

CHINO BASIN WATERMASTER



NOTICE OF MEETING

Thursday, October 23, 2014

11:00 a.m. – Watermaster Board Meeting

LUNCH WILL BE SERVED

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

CHINO BASIN WATERMASTER

Thursday, October 23, 2014

11:00 a.m. – Watermaster Board Meeting

AGENDA

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – October 23, 2014

WITH

Mr. Robert "Bob" Craig – Chair

Mr. Steve Elie – Vice-Chair

At The Offices Of

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

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 Watermaster Board meeting held September 25, 2014 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2014 *(Page 5)*
2. Watermaster VISA Check Detail for the month of August 2014 *(Page 19)*
3. Combining Schedule for the Period July 1, 2014 through August 31, 2014 *(Page 23)*
4. Treasurer's Report of Financial Affairs for the Period August 1, 2014 through August 31, 2014 *(Page 27)*
5. Budget vs. Actual Report for the Period July 1, 2014 through August 31, 2014 *(Page 31)*

C. AMENDMENT TO MWD DRY YEAR YIELD AGREEMENT *(Page 47)*

Approve Amendment No. 8 to the MWD Dry Year Yield Agreement and authorize the General Manager to execute the agreement.

II. BUSINESS ITEMS

A. PHYSICAL SOLUTION TRANSFER RATE SUBSTITUTION *(Page 75)*

Approve the proposed FY 2014/15 substitute Physical Solution Transfer rate, and approve Watermaster legal counsel's filing of motion for Court approval of the same.

B. SAFE YIELD RECALCULATION AND RESET (DISCUSSION ONLY) (Page 89)

Review staff's proposal as requested by the Board. If the Board desires, direct staff to prepare a pleading for review at the November 20, 2014 Board meeting.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. West Venture
2. Waters of the United States Rulemaking

B. CFO REPORT

None

C. ENGINEER REPORT

1. Proposition 1E Grant Transfer Support
2. Prado Basin Habitat Sustainability Program

D. GM REPORT

1. November Meeting Schedule

IV. INFORMATION

1. Cash Disbursements for September 2014 (Page 101)
2. 2014/15 First Interim Organization Performance Report (Page 111)

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

VIII. FUTURE MEETINGS AT WATERMASTER

10/21/14	Tue	2:00 p.m.	Assessment Package Workshop
10/23/14	Thu	9:00 a.m.	Land Subsidence Committee
10/23/14	Thu	11:00 a.m.	Watermaster Board
10/28/14	Tue	9:00 a.m.	Groundwater Recharge Coordinating Committee (at CBWCD)
11/06/14	Thu	10:00 a.m.	Safe Yield Recalculation and Related Matters
11/13/14	Thu	9:00 a.m.	Appropriative Pool
11/13/14	Thu	11:00 a.m.	Non-Agricultural Pool
11/13/14	Thu	1:30 p.m.	Agricultural Pool
11/20/14	Thu	8:00 a.m.	Joint IEUA/CBWM Recharge Improvement Projects
11/20/14	Thu	9:00 a.m.	Advisory Committee
11/20/14	Thu	10:00 a.m.	Safe Yield Recalculation and Related Matters*
11/20/14	Thu	11:00 a.m.	Watermaster Board

ADJOURNMENT

*This meeting will take place immediately following the Advisory Committee meeting.

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting held on September 25, 2014

DRAFT MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

September 25, 2014

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on September 25, 2014.

WATERMASTER BOARD MEMBERS PRESENT

Robert "Bob" Craig, Chair
Terry Catlin, for Steve Elie
Mark Kinsey
Brian Geye, for Bob Bowcock
Jeff Pierson, for Geoff Vanden Heuvel
Paul Hofer
Bob Kuhn
Don Galleano

Jurupa Community Services District
Inland Empire Utilities Agency
Monte Vista Water District
Auto Club Speedway
Agricultural Pool – Crops
Agricultural Pool – Crops
Three Valleys Municipal Water District
Western Municipal Water District

WATERMASTER BOARD MEMBERS ABSENT

Steve Elie, Vice-Chair
Bob Bowcock
Geoff Vanden Heuvel
J. Arnold Rodriguez

Inland Empire Utilities Agency
Vulcan Materials Company (Calmat Division)
Agricultural Pool – Dairy
Santa Ana River Water Company

WATERMASTER STAFF PRESENT

Peter Kavounas
Danielle Maurizio
Anna Truong

General Manager
Assistant General Manager
Recording Secretary

WATERMASTER CONSULTANTS PRESENT

Scott Slater
Andy Malone

Brownstein Hyatt Farber Schreck, LLP
Wildermuth Environmental, Inc.

OTHERS PRESENT

Dave Crosley
Pete Hall
Larry Dimock
Scott Burton
Art Kidman
David Penrice
John Rossi
Sheri Rojo
Ron Craig
Ryan Shaw
Andy Campbell
Todd Corbin
Jo Lynne Russo-Pereyra
Jasmin Hall
John Bosler
David De Jesus

City of Chino
State of California – CIM
State of California – CIM
City of Ontario
Kidman Law, LLP
Aqua Capital Management LP
Western Municipal Water District
Fontana Water Company
City of Chino Hills
City of Ontario
Inland Empire Utilities Agency
Jurupa Community Services District
Cucamonga Valley Water District
Inland Empire Utilities Agency
Cucamonga Valley Water District
Three Valleys Municipal Water District

Rosemary Hoerning
Marty Zvirbulis
Darron Poulsen
Rick Hansen
Manny Martinez
Curtis Paxton
Bob Feenstra

City of Upland
Cucamonga Valley Water District
City of Pomona
Three Valleys Municipal Water District
Monte Vista Water District
Chino Basin Desalter Authority
Agricultural Pool – Dairy

CALL TO ORDER

Chair Craig called the Watermaster Board meeting to order at 11:01 a.m.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

None

AGENDA - ADDITIONS/REORDER

None

Chairman Craig welcomed Mr. Don Galleano to the first Watermaster Board meeting in his official capacity as a Board Member representing Western Municipal Water District.

I. CONSENT CALENDAR

A. MINUTES

- 1. Minutes of the Watermaster Board meeting held August 28, 2014

B. FINANCIAL REPORTS

- 1. Cash Disbursements for the month of July 2014
- 2. Watermaster VISA Check Detail for the month of July 2014
- 3. Combining Schedule for the Period July 1, 2014 through July 31, 2014
- 4. Treasurer's Report of Financial Affairs for the Period July 1, 2014 through July 31, 2014
- 5. Budget vs. Actual Report for the Period July 1, 2014 through July 31, 2014

(0:01:21)

Motion by Mr. Bob Kuhn, second by Mr. Mark Kinsey, and carried unanimously
Moved to approve Consent Calendar as presented

II. BUSINESS ITEMS

A. BUDGET AMENDMENT FORM A-14-08-01

Approve Budget Amendment Form (A-14-08-01) for FY 2014/15 in the amount of \$100,000 for the increased costs associated with the updated Subsidence Management Plan for the Chino Basin (MZ1); and authorize the Watermaster General Manager to approve the Amended Engineering Services Task Order No. 2014-15-1-Amended, as presented.

(0:01:42) Mr. Kavounas gave a report.

(0:02:26)

Motion by Mr. Jeff Pierson, second by Mr. Terry Catlin and carried unanimously
Moved to approve Business Item II.A. as presented

B. VOLUNTARY AGREEMENT FORM 9

Approve the proposed new form.

(0:02:45) Mr. Kavounas gave a report.

(0:03:37)

*Motion by Mr. Mark Kinsey, second by Mr. Paul Hofer and carried unanimously
Moved to approve Business Item II.B. as presented*

C. HYDRAULIC CONTROL/LOSSES (DISCUSSION ONLY)

(0:03:54) Mr. Kavounas gave a report. A brief discussion ensued.

D. SAFE YIELD RECALCULATION WORKSHOP FOLLOW-UP (DISCUSSION ONLY)

(0:05:51) Mr. Kavounas gave a report. A discussion ensued.

(0:46:21)

*Motion by Mr. Bob Kuhn, second by Mr. Terry Catlin and carried unanimously
Moved to agendize for the October 23, 2014 Watermaster Board meeting to
discuss submitting to the Court a Safe Yield number of 135,000 AF and process
the same through the Pools, Advisory and Board meetings in November 2014.*

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. CA Groundwater Legislation
2. CalPERS Appeal

(0:48:40) Mr. Slater gave a report. A brief discussion ensued.

B. CFO REPORT

None

C. ENGINEER REPORT

None

D. GM REPORT

1. Safe Yield Recalculation
2. Recharge Master Plan Update Amendment Implementation Sierra Basin Project
3. Dry Year Yield Contract Amendment
4. New Yield Cost/Benefit Allocation
5. Other

(0:52:36) Item #1 was removed as it was already discussed under Business Items. Mr. Kavounas gave a report on the remainder of the GM Report.

IV. INFORMATION

1. Cash Disbursements for August 2014
2. Update on South Archibald and Chino Airport Plumes
3. RMPU Status Report

V. BOARD MEMBER COMMENTS

(0:56:05) Mr. Kuhn thanked staff for a job well done with the Safe Yield Board Workshop.

(0:56:42) Mr. Kinsey welcomed Don Galleano to the Watermaster Board.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

None

VIII. FUTURE MEETINGS AT WATERMASTER

- 09/23/14 Tue 10:00 a.m. Land Subsidence Committee
- 09/25/14 Thu 11:00 a.m. Watermaster Board
- 10/02/14 Thu 10:00 a.m. Safe Yield Recalculation and Related Matters
- 10/09/14 Thu 9:00 a.m. Appropriative Pool
- 10/09/14 Thu 11:00 a.m. Non-Agricultural Pool
- 10/09/14 Thu 1:30 p.m. Agricultural Pool
- 10/16/14 Thu 8:00 a.m. Joint IEUA/CBWM Recharge Improvement Projects
- 10/16/14 Thu 9:00 a.m. Advisory Committee
- 10/16/14 Thu 10:00 a.m. Safe Yield Recalculation and Related Matters
- 10/23/14 Thu 11:00 a.m. Watermaster Board
- 10/28/14 Tue 9:00 a.m. Groundwater Recharge Coordinating Committee (at CBWCD)

ADJOURNMENT

Chair Craig adjourned the Watermaster Board meeting at 11:58 a.m.

Secretary: _____

Approved: _____

CHINO BASIN 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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: October 23, 2014
TO: Board Members
SUBJECT: Cash Disbursement Report - Financial Report B1 (August 31, 2014)

SUMMARY

Issue: Record of cash disbursements for the month of August 31, 2014.

Recommendation: Receive and file Cash Disbursements for August 31, 2014 as presented.

Financial Impact: Funds disbursed were included in the FY 2014/15 "Amended" Watermaster Budget.

Future Consideration

Watermaster Board: October 23, 2014; Receive and File (Normal Course of Business)

ACTIONS:

October 9, 2014 – Appropriative Pool – Unanimously approved
October 9, 2014 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
October 9, 2014 – Agricultural Pool – Unanimously approved
October 16, 2014 – Advisory Committee – Unanimously approved
October 23, 2014 – Watermaster Board –

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of August 2014 were \$453,168.49. The most significant expenditures during the month were to Wildermuth Environmental, Inc. in the amounts of \$94,203.78 and \$122,441.56 (check number 18002 dated August 1, 2014 and check number 18050 dated August 25, 2014); and to Brownstein Hyatt Farber Schreck in the amount of \$82,620.70 (check number 18060 dated August 28, 2014).

ATTACHMENTS

1. Financial Report - B1

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2014

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/01/2014	17999	COSTCO WHOLESALE	7003-7309-1000-2744	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	7003730910002744		Miscellaneous office supplies	6031.7 · Other Office Supplies	803.31
				Copier paper	6031.1 · Copy Paper	164.87
TOTAL						968.18
Bill Pmt -Check	08/01/2014	18000	GUARANTEED JANITORIAL SERVICE, INC.	10-30498	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	10-30498		July 2014	6024 · Building Repair & Maintenance	397.68
TOTAL						397.68
Bill Pmt -Check	08/01/2014	18001	PETTY CASH	2477-2487	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014			Purchase misc. items for office	6031.7 · Other Office Supplies	160.57
				Truong mtg w/CVWD, Truong/Wilson mtg w/WMWI	6141.3 · Admin Meetings	108.70
				Mileage reimbursement A. Truong	6173 · Airfare/Mileage	11.70
				PK mtgs w/S. Slater, Chris Berch - IEUA	8312 · Meeting Expenses	46.63
				Reimburse travel PK	6191 · Conferences - General	20.00
TOTAL						347.60
P7	Bill Pmt -Check	08/01/2014	18002	WILDERMUTH ENVIRONMENTAL INC	1012 · Bank of America Gen'l Ckg	
	Bill	06/30/2014	2014187	2014187	6906 · OBMP Engineering Services	3,717.73
	Bill	06/30/2014	2014188	2014188	6906.71 · OBMP-Data Req.-CBWM Staff	778.34
				2014188	6906.72 · OBMP-Data Req.-Non CBWM Staff	1,556.66
	Bill	06/30/2014	2014189	2014189	6906 · OBMP Engineering Services	9,140.94
	Bill	06/30/2014	2014190	2014190	6906 · OBMP Engineering Services	1,347.50
	Bill	06/30/2014	2014191	2014191	7103.3 · Grdwtr Qual-Engineering	125.00
	Bill	06/30/2014	2014192	2014192	7104.3 · Grdwtr Level-Engineering	8,730.30
				2014192	7104.9 · Grdwtr Level-Capital Equip	3,621.35
	Bill	06/30/2014	2014193	2014193	7107.61 · Grd Level-Chino Hills ASR	38.95
				2014193	7107.62 · Grd Level-Chino Hills ASR-Prior	951.05
	Bill	06/30/2014	2014194	2014194	7107.2 · Grd Level-Engineering	6,735.65
	Bill	06/30/2014	2014195	2014195	7108.3 · Hydraulic Control-Engineering	1,295.75
	Bill	06/30/2014	2014196	2014196	7402 · PE4-Engineering	11,812.73
	Bill	06/30/2014	2014197	2014197	7502 · PE6&7-Engineering	31,488.75
	Bill	06/30/2014	2014198	2014198	6906.73 · OBMP-Safe Yield Recalculation	12,863.08
TOTAL						94,203.78
Bill Pmt -Check	08/07/2014	18003	CHARLES Z. FEDAK & COMPANY		1012 · Bank of America Gen'l Ckg	
Bill	07/23/2014			Progress Billing - July 2014	6062 · Audit Services	1,100.00
TOTAL						1,100.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2014

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/07/2014	18004	CHEF DAVE'S CAFE & CATERING	4915	1012 · Bank of America Gen'l Ckg	
Bill	07/24/2014	4915		Lunch for 7/24/14 Board meeting	6312 · Meeting Expenses	375.20
TOTAL						375.20
Bill Pmt -Check	08/07/2014	18005	MARK IV COMMUNICATIONS, INC.	20089	1012 · Bank of America Gen'l Ckg	
Bill	07/29/2014	20089		Run network cabling between Office and Annex	6024 · Building Repair & Maintenance	1,800.00
TOTAL						1,800.00
Bill Pmt -Check	08/07/2014	18006	MIJAC ALARM		1012 · Bank of America Gen'l Ckg	
Bill	07/23/2014	358704		Alarm upgrade installation - Annex	6026 · Security Services	785.00
Bill	07/23/2014	356747		Add location on zone to alarm system	6026 · Security Services	85.00
TOTAL						870.00
Bill Pmt -Check	08/07/2014	18007	PARK PLACE COMPUTER SOLUTIONS, INC.	489	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	489		IT Consulting services - July 2014	6052.1 · Park Place Comp Solutn	3,675.00
TOTAL						3,675.00
Bill Pmt -Check	08/07/2014	18008	PREMIERE GLOBAL SERVICES	16595651	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	16595651		Safe Yield call on 6/27	6909.1 · OBMP Meetings	12.46
				Pools Agendas call on 7/01	8312 · Meeting Expenses	16.38
				Pools Agendas call on 7/01	8412 · Meeting Expenses	16.38
				Pools Agendas call on 7/01	8512 · Meeting Expense	16.38
				WM Coordination call on 7/07	6909.1 · OBMP Meetings	40.90
				Appropriative Pool call on 7/08	8312 · Meeting Expenses	4.62
				Safe Yield call on 7/09	6909.1 · OBMP Meetings	23.71
				ACWA Conjunctive Use call on 7/09	6909.1 · OBMP Meetings	12.10
				Non-Ag Pool Meeting call on 7/10	8512 · Meeting Expense	51.75
				WM Coordination call on 7/14	6909.1 · OBMP Meetings	26.73
				Call with Tracy Egoscue re Ag Pool on 7/16	8412 · Meeting Expenses	15.59
				CLWA call on 7/21	6909.1 · OBMP Meetings	15.37
				WM Coordination call on 7/21	6909.1 · OBMP Meetings	30.20
				Form 9 call on 7/21	6909.1 · OBMP Meetings	21.32
				Call w/John Rossi WMWD on 7/22	8312 · Meeting Expenses	32.14
				Conference call	6909.1 · OBMP Meetings	7.49
				Conference call	6909.1 · OBMP Meetings	4.05
				Fee - General	6022 · Telephone	49.00
				Fee - Confidential	6022 · Telephone	49.00
TOTAL						445.57
Bill Pmt -Check	08/07/2014	18009	PRINTING RESOURCES	61258	1012 · Bank of America Gen'l Ckg	

P 8

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2014

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	07/31/2014	61258		Name badge - A. Truong	6031.7 · Other Office Supplies	45.14
TOTAL						45.14
Bill Pmt -Check	08/07/2014	18010	PURCHASE POWER	8000909000168851	1012 · Bank of America Gen'l Ckg	
Bill	07/23/2014	8000909000168851		Postage refill	6042 · Postage - General	4,000.00
TOTAL						4,000.00
Bill Pmt -Check	08/07/2014	18011	VERIZON	012519116950792103	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	012519116950732103		012519116950792103	6022 · Telephone	60.22
TOTAL						60.22
Bill Pmt -Check	08/13/2014	18012	ACWA JOINT POWERS INSURANCE AUTHORITY	0302771	1012 · Bank of America Gen'l Ckg	
Bill	08/12/2014	0302771		Prepayment - September 2014	1409 · Prepaid Life, BAD&D & LTD	137.91
				August 2014	60191 · Life & Disab.Ins Benefits	116.05
TOTAL						253.96
Bill Pmt -Check	08/13/2014	18013	BOWCOCK, ROBERT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/24/2014	7/24 Board Mtg		7/24/14 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	08/13/2014	18014	COMPUTER NETWORK	90637	1012 · Bank of America Gen'l Ckg	
Bill	08/05/2014	90637		90637	6055 · Computer Hardware	59.40
TOTAL						59.40
Bill Pmt -Check	08/13/2014	18015	CORELOGIC INFORMATION SOLUTIONS	81231360	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	81231360		81231360	7103.7 · Grdwtr Qual-Computer Svc	62.50
				81231360	7101.4 · Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	08/13/2014	18016	CRAIG, ROBERT		1012 · Bank of America Gen'l Ckg	
Bill	07/01/2014	7/01 Quartly Board		7/01/14 Board Officers/Chairs Quarterly Meeting	6311 · Board Member Compensation	125.00
Bill	07/08/2014	7/08 Appro Pool Mtg		7/08/14 Appropriative Pool Special Meeting	6311 · Board Member Compensation	125.00
Bill	07/09/2014	7/09 Ag Mtg		7/09/14 Meeting w/Ag Chair	6311 · Board Member Compensation	125.00
Bill	07/10/2014	7/10 Appro Pool Mtg		7/10/14 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	07/17/2014	7/17 Appro Pool Mtg		7/17/14 Special Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	07/24/2014	7/24 Board Mtg		7/24/14 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						750.00
Bill Pmt -Check	08/13/2014	18017	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/10/2014	7/10 Ag Pool Mtg		7/10/14 Ag Pool Meeting	8411 · Compensation	25.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2014

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
				Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	08/13/2014	18018	DURRINGTON, GLEN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/10/2014	7/10 Ag Pool Mtg		7/10/14 Ag Pool Meeting	8411 · Compensation	25.00
				Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	08/13/2014	18019	ELIE, STEVEN		1012 · Bank of America Gen'l Ckg	
Bill	07/01/2014	7/01 Quarterly Board		7/01/14 Board Officers/Chairs Quarterly Meeting	6311 · Board Member Compensation	125.00
Bill	07/24/2014	7/24 Board Meeting		7/24/14 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	08/13/2014	18020	FEENSTRA, BOB		1012 · Bank of America Gen'l Ckg	
Bill	07/01/2014	7/01 Quarterly Board		7/01/14 Board Officers/Chairs Quarterly Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/09/2014	7/09 Ag Mtg		7/09/14 Ag lunch mtg	8470 · Ag Meeting Attend -Special	125.00
Bill	07/10/2014	7/10 Appro Pool Mtg		7/10/14 Appropriative Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/10/2014	7/10 Ag Pool Mtg		7/10/14 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/24/2014	7/24 Board Mtg		7/24/14 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						625.00
Bill Pmt -Check	08/13/2014	18021	HALL, PETE*		1012 · Bank of America Gen'l Ckg	
Bill	07/08/2014	7/08 Appro Pool Mtg		7/08/14 Special Appropriative Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/10/2014	7/10 Appro Pool Mtg		7/10/14 Appropriative Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/10/2014	7/10 Ag Pool Mtg		7/10/14 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/10/2014	7/10 Land Subsidence		7/10/14 Land Subsidence Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/17/2014	7/17 Appro Pool Mtg		7/17/14 Special Appropriative Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/17/2014	7/17 Advisory Comm		7/17/14 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/17/2014	7/17 Joint Projects		7/17/14 IEUA/CBWM Joint Recharge Projects Mtg	8470 · Ag Meeting Attend -Special	125.00
Bill	07/24/2014	7/24 Board Mtg		7/24/14 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						1,000.00
Bill Pmt -Check	08/13/2014	18022	HUITSING, JOHN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/10/2014	7/10 Ag Pool Mtg		7/10/14 Ag Pool Meeting	8411 · Compensation	25.00
				Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	08/13/2014	18023	KOOPMAN, GENE		1012 · Bank of America Gen'l Ckg	
Bill	07/09/2014	7/09 Ag Mtg		7/09/14 Ag lunch mtg	8411 · Compensation	25.00
				Ag Pool Member Meeting Compensation	8470 · Ag Meeting Attend -Special	100.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2014

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
Bill	07/10/2014	7/10 Appro Pool Mtg		7/10/14 Appropriative Pool Meeting	8411 · Compensation	25.00
				Ag Pool Member Meeting Compensation	8470 · Ag Meeting Attend -Special	100.00
Bill	07/10/2014	7/10 Ag Pool Mtg		7/10/14 Ag Pool Meeting	8411 · Compensation	25.00
				Ag Pool Member Meeting Compensation	8470 · Ag Meeting Attend -Special	100.00
TOTAL						375.00
Bill Pmt -Check	08/13/2014	18024	KUHN, BOB		1012 · Bank of America Gen'l Ckg	
Bill	07/01/2014	7/01 Quarterly Board		7/01/14 Board Officers/Chairs Quarterly Meeting	6311 · Board Member Compensation	125.00
Bill	07/17/2014	7/17 Advisory Comm		7/17/14 Advisory Committee Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	08/13/2014	18025	OFFICE PRIDE	314513	1012 · Bank of America Gen'l Ckg	
Bill	08/01/2014	314513		Janitorial Service - 314513	6024 · Building Repair & Maintenance	988.32
TOTAL						988.32
Bill Pmt -Check	08/13/2014	18026	PAYCHEX	2014073100	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	2014073100		July 2014	6012 · Payroll Services	286.63
TOTAL						286.63
P11						
Bill Pmt -Check	08/13/2014	18027	PIERSON, JEFFREY		1012 · Bank of America Gen'l Ckg	
Bill	07/17/2014	7/17 Appro Pool Mtg		7/17/14 Special Appropriative Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/17/2014	7/17 Advisory Comm		7/17/14 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/24/2014	7/24 Board Mtg		7/24/14 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						375.00
Bill Pmt -Check	08/13/2014	18028	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	07/31/2014	07/31/2014	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 07/20/14-08/02/14	2000 · Accounts Payable	7,899.15
TOTAL						7,899.15
Bill Pmt -Check	08/13/2014	18029	SOUTHERN CALIFORNIA WATER COMMITTEE	26404	1012 · Bank of America Gen'l Ckg	
Bill	08/11/2014	26404		Annl Dues-\$850.00; Stormwater Task Force-\$1K	6111 · Membership Dues	1,850.00
TOTAL						1,850.00
Bill Pmt -Check	08/13/2014	18030	SPECIALIZED SERVICES OF SO CAL	1673	1012 · Bank of America Gen'l Ckg	
Bill	08/07/2014	1673		CPR Training for office staff	6192 · Training & Seminars	360.00
TOTAL						360.00
Bill Pmt -Check	08/13/2014	18031	UNITED PARCEL SERVICE	2x81x0	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	2x81x0		Contract to IEUA, plaque to Scalmanini family	6042 · Postage - General	48.62
TOTAL						48.62

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2014

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/13/2014	18032	VANDEN HEUVEL, GEOFFREY	6311	1012 · Bank of America Gen'l Ckg	
Bill	07/10/2014	7/10 Ag Pool Mtg		7/10/14 Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	07/24/2014	7/24 Board Mtg		7/24/14 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	08/13/2014	18033	VANDEN HEUVEL, ROB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/10/2014	7/10 Ag Pool Mtg		7/10/14 Ag Pool Meeting	8411 · Compensation	25.00
				Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	08/13/2014	18034	VERIZON WIRELESS	9729794684	1012 · Bank of America Gen'l Ckg	
Bill	08/12/2014	9729794684		Monthly service	6022 · Telephone	295.67
TOTAL						295.67
Bill Pmt -Check	08/13/2014	18035	WESTERN DENTAL SERVICES, INC.	11882	1012 · Bank of America Gen'l Ckg	
Bill	08/12/2014	11882		Dental insurance - August 2014	60182.2 · Dental & Vision Ins	15.00
TOTAL						15.00
P12 Check	08/15/2014	08/15/2014	SERVICE CHARGE	SERVICE CHARGE	1012 · Bank of America Gen'l Ckg	
				Service Charge	6039.1 · Banking Service Charges	410.15
TOTAL						410.15
General Journal	08/16/2014	08/16/2014	Payroll and Taxes for 08/03/14-08/16/14	Payroll and Taxes for 08/03/14-08/16/14	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 08/03/14-08/16/14	1012 · Bank of America Gen'l Ckg	21,978.87
				Garnishments for 08/03/14-08/16/14	1012 · Bank of America Gen'l Ckg	358.18
				Payroll Taxes for 08/03/14-08/16/14	1012 · Bank of America Gen'l Ckg	7,240.11
				Payroll Checks for 08/03/14-08/16/14	1012 · Bank of America Gen'l Ckg	906.78
			ICMA-RC	457 Employee deductions for 08/03/14-08/16/14	1012 · Bank of America Gen'l Ckg	3,263.50
			ICMA-RC	401(a) Employee deductions for 08/03/14-08/16/14	1012 · Bank of America Gen'l Ckg	1,093.36
TOTAL						34,840.80
Bill Pmt -Check	08/20/2014	18036	NAKANO, JUSTIN		1012 · Bank of America Gen'l Ckg	
Bill	08/20/2014			Manual check - O/T for payroll 8/03/14 - 8/16/14	6901 · WM Staff Salaries	179.41
TOTAL						179.41
Bill Pmt -Check	08/21/2014	18037	PATRAL CUSTOM CABINETS		1012 · Bank of America Gen'l Ckg	
Bill	08/21/2014			Deposit for repairs on GM's office desk	6036 · Minor Office Furniture	400.00
TOTAL						400.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2014

