	
Name of Party	Date Requested	Date Approved
1425 South Bon View Avenue	20,000 Acre-feet	
Street Address	Amount Requested	Amount Approved
Ontario	CA	91761
City	State	Zip Code
Telephone: (909) 395-2682		Facsimile: (909) 395-2601

**TYPE OF WATER TO BE PLACED IN STORAGE**

Excess Carry Over     Local Supplemental or Imported     Both

**PURPOSE OF STORAGE - Check all that may apply**

- Stabilize or reduce future water costs/assessments.  
 Facilitate utilization of other available sources of supply.  
 Facilitate replenishment under certain well sites.  
 Preserve pumping right for a changed future potential use.  
 Other, explain \_\_\_\_\_

**METHOD AND LOCATION OF PLACEMENT IN STORAGE - Check and attach all that may apply**

- Recharge (Form 2)  
 Transfer of Right to Water in Storage (Form 3)  
 Transfer from another party to the Judgment (Form 5)

**METHOD AND LOCATION OF RECAPTURE FROM STORAGE - Check and attach all that may apply**

- Pump from my wells (Form 4)  
 Transfer to another party to the Judgment (Form 3)

**WATER QUALITY AND WATER LEVELS**

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

This request is to establish a storage account for City's share of the recharge currently taking place through the Regional recharge Master Plan. Water levels and quality will not be affected.

**MATERIAL PHYSICAL INJURY**

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

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

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

Scott Burton  
Applicant Scott Burton

**TO BE COMPLETED BY WATERMASTER:**

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

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

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

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

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

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



**APPLICATION  
FOR  
RECHARGE**

**APPLICANT**

City of Ontario January 26, 2012 \_\_\_\_\_  
 Name of Party \_\_\_\_\_ Date Requested \_\_\_\_\_ Date Approved \_\_\_\_\_  
1425 South Bon View Avenue \_\_\_\_\_ 20,000 Acre-feet \_\_\_\_\_ Acre-feet  
 Street Address \_\_\_\_\_ Amount Requested \_\_\_\_\_ Amount Approved \_\_\_\_\_  
Ontario CA 91761 \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_ Projected Rate of Recharge \_\_\_\_\_ Projected Duration of Recharge \_\_\_\_\_  
 Telephone: (909) 395-2682 \_\_\_\_\_ Facsimile: (909) 395-2601 \_\_\_\_\_

**SOURCE OF SUPPLY**

Water from:  
 State Water Project  
 Colorado River  
 Local Supplemental Source:  
 Recycled Water  
 Other, explain \_\_\_\_\_

**METHOD OF RECHARGE**

PERCOLATION Basin Name All basins included in the recharge plan  
 Location \_\_\_\_\_  
 Well Number \_\_\_\_\_  
 INJECTION Location (attach map) See map for recycle water recharge basins  
 Facility Name \_\_\_\_\_  
 EXCHANGE Share of Safe Yield 0  
 Carry Over Right \_\_\_\_\_  
 Water in Storage 0  
 Pumping Capacity (cfs) 0

**WATER QUALITY AND WATER LEVELS**

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

Water quality and water levels will not be affected since we are not increasing the amount of recharge. We are requesting a storage account for recharge that is currently taking place. The City is entitled to approximately 21% of the total recharged by IEUA and to purchase up to 3,000 AF per year of recycle recharge water from the City of Fontana.

**MATERIAL PHYSICAL INJURY**

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

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

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**ADDITIONAL INFORMATION ATTACHED**

Yes [X] No [ ]



Applicant Scott Burton

**TO BE COMPLETED BY WATERMASTER:**

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

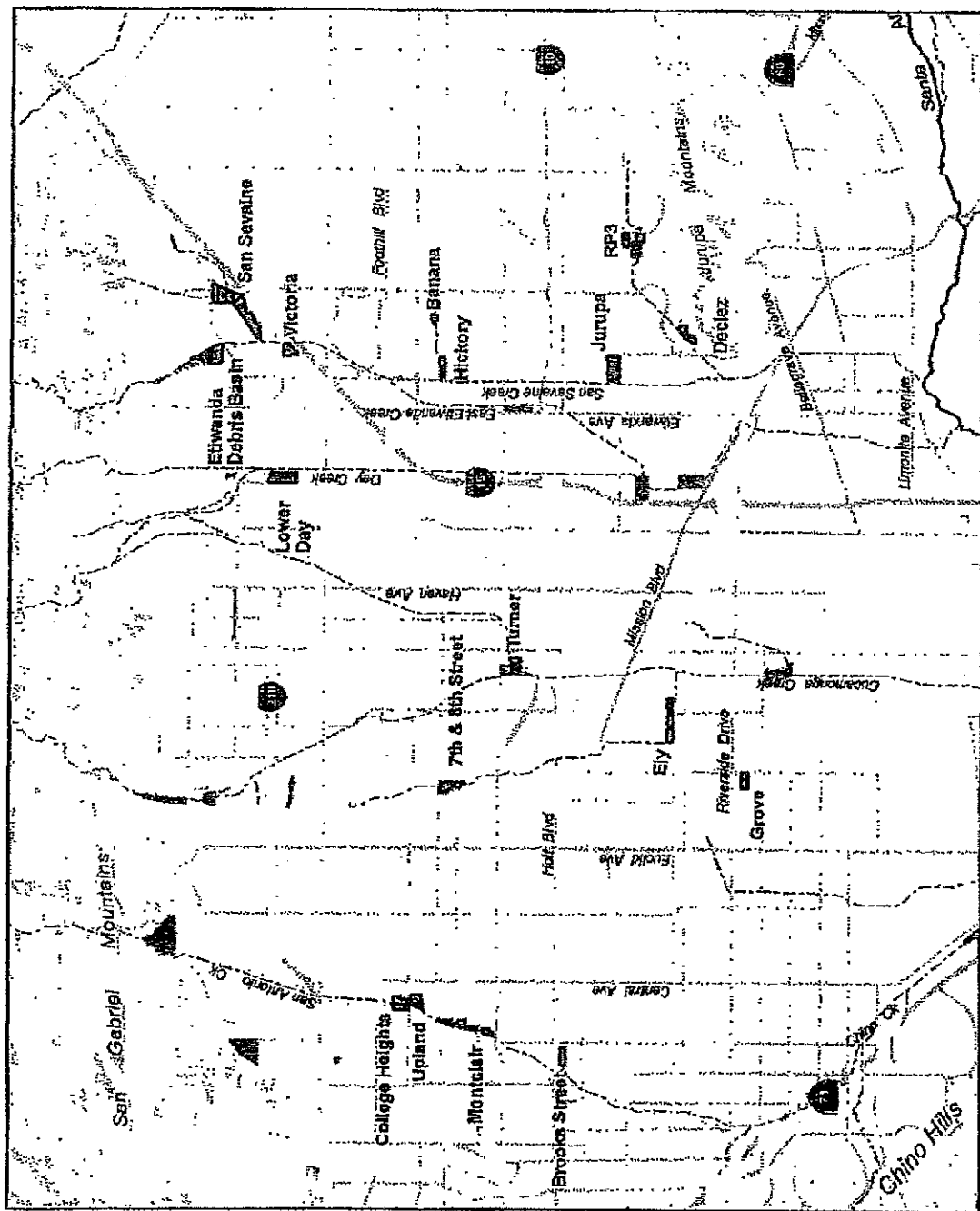
DATE OF APPROVAL FROM AGRICULTURAL POOL: \_\_\_\_\_

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

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

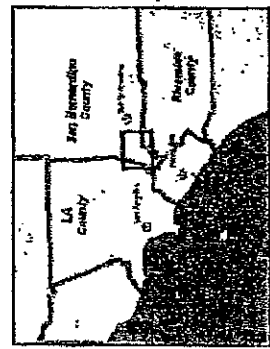
DATE OF ADVISORY COMMITTEE APPROVAL: \_\_\_\_\_

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

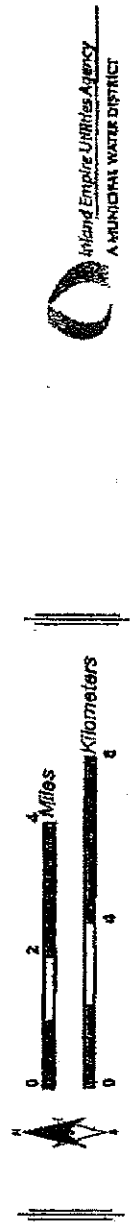


**Main Map Features**

- Recharge Basins in the Recycled Water Groundwater Recharge Program
- Non-program basins
- Rivers and Streams



**Chino Basin Recycled Water Groundwater Recharge Programs**  
Basin Locations



**Figure 1-1**

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# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

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





# 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:** March 8, 2012  
**TO:** Pool Members  
**SUBJECT:** Fiscal Year 2010/2011 Audit

### SUMMARY

**Issue** – (1) The Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2011 and 2010 Dated January 26, 2012 and (2) The Chino Basin Watermaster Management Report for June 30, 2011 Dated January 26, 2012.

**Recommendation** – Receive and File

**Financial Impact** – None

### Background

Chino Basin Watermaster is required to have an annual audit every year. At the February 23, 2012 Board meeting, Chris Brown, Senior Manager with Charles Z. Fedak & Company, presented the Annual Financial Report for the Fiscal Years Ended June 30, 2011 and 2010 along with the Management Report for June 30, 2011. Attached are the Chino Basin Watermaster Management Report for June 30, 2011; and the Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2011 and 2010. Both the Management Report and the Annual Financial Report was issued by the audit firm of Charles Z. Fedak & Company, Chino Basin Watermaster's new auditor. (Recall that the firm of Charles Z. Fedak & Company was awarded the audit contract by the Watermaster Board on May 26, 2011).

The Independent Auditor's Report is detailed on pages 4 and 5 of the Annual Financial Report. Charles Z. Fedak & Company audited the financial statements of Chino Basin Watermaster as of and for the year ended June 30, 2011. The comparative financial information as of June 30, 2010 was audited by our previous audit firm, (Mayer Hoffman McCann, P.C.) whose report dated October 11, 2010, expressed an unqualified opinion on those financial statements. An unqualified opinion concludes that the Financial Statements give a true and fair view in accordance with the financial framework used for the preparation and presentation of the Financial Statements. The Financial Statements are free of material misstatements and are represented fairly in accordance with the Generally Accepted Accounting Principles (GAAP).

In the opinion of Charles Z. Fedak & Company, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Chino Basin Watermaster as of

June 30, 2011, and the respective changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

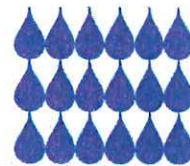
Furthermore, Charles Z. Fedak & Company made the following comments with respect to the audit:

1. Performed the audit according to the planned scope and timing requirements previously communicated in the Audit Engagement letter dated June 10, 2011.
2. Noted no transactions entered into by Watermaster during fiscal year 2011 for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transactions occurred.
3. Noted no issues with Management's Judgments, Accounting Estimates and Financial Disclosures.
4. Noted one audit adjustment entry to adjust the original trial balance presented to the auditors at the start of the audit.
5. Watermaster did not consult with other accountants about auditing and accounting matters.
6. There were no other audit findings or issues.
7. Encountered no significant difficulties in dealing with management in performing and completing the audit process and test work.
8. No disagreements with Watermaster management arose during the course of the audit of Watermaster.

**Actions:**

February 23, 2012 Watermaster Board – Unanimously Approved to Receive and File  
March 8, 2012 Appropriative Pool –  
March 8, 2012 Non-Agricultural Pool –  
March 8, 2012 Agricultural Pool –  
March 15, 2012 Advisory Committee –

**Chino Basin Watermaster  
Management Report  
June 30, 2011**



**Charles Z. Fedak & Company**  
Certified Public Accountants  
An Accountancy Corporation



**Chino Basin Watermaster**

**Management Report**

**June 30, 2011**

**Chino Basin Watermaster**

**Management Report**

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Schedule of Audit Adjusting Journal Entries	

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

## Charles Z. Fedak & Company

Certified Public Accountants  
An Accountancy Corporation

6081 Orange Avenue  
Cypress, California 90630  
(714) 527-1818  
(562) 598-6565  
FAX (714) 527-9154  
EMAIL [czfco@czfcpa.com](mailto:czfco@czfcpa.com)  
WEB [www.czfcpa.com](http://www.czfcpa.com)

Board of Directors  
Chino Basin Watermaster  
Rancho Cucamonga, California

### Dear Members of the Board:

We have audited the basic financial statements of the Chino Basin Watermaster (Watermaster) as of and for the year ended June 30, 2011 in accordance with auditing standards generally accepted in the United States of America, we considered Watermaster's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Watermaster's internal control. Accordingly, we do not express an opinion on the effectiveness of Watermaster's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

Our consideration on internal control was for the limited period described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above; however, we did note a control deficiency on the following page.

Our comments, all of which have been discussed with the appropriate members of management, are summarized as follows:

**Summary of Current Year Comments and Recommendations**

***Disclosure of Audit Adjustments and Reclassifications***

As your external auditor, we assume that the books and records of Watermaster are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present Watermaster's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

**Management's Response**

We have reviewed and approved the audit adjustment entry provided by the auditor and have entered the entry into Watermaster's accounting system to close-out Watermaster's year-end trial balance.

