

CHINO BASIN WATERMASTER



NOTICE OF MEETING

Thursday, June 25, 2015

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, June 25, 2015

11:00 a.m. – Watermaster Board Meeting

AGENDA

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – June 25, 2015

WITH

Mr. Steve Elie – Chair

Mr. Paul Hofer – 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 May 28, 2015 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2015 *(Page 7)*
2. Watermaster VISA Check Detail for the month of April 2015 *(Page 19)*
3. Combining Schedule for the Period July 1, 2014 through April 30, 2015 *(Page 23)*
4. Treasurer's Report of Financial Affairs for the Period April 1, 2015 through April 30, 2015 *(Page 27)*
5. Budget vs. Actual Report for the Period July 1, 2014 through April 30, 2015 *(Page 31)*

C. MONTE VISTA WATER DISTRICT AQUIFER STORAGE AND RECOVERY AGREEMENT

Approve the updated agreement, and authorize the General Manager to execute on behalf of Watermaster. *(Page 49)*

D. MONTE VISTA WATER DISTRICT OVERLYING (NON-AGRICULTURAL) POOL INTERVENTION REQUEST *(Page 63)*

Approve the request for Intervention and authorize Watermaster Legal Counsel to file a motion with the Court.

E. WATER TRANSACTIONS

1. Notice of Sale or Transfer – The purchase of 5,000.000 acre-feet of water from the City of Upland by Fontana Water Company. This purchase is made from the City of Upland's Excess Carryover Account. *(Page 76)*
2. Notice of Sale or Transfer - The purchase of 4.500 acre-feet of water from The Nicholson Trust by Fontana Water Company. This purchase is made from The Nicholson Trust's Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool). Date of application: April 20, 2015. *(Page 86)*
3. Notice of Sale or Transfer - The permanent transfer of 282.981 acre-feet of Safe Yield from Aqua Capital Management by the City of Ontario (Non-Ag), effective as of the beginning of fiscal year 2015/16. *(Page 96)*

F. NONQUALIFIED DEFERRED COMPENSATION PLAN 457(f) *(Page 107)*

Adopt Resolution 2015-03 approving a 457(f) Nonqualified Deferred Compensation Plan

II. BUSINESS ITEMS**A. CITY OF ONTARIO AGREEMENT FOR THE CONDITIONAL CONTRIBUTION OF SAFE YIELD TO OFFSET FUTURE DESALTER REPLENISHMENT *(Page 133)***

Consider Advisory Committee's recommendation regarding additional legal counsel input; and defer making a decision until after the Ad Hoc Committee has provided input, and the Appropriative and Agricultural Pools and the Advisory Committee have made a recommendation.

B. CHINO BASIN SAFE YIELD REDETERMINATION AND RESET *(Page 157)*

Direct Legal Counsel and staff to finalize and file the Status Report with the Court.

1/

C. GM CONTRACT CONSIDERATION**III. REPORTS/UPDATES****A. LEGAL COUNSEL REPORT**

1. Appropriative Pool Request to Review State Water Resources Control Board Drought Regulations
2. Waters of the United States Rulemaking

B. ENGINEER REPORT

1. State of the Basin Report – Part 2
 - Groundwater Quality
 - Land Subsidence
2. Prado Basin Habitat Sustainability Program
 - Well Drilling, Construction, and Development
 - Monitoring Program Begins
 - Well Completion Report
 - Adaptive Management Plan (Draft)
3. CASGEM Compliance

C. CFO REPORT

1. Exhibit "G" Water Transfers Invoicing
2. Five-Year Projection of Watermaster Expenses

D. GM REPORT

1. CBWM 35th Annual Report
2. City of Ontario Overlying (Non-Agricultural) Pool Proposed Water Right Use And Proposed Methodology
3. Other

IV. INFORMATION

1. Cash Disbursements for May 2015 (*Page 185*)

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 Board meeting for the purpose of discussion and possible action.