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/25/2014	18038	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2014	XXXX-XXXX-XXXX-9341		Misc expenses	6031.7 - Other Office Supplies	0.97
				Supplies for July 10 meeting prep	8512 - Meeting Expense	85.82
				Purchase cleaner for dishwasher in office	6031.7 - Other Office Supplies	13.35
				Purchase portable fan for office	6031.7 - Other Office Supplies	58.75
				Supplies for July 19 meeting prep	6312 - Meeting Expenses	28.95
				Replacement battery for AED device in office	6031.7 - Other Office Supplies	178.89
				Reg. fee-PK- Aug. 6 GRA Cast Web Seminar	6193.2 - Conference - Registration Fee	47.72
				Replacement chair for GM office	6031.7 - Other Office Supplies	85.37
				Airfare-PK-Sept. 8 GRA Land Subsidence Symposi	6191 - Conferences - General	104.71
				Early bird check in on PK flight	6191 - Conferences - General	23.86
				Airfare-PK-attend Sept. 3 ACWA Meeting	6191 - Conferences - General	107.10
				Early bird check in-PK flight	6191 - Conferences - General	23.86
				Reg. fee-PK-Sept. 8 GRA Land Subsidence Symposi	6193.2 - Conference - Registration Fee	276.80
				Hotel-PK-Sept. 8 GRA Land Subsidence Symposiur	6191 - Conferences - General	173.65
				PK meeting w/Brian Geye - Auto Club Speedway	8512 - Meeting Expense	33.53
				PK meeting w/Todd Corbin - JCSD	8412 - Meeting Expenses	40.67
				Staff uniforms for office	6154 - Uniforms	84.54
TOTAL						1,368.54
Bill Pmt -Check	08/25/2014	18039	CALPERS	1394905143	1012 - Bank of America Gen'l Ckg	
Bill	08/19/2014	1394905143		Medical insurance - September 2014	60182.1 - Medical Insurance	6,683.72
TOTAL						6,683.72
Bill Pmt -Check	08/25/2014	18040	CUCAMONGA VALLEY WATER DISTRICT	Lease due September 1, 2014	1012 - Bank of America Gen'l Ckg	
Bill	08/19/2014			Lease due September 1, 2014	1422 - Prepaid Rent	6,160.00
TOTAL						6,160.00
Bill Pmt -Check	08/25/2014	18041	EGOSCUE LAW GROUP	10733	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2014	10733		Ag Pool legal services - July 2014	8467 - Ag Legal & Technical Services	9,965.00
TOTAL						9,965.00
Bill Pmt -Check	08/25/2014	18042	LEGAL SHIELD	111802	1012 - Bank of America Gen'l Ckg	
Bill	08/19/2014	0111802		Employee deductions - August 2014	60194 - Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	08/25/2014	18043	MCCALL'S METER SALES & SERVICE	25861	1012 - Bank of America Gen'l Ckg	
Bill	08/06/2014	25861		25861	7102.5 - In-line Meter-Repair & Maint.	3,060.12
TOTAL						3,060.12

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2014

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/25/2014	18044	OFFICE PRIDE	311902	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	311902		Janitorial services - 311902	6024 · Building Repair & Maintenance	510.08
TOTAL						510.08
Bill Pmt -Check	08/25/2014	18045	STAPLES BUSINESS ADVANTAGE	8030879116	1012 · Bank of America Gen'l Ckg	
Bill	08/09/2014	8030879116		Misc. office supplies	6031.7 · Other Office Supplies	38.59
TOTAL						38.59
Bill Pmt -Check	08/25/2014	18046	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2014				60182.4 · Retiree Medical	28.49
TOTAL						28.49
Bill Pmt -Check	08/25/2014	18047	THOMAS HARDER & CO	6	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	6		6	8306 · Consulting/Engineering Services	7,197.59
TOTAL						7,197.59
Bill Pmt -Check	08/25/2014	18048	TW TELECOM	06434592	1012 · Bank of America Gen'l Ckg	
Bill	08/19/2014	06434592		06434592	6053 · Internet Expense	1,031.93
TOTAL						1,031.93
Bill Pmt -Check	08/25/2014	18049	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	7076224530355049		Invoice dated 6/28/14	6175 · Vehicle Fuel	106.57
				Invoice dated 7/28/14	6175 · Vehicle Fuel	195.00
TOTAL						301.57
Bill Pmt -Check	08/25/2014	18050	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	2014220		2014220	6906.31 · OBMP-Pool, Adv. Board Mtgs	9,658.52
Bill	07/31/2014	2014221		2014221	6906.32 · OBMP-Other General Meetings	1,680.68
Bill	07/31/2014	2014222		2014222	6906.71 · OBMP-Data Req.-CBWM Staff	12,270.00
				Garrison Graphics	6906.71 · OBMP-Data Req.-CBWM Staff	225.00
Bill	07/31/2014	2014223		2014223	6906.22 · Water Rights Compliance Rprting	2,103.50
Bill	07/31/2014	2014224		2014224	6906 · OBMP Engineering Services	2,280.50
Bill	07/31/2014	2014225		2014225	6906.73 · OBMP-Safe Yield Recalculation	15,757.18
Bill	07/31/2014	2014226		2014226	6906.21 · State of the Basin Report	2,885.00
Bill	07/31/2014	2014227		2014227	7103.3 · Grdwtr Qual-Engineering	947.50
Bill	07/31/2014	2014228		2014228	7104.3 · Grdwtr Level-Engineering	8,164.80
Bill	07/31/2014	2014229		2014229	7107.61 · Grd Level-Chino Hills ASR	453.75
Bill	07/31/2014	2014230		Neva Ridge	7107.3 · Grd Level-SAR Imagery	14,000.00
Bill	07/31/2014	2014231		2014231	7107.2 · Grd Level-Engineering	9,599.30
Bill	07/31/2014	2014232		2014232	7108.3 · Hydraulic Control-Engineering	461.30

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2014

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	07/31/2014	2014233		2014233	7108.3 · Hydraulic Control-Engineering	588.20
Bill	07/31/2014	2014234		2014234	7108.7 · Hydraulic Control - Prado Basin	1,562.96
Bill	07/31/2014	2014235		2014235	7202.3 · Comp Recharge-Implementation	22,209.62
Bill	07/31/2014	2014236		2014236	7202.2 · Engineering Svc	1,084.50
Bill	07/31/2014	2014237		2014237	7402 · PE4-Engineering	9,507.25
Bill	07/31/2014	2014238		2014238	7502 · PE6&7-Engineering	4,100.75
Bill	07/31/2014	2014239		2014239	7108.7 · Hydraulic Control - Prado Basin	2,901.25
TOTAL						122,441.56
Bill Pmt -Check	08/26/2014	18051	PATRAL CUSTOM CABINETS		1012 · Bank of America Gen'l Ckg	
Bill	08/26/2014			Balance due for repair of GM's office desk	6036 · Minor Office Furniture	300.00
TOTAL						300.00
Bill Pmt -Check	08/28/2014	18052	ARROWHEAD MOUNTAIN SPRING WATER	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	08/26/2014	0023230253		Office Water Bottle - August 2014	6031.7 · Other Office Supplies	99.50
TOTAL						99.50
Bill Pmt -Check	08/28/2014	18053	DIRECTV	019447404	1012 · Bank of America Gen'l Ckg	
Bill	08/26/2014	019447404		Monthly service - 8/19/14 to 9/18/14	6031.7 · Other Office Supplies	105.98
TOTAL						105.98
Bill Pmt -Check	08/28/2014	18054	GREAT AMERICA LEASING CORP.	15724788	1012 · Bank of America Gen'l Ckg	
Bill	08/26/2014	15724788		Invoice	6043.1 · Ricoh Lease Fee	3,221.64
				2014 San Bernardino County Property Tax	6043.1 · Ricoh Lease Fee	629.44
TOTAL						3,851.08
Bill Pmt -Check	08/28/2014	18055	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	08/16/2014	08/16/2014	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 08/03/14-08/16/14	2000 · Accounts Payable	7,899.15
TOTAL						7,899.15
Bill Pmt -Check	08/28/2014	18056	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	08/26/2014	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	560.25
TOTAL						560.25
Bill Pmt -Check	08/28/2014	18057	STAPLES BUSINESS ADVANTAGE	8030961065	1012 · Bank of America Gen'l Ckg	
Bill	08/26/2014	8030961065		First Aid Supplies	6031.7 · Other Office Supplies	64.79
				Misc. Office Supplies	6031.7 · Other Office Supplies	61.30
TOTAL						126.09
Bill Pmt -Check	08/28/2014	18058	STATE COMPENSATION INSURANCE FUND	1970970-14	1012 · Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2014

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/01/2014	1970970-14		Premium on account 8/26/14-9/26/14	60183 · Worker's Comp Insurance	724.75
TOTAL						724.75
Bill Pmt -Check	08/28/2014	18059	UNITED HEALTHCARE	0035566380	1012 · Bank of America Gen'l Ckg	
Bill	08/26/2014	0035566380		Dental insurance - September 2014	60182.2 · Dental & Vision Ins	791.50
TOTAL						791.50
Bill Pmt -Check	08/28/2014	18060	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	575286		575286	6078 · BHFS Legal - Miscellaneous	8,472.15
				575286	6907.42 · Safe Yield Recalculation	1,737.45
				575286	6907.33 · Desalter/Hydraulic Control	1,165.95
				Misc. Expenses	8375 · BHFS Legal - Appropriative Pool	124.65
				Misc. Expenses	8475 · BHFS Legal - Agricultural Pool	124.65
				Misc. Expenses	8575 · BHFS Legal - Non-Ag Pool	124.66
				Misc. Expenses	6375 · BHFS Legal - Board Meeting	375.00
Bill	07/31/2014	575287		Alvarez-CalPERS	6073 · BHFS Legal - Personnel Matters	3,107.25
				457(f) Deferred Comp	6073 · BHFS Legal - Personnel Matters	6,360.75
Bill	07/31/2014	575288		575288	6275 · BHFS Legal - Advisory Committee	1,320.06
Bill	07/31/2014	575289		575289	6375 · BHFS Legal - Board Meeting	5,962.05
Bill	07/31/2014	575290		575290	8375 · BHFS Legal - Appropriative Pool	3,276.45
Bill	07/31/2014	575291		575291	8475 · BHFS Legal - Agricultural Pool	2,772.00
Bill	07/31/2014	575292		575292	8575 · BHFS Legal - Non-Ag Pool	2,929.50
Bill	07/31/2014	575293		575293	6071 · BHFS Legal - Court Coordination	1,525.05
				Misc. Expenses	6071 · BHFS Legal - Court Coordination	218.13
Bill	07/31/2014	575294		575294	6074 · BHFS Legal - Interagency Issues	1,521.00
Bill	07/31/2014	575295		575295	6077 · BHFS Legal - Party Status Maint	4,063.50
Bill	07/31/2014	575296		575296	6907.39 · Recharge Master Plan	6,103.80
Bill	07/31/2014	575297		575297	6907.42 · Safe Yield Recalculation	31,116.15
Bill	07/31/2014	575298		575298	6078.12 · CCG Motion	157.50
Bill	07/31/2014	575299		575299	6907.43 · RMPU - City of Fontana Motion	63.00
TOTAL						82,620.70
General Journal	08/30/2014	08/30/2014	Payroll and Taxes-08/17/14-08/30/14	Payroll and Taxes-08/17/14-08/30/14	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 08/17/14-08/30/14	1012 · Bank of America Gen'l Ckg	22,137.72
				Employee Garnishments for 08/17/14-08/30/14	1012 · Bank of America Gen'l Ckg	359.53
				Payroll and Taxes for 08/17/14-08/30/14	1012 · Bank of America Gen'l Ckg	7,264.40
				Payroll Checks for 08/17/14-08/30/14	1012 · Bank of America Gen'l Ckg	910.81
			ICMA-RC	457 Employee deductions for 08/17/14-08/30/14	1012 · Bank of America Gen'l Ckg	3,263.50
			ICMA-RC	401(a) Employee deductions for 08/17/14-08/30/14	1012 · Bank of America Gen'l Ckg	1,093.36
TOTAL						35,029.32

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2014

Type	Date	Num	Name	Memo	Account	Paid Amount
General Journal	08/31/2014	08/31/2014	Wage Works FSA Direct Debits - Aug 2014	Wage Works FSA Direct Debits - Aug 2014	1012 - Bank of America Gen'l Ckg	
				Wage Works FSA Direct Debits - Aug 2014	1012 - Bank of America Gen'l Ckg	669.60
				Wage Works FSA Direct Debits - Aug 2014	1012 - Bank of America Gen'l Ckg	669.60
				Wage Works FSA Direct Debits - Aug 2014	1012 - Bank of America Gen'l Ckg	81.50
						1,420.70
						Total Disbursements: 453,168.49

TOTAL

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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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: October 23, 2014
TO: Board Members
SUBJECT: VISA Check Detail Report - Financial Report B2 (August 31, 2014)

SUMMARY

Issue: Record of VISA credit card payment disbursed for the month of August 31, 2014.

Recommendation: Receive and file VISA Check Detail Report for August 31, 2014 as presented.

Financial Impact: Funds disbursed were included in the FY 2014/15 "Amended" Watermaster Budget.

Future Consideration

Watermaster Board: October 23, 2014; Receive and File (Normal Course of Business)

ACTIONS:

October 9, 2014 – Appropriative Pool – Unanimously approved
October 9, 2014 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
October 9, 2014 – Agricultural Pool – Unanimously approved
October 16, 2014 – Advisory Committee – Unanimously approved
October 23, 2014 – Watermaster Board –

BACKGROUND

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

DISCUSSION

The total cash disbursement during the month of August 2014 was \$1,368.54. The payment was processed by check number 18038 dated August 25, 2014. The monthly charges for August 2014 of \$1,368.54 were for routine and customary expenditures and properly documented with receipts.

ATTACHMENTS

1. Financial Report - B2

CHINO BASIN WATERMASTER
VISA Check Detail Report
August 2014

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/25/2014	18038	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	XXXX-XXXX-XXXX-9341		Misc expenses	6031.7 · Other Office Supplies	0.97
				Supplies for July 10 meeting prep	8512 · Meeting Expense	85.82
				Purchase cleaner for dishwasher in office	6031.7 · Other Office Supplies	13.35
				Purchase portable fan for office	6031.7 · Other Office Supplies	58.75
				Supplies for July 19 meeting prep	6312 · Meeting Expenses	28.95
				Replacement battery for AED device in office	6031.7 · Other Office Supplies	178.89
				Reg. fee-PK- Aug. 6 GRA Cast Web Seminar	6193.2 · Conference - Registration Fee	47.72
				Replacement chair for GM office	6031.7 · Other Office Supplies	85.37
				Airfare-PK-Sept. 8 GRA Land Subsidence Symposium	6191 · Conferences - General	104.71
				Early bird check in on PK flight	6191 · Conferences - General	23.86
				Airfare-PK-attend Sept. 3 ACWA Meeting	6191 · Conferences - General	107.10
				Early bird check in-PK flight	6191 · Conferences - General	23.86
				Reg. fee-PK-Sept. 8 GRA Land Subsidence Symposium	6193.2 · Conference - Registration Fee	276.80
				Hotel-PK-Sept. 8 GRA Land Subsidence Symposium	6191 · Conferences - General	173.65
				PK meeting w/Brian Geye - Auto Club Speedway	8512 · Meeting Expense	33.53
				PK meeting w/Todd Corbin - JCSD	8412 · Meeting Expenses	40.67
				Staff uniforms for office	6154 · Uniforms	84.54
				Total Disbursements:		<u>1,368.54</u>

TOTAL
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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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: October 23, 2014
TO: Board Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2014 through August 31, 2014 - Financial Report B3 (August 31, 2014)

SUMMARY

Issue: Record of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2014 through August 31, 2014.

Recommendation: Receive and file Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2014 through August 31, 2014 as presented.

Financial Impact: Funds disbursed were included in the FY 2014/15 "Amended" Watermaster Budget.

Future Consideration

Watermaster Board: October 23, 2014; Receive and File (Normal Course of Business)

ACTIONS:

October 9, 2014 – Appropriative Pool – Unanimously approved
October 9, 2014 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
October 9, 2014 – Agricultural Pool – Unanimously approved
October 16, 2014 – Advisory Committee – Unanimously approved
October 23, 2014 – Watermaster Board –

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Working Capital for the period July 1, 2014 through August 31, 2014 is provided to keep all members apprised of the FY 2014/15 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 13.0, the Watermaster accounting system. The Combining Schedule provided balances to the supporting documentation in the Watermaster accounting system as presented.

ATTACHMENTS:

1. Financial Report - B3

CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE PERIOD JULY 1, 2014 THROUGH AUGUST 31, 2014

Financial Report - B3

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUNDWATER OPERATIONS		LAIF VALUE ADJ.	GRAND TOTALS	AMENDED BUDGET 2014-2015
			APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS			
Administrative Revenues:										
Administrative Assessments									-	7,459,250
Interest Revenue									-	25,800
Mutual Agency Project Revenue									-	155,331
Grant Income									-	0
Miscellaneous Income									-	0
Total Revenues	-	-	-	-	-	-	-	-	-	7,640,381
Administrative & Project Expenditures:										
Watermaster Administration	207,825								207,825	1,137,511
Watermaster Board-Advisory Committee	27,537								27,537	228,826
Ag Pool Misc. Expense - Ag Fund									-	400
Pool Administration			21,797	29,238	14,919				65,954	601,185
Optimum Basin Mgmt Administration		215,814							215,814	1,333,696
OBMP Project Costs		403,710							403,710	3,427,282
Debt Service		505,740							505,740	431,740
Basin Recharge Improvements									-	1,674,877
Education Funds Use									-	0
Mutual Agency Project Costs									-	10,000
Total Administrative/OBMP Expenses	<u>235,362</u>	<u>1,125,263</u>	21,797	29,238	14,919	-	-	-	1,426,580	8,845,517
Net Administrative/OBMP Expenses	<u>(235,362)</u>	<u>(1,125,263)</u>								
Allocate Net Admin Expenses To Pools	<u>235,362</u>		167,346	59,797	8,219				-	
Allocate Net OBMP Expenses To Pools		619,523	440,491	157,398	21,635				-	
Allocate Debt Service to App Pool		<u>505,740</u>	505,740						-	
Agricultural Expense Transfer*			246,433	(246,433)					-	
Total Expenses			<u>1,381,807</u>	-	44,773	-	-	-	1,426,580	8,845,517
Net Administrative Income			<u>(1,381,807)</u>	-	(44,773)	-	-	-	<u>(1,426,580)</u>	<u>(1,205,136)</u>
Other Income/(Expense)										
Replenishment Water Assessments									-	0
Non-Ag Stored Water Purchases									-	0
Exhibit "G" Non-Ag Pool Water									-	0
Interest Revenue									-	0
MWD Water Purchases									-	0
Non-Ag Stored Water Purchases									-	0
Exhibit "G" Non-Ag Pool Water									-	0
MWD Water Purchases									-	0
Groundwater Replenishment									-	0
LAIF - Fair Market Value Adjustment									-	0
Refund-Excess Reserves									-	0
Refund-Recharge Debt									-	0
Net Other Income/(Expense)			-	-	-	-	-	-	-	0
Net Transfers To/(From) Reserves		<u>(1,426,580)</u>	<u>(1,381,807)</u>	-	<u>(44,773)</u>	-	-	-	<u>(1,426,580)</u>	<u>(1,205,136)</u>
Working Capital, July 1, 2013			<u>5,938,867</u>	<u>479,894</u>	<u>150,750</u>	<u>186,432</u>	<u>158,251</u>	<u>2,120</u>	<u>6,916,313</u>	
Working Capital, End Of Period			<u>4,557,060</u>	<u>479,894</u>	<u>105,978</u>	<u>186,432</u>	<u>158,251</u>	<u>2,120</u>	<u>5,489,734</u>	5,489,734
12/13 Assessable Production			96,433.754	34,458.009	4,736.325				135,628.088	
12/13 Production Percentages			71.102%	25.406%	3.492%				100.000%	

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

CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE PERIOD JULY 1, 2014 THROUGH AUGUST 31, 2014

WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUNDWATER OPERATIONS		LAIF VALUE ADJ.	GRAND TOTALS	AMENDED BUDGET 2014-2015
		APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS			

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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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: October 23, 2014
TO: Board Members
SUBJECT: Treasurer's Report of Financial Affairs for the Period August 1, 2014 through August 31, 2014 - Financial Report B4 (August 31, 2014)

SUMMARY

Issue: Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of August 1, 2014 through August 31, 2014.

Recommendation: Receive and file Treasurer's Report of Financial Affairs for the Period August 1, 2014 through August 31, 2014 as presented.

Financial Impact: Funds disbursed were included in the FY 2014/15 "Amended" Watermaster Budget.

Future Consideration

Watermaster Board: October 23, 2014; Receive and File (Normal Course of Business)

ACTIONS:

October 9, 2014 – Appropriative Pool – Unanimously approved
October 9, 2014 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
October 9, 2014 – Agricultural Pool – Unanimously approved
October 16, 2014 – Advisory Committee – Unanimously approved
October 23, 2014 – Watermaster Board –

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period August 1, 2014 through August 31, 2014 is provided to keep all members apprised of the total cash in banks (Bank of America, LAIF, and CalTRUST) and on hand at the Watermaster office (petty cash) at the end of the period stated. The Treasurer's Report details the change (increase or decrease) in the overall cash position of Watermaster, as well as the changes (increase or decrease) to the assets and liabilities section of the balance sheet. The report also provides a detailed listing of all deposits and/or withdrawals in the California State Treasurer's Local Agency Investment Fund (LAIF) and/or CalTRUST, the most current effective yield as of the last quarter, and the ending balance in LAIF as of the reporting date.

DISCUSSION

The Treasurer's Report of Financial Affairs has been created from various financial reports and statements created from QuickBooks Enterprise Solutions 13.0, 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.

ATTACHMENTS

1. Financial Report - B4

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
AUGUST 1, 2014 THROUGH AUGUST 31, 2014**

Financial Report - B4

DEPOSITORIES:

Cash on Hand - Petty Cash			\$ 500
Bank of America			
Governmental Checking-Demand Deposits	\$	419,589	
Zero Balance Account - Payroll	\$	-	419,589
Local Agency Investment Fund - Sacramento			5,453,097
TOTAL CASH IN BANKS AND ON HAND		8/31/2014	\$ 5,873,186
TOTAL CASH IN BANKS AND ON HAND		7/31/2014	6,325,467
			\$ (452,281)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable			\$ -
Assessments Receivable			-
Prepaid Expenses, Deposits & Other Current Assets			(40)
(Decrease)/Increase in Liabilities: Accounts Payable			(131,664)
Accrued Payroll, Payroll Taxes & Other Current Liabilities			-
Transfer to/(from) Reserves			(320,576)
			\$ (452,281)

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 7/31/2014	\$ 500	\$ 421,870	\$ -	\$ 5,903,097	\$ 6,325,467
Deposits	-	450,888	-	-	450,888
Transfers	-	(60,874)	(60,874)	(450,000)	(571,747)
Withdrawals/Checks	-	(392,295)	60,874	-	(331,421)
	\$ 500	\$ 419,589	\$ -	\$ 5,453,097	\$ 5,873,186
PERIOD INCREASE OR (DECREASE)	\$ -	\$ (2,281)	\$ -	\$ (450,000)	\$ (452,281)

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
AUGUST 1, 2014 THROUGH AUGUST 31, 2014**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
8/27/2014	Withdrawal		\$ (450,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ (450,000)	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 0.22% was the effective yield rate at the Quarter ended June 30, 2014.

**INVESTMENT STATUS
August 31, 2014**

<u>Financial Institution</u>	<u>Principal Amount</u>	<u>Number of Days</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Local Agency Investment Fund	\$ 5,453,097			
TOTAL INVESTMENTS	\$ 5,453,097			

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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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: October 23, 2014
TO: Board Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2014 through August 31, 2014 -
Financial Report B5 (August 31, 2014)

SUMMARY

Issue: Record of revenues and expenses of Watermaster for the Period of July 1, 2014 through August 31, 2014.

Recommendation: Receive and file Budget vs. Actual Report for the Period July 1, 2014 through August 31, 2014 as presented.

Financial Impact: Funds disbursed were included in the FY 2014/15 "Amended" Watermaster Budget.

Future Consideration

Watermaster Board: October 23, 2014; Receive and File (Normal Course of Business)

ACTIONS:

October 9, 2014 – Appropriative Pool – Unanimously approved
October 9, 2014 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
October 9, 2014 – Agricultural Pool – Unanimously approved
October 16, 2014 – Advisory Committee – Unanimously approved
October 23, 2014 – Watermaster Board –

BACKGROUND

A Budget vs. Actual Report for the period July 1, 2014 through August 31, 2014 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; Optimum Basin Management Program Expenses; Project Expenses; and Other Income/Expenses.

DISCUSSION

The Budget vs. Actual report has been created from QuickBooks Enterprise Solutions 13.0, 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.

The first Budget Amendment was approved during the August 2014 meetings as a result of the adoption of Task Order No. 2 for the Lower Day Basin RMPU Improvement Project of \$49,000 and Task Order No. 8 for the San Sevaine Basin RMPU Improvement Project of \$175,000. The Watermaster Board approved Budget Amendment Form (A-14-07-01) on August 28, 2014. Budget Amendment Form (A-14-07-01) in the amount of \$224,000 increased the FY 2014/15 budget from \$7,316,381 to \$7,540,381. Budget Amendment Form (A-14-07-01) was recorded to the accounting records for the accounting period ending July 31, 2014, and is included in this financial report. The amount of \$49,000 was included in account (7690.8) Lower Day Basin RMPU (Task Order #2) and the amount of \$175,000 was included in account (7690.4) San Sevaine Recharge Improvement (Task Order #8).