**Status of Comments and Recommendations Made in the Previous Year**

None Noted

\*\*\*\*\*

This report is intended solely for the information and use of management and the Board of Directors of Watermaster. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

*Charles Z. Fedak and Company CPAs - An Accountancy Corporation*

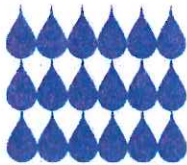
**Charles Z. Fedak and Company, CPA's - An Accountancy Corporation**  
Cypress, California  
January 26, 2012

**APPENDIX**

**Chino Basin Watermaster  
Audit/Finance Committee Letter**

**June 30, 2011**

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

## Charles Z. Fedak & Company

Certified Public Accountants  
An Accountancy Corporation

6081 Orange Avenue  
Cypress, California 90630  
(714) 527-1818  
(562) 598-6565  
FAX (714) 527-9154  
EMAIL [czfco@czfcpa.com](mailto:czfco@czfcpa.com)  
WEB [www.czfcpa.com](http://www.czfcpa.com)

Board of Directors  
Chino Basin Watermaster  
Rancho Cucamonga, California

We have audited the basic financial statements of the Chino Basin Watermaster (Watermaster) for the year ended June 30, 2011 and have issued our report thereon dated January 26, 2012. Generally accepted auditing standards require that we provide the Governing Board and management with the following information related to our audit of Watermaster's basic financial statements.

### **Auditor's Responsibility under United States Generally Accepted Auditing Standards**

As stated in our Audit Engagement Letter dated June 10, 2011, our responsibility, as described by professional standards, is to express an opinion about whether the basic financial statements prepared by management with oversight of the Governing Board are fairly presented, in all material respects, in conformity with United States generally accepted accounting principles. Our audit of the financial statements does not relieve the Governing Board or management of its responsibilities of oversight in Watermaster's external financial reporting process or any other processes.

In planning and performing our audit, we considered Watermaster's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of Watermaster's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Watermaster's internal control over financial reporting.

As part of obtaining reasonable assurance about whether Watermaster's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing requirements previously communicated in our Audit Engagement letter dated June 10, 2011.

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Watermaster are described in Note 1 to the basic financial statements.

We noted no transactions entered into by Watermaster during fiscal year 2011 for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.



### **Management's Judgments, Accounting Estimates and Financial Disclosures**

Accounting estimates play an integral part in the preparation of basic financial statements by management and are based upon management's knowledge, experience and current judgment(s) about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the position in the basic financial statements is (are):

Management's estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the basic financial statements are neutral, consistent and clear. Certain basic financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the basic financial statements is (are):

The disclosure of fair value of cash and investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 3 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

### **Corrected and Uncorrected Misstatements**

Generally Accepted Auditing Standards require us to accumulate all known and likely misstatements identified during the audit, except those that are considered trivial, and communicate them to the appropriate level of management as follows:

There was one audit adjustment entry recorded to adjust the original trial balance presented to us to begin our audit. Please see the one audit adjustment entry at the end of this report.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principal to Watermaster's basic financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Watermaster's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit processes and testwork.

Charles Z. Fedak & Company • Certified Public Accountants • An Accountancy Corporation

Member of: American Institute of Certified Public Accountants • California Society of Certified Public Accountants

**Disagreements with Management**

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit of Watermaster.

**Management Representations**

We have requested certain representations from management that are included in the Management Representational Letter to the Auditor dated January 26, 2012.

**Conclusion**

We appreciate the cooperation extended us by Joseph S. Joswiak, Chief Financial Officer, and Watermaster staff in the performance of our audit testwork.

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to Watermaster.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than the specified, parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

*Charles Z. Fedak and Company CPA's - An Accountancy Corporation*

Charles Z. Fedak and Company, CPA's - An Accountancy Corporation  
Cypress, California  
January 26, 2012

Chino Basin Watermaster  
June 30, 2011  
Audit Adjusting Journal Entries

<u>Entry #</u>	<u>Status</u>	<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
AJE 1	Posted	11070-000	LAIF FMV	13,450.07	
		42250-000	Interest Income		13,450.07

AJE - To record LAIF FMV at 6/30/11

<b>TOTALS</b>				<u>13,450.07</u>	<u>13,450.07</u>
---------------	--	--	--	------------------	------------------



**Chino Basin Watermaster**

**Annual Financial Report**

**For the Fiscal Years Ended June 30, 2011 and 2010**

## Our Mission Statement

*“The Chino Basin Watermaster is a consensus-based organization facilitating development and utilization of the Chino groundwater basin”*

<u>Name</u>	<u>Title</u>	<u>Current Term Ending or Ongoing</u>
Kenneth Willis	Chairman	December 2011
Bob G. Kuhn	Vice-Chair	Ongoing
Tom Haughey	Secretary/Treasurer	December 2011
Robert Bowcock	Member	Ongoing
Geoffrey Vanden Heuvel	Member	Ongoing
Paul Hofer	Member	Ongoing
Charles D. Field	Member	Ongoing
Paula Lantz	Member	Ongoing
Steve Elie	Member	Ongoing

**Chino Basin Watermaster  
Ken Jeske, Interim CEO  
9641 San Bernardino Road  
Rancho Cucamonga, California 91730  
(909) 484-3888 – [www.cbwm.org](http://www.cbwm.org)**

**Chino Basin Watermaster**

**Annual Financial Report**

**For the Fiscal Years Ended June 30, 2011 and 2010**

**Chino Basin Watermaster  
Annual Financial Report  
For the Fiscal Years Ended June 30, 2011 and 2010**

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# **Introductory Section**



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January 26, 2012

Board of Directors  
Chino Basin Watermaster

### **Introduction**

It is our pleasure to submit the Annual Financial Report for the Chino Basin Watermaster (Watermaster) for the fiscal years ended June 30, 2011 and 2010, following guidelines set forth by the Governmental Accounting Standards Board. Watermaster staff prepared this financial report. The Watermaster is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the Watermaster's financial position and activities.

This report is organized into three sections: (1) Introductory, (2) Financial, and (3) Supplemental. The Introductory section offers general information about the Watermaster's organization and current Watermaster activities and reports on a summary of significant financial results. The Financial section includes the Independent Auditor's Report, Management's Discussion and Analysis of the Watermaster's basic financial statements, and the Watermaster's audited basic financial statements with accompanying Notes. The Supplemental section includes combining revenue and expense schedules.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Watermaster's MD&A can be found immediately after the Independent Auditor's Report.

### **Watermaster Structure and Leadership**

The Chino Basin Watermaster ("Watermaster") was established under a judgment entered in Superior Court of the State of California for the County of San Bernardino as a result of Case No. RCV 51010 (formerly Case No. SCV 164327) entitled "Chino Basin Municipal Water District v. City of Chino, et al.", signed by the Honorable Judge Howard B. Wiener on January 27, 1978. The effective date of this Judgment for accounting and operations was July 1, 1977. Pursuant to the Judgment, the Chino Basin Municipal Water District (CBMWD) five member Board of Directors was initially appointed as "Watermaster". Their term of appointment as Watermaster was for five years, and the Court, by subsequent orders, provides for successive terms or for a successor Watermaster. Pursuant to a recommendation of the Advisory Committee, the Honorable J. Michael Gunn appointed a nine-member board as Watermaster on September 28, 2000. Under the Judgment, three Pool committees were formed: (1) Overlying (Agricultural) Pool which includes the State of California and all producers of water for overlying uses other than industrial or commercial purposes; (2) Overlying (Non-Agricultural) Pool which represents producers of water for overlying industrial or commercial purposes; and (3) Appropriative Pool which represents cities, special districts, other public or private entities and utilities. The three Pools act together to form the "Advisory Committee".

The Chief Executive Officer administers the day-to-day operations of the Watermaster in accordance with policies and procedures established by the Board of Directors. The Watermaster employs nine regular and one part-time employee. The Watermaster's three Pools, the Advisory Committee and the Board of Directors meet each month.

#### **Watermaster Mission and Services**

Chino Basin Watermaster's mission is "To manage the Chino Groundwater Basin in the most beneficial manner and to equitably administer and enforce the provisions of the Chino Basin Watermaster Judgment", Case No. RCV 51010 (formerly Case No. SCV 164327). The Watermaster provides the Chino Groundwater Basin service area with services which primarily include: accounting for water appropriations and components of acre footage of stored water by agency, purchase of replenishment water, groundwater monitoring and implementation of special projects. The Watermaster is progressively and actively implementing the Basin's Optimum Basin Management Program which includes extensive monitoring, further developing recharge capabilities, storage and recovery projects, managing salt loads, developing new yield such as reclaimed and storm water recharge and continuing to work with other agencies and entities to enhance this significant natural resource.

Watermaster expenditures are allocated to the pools based on the prior year's production volume (or the same percentage used to set the annual assessments).

#### **Economic Condition and Outlook**

The Watermaster's office is located in the City of Rancho Cucamonga in San Bernardino County which has experienced significant economic growth and also recession within the region. The economic outlook for the Southern California region is one of cautious growth due to the prolonged real estate correction, the financial crisis that may impact customers, suppliers, and the ongoing California State budget challenges which are projected to continue in the future.

#### **Internal Control Structure**

Watermaster management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the Watermaster are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Watermaster's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

#### **Budgetary Control**

The Watermaster's Board of Directors annually adopts an operating budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the Watermaster's enterprise operations. The budget and reporting treatment applied to the Watermaster is consistent with the accrual basis of accounting and the financial statement basis.

#### **Investment Policy**

The Board of Directors has adopted an investment policy that conforms to state law, Watermaster's ordinance and resolutions, prudent money management, and the "prudent person" standards. The objective of the Investment Policy is safety, liquidity and yield. Watermaster funds are invested in the State Treasurer's Local Agency Investment Fund and an institutional checking account.

### **Water Rates and Watermaster Revenues**

The Judgment prescribes Watermaster's authority and specifies classes of water production assessments to be used to fund certain activities. Those assessment categories are: Administration, Optimal Basin Management Program, Special Projects and Replenishment. Each class of assessment has a prescribed purpose and water production base. Assessment revenue is Watermaster's principal source of income.

### **Audit and Financial Reporting**

State Law requires the Watermaster to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Charles Z. Fedak & Company, CPAs has conducted the audit of the Watermaster's financial statements. Their unqualified Independent Auditor's Report appears in the Financial Section.

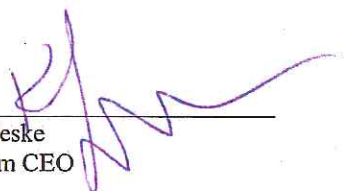
### **Other References**

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

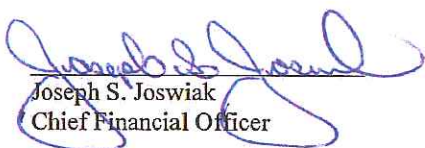
### **Acknowledgements**

Preparation of this report was accomplished by the combined efforts of Watermaster staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the Watermaster. We would also like to thank the members of the Board of Directors for their continued support in planning and implementation of the Chino Basin Watermaster's fiscal policies.

Respectfully submitted,



\_\_\_\_\_  
Ken Jeske  
Interim CEO



\_\_\_\_\_  
Joseph S. Joswiak  
Chief Financial Officer

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## **Financial Section**

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Charles Z. Fedak, CPA, MEA  
Paul J. Kaymark, CPA  
Christopher J. Brown, CPA

## Charles Z. Fedak & Company

Certified Public Accountants  
An Accountancy Corporation

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### Independent Auditor's Report

Board of Directors  
Chino Basin Watermaster  
Rancho Cucamonga, California

We have audited the accompanying financial statements of the Chino Basin Watermaster (Watermaster) as of and for the year ended June 30, 2011, which collectively comprise the Watermaster's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Watermaster's management. Our responsibility is to express an opinion on these financial statements based on our audit. The comparative financial information as of June 30, 2010 was audited by other auditors whose report dated October 11, 2010, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Chino Basin Watermaster as of June 30, 2011, and the respective changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 26, 2012, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits. That report can be found on page 26.

Accounting principals generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.



### Independent Auditor's Report, continued

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Watermaster's basic financial statements as a whole. The introductory section and the supplemental information on pages 24 through 25 are presented for purposes of additional analysis and are not required parts of the basic financial statements. The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Charles Z. Fedak and Company CPAs - An Accountancy Corporation*

Charles Z. Fedak and Company, CPAs - An Accountancy Corporation  
Cypress, California  
January 26, 2012

**Chino Basin Watermaster**  
*Management's Discussion and Analysis*  
**For the Fiscal Years Ended June 30, 2011 and 2010**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Chino Basin Watermaster (Watermaster) provides an introduction to the financial statements of the Watermaster for the fiscal years ended June 30, 2011 and 2010. The two year presentation is provided for comparative purposes. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

**Financial Highlights**

- The Watermaster's net assets decreased 7.11% or \$602,977 to \$7,875,388 in fiscal year 2011 as the result of operations. In 2010, the Watermaster's net assets decreased 22.90% or \$2,517,601 to \$8,478,365 as the result of operations.
- The Watermaster's operating revenues increased 11.29% or \$1,647,301 in 2011 primarily due to a 35.95% or \$2,543,323 increase in replenishment water revenues that was offset by a 12.10% or \$895,834 decrease in administrative assessments. In 2010, the Watermaster's operating revenues decreased 0.5% or \$65,988 to \$14,588,996.
- The Watermaster's operating expenses decreased 1.59% or \$272,346 in 2011 primarily due to a 22.63% decrease in optimum basin management plan costs that was offset by a 11.09% increase in groundwater replenishment costs. In 2010, the Watermaster's operating expenses increased 71.4% or \$7,144,738 to \$17,156,007 due to increased groundwater replenishment costs.