1. GM Performance Evaluation

VIII. FUTURE MEETINGS AT WATERMASTER

6/25/15	Thu	11:00 a.m.	Watermaster Board
7/09/15	Thu	9:00 a.m.	Appropriative Pool
7/09/15	Thu	11:00 a.m.	Non-Agricultural Pool
7/09/15	Thu	1:30 p.m.	Agricultural Pool
7/16/15	Thu	9:00 a.m.	Advisory Committee
7/16/15	Thu	9:30 a.m.	Recharge Investigations and Projects Committee (RIPCom)
7/23/15	Thu	11:00 a.m.	Watermaster Board

SAFE YIELD REDETERMINATION AND RESET – DRAFTING OF AGREEMENT

6/26/15	Fri	10:00 a.m.*
7/02/15	Thu	10:00 a.m.*
7/10/15	Fri	10:00 a.m.*
7/17/15	Fri	10:00 a.m.*
7/24/15	Fri	10:00 a.m.*
7/31/15	Fri	10:00 a.m.*
8/07/15	Fri	10:00 a.m.*
8/14/15	Fri	10:00 a.m.*
8/21/15	Fri	10:00 a.m.*
8/28/15	Fri	10:00 a.m.*

*NOTE: These meetings are intended for Parties who have agreed to the confidentiality protocols. The meetings will generally be held from 10am to 12pm.

ADJOURNMENT

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting held on May 28, 2015

DRAFT MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

May 28, 2015

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on May 28, 2015.

WATERMASTER BOARD MEMBERS PRESENT

Steve Elie, Chair
Paul Hofer, Vice-Chair
J. Arnold Rodriguez
Bob Kuhn
Geoffrey Vanden Heuvel
Jim Bowman
Bob Bowcock
Mark Kinsey
Don Galleano

Inland Empire Utilities Agency
Agricultural Pool – Crops
Santa Ana River Water Company
Three Valleys Municipal Water District
Agricultural Pool – Dairy
City of Ontario
Calmat Company (Vulcan Materials Co.)
Monte Vista Water District
Western Municipal Water District

WATERMASTER STAFF PRESENT

Peter Kavounas
Danielle Maurizio
Joseph Joswiak
Anna Truong

General Manager
Assistant General Manager
Chief Financial Officer
Recording Secretary

WATERMASTER CONSULTANTS PRESENT

Scott Slater
Brad Herrema
Mark Wildermuth
Andy Malone
Veva Weamer

Brownstein Hyatt Farber Schreck, LLP
Brownstein Hyatt Farber Schreck, LLP
Wildermuth Environmental, Inc.
Wildermuth Environmental, Inc.
Wildermuth Environmental, Inc.

OTHERS PRESENT

Eunice Ulloa
Pete Hall
Bob Feenstra
Gil Aldaco
Jimmy Gutierrez
Ken Jeske
Scott Burton
Todd Corbin
John Rossi
Sheri Rojo
Justin Scott-Coe
Teri Layton
Raul Garibay
Marty Zvirbulis
David DeJesus
Dave Penrice
Nadeem Majaj
Dave Crosley
Art Kidman
Jose Alire
Matt Ballantyne

Chino Basin Water Conservation District
State of California – CIM
Agricultural Pool – Dairy
City of Chino
Law Offices of Jimmy Gutierrez
California Steel Industries (CSI)
City of Ontario
Jurupa Community Services District
Western Municipal Water District
Fontana Water Company
Monte Vista Water District
San Antonio Water Company
City of Pomona
Cucamonga Valley Water District
Three Valleys Municipal Water District
Aqua Capital Management, LP
City of Chino Hills
City of Chino
Kidman Law, LLP
City of Chino
City of Chino

Glenn Duncan
 Tom Haughey
 Curtis Paxton
 Ramsey Haddad
 Ben Lewis
 Jeff Pierson
 Darron Poulsen
 Tom Bunn
 Ron Craig
 Jo Lynne Russo-Pereyra
 Richard Rees
 Paula Lantz
 Ryan Shaw
 Rosemary Hoerning
 Manny Martinez
 Steve Kennedy

City of Chino
 City of Chino
 Chino Basin Desalter Authority
 California Steel Industries (CSI)
 Golden State Water Company
 Agricultural Pool – Crops
 City of Pomona
 Lagerlof, Senecal, Gosney & Kruse, LLP
 City of Chino Hills
 Cucamonga Valley Water District
 AMEC
 City of Pomona
 City of Ontario
 City of Upland
 Monte Vista Water District
 Brunick, McElhaney, Beckett, Dolen & Kennedy

CALL TO ORDER

Chair Elie called the Watermaster Board meeting to order at 11:01 