During the creation and development of the FY 2014/15 budget, the Land Subsidence Committee recommended specific projects and activities to be included as part of the Engineering Services. During this development period, it was not anticipated that an update to the Subsidence Management Plan for the Chino Basin (MZ1) would be needed. In July 2014, the Land Subsidence Committee recommended an update to the Subsidence Management Plan for the Chino Basin (MZ1) be completed and requested a scope, budget, and project of work be developed and presented to the Pools, Advisory and Board by Wildermuth Environmental, Inc., which was subsequently completed during the month of September. The second Budget Amendment (A-14-08-01) in the amount of \$100,000 was approved by the Watermaster Board on September 25, 2014 for the specific purpose of updating the Subsidence Management Plan for the Chino Basin MZ1 area. The Budget Amendment Form (A-14-08-01) in the amount of \$100,000 increased the FY 2014/15 budget from \$7,540,381 to \$7,640,381. The Budget Amendment Form (A-14-08-01) was recorded to the accounting records for the accounting period ending August 31, 2014. The amount of \$100,000 was added to an existing account (7402) Mgmt Zone Strategies-Engineering.

There were no Budget Transfers proposed or presented for the accounting period of August 2014.

During the month of July, the "Carry Over" funding was calculated. The Total "Carry Over" funding amount of \$1,205,135.82 has been posted to the general ledger accounts. The total amount of \$1,205,135.82 consisted of \$609,855.82 "Carried Over" from FY 2011/12 and FY 2012/13 and \$595,280 "Carried Over" from FY 2013/14. More detailed information is provided regarding this issue under the "Carry Over" Funding section.

Year-To-Date (YTD) for the two months ending August 31, 2014, all categories were at or below the projected budget. Overall, the (YTD) Actual Expenses were \$2,713,163 or 65.5% below the (YTD) Budgeted Expenses of \$4,139,743. Please note that the Watermaster Administrative Salary/Benefits Costs (6010's) are not the grand total of all Watermaster salary costs. The category (6010's) captures the portion of the total Watermaster Salary/Benefits Costs allocated to specific Administrative tasks. The consolidated Watermaster Salaries expenses are discussed in greater detail within their specific sections.

SALARIES EXPENSE

Watermaster utilizes an in-house database time and attendance system to allocate staff's actual hours worked and also allocates the hours to a specific project or activity. When the FY 2014/15 budget was developed, basic assumptions were used in allocating how staff's time would be spent and on which projects or activities. The staffing dollars were then allocated into those specific areas and budgeted on a 1/12 monthly budget. When actual staffing activities vary from the budgeted assumptions, a positive or negative variance can be created. Currently, the allocations are tracking within budget.

As of August 31, 2014, the total (YTD) Watermaster salary expenses are \$15,218 or 5.8% below the (YTD) budgeted amount of \$260,384. The budget was developed with a staffing level of nine Full-Time Equivalents (FTE's). As of August 31, 2014, the actual staffing level was nine Full-Time Equivalents (FTE's).

The table summarizes the Year-To-Date (YTD) Actual Watermaster salary costs compared to the Year-To-Date (YTD) Budget as of August 31, 2014. 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. The following details are provided:

	Jul '14 - Aug '14 Actual	Jul '14 - Aug '14 Budget	\$ Over Budget	% of Budget	FY 2014/15 Annual Budget
WM Salary Expense					
6011 · WM Staff Salaries	135,256.70	137,897.17	-2,640.47	98.09%	814,847.00
6017.2 · Temp Services - Office Specialist Services	0.00	0.00	0.00	0.0%	21,000.00
6201 · Advisory Committee - WM Staff Salaries	3,186.77	3,548.42	-361.65	89.81%	20,968.00
6301 · Watermaster Board - WM Staff Salaries	5,919.50	5,892.29	27.21	100.46%	34,818.00
8301 · Appropriative Pool - WM Staff Salaries	7,470.77	4,784.48	2,686.29	156.15%	28,272.00
8401 · Agricultural Pool - WM Staff Salaries	3,951.74	4,186.42	-234.68	94.39%	24,738.00
8501 · Non-Agricultural Pool - WM Staff Salaries	2,349.32	2,475.00	-125.68	94.92%	14,625.00
6901 · OBMP - WM Staff Salaries	28,531.82	20,371.82	8,160.00	140.06%	120,379.00
7101.1 · Production Monitor - WM Staff Salaries	19,491.74	26,051.97	-6,560.23	74.82%	53,489.00
7102.1 · In-line Meter - WM Staff Salaries	970.41	1,467.58	-497.17	66.12%	8,672.00
7103.1 · Grdwater Quality - WM Staff Salaries	9,372.57	8,719.63	652.94	107.49%	51,525.00
7104.1 · Grdwater Level - WM Staff Salaries	5,881.05	6,725.06	-844.01	87.45%	39,739.00
7105.1 · Sur Wtr Qual - WM Staff Salaries	0.00	0.00	0.00	0.0%	0.00
7107.1 · Grd Level Monitoring - WM Staff Salaries	0.00	0.00	0.00	0.0%	0.00
7108.1 · Hydraulic Control - WM Staff Salaries	735.39	404.28	331.11	181.9%	2,389.00
7108.11 · Prado Basin - WM Staff Salaries	0.00	1,350.28	-1,350.28	0.0%	7,979.00
7201 · Comp Recharge - WM Staff Salaries	9,248.23	7,189.94	2,058.29	128.63%	42,486.00
7301 · PE3&5 - WM Staff Salaries	0.00	2,472.46	-2,472.46	0.0%	14,610.00
7401 · PE4 - WM Staff Salaries	668.28	1,501.26	-832.98	44.52%	8,871.00
7501.1 · PE 6&7 - WM Staff Salaries (Plume)	0.00	1,084.42	-1,084.42	0.0%	6,408.00
7501 · PE6&7 - WM Staff Salaries	0.00	715.00	-715.00	0.0%	4,225.00
7601 · PE8&9 - WM Staff Salaries	0.00	2,029.43	-2,029.43	0.0%	11,992.00
7701 · Inactive Well - WM Staff Salaries	0.00	0.00	0.00	0.0%	0.00
Subtotal WM Staff Costs	233,034.29	238,866.91	-5,832.62	97.56%	1,332,032.00
60185 · Vacation	5,851.36	10,510.50	-4,659.14	55.67%	63,063.00
60185.2 · Comp Time Accrual Adjustment	0.00	0.00	0.00	0.0%	0.00
60185.3 · Vacation Accrual Adjustment	0.00	0.00	0.00	0.0%	0.00
60186 · Sick Leave	4,391.78	7,337.50	-2,945.72	59.85%	44,025.00
60186.1 · Sick Leave Accrual Adjustment	0.00	0.00	0.00	0.0%	0.00
60187 · Holidays	1,888.27	3,668.75	-1,780.48	51.47%	44,025.00
Subtotal WM Paid Leaves	12,131.41	21,516.75	-9,385.34	56.38%	151,113.00
Total WM Salary Costs	245,165.70	260,383.66	-15,217.96	94.16%	1,483,145.00

BROWNSTEIN HYATT FARBER SCHRECK EXPENSES

The Watermaster Legal Services budget was developed jointly by the Watermaster staff and Brownstein Hyatt Farber Schreck staff with specific assumptions regarding the tasks and legal activities that would occur during FY 2014/15. The "Approved" budget amount was adopted at \$875,515. The total budget was developed by multiplying the number of hours that would be required to complete the specific tasks by the hourly rate

Overall, the Watermaster Administrative Legal Services expense (6070's), as of August 31, 2014, was \$3,654 or 7.7% below the budgeted amount of \$47,450.

Personnel Matters: As reported during the previous monthly meetings, Watermaster's legal counsel filed an appeal with CalPERS regarding CalPERS original determination (from February 2013) which rejected the base salary of the former CEO, Desi Alvarez, with regards to his retirement pension benefit. There have been several filings of appeal and we are awaiting CalPERS determination. On December 9, 2013 CalPERS notified the attorneys of record that the CalPERS Legal Office received the case on November 22, 2013 and we would be notified when the case has been assigned to an attorney who will represent CalPERS regarding the appeal. On February 27, 2014 the case was assigned to Wesley E. Kennedy, Senior Staff Attorney for CalPERS. On July 17, 2014 a document request from CalPERS was received by Watermaster related to the pending case. On August 22, 2014 the specific documents were provided to CalPERS. On September 9, 2014 Watermaster received the Notice of Hearing from CalPERS and the hearing has been scheduled for March 11-13, 2015 at the Glendale CalPERS Regional office.

The Pools, Advisory Committee and the Board meeting legal expenses from BHFS are captured by month within the accounts (6275, 6375, 8375, 8475 and 8575). Overall, this category of legal expenses as of August 31, 2014 was \$13,116 or 32.9% below the budgeted amount of \$39,848.

The OBMP legal expenses were also below the budget for the month. As of August 31, 2014 the category of OBMP legal expenses was \$9,130 or 10.6% below the budgeted amount of \$85,971.

The table listed below summarizes the Brownstein Hyatt Farber Schreck (BHFS) expenses as of August 31, 2014 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. The following details are provided:

	Jul '14 - Aug '14 Actual	Jul '14 - Aug '14 Budget	\$ Over Budget	% of Budget	FY 2014/15 Annual Budget
6070 · Watermaster Legal Services					
6071 · BHFS Legal - Court Coordination	1,869.18	6,254.17	-4,384.99	29.89%	37,525.00
6072 · BHFS Legal - Annotated Judgment	0.00	6,058.33	-6,058.33	0.0%	36,350.00
6073 · BHFS Legal - Personnel Matters	14,530.50	10,000.00	4,530.50	145.31%	41,000.00
6074 · BHFS Legal - Interagency Issues	1,521.00	8,400.00	-6,879.00	18.11%	50,400.00
6075 · BHFS Legal - Replenishment Water	0.00	0.00	0.00	0.0%	0.00
6076 · BHFS Legal - Storage Issues	0.00	0.00	0.00	0.0%	0.00
6077 · BHFS Legal - Party Status Maintenance	6,830.10	4,283.33	2,546.77	159.46%	25,700.00
6078 · BHFS Legal - Miscellaneous (Note 1)	14,447.21	5,454.17	8,993.04	264.88%	32,725.00
6078.12 · BHFS Legal - CCG Motion	4,598.48	7,000.00	-2,401.52	65.69%	7,000.00
6078.20 · BHFS Legal - Approp. Pool Issue Resolution	0.00	0.00	0.00	0.0%	0.00
Total 6070 · Watermaster Legal Services	43,796.47	47,450.00	-3,653.53	92.3%	230,700.00
6275 · BHFS Legal - Advisory Committee	1,855.56	5,600.00	-3,744.44	33.14%	33,600.00
6375 · BHFS Legal - Board Meeting	10,384.80	17,448.33	-7,063.53	59.52%	104,690.00
8375 · BHFS Legal - Appropriative Pool	4,893.79	5,600.00	-706.21	87.39%	33,600.00
8475 · BHFS Legal - Agricultural Pool	4,263.35	5,600.00	-1,336.65	76.13%	33,600.00
8575 · BHFS Legal - Non-Ag Pool	5,334.35	5,600.00	-265.65	95.26%	33,600.00
Total BHFS Legal Services	26,731.85	39,848.33	-13,116.48	67.08%	239,090.00
6907.3 · WM Legal Counsel					
6907.30 · Peace II - CEQA	0.00	0.00	0.00	0.0%	0.00
6907.31 · Archibald South Plume	0.00	4,745.80	-4,745.80	0.0%	28,475.00
6907.32 · Chino Airport Plume	0.00	4,745.80	-4,745.80	0.0%	28,475.00
6907.33 · Desalter/Hydraulic Control	1,165.95	9,350.00	-8,184.05	12.47%	56,100.00
6907.34 · Santa Ana River Water Rights	672.75	4,733.30	-4,060.55	14.21%	28,400.00
6907.36 · Santa Ana River Habitat	0.00	3,750.00	-3,750.00	0.0%	22,500.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	2,141.70	-2,141.70	0.0%	12,850.00
6907.39 · Recharge Master Plan	8,820.46	8,216.70	603.76	107.35%	49,300.00
6907.40 · Storage Agreements	0.00	4,283.30	-4,283.30	0.0%	25,700.00
6907.41 · Prado Basin Habitat Sustainability	0.00	3,116.70	-3,116.70	0.0%	18,700.00
6907.42 · Safe Yield Recalculation	66,118.50	36,700.00	29,418.50	180.16%	110,100.00
6907.43 · RMPU - City of Fontana Motion	63.00	0.00	63.00	100.0%	0.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	4,187.50	-4,187.50	0.0%	25,125.00
Total 6907 · WM Legal Counsel	76,840.66	85,970.80	-9,130.14	89.38%	405,725.00
Total Brownstein, Hyatt, Farber, Schreck Costs	147,368.98	173,269.13	-25,900.15	85.05%	875,515.00

Note 1: The types of legal activities that have been charged against the "Miscellaneous" legal category account 6078 are as follows: (1) Correspondence and discussions with Watermaster staff regarding current issues/topics; (2) Correspondence with Watermaster staff regarding special projects (assessment package, annual report, audit report, business plan, etc.); (3) Brownstein's status review of ongoing Watermaster projects and issues; (4) Brownstein's update of the outstanding issues list; (5) Coordination of ongoing Watermaster projects; (6) Review of draft documents; (7) Review application of 85/15 rule; (8) Review transfer documents and (9) Miscellaneous legal research on current and pending issues.

OBMP ENGINEERING SERVICES AND LEGAL COSTS

For August 31, 2014, the accounts 6901-6903 (Optimum Basin Mgmt Program) section was below the Year-To-Date (YTD) budget by \$4,340 or 13.2%. Watermaster utilizes an in-house database time and attendance system to allocate staff's actual hours worked and also allocates the hours to a specific project or activity. Watermaster staff time could be charged to Administrative, OBMP, or Implementation Project categories. Recently, Watermaster staff spent more time on specific OBMP related areas and less time on administrative related tasks. As a result, Watermaster staff allocated more actual time to the OBMP project as budgeted, which resulted in an over budget variance of \$8,160 or 40.0%. The remaining expense was the Santa Ana Watershed Project Authority (SAWPA) FY 2014/15 Basin Monitoring Program Task Force Contribution which was budgeted at \$12,500 but actual expenses have not yet been billed or received as of August 31, 2014.

For August 31, 2014, the accounts 6906 (Optimum Basin Mgmt Program Engineering Services) section was below the Year-To-Date (YTD) budget by \$57,639 or 38.5%. The OBMP-Watermaster Model Update

and the State of the Basin Report expenses had a budget provided for the month, but there was not much activity or Engineering expenses recorded for this period. These two expenses were the majority of why this expense category was under budget for the month.

Within the category 6907 (Optimum Basin Mgmt Program Legal Fees) 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 by \$30,086 while some other line item activities were below the budget by \$39,216. Above the budget line items were the Recharge Master Plan of \$604; the Safe Yield Recalculation of \$29,419; and the RMPU-City of Fontana Motion of \$63. The individual legal projects/activities that were below budget for the Year-To-Date (YTD) period were the Archibald South Plume of \$4,746; the Chino Airport Plume of \$4,746; the Desalter/Hydraulic Control of \$8,184; the Santa Ana River Water Rights of \$4,061; the Santa Ana River Habitat of \$3,750; the Regional Water Quality Control Board of \$2,142; Storage Agreements of \$4,283; the Prado Basin Habitat Sustainability of \$3,117; and the WM Unanticipated of \$4,187. For the two months ended August 31, 2014, the overall cumulative (YTD) budget was \$85,971 and the actual (BHFS) legal expenses totaled \$76,841 which resulted in an under budget variance of \$9,130 or 10.6%.

The OBMP Other Expenses (6909's) were below the budget for the month. These expenses are typically conference calls, meeting expenses, supplies, annual inspection fees, and other miscellaneous type expenses. As of August 31, 2014 this category of expenses was \$1,513 or 75.6% below the budgeted amount of \$2,000.

Overall, the Optimum Basin Management Program (OBMP) category was \$197,907 compared to a (YTD) budget of \$270,529 for an under budget of \$72,622 or 26.8% as of August 31, 2014.

The table listed below summarizes the Optimum Basin Management Program (OBMP) expenses as of June 30, 2014 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. The following details are provided:

	Jul '14 - Aug '14 Actual	Jul '14 - Aug '14 Budget	\$ Over Budget	% of Budget	FY 2014/15 Annual Budget
6900 · Optimum Basin Mgmt Plan					
6901 · WM Staff Salaries	28,531.82	20,371.82	8,160.00	140.06%	120,379.00
6903 · OBMP SAWPA Group	0.00	12,500.00	-12,500.00	0.0%	12,500.00
Total 6901-6903 · OBMP WM Staff/SAWPA	28,531.82	32,871.82	-4,340.00	86.8%	132,879.00
6906 · OBMP Engineering Services					
6906.1 · OBMP - Watermaster Model Update	5,668.00	31,773.32	-26,105.32	17.84%	95,320.00
6906.21 · State of the Basin Report	3,692.50	33,377.50	-29,685.00	11.06%	133,510.00
6906.22 · Water Rights Compliance Reporting	18,311.50	4,044.00	14,267.50	452.81%	24,264.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	13,997.50	11,356.50	2,641.00	123.26%	68,139.00
6906.32 · OBMP - Other General Meetings	3,337.44	5,479.50	-2,142.06	60.91%	32,877.00
6906.33 · OBMP - App. Pool Issue Resolution	0.00	5,720.70	-5,720.70	0.0%	34,324.00
6906.71 · OBMP - Data Requests - CBWM Staff	18,383.94	10,687.80	7,696.14	172.01%	64,127.00
6906.72 · OBMP - Data Requests - Non CBWM	430.00	4,724.00	-4,294.00	9.1%	28,344.00
6906.73 · OBMP - Safe Yield Recalculation	23,143.36	26,500.00	-3,356.64	87.33%	79,500.00
6906.74 · OBMP - Mat'l Phy. Injury Requests	0.00	12,230.70	-12,230.70	0.0%	73,384.00
6906 · OBMP Engineering Services - Other	5,083.00	3,792.00	1,291.00	134.05%	22,752.00
Total 6906 · OBMP Engineering Services	92,047.24	149,686.02	-57,638.78	61.49%	656,541.00
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 · Archibald South Plume	0.00	4,745.80	-4,745.80	0.0%	28,475.00
6907.32 · Chino Airport Plume	0.00	4,745.80	-4,745.80	0.0%	28,475.00
6907.33 · Desalter/Hydraulic Control	1,165.95	9,350.00	-8,184.05	12.47%	56,100.00
6907.34 · Santa Ana River Water Rights	672.75	4,733.30	-4,060.55	14.21%	28,400.00
6907.36 · Santa Ana River Habitat	0.00	3,750.00	-3,750.00	0.0%	22,500.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	2,141.70	-2,141.70	0.0%	12,850.00
6907.39 · Recharge Master Plan	8,820.46	8,216.70	603.76	107.35%	49,300.00
6907.40 · Storage Agreements	0.00	4,283.30	-4,283.30	0.0%	25,700.00
6907.41 · Prado Basin Habitat Sustainability	0.00	3,116.70	-3,116.70	0.0%	18,700.00
6907.42 · Safe Yield Recalculation	66,118.50	36,700.00	29,418.50	180.16%	110,100.00
6907.43 · RMPU - City of Fontana Motion	63.00	0.00	63.00	100.0%	0.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	4,187.50	-4,187.50	0.0%	25,125.00
Total 6907 · WM Legal Counsel	76,840.66	85,970.80	-9,130.14	89.38%	405,725.00
Total 6907 · OBMP Legal Fees	76,840.66	85,970.80	-9,130.14	89.38%	405,725.00
6909 · OBMP Other Expenses					
6909.1 · OBMP Meetings	448.27	0.00	448.27	100.0%	0.00
6909.2 · OBMP Mailing Expense	38.75	0.00	38.75	100.0%	0.00
6909.3 · Other OBMP Expenses	0.00	333.30	-333.30	0.0%	2,000.00
6909.4 · Printing	0.00	0.00	0.00	0.0%	0.00
6909.5 · Ad Hoc Litigation Committee	0.00	0.00	0.00	0.0%	0.00
6909.6 · OBMP Expenses - Miscellaneous	0.00	1,666.70	-1,666.70	0.0%	10,000.00
Total 6909 · OBMP Other Expenses	487.02	2,000.00	-1,512.98	24.35%	12,000.00
Total 6900 · Optimum Basin Mgmt Plan	197,906.74	270,528.64	-72,621.90	73.16%	1,207,145.00

OBMP IMPLEMENTATION PROJECTS COSTS

As of August 31, 2014, the total (YTD) Engineering Services expenses are \$402,825 or 63.6% below the (YTD) budget amount of \$633,815. The OBMP Implementation Projects (accounts 7100's – 7700's) were all (Under) budget as of August 31, 2014.

The approved "Original" Engineering Services budget of \$1,716,760 was increased by "Carry Over" funding in the amount of \$288,119 to the "Amended" amount of \$2,004,879 for FY 2014/15 as provided in the Engineering Services Task Order. The "Carry Over" amount of \$288,119 is comprised of \$76,796 from FY 2012/13 account (7108.7); and the following amounts from FY 2013/14 of \$30,938 from account (7107.2); \$16,351 from account (7107.6); \$56,175 from account (7108.31); \$48,260 from account (7108.41); \$31,599 from account (7108.7); \$18,000 from account (7108.7); and \$10,000 from account (7502). All of the "Carry Over" funding is for projects or activities that have bridged previous fiscal years and are expected to be completed in the FY 2014/15 timeframe. The breakdown of the total Task Order

amount of \$2,004,879 includes direct labor costs for Wildermuth Environmental, Inc. (75%) along with other direct charges such as equipment rental, laboratory fees, travel costs, reproduction costs, and outside professional services (25%).

During the creation and development of the FY 2014/15 budget, the Land Subsidence Committee recommended specific projects and activities to be included as part of the Engineering Services. During this development period, it was not anticipated that an update to the Subsidence Management Plan for the Chino Basin (MZ1) would be needed. The Land Subsidence Committee has since recommended that the plan be updated. Budget Amendment Form (A-14-08-01) for FY 2014/15 in the amount of \$100,000 was approved by the Watermaster Board on September 25, 2014 for the increased costs associated with the updated Subsidence Management Plan for the Chino Basin (MZ1). The Engineering Services budget was amended from \$2,004,879 to \$2,104,879.

The table 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 as of June 30, 2014. 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. The following details are provided:

	Jul '14 - Aug '14	Jul '14 - Aug '14			FY 2014/15
	Actual	Budget	\$ Over Budget	% of Budget	Annual Budget
6906 · OBMP Engineering Services - Other	5,083.00	3,792.00	1,291.00	134.05%	22,752.00
6906.1 · OBMP - Watermaster Model Update	5,668.00	31,773.32	-26,105.32	17.84%	95,320.00
6906.21 · State of the Basin Report	3,692.50	33,377.50	-29,685.00	11.06%	133,510.00
6906.22 · Water Rights Compliance Reporting	18,311.50	4,044.00	14,267.50	452.81%	24,264.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	13,997.50	11,356.00	2,641.50	123.26%	68,139.00
6906.32 · OBMP - Other General Meetings	3,337.44	5,479.50	-2,142.06	60.91%	32,877.00
6906.33 · OBMP - App. Pool Issue Resolution	0.00	5,720.70	-5,720.70	0.0%	34,324.00
6906.71 · OBMP - Data Requests - CBWM Staff	18,383.94	10,687.80	7,696.14	172.01%	64,127.00
6906.72 · OBMP - Data Requests - Non CBWM	430.00	4,724.00	-4,294.00	9.1%	28,344.00
6906.73 · OBMP - Safe Yield Recalculation	23,143.36	26,500.00	-3,356.64	87.33%	79,500.00
6906.74 · OBMP - Mat'l Physical Injury Requests	0.00	12,230.70	-12,230.70	0.0%	73,384.00
7103.3 · Grdwtr Qual-Engineering	9,152.75	13,687.00	-4,534.25	66.87%	82,122.00
7103.5 · Grdwtr Qual-Lab Svcs	0.00	6,595.20	-6,595.20	0.0%	39,571.00
7104.3 · Grdwtr Level-Engineering	18,110.46	27,977.70	-9,867.24	64.73%	167,866.00
7104.8 · Grdwtr Level-Contracted Services	0.00	1,666.70	-1,666.70	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equipment	0.00	1,166.70	-1,166.70	0.0%	7,000.00
7107.2 · Grd Level-Engineering	11,330.10	43,291.80	-31,961.70	26.17%	105,061.00
7107.3 · Grd Level-SAR Imagery	14,000.00	14,000.00	0.00	100.0%	90,000.00
7107.6 · Grd Level-Contract Svcs	0.00	40,511.20	-40,511.20	0.0%	161,312.00
7107.61 · Grd Level-Chino Hills ASR	2,656.50	0.00	2,656.50	100.0%	0.00
7107.8 · Grd Level-Cap Equip Exte	0.00	2,689.20	-2,689.20	0.0%	16,135.00
7108.3 · Hydraulic Control-Engineering	1,630.50	8,321.80	-6,691.30	19.59%	49,931.00
7108.31 · Hydraulic Control-PBHSP	0.00	56,175.00	-56,175.00	0.0%	56,175.00
7108.4 · Hydraulic Control-Lab Svcs	2,032.00	4,213.50	-2,181.50	48.23%	25,281.00
7108.41 · Hydraulic Control-PBHSP	0.00	48,260.00	-48,260.00	0.0%	48,260.00
7108.7 · Hydraulic Control-Prado Basin Habitat	20,769.27	126,395.00	-105,625.73	16.43%	126,395.00
7109.3 · Recharge & Well - Engineering	4,173.75	4,500.00	-326.25	0.0%	21,000.00
7202.2 · Comp Recharge-Engineering Services	33,962.73	20,614.68	13,348.05	164.75%	79,844.00
7202.3 · Comp Recharge-Implementation	1,084.50	4,134.00	-3,049.50	26.23%	24,804.00
7303 · PE3&5-Engineering - Other	0.00	6,477.30	-6,477.30	0.0%	38,864.00
7402 · PE4-Engineering	13,566.00	24,799.50	-11,233.50	54.7%	176,797.00
7403 · PE4-Contract Svcs	0.00	3,333.30	-3,333.30	0.0%	20,000.00
7502 · PE6&7-Engineering	6,474.50	21,780.00	-15,305.50	29.73%	80,880.00
7602 · PE8&9-Engineering	0.00	3,540.00	-3,540.00	0.0%	21,240.00
Total Engineering Services Costs	230,990.30	633,815.10	-402,824.80	36.44%	2,104,879.00 *

* Wildermuth and Subcontractor Engineering Budget of \$1,716,760 plus Carryover Funds from Prior and FY 2013/14 of \$288,119 = \$2,004,879
 Wildermuth and Subcontractor Engineering Budget of \$2,004,879 plus Budget Amendment (A-14-08-01) of \$100,000 = \$2,104,879
 Carryover Funds FY 2012/13 = \$76,796 (7108.7); FY 2013/14 = \$30,938 (7107.2); \$16,351 (7107.6); \$56,175 (7108.31); \$48,260 (7108.41); \$31,599 (7108.7); \$18,000 (7108.7); and \$10,000 (7502) = \$288,119

PRADO BASIN HABITAT SUSTAINABILITY PROGRAM

The Prado Basin Habitat Sustainability Program came about as a result of the Peace II Agreement SEIR mitigation measure 4.4-3 and was adopted by IEUA's Board in October, 2010. The purpose of the mitigation measure is to ensure that the Prado Basin riparian habitat will not be impacted by Hydraulic Control. The basic program tasks are to convene a committee that will develop this adaptive management plan, to install necessary monitoring wells, to complete vegetation and aerial surveys, and to implement photo station monitoring. In terms of the financial aspects of this program, there is a cost sharing agreement, which was approved by the Watermaster Board in September, 2012 for a total budget of \$440,000. The cost sharing agreement between IEUA and Watermaster was increased from \$220,000 to \$300,000 effective August 22, 2013 with the approval of the Board. This is a 50/50 cost sharing agreement between Watermaster and IEUA with a not to exceed amount of \$300,000 for each party. Included in that cost is hiring a consultant to develop the adaptive management plan, WEI performing the project management tasks related to the monitoring well installation, hiring a contractor to construct and install up to seventeen monitoring wells at nine separate sites, and United States Bureau of Reclamation performing vegetation monitoring every three years. Grants have been applied for to offset the cost of this program; however, the Grants were not approved.