**Required Financial Statements**

This annual report consists of a series of financial statements. The Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets and Statement of Cash Flows provide information about the activities and performance of the Watermaster using accounting methods similar to those used by private sector companies.

The Statement of Net Assets includes all of the Watermaster's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the Watermaster and assessing the liquidity and financial flexibility of the Watermaster. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Assets. This statement measures the success of the Watermaster's operations over the past year and can be used to determine if the Watermaster has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the Watermaster's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

**Financial Analysis of the Watermaster**

One of the most important questions asked about the Watermaster's finances is, "Is the Watermaster better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets report information about the Watermaster in a way that helps answer this question.

**Chino Basin Watermaster**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**Financial Analysis of the Watermaster, continued**

These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Watermaster's *net assets* and changes in them. You can think of the Watermaster's net assets – the difference between assets and liabilities – as one way to measure the Watermaster's financial health, or *financial position*. Over time, *increases or decreases* in the Watermaster's net assets are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in federal and state water quality standards.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 13 through 23.

**Statement of Net Assets**

**Condensed Statements of Net Assets**

	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>Percentage Change</u>
<b>Assets:</b>				
Current assets	\$ 11,075,096	10,614,785	460,311	4.34%
Capital assets, net	26,190	46,889	(20,699)	-44.14%
<b>Total assets</b>	<b>\$ 11,101,286</b>	<b>10,661,674</b>	<b>439,612</b>	<b>4.12%</b>
<b>Liabilities:</b>				
Current liabilities	\$ 3,135,273	2,057,049	1,078,224	52.42%
Non-current liabilities	90,625	126,260	(35,635)	-28.22%
<b>Total liabilities</b>	<b>3,225,898</b>	<b>2,183,309</b>	<b>1,042,589</b>	<b>47.75%</b>
<b>Net assets:</b>				
Invested in capital assets	26,190	46,889	(20,699)	-44.14%
Unrestricted	7,849,198	8,431,476	(582,278)	-6.91%
<b>Total net assets</b>	<b>7,875,388</b>	<b>8,478,365</b>	<b>(602,977)</b>	<b>-7.11%</b>
<b>Total liabilities and net assets</b>	<b>\$ 11,101,286</b>	<b>10,661,674</b>	<b>439,612</b>	<b>4.12%</b>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Watermaster, assets of the Watermaster exceeded liabilities by \$7,875,388 and \$8,478,365 as of June 30, 2011 and 2010, respectively.

The Watermaster's investment in capital assets is comprised of capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The Watermaster uses these capital assets to provide services to customers within the Watermaster's service area; consequently, these assets are not available for future spending.

**Chino Basin Watermaster**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**Statement of Net Assets, continued**

At the end of fiscal years 2011 and 2010, the Watermaster showed a positive balance in its unrestricted net assets of \$7,849,198 and \$8,431,476, respectively, which may be utilized in future years. See note 7 for further discussion.

**Statement of Revenues, Expenses and Changes in Net Assets**

Condensed Statements of Revenues, Expenses and Changes in Net Assets

	2011	2010	Change	Percentage Change
Operations:				
Operating revenues	16,236,297	14,588,996	1,647,301	11.29%
Operating expenses	16,883,661	17,156,007	(272,346)	-1.59%
<b>Net loss from operations</b>	<b>(647,364)</b>	<b>(2,567,011)</b>	<b>1,919,647</b>	<b>-74.78%</b>
Depreciation	20,699	29,103	(8,404)	-28.88%
<b>Operating loss</b>	<b>(668,063)</b>	<b>(2,596,114)</b>	<b>1,928,051</b>	<b>-74.27%</b>
Non-operating:				
Interest earnings	65,086	78,513	(13,427)	-17.10%
<b>Total non-operating revenues</b>	<b>65,086</b>	<b>78,513</b>	<b>(13,427)</b>	<b>-17.10%</b>
<b>Change in net assets</b>	<b>(602,977)</b>	<b>(2,517,601)</b>	<b>1,914,624</b>	<b>-76.05%</b>
<b>Net assets, beginning of year</b>	<b>8,478,365</b>	<b>10,995,966</b>	<b>(2,517,601)</b>	<b>-22.90%</b>
<b>Net assets, end of year</b>	<b>7,875,388</b>	<b>8,478,365</b>	<b>(602,977)</b>	<b>-7.11%</b>

The statement of revenues, expenses and changes of net assets shows how the Watermaster's net assets changed during the fiscal years. In the case of the Watermaster, net assets decreased by \$602,977 and \$2,517,601 for the fiscal years ended June 30, 2011 and 2010, respectively.

A closer examination of the sources of changes in net assets reveals that:

The Watermaster's operating revenues increased 11.29% or \$1,647,301 in 2011 primarily due to a 35.95% or \$2,543,323 increase in replenishment water revenues that was offset by a 12.10% or \$895,834 decrease in administrative assessments.

In 2010, the Watermaster's operating revenues decreased 0.5% or \$65,988 to \$14,588,996 primarily due to a 9.9% or \$636,162 increase in replenishment water revenues and a 100.0% or \$111,188 increase in miscellaneous revenue that was offset by a 9.3% or \$762,121 decrease in administrative assessments and a 100.0% or \$51,217 decrease in mutual agency project revenue.

The Watermaster's operating expenses decreased 1.59% or \$272,346 in 2011 primarily due to a 22.63% decrease in Optimum Basin Management Plan costs that was offset by a 11.09% increase in groundwater replenishment costs.

In 2010, the Watermaster's operating expenses increased 71.4% or \$7,144,738 to \$17,156,007 due to increased Groundwater replenishment costs.

**Chino Basin Watermaster**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**Capital Asset Administration**

At the end of fiscal year 2011 and 2010, the Watermaster's investment in capital assets amounted to \$26,190 and \$46,889 (net of accumulated depreciation), respectively. This investment in capital assets includes leasehold improvements, office equipment, and vehicles. There were no major capital assets additions during the year ended June 30, 2011.

Changes in capital assets in 2011 were as follows:

	<u>Balance 2010</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 2011</u>
Capital assets:				
Depreciable assets	273,808	-	-	273,808
Accumulated depreciation	<u>(226,919)</u>	<u>(20,699)</u>	-	<u>(247,618)</u>
Total capital assets	<u>46,889</u>	<u>(20,699)</u>	-	<u>26,190</u>

Changes in capital assets in 2010 were as follows:

	<u>Balance 2009</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 2010</u>
Capital assets:				
Depreciable assets	250,992	22,816	-	273,808
Accumulated depreciation	<u>(197,816)</u>	<u>(29,103)</u>	-	<u>(226,919)</u>
Total capital assets	<u>53,176</u>	<u>(6,287)</u>	-	<u>46,889</u>

**Conditions Affecting Current Financial Position**

Management is unaware of any conditions which could have a significant impact on the Watermaster's current financial position, net assets or operating results based on past, present and future events.

**Requests for Information**

This financial report is designed to provide the Watermaster's funding sources, customers, stakeholders and other interested parties with an overview of the Watermaster's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Watermaster's Chief Financial Officer at 9641 San Bernardino Road, Rancho Cucamonga, CA 91730.

## **Basic Financial Statements**

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**Chino Basin Watermaster**  
**Statement of Net Assets**  
**June 30, 2011 and 2010**

<i>Assets</i>	2011	2010
Current assets:		
Cash and cash equivalents (note 2)	\$ 7,187,623	10,578,034
Accrued interest receivable	14,729	20,658
Accounts receivable	3,750,628	800
Prepaid expenses	122,116	15,293
Total current assets	11,075,096	10,614,785
Non-current:		
Capital assets, net (note 3)	26,190	46,889
Total non-current assets	26,190	46,889
Total assets	\$ 11,101,286	10,661,674
<i>Liabilities</i>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 3,064,607	1,970,273
Accrued salaries and benefits	21,868	18,790
Long-term liabilities – due within one year:		
Compensated absences (note 4)	48,798	67,986
Total current liabilities	3,135,273	2,057,049
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 4)	90,625	126,260
Total non-current liabilities	90,625	126,260
Total liabilities	3,225,898	2,183,309
Net assets: (note 6)		
Investment in capital assets, net of related debt	26,190	46,889
Unrestricted	7,849,198	8,431,476
Total net assets	7,875,388	8,478,365
Total liabilities and net assets	\$ 11,101,286	10,661,674

See accompanying notes to the basic financial statements



**Chino Basin Watermaster**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Operating revenues:		
Administrative assessments	\$ 6,508,169	7,404,003
Replenishment water revenue	9,617,128	7,073,805
Other revenue	<u>111,000</u>	<u>111,188</u>
Total operating revenue	<u>16,236,297</u>	<u>14,588,996</u>
Operating expenses:		
Groundwater replenishment and other water purchases	10,991,245	9,894,321
Optimum basin management plan	4,895,469	6,327,400
Watermaster administration	544,784	657,236
Pool, advisory, and board administration	<u>452,163</u>	<u>277,050</u>
Total operating expense	<u>16,883,661</u>	<u>17,156,007</u>
Operating loss before depreciation	(647,364)	(2,567,011)
Depreciation expense	<u>(20,699)</u>	<u>(29,103)</u>
Operating loss	<u>(668,063)</u>	<u>(2,596,114)</u>
Non-operating revenues:		
Interest earnings	<u>65,086</u>	<u>78,513</u>
Total non-operating revenues	<u>65,086</u>	<u>78,513</u>
Change in net assets	(602,977)	(2,517,601)
Net assets at beginning of year	<u>8,478,365</u>	<u>10,995,966</u>
Net assets at end of year	<u>\$ 7,875,388</u>	<u>8,478,365</u>

See accompanying notes to the basic financial statements

**Chino Basin Watermaster  
Statement of Cash Flows  
For the Fiscal Years Ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Cash received from stakeholders	\$ 12,486,469	14,765,511
Cash paid to employees for salaries and wages	(892,464)	(900,275)
Cash paid to vendors and suppliers for materials and services	<u>(15,055,431)</u>	<u>(14,708,441)</u>
Net cash used in operating activities	<u>(3,461,426)</u>	<u>(843,205)</u>
Cash flows from capital financing activities:		
Acquisition of capital assets	<u>-</u>	<u>(22,816)</u>
Net cash used in capital financing activities	<u>-</u>	<u>(22,816)</u>
Cash flows from investing activities:		
Interest earnings received	<u>71,015</u>	<u>78,513</u>
Net cash provided by investing activities	<u>71,015</u>	<u>78,513</u>
Net decrease in cash	(3,390,411)	(787,508)
Cash and cash equivalent at the beginning of year	<u>10,578,034</u>	<u>11,365,542</u>
Cash and cash equivalent at the end of year	\$ <u>7,187,623</u>	<u>10,578,034</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ <u>(668,063)</u>	<u>(2,596,114)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	20,699	29,103
Changes in assets and liabilities		
(Increase) decrease in assets:		
Accounts receivable	(3,749,828)	176,515
Prepaid expenses	(106,823)	18,170
Increase (decrease) in liabilities:		
Accounts payable and accrued expense	1,094,334	1,581,185
Accrued salaries and benefits	3,078	(61,124)
Compensated absences	<u>(54,823)</u>	<u>9,060</u>
Total adjustments	<u>(2,793,363)</u>	<u>1,752,909</u>
Net cash used in operating activities	\$ <u>(3,461,426)</u>	<u>(843,205)</u>
Non-cash investing, capital and financing transactions:		
Change in fair-market value of investments	\$ <u>13,450</u>	<u>-</u>
See accompanying notes to the basic financial statements		

**Chino Basin Watermaster**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(1) Reporting Entity and Summary of Significant Accounting Policies**

**A. Organization and Operations of the Reporting Entity**

The Chino Basin Watermaster ("Watermaster") was established under a judgment entered in Superior Court of the State of California for the County of San Bernardino as a result of Case No. RCV 51010 (formerly Case No. SCV 164327) entitled "Chino Basin Municipal Water District v. City of Chino, et al.", signed by the Honorable Judge Howard B. Weiner on January 27, 1978. The effective date of this Judgment for accounting and operations was July 1, 1977.

Pursuant to the Judgment, the Chino Basin Municipal Water District (CBMWD) five member Board of Directors was initially appointed as "Watermaster". Their term of appointment as Watermaster was for five years, and the Court, by subsequent orders, provides for successive terms or for a successor Watermaster. Pursuant to a recommendation of the Advisory Committee, the Honorable J. Michael Gunn appointed a nine-member board as Watermaster on September 28, 2000.

Under the Judgment, three Pool committees were formed: (1) Overlying (Agricultural) Pool which includes the State of California and all producers of water for overlying uses other than industrial or commercial purposes; (2) Overlying (Non-Agricultural) Pool which represents producers of water for overlying industrial or commercial purposes; and (3) Appropriative Pool which represents cities, districts, other public or private entities and utilities. The three Pools act together to form the "Advisory Committee".

The Watermaster provides the Chino Groundwater Basin service area with services which primarily include: accounting for water appropriations and components of acre-footage of stored water by agency, purchase of replenishment water, groundwater monitoring and implementation of special projects.

Watermaster expenditures are allocated to the pools based on the prior year's production volume (or the same percentage used to set the annual assessments). Allocations for fiscal year 2010-11 expenses are based on the 2009-2010 production volume.

Production volume	Fiscal Year 2010	
	Acre Feet	Percentage
Appropriative Pool	78,733	68.765%
Agricultural Pool	31,855	27.822%
Non-agricultural Pool	3,908	3.413%
Total production volume	114,496	100.000%

The Agricultural Pool members ratified an agreement with the Appropriative Pool at their meeting of June 16, 1988, wherein the Appropriative Pool assumes Agricultural Pool administrative expenses and special project cost allocations in exchange for an accelerated transfer of unpumped agricultural water to the Appropriative Pool. In addition the Agricultural Pool transferred all pool administrative reserves at June 30, 1988 to the Appropriative Pool effective July 1, 1988.

In July of 2000, the principal parties in the Basin signed an agreement, known as the Peace Agreement, which among other things formalized the commitment of the Basin parties to implement an Optimum Basin Management Program. The Peace Agreement was signed by all of the parties, and the Court has approved the agreement and ordered the Watermaster to proceed in accordance with the terms of the agreement. The Court has approved revisions to the Chino Basin Watermaster Rules and Regulations.

**Chino Basin Watermaster**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**B. Basis of Accounting and Measurement Focus**

The Watermaster reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Watermaster is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as replenishment water revenues and groundwater replenishment, result from exchange transactions associated with the principal activity of the Watermaster. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

**C. Financial Reporting**

The Watermaster's basic financial statements are presented in conformance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*" (GASB No. 34). This statement established revised financial reporting requirements for state and local governments throughout the United States for the purpose of enhancing the understandability and usefulness of financial reports.

GASB No. 34 and its related GASB pronouncements provide for a revised view of financial information and restructure the format of financial information provided prior to its adoption. A statement of net assets replaces the balance sheet and reports assets, liabilities, and the difference between them as net assets, not equity. A statement of revenues, expenses and changes in net assets replaces both the income statement and the statement of changes in retained earnings and contributed capital. GASB No. 34 also requires that the statement of cash flows be prepared using the direct method. Under the direct method, cash flows from operating activities are presented by major categories.

Under GASB No. 34, enterprise funds, such as the Watermaster, have the option of consistently following or not following pronouncements issued by the Financial Accounting Standards Board (FASB) subsequent to November 30, 1989. The Watermaster has elected not to follow FASB standards issued after that date, unless such standards are specifically adopted by GASB.

**D. Assets, Liabilities and Net Assets**

**1. Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net assets during the reporting period. Actual results could differ from those estimates.

**2. Cash and Cash Equivalents**

Substantially all of the Watermaster's cash is invested in interest bearing accounts. The Watermaster considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**Chino Basin Watermaster**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Liabilities and Net Assets, continued**

**3. Investments**

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**4. Accounts Receivable and Allowance for Uncollectible Accounts**

The Watermaster extends credit to customers in the normal course of operations. Management has determined that all amounts are considered collectable. As a result, the Watermaster has not recorded an allowance for doubtful accounts at June 30, 2011.

**5. Prepaid Expenses**

Certain payments to vendors reflects costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

**6. Compensated Absences**

The Watermaster's policy is to permit employees to accumulate earned vacation up to a total of 320 hours with amounts exceeding the limit being paid out as part of the employee's regular compensation. Upon termination of employment, employees are paid all unused vacation and forfeit any unused sick time.

**7. Water Production Assessments**

Water Production Assessment categories include: Administration, Optimal Basin Management Program, Special Projects, and Water Replenishment. Assessments are billed on a yearly basis.

**8. Capital Assets**

Capital assets acquired and/or constructed are capitalized at historical cost. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment and software	5 years
Office furniture and fixtures	7 years
Leasehold improvements	10 years
Automotive equipment	7 years

**9. Budgetary Policies**

The Watermaster adopts an annual operational budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

**Chino Basin Watermaster**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Liabilities and Net Assets, continued**

**10. Net Assets**

The financial statements utilize a net assets presentation. Net assets are categorized as follows:

- **Investment in Capital Assets, net of related debt** – This component of net assets consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt against the acquisition, construction or improvement of those assets.
- **Restricted Net Assets** – This component of net assets consists of constraints placed on net assets use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Assets** – This component of net assets consists of net assets that do not meet the definition of *restricted* or *investment in capital assets, net of related debt*.

**(2) Cash and Investments**

Cash and investments as of June 30, are classified in the Statements of Net Assets as follows:

	<b>2011</b>	<b>2010</b>
Cash and cash equivalents	\$ 7,187,623	10,578,034
Total cash and cash equivalents	\$ 7,187,623	10,578,034

Cash and investments as of June 30, consist of the following:

	<b>2011</b>	<b>2010</b>
Cash on hand	\$ 500	500
Deposits with financial institutions	141,907	603,604
Investments	7,045,216	9,973,930
Total cash and investments	\$ 7,187,623	10,578,034

As of June 30, the Watermaster's authorized deposits had the following maturities:

	<b>2011</b>	<b>2010</b>
Deposits held with the California Local Agency Investment Fu:	237 days	203 days

***Investments Authorized by the California Government Code and the Watermaster's Investment Policy***

The table below identifies the investment types that are authorized by the Watermaster in accordance with the California Government Code (or the Watermaster's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Watermaster's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

**Chino Basin Watermaster**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(2) Cash and Investments, continued**

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury obligations	5 years	None	None
Federal agency and bank obligations	5 years	None	None
Certificates-of-deposit (negotiable or placed)	5 years	30%	10%
Commercial paper (prime)	270 days	10%	10%
Money market mutual funds	N/A	20%	None
State and local bonds, notes and warrants	N/A	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

***Custodial Credit Risk***

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Watermaster's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the Watermaster's bank balances, up to \$250,000 at June 30, 2011 and 2010, were federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Watermaster's name.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the Watermaster's investment policy contains legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

***Investment in State Investment Pool***

The Watermaster is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Watermaster's investment in this pool is reported in the accompanying financial statements at amounts based upon the Watermaster's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**Chino Basin Watermaster**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(2) Cash and Investments, continued**

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Watermaster manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations.

***Credit Risk***

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Watermaster's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

***Concentration of Credit Risk***

The Watermaster's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Watermaster's investments at June 30, 2011 and 2010, respectively.



**Chino Basin Watermaster**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(3) Capital Assets**

Changes in capital assets for 2011 were as follows:

	<u>Balance 2010</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 2011</u>
<b>Depreciable assets:</b>				
Computer equipment	\$ 117,590	-	-	117,590
Furniture and fixtures	42,291	-	-	42,291
Leasehold improvements	23,443	-	-	23,443
Vehicles and equipment	90,484	-	-	90,484
<b>Total depreciable assets</b>	<u>273,808</u>	<u>-</u>	<u>-</u>	<u>273,808</u>
<b>Accumulated depreciation:</b>				
Computer equipment	(87,620)	(8,469)	-	(96,089)
Furniture and fixtures	(42,292)	-	-	(42,292)
Leasehold improvements	(16,413)	(2,344)	-	(18,757)
Vehicles and equipment	(80,594)	(9,886)	-	(90,480)
<b>Total accumulated depreciation:</b>	<u>(226,919)</u>	<u>(20,699)</u>	<u>-</u>	<u>(247,618)</u>
<b>Total capital assets, net</b>	<u>\$ 46,889</u>			<u>26,190</u>

There were no major capital assets additions during the fiscal year.

Changes in capital assets for 2010 were as follows:

	<u>Balance 2009</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 2010</u>
<b>Depreciable assets:</b>				
Computer equipment	\$ 94,774	22,816	-	117,590
Furniture and fixtures	42,291	-	-	42,291
Leasehold improvements	23,443	-	-	23,443
Vehicles and equipment	90,484	-	-	90,484
<b>Total depreciable assets</b>	<u>250,992</u>	<u>22,816</u>	<u>-</u>	<u>273,808</u>
<b>Accumulated depreciation:</b>				
Computer equipment	(74,055)	(13,565)	-	(87,620)
Furniture and fixtures	(36,953)	(5,339)	-	(42,292)
Leasehold improvements	(14,068)	(2,345)	-	(16,413)
Vehicles and equipment	(72,740)	(7,854)	-	(80,594)
<b>Total accumulated depreciation:</b>	<u>(197,816)</u>	<u>(29,103)</u>	<u>-</u>	<u>(226,919)</u>
<b>Total capital assets, net</b>	<u>\$ 53,176</u>			<u>46,889</u>

Major capital assets additions during the year include upgrades to computer equipment.

**Chino Basin Watermaster**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(4) Compensated Absences**

The changes to compensated absences balances at June 30, were as follows:

<u>Balance</u> <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2011</u>	<u>Current</u>	<u>Long Term</u>
\$ 194,246	118,816	(173,639)	139,423	48,798	90,625

<u>Balance</u> <u>2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2010</u>	<u>Current</u>	<u>Long Term</u>
\$ 185,186	102,238	(93,178)	194,246	67,986	126,260

**(5) Defined Benefit Pension Plan**

*Plan Description*

The Agency contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multi-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public agencies within the State of California. Benefit provisions and all other requirements are established by state statute and the Agency. Copies of CalPERS annual financial report may be obtained from their executive Office: 400 P Street, Sacramento, CA, 95814.

*Funding Policy*

The Watermaster participates in the 2.5% at 55 Risk Pool. Participants are required to contribute 8% of their annual covered salary. The Watermaster makes the contributions required of the employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and the Watermaster contract with employee bargaining groups.

Also, the Watermaster is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates are equal to the annual pension costs (APC) percentage of payroll for fiscal years 2011, 2010 and 2009 as noted below. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS. For Fiscal years 2011, 2010 and 2009, the Watermaster's annual contributions for the CalPERS plan were equal to the Agencies required and actual contributions for each fiscal year as follows:

*Three Year Trend Information:*

<u>Fiscal</u> <u>Year</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>	<u>APC</u> <u>Percentage</u> <u>of Payroll</u>
2008-2009	176,576	100%	-	11.346%
2009-2010	165,298	100%	-	11.417%
2010-2011	163,231	100%	-	14.298%

**Chino Basin Watermaster**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(6) Net Assets**

Calculation of net assets as of June 30, were as follows:

	2011	2010
Net investment in capital assets:		
Capital assets, net	\$ 26,190	46,889
Total net investment in capital assets	26,190	46,889
Unrestricted net assets:		
Non-spendable net assets:		
Prepaid expenses and deposits	122,116	15,293
Total non-spendable net assets	122,116	15,293
Spendable net assets are designated as follows:		
Undesignated net assets reserve	7,727,082	8,416,183
Total spendable net assets	7,727,082	8,416,183
Total unrestricted net assets	7,849,198	8,431,476
Total net assets	\$ 7,875,388	8,478,365

**(7) Risk Management**

The Watermaster is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Watermaster is insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the Watermaster as of June 30, 2011:

- Commercial General Liability: \$2,000,000 General Aggregate Limit (Other than Products/Completed Operations); \$2,000,000 Products/Completed Operations Aggregate Limit (Any One Person or Organization); \$1,000,000 Personal and Advertising Injury Limit; \$1,000,000 Each Occurrence Limit; \$100,000 Rented To You Limit; \$5,000 Medical Expenses Limit (Any One Person).
- Commercial Excess Liability: Limits of Liability are \$10,000 Retained Limit, \$4,000,000 Each Occurrence, \$4,000,000 General Aggregate Limit, \$4,000,000 Products/Completed Operations to Aggregate.
- Automobile: \$1,000,000 Combined Bodily Injury and Property Damage Single Limit (Each Accident); \$500,000 Uninsured Motorists Single Limit. \$500 deductible for Comprehensive and \$1,000 deductible for Collision.
- Property: \$525,000 with liability limits varying by property type with a \$1,000 deductible.
- Crime coverage: \$50,000 per claim with a \$1,000 deductible.
- Director and Officer/Crisis Management: \$5,000 to \$50,000 with liability limits varying by type of coverage.
- Workers compensation: \$2,000,000 each accident or each employee by disease.

**Chino Basin Watermaster**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2011, that have effective dates that may impact future financial presentations.

***Governmental Accounting Standards Board Statement No. 60***

In November 2010, the GASB issued Statement No.60, *Accounting and Financial Reporting for Service Concession Arrangements*. This standard address how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. This statement is effective for financial statements for periods beginning after January 26, 2012. The impact of the implementation of this Statement to the Watermaster's financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 61***

In November 2010, the GASB issued Statement No.61, *The Financial Reporting Entity, Omnibus*. This standard is designed to improve financial reporting for governmental entities by amending the requirements of GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 34, *Basic Financial Statement and Management's Discussion and Analysis for State and local Governments*. This statement is effective for financial statements for periods beginning after January 26, 2012. The impact of the implementation of this Statement to the Watermaster's financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 63***

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standard is designed to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. This statement is effective for financial statements for periods beginning after January 26, 2012. The impact of the implementation of this Statement to the Watermaster's financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 64***

In June 2011, the GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*. This standard is designed to improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or swap counterparty's credit support provider, is replaced. This statement is effective for financial statements for periods beginning after January 26, 2012. The impact of the implementation of this Statement to the Watermaster's financial statements has not been assessed at this time.