The process of invoicing IEUA for their 50% portion of the (WEI) invoices will be completed by Watermaster staff at the end of every quarter. The information listed below is provided for the period of May 1, 2012 through August 31, 2014:

	Wildermuth Environmental, Inc.	50% Billing "TO" IEUA	50% Billing "FROM" IEUA	Costs For Watermaster	Watermaster Staff "Hours"	Watermaster Staff "Costs"
May 2012 - Jun. 2012	\$ 11,143.75	\$ (5,571.88)	\$ -	\$ 5,571.88	4.00	\$ 411.38
Jul. 2012 - Jun. 2013	\$ 120,945.28	\$ (60,472.64)	\$ 6,275.92	\$ 66,748.56	73.00	\$ 7,837.27
Jul. 2013 - Jun. 2014	\$ 21,722.09	\$ (10,861.05)	\$ 474.09	\$ 11,335.14	56.00	\$ 5,719.30
Jul. 2014 - Aug. 2014	\$ 20,769.27	\$ (10,384.64)	\$ -	\$ 10,384.64	-	\$ -
Totals	\$ 174,580.39	\$ (87,290.20)	\$ 6,750.01	\$ 94,040.21	133.00	\$ 13,967.95
	7108.7	7108.71, 7108.72	7108.75			7108.11

OTHER INCOME AND EXPENSE

There were no other significant items to report within the category of Other Income and Expenses for the month ending August 31, 2014.

"CARRY OVER" FUNDING

The Watermaster Board approved the Operating Cash Reserve Policy 4.17 on March 22, 2012. Section 4.17.6 of the policy (Carry-over Expenses) provides Watermaster staff the authority to carryover unfinished capital projects or related expenses from one fiscal year to the next. These expenses would be included as an amendment to the current year's budget. However, because these unfinished capital projects or related expenses had been previously funded from the Assessment process, they would be excluded from the upcoming Assessment process. If these expenses were not excluded, they would be funded for multiple times over. The current policy does not address a minimum or maximum dollar amount or how long the "Carry Over" expenses can be maintained.

Once the FY 2013/14 period as of June 30, 2014 was closed, the amount of unfinished capital projects and related engineering costs was calculated and the "Carry Over" funding amount was added to the current FY 2014/15 budget. The Total "Carry Over" funding amount of \$1,205,135.82 was posted to the accounts as of July 31, 2014. The total amount of \$1,205,135.82 consisted of \$595,280 "Carried Over" from the FY 2013/14 expense funding and \$609,855.82 "Carried Over" from FY 2012/13 and prior expense funding.

Unspent funds related to ongoing projects and associated activities from the Engineering Services budget from FY 2013/14 in several accounts totaling \$288,119 were "Carried Over" into the current FY 2014/15 budget. These funds were from the Hydraulic Control Monitoring-Prado Basin (7108.7) in the amount of \$76,796; Ground Level Monitoring-Engineering (7107.2) in the amount of \$30,938; Ground Level Monitoring-Contracted Services (7107.6) in the amount of \$16,351; Hydraulic Control Monitoring-Engineering-PBHSP (7108.31) in the amount of \$56,175; Hydraulic Control Monitoring-Lab Services-PBHSP (7108.41) in the amount of \$48,260; Hydraulic Control Monitoring Well Installation-PBHSP (7108.7) in the amount of \$31,599; Hydraulic Control Monitoring-Adaptive Management Plan (7108.7) in the amount of \$18,000; and Cooperative Efforts/Salt Management Engineering Services (7502) in the amount of \$10,000.

The ongoing Chino Hills ASR Project continues into FY 2014/15 and previous years funding of \$203,322 has been carried over into account (7107.62).

Several Recharge Improvement Projects (Hickory Basin and the CB 20 Turnout) along with the Jurupa Pumping Station and Wineville Proof of Concept have been continued into FY 2014/15. The Hickory Basin project has a remaining funded budget balance of \$3,877 in account (7690.3); the CB 20 Turnout project has a remaining funded budget balance of \$80,000 in account (7690.5) which is comprised of \$58,193 from FY 2012/13 and \$21,807 from FY 2013/14; the Jurupa Pumping Station (Task Order # 5) has a remaining funded budget balance of \$150,000 in account (7209.1); the Wineville Basin Proof of Concept project (Task Order # 6) has a remaining funded budget balance of \$179,817.82 in account (7209.2) which is comprised of \$117,667.82 from FY 2012/13 and \$62,150 from FY 2013/14; and the San Sevaine Recharge Improvement Project (Task Order # 8) has a remaining funded budget balance of \$300,000 in account (7690.4) from FY 2013/14.

"Carried Over" Expenses At June 30, 2014

			GL Account	
Chino Hills ASR Project	\$ 203,322.00	A	7107.62	Prior Years
Hydraulic Control - Prado Basin - Other	\$ 76,796.00	B	7108.7	Prior Years
Recharge Improvement Project - Hickory Basin	\$ 3,877.00	C	7690.3	Prior Years
Recharge Improvement Project - CB20 Turnout	\$ 58,193.00	D	7690.5	Prior Years
Jurupa Pumping Station	\$ 150,000.00	E	7209.1	Prior Years
Wineville Basin Proof of Concept	\$ 117,667.82	F	7209.2	Prior Years
Subtotal FY 2011/12, FY 2012/13 "CarryOver"	<u>\$ 609,855.82</u>			
Ground Level - Engineering	\$ 30,938.00	G	7107.2	FY 2013/14
Ground Level - Contracted Services	\$ 16,351.00	H	7107.6	FY 2013/14
Hydraulic Control Engineering - PBHSP	\$ 56,175.00	I	7108.31	FY 2013/14
Hydraulic Control Monitoring Lab Services - PBHSP	\$ 48,260.00	J	7108.41	FY 2013/14
Hydraulic Control Monitoring Well Installation - PBHSP	\$ 31,599.00	B	7108.7	FY 2013/14
Hydraulic Control Monitoring - Adaptive Mgmt Plan	\$ 18,000.00	K	7108.7	FY 2013/14
PE 6&7 - Engineering Services	\$ 10,000.00	L	7502	FY 2013/14
Subtotal FY 2013/14 Engineering Services "CarryOver"	<u>\$ 211,323.00</u>			
Wineville Basin Proof of Concept	\$ 62,150.00	F	7209.2	FY 2013/14
Recharge Improvement Project - San Sevaine	\$ 300,000.00	M	7690.4	FY 2013/14
Recharge Improvement Project - CB20 Turnout	\$ 21,807.00	D	7690.5	FY 2013/14
Subtotal Recharge Improvements/Projects :CarryOver"	<u>\$ 383,957.00</u>			
Total Balance, June 30, 2014	<u>\$ 1,205,135.82</u>			

As invoices are received from the vendors and booked against these items listed above, the "Carried Over" balance will be reduced throughout the current fiscal year. At June 30, 2015, any remaining balances of the FY 2013/14 and prior years funding (if any), along with any new FY 2014/15 expenses, will then be "Carried Over" into the FY 2015/16 budget.

As of August 31, 2014, the total (YTD) amount remaining of the "Carried Over" funding is \$1,205,135.82 (\$1,205,135.82 - \$0 = \$1,205,135.82). The following details are provided:

"Carried Over" Expenses At June 30, 2014

Chino Hills ASR Project	\$ 203,322.00	A	7107.62	
Ground Level Monitoring - Engineering	\$ 30,938.00	G	7107.2 ¹	
Ground Level - Contracted Services	\$ 16,351.00	H	7107.6 ²	
Hydraulic Control Engineering - PBHSP	\$ 56,175.00	I	7108.31 ³	
Hydraulic Control Monitoring Lab Services - PBHSP	\$ 48,260.00	J	7108.41 ⁴	
Hydraulic Control Monitoring Well Installation - PBHSP	\$ 108,395.00	B	7108.7 ⁵	
Hydraulic Control Monitoring - Adaptive Mgmt Plan	\$ 18,000.00	K	7108.7 ⁶	
PE 6&7 - Engineering Services	\$ 10,000.00	L	7502 ⁷	
Jurupa Pumping Station	\$ 150,000.00	E	7209.1	Task Order #5
Wineville Basin Proof of Concept	\$ 179,817.82	F	7209.2	Task Order #6
Recharge Improvement Project - San Sevaine	\$ 300,000.00	M	7690.4	Task Order #8
Recharge Improvement Project - Hickory Basin	\$ 3,877.00	C	7690.3	
Recharge Improvement Project - CB20 Turnout	\$ 80,000.00	D	7690.5	
Total Balance, June 30, 2013	\$ 1,205,135.82			

"Carried Over" Balance, July 1, 2014 \$ 1,205,135.82

Less: (Invoices Received To Date FY 2014/15)

\$ -

Updated Balance as of August 31, 2014 **\$ 1,205,135.82**

¹ Tasks include quarterly reports and final grant report to the DWR and project administration. The CH-16 ASR project is a multi-year project and is expected to be completed during FY2015/16.

² The spring ground-level survey in Managed Area was postponed in 2014 because the Long-Term Pumping Test was not performed. The test and associated surveys are now planned for FY2014/15.

³ Tasks include groundwater level and water-quality data collection, analysis, and reporting from the future PBHSP monitoring wells. The installation of the PBHSP monitoring wells was delayed by property acquisition issues for IEUA.

⁴ Task includes laboratory costs associated with water-quality sample analysis from PBHSP wells. The installation of the PBHSP monitoring wells was delayed by property acquisition issues for IEUA.

⁵ Tasks include well site CPT tests, well design, well installation oversight, and reporting. The installation of the PBHSP monitoring wells was delayed by property acquisition issues for IEUA.

⁶ Tasks include contribution of monitoring information and review of the draft and final Adaptive Management Plan. The draft AMP was started in FY2013/14.

⁷ Task includes a catalog and summary of all relevant GeoTracker and EnviroStor sites and recommendations for future site monitoring. The effort began in FY2013/14 and will be completed in FY2014/15.

AUDIT FIELD WORK

FY 2013/14

Auditors from the audit firm of Charles Z. Fedak & Company were onsite at the Watermaster offices on May 12, 2014 to conduct scheduled field work for the FY 2013/14 financial audit. The final field work was completed on August 6 and August 7, 2014. Work continues by Watermaster staff and the audit firm in completing the FY 2013/14 report. As in past years, the presentation of the "Draft" Annual Financial and Audit Reports to the Board by the Senior Manager of Charles Z. Fedak & Company is planned for the

Board meeting on November 20, 2014. The "Final" Annual Financial and Audit Reports for FY 2013/14 are planned to be posted to the Watermaster website in December 2014.

ASSESSMENT INVOICING

The Assessment Package is tentatively scheduled to be presented and approved by the Watermaster Board at the November 20, 2014 meeting.

ATTACHMENTS

1. Financial Report - B5

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	1/12th (8.33%) of the Total Budget				2/12th (17%) of the Total Budget				100% of the Total Budget			
	For The Month of August 2014				Year-To-Date as of August 31, 2014				Fiscal Year End as of June 30, 2015			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
Income												
4010 · Local Agency Subsidies	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	155,331.00	155,331.00	0.00	100.0%
4110 · Admin Asmnts-Approp Pool	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	7,215,154.00	7,215,154.00	0.00	100.0%
4120 · Admin Asmnts-Non-Agri Pool	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	244,096.00	244,096.00	0.00	100.0%
4700 · Non Operating Revenues	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	25,800.00	25,800.00	0.00	100.0%
4900 · Miscellaneous Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	7,640,381.00	7,640,381.00	0.00	100.0%
Gross Profit	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	7,640,381.00	7,640,381.00	0.00	100.0%
Expense												
6010 · Admin. Salary/Benefit Costs	46,085.07	69,298.59	-23,213.52	66.5%	107,672.42	138,597.17	-30,924.75	77.69%	846,547.00	846,547.00	0.00	100.0%
6020 · Office Building Expense	8,167.17	8,210.00	-42.83	99.48%	19,346.17	19,405.00	-58.83	99.7%	103,724.00	103,724.00	0.00	100.0%
6030 · Office Supplies & Equip.	3,263.57	3,145.00	118.57	103.77%	5,672.89	5,790.00	-117.11	97.98%	28,740.00	28,740.00	0.00	100.0%
6040 · Postage & Printing Costs	3,871.88	3,858.33	13.55	100.35%	12,040.87	12,341.70	-300.83	97.56%	56,900.00	56,900.00	0.00	100.0%
6050 · Information Services	8,891.52	9,806.67	-915.15	90.67%	20,340.84	22,196.64	-1,855.80	91.64%	132,680.00	132,680.00	0.00	100.0%
6060 · Contract Services	3,315.00	8,000.00	-4,685.00	41.44%	4,415.00	11,600.00	-7,185.00	38.06%	40,200.00	40,200.00	0.00	100.0%
6070 · Watermaster Legal Services	18,371.14	21,225.00	-2,853.86	86.55%	43,796.47	47,450.00	-3,653.53	92.3%	230,700.00	230,700.00	0.00	100.0%
6080 · Insurance	-107.00	0.00	-107.00	100.0%	25,276.03	25,776.00	-499.97	98.06%	27,312.00	27,312.00	0.00	100.0%
6110 · Dues and Subscriptions	1,850.00	2,105.00	-255.00	87.89%	10,169.00	10,515.00	-346.00	96.71%	20,325.00	20,325.00	0.00	100.0%
6140 · WM Admin Expenses	0.00	200.00	-200.00	0.0%	108.70	400.00	-291.30	27.18%	2,950.00	2,950.00	0.00	100.0%
6150 · Field Supplies	0.00	525.00	-525.00	0.0%	88.57	625.00	-536.43	14.17%	1,450.00	1,450.00	0.00	100.0%
6170 · Travel & Transportation	1,552.50	1,620.00	-67.50	95.83%	3,545.77	3,620.00	-74.23	97.95%	22,860.00	22,860.00	0.00	100.0%
6190 · Conferences & Seminars	1,592.31	1,375.00	217.31	115.8%	2,496.14	2,575.00	-78.86	96.94%	15,000.00	15,000.00	0.00	100.0%
6200 · Advisory Comm - WM Board	2,353.13	4,657.55	-2,304.42	50.52%	5,042.33	9,315.09	-4,272.76	54.13%	55,568.00	55,568.00	0.00	100.0%
6300 · Watermaster Board Expenses	9,255.35	14,482.81	-5,227.46	63.91%	22,494.82	28,965.62	-6,470.80	77.66%	173,258.00	173,258.00	0.00	100.0%
8300 · Appr PI-WM & Pool Admin	7,588.99	11,254.75	-3,665.76	67.43%	21,796.99	25,509.48	-3,712.49	85.45%	137,622.00	137,622.00	0.00	100.0%
8400 · Agri Pool-WM & Pool Admin	3,474.20	5,143.22	-1,669.02	67.55%	8,658.36	10,286.42	-1,628.06	84.17%	61,338.00	61,338.00	0.00	100.0%
8467 · Ag Legal & Technical Services	2,145.00	9,583.33	-7,438.33	22.38%	15,355.00	41,666.67	-26,311.67	36.85%	205,000.00	205,000.00	0.00	100.0%
8470 · Ag Meeting Attend -Special	2,075.00	1,850.00	225.00	112.16%	5,225.00	3,700.00	1,525.00	141.22%	22,200.00	22,200.00	0.00	100.0%
8471 · Ag Pool Expense	0.00	0.00	0.00	0.0%	0.00	16,250.00	-16,250.00	0.0%	65,000.00	65,000.00	0.00	100.0%
8485 · Ag Pool - Misc. Exp. - Ag Fund	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	400.00	400.00	0.00	100.0%
8500 · Non-Ag PI-WM & Pool Admin	10,417.74	9,187.50	1,230.24	113.39%	14,918.73	18,375.00	-3,456.27	81.19%	110,025.00	110,025.00	0.00	100.0%
9400 · Depreciation Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9500 · Allocated G&A Expenditures	-23,622.33	-29,728.63	6,106.30	79.46%	-47,143.85	-69,052.14	21,908.29	68.27%	-391,877.00	-391,877.00	0.00	100.0%
6900 · Optimum Basin Mgmt Plan	98,654.72	129,014.34	-30,359.62	76.47%	197,906.74	270,528.64	-72,621.90	73.16%	1,207,145.00	1,207,145.00	0.00	100.0%
6950 · Mutual Agency Projects	0.00	0.00	0.00	0.0%	0.00	10,000.00	-10,000.00	0.0%	10,000.00	10,000.00	0.00	100.0%
9501 · G&A Expenses Allocated-OBMP	10,346.09	9,600.43	745.66	107.77%	17,906.87	22,299.37	-4,392.50	80.3%	126,551.00	126,551.00	0.00	100.0%
7101 · Production Monitoring	6,892.34	12,588.49	-5,696.15	54.75%	19,616.74	26,176.97	-6,560.23	74.94%	54,239.00	54,239.00	0.00	100.0%
7102 · In-line Meter Installation	3,868.79	8,462.94	-4,594.15	45.71%	4,030.53	16,925.98	-12,895.45	23.81%	101,422.00	101,422.00	0.00	100.0%
7103 · Grdwtr Quality Monitoring	14,458.01	15,150.89	-692.88	95.43%	18,650.32	30,301.83	-11,651.51	61.55%	181,018.00	181,018.00	0.00	100.0%
7104 · Gdwtr Level Monitoring	12,641.24	19,747.19	-7,105.95	64.02%	23,991.51	39,494.46	-15,502.95	60.75%	236,355.00	236,355.00	0.00	100.0%
7105 · Sur Wtr Qual Monitoring	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
7107 · Ground Level Monitoring	3,933.55	19,601.58	-15,668.03	20.07%	27,986.60	303,814.20	-275,827.60	9.21%	575,830.00	575,830.00	0.00	100.0%

P45

	1/12th (8.33%) of the Total Budget				2/12th (17%) of the Total Budget				100% of the Total Budget			
	For The Month of August 2014				Year-To-Date as of August 31, 2014				Fiscal Year End as of June 30, 2015			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
7108 · Hydraulic Control Monitoring	19,280.48	7,436.64	11,843.84	259.26%	25,167.16	245,703.16	-220,536.00	10.24%	319,910.00	319,910.00	0.00	100.0%
7109 · Recharge & Well Monitoring Prog	4,173.75	2,750.00	1,423.75	151.77%	4,173.75	4,500.00	-326.25	92.75%	21,000.00	21,000.00	0.00	100.0%
7200 · PE2- Comp Recharge Pgm	15,770.77	16,760.97	-990.20	94.09%	229,774.28	561,263.01	-331,488.73	40.94%	1,278,144.82	1,278,144.82	0.00	100.0%
7300 · PE3&5-Water Supply/Desalite	0.00	5,058.23	-5,058.23	0.0%	0.00	10,116.46	-10,116.46	0.0%	60,474.00	60,474.00	0.00	100.0%
7400 · PE4- Mgmt Plan	4,366.00	19,025.38	-14,659.38	22.95%	14,607.31	30,050.76	-15,443.45	48.61%	208,168.00	208,168.00	0.00	100.0%
7500 · PE5&7-CoopEfforts/SaltMgmt	2,373.75	6,789.72	-4,415.97	34.96%	6,474.50	23,579.42	-17,104.92	27.46%	91,313.00	91,313.00	0.00	100.0%
7600 · PE8&9-StorageMgmt/Conj Use	0.00	2,813.88	-2,813.88	0.0%	0.00	5,627.73	-5,627.73	0.0%	33,582.00	33,582.00	0.00	100.0%
7690 · Recharge Improvement Debt Pymt	0.00	1,067,000.00	-1,067,000.00	0.0%	505,740.00	2,106,617.00	-1,600,877.00	24.01%	2,106,617.00	2,106,617.00	0.00	100.0%
7700 · Inactive Well Protection Prgm	0.00	41.67	-41.67	0.0%	0.00	83.30	-83.30	0.0%	500.00	500.00	0.00	100.0%
9502 · G&A Expenses Allocated-Projects	13,276.24	20,128.20	-6,851.96	65.96%	29,236.98	46,752.77	-17,515.79	62.54%	265,326.00	265,326.00	0.00	100.0%
Total Expense	320,575.97	1,517,769.67	-1,197,193.70	21.12%	1,426,579.54	4,139,742.71	-2,713,163.17	34.46%	8,845,516.82	8,845,516.82	0.00	100.0%
Net Ordinary Income	-320,575.97	-1,517,769.67	1,197,193.70	21.12%	-1,426,579.54	-4,139,742.71	2,713,163.17	34.46%	-1,205,135.82	-1,205,135.82	0.00	100.0%
Other Income												
4210 · Approp Pool-Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4220 · Non-Ag Pool-Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4225 · Interest Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4226 · LAIF Fair Market Value	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4600 · Groundwater Sales	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Other Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Other Expense												
5010 · Groundwater Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5100 · Other Water Purchases	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9200 · Interest Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9996 · Refund-Excess Reserves-Approp.	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9997 · Refund-Excess Reserves-NonAg	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9998 · Refund-Recharge Debt-Approp.	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9999 · To/(From) Reserves	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Other Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Net Other Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Net Income	-320,575.97	-1,517,769.67	1,197,193.70	21.12%	-1,426,579.54	-4,139,742.71	2,713,163.17	34.46%	-1,205,135.82	-1,205,135.82	0.00	100.0%

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

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. AMENDMENT TO MWD DRY YEAR YIELD AGREEMENT



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: October 23, 2014
TO: Board Members
SUBJECT: Amendment No. 8 to MWD Dry Year Yield Agreement

SUMMARY

Issue: Consideration of proposed Amendment No. 8 to the MWD Dry Year Yield Agreement

Recommendation: Approve Amendment No. 8 to the MWD Dry Year Yield Agreement and authorize the General Manager to execute the agreement.

Financial Impact: There is no financial impact to Chino Basin Watermaster as a result of the proposed amendment.

Future Consideration

Watermaster Board: October 23, 2014 Approval [Advisory Committee Approval Required]; authorize General Manager to execute [Normal Course of Business]

ACTIONS:

October 9, 2014 – Appropriative Pool – Unanimously recommended Advisory Committee approval of Amendment No. 8 to MWD Dry Year Yield Agreement

October 9, 2014 – Non-Agricultural Pool – Unanimously recommended Advisory Committee approval of Amendment No. 8 to MWD Dry Year Yield Agreement and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate

October 9, 2014 – Agricultural Pool – Unanimously recommended Advisory Committee approval of Amendment No. 8 to MWD Dry Year Yield Agreement

October 16, 2014 – Advisory Committee – Unanimously approved

October 23, 2014 – Watermaster Board –

BACKGROUND

The MWD Dry Year Yield Agreement (Agreement) is a groundwater storage program funding agreement wherein MWD agreed to provide funding for groundwater extraction and treatment facilities in Chino Basin in exchange for the right to store water in the Basin. The Agreement provides for storage by MWD of up to 25,000 acre-feet per year in the Chino Basin, provided that the total amount does not exceed 100,000 acre-feet maximum, unless approved by Chino Basin Watermaster. Water can be extracted at MWD's call at the rate of up to 33,000 acre-feet per year.

According to the Agreement, Watermaster has the obligation to maintain records of water storage and extraction, and report on the extraction capacity of the parties. For its efforts Watermaster receives an administrative fee from MWD, which is adjusted annually. In FY 2014/15 the fee is \$155,606.67.

Prior amendments to the Agreement pertain to the completion timing of facilities and changes in sources of funds (the Agreement and prior Amendments are included as Attachment 1.)

Signatories to the Agreement are: Metropolitan Water District of Southern California, Inland Empire Utilities Agency (IEUA), Three Valleys Municipal Water District, and Chino Basin Watermaster. Watermaster originally approved the Agreement in 2003 (Attachment 2.)

The Operating Parties under the Agreement are all parties to the Chino Basin Judgment: City of Chino, City of Chino Hills, City of Ontario, City of Pomona, City of Upland, Cucamonga Valley Water District, Monte Vista Water District, and Jurupa Community Services District. These parties have entered into Local Agency Agreements with IEUA for the implementation of the Agreement.

DISCUSSION

The proposed Amendment No. 8 (Attachment 3) makes adjustments to the provisions within the Agreement, revises Exhibit F (Accounting Methodology), and deletes and replaces the provisions of Exhibit G (Performance Criteria) to the Agreement. The Operating Parties have reviewed the proposed Amendment No. 8 and have approved amendments to the Local Agency Agreements with IEUA. At this time the proposed Amendment No. 8 has been approved by all signatories except Watermaster.

Amendment No. 8 does not affect Watermaster's obligations and does not affect the payment of the annual administrative fee by MWD to Watermaster.