**(9) Commitments and Contingencies**

***Grant Awards***

Grant funds received by the Watermaster are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the Watermaster believes that such disallowances, if any, would not be significant.

**Chino Basin Watermaster**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2011 and 2010**

**(9) Commitments and Contingencies, continued**

*Litigation*

In the ordinary course of operations, the Watermaster is subject to claims and litigation from outside parties. After consultation with legal counsel, the Watermaster believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

**(10) Subsequent Events**

Events occurring after June 30, 2011 have been evaluated for possible adjustment to the financial statements or disclosure as of January 26, 2012, which is the date the financial statements were available to be issued.

## **Supplemental Information Section**

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**Chino Basin Watermaster**  
**Combining Schedule of Revenue, Expenses, and Changes in Net Assets**  
**For the Fiscal Year Ended June 30, 2011**

	Watermaster Administration	Optimum Basin Management		Pool Administration and Special Projects		Groundwater Operations		Education Funds	Grand Totals	Budget 2010-2011
		Appropriative Pool	Agricultural Pool	Non-Agricultural Pool	Groundwater Replenishment	SB 222 Funds				
<b>Administrative revenues:</b>										
Administrative assessments	\$ -	6,165,079	-	-	343,090	-	-	-	6,508,169	6,508,070
Interest revenue	(272)	33,547	2,324	-	1,327	-	-	4	36,930	175,010
Mutual agency project revenue	111,000	-	-	-	-	-	-	-	111,000	148,410
Grant income	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>110,728</b>	<b>6,198,626</b>	<b>2,324</b>	<b>344,417</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>6,656,099</b>	<b>6,831,490</b>
<b>Administrative &amp; project expenditures:</b>										
Watermaster administration	565,108	-	-	-	-	-	-	-	565,108	512,546
Watermaster board-advisory committee	68,732	-	-	-	-	-	-	-	68,732	75,073
Pool administration	-	51,778	186,152	145,903	-	-	-	-	383,833	474,856
Optimum basin management administration	-	1,626,892	-	-	-	-	-	-	1,626,892	1,350,300
OBMP project costs	-	2,901,787	-	-	-	-	-	-	2,901,787	3,772,619
Debt service	-	366,790	-	-	-	-	-	-	366,790	700,904
Education funds use	-	-	-	-	-	-	-	375	375	375
Mutual agency project costs	-	-	-	-	-	-	-	-	-	10,000
<b>Total administrative/OBMP expenses</b>	<b>633,840</b>	<b>51,778</b>	<b>186,152</b>	<b>145,903</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>375</b>	<b>5,913,517</b>	<b>6,894,823</b>
<b>Net administrative/OBMP expenses:</b>	<b>(523,112)</b>	<b>(4,895,469)</b>								
Allocate net admin expenses to pools	\$ 523,112	359,719	145,539	17,855	-	-	-	-	-	-
Allocate net OBMP expenses to pools	-	3,114,151	1,259,958	154,570	-	-	-	-	-	-
Allocate debt service to app pool	-	366,790	-	-	-	-	-	-	-	-
<b>Agricultural expenses transfer*</b>		<b>1,591,649</b>	<b>(1,591,649)</b>							
Total expenses		5,484,086	-	318,328	-	-	-	375	5,913,517	6,894,823
Net administrative income		714,540	2,324	26,089	-	-	-	(371)	742,582	(63,333)
Other income/(expense)										
Replenishment water assessments			3,622,004						3,622,004	-
Non-Ag stored water purchases		2,244,496							2,244,496	-
Interest revenue			28,158						28,158	-
MWD water purchases			3,750,628						3,750,628	-
Non-Ag stored water purchases		(2,255,456)							(2,255,456)	-
MWD water purchases			(3,750,628)						(3,750,628)	-
Groundwater replenishment			(4,984,780)						(4,984,780)	-
Net other income		(10,940)							(1,345,558)	-
Net transfers to/(from) reserves		703,600	2,324	26,089	-	-	-	(371)	(602,976)	(63,333)
Net Assets July 1, 2010		6,219,006	473,483	256,631	158,251	158,251	1,001		8,478,364	7,875,388
Net Assets, End of Period		6,922,606	475,807	282,720	35,374	158,251	630		7,875,388	7,875,388
2009/2010 assessable production		78,733,238	31,854,766	3,907,911					114,495,915	
2009/2010 production percentages		68.765%	27.822%	3.413%					100.000%	

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



**Chino Basin Watermaster**  
**Combining Schedule of Revenue, Expenses, and Changes in Net Assets**  
**For the Fiscal Year Ended June 30, 2010**

	Watermaster Administration	Optimum Basin Management		Pool Administration and Special Projects		Groundwater Operations		Education Funds	Grand Totals	Budget 2009-2010
		Appropriative Pool	Agricultural Pool	Non-Agricultural Pool	Groundwater Replenishment	SB 222 Funds				
<b>Administrative revenues:</b>										
Administrative assessments	-	7,178,987	-	-	225,016	-	-	-	7,404,003	7,340,859
Interest revenue	-	39,009	2,764	-	1,744	-	-	6	43,523	191,540
Mutual agency project revenue	-	-	-	-	-	-	-	-	-	148,410
Grant income	-	-	-	-	-	-	-	-	-	-
Other	111,000	188	-	-	-	-	-	-	111,188	-
<b>Total revenues</b>	<b>111,000</b>	<b>7,218,184</b>	<b>2,764</b>	<b>226,760</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>7,538,714</b>	<b>7,680,789</b>
<b>Administrative &amp; project expenditures:</b>										
Watermaster administration	686,338	-	-	-	-	-	-	-	686,338	580,238
Watermaster board-advisory committee	61,245	-	-	-	-	-	-	-	61,245	61,901
Pool administration	-	22,733	186,478	6,596	-	-	-	-	215,807	229,860
Optimum basin management administration	-	-	-	-	-	-	-	-	1,710,617	1,537,820
OBMP project costs	-	-	-	-	-	-	-	-	3,726,780	4,109,362
Debt service	-	-	-	-	-	-	-	-	890,006	1,131,233
Education funds use	-	-	-	-	-	-	-	-	-	375
Mutual agency project costs	-	-	-	-	-	-	-	-	-	10,000
<b>Total administrative/OBMP expenses</b>	<b>747,583</b>	<b>22,733</b>	<b>186,478</b>	<b>6,596</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,290,793</b>	<b>7,680,789</b>
<b>Net administrative/OBMP expenses:</b>	<b>(636,583)</b>									
Allocate net admin expenses to pools	636,583	444,761	168,752	23,070	-	-	-	-	-	-
Allocate net OBMP expenses to pools	-	3,798,946	1,441,400	197,051	-	-	-	-	-	-
Allocate debt service to app pool	-	890,006	-	-	-	-	-	-	-	-
<b>Agricultural expense transfer*</b>		<b>1,796,629</b>	<b>(1,796,629)</b>							
<b>Total expenses</b>		<b>6,953,076</b>		<b>236,717</b>					<b>7,290,793</b>	<b>7,680,789</b>
<b>Net administrative income</b>		<b>265,108</b>	<b>2,764</b>	<b>43</b>				<b>6</b>	<b>267,921</b>	
<b>Other income/(expense)</b>										
Replenishment water assessments	-	-	-	-	7,073,805	-	-	-	7,073,805	-
Interest revenue	-	-	-	-	34,994	-	-	-	34,994	-
Water purchases	-	-	-	-	-	-	-	-	-	-
Balance adjustment	-	-	-	-	(2,176,961)	-	-	-	(2,166,022)	-
Other water purchases	-	-	-	-	(7,728,299)	-	-	-	(7,728,299)	-
Groundwater-replenishment	-	-	-	-	(2,796,461)	-	-	-	(2,785,522)	-
<b>Net other income</b>		<b>10,939</b>		<b>43</b>				<b>6</b>	<b>(2,517,601)</b>	
<b>Net transfers to/(from) reserves</b>		<b>276,047</b>	<b>2,764</b>	<b>43</b>					<b>(2,517,601)</b>	
<b>Net Assets July 1, 2009</b>		<b>5,942,967</b>	<b>470,719</b>	<b>256,577</b>				<b>995</b>	<b>10,995,966</b>	
<b>Net Assets, End of Period</b>		<b>6,219,014</b>	<b>473,483</b>	<b>256,620</b>				<b>1,001</b>	<b>8,478,365</b>	<b>8,478,365</b>
<b>2008/2009 assessable production</b>		<b>84,716,450</b>	<b>32,142,764</b>	<b>4,393,990</b>					<b>121,253,204</b>	
<b>2008/2009 production percentages</b>		<b>69.867%</b>	<b>26.509%</b>	<b>3.624%</b>					<b>100.000%</b>	

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

# **Report on Internal Controls and Compliance**

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

## Charles Z. Fedak & Company

Certified Public Accountants  
 An Accountancy Corporation

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 Cypress, California 90630  
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### Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors  
 Chino Basin Watermaster  
 Rancho Cucamonga, California

We have audited the basic financial statements of the Chino Basin Watermaster (Watermaster) as of and for the year ended June 30, 2011, and have issued our report thereon dated January 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### *Internal Control Over Financial Reporting*

In planning and performing our audit, we considered the Watermaster's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Watermaster's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Watermaster's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the Watermaster's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

*Charles Z. Fedak & Company CPAs - An Accountancy Corporation*

Charles Z. Fedak and Company, CPAs – An Accountancy Corporation  
 Cypress, California  
 January 26, 2012

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# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

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





# CHINO BASIN WATERMASTER

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

## STAFF REPORT

**DATE:** March 8, 2012  
**TO:** Committee Members  
**SUBJECT:** Supplemental Order re Resolution 2010-04

### SUMMARY

**Issue** - The proposed Supplemental Order clarifies that Resolution 2010-04 does not impair the rights of private well owners to seek judicial review of alleged harm caused to those well owners from desalter pumping in the Chino Creek Wellfield.

**Recommendation** – Recommend that the Board direct Watermaster counsel to file the proposed Supplemental Order with the Court and request that the Court either sign the Order without a hearing, or hear argument on the proposed Order at whatever hearing is scheduled pursuant to the Recharge Master Plan update that is scheduled to be filed with the Court in June

### Background

On October 28, 2011 a hearing was held regarding Court approval of Watermaster Resolution 2010-04. Among other things, Resolution 2010-04 confirms a process whereby private well owners object to the Chino Basin Desalter Authority (“CDA”) if those owners believe that CDA pumping in the Chino Creek Well Field (“CCWF”) is causing harm to their wells. This process is articulated in detail in the Monitoring and Mitigation Plan for the CCWF and forms are provided for private well owners to file a complaint with CDA.

Pursuant to this process, CDA is the ultimate arbiter of whether the private well owner’s complaint has merit. During the October 28, 2011 hearing, the Court raised a due process concern about whether his approval of Resolution 2010-04 would eliminate any judicial review rights that the private well owner might possess. (See October 28, 2011 Hearing Transcript page 112 line 16 to page 115 line 15.)

In order to clarify the Court’s intent on this issue in approving Resolution 2010-04, Watermaster has prepared a Supplemental Order for the Court’s signature. The operative portion of the Proposed Order confirms that Watermaster Resolution 2010-04, and the Court’s October 28, 2011 Order approving the Resolution, shall not be construed to limit the legal rights of any private well owner to claim that the operation of the Chino Basin Desalter Authority wells has caused harm to that party.

Watermaster counsel has circulated the proposed Order to counsel for the Agricultural Pool and counsel for CDA and it appears that the proposed Order is consistent with the understanding of these parties.

Watermaster proposes to submit the Order to the Court and request the Court to sign the Order without holding a hearing, or in the alternative to hear the matter at whatever hearing is scheduled pursuant to Watermaster's filing with respect to the Recharge Master Plan progress update that is to be filed with the Court in June.

**Actions:**

- March 8, 2012 Appropriative Pool –
- March 8, 2012 Non-Agricultural Pool –
- March 8, 2012 Agricultural Pool –
- March 15, 2012 Advisory Committee –
- March 22, 2012 Watermaster Board –



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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SAN BERNARDINO

CHINO BASIN MUNICIPAL WATER DISTRICT,  
  
Plaintiff,  
  
v.  
  
CITY OF CHINO, ET AL.,  
  
Defendant.

Case No. RCV 51010

**[PROPOSED] SUPPLEMENTAL ORDER  
AFTER HEARING ON MOTION FOR  
APPROVAL OF WATERMASTER  
RESOLUTION 2010-04**

On October 28, 2011 the Court issued its *Order After Hearing on Motion for Approval of Watermaster Resolution 2010-04*. During the October 28, 2011 hearing, the Court raised a concern regarding the scope of its Order concerning the procedures to address claims by private well owners. Specifically, the Court was concerned that its approval of the procedures described in the mitigation measures and the emergency response plan (See Exhibits "F" and "H" to Resolution 2010-04) would not be construed to limit the legal rights of any such private well owners to pursue claims independent of these procedures.

Watermaster has submitted this *Supplemental Order* as a means to provide confirmation of the Court's understanding of the effect of its October 28, 2011 Order. It does not appear that any party objects to the Court adopting this Order.

1 Accordingly, IT IS HEREBY ORDERED THAT:

2 Watermaster Resolution 2010-04, and the Court's October 28, 2011 Order approving the  
3 Resolution, shall not be construed to limit the legal rights of any private well owner to claim that  
4 the operation of the Chino Basin Desalter Authority wells has caused harm to that party.

5  
6 Dated: \_\_\_\_\_, 2012

7  
8 HON. STANFORD E. REICHERT  
9 JUDGE OF THE SUPERIOR COURT

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# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### D. PROPOSED CASH RESERVE POLICY 4.17





# 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:** March 8, 2012  
**TO:** Pool Members  
**SUBJECT:** Watermaster Operating Cash Reserve Policy 4.17

### SUMMARY

**Issue** – Consider Approval of Operating Cash Reserve Policy 4.17

**Recommendation** – Approve Watermaster Operating Cash Reserve Policy 4.17

**Financial Impact** – The Proposed Policy will lower the Operating Cash Reserves held by Watermaster and will be based on the annual “Approved” budget.

### Background

Assessments are collected annually to fund the Watermaster operations for the entire fiscal year. The Assessment consists of two parts: one to fund the annual Operating Budget; and the second to finance water purchases required to acquire replenishment water. The Operating Budget consists of General Administrative (GA) expenses, Optimum Basin Management Program (OBMP) and Project (Project) expenses. Because the Operating Budget cannot be predicted with total accuracy, Watermaster historically has maintained Operating Cash Reserves (Contingency) to cover unexpected expenses. In addition, because the budget year expenses begin on July 1 each year but the Assessments are not often collected until December, there is a need to carry Cash Flow Reserves to fund operations during the first six months of the fiscal year. It has been the practice of Watermaster to carry a six month Cash Flow Reserve at the beginning of each fiscal year.

The practice of establishing an Operating Cash Reserve started in FY 1980/1981 with the establishment of a 25 percent Operating Cash Reserve. In FY 1993/1994, the Operating Cash Reserve was increased from 25 percent to 33 percent. In FY 2001/2002 the Operating Cash Reserve was changed to include a 33 percent reserve for budgeted General Administrative expenses and 15 percent for budgeted OBMP and Project expenses. Effective with the FY 2006/2007 budget, the percentages were changed to 30 percent for both the General Administrative and OBMP/Project budgeted expenses.

The current practice of Watermaster is to maintain Operating Cash Reserves equal to 30 percent of the Administrative Budget and 30 percent of the OBMP/Project Budget referred to as the 30/30 Reserve. Once the required Operating Cash Reserves calculation is determined, any Excess Cash Reserves are returned with the Assessment package.

The current Operating Cash Reserves practice has been discussed with Watermaster's current audit firm of Charles Z. Fedak & Company and they have stated that there is currently no GASB requirement to maintain a set amount, percentage or period of time for Operating Cash Reserves. The auditors are of the opinion that the policy and practice of Operating Cash Reserves and level of cash to operate is for Watermaster to determine. The auditors do recommend that Watermaster should maintain some level of Operating Cash Reserves, but they are leaving the exact details of the level of cash and reserves up to Watermaster.

At the direction of the Appropriative Pool, Advisory Committee and Board, a meeting was held at the Watermaster offices on Wednesday, February 8, 2012 at 3:00pm for any interested Watermaster parties to discuss the overall Cash Reserve Policy. Among other discussion, the participants recommended establishing a six month Working Capital Reserve, Administrative Operating Reserves (Contingency) of 10-15 percent and OBMP/Project Operating Reserves (Contingency) of 10-15 percent and no Preemptive Replenishment Water Reserves. The participant comments, suggestions and recommendations were used by Watermaster staff in the development the attached recommended policy.

Staff recommendation is to establish a six month Working Capital Reserve, a 10 percent Administrative Operating Reserve, a 15 percent OBMP/Project Operating Reserve, and provide a method for carryover expenses, Recharge Improvement Debt Payments, over production replenishment obligation and return of Excess Cash Reserves. This recommendation does not provide for Reserves for Preemptive Water purchases or unanticipated project/program expenses, but does allow for a case by case review and funding options.

**Actions:**

- March 8, 2012 Appropriative Pool –
- March 8, 2012 Non-Agricultural Pool –
- March 8, 2012 Agricultural Pool –
- March 15, 2012 Advisory Committee –
- March 22, 2012 Watermaster Board –

<b>Chino Basin Watermaster WATERMASTER POLICY</b>			
<b>Subject</b>	<b>Policy Number</b>	<b>Date Adopted</b>	<b>Date Revised</b>
<b>OPERATING CASH RESERVE POLICY</b>	<b>4.17</b>		

**Purpose**

4.17.1 The purpose of this policy is to establish an Operating Cash Reserve Policy for Chino Basin Watermaster.

**Background**

4.17.2 The annual Watermaster budget begins on July 1 each year but the Assessments are not often collected until December. Watermaster’s main source of operating income is derived from the annual Assessments. There is a need to carry Cash Flow Reserves at the beginning of each fiscal year.

The Watermaster budget is approved before the end of the fiscal year. Watermaster Assessments are collected annually to fund Watermaster operations based upon the “Approved” Watermaster budget. There is no contingency provision provided for in the Watermaster budget. There is no mechanism or process to fund for any unanticipated expenses or projects. To provide a funding source for unanticipated expenses, Watermaster historically has maintained Operating Cash Reserves to cover these unexpected expenses.

**Policy**

4.17.3 Working Capital Cash Reserve: Watermaster will maintain a Working Capital Reserve amount at the beginning of each fiscal year equal to six months of the annual budget to ensure that Watermaster can meet its budgeted financial obligations. The required Working Capital Reserve amount will be based upon the current “Approved” fiscal year budget. In the event that the annual budget has not been approved, the Working Capital Reserve amount will be based upon the previous fiscal year’s “Approved” budget plus ten percent.

4.17.4 Operating Cash Reserve – Administrative: During the budget process, Watermaster shall provide for an Operating Cash Reserve of 10 percent of the “Proposed” General Administrative (GA) fiscal year budget.

**4.17.5 Operating Cash Reserve – OPBM/Projects:** During the budget process, Watermaster shall provide for an Operating Cash Reserve of 15 percent of the “Proposed” Optimum Basin Management Program (OBMP) and Project (Project) fiscal year budget.

**4.17.6 Carry-over Expenses:** During the budget process, Watermaster may need to carryover unfinished capital projects or related expenses from one fiscal year to the next. These expenses will be included in the next year’s budget. However, because these unfinished capital projects or related expenses have been previously funded from the Assessment process, they will be excluded from the next Assessment. They will also be excluded from the Operating Cash Reserve calculations in Sections 4.17.4 and 4.17.5 listed above. Any such carryover of funds from one fiscal year to the next will be brought to the attention of the parties during the normal budget process.

If the carryover unfinished capital projects and related expenses are greater than what was previously funded, the difference shall be included as part of the “Proposed” budget or by use of the appropriate Operating Cash Reserve.

**4.17.7 Recharge Improvement Debt Payments:** As part of the Watermaster budget process, Watermaster staff will determine if any adjustments (increase or decrease) to the Recharge Improvement Debt Payments are required. If the previous year’s Recharge Improvement Debt Payment assessment amount is higher than the actual previous year’s expenses, a decrease in the expense category will be processed for the current budget. If the previous year’s Recharge Improvement Debt Payment assessment amount is lower than the previous year’s actual expenses, an increase in the expense category will be processed.

**4.17.8 Overproduction Replenishment Funds:** As part of the Watermaster annual Assessment process, overproducers are charged an amount equal to their overproduction to replenish the supply of water. Watermaster will use these funds to purchase water whenever water is available. Watermaster will maintain a Replenishment Water Reserve for these funds. These funds will be maintained on a case by case, unit value basis for each overproducer. Any purchase of Replenishment Water made from these funds will offset the oldest overproduction first. After purchase of Replenishment Water, any excess funds will be returned on a case by case unit cost basis. When Replenishment Water is available, if the cost is greater than the amount on hand for that purchase, a “Special Assessment” or other authorized sources of funding to the applicable overproducer will be processed to fund the purchase of Replenishment Water. Other authorized sources of funding may include pre-paid deposits, advanced payments or billing/invoice to individual parties from Watermaster.

**4.17.9 Preemptive Replenishment Water Purchases:** Watermaster currently does not maintain a Preemptive Replenishment Water Reserve for future or unanticipated CDA replenishments. If and when Preemptive Replenishment Water purchases occur, a “Special Assessment” or other authorized sources of funding to the applicable parties will be processed to fund the purchase. Other authorized sources of funding may include pre-paid deposits, advanced payments or billing/invoice to individual parties from Watermaster.

**4.17.10 Unanticipated Project/Programs:** Watermaster currently does not maintain an Operating Cash Reserve for future or unanticipated Projects/Programs. If and when unanticipated Projects/Programs occur, a “Special Assessment” or other authorized sources of funding to the applicable parties will be processed to fund the unanticipated expenses. Other authorized sources of funding may include pre-paid deposits, advanced payments or billing/invoice to individual parties from Watermaster.

**4.17.11 Return of Excess Cash Reserves:** During the Assessment process, normally conducted in November, Watermaster staff will determine if any Excess Cash Reserves exist (excluding any amounts pertaining to the Recharge Improvement Debt Payments). If Excess Cash Reserves exist, these funds will be distributed to the parties as a credit on the Assessment invoice. The distribution of Excess Cash Reserves will be based upon the percentage of Total Assessment dollars paid by each party against the Total Assessments Paid. For example, if a party paid 3 percent of the Total Assessment dollars, they would receive a 3 percent portion of the available Excess Cash Reserve credit.



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# CHINO BASIN WATERMASTER

## II. BUSINESS ITEM

### E. WATERMASTER RESTATED JUDGMENT





# 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:** March 8, 2012  
**TO:** Committee Members  
**SUBJECT:** Watermaster Restated Judgment

### SUMMARY

**Issue** - The Pools, Advisory Committee, and Board have previously considered the Restated Judgment as an "unofficial" reference document. The Court has requested that it be re-submitted as the "official" copy of the Judgment.

**Recommendation** – Approve the Restated Judgment as the "official" copy of the Judgment.

### Discussion

At the October 28, 2011 hearing, the Court considered Watermaster's submission of the "Restated Judgment." The Restated Judgment is a copy of the 1978 Judgment that incorporates all of the amendments to the Judgment that have occurred since 1978. No other changes to the document have been made other than incorporating the amendments. Watermaster submitted the Restated Judgment as an unofficial reference copy of the Judgment. Under this approach, the operative document remained the Judgment as adopted by the Court in 1978 as amended.

At the hearing the Court indicated that its preference was to have the Restated Judgment become the "official" operative copy of the Judgment and asked Watermaster to resubmit it as such. A copy of the transcript of the discussion with the Court is attached to this staff report. Because the Pools, Advisory Committee and Board have previously only considered the document as an unofficial reference document, Watermaster is re-submitting it through the process to be approved as the new official copy of the Judgment.

No changes to the document have been made since the last time it was considered. The intention of the document is that it merely incorporates previous amendments into the text of the 1978 Judgment. Watermaster counsel has reviewed the document at length and believes it accurately accomplishes this intention. Numerous other parties have also reviewed the document and all errors discovered have been corrected. The Restated Judgment may be viewed on Watermaster's FTP site.

**Actions:**

- March 8, 2012 Appropriative Pool –
- March 8, 2012 Non-Agricultural Pool –
- March 8, 2012 Agricultural Pool –
- March 15, 2012 Advisory Committee –
- March 22, 2012 Watermaster Board –

1 MR. FIFE: Thank you.

2 THE COURT: You're welcome.

3 Any objection to the court making that order  
4 forthwith? No objection. Okay. Thank you. So we'll confirm  
5 General Electric in the Non-Agricultural Pool.

6 The last question I had and maybe now is not the  
7 right time to address it, we might address it later in the  
8 morning, is from language that was proposed and mentioned in  
9 the supplemental declaration of our new CEO, whose name --  
10 first name is Desi, last name I suddenly can't -- Mr. Alvarez,  
11 yeah, Mr. Alvarez, about the restated judgment not being the  
12 judgment essentially, that the judgment is in the court file  
13 and that's the only source of the judgment.

14 The court understood that. But on the other hand,  
15 the whole point of getting a restated judgment, in the court's  
16 mind, was getting one final document in one final place that  
17 the court would order this is the judgment and nobody will  
18 ever have to go back in the way that you've had to go back and  
19 expending a lot of time and money and effort trying to figure  
20 out what the real judgment is because it had been amended so  
21 many times over the course of 30 years.

22 So we can address that. I just wanted to raise that  
23 issue now. We can address it later in the morning. I would  
24 like at some point to see if there is a procedure or a process  
25 by which we can have the restated judgment confirmed as the  
26 judgment that will be the operative judgment from this point  
27 forward. And if anybody wants to make -- so everyone knows at  
28 one time, at one place, the court made an order that this

1 document, whatever it may be, is in fact the operative  
2 judgment. And any future amendments to the judgment relate to  
3 that document and no other document, and no other amended  
4 documents, and no other supplemental amended documents, and no  
5 other additional modified supplemental documents, and no other  
6 additional amended supplemental amended and modified  
7 agreements, so that the court can finally have something firm.  
8 I'll raise that issue now. We don't need to decide right now.

9 MR. FIFE: Since we're talking about it --

10 THE COURT: Yes.

11 MR. FIFE: -- we might as well dispose of this one.

12 THE COURT: Okay.

13 MR. FIFE: I think that if that is the court's  
14 desire, it might be appropriate to take it back and bring the  
15 document forward again with a different motion.