ATTACHMENTS

1. MWD Dry Year Yield Agreement and subsequent Amendments 1 – 7 (due to its size the document has been placed on Watermaster's FTP site in Meeting Packets and Agendas)
2. October 23, 2003 Watermaster Staff Report Recommending Approval of the DYY Agreement
3. Amendment No. 8 to MWD Dry Year Yield Agreement

ATTACHMENT 1

MWD Dry Year Yield Agreement and subsequent Amendments 1 – 7

NOTE: Due to its size the document has been placed on Watermaster's FTP site in Meeting Packets and Agendas.

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Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
October 23, 2003

The Watermaster Board Meeting was held at the offices of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA 91710 on October 23, 2003 at 1:00 p.m.

WATERMASTER BOARD MEMBERS PRESENT

Dennis Yates, Chair	City of Chino
Terry Catlin, Vice-Chair	Inland Empire Utilities Agency
Dan Rodriguez, Secretary	Appropriative Pool, City of Pomona
Vic Barrion	Non-Agricultural Pool, Reliant Energy, Etiwanda LLC
Paul Hofer	Agricultural Pool, Crops
Bob Kuhn	Three Valleys Municipal Water District
Geoffrey Vanden Heuvel	Agricultural Pool, Dairy
Michael Whitehead	Appropriative Pool, Nicholson Trust
Donald Schroeder	Western Municipal Water District

Appropriative Pool Members Present

Mark Kinsey	Monte Vista Water District
Ken Jeske	City of Ontario
Henry Pepper	City of Pomona
Dave Crosley	City of Chino
Raul Garibay	City of Pomona

Watermaster Staff Present

John Rossi	Chief Executive Officer
Sheri Rojo	Finance Manager
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Andy Malone	Wildermuth Environmental, Inc.
Joe LeClaire	Wildermuth Environmental, Inc.
Scott Salter	Hatch & Parent

Others Present

Diane Sanchez	State Department of Water Resources
R. Pete Hall	State of California Institute for Men
Garry Cohoe	City of Chino Hills

The Board meeting was called to order by Chair Yates at 1:06 p.m., followed by the flag salute.

PUBLIC COMMENTS

None

PRESENTATION FOR MARY STAULA'S RETIREMENT

Chair Yates, read a commendation and then presented Ms. Staula with a plaque. Chair Yates commended Mary on her outstanding years of dedication and service, and expressed how she would be

greatly missed. Ms. Staula thanked everyone for the beautiful plaque and commented on how ironic it was that when she was originally hired it was for Inland Empire Utilities Agency and now she has come full circle and is commemorating her retirement at Inland Empire Utilities Agency. Ms. Staula expressed appreciation for the friendships she had built and for all the amazing years she had spent working with so many wonderful people. She thanked everyone and wished the Watermaster Board and present attendees best regards for the future.

AGENDA - ADDITIONS/REORDER

Pulled Item E for Board Member discussion.

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee

Meeting of the Advisory Committee meeting held August 28, 2003

Meeting of the Advisory Committee meeting held September 25, 2003

2. Watermaster Board

Meeting of the Watermaster Board meeting held September 25, 2003

B. FINANCIAL REPORT

1. Cash Disbursements for the month of September 2003
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through July 31, 2003
Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through August 31, 2003
3. Treasurer's Report of Financial Affairs for July 1, 2003 through July 31, 2003
Treasurer's Report of Financial Affairs for August 1, 2003 through August 31, 2003
4. Profit & Loss Budget vs. Actual July 2003
Profit & Loss Budget vs. Actual August 2003

C. CONSIDER SOUTHERN CALIFORNIA WATER COMMITTEE MEMBERSHIP

Staff recommends that the Advisory Committee and Board authorize staff to enroll the Chino Basin Watermaster as a member of the Southern California Water Committee.

D. DRY YEAR YIELD OPERATING PLAN FOR FISCAL 2003/2004

The pools unanimously recommend approval of the FY 2003/04 Conjunctive Use Operation Plan.

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

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

E. CONSIDER APPROVAL OF MWD/IEUA GROUNDWATER STORAGE ACCOUNT

The pools unanimously recommend approval of the MWD/IEUA Groundwater Storage Account for the Dry Year Yield Program.

Motion by Schroeder, second by Kuhn, and by unanimous vote

Moved to approve Consent Calendar, as amended with revision of verbiage for item E to approve the MWD/IEUA groundwater storage account conditional upon the annual approval by the Chino Basin Watermaster of the annual Dry Year Yield Operating Plan.

II. BUSINESS ITEMS - POSSIBLE ACTION

A. REQUEST FROM CITY OF CHINO (FORM 7) FOR CREDIT AGAINST OBMP ASSESSMENTS

Mr. Rossi discussed this item and informed those in attendance that following the pool meetings on October 9, 2003, staff received direction from the pools to begin an analysis of the City of Chino's request for further consideration for assessment credit by Watermaster. Discussion ensued regarding Form 7 and the question of whether or not agencies can file for reimbursement or credit reducing annual assessments. A comment was made with regard to the City of Pomona's assessment for credit and noted this credit was actually negotiated during the formulation of the Peace Agreement. Consideration whether the City of Pomona had set some sort of precedence will be investigated and brought back to the Committee and Board members. Once a final decision is made on criteria and financial outcome that Form 7 will be a great incentive for projects and Watermaster needs to encourage these types of endeavors. Development of objective criteria needs to be completed in order to proceed. With those notations, it was commented that Mark Wildermuth of Wildermuth Environmental will be requested to develop formal criteria for policy development on this issue and Chino Basin Watermaster will analyze potential budget impacts. Lastly, Watermaster needs to evaluate funding worthy projects on on going bases. A request was made that both written as well as verbal communications be documented and on hand when brought back to the Board for further consideration on how to proceed.

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Counsel Slater distributed the draft for Notice of Motion to Continue October 30, 2003 workshop re MZ1 interim subsidence plan. Counsel Slater commented that Mr. Scalmanini although very pleased with the progress of the MZ1 committee recommended the workshop be rescheduled sequentially to allow further data to be formulated.
2. Counsel Slater reported on the extension filed for the Chino Land & Water lawsuit. He noted the extension was granted until October 24, 2003. Counsel Slater commented when the draft was complete counsel would forward the draft to the Chino Basin Watermaster for distribution. No hearing date has been presently set for this case and as a result, Watermaster has postponed filing an Amicus Brief, although will proceed once the case is settled.

B. CEO REPORT/UPDATES

1. Update regarding MZ1 Technical Committee Meeting of Wednesday September 24, 2003
Mr. Malone made a presentation on the findings and progress of analysis for the MZ1 Interim Monitoring Program. He described the collection of groundwater levels, INSAR mapping, and Aquifer System Monitoring. Mr. Malone commented on the Aquifer System Monitoring and how it is providing aquifer data as it relates to pumping within the basin. Mr. Malone acknowledged with recent gathered data Wildermuth Environmental will be able to complete a long term plan for MZ1. Mr. Malone invited all interested parties to attend the next MZ1 Technical Committee Meeting on November 19, 2003 at 9:00 a.m. at Chino Basin Watermaster offices.
2. Update regarding Water Quality Committee Meeting of Wednesday September 24, 2003
Mr. Rossi mentioned that the next Water Quality meeting would be held on November 12, 2003 at 2:00 p.m. at the Chino Basin Watermaster offices. Dr. LeClaire of Wildermuth Environmental stated the Water Quality Committee meets for the purpose of reviewing water quality issues. Dr. LeClaire gave a PowerPoint presentation that focused on the following, a) Locate the leading edge of the total dissolved solids / total organic carbon/volatile organic chemicals created by the Kaiser Steel, b) Identify the potential sources of perchlorate throughout the basin, c) Identify the source(s) of VOC anomaly located south of the Ontario Airport and north of the Chino-1 Desalter well field and,

d) Identify source(s) of the Chino Airport VOC plume. It was noted the Regional Water Quality Control (Regional Board) has identified a Potential Responsible Party (PRP) and a groundwater investigation to better characterize the plume prior to mitigation that is already underway. Watermaster is tracking the progress of this investigation. Dr. LeClaire stressed that the goal of these water quality investigations is to compile enough evidence for the Regional Board to issue Investigation Orders to the PRP's. This will facilitate the regulatory process, while shifting the majority of the investigation/cleanup cost burden to the PRPs.

Mr. Rossi referred to letter dated September 26, 2003, to the Metropolitan Water District of Southern California and their current surplus of funds and their process of determining how to best use the funds for Perchlorate contamination issues.

Mr. Rossi commented on the Environmental Data Resource Management Company and received comment requesting more concise information on what the company is looking for as far as resources and staff to continue background research to locate PRP's and start producing orders.

3. Discuss holiday meeting schedules

Mr. Rossi noted the Advisory Committee and Watermaster Board meetings will be held one week early on November 20, 2003 instead of November 27, 2003. He commented the Pool meetings are scheduled for November 13, 2003 and that the November meetings will be held at the Chino Basin Watermaster offices as planned.

C. ASSOCIATION OF GROUNDWATER AGENCIES

1. Minutes for the meeting held September 15, 2003

Mr. Rossi noted the minutes of the Association of Ground Water Agencies (AGWA) were attached for review.

2. Agenda to be held October 20, 2003

Attached – No comment made.

D. OTHER AGENCY REPORTS

None

E. INFORMATION

1. MWD Rialto Pipeline "Planned Shutdown" for January 12-16, 2004

Mr. Rossi commented on the current schedule and referred to this shutdown as planned maintenance.

2. Water Desalination Task Force

Mr. Rossi briefly commented on the May – September 2003 California Water Desalination Task Force findings and Recommendations. Discussion ensued on desalters and their relevance to water demands and the recent field investigations on reevaluating the current desalter's production.

IV. BOARD MEMBER COMMENTS

Dialogue on Perchlorate standards ensued and it was stated the need to better inform legislative personnel on Perchlorate issues. The idea of a workshop on Perchlorate was addressed in order to have a tool to inform people of this important matter. Exploration on a workshop will continue and will be brought back to the Committees for consideration. Chair Yates informed the Board that he would be attending the Southern California Water Meeting in Washington DC regarding contamination issues and would bring back information on discussed topics.

V. OTHER BUSINESS

No comment.

VI. FUTURE MEETINGS AND EVENTS

November 12, 2003	9:00 a.m.	MZ1 Technical Committee Meeting
November 13, 2003	1:00 p.m.	Appropriative & Non-Agricultural Pool Meeting
	3:00 p.m.	Agricultural Pool Meeting
November 19, 2003	2:00 p.m.	Water Quality Committee Meeting
November 20, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

Note: All meetings will be held at the Watermaster offices, 9641 San Bernardino Road, Rancho Cucamonga, California (909) 484-3888

Chair Yates adjourned the meeting at 2:15 p.m.

Secretary

Minutes Approved: November 20, 2003

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CHINO BASIN WATERMASTER

8632 Archibald Avenue, Suite 109, Rancho Cucamonga, Ca 91730
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: October 23, 2003
TO: Committee Members
Watermaster Board Members
SUBJECT: Dry Year Yield Operating Plan For Fiscal 2003/2004

SUMMARY

Issue - Approve Initial Operating Plan for Chino Basin MWD Conjunctive Use Program

Recommendation - The pools unanimously recommend that the Advisory Committee and Watermaster Board approve the Initial Operating Plan for Chino Basin MWD Conjunctive Use Program

Fiscal Impact - Approval of Operating plan has no impact on the Watermaster budget.

BACKGROUND

As part of the new MWD Groundwater Storage Program, Dry Year Yield Project, the Watermaster approves the Annual Operating Plan. The plan is to outline proposed deliveries for fiscal 2003/2004. The attached draft operating plan details deliveries by connection for the MZ1 6,500 acre-foot program, the in-lieu deliveries for the Dry Year Yield Program, and estimated deliveries for the replenishment obligation for last year.

MWD has an abundance of State Project water and is encouraging deliveries into the winter, at which time determinations will be made for springtime deliveries. The approval of the operating plan will allow for in-lieu deliveries into MWD's storage account. The Advisory Committee and the Watermaster Board will be considering final approval of the related storage account at this month's meetings. Staff would like to have the operating plan approval considered concurrently in order that those agencies wishing to begin in-lieu deliveries will be able to proceed.

The initial plan is subject to change as water is available and agency needs change. As of the writing of this staff report, agencies are still finalizing their initial estimates of desired deliveries. A final draft plan will be handed out at the meetings.

A preliminary breakdown of the proposed in-lieu allocation by agency for the Dry Year Yield Program is as follows:

Pomona	1,316 AF
Monte Vista Water District	2,608 AF
Chino	1,500 AF

Upland	1,975 AF
Chino Hills	1,500 AF
Cucamonga Co Water District	6,330 AF
Ontario	5,314 AF
Jurupa CSD	1,316 AF
Fontana WC	1,140 AF

Agencies are not obligated to take these deliveries, but amounts are estimated based on the percentage of shift performance obligations as previously determined by the participating agencies. Final deliveries are expected to differ. Jurupa CSD and the Fontana Water Company deliveries are contingent upon finalization of retail agreements with IEUA.

The pools took unanimous action to recommend that the Advisory Committee and Board consider approval of the FY 2003/04 Conjunctive Use Operating Plan.

**AMENDMENT NO. 8
TO
GROUNDWATER STORAGE PROGRAM
FUNDING AGREEMENT NO. 49960**

BY AND AMONG

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

AND

INLAND EMPIRE UTILITIES AGENCY

AND

THREE VALLEYS MUNICIPAL WATER DISTRICT

AND

CHINO BASIN WATERMASTER

DATED AS OF _____, 2014

**AMENDMENT NO. 8 TO GROUNDWATER STORAGE PROGRAM
FUNDING AGREEMENT NO. 49960**

THIS AMENDMENT NO. 8 TO GROUNDWATER STORAGE PROGRAM FUNDING AGREEMENT NO. 49960 (this “**Amendment No. 8**”), dated as of _____, 2014, is entered into by and among **THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA** (“**Metropolitan**”), a public entity of the State of California, **INLAND EMPIRE UTILITIES AGENCY**, a municipal water district of the State of California (“**IEUA**”), **THREE VALLEYS MUNICIPAL WATER DISTRICT**, a municipal water district of the State of California (“**TVMWD**”) and **CHINO BASIN WATERMASTER**, an entity established by the Superior Court of the State of California to administer and enforce the Chino Groundwater Basin Judgment (“**Watermaster**”). Hereafter, Metropolitan, IEUA, TVMWD and Watermaster may be referred to collectively as “**Parties.**”

RECITALS

A. In June 2003, the Parties entered into an agreement titled, “Agreement No. 49960 Groundwater Program Storage Funding Agreement” (“**Agreement**”) pursuant to which Metropolitan has stored water in the Chino Basin.

B. By April 2008, over 88,000 acre-feet were stored in the Metropolitan Storage Account pursuant to the terms of the Agreement. Metropolitan subsequently made three calls for production of stored water from 2008 through 2011. Based upon the storage and extraction experience of the Parties, the Parties now wish to make adjustments to the Agreement to improve and clarify measurement of storage and extraction from the Metropolitan Storage Account, to clarify how performance of calls will be evaluated, and to revise administrative milestones and make miscellaneous updates.

C. This Amendment No. 8 makes adjustments to the provisions within the Agreement, revises Exhibit F, and deletes and replaces the provisions of Exhibit G to the Agreement.

D. The Operating Committee’s current version of Exhibit H (Description of Program Facilities and Operating Parties) is also attached to this Amendment No. 8.

NOW, THEREFORE, in consideration of the foregoing Recitals, the Parties hereby agree as follows:

AMENDMENT

1. Section IV.A.2.a. is revised to read as follows:

a. Storage. Water can be stored in the following ways: (1) spreading, (2) injection, (3) in-lieu deliveries (pursuant to the administration procedures described in Exhibit G) and transfer from existing Metropolitan storage accounts consistent with the Chino Basin Judgment.

Metropolitan can store water in the Chino Basin at a rate of 25,000 AF per year, unless a greater amount is approved by the Watermaster.

2. Section VI.A.2. is revised to read as follows:

The Operating Committee shall meet:

a. As reasonably often as necessary to implement operations and take other needed action pursuant to this Agreement. Such tasks will include preparation of Operating Committee's certification to Watermaster regarding monthly storage achieved utilizing methodology specified in Exhibits F (Accounting Methodology) and G (Performance Criteria);

b. Within thirty days after the execution of this Agreement; and thereafter in years that Metropolitan requests to store or extract water within sixty days of Metropolitan's request develop Program Annual Operating Plan for the subsequent year; and

c. By June 30 of each year review prior fiscal year performance for storage and/or extraction in conformance with the Annual Operating Plan and Exhibit G, Performance Criteria; review need for adjustments to Electrical Costs and Operation and Maintenance Costs for prior fiscal year; and for assessment of per-acre-foot Electrical Costs and Operation and Maintenance Costs to be paid by Metropolitan.

3. Sections VI.A.4.a. and d. are revised to read as follows:

a. Properly account for the amounts of all water stored and extracted and submit a report of these amounts achieved for the Metropolitan Storage Account to Watermaster and Metropolitan on a monthly basis but not more than two months in arrears. Any adjustments to the monthly submittals shall be submitted to the Watermaster and to Metropolitan in a timely manner for consideration in the preparation of the Watermaster's annual assessment package. Within one year following the end of the fiscal year, an annual reconciliation shall be performed of storage and extraction.

d. Prepare and deliver to the Parties, on or before June 30 of each year, a written annual report outlining the Operating Committee's actions during the prior fiscal year (the "**Operating Committee Annual Report**.")

4. Section VI.C.1.e. is revised as follows:

e. Watermaster shall obtain from Operating Committee on a monthly basis its report of the amount of storage achieved using the methodology specified in Section VII(B) and Exhibits F and G of this Agreement.

5. Section VII.A.4. is revised to read as follows:

4. The quantity of any Program Water delivered to the Metropolitan Storage Account in any given month shall be determined in accordance with the accounting methodology set forth in Exhibits F and G.

6. Section XIII.B. is revised to read as follows:

1. Should IEUA or TVMWD, each acting through agreement with its respective Operating Parties, fail to fully perform in accordance with Exhibit G in response to a call from Metropolitan that has been approved by the Watermaster, and upon a determination by the Operating Committee that full performance could and should have occurred, then Metropolitan shall invoice to IEUA or to TVMWD, as appropriate, water delivered equal to the quantity in acre-feet of non-performance at two times the Tier 2 full service water rate (or its equivalent, as determined by Metropolitan in its reasonable discretion) currently then in effect ("**Nonperformance Penalty**"). The parties and the Operating Parties have expressly agreed on the conditions that qualify for a waiver of non-performance penalties under section 2, below, as set forth in Exhibit G.

2. Should the Operating Committee in its review of incomplete performance, as specified in paragraph B (1) above, determine that unanticipated operational or water quality considerations precluded full performance, the Operating Committee shall not recommend to Metropolitan that the Nonperformance Penalty be assessed. In such case, IEUA or TVMWD, whichever is the responsible Member Agency, shall work with the nonperforming Operating Party to promptly set out a mutually agreeable course of action and schedule to correct the deficiency and present such to the Operating Committee for its concurrence. Future nonperformance outside of the agreed-upon schedule (provided that the Operating Committee has concurred with such schedule) would be subject to the Nonperformance Penalty.

7. Section XV.H. is revised to read as follows:

H. Notice

Formal written notices, demands, correspondence and communications between the Parties authorized by this Agreement shall be sufficiently given if personally served or dispatched by registered or certified mail, first-class, postage prepaid, return receipt requested, to the Parties as follows:

To IEUA:
Inland Empire Utilities Agency
General Manager
6075 Kimball Avenue
Chino, CA 91708

To TVMWD:
Three Valleys Municipal Water District
General Manager
1021 E. Miramar Avenue
Claremont, CA 91711

To Watermaster:
Chino Basin Watermaster
General Manager
9641 San Bernardino Road,
Rancho Cucamonga, CA 91730

To Metropolitan:
The Metropolitan Water District
of Southern California
General Manager
700 No. Alameda Street
Los Angeles, California 90012

Such written notices, demands, correspondence and communications may be sent in the same manner to such other persons and addresses as either Party may, from time to time, reasonably designate by mail as provided in this Section. Notice shall be deemed given when received by mail or when personally served.

8. Exhibit F is revised as attached at the end of this Amendment No. 8.
9. Exhibit G is deleted and replaced. Replacement Exhibit G is attached at the end of this Amendment No. 8.
10. The Operating Committee's current version of Exhibit H (Description of Program Facilities and Operating Parties) is also attached to this Amendment No. 8 for reference only. No changes are made to this Exhibit with this Amendment No. 8.
11. Except as, and to the extent specifically and expressly modified by this Amendment No. 8, the Agreement is, and shall continue to be, in full force and effect. This Amendment does not constitute a waiver of any provisions, terms or conditions of the Agreement or of any failure to comply with such provisions, terms or conditions.
12. This Amendment No. 8 may be executed in multiple counterparts, all of which together shall constitute a single, integrated amendment to the Agreement.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 8 to be executed as of the date first set forth above.

**THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA**

By: _____
Jeffrey Kightlinger
General Manager

Date: _____

INLAND EMPIRE UTILITIES AGENCY

By: _____
Joseph Grindstaff
General Manager

Date: _____

**THREE VALLEYS MUNICIPAL WATER
DISTRICT**

By: _____
Richard W. Hansen
General Manager/Chief Engineer

Date: _____

CHINO BASIN WATERMASTER

By: _____
Peter Kavounas
General Manager

Date: _____

**APPROVED AS TO FORM:
Marcia Scully, General Counsel**

By: _____
Catherine M. Stiles
Senior Deputy General Counsel

Date: 7/23/14

APPROVED AS TO FORM:

By: _____
General Counsel

Date: _____

APPROVED AS TO FORM:

By: _____
Steve Kennedy
District Counsel

Date: _____

APPROVED AS TO FORM:

By: _____
General Counsel

Date: _____

ACCOUNTING METHODOLOGY

Annual Operating Plan

Commencing upon the Effective Date of this Agreement and thereafter prior to the beginning of each fiscal year, the Operating Committee will develop an Annual Operating Plan to forecast IEUA's and TVMWD's operations for the coming year in terms of groundwater production and imported water delivery absent the Program, as well as intended storage through in-lieu deliveries, injection and direct spreading, and extraction. Deliveries to the Metropolitan Storage Account through in-lieu deliveries, injection, or direct spreading will be determined using methodologies detailed in this Exhibit F.

The Annual Operating Plan must reflect IEUA's and TVMWD's monthly operations in terms of groundwater production and imported water deliveries absent the Program. If water is to be stored through direct injection or spreading or in-lieu deliveries, the Annual Operating Plan must indicate the months when the deliveries to the Chino Basin are expected to occur. If water is to be extracted, the operating schedule must reflect the amount of imported water that will be delivered from the Metropolitan Storage Account each month.

Upon call by Metropolitan for storage or extraction, the Operating Committee shall prepare a revision to the Annual Operating Plan for submission to Metropolitan, IEUA, TVMWD, and Watermaster, which would indicate the revised monthly storage or extraction amounts for the Metropolitan Storage Account. Metropolitan shall invoice for extracted Stored Water Delivery on a monthly basis at the firm water rate minus pumping and Operations and Maintenance Costs, according to the revised Annual Operating Plan. Any adjustments to the quantities billed shall be made during the year-end reconciliation.

Calculation of Storage and Extraction

IEUA and TVMWD shall account for all water stored and extracted in the Chino Basin by their respective subagencies and each submit its certification of these total amounts and the subset of these amounts achieved for the Metropolitan Storage Account. IEUA and TVMWD shall each submit this certification to Metropolitan and the Watermaster on a monthly basis. At the end of each fiscal year, IEUA and TVMWD shall perform an annual assessment of total storage and extraction and the subset achieved for the Metropolitan Storage Account. Any adjustments to the monthly submittals shall be provided by IEUA to Metropolitan and to the Watermaster in a timely manner for consideration in the preparation of the Watermaster's annual report.

All accounting for the Metropolitan Storage Account shall conform to the following unless otherwise agreed by Metropolitan, IEUA, TVMWD, and Watermaster:

a. Initial storage balance upon execution of this Agreement shall be consistent with Exhibit E "Procedure for Initial Calculation of Metropolitan Storage Account". This initial storage balance is firm water to be billed at the rate designated in Exhibit E upon its extraction. This water, when extracted, shall be part of IEUA's firm water allocation pursuant to the rate structure. This water shall be first in, and first out of the Metropolitan Storage Account.

b. All other water delivered to the Metropolitan Storage Account shall be "new wet-water storage" to the Chino Basin, and not accomplished through an accounting transfer of pre-existing storage. New storage is achieved through demonstrated in-lieu delivery spreading, or injection of imported water supplied by Metropolitan.

c. Monthly amounts certified by IEUA or TVMWD as in-lieu storage shall meet criteria specified in Exhibit G.

The Operating Committee shall perform an annual reconciliation of Metropolitan and IEUA's and TVMWD's records with the Watermaster report with respect to total storage and/or extraction from the Metropolitan Storage Account and Metropolitan's water billing inclusive of credits for the Operation and Maintenance Costs and Electrical Costs, and prepare any needed paperwork for adjustments to the billing.

**Chino Basin Conjunctive Use Program (CUP) "Dry Year" Storage Project
Performance Criteria**

The intent of the below Performance Criteria is to allow Metropolitan to reduce imported water deliveries to the Operating Parties and replace it with stored Chino Basin groundwater, making available additional imported water supply for delivery to other Metropolitan member agencies.

Performance

Metropolitan may, on thirty (30) days' notice, require Program Agency to meet the objectives of the project as follows:

- 1) During the next 12 month period, IEUA and TVMWD through their agreements with Operating Parties will cause a reduction of imported water deliveries by 33,000 AF (+/- 10 percent), at the service connection, from the Imported Water Baseline.
- 2) At no time shall a Metropolitan call result in a reduction in imported water deliveries below 40,000 AF. As long as the imported water deliveries by the Operating Parties total less than or equal to 40,000 AF, performance will have been met.
- 3) If a Metropolitan CUP call is made during implementation of Metropolitan's Water Supply Allocation Plan (WSAP), the amount of the CUP call shall be adjusted for the purposes of the WSAP performance, such that the 40,000 AF performance objective for CUP is met. The Operating Parties will still be expected to comply with all provisions of the WSAP. For purposes of the CUP, the full call amount (without adjustment for WSAP performance) would be deducted from the Storage Account and billed for by Metropolitan.
- 4) Metropolitan will pay O&M, Power and Treatment credits only on Chino groundwater production over the Chino Groundwater Baseline.
- 5) Metropolitan will bill for, and the Storage Account will be reduced by 33,000 AF.
- 6) If Performance Criteria is not met, the Penalty Rate will be applied on any unmet reduction of imported water delivery at the service connection.
- 7) A partial call will be addressed through a pro rata performance.
- 8) Any Chino Basin Groundwater produced above the Chino Groundwater Baseline but below the 33,000 AF call amount will be moved to the Operating Parties' supplemental storage accounts.