16 THE COURT: Okay.

17 MR. FIFE: Because the way we framed the motion is a  
18 receive and file. Because what's been represented to all the  
19 parties through the course of this process is that this would  
20 be a reference document, but that if there was an error or a  
21 question, the controlling language would be whatever amendment  
22 was adopted through the court process at the time.

23 THE COURT: Okay. In that event, I'll table it.

24 MR. FIFE: Okay.

25 THE COURT: And make a request, then, at some point  
26 in the future. And I won't set a deadline because I know it's  
27 a horrendous project, but request in the future that -- in the  
28 future we can address this.

1 I hope the Watermaster work fluctuates occasionally,  
2 in other words, there are busier times and not so busy times.  
3 In one of those not so busy times address this issue to put a  
4 final complete document together, put it out as a motion, and  
5 seek the court's ruling on that. But I'm not going to set a  
6 deadline because I know you have many other things to do.

7 MR. FIFE: Thank you, your Honor.

8 And I would just say that the document is put  
9 together and so the document itself would not change. It's a  
10 question of how -- what everybody understands to be the legal  
11 impact of the document. So --

12 THE COURT: Okay. So that -- I'll make that -- I'll  
13 leave it up to Watermaster to make that motion at the time  
14 they see fit to propose and make a motion the court adopt,  
15 whatever restated judgment at that time, adopt as a final, as  
16 the current operative judgment, whatever restated judgment is  
17 proposed at the time of the motion.

18 MR. FIFE: Thank you, your Honor.

19 THE COURT: All right. Thank you. All right. That  
20 concludes the questions that the court had based on the  
21 documents that the court had received.

22 Let me turn, then, to Mr. Fife and other members of  
23 the audience and counsel members to inquire if there's  
24 something else that we need to address before we proceed on  
25 with the power point presentation this morning. Anything else  
26 anybody wants to raise? No hands. Okay.

27 What I would like, then, to request, Mr. Fife, is  
28 that you -- we get a stipulation from the parties present that

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1 **SCOTT SLATER (State Bar No. 117317)**  
2 **BRADLEY J. HERREMA (State Bar No. 228976)**  
3 **BROWNSTEIN HYATT FARBER SCHRECK, LLP**  
4 21 East Carrillo Street  
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7 Facsimile: 805.965.4333

8 Attorneys for Plaintiff  
9 **CHINO BASIN WATERMASTER**

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

13 CHINO BASIN WATERMASTER,  
14 Plaintiff,  
15 v.  
16 CITY OF CHINO, et al.,  
17 Defendant.

**Case No. RCV 51010**

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

**MOTION FOR APPROVAL OF  
RESTATED JUDGMENT**

Hearing Date: TBD  
Hearing Time:  
Dept:

18 At the hearing on October 28, 2011 the Court considered Watermaster's submission of the  
19 Restated Judgment. The Restated Judgment is a version of the 1978 Judgment which  
20 incorporates all amendments that have been made to the Judgment into the text of the document.  
21 The Restated Judgment makes no changes to the Judgment other than incorporating amendments  
22 that have been previously approved by the Court.

23 Watermaster submitted the Restated Judgment as an "unofficial" reference copy of the  
24 Judgment with the original 1978 Judgment as amended remaining the legally operative document.  
25 At the hearing the Court indicated its preference that the Restated Judgment become the legally  
26 operative document and asked Watermaster to resubmit it with a motion to that effect.

27 No changes to the document have been made since it was submitted to the Court for the  
28 October 28, 2011 hearing. This Motion has been considered by each of the three Pool

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

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Committees, the Advisory Committee, and the Watermaster Board.

THEREFORE, Watermaster hereby respectfully requests that the Court adopt the attached version of the Judgment as the official and legally operative copy of the Judgment in the case Chino Basin Municipal Water District v. City of Chino, San Bernardino Superior Court Case No. RCV 51010.

Dated: March \_\_\_\_\_, 2012

BROWNSTEIN HYATT FARBER  
SCHRECK, LLP

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

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**RESTATED JUDGMENT**

CAN BE FOUND ON OUR FTP SITE:

[WWW.CWBM.ORG/FTP](http://WWW.CWBM.ORG/FTP)

PLEASE LOOK IN THE FOLDER:  
MEETINGS, PACKAGES, AND AGENDAS  
FOR THE PDF TITLED:  
20120308 RESTATED JUDGMENT

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# CHINO BASIN WATERMASTER

## IV. INFORMATION

1. Cash Disbursements for February 2012



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

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CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
February 2012

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						179.00
Bill Pmt -Check Bill	02/02/2012 01/26/2012	15779 1394905143	CALPERS	1394905143 Medical Insurance - February 2012	1012 · Bank of America Gen'l Ckg 60182.1 · Medical Insurance	5,782.68 5,782.68
TOTAL						11,962.43
General Journal	02/04/2012	02/04/2012	Payroll and Taxes for 01/22/12-02/04/12	Payroll and Taxes for 01/22/12-02/04/12	1012 · Bank of America Gen'l Ckg	11,962.43
Bill Pmt -Check Bill	02/06/2012 01/31/2012	15780	DGO AUTO DETAILING	Wash on 01/11/12 and 01/26/12	1012 · Bank of America Gen'l Ckg 61777 · Vehicle Repairs & Maintenance	125.00 125.00
TOTAL						37,358.26
Bill Pmt -Check Bill Bill Bill Bill	02/07/2012 01/04/2012 01/12/2012 01/19/2012 01/26/2012	15781 1/04 Assmnt Pkg 1/12 Appro Pool Mtg 1/19 Advisory Comm 1/26 Board Mtg	KRUGER, W. C. "BILL"	1/04/12 Assessment Package Workshop 1/12/12 Appropriative Pool Meeting 1/19/12 Advisory Committee Meeting 1/26/12 Board Meeting	1012 · Bank of America Gen'l Ckg 6311 · Board Member Compensation 6311 · Board Member Compensation 6311 · Board Member Compensation 6311 · Board Member Compensation	125.00 125.00 125.00 125.00 500.00
Bill Pmt -Check Bill Bill	02/07/2012 01/12/2012 01/26/2012	15782 1/12 Admin Conf Call 1/26 Board Mtg	VANDEN HEUVEL, GEOFFREY	1/12/12 Administrative Conference Call 1/26/12 Board Meeting	1012 · Bank of America Gen'l Ckg 6311 · Board Member Compensation 6311 · Board Member Compensation	125.00 125.00 250.00
TOTAL						3,133.75
Bill Pmt -Check Bill	02/07/2012 01/31/2012	15783 2044	APPLIED COMPUTER TECHNOLOGIES	Database Services - January 2012	1012 · Bank of America Gen'l Ckg 6052.2 · Applied Computer Technol	3,133.75 3,133.75
TOTAL						38.94
Bill Pmt -Check Bill	02/07/2012 01/31/2012	15784 0023230253	ARROWHEAD MOUNTAIN SPRING WATER	Office Water Bottle - January 2012	1012 · Bank of America Gen'l Ckg 6031.7 · Other Office Supplies	38.94 38.94
TOTAL						321.73
Bill Pmt -Check Bill	02/07/2012 01/31/2012	15785 7003730910002744	HSBC BUSINESS SOLUTIONS	Miscellaneous office supplies	1012 · Bank of America Gen'l Ckg 6031.7 · Other Office Supplies	321.73 321.73
TOTAL						321.73
Bill Pmt -Check	02/07/2012	15786	JAMES JOHNSTON		1012 · Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
February 2012

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	01/31/2012	251		Website Services - January 2012	6052.3 · Website Consulting	855.00
TOTAL						855.00
Bill Pmt -Check	02/07/2012	15787	MCCALL'S METER SALES & SERVICE	21887	1012 · Bank of America Gen'l Ckg	225.00
Bill	01/31/2012	21887		21887	7102.8 · In-line Meter-Calib & Test	225.00
TOTAL						225.00
Bill Pmt -Check	02/07/2012	15788	PARK PLACE COMPUTER SOLUTIONS, INC.	459	1012 · Bank of America Gen'l Ckg	2,325.00
Bill	01/31/2012	459		IT Services - January 2012	6052.1 · Park Place Comp Solutn	2,325.00
TOTAL						2,325.00
Bill Pmt -Check	02/07/2012	15789	PRINTING RESOURCES	57675	1012 · Bank of America Gen'l Ckg	110.93
Bill	01/31/2012	57675		Setup/Business cards for Ken Jeske (250)	6031.7 · Other Office Supplies	110.93
TOTAL						110.93
Bill Pmt -Check	02/07/2012	15790	UNION 76	300-732-989	1012 · Bank of America Gen'l Ckg	180.23
Bill	01/31/2012	300732989		Fuel costs - January 2012	6175 · Vehicle Fuel	180.23
TOTAL						180.23
Bill Pmt -Check	02/07/2012	15791	VERIZON		1012 · Bank of America Gen'l Ckg	168.47
Bill	01/31/2012	0125661121521714508		Field Operations - 0125661121521714508	7405 · PE4-Other Expense	168.47
Bill	01/31/2012	012519116950792103		Monthly office - 012519116950792103	6022 · Telephone	435.73
TOTAL						604.20
Bill Pmt -Check	02/07/2012	15792	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	8,293.04
General Journal	01/27/2012	01/27/2012	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS for 01/08/12-01/21/12	2000 · Accounts Payable	8,293.04
TOTAL						8,293.04
Bill Pmt -Check	02/07/2012	15793	PURCHASE POWER	8000909000168851	1012 · Bank of America Gen'l Ckg	84.50
Bill	01/31/2012	8000909000168851		Send invoices to and from WM	6042 · Postage - General	84.50
TOTAL						84.50
Bill Pmt -Check	02/07/2012	15794	STAPLES BUSINESS ADVANTAGE	8020821652	1012 · Bank of America Gen'l Ckg	424.47
Bill	01/31/2012	8020821652		Miscellaneous office supplies	6031.7 · Other Office Supplies	424.47
TOTAL						424.47
Bill Pmt -Check	02/07/2012	15795	THE LAWTON GROUP	6017	1012 · Bank of America Gen'l Ckg	659.20
Bill	01/31/2012	1VC070000018076		Week ending 1/22/12	6017 · Temporary Services	659.20
TOTAL						659.20



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

For Informational Purposes Only

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

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

For Informational Purposes Only

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

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

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	02/08/2012	15810	INLAND EMPIRE UTILITIES AGENCY	1800001994	1012 - Bank of America Gen'l Ckg	3,000.00
Bill	01/31/2012	1800001994		1800001994	7690 - Recharge Improvement Debt Pymt	3,000.00
<b>TOTAL</b>						
Bill Pmt -Check	02/08/2012	15811	MWH LABORATORIES		1012 - Bank of America Gen'l Ckg	1,770.00
Bill	01/31/2012	L0076838		L0076838	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	01/31/2012	L0076456		L0076456	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	01/31/2012	L0076455		L0076455	7108.4 - Hydraulic Control-Lab Svcs	1,532.00
Bill	01/31/2012	L0077462		L0077462	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	01/31/2012	L0076452		L0077452	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	01/31/2012	L0076451		L0076451	7108.4 - Hydraulic Control-Lab Svcs	1,475.00
Bill	01/31/2012	L0076450		L0076450	7108.4 - Hydraulic Control-Lab Svcs	10,137.00
<b>TOTAL</b>						
Bill Pmt -Check	02/08/2012	15812	SAN BERNARDINO COUNTY FLOOD CONTROL FC 124/12		1012 - Bank of America Gen'l Ckg	23,805.39
Bill	01/31/2012	FC 124/12		San Sevaine Channel Reconstruction Project	7207 - Comp Recharge-Other	23,805.39
<b>TOTAL</b>						
Bill Pmt -Check	02/08/2012	15813	COMPUTER NETWORK		1012 - Bank of America Gen'l Ckg	221.98
Bill	01/31/2012	83405		83405	6055 - Computer Hardware	221.98
<b>TOTAL</b>						
Check	02/15/2012	15814	FONTANA WATER COMPANY		1012 - Bank of America Gen'l Ckg	138,931.82
Credit Memo	02/06/2012	AP12-06CR		Refund of Excess Reserves-Assessments	9996 - Refund-Excess Reserves-Approp.	6.75
				Refund of Excess Reserves-Recharge Debt	9998 - Refund-Recharge Debt-Approp.	138,938.57
<b>TOTAL</b>						
Check	02/15/2012	15815	GENERAL ELECTRIC COMPANY		1012 - Bank of America Gen'l Ckg	70.58
Credit Memo	02/06/2012	NAG12-05CR		CURO Adjustment	4224 - CURO Adjustment	169.72
				Non-Agricultural Pool Adjustment of Legal	4123.3 - Non-Ag Pool-Special Assessment	200.07
				Refund of Excess Reserves-Assessments	9997 - Refund-Excess Reserve-NonAg	440.37
<b>TOTAL</b>						
Check	02/15/2012	15816	VULCAN MATERIALS COMPANY		1012 - Bank of America Gen'l Ckg	74.46
Credit Memo	02/06/2012	NAG12-16CR		Refund of Excess Reserves-Assessments	9997 - Refund-Excess Reserve-NonAg	7.85
				Non-Agricultural Pool Adjustment of Legal	4123.3 - Non-Ag Pool-Special Assessment	82.31
<b>TOTAL</b>						
General Journal	02/18/2012	02/18/2012	Payroll and Taxes for 02/05/12-02/18/12		1012 - Bank of America Gen'l Ckg	9,660.91
			Payroll Taxes for 02/05/12-02/18/12		1012 - Bank of America Gen'l Ckg	