Chino Groundwater Baseline

For the purposes of Performance, an Operating Party's Chino Groundwater Baseline shall be set at the beginning of the performance period as the lesser of the following:

- 1) The average physical production adjusted upward for in-lieu CUP storage and downward for CUP extraction certified by Chino Basin Watermaster in the three (3) previous years beginning with the prior fiscal year (i.e. the baseline for a call during fiscal year 2014-15 would average years 2010-11, 2011-12 and 2012-13 and would not include 2013-14) ; or,
- 2) The average sum of the Operating Safe Yield and Net Ag Re-Allocation pumping rights, as reported in columns titled "Assigned Share of Operating Safe Yield" and "Net Ag Pool Reallocation" of the table titled "Pool 3 Water Production Summary," of the Chino Basin

Watermaster Annual Report or Annual Assessment Package, less any rights utilized to meet Chino Basin Desalter replenishment obligations, as shown in the Chino Basin Watermaster Annual Report or Annual Assessment Package, in the three (3) previous years beginning with the prior fiscal year.

Imported Water Baseline

The Imported Baseline shall be equal to the average imported water deliveries in the three (3) previous years beginning with the prior fiscal year. The imported water deliveries in each year is adjusted downward for in-lieu CUP storage and adjusted upward for CUP extraction.

In-Lieu Storage Guidelines

For in-lieu storage, the following criteria shall apply:

- 1) Certification of in-lieu CUP storage by an Operating Party shall be the lesser of the following:
 - a. Decrease in Chino groundwater production relative to the Chino Groundwater Baseline; or
 - b. Increase in imported water deliveries to the Operating Parties above the Imported Water Baseline by at least the certified amount. In the event that the increase in imported water deliveries is less than the decrease in Chino Basin groundwater production, the certified amount shall be equal to the increase in imported water deliveries.
- 2) Participation in in-lieu storage is optional. Therefore, in-lieu storage is based upon individual Operating Party performance.
- 3) No Operating Party may certify in-lieu storage during any fiscal year in which that Operating Party incurs a replenishment obligation.

Operating Committee

Baseline Adjustments

The Operating Committee may mutually agree to adjust the Chino Groundwater Baseline or the Imported Water Baseline to account for changed conditions. The Operating Committee may adjust the baselines due to factors such as new production wells, wells taken out of service, planned outages that would significantly affect ability to deliver supplies, significant retail conservation, and/or dramatic increase in local supplies (recycled water, desalted groundwater, etc.). Increases or decreases in total demand shall not result in a baseline adjustment unless it can be shown that the change is a result of significant retail conservation. Normal demand variations due to hydrologic or economic factors are not eligible for baseline adjustments. Any request for baseline adjustment must accompany sufficient documentation to allow the Operating Committee to evaluate the request. All baseline adjustment requests must be submitted before the storage/call year with the Annual Operating Plan.

Performance Targets

The Operating Committee may mutually agree to modify performance targets due to severe and unexpected conditions. It should be generally agreed that additional use and production of all local supplies available to the Operating Parties should not be restricted or cause IEUA, TVMWD or the Operating Parties to be out of compliance of a performance target. The Operating Committee may agree to adjust the imported water performance target due to severe and unexpected conditions, such as but not limited to the following:

- a. Significant loss in total local supply capacity (groundwater, desalter and recycled); and/or OR
- b. Significant increase in total demand.
- c.

Any adjustment related to the performance targets does not apply to the requirements for receiving O&M, Power and Treatment credits or the amount deducted from the storage account. The full call amount would be deducted from the storage account and billed by Metropolitan regardless of any performance adjustment. Detailed documentation of the severe and unexpected conditions must be provided to allow the Operating Committee to evaluate the request.

Examples

The following examples demonstrate situations where non-performance penalties may be waived pursuant to Section XIII.B. of the Agreement.

Example 1 - Base Example

Call Amount	33,000 AF
Baseline Service Connection Deliveries	70,000 AF
Call Year Service Connection Deliveries	<u>40,000 AF</u>
Reduction at Service Connection	30,000 AF
Baseline Groundwater Production	80,000 AF
Call Year Groundwater Production	<u>95,000 AF</u>
Increase in Groundwater Production	15,000 AF

Performance is met because the actual service connection deliveries were equal to 40,000 AF. 33,000 AF is billed for and deducted from account. O&M, Power and Treatment credits are given on 15,000 AF and the remaining 18,000 AF that was paid for, but not pumped, will be moved to the Operating Parties' supplemental storage accounts.

Example 2 – Increase in Local Supply Capacity

Call Amount		33,000 AF
Baseline Service Connection Deliveries	(-5,000AF)	65,000 AF
Call Year Service Connection Deliveries		<u>35,000 AF</u>
Reduction at Service Connection		30,000 AF
Baseline Groundwater Production (+5,000AF)		85,000 AF
Call Year Groundwater Production		<u>100,000 AF</u>
Increase in Groundwater Production		15,000 AF

*In this example, Agency A increases its local supply capacity by expanding a treatment plant by 5,000 AF. This would allow Agency A to increase its production. As a result, the Operating Committee agreed to increase the Baseline Groundwater Production by 5,000 AF and decrease the Imported Water Baseline by 5,000 AF.

Performance is met because the actual service connection deliveries reduction was 30,000 AF. 33,000 AF is billed for and deducted from account. O&M, Power and Treatment credits are given on 15,000 AF and the remaining 18,000 AF that was paid for, but not pumped, will be moved to the Operating Parties' supplemental storage accounts.

Example 3-- Reduced Demands (-5,000 AF)

Call Amount	33,000 AF
Baseline Service Connection Deliveries (-3,000 AF)	67,000 AF
Call Year Service Connection Deliveries	<u>40,000 AF</u>
Reduction at Service Connection	27,000 AF
Baseline Groundwater Production (-2,000 AF)	78,000 AF
Call Year Groundwater Production	<u>95,000 AF</u>
Increase in Groundwater Production	17,000 AF

*In this example, the Operating Committee determined that the installation of ultra-low flow toilets in Agency A's service area would result in a demand reduction of 5,000 AF. This reduction was expected to change both the imported and groundwater baselines. As a result, Agency A's imported water baseline was adjusted down by 3,000 AF and the groundwater baseline was adjusted down by 2,000 AF by the Operating Committee.

Performance is met because the actual service connection deliveries were 40,000 AF. 33,000 AF is billed for and deducted from account. O&M, Power and Treatment credits are given on 17,000 AF and the remaining 16,000 AF that was paid for, but not pumped, will be moved to the Operating Parties' supplemental storage accounts.

Example 4 – Loss of Local Supply with Groundwater Baseline Adjustment of -5,000 AF and Imported Water +5,000 AF*

Call Amount	33,000 AF
Adjusted Baseline Service Connection Deliveries (+5,000 AF)	75,000 AF
Call Year Service Connection Deliveries	<u>45,000 AF</u>
Reduction at Service Connection	30,000 AF
Adjusted Baseline Groundwater Production (-5,000 AF)	75,000 AF
Call Year Groundwater Production	<u>90,000 AF</u>
Increase in Groundwater Production	15,000 AF

*In this example, Agency A has had six wells go out of service permanently. It will take at least 12 months to drill new wells. As a result of the outage, Agency A's total well capacity has been reduced by 5,000 AF. The Operating Committee agrees to a 5,000 AF baseline reduction on ground water and increase baseline imported water deliveries by 5,000 AF.

Performance is met because the actual service connection deliveries were reduced by 30,000 AF. 33,000 AF is billed for and deducted from account. O&M, Power and Treatment credits are

given on 15,000 AF and the remaining 18,000 AF that was paid for, but not pumped, will be moved to the Operating Parties' supplemental storage accounts.

Example 5 – Water Supply Allocation Overlap

Call Amount	33,000 AF
WSAP Level 2	10%
Baseline Service Connection Deliveries	60,000 AF
WSAP Adjusted Baseline Service Connection Deliveries	55,000 AF *
Call Year Service Connection Deliveries	<u>40,000 AF</u>
Reduction at Service Connection	15,000 AF
Baseline Groundwater Production	80,000 AF
Call Year Groundwater Production	<u>100,000 AF</u>
Increase in Groundwater Production	<u>20,000 AF</u>

**For illustrative purposes only.*

Level 2 WSAP = (Total Demand – Local Supplies) x 90% + Adjustments

Performance is met for CUP because the actual service connection deliveries were equal to 40,000 AF. 33,000 AF is billed for and deducted from account. Power and O&M credits are given on 20,000 AF and the remaining 13,000 AF that was paid for, but not pumped, will be moved to the Operating Parties' supplemental storage accounts. For the WSAP, it is assumed that the adjusted call amount is 15,000 AF.

Example 6 – 10 Percent Performance Range

Call amount	33,000 AF
Baseline Service Connection Deliveries	80,000 AF
Call Year Service Connection Deliveries	<u>50,000 AF</u>
Reduction at Service Connection	30,000 AF
Baseline Groundwater Production	80,000 AF
Call Year Groundwater Production	<u>100,000 AF</u>
Increase in Groundwater Production	<u>20,000 AF</u>

Performance is met because the Operating Parties reduced service connection deliveries by 30,000 AF, which is within +/- 10 percent of 33,000. 33,000 AF is billed for and deducted from account. O&M, Power and Treatment credits are given on 20,000 AF and the remaining 13,000 AF that was paid for, but not pumped, will be moved to the Operating Parties' supplemental storage accounts.

Example 7 – Non-Performance

Call amount	33,000 AF
Baseline Service Connection Deliveries	60,000 AF
Call Year Service Connection Deliveries	<u>45,000 AF</u>
Reduction at Service Connection	15,000 AF
Baseline Groundwater Production	80,000 AF
Call Year Groundwater Production	<u>95,000 AF</u>
Increase in Groundwater Production	<u>15,000 AF</u>

Performance is **not** met. The actual service connection deliveries are greater than 40,000 and the reduction in service connection deliveries are less than 33,000 +/- 10 percent. 33,000 AF is billed for and deducted from account. O&M, Power and Treatment credits are given on 15,000 AF and the remaining 18,000 AF that was paid for, but not pumped, will be moved to the Operating Parties' supplemental storage accounts. 5,000 AF is billed at the Penalty Rate of 2x Tier 2.

Example 8 – “Agency A” In-lieu Storage

Baseline Service Connection Deliveries	15,000 AF
Storage Year Service Connection Deliveries	<u>20,000 AF</u>
Increase at Service Connection	<u>5,000 AF</u>
Baseline Groundwater Production	20,000 AF
Storage Year Groundwater Production	<u>10,000 AF</u>
Decrease in Groundwater Production	10,000 AF

In this example, “Agency A” would be eligible for 5,000 AF of in-lieu storage. The increase in service connection deliveries (5,000 AF) are less than the decrease in groundwater production (10,000 AF).

DESCRIPTION OF PROGRAM FACILITIES & OPERATING PARTIES

Ion Exchange Nitrate Removal Facility	Capacity (in AFY)	Funding Allocation	Project Name & Location
City of Pomona	2,000	\$1,700,000.00	Anion Exchange Nitrate Removal Facility Upgrade and Expansion Project, Located @ First & San Lorenzo
Monte Vista County Water District	1,544	\$1,428,200.00	Well 33, Located @ Palo Verde & Benson
City of Chino	1,159	\$1,072,043.00	
City of Upland	3,001	\$2,776,064.00	Plant No. 12 Ion Exchange Facility, Located @ Ninth & Mountain
City of Chino Hills	1,448	\$1,338,938.00	Pellisier Well (Well #20), Located @ Chino Hills Pkwy & Ramona
City of Ontario	1,544	\$1,428,200.00	Well 52/Well 44, Located @ Cucamonga & 4th
Jurupa Community Services District	2,000	\$1,494,000.00	Roger D. Teagarden Ion Exchange Water Treatment Plant, Located @ Etiwanda & 60 Freeway
IEUA Brine Line	-	\$804,898.22	
Total Treatment Facilities Capacity:	12,696	\$12,042,343.22	
Well Facilities	Capacity (in AFY)	Funding Allocation	Project Name & Location
Monte Vista County Water District	2,419	\$1,572,581.00	Well 31, Located @ Monte Vista & Richton
Cucamonga County Water District	11,353	\$8,395,433.00	Wells # 39 - 42, 2 Additional Wells 44 & 45 were Added in place of the Ion Exchange, Well 43 submitted for replacement of 44 & 45, Located @ East Ave. & I-15; Cleveland & 7th ; (9591 & 9673 San Bernardino Road ; Gun Grove)
City of Ontario	6,532	\$4,245,968.00	Wells # 45, 46 ,& 47, Located @ Campus & E St., 8th St., & Concourse Ave.
Total Well Capacity:	20,304	\$14,213,982.00	
Total Extraction Capacity (Treatment + Well Capacity):	33,000	\$26,256,325.22	Note: \$1,243,674.78 used for environmental costs to bring total project cost to \$27.5 million.

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

A. PHYSICAL SOLUTION TRANSFER RATE SUBSTITUTION



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: October 23, 2014
TO: Board Members
SUBJECT: Physical Solution Transfer Rate Substitution

SUMMARY

Issue: A Physical Solution Transfer Rate for FY 2014/15 needs to be established.

Recommendation: Approve the proposed FY 2014/15 substitute Physical Solution Transfer Rate, and approve Watermaster legal counsel's filing of motion for Court approval of the same.

Financial Impact: None

Future Consideration

Watermaster Board: October 23, 2014 Approval [with advice and assistance from Pools and Advisory Committee]

ACTIONS:

October 9, 2014 – Appropriative Pool – Unanimously recommended Advisory Committee approval of the proposed rate and approval of Watermaster legal counsel filing motion with the Court; and authorize Pool's legal counsel to sign the stipulation

October 9, 2014 – Non-Agricultural Pool – Unanimously recommended Advisory Committee approval of the proposed rate and approval of Watermaster legal counsel filing motion with the Court; and authorize Pool's legal counsel to sign the stipulation; and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate

October 9, 2014 – Agricultural Pool – no action taken; the Pool was advised of the Appropriative and Non-Ag Pool action

October 16, 2014 – Advisory Committee – Unanimously approved

October 23, 2014 – Watermaster Board –

BACKGROUND

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

According to Watermaster's past practice, the MWD Replenishment Rate utilized would be that applicable for the calendar year in which Watermaster's purchase takes place. As applied to transfers in Fiscal Year 2014/15, as payment would be made by June 30, 2015, if MWD had a Replenishment Rate in effect for 2015, that rate would be utilized. MWD ceased publishing a Replenishment Rate in 2013 and it is not presently known when and how MWD may reinstate a replenishment program. Accordingly, Watermaster and the Parties to the Judgment are without a rate from which to calculate the rate for Physical Solution Transfers in Fiscal Year 2014/15. This was also the case during Fiscal Year 2013/2014, during which the Watermaster Court approved a requested one year rate substitution.

DISCUSSION

The members of the Overlying (Non-Agricultural) and Appropriative Pools have proposed to use a substitute rate of 86% of MWD's 2015 Tier 1 Untreated Rate for Physical Solution Transfers during Fiscal Year 2014/15. The 2015 MWD Tier 1 Untreated Rate is \$582 per acre-foot; 86% of that rate is \$500.52 per acre-foot.

A motion to allow substitution of Physical Solution Transfer rate for FY 2014/15 would request the deviation from the terms of the Judgment in order to utilize a substitute "Physical Solution Transfer" rate applicable to transfers from the Overlying (Non-Agricultural) Pool to Watermaster, and thence to members of the Appropriative Pool, pursuant to Paragraph 9 of Exhibit "G" to the Judgment. If granted, this would allow Watermaster to substitute a rate of 86% of the Tier 1 MWD Untreated Rate for the rate provided for in Exhibit "G" for FY 2014/15, as MWD no longer publishes a Replenishment Rate.

The Court's approval of a substitute rate under Paragraph 9(d) of Exhibit "G" would allow transfers to proceed without issue in 2014/2015, with the Parties able to discuss a long-term solution when MWD's long term replenishment plans become clear.

During this year's process to identify a Physical Solution Transfer rate, a staff letter was not generated for the October 9, 2014 Pool meetings because the rate had not yet been identified in time for the letter to be included in the Pool package. At the October 9, 2014 Appropriative and Non-Agricultural Pool meetings a substitute transfer rate was agreed on and approved, and consequently a staff letter for this item was included in the October 16, 2014 Advisory Committee meeting package.

ATTACHMENTS

1. Draft Stipulation and Proposed Order
2. Draft Motion for Court Approval of Temporary Substitute Rate

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

1. If any member of the Overlying (Non-Agricultural) Pool Committee (each, a "NAP Electing Member") elects, pursuant to Section 9(a) of Exhibit "G" to the Judgment, to make any or all of its current annual Production right or water held in storage available for purchase by the members of the Appropriate Pool, then such offer shall be subject to the terms and conditions of Section 9 of Exhibit "G", except that the phrase "92% of the then-prevailing 'MWD Replenishment Rate'" shall be replaced with the phrase "86% of the water rate for Full Service Untreated Volumetric Cost: Tier 1, as adopted by the Metropolitan Water District of Southern California as of the date hereof to be effective during the period of January 1, 2015 through June 30, 2015, for each acre foot so transferred. MWD's 2015 rate for Full Service Untreated Volumetric Cost: Tier 1 is \$582.00 per acre-foot; 86% of that rate is \$500.52 per acre-foot." The terms and conditions of this Stipulation shall apply only to water made available by a NAP Electing Member between the date hereof and December 31, 2014, and only in the event that MWD does not, prior to December 31, 2014, publish a MWD Replenishment Rate that is effective during the period of January 1, 2015 through June 30, 2015.

2. The approval of a temporary substitute rate for Physical Solution Transfers herein shall have no precedential effect in regard to the rate that may be implemented for Physical Solution Transfers in years other than Fiscal Year 2014-2015.

3. Legal counsel for the Watermaster Board shall file a motion seeking entry of an order of the Court approving the rate substitution described in paragraph 1 above, and shall

1 provide notice to other parties thereof. No assertion of fact or law contained in any paper filed
2 with the Court by the Watermaster Board shall be construed as the belief or position of any other
3 party.

4 Dated: October __, 2014

HOGAN LOVELLS US, LLP

5

6

By: _____

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

7

8

9 Dated: October __, 2014

10

BY: _____

JOHN J. SCHATZ
Attorneys for CHINO BASIN
WATERMASTER APPROPRIATIVE
POOL

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12

13 Dated: October __, 2014

BROWNSTEIN HYATT FARBER
SCHRECK, LLP

14

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BY: _____

SCOTT S. SLATER
BRADLEY J. HERREMA
Attorneys for CHINO BASIN
WATERMASTER

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ORDER

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

21

ORDERED.

22

DATED: _____, 2014

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Judge of the Superior Court

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27

28

1 **SCOTT SLATER (State Bar No. 117317)**
2 **BRADLEY J. HERREMA (State Bar No. 228976)**
3 **BROWNSTEIN HYATT FARBER SCHRECK, LLP**
4 1020 State Street
Santa Barbara, CA 93101-2706
Telephone: 805.963.7000
Facsimile: 805.965.4333

5 Attorneys for
6 **CHINO BASIN WATERMASTER**

7
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF SAN BERNARDINO

10
11 CHINO BASIN MUNICIPAL WATER
12 DISTRICT,

13 Plaintiff,

14 v.

15 CITY OF CHINO, et al.,

16 Defendant.

Case No. RCV 51010

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

**NOTICE OF MOTION AND MOTION
FOR COURT APPROVAL OF
TEMPORARY SUBSTITUTE RATE FOR
PHYSICAL SOLUTION TRANSFERS
UNDER EXHIBIT "G" TO THE
JUDGMENT; DECLARATION OF
BRADLEY J. HERREMA IN SUPPORT
THEREOF**

Date: TBD
Time: TBD
Dept.: R-6

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

22 PLEASE TAKE NOTICE THAT the Chino Basin Watermaster ("Watermaster") hereby
23 moves this Court, pursuant to Paragraph 15 of the Restated Judgment in this action, for an Order
24 approving a temporary substitute rate applicable to "physical solution transfers" pursuant to
25 Exhibit "G" to the Restated Judgment in this matter. This request is made pursuant to the Court's
26 continuing jurisdiction and authority to enforce and carry out the Restated Judgment in this action
27 with respect to the rights established thereunder.

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

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MOTION FOR APPROVAL OF TEMPORARY SUBSTITUTE RATE

BROWNSTEIN HYATT FARBER SCHRECK, LLP
1020 State Street
Santa Barbara, CA 93101-2711

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

3 As described in the Declaration of Bradley J. Herrema in support of Motion for Court
4 Approval of Temporary Substitute Rate for Physical Solution Transfers Under Exhibit "G" to the
5 Restated Judgment, the proposed substitution that is the subject of this Motion was unanimously
6 approved by the Watermaster Pool Committees, Advisory Committee and Board, and
7 Watermaster does not believe that any party will oppose this Motion. For this reason,
8 Watermaster requests that the Court grant this motion without hearing.

9 Dated: October __, 2014

BROWNSTEIN HYATT FARBER
SCHRECK, LLP

11 By: _____

12 SCOTT S. SLATER
13 BRADLEY J. HERREMA
14 Attorneys for
15 CHINO BASIN WATERMASTER

DRAFT

1 MEMORANDUM OF POINTS AND AUTHORITIES

2
3 **I. INTRODUCTION**

4 Pursuant to Paragraph 15 of the Restated Judgment in this action, the Chino Basin
5 Watermaster (“Watermaster”) respectfully requests that the Court grant this Motion and the relief
6 herein requested, which are necessary to enforce and carry out the Chino Basin Judgment¹
7 (“Restated Judgment”). Watermaster petitions the Court to allow Watermaster to temporarily
8 deviate from the requirements of certain provisions of Exhibit “G” to the Restated Judgment, due
9 to unique circumstances for Fiscal Year 2014-2015. Specifically, Watermaster seeks the Court’s
10 approval to utilize a substitute “Physical Solution Transfer” rate applicable to transfers from the
11 Overlying (Non-Agricultural) Pool to Watermaster, and thence to members of the Appropriative
12 Pool, pursuant to Paragraph 9 of Exhibit “G” to the Restated Judgment, as explained below.

13 **II. BACKGROUND**

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

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

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

1 contained in Paragraph 9. (Restated Judgment, Exh. “G”, ¶ 9.)

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

19 **III. ARGUMENT**

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

22 As described above, Paragraph 9(d) of Exhibit G provides that Watermaster will purchase
23 the surplus water made available by the Overlying (Non-Agricultural) Pool water, on behalf of
24 the members of the Appropriative Pool, at a rate of 92% of the then-applicable Metropolitan
25 Water District of Southern California (“MWD”) Replenishment Rate. (Restated Judgment, Exh.
26 G, ¶ 9(d).) According to Watermaster’s past practices, the MWD Replenishment Rate utilized is
27 that applicable for the calendar year in which Watermaster’s purchase takes place. (Declaration of
28 Bradley J. Herrema in Support of Motion for Court Approval of Temporary Substitute Rate for

1 Physical Solution Transfers under Exhibit “G” to the Judgment, dated October __, 2014 and
2 attached hereto (“Herrema Dec.,” at ¶ 4.) As applied to transfers in Fiscal Year 2014-2015, as
3 payment would be made by June 30, 2015, MWD’s Replenishment Rate for 2015 would be
4 utilized. (Herrema Dec., ¶ 4.) Watermaster, the members of the Appropriative Pool, and the
5 members of the Overlying (Non-Agricultural) Pool are aware, however, that MWD discontinued
6 its Replenishment Rate prior to 2013. (Herrema Dec., ¶ 5.) Accordingly, as this is the case,
7 Watermaster and the parties to the Restated Judgment are left without a rate from which to
8 calculate the rate for Physical Solution Transfers in Fiscal Year 2014-2015. (See Herrema Dec., ¶
9 5.)

10 Recognizing this problem, Watermaster, the Overlying (Non-Agricultural) Pool and the
11 Appropriative Pool have stipulated that the substitution of a rate of 86% of MWD’s 2015 Tier 1
12 Untreated Rate for the rate of 92% of its Replenishment Rate for Physical Solution Transfers
13 during Fiscal Year 2014-2015 would be appropriate. (See attached Stipulation and Proposed
14 Order.) Watermaster and the members of the Appropriative and Overlying (Non-Agricultural)
15 Pools have all agreed that 86% of MWD’s Tier 1 Untreated Rate is a proper rate to be used
16 temporarily. (Herrema Dec., ¶¶ 6, 7.) It is important that the substitute rate be identified prior to
17 the December 31, 2014 date by which members of the Overlying (Non-Agricultural) Pool must
18 determine whether to make water available for transfer so that they may properly evaluate
19 whether to do so. (Herrema Dec., ¶ 8.) The Court’s approval of a substitute rate under Paragraph
20 9(d) of Exhibit “G” would allow transfers to proceed without further issue, allowing the parties to
21 discuss a long-term solution once MWD’s plan for offering replenishment water in the future
22 becomes clear.

23 **B. Court Approval is Necessary for Watermaster Compliance with the Peace II**
24 **Measures**

25 In its December 21, 2007 Order, this Court approved the amendment to the Restated
26 Judgment to include the current Exhibit “G.” (Order Concerning Motion for Approvals of Peace
27 II Documents (Dec. 21, 2007), at p 7:11-12.) The Court required Watermaster to “proceed in
28 accordance with the second amendment to the Peace Agreement,” and “comply with all

1 commitments it has made in the Peace II documents....” (Order Concerning Motion for
2 Approvals of Peace II Documents (Dec. 21, 2007), at p 7:13-14, p. 8:24-25.) In order to remain
3 compliant with Watermaster’s Peace II obligations and with the terms of Exhibit “G” to the
4 Restated Judgment, Watermaster seeks court approval to temporarily deviate from the terms of
5 the Restated Judgment and utilize the MWD 2015 Tier 1 Untreated rate in place of the MWD
6 Replenishment Rate for transfers under Paragraph 9 of Exhibit G. Watermaster requests that the
7 temporary substitute 86% of the 2015 Tier 1 Untreated Rate apply only for Physical Solution
8 Transfers in Fiscal Year 2014-2015.

9 **IV. CONCLUSION**

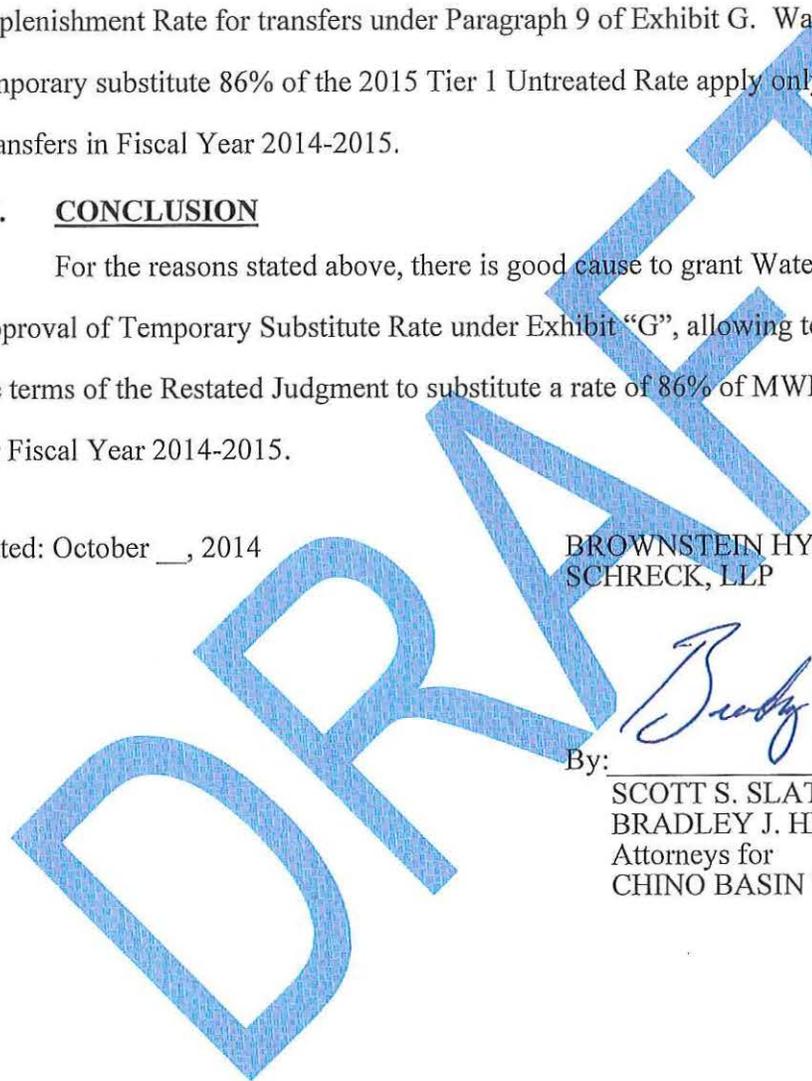
10 For the reasons stated above, there is good cause to grant Watermaster’s Motion for Court
11 Approval of Temporary Substitute Rate under Exhibit “G”, allowing temporary deviation from
12 the terms of the Restated Judgment to substitute a rate of 86% of MWD’s Tier 1 Untreated Rate
13 for Fiscal Year 2014-2015.

14 Dated: October __, 2014

BROWNSTEIN HYATT FARBER
SCHRECK, LLP

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16
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18 By: 

19 SCOTT S. SLATER
20 BRADLEY J. HERREMA
21 Attorneys for
22 CHINO BASIN WATERMASTER



1 **SCOTT SLATER (State Bar No. 117317)**
2 **BRADLEY J. HERREMA (State Bar No. 228976)**
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8 Attorneys for
9 **CHINO BASIN WATERMASTER**

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

13 CHINO BASIN MUNICIPAL WATER
14 DISTRICT,

15 Plaintiff,

16 v.

17 CITY OF CHINO, et al.,

18 Defendant.

Case No. RCV 51010

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

**DECLARATION OF BRADLEY J.
HERREMA IN SUPPORT OF MOTION
FOR COURT APPROVAL OF
TEMPORARY SUBSTITUTE RATE FOR
PHYSICAL SOLUTION TRANSFERS
UNDER EXHIBIT "G" TO THE
JUDGMENT**

19 I, Bradley J. Herrema, declare as follows:

20 1. I am an attorney duly admitted to practice before all of the courts of this State, and
21 am a shareholder in the law firm of Brownstein Hyatt Farber Schreck, LLP, counsel of record for
22 Chino Basin Watermaster ("Watermaster"). I have personal knowledge of the facts stated in this
23 declaration, except where stated on information and belief, and if called as a witness, I could and
24 would competently testify to them under oath. I make this declaration in support of the above-
25 referenced motion.

26 2. As legal counsel for Watermaster, I am familiar with Watermaster's practices and
27 procedures, as well as actions taken by the Pool Committees, Advisory Committee and Board.

28 3. Exhibit "G" to the Judgment in the above-captioned matter is the Overlying Non-
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1 Agricultural Pooling Plan. Paragraph 9 of Exhibit “G,” entitled “Physical Solution Transfers,”
2 provides mechanisms pursuant to which, during the term of the Peace Agreement, the members of
3 the Overlying (Non-Agricultural) Pool have the right to transfer or lease their quantified
4 Production rights and carry-over water held in storage accounts.

5 4. According to Watermaster’s past practice applicable to Physical Solution Transfers
6 pursuant to Exhibit “G” Paragraph 9 to the Judgment, the Metropolitan Water District of Southern
7 California (“MWD”) Replenishment Rate utilized to calculate the rate to be paid for transferred
8 water under Exhibit “G” Paragraph 9(d) is the Replenishment Rate applicable for the calendar
9 year in which Watermaster’s purchase of water, on behalf of the members of the Appropriative
10 Pool, takes place. As applied to transfers in Fiscal Year 2014-2015, as payment would be made
11 by June 30, 2015, MWD’s Replenishment Rate for 2015 would typically be utilized.

12 5. MWD terminated its Replenishment Rate prior to 2013 and there are no
13 indications that it will publish a Replenishment Rate for 2015. Accordingly, Watermaster and the
14 parties to the Judgment will be left without a base rate from which to calculate the required 92%
15 rate for Physical Solution Transfers in Fiscal Year 2014-2015.

16 6. Recognizing this problem, Watermaster, the Overlying (Non-Agricultural) Pool
17 and the Appropriative Pool have agreed to a substitute rate, which is 86% of MWD’s 2015 Tier 1
18 Untreated Rate, applicable to Physical solution Transfers in Fiscal Year 2014-2015. MWD’s
19 2015 Tier 1 Untreated Rate is \$582.00 per acre-foot; 86% of that rate is \$500.52 per acre-foot.

20 7. At their October 9, 2014 regular meetings, the Overlying (Non-Agricultural) and
21 Appropriative Pool Committees each approved this rate substitution for Fiscal Year 2014-2015
22 transfers. At its regular meeting on October 16, 2014, the Advisory Committee approved the rate
23 substitution, and at its regular meeting on October 23, 2014, the Watermaster Board approved the
24 rate substitution.

25 8. It is important that the rate for Physical Solution Transfers be identified prior to
26 the December 31, 2014 date by which members of the Overlying (Non-Agricultural) Pool must
27 determine whether to make water available for transfer so that they may properly evaluate

28 whether to do so;
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1 I declare under penalty of perjury under the laws of the State of California that the
2 foregoing is true and correct. Dated this __ day of October, 2014, at Rancho Cucamonga, CA.
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Bradley J. Herrema
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BROWNSTEIN HYATT FARBER SCHRECK, LLP
1020 State Street
Santa Barbara, CA 93101-2711

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

B. SAFE YIELD RECALCULATION AND RESET



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: October 23, 2014
TO: Board Members
SUBJECT: Safe Yield Recalculation and Reset

SUMMARY

Issue: According to the Judgment and Peace Agreement the Safe Yield of the Basin needs to be recalculated.

Recommendation: Review staff's proposal, prepared at the direction of the Board. If the Board desires, direct staff to prepare a pleading for review at the November 20, 2014 Board meeting.

Financial Impact: There is no financial impact to Watermaster as a result of the proposal.

Future Consideration

Watermaster Board: October 23, 2014 [With advice and assistance from Pools and Advisory Committee]

ACTIONS:

October 9, 2014 – Appropriative Pool – Proposal was presented to the Appropriative Pool and after closed session the Pool took no action; however it was indicated verbally that a proposal would be provided before the October 23, 2014 Watermaster Board meeting

October 9, 2014 – Non-Agricultural Pool – Proposal was presented to the Non-Agricultural Pool; no action was taken

October 9, 2014 – Agricultural Pool – Proposal was presented to the Agricultural Pool and after closed session the Pool provided a motion indicating their position on the matter

October 16, 2014 – Advisory Committee – No discussion or action taken

October 23, 2014 – Watermaster Board –

BACKGROUND

According to the Judgment the Chino Basin Safe Yield is to be redetermined periodically. Pursuant to the Optimum Basin Management Program (OBMP) Implementation Plan and Watermaster's Rules and Regulations, in year 2010/11 and every ten years thereafter, Watermaster is to compute the Safe Yield for the prior ten-year period and reset the Safe Yield for the next ten-year period. Following the update of Watermaster's Basin model, beginning in July 2013, Watermaster has held a series of workshops and technical meetings regarding the Basin model update and the Safe Yield recalculation. The latest Safe Yield Board Workshop was held at the Chino Basin Water Conservation District on September 16, 2014.

DISCUSSION

Watermaster staff, legal counsel, and engineering consultants briefed the Board at the September 16, 2014 Safe Yield Board Workshop. During the workshop Watermaster staff presented the possibility of using a "prospective" base period approach to calculate the yield of the basin, relying on the model and projections of pumping and hydrology for the period of 2001-2020. This methodology was developed at the request of the Appropriative Pool as an alternative to using the 2001-2010 base period, called the "retrospective" approach. After presentation of the two methodologies at the September 16, 2014 Board workshop there were no objections to the use of the prospective base period methodology, which estimates a Basin yield of 135,000 AFY. At the September 25, 2014 Board meeting, the Board asked staff to provide a proposal, utilizing the prospective base period methodology, to present to the Pool Committees, Advisory Committee, and Board at their respective October 2014 meetings for review and discussion. Staff's responsive proposal (Attachment 1) was presented to the three Pool Committees on October 9, 2014 and offered to the Advisory Committee on October 16, 2014.

The following actions were taken by each of the three Pool Committees and Advisory Committee:

- The Agricultural Pool Committee after their closed session at the October 9, 2014 meeting, made a motion indicating their position on this matter (Attachment 2).
- The Appropriative Pool Committee after their closed session at the October 9, 2014 meeting opted to hold a Special Meeting on October 16, 2014, during which they worked on their proposal to be presented to the Board at the October 23, 2014 Board meeting (Attachment 3)
- The Non-Agricultural Pool Committee at their October 9, 2014 took no action.
- The Advisory Committee was given a summary of what transpired at the Pool Committee Meetings and was afforded the opportunity to view staff's proposal in case any members were absent at the Pool Committee meetings. The Advisory Committee declined to view the proposal as they had all seen it previously.

Staff requests direction from the Board as to its preparation of a pleading for filing with the Court regarding the reset of the Basin Yield and the resolution of remaining issues regarding the effects of the reset and Appropriative Pool issues regarding allocation of the Basin yield.

ATTACHMENTS

1. Staff Proposal for Motion for Reset of Basin Yield
2. Agricultural Pool Motion after 10/9/14 Closed Session
3. Appropriative Pool Proposal

CHINO BASIN WATERMASTER

Staff Proposal for Motion for
Reset of Basin Yield

Board Meeting
October 23, 2014





Base Period

- ▣ Prospective Base Period is recommended
 - The OBMP Implementation Plan and Rules and Regulations provide for use of 2001-2010.
 - 2001-2010 -lower than average precipitation and rapidly changing land use.
 - Prospective evaluation using the 2011-2020 period is more representative of anticipated yield.



Basin Yield

- ▣ The updated Basin model is sound.
- ▣ The 2011-2020 Base Period yield projection is 135,000 AFY.
- ▣ Use of a “corrector” is necessary.
- ▣ Watermaster retains discretion to petition the Court if it believes that the Basin yield should be changed prior to the next recalculation and reset.
- ▣ Reset effective in Production Year 2014/2015 with subsequent recalculation and reset in Production Year 2020/2021.



Remaining Issues

- ▣ Basin yield reset provides a basis for evaluating the remaining issues:
 - ▣ Unrealized, but allocated, Basin yield; and
 - ▣ Treatment of historical SARUNY
 - ▣ Intra-Appropriative Pool issues related to the allocation of Basin yield including, but not limited to:
 - Desalter induced Santa Ana River underflow during reset period (2014/2015-2019/2020); and
 - Reallocation of unproduced Ag Water.



Court Process

- December filing (to be approved by Board in November 2014):
- ▣ Approve the 135,000 yield effective 2014/15; corrector mechanism; reset in 2020/21
 - ▣ Resolve remaining issues by April 30, 2015, for Court ruling prior to the close of the Production Year (June 30, 2015).
 - ▣ Resolution on this schedule will not harm the Basin, which is protected through OBMP protective mechanisms and other measures, e.g.:
 - Sustainability issues: implementation of the RMPU Amendment projects;
 - Subsidence: Watermaster's Land Subsidence Committee Plan"; and
 - CDA expansion impacts: mitigation mechanisms identified in Peace II SEIR.

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October 9, 2014 Agricultural Pool Report out of Closed Session

Agricultural Pool Motion:

"The Overlying Agricultural Pool (Ag Pool) is unable to support the Watermaster staff's proposal regarding the proposed motion on the safe yield recalculation presented during the October 9, 2014 Ag Pool meeting. The Ag Pool has studied all available data and information provided by the Watermaster regarding the safe yield in the Chino Basin. As a result, the Ag Pool is informing Watermaster staff that the only safe yield recalculation that is legally and factually supportable would be one that follows the existing Watermaster Rules and Regulations. To wit, the recalculation of the Safe Yield "shall be recalculated in year 2010/11 based upon data from the ten-year period 2000/01 to 2009/10." The Ag Pool supports a Safe Yield recalculation of 130,500 AFY retroactive to 2010/11.

Additionally we advise the Watermaster Board that in order to resolve all other remaining issues presented by the October 9, 2014 Staff Proposal for Motion for Reset of Basin Yield, a facilitated process among all parties is appropriate and should be immediately initiated."

Appropriative Pool

Chair: Marty Zvirbulis
Vice-Chair: Scott Burton

Chino Basin Watermaster

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



October 16, 2014

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

Re: Appropriative Pool Safe Yield Reset Proposal

Board of Directors:

As you are aware, and was stated during the September 16th Watermaster Board meeting Recalculation and Reset Workshop, the Appropriative Pool (AP) continues to make substantial progress with respect to the proposed 135,000 AFY Safe Yield reset number and related matters that have been categorized as accounting and basin management measures. Since that time, the AP has continued to meet and last week provisionally reached agreement on the following AP reset proposal that substantially comports with the October 9th Watermaster staff reset proposal.

Safe Yield Reset

Effective Production Year beginning July 1, 2015, the AP accepts the Developed Yield number of 135,000 AFY as Safe Yield using 2015-16 through 2024-25 Base Period (Prospective Base Period), but this is contingent upon the development of a true-up mechanism to include stormwater recharge from MS4 projects. The next reset date would be effective no later than July 1, 2025, with notice¹ provided by July 1, 2020.

The AP has engaged the services of Thomas Harder & Company to review with Wildermuth Environmental Inc. the technical bases for the most appropriate Base Period. There were also communications with Robert Wagner of Wagner & Bonsignore, on behalf of the Chino Basin Water Conservation District. The experts agree there is technical support for the Prospective Base Period. The AP is not aware Watermaster parties or other Pools have engaged the services of qualified experts, other than the

¹ The AP's position regarding "Notice", with reference to the Judgment, is the Notice must include the proposed Safe Yield reset amount if it is to be implemented five years later.

work performed by Wildermuth Environmental, Inc. on behalf of Watermaster, to determine technical support for the Base Period or Prospective Base Period.

Assumptions from the time of the Peace Agreement in 2000 regarding 2001-10 cultural conditions including, but not limited to: Agricultural Pool groundwater production, transition of agricultural to urban land uses, the economic downturn, desalter production and precipitation projections were not accurate. For these reasons, use of the Prospective Base Period is appropriate legally and supported by substantial technical evaluation over the last several months.²

Accounting Issues

The AP will internally negotiate and no later than April 30, 2015 make recommendations to Watermaster, including: SARUNY dedication to desalter replenishment; allocation/methodology for the allocation of unpumped Agricultural Pool water addressing backfill for SARUNY and Stormwater New Yield; and other issues that may be pertinent to allocation.

Basin Management

The AP affirms its commitments to basin protective measures including: continued OBMP implementation to enhance yield, groundwater production sustainability, mitigation of proven impacts due to unreplenished production and protecting parties from Material Physical Injury. Further, the AP commits to working with Watermaster to develop a comprehensive storage management plan by December 2015 to offset projected impacts from recaptured groundwater from local storage accounts.

Other Considerations

The AP's proposal is subject to the opportunity by the AP, other Pools and Advisory Committee to review and act on the proposed reset motion to the Court.

The Wildermuth Environmental, Inc. model has not been reviewed or tested by the AP with respect to retrospective application concerning, among other things, historical production accounting and resulting unrealized Basin yield.³ Accordingly, its value as a forensic tool for this purpose in conjunction with the understanding there has been no statement by any party, Pool or declaration from Watermaster the Basin is in Undesirable Result conditions is not technically supportable and consequently not

² This does not necessarily preclude use of the 2001-10 Base Period as the basis for the Safe Yield reset. Use of a retrospective Base Period because of previously agreed-upon assumptions now known to be inaccurate, however, should not be used as a legal barrier surrogate for directly addressing policy disagreements concerning the Safe Yield reset amount and resulting allocations of yield among AP members.

³ This term was used during the October 9th Watermaster staff proposal. The AP understands several euphemisms have been used over the course of Safe Yield reset discussions in reference to actual vs. assumed groundwater production, with such actual/assumed production discrepancies primarily involving and emanating from the Agricultural Pool.

appropriate. Rather, the protective/no harm mechanisms cited by Watermaster staff as recently as October 9th, as may further be augmented by Basin management measures, are intended and will operate to preclude an Undesirable Result.⁴

Finally, the AP believes the investment of monies by the AP in protective basin management measures is the most effective and beneficial approach to address unrealized Basin yield.

Sincerely,

A handwritten signature in black ink, appearing to read 'Martin Zvirbulis', written in a cursive style.

Martin Zvirbulis
Chairman
Chino Basin Appropriative Pool

⁴ The AP supports WM staff's proposed reserved corrector /reset discretion approach as an additional adaptive Basin management protective mechanism to proactively avoid an Undesirable Result.

CHINO BASIN WATERMASTER

IV. INFORMATION

1. Cash Disbursements for September 2014

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2014

For Informational Purposes Only

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
Bill Pmt -Check	09/04/2014	18061	APPLIED COMPUTER TECHNOLOGIES	2522	1012 · Bank of America Gen'l Ckg	
Bill	08/29/2014	2522		Database Consulting Services - August 2014	6052.2 · Applied Computer Technol	3,747.20
TOTAL						<u>3,747.20</u>
Bill Pmt -Check	09/04/2014	18062	CHEF DAVE'S CAFE & CATERING	4985	1012 · Bank of America Gen'l Ckg	
Bill	08/29/2014	4985		Lunch for 8/28/14 Board meeting	6312 · Meeting Expenses	375.20
TOTAL						<u>375.20</u>
Bill Pmt -Check	09/04/2014	18063	COMPUTER NETWORK	90828	1012 · Bank of America Gen'l Ckg	
Bill	08/29/2014	90828		Toughbook screen repair	6055 · Computer Hardware	527.99
TOTAL						<u>527.99</u>
Bill Pmt -Check	09/04/2014	18064	OFFICE PRIDE	317822	1012 · Bank of America Gen'l Ckg	
Bill	09/02/2014	317822			6024 · Building Repair & Maintenance	988.32
TOTAL						<u>988.32</u>
Bill Pmt -Check	09/04/2014	18065	PARK PLACE COMPUTER SOLUTIONS, INC.	490	1012 · Bank of America Gen'l Ckg	
Bill	08/29/2014	490		IT Consulting Services - August 2014	6052.1 · Park Place Comp Solutn	3,525.00
TOTAL						<u>3,525.00</u>
Bill Pmt -Check	09/04/2014	18066	VERIZON		1012 · Bank of America Gen'l Ckg	
Bill	08/26/2014	012519128144592510		012519128144592510	6022 · Telephone	278.65
Bill	08/29/2014	012561121521714508		012561121521714508	7405 · PE4-Other Expense	186.45
TOTAL						<u>465.10</u>
Bill Pmt -Check	09/04/2014	18067	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	08/27/2014	001017890001		Vision insurance - September 2014	60182.2 · Dental & Vision Ins	112.18
TOTAL						<u>112.18</u>
Bill Pmt -Check	09/04/2014	18068	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
Bill	09/02/2014	08-k2 213849		Disposal service for September 2014	6024 · Building Repair & Maintenance	106.53
TOTAL						<u>106.53</u>
Bill Pmt -Check	09/10/2014	18069	ACWA	ACWA 2014 Fall Conference Registration	1012 · Bank of America Gen'l Ckg	
Bill	09/02/2014			Reg. for PK-ACWA 2014 Fall Conf. - Dec. 2-5, 2014	6193.2 · Conference - Registration Fee	695.00
TOTAL						<u>695.00</u>
Bill Pmt -Check	09/10/2014	18070	ACWA JOINT POWERS INSURANCE AUTHORITY	0308310	1012 · Bank of America Gen'l Ckg	
Bill	09/09/2014	0308310		Prepayment - October 2014	1409 · Prepaid Life, BAD&D & LTD	107.22
				September 2014	60191 · Life & Disab.Ins Benefits	119.90

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2014

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						227.12
Bill Pmt -Check	09/10/2014	18071	BOWCOCK, ROBERT		1012 · Bank of America Gen'l Ckg	
Bill	08/21/2014	8/21 Joint Projects		8/21/14 Joint IEUA/CBWM Recharge Proj. Mtg	6311 · Board Member Compensation	125.00
Bill	08/28/2014	8/28 Board Mtg		8/28/14 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	09/10/2014	18072	CHARLES Z. FEDAK & COMPANY		1012 · Bank of America Gen'l Ckg	
Bill	08/31/2014			Progress billing - August 2014	6062 · Audit Services	3,315.00
TOTAL						3,315.00
Bill Pmt -Check	09/10/2014	18073	COSTCO WHOLESALE	7003-7309-1000-2744	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2014	7003730910002744		Miscellaneous office supplies	6031.7 · Other Office Supplies	503.81
				Toner supplies	6031.7 · Other Office Supplies	291.36
TOTAL						795.17
Bill Pmt -Check	09/10/2014	18074	CRAIG, ROBERT		1012 · Bank of America Gen'l Ckg	
Bill	08/07/2014	8/07 SY Recalc		8/07/14 Safe Yield Recalc. & Related Matters Mtg	6311 · Board Member Compensation	125.00
Bill	08/14/2014	8/14 Appro Pool Mtg		8/14/14 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	08/21/2014	8/21 Advis Comm		8/21/14 Advisory Committee Meeting	6311 · Board Member Compensation	125.00
Bill	08/26/2014	8/26 Bd Officers Mtg		8/26/14 Board Officers & Pool Chairs Qtrly Mtg	6311 · Board Member Compensation	125.00
Bill	08/28/2014	8/28 Board Mtg		8/28/14 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						625.00
Bill Pmt -Check	09/10/2014	18075	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	7/31 Ag Pool Meeting		7/31/14 Ag Pool Special Planning Meeting	8411 · Compensation	25.00
				Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	09/10/2014	18076	DURRINGTON, GLEN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/14/2014	8/14 Ag Pool Mtg		8/14/14 Ag Pool Meeting	8411 · Compensation	25.00
				Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	09/10/2014	18077	EGOSCUE LAW GROUP	10764	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2014	10764		Ag Pool legal services - August 2014	8467 · Ag Legal & Technical Services	2,145.00
TOTAL						2,145.00
Bill Pmt -Check	09/10/2014	18078	ELIE, STEVEN		1012 · Bank of America Gen'l Ckg	
Bill	08/07/2014	8/07 SY Recalc		8/07/14 Safe Yield Recalc. & Related Matters Mtg	6311 · Board Member Compensation	125.00
Bill	08/28/2014	8/28 Board Mtg		8/28/14 Board Meeting	6311 · Board Member Compensation	125.00

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2014

For Informational Purposes Only

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
TOTAL						250.00
Bill Pmt -Check	09/10/2014	18079	FEENSTRA, BOB		1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	7/31 Ag Pool Mtg		7/31/14 Ag Pool Special Planning Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	08/14/2014	8/14 Ag Pool Mtg		8/14/14 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	08/21/2014	8/21 Advisory Comm		8/21/14 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						375.00
Bill Pmt -Check	09/10/2014	18080	HALL, PETE*		1012 · Bank of America Gen'l Ckg	
Bill	08/07/2014	8/07 SY Recalc		8/07/14 Safe Yield Recalc. & Related Matters Mtg	8470 · Ag Meeting Attend -Special	125.00
Bill	08/14/2014	8/14 Appro Pool Mtg		8/07/14 Appropriative Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	08/14/2014	8/14 Ag Pool Mtg		8/14/14 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	08/21/2014	8/21 Joint Projects		8/21/14 Joint IEUA/CBWM Recharge Proj. Mtg	8470 · Ag Meeting Attend -Special	125.00
Bill	08/21/2014	8/21 Advisory Comm		8/21/14 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	08/21/2014	8/21 SY Recalc		8/21/14 Safe Yield Recalc. & Related Matters Mtg	8470 · Ag Meeting Attend -Special	125.00
Bill	08/28/2014	8/28 Board Mtg		8/28/14 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						875.00
P108 TOTAL						
Bill Pmt -Check	09/10/2014	18081	HOGAN LOVELLS	2839026	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2014	2839026		Non-Ag Pool legal services - July 2014	8567 · Non-Ag Legal Service	6,993.80
TOTAL						6,993.80
Bill Pmt -Check	09/10/2014	18082	KOOPMAN, GENE	Ag Pool Member Meeting Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	7/31 Ag Pool Mtg		7/31/14 Ag Pool Special Planning Meeting	8411 · Compensation	25.00
				Ag Pool Member Meeting Compensation	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	09/10/2014	18083	KUHN, BOB		1012 · Bank of America Gen'l Ckg	
Bill	08/07/2014	8/07 SY Recalc		8/07/14 Safe Yield Recalc. & Related Matters Mtg	6311 · Board Member Compensation	125.00
Bill	08/21/2014	8/21 Advisory Comm		8/21/14 Advisory Committee Meeting	6311 · Board Member Compensation	125.00
Bill	08/28/2014	8/28 Board Mtg		8/28/14 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	09/10/2014	18084	MIJAC ALARM	358951	1012 · Bank of America Gen'l Ckg	
Bill	09/02/2014	358951		Fire monitoring 9/01/14-11/30/14	6026 · Security Services	396.00
				Reports 9/01/14-11/30/14	6026 · Security Services	54.00
				Commercial monitoring 9/01/14-11/30/14	6026 · Security Services	147.00
TOTAL						597.00
Bill Pmt -Check	09/10/2014	18085	MONTE VISTA WATER DIST		1012 · Bank of America Gen'l Ckg	
Bill	01/23/2014	1/23 Board Mtg		1/23/14 Board Meeting Comp. - Mark Kinsey	6311 · Board Member Compensation	125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2014