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**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL					1012 - Bank of America Gen'l Ckg	22,499.60
Bill Pmt -Check	02/22/2012	15817	AMERICAN GROUND WATER TRUST	CD of Presentations Jan. 30-31, 2012 Conf.	1012 - Bank of America Gen'l Ckg	32,160.51
Bill	02/13/2012			Purchase cd of presentations	6191 - Conferences - General	
TOTAL						20.00
Bill Pmt -Check	02/22/2012	15818	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	30.00
Bill	01/31/2012	XXXX-XXXX-XXXX-9341		Fastrack replenishment	6174 - Transportation	
				Registration fee-Maurizio & Greene-AGWT	6191 - Conferences - General	460.00
				1099 Tax Forms	6031.7 - Other Office Supplies	25.86
				Lunch for 1/26/12 Board meeting	6312 - Meeting Expenses	392.06
TOTAL						907.92
Bill Pmt -Check	02/22/2012	15819	BROWNSTEIN HYATT FARBEN SCHRECK		1012 - Bank of America Gen'l Ckg	2,316.10
Bill	01/31/2012	445627		445627 - BHFS Legal - Appropriative Pool	8375 - BHFS Legal - Appropriative Pool	
				445627 - BHFS Legal - Agricultural Pool	8475 - BHFS Legal - Agricultural Pool	2,316.10
				445627 - BHFS Legal - Non-Ag Pool	8575 - BHFS Legal - Non-Ag Pool	1,806.95
				445627 - BHFS Legal - Advisory Committee	6275 - BHFS Legal - Advisory Committee	2,534.96
				445627 - BHFS Legal - Board Meeting	6375 - BHFS Legal - Board Meeting	2,427.00
				445627 - BHFS Legal - Personnel Matters	6073 - BHFS Legal - Personnel Matters	1,621.14
				445627 - BHFS Legal - Storage Agreements	6076 - BHFS Legal - Storage Agreements	5,054.07
				445627 - BHFS Legal - Miscellaneous	6078 - BHFS Legal - Miscellaneous	5,249.69
				445627 - Paragraph 31 Motion	6907.35 - Paragraph 31 Motion	5,266.35
				445627 - Recharge Master Plan	6907.39 - Recharge Master Plan	2,793.29
Bill	01/31/2012	445628		445628 - BHFS Legal - Personnel Matters	6073 - BHFS Legal - Personnel Matters	12,475.50
Bill	01/31/2012	445629		445628 - Chino Airport Plume	6907.32 - Chino Airport Plume	175.50
Bill	01/31/2012	445630		445630 - Paragraph 31 Motion	6907.35 - Paragraph 31 Motion	14,772.13
TOTAL						58,808.78
Bill Pmt -Check	02/22/2012	15820	CALPERS 457 PLAN	Payroll and Taxes for 01/22/12-02/04/12	1012 - Bank of America Gen'l Ckg	11,435.10
General Journal	02/04/2012	02/04/2012	CALPERS 457 PLAN	Employee Deductions for 01/22/12-02/04/12	2000 - Accounts Payable	11,435.10
TOTAL						11,435.10
Bill Pmt -Check	02/22/2012	15821	COMPUTER NETWORK		1012 - Bank of America Gen'l Ckg	1,535.44
Bill	01/31/2012	82950		HP Designjet Postscript Upgrade	6054 - Computer Software	
Bill	01/31/2012	82949		HP Designjet T2300 Printer - Replacement	6055 - Computer Hardware	8,620.00
Bill	02/03/2012	83446		Repair projector in board room	6057 - Computer Maintenance	300.00
TOTAL						10,455.44

CHINO BASIN WATERMASTER  
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Type	Date	Num	Name	Memo	Account	Paid Amount
<b>Bill Pmt -Check</b>	<b>02/22/2012</b>	<b>15822</b>	<b>CUC-AMONGA VALLEY WATER DISTRICT</b>	<b>Lease Due March 1, 2012</b>	<b>1012 - Bank of America Gen'l Ckg</b>	
Bill	02/15/2012			Lease Due March 1, 2012	1422 - Prepaid Rent	5,984.00
<b>TOTAL</b>						<b>5,984.00</b>
<b>Bill Pmt -Check</b>	<b>02/22/2012</b>	<b>15823</b>	<b>GREAT AMERICA LEASING CORP.</b>	<b>11862159</b>	<b>1012 - Bank of America Gen'l Ckg</b>	
Bill	01/31/2012	11862159		Monthly Lease Invoice	6043.1 - Ricoh Lease Fee	2,788.53
				Usage for Black Copies	6043.2 - Ricoh Usage & Maintenance Fee	292.15
				Usage for Color Copies	6043.2 - Ricoh Usage & Maintenance Fee	224.08
<b>TOTAL</b>						<b>3,304.76</b>
<b>Bill Pmt -Check</b>	<b>02/22/2012</b>	<b>15824</b>	<b>GUARANTEED JANITORIAL SERVICE, INC.</b>	<b>1-28887</b>	<b>1012 - Bank of America Gen'l Ckg</b>	
Bill	02/01/2012	1-28887		Janitorial Service - February 2012	6024 - Building Repair & Maintenance	865.00
<b>TOTAL</b>						<b>865.00</b>
<b>Bill Pmt -Check</b>	<b>02/22/2012</b>	<b>15825</b>	<b>MWH LABORATORIES</b>		<b>1012 - Bank of America Gen'l Ckg</b>	
Bill	01/31/2012	L0077444		L0077444 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	01/31/2012	L0077445		L0077445 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	01/31/2012	L0077645		L0077645 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,770.00
Bill	01/31/2012	L0077447		L0077447 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,532.00
Bill	01/31/2012	L0078443		L0078443 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	01/31/2012	L0078444		L0078444 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	01/31/2012	L0078445		L0078445 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,770.00
<b>TOTAL</b>						<b>10,432.00</b>
<b>Bill Pmt -Check</b>	<b>02/22/2012</b>	<b>15826</b>	<b>PAYCHEX</b>	<b>2012020200</b>	<b>1012 - Bank of America Gen'l Ckg</b>	
Bill	01/31/2012	2012020200		Payroll Service - January 2012	6012 - Payroll Services	393.57
<b>TOTAL</b>						<b>393.57</b>
<b>Bill Pmt -Check</b>	<b>02/22/2012</b>	<b>15827</b>	<b>PUBLIC EMPLOYEES' RETIREMENT SYSTEM</b>	<b>Payor #3493</b>	<b>1012 - Bank of America Gen'l Ckg</b>	
General Journal	02/04/2012	02/04/2012		CaIPERS for 01/22/12-02/04/12	2000 - Accounts Payable	8,074.07
<b>TOTAL</b>						<b>8,074.07</b>
<b>Bill Pmt -Check</b>	<b>02/22/2012</b>	<b>15828</b>	<b>RAUCH COMMUNICATION CONSULTANTS, LLC Feb-1206</b>		<b>1012 - Bank of America Gen'l Ckg</b>	
Bill	01/31/2012	Feb-1206		Progress Billing - CBWM Annual Report	6061.3 - Rauch	2,028.75
<b>TOTAL</b>						<b>2,028.75</b>
<b>Bill Pmt -Check</b>	<b>02/22/2012</b>	<b>15829</b>	<b>SAFEGUARD DENTAL &amp; VISION</b>	<b>4190814</b>	<b>1012 - Bank of America Gen'l Ckg</b>	
Bill	02/01/2012	4190814		Vision Insurance - February 2012	60182.2 - Dental & Vision Ins	7.91
<b>TOTAL</b>						<b>7.91</b>

CHINO BASIN WATERMASTER

Cash Disbursements For The Month of February 2012

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Type	Date	Num	Name	Memo	Account	Paid Amount
<b>Bill Pmt -Check</b>	<b>02/22/2012</b>	<b>15830</b>	<b>STAPLES BUSINESS ADVANTAGE</b>		<b>1012 - Bank of America Gen'l Ckg</b>	
Bill	01/31/2012	8020887455		Miscellaneous office supplies	8031.7 - Other Office Supplies	54.92
Bill	02/04/2012	8020968323		Miscellaneous office supplies	8031.7 - Other Office Supplies	39.52
<b>TOTAL</b>						<b>94.44</b>
<b>Bill Pmt -Check</b>	<b>02/22/2012</b>	<b>15831</b>	<b>STAULA, MARY L</b>	Retiree Medical	<b>1012 - Bank of America Gen'l Ckg</b>	
Bill	02/29/2012				60182.4 - Retiree Medical	136.61
<b>TOTAL</b>						<b>136.61</b>
<b>Bill Pmt -Check</b>	<b>02/22/2012</b>	<b>15832</b>	<b>THE LAWTON GROUP</b>	6017	<b>1012 - Bank of America Gen'l Ckg</b>	
Bill	01/31/2012	1VC070000018102		Week ending 1/29/12	6017 - Temporary Services	824.00
<b>TOTAL</b>						<b>824.00</b>
<b>Bill Pmt -Check</b>	<b>02/22/2012</b>	<b>15833</b>	<b>UNITED PARCEL SERVICE</b>	2x81x0	<b>1012 - Bank of America Gen'l Ckg</b>	
Bill	01/31/2012	2x81x0		Package to Andy Malone @ WE Inc.	6042 - Postage - General	25.37
<b>TOTAL</b>						<b>25.37</b>
<b>Bill Pmt -Check</b>	<b>02/22/2012</b>	<b>15834</b>	<b>VERIZON BUSINESS</b>	64217340	<b>1012 - Bank of America Gen'l Ckg</b>	
Bill	02/13/2012	64217340			6053 - Internet Expense	1,562.96
<b>TOTAL</b>						<b>1,562.96</b>
<b>Bill Pmt -Check</b>	<b>02/22/2012</b>	<b>15835</b>	<b>VERIZON WIRELESS</b>	1054382992	<b>1012 - Bank of America Gen'l Ckg</b>	
Bill	02/13/2012	1054382992		Monthly service	6022 - Telephone	406.91
<b>TOTAL</b>						<b>406.91</b>
<b>Bill Pmt -Check</b>	<b>02/22/2012</b>	<b>15836</b>	<b>WESTERN DENTAL SERVICES, INC.</b>	002483	<b>1012 - Bank of America Gen'l Ckg</b>	
Bill	02/13/2012	002483		Dental Insurance - March 2012	60182.2 - Dental & Vision Ins	28.88
<b>TOTAL</b>						<b>28.88</b>
<b>Bill Pmt -Check</b>	<b>02/22/2012</b>	<b>15837</b>	<b>WILDERMUTH ENVIRONMENTAL INC</b>		<b>1012 - Bank of America Gen'l Ckg</b>	
Bill	01/31/2012	2012010		2012010 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	6,212.50
Bill	01/31/2012	2012011		2012011 - OBMP Engineering Services	6906 - OBMP Engineering Services	5,262.50
Bill	01/31/2012	2012012		2012012 - OBMP Engineering Services	6906 - OBMP Engineering Services	575.00
Bill	01/31/2012	2012013		2012013 - OBMP Engineering Services	6906 - OBMP Engineering Services	3,825.26
Bill	01/31/2012	2012014		2012014 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	21,813.44
Bill	01/31/2012	2012015		2012015 - Grdwtr Qual-Engineering	7103.3 - Grdwtr Qual-Engineering	13,393.75
Bill	01/31/2012	2012016		2012016 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	12,913.65
Bill	01/31/2012	2012017		2012017 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	907.43
Bill	01/31/2012	2012018		2012018 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	8,373.72
Bill	01/31/2012	2012019		2012019 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	24,997.60

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	01/31/2012	2012020		Associated Engineers - Contract Svcs	7107.6 - Grd Level-Contract Svcs	11,000.00
Bill	01/31/2012	2012021		2012020 - PE3&5-Engineering	7303 - PE3&5-Engineering	4,300.00
Bill	01/31/2012	2012022		2012021 - PE4-Engineering	7402 - PE4-Engineering	3,825.00
Bill	01/31/2012	2012023		2012022 - OBMP Engineering Services	6906 - OBMP Engineering Services	4,727.50
Bill	01/31/2012	2012024		2012023 - Comp Recharge-implementation	7202.3 - Comp Recharge-Implementation	15,957.59
Bill	01/31/2012	2012025		2012024 - PE6&7-Engineering	7502 - PE6&7-Engineering	5,476.25
				2012025 - OBMP Engineering Services	6906 - OBMP Engineering Services	440.00
<b>TOTAL</b>						<b>144,001.19</b>
General Journal	02/29/2012	02/29/2012	Wage Works Direct Debits - February 2012	Wage Works Direct Debits - February 2012	1012 - Bank of America Gen'l Ckg	495.40
				Wage Works Direct Debits - February 2012	1012 - Bank of America Gen'l Ckg	495.40
				Wage Works Direct Debits - February 2012	1012 - Bank of America Gen'l Ckg	76.25
				Wage Works Direct Debits - February 2012	1012 - Bank of America Gen'l Ckg	1,087.05
<b>TOTAL</b>						<b>560,097.34</b>