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	· Paid Amount
Bill	02/04/2014	2/04	Fontana Mtg	2/04/14 City of Fontana Resolution Disc. Mtg #4	6311 · Board Member Compensation	125.00
Bill	02/11/2014	2/11	Admin Mtg	2/11/14 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	02/24/2014	2/24	Board Briefing	2/24/14 Board Briefing	6311 · Board Member Compensation	125.00
Bill	02/27/2014	2/27	Board Meeting	2/27/14 Board Meeting	6311 · Board Member Compensation	125.00
Bill	03/13/2014	3/13	Appro Pool Mtg	3/13/14 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	03/27/2014	3/27	Board Mtg	3/27/14 Board Meeting	6311 · Board Member Compensation	125.00
Bill	03/31/2014	3/31	Admin Mtg	3/31/14 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	04/08/2014	4/08	Spec Bd Mtg	4/08/14 Special Board Meeting	6311 · Board Member Compensation	125.00
Bill	04/24/2014	4/24	Board Mtg	4/24/14 Board Meeting	6311 · Board Member Compensation	125.00
Bill	04/28/2014	4/28	Court Debrief	4/28/14 Court debriefing re 4/25 court hearing	6311 · Board Member Compensation	125.00
Bill	05/13/2014	5/13	Appro Pool Mtg	5/13/14 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	05/15/2014	5/15	Advisory Comm	5/15/14 Advisory Committee Meeting	6311 · Board Member Compensation	125.00
Bill	05/22/2014	5/22	Board Meeting	5/22/14 Board Meeting	6311 · Board Member Compensation	125.00
Bill	06/19/2014	6/19	Advisory Comm	6/19/14 Advisory Committee Meeting	6311 · Board Member Compensation	125.00
Bill	06/19/2014	6/26	Board Mtg	6/26/14 Board Meeting	6311 · Board Member Compensation	125.00
Bill	07/10/2014	7/10	Appro Pool Mtg	7/10/14 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	07/24/2014	7/24	Board Mtg	7/24/14 Board Meeting	6311 · Board Member Compensation	125.00
Bill	08/21/2014	8/21	SY Recalc	8/21/14 Safe Yield Recalc. & Related Matters Mtg	6311 · Board Member Compensation	125.00
Bill	08/28/2014	8/28	Board Mtg	8/28/14 Board Meeting - Martinez attended	6311 · Board Member Compensation	125.00
						2,500.00
P104						
Bill Pmt -Check	09/10/2014	18086	PAYCHEX	2014082800	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2014	2014082800		August 2014	6012 · Payroll Services	278.63
						278.63
TOTAL						
Bill Pmt -Check	09/10/2014	18087	PIERSON, JEFFREY		1012 · Bank of America Gen'l Ckg	
Bill	07/31/2014	7/31	Ag Pool Meeting	7/31/14 Ag Pool Special Planning Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	08/07/2014	8/07	SY Recalc	8/07/14 Safe Yield Recalc. & Related Matters Mtg	8470 · Ag Meeting Attend -Special	125.00
Bill	08/14/2014	8/14	Ag Pool Mtg	8/14/14 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	08/21/2014	8/21	Joint Projects	8/21/14 Joint IEUA/CBWM Recharge Proj. Mtg	8470 · Ag Meeting Attend -Special	125.00
Bill	08/21/2014	8/21	Advisory Comm	8/21/14 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	08/21/2014	8/21	SY Recalc	8/21/14 Safe Yield Recalc. & Related Matters Mtg	8470 · Ag Meeting Attend -Special	125.00
Bill	08/28/2014	8/28	Board Mtg	8/28/14 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
						875.00
TOTAL						
Bill Pmt -Check	09/10/2014	18088	PREMIERE GLOBAL SERVICES	16918641	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2014	16918641		RMPU call on 7/28	7204 · Comp Recharge-Supplies	55.70
				Cost sharing agreement call on 7/30	6909.1 · OBMP Meetings	27.59
				WM Coordination call on 8/04	6909.1 · OBMP Meetings	35.72
				Agenda call on 8/05	8312 · Meeting Expenses	1.36
				Agenda call on 8/05	8412 · Meeting Expenses	1.36

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2014

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
				Agenda call on 8/05	8512 · Meeting Expense	1.35
				WM items re Appropriative Pool call on 8/06	8312 · Meeting Expenses	13.85
				WM items re Appropriative Pool call on 8/06	8312 · Meeting Expenses	72.17
				WM coordination call on 8/11	6909.1 · OBMP Meetings	52.97
				Pool meetings check call on 8/13	8512 · Meeting Expense	15.13
				Pool meetings check call on 8/13	8312 · Meeting Expenses	15.13
				Pool meetings check call on 8/13	8412 · Meeting Expenses	15.12
				WM items call on 8/13	6909.1 · OBMP Meetings	20.98
				Non-Ag Pool meeting call on 8/14	8512 · Meeting Expense	31.61
				WM Coordination call on 8/18	6909.1 · OBMP Meetings	15.58
				Safe Yield call on 8/20	6909.1 · OBMP Meetings	16.88
				Safe Yield call on 8/21	6909.2 · OBMP Mailing Expense	20.46
				457 Plan call on 8/25	6909.2 · OBMP Mailing Expense	8.00
				WM Coordination call on 8/25	6909.2 · OBMP Mailing Expense	10.29
				Fee - Confidential	6022 · Telephone	49.00
				Fee - General	6022 · Telephone	49.00
TOTAL						529.25
P109	Bill Pmt -Check	09/10/2014	18089	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg
	General Journal	08/30/2014	08/30/2014	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 08/17/14-08/30/14	2000 · Accounts Payable
TOTAL						7,899.15
	Bill Pmt -Check	09/10/2014	18090	R&D PEST SERVICES	0181179	1012 · Bank of America Gen'l Ckg
	Bill	09/04/2014	0181179		Pest control-Office	6024 · Building Repair & Maintenance
TOTAL						85.00
	Bill Pmt -Check	09/10/2014	18091	STAPLES BUSINESS ADVANTAGE	8031038460	1012 · Bank of America Gen'l Ckg
	Bill	08/31/2014	8031038460		Miscellaneous office supplies	6031.7 · Other Office Supplies
					Miscellaneous office supplies	6031.7 · Other Office Supplies
					Toner	6031.7 · Other Office Supplies
					Miscellaneous office supplies	6031.7 · Other Office Supplies
TOTAL						116.74
	Bill Pmt -Check	09/10/2014	18092	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg
	Bill	08/31/2014	7076224530355049		7076-2245-3035-5049	6175 · Vehicle Fuel
TOTAL						152.50
	Bill Pmt -Check	09/10/2014	18093	VANDEN HEUVEL, GEOFFREY	6311	1012 · Bank of America Gen'l Ckg
	Bill	08/14/2014	8/14 Ag Pool Mtg		8/14/14 Ag Pool Meeting	6311 · Board Member Compensation
	Bill	08/28/2014	8/28 Board Mtg		8/28/14 Board Meeting	6311 · Board Member Compensation
TOTAL						125.00
TOTAL						250.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2014

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/10/2014	18094	VANDEN HEUVEL, ROB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/14/2014	8/14 Ag Pool Mtg		8/14/2014 Pool Meeting	8411 · Compensation	25.00
				Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	09/11/2014	18095	SANTA ANA RIVER WATER COMPANY		1012 · Bank of America Gen'l Ckg	
Bill	06/26/2014	6/26 Board Mtg		6/26/14 Board Meeting	6311 · Board Member Compensation	125.00
Bill	06/30/2014	1/23/14 Board Mtg		1/23/14 Board Meeting	6311 · Board Member Compensation	125.00
Bill	06/30/2014	2/20/14 Advis Comm		2/20/14 Advisory Committee Meeting	6311 · Board Member Compensation	125.00
Bill	06/30/2014	2/24/14 Board Brief		2/24/14 Board Briefing	6311 · Board Member Compensation	125.00
Bill	06/30/2014	2/27/14 Board Mtg		2/27/14 Board Meeting	6311 · Board Member Compensation	125.00
Bill	06/30/2014	3/13/14 Appro Pool		3/13/14 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	06/30/2014	3/18/14 Personnel		3/18/14 Personnel Committee Meeting	6311 · Board Member Compensation	125.00
Bill	06/30/2014	3/27/14 Board Mtg		3/27/14 Board Meeting	6311 · Board Member Compensation	125.00
Bill	06/30/2014	4/01/14 Board Offers		4/01/14 Board Officers & Chairs Quarterly Mtg	6311 · Board Member Compensation	125.00
Bill	06/30/2014	4/07/14 Personnel		4/07/14 Personnel Committee Meeting	6311 · Board Member Compensation	125.00
Bill	06/30/2014	4/08/14 Spec Board		4/08/14 Special Board Meeting	6311 · Board Member Compensation	125.00
Bill	06/30/2014	4/10/14 Appro Pool		4/10/14 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	06/30/2014	4/17/14 Advisory Mtg		4/17/14 Advisory Committee Meeting	6311 · Board Member Compensation	125.00
Bill	06/30/2014	4/24/14 Board Mtg		4/24/14 Board Meeting	6311 · Board Member Compensation	125.00
Bill	06/30/2014	4/28/14 Court Brief		4/28/14 Court debriefing Meeting	6311 · Board Member Compensation	125.00
Bill	06/30/2014	5/22/14 Board Mtg		5/22/14 Board Meeting	6311 · Board Member Compensation	125.00
Bill	07/01/2014	7/01 Quarterly Board		7/01/14 Board Officers & Chairs Quarterly Mtg	6311 · Board Member Compensation	125.00
Bill	07/10/2014	7/10 Appro Pool Mtg		7/10/14 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	07/17/2014	7/17 Appro Pool Mtg		7/17/14 Special Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	07/24/2014	7/24 Board Mtg		7/24/14 Board Meeting	6311 · Board Member Compensation	125.00
Bill	08/14/2014	8/14 Appro Pool Mtg		8/14/14 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	08/26/2014	8/26 Bd Officers Mtg		8/26/14 Board Officers & Pool Chairs Quarterly Mtg	6311 · Board Member Compensation	125.00
Bill	08/28/2014	8/28 Board Mtg		8/28/14 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						2,875.00
Generai Journal	09/13/2014	09/13/2014	Payroll and Taxes for 08/31/14-09/13/14	Payroll and Taxes for 08/31/14-09/13/14	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 08/31/14-09/13/14	1012 · Bank of America Gen'l Ckg	20,078.81
				Garnishments for 08/31/14-09/13/14	1012 · Bank of America Gen'l Ckg	358.18
				Payroll Taxes for 08/31/14-09/13/14	1012 · Bank of America Gen'l Ckg	7,045.11
				Direct Deposits for 08/31/14-09/13/14	1012 · Bank of America Gen'l Ckg	2,065.54
				Payroll Taxes for 08/31/14-09/13/14	1012 · Bank of America Gen'l Ckg	93.72
				Payroll Checks for 08/31/14-09/13/14	1012 · Bank of America Gen'l Ckg	906.78
			ICMA-RC	457 Employee deductions for 08/31/14-09/13/14	1012 · Bank of America Gen'l Ckg	3,263.50
			ICMA-RC	401(a) Employee deductions for 08/31/14-09/13/14	1012 · Bank of America Gen'l Ckg	1,093.36

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2014

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						34,905.00
Bill Pmt -Check	09/17/2014	18096	AUTOMOBILE CLUB OF SO. CALIFORNIA	Membership# 98966125	1012 · Bank of America Gen'l Ckg	
Bill	09/09/2014	98966125		Fleet yearly membership	6177 · Vehicle Repairs & Maintenance	78.00
TOTAL						78.00
Bill Pmt -Check	09/17/2014	18097	CORELOGIC INFORMATION SOLUTIONS	81267993	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2014	81267993		81267993	7103.7 · Grdwtr Qual-Computer Svc	62.50
				81267993	7101.4 · Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	09/17/2014	18098	IAAP	93942242	1012 · Bank of America Gen'l Ckg	
Bill	09/09/2014	93942242		Annual dues for A. Truong - IAAP membership	6111 · Membership Dues	166.00
TOTAL						166.00
Bill Pmt -Check	09/17/2014	18099	PRINTING RESOURCES	61396	1012 · Bank of America Gen'l Ckg	
Bill	09/09/2014	61396		Title plates - CHAIR, VICE CHAIR	6031.7 · Other Office Supplies	65.64
TOTAL						65.64
Bill Pmt -Check	09/17/2014	18100	R&D PEST SERVICES	0181433	1012 · Bank of America Gen'l Ckg	
Bill	09/09/2014	0181433		Pest control-Annex	6024 · Building Repair & Maintenance	45.00
TOTAL						45.00
Bill Pmt -Check	09/17/2014	18101	SOUTHERN CALIFORNIA WATER COMMITTEE	Oct. 23, 2014 Annual Meeting & Dinner Reg.	1012 · Bank of America Gen'l Ckg	
Bill	09/09/2014			Reg. for Kavounas & Maurizio to attend mtg	6193.2 · Conference - Registration Fee	400.00
TOTAL						400.00
Bill Pmt -Check	09/17/2014	18102	STAPLES BUSINESS ADVANTAGE	8031126886	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2014	8031126886		Mahogany frame for Charles Field commendation	6031.7 · Other Office Supplies	19.70
				Miscellaneous office supplies	6031.7 · Other Office Supplies	15.75
				Miscellaneous office supplies	6031.7 · Other Office Supplies	5.50
				Binders for Sept. 16 meeting	6312 · Meeting Expenses	563.54
TOTAL						604.49
Bill Pmt -Check	09/17/2014	18103	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2014				60182.4 · Retiree Medical	28.49
TOTAL						28.49
Bill Pmt -Check	09/17/2014	18104	UNITED PARCEL SERVICE	2x81x0	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2014	2x81x0		Information to Charles Z. Fedak & Company-audit	6042 · Postage - General	20.80
TOTAL						20.80

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2014

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/17/2014	18105	VERIZON WIRELESS	9731491820	1012 · Bank of America Gen'l Ckg	
Bill	09/15/2014	9731491820		Monthly service	6022 · Telephone	295.67
TOTAL						295.67
Bill Pmt -Check	09/22/2014	18106	CUCAMONGA VALLEY WATER DISTRICT	Lease due October 1, 2014	1012 · Bank of America Gen'l Ckg	
Bill	09/15/2014			Lease due October 1, 2014	1422 · Prepaid Rent	6,283.20
TOTAL						6,283.20
Bill Pmt -Check	09/22/2014	18107	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2014	XXXX-XXXX-XXXX-9341		Supplies for pre-court hearing meeting	6909.1 · OBMP Meetings	84.22
				Purchase tabs for Guidance Docs notebooks	6031.7 · Other Office Supplies	127.78
				Purchase extra supplies for office AED Unit	6031.7 · Other Office Supplies	69.88
				Supplies for pre-Ag Pool meeting	8412 · Meeting Expenses	77.21
				Reg. for Truong-attend 8/20/14 Excel Seminar	6192 · Training & Seminars	295.00
				Reg. Kavounas-attend Oct 15-16, 2014 GRA Conf.	6190 · Conferences & Seminars	405.00
				Airfare-Kavounas-attend Oct 15-16, 2014 GRA Conf	6191 · Conferences - General	233.70
				Earlybird check-in on above flight	6191 · Conferences - General	25.00
				Reg. Wilson/Truong/Ruiz attend Oct. 4, 2014 IAAP	6192 · Training & Seminars	233.61
				Shuttle airport-Kavounas-Sept. 3, 2014 ACWA mtg	6191 · Conferences - General	17.00
				Parking-airport-Kavounas-Sept. 3, 2014 ACWA mtg	6191 · Conferences - General	23.00
TOTAL						1,591.40
Bill Pmt -Check	09/22/2014	18108	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	09/18/2014	1394905143		Medical insurance - October 2014	60182.1 · Medical Insurance	6,683.72
TOTAL						6,683.72
Bill Pmt -Check	09/22/2014	18109	LEGAL SHIELD	111802	1012 · Bank of America Gen'l Ckg	
Bill	09/15/2014	0111802		Employee deductions - September 2014	60194 · Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	09/22/2014	18110	PITNEY BOWES CREDIT CORPORATION	6684246	1012 · Bank of America Gen'l Ckg	
Bill	09/15/2014	6684246		Property tax bill for leased equipment	6044 · Postage Meter Lease	31.16
TOTAL						31.16
Bill Pmt -Check	09/22/2014	18111	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	09/13/2014	09/13/2014	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 08/31/14-09/13/14	2000 · Accounts Payable	7,899.15
TOTAL						7,899.15
Bill Pmt -Check	09/22/2014	18112	STAPLES BUSINESS ADVANTAGE	8031300056	1012 · Bank of America Gen'l Ckg	
Bill	09/13/2014	8031300056		Miscellaneous office supplies	6031.7 · Other Office Supplies	42.52

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2014

For Informational Purposes Only

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
				Miscellaneous office supplies	6031.7 · Other Office Supplies	13.06
TOTAL						<u>55.58</u>
Bill Pmt -Check	09/22/2014	18113	TW TELECOM	06496593	1012 · Bank of America Gen'l Ckg	
Bill	09/15/2014	06496593		06496593	6053 · Internet Expense	1,031.93
TOTAL						<u>1,031.93</u>
Bill Pmt -Check	09/22/2014	18114	WESTERN DENTAL SERVICES, INC.	11882	1012 · Bank of America Gen'l Ckg	
Bill	09/15/2014	11882		Dental insurance - September 2014	60182.2 · Dental & Vision Ins	15.00
TOTAL						<u>15.00</u>
Bill Pmt -Check	09/24/2014	18115	CHEF DAVE'S CAFE & CATERING	5014	1012 · Bank of America Gen'l Ckg	
Bill	09/16/2014	5014		Lunch for 9/16/14 Board Safe Yield Workshop	6312 · Meeting Expenses	1,044.80
TOTAL						<u>1,044.80</u>
Bill Pmt -Check	09/24/2014	18116	CUCAMONGA VALLEY IAAP	September 24, 2014 Chapter Meeting	1012 · Bank of America Gen'l Ckg	
Bill	09/22/2014			Fee-Wilson, Truong & Ruiz to attend Chapter Mtg	6192 · Training & Seminars	47.00
TOTAL						<u>47.00</u>
P109 Bill Pmt -Check	09/24/2014	18117	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
Bill	08/31/2014	L0177356		L0177356	7108.4 · Hydraulic Control-Lab Svcs	440.00
Bill	08/31/2014	L0177357		L0177357	7108.4 · Hydraulic Control-Lab Svcs	1,592.00
TOTAL						<u>2,032.00</u>
Bill Pmt -Check	09/24/2014	18118	GREAT AMERICA LEASING CORP.	15855597	1012 · Bank of America Gen'l Ckg	
Bill	09/19/2014	15855597		Invoice	6043.1 · Ricoh Lease Fee	3,221.64
TOTAL						<u>3,221.64</u>
Bill Pmt -Check	09/24/2014	18119	THOMAS HARDER & CO	7	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2014	7		August 2014	8306 · Consulting/Engineering Services	2,032.56
TOTAL						<u>2,032.56</u>
					Total Disbursements:	<u><u>112,814.65</u></u>

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CHINO BASIN WATERMASTER

IV. INFORMATION

2. 2014/15 First Interim Organization Performance Report

Chino Basin Watermaster: FY 2014-15 First Interim Organization Performance Report

Specific Goals from GM Performance Evaluation

- [1] Complete the Safe Yield Recalculation
In Progress; planning to continue to interact with the parties to help Watermaster conclude the recalculation.
- [2] Implement the Recharge Master Plan Update according to the approved schedule
Ongoing.
- [3] Address Storage Agreements
Not started at this time; planning to address after the Safe Yield Recalculation effort concludes.
- [4] Create an Administrative Policies Manual (internal to the organization; not related to the Committees).
One Section adopted; reviewing the remaining sections and will present for adoption over time.
- [5] Update the records retention policy
Not started yet; progress on this depends on SharePoint implementation which is progressing.

GM activities

- ☞ Continued outreach to Board and stakeholders
- ☞ Coordinated and participated in AGWT panel presentation on Chino Basin Management
- ☞ Held regular coordination meetings with IEUA and CDA
- ☞ Attended "Climate Change and the Future of Groundwater in California" workshop
- ☞ Attended GRA "Strategies Addressing Challenges of Sustainability and Drought in California" conference
- ☞ Attended GRA "Land Subsidence Symposium"
- ☞ Attended Spring 2014 ACWA conference

Other activities

Safe Yield Recalculation: completed model development and calibration and technical analysis; held four public workshops and numerous meetings to address specific technical questions. Held Board Workshop in September 2014.

RMPU Amendment Implementation: processed Master Agreement with IEUA to establish terms of collaboration between the two agencies; processed a Task Order to initiate pre-design activities on RMPU Amendment projects, and Task Orders to begin two RMPU Amendment projects that were awarded grant funding. Continued to revisit the agreement for use of flood control facilities with SBCFCD; held two quarterly Steering Committee meetings.

Form 9: responded to Ag Pool concerns and facilitated a process to address them, resulting in improved record keeping and documentation (Form 9) of Voluntary Agreements.

Hydraulic Control: continued communication with RWQCB on achievement and maintenance of Hydraulic Control in the Basin.

Provide Recharge Incentives: continued interaction with AP leadership to develop potential incentives to non-parties for recharge, as well as possible alternatives of allocating the cost and benefit of New Yield.

Fontana Stipulation: responded to Fontana's motion in Court and attended Court hearing. The Judge ruled in favor of Watermaster.

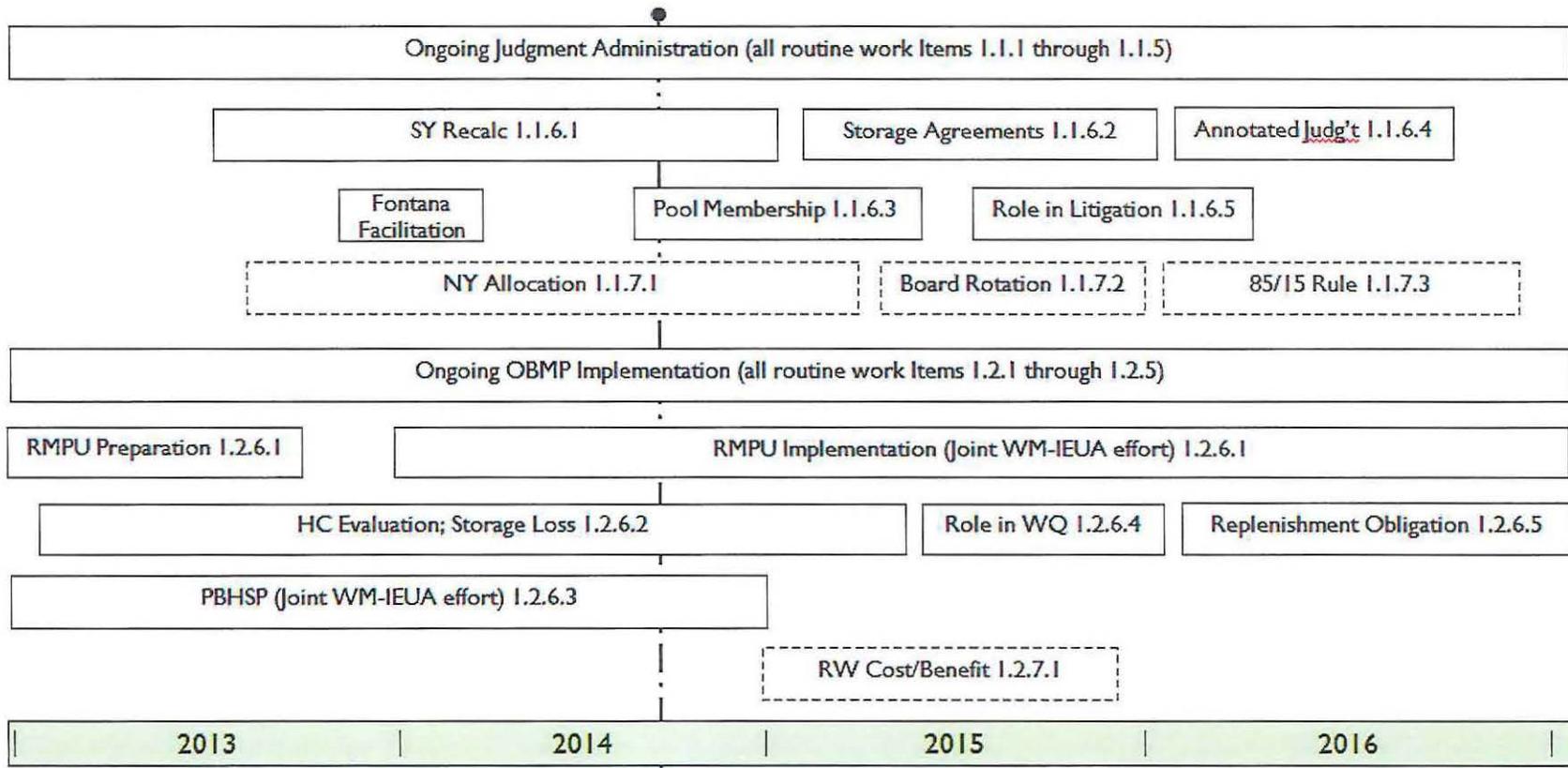
Pulse of the Organization

Personnel: performed salary survey; held CPR/AED/First Aid training for staff, and introducing other training as appropriate; continuing monthly all-hands meetings.

Processes: reviewed record keeping of Non-Ag Pool Assignments; reviewing Non-Ag Pool membership; continuing scanning of records; focused training on SharePoint implementation; moved and organized all CBWM equipment and records to Auxiliary House.

CBWM Business Plan Timeline

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Oct 2014

LEGEND:

CBWM leads

CBWM supports (as desired by Parties)

New Item Since Last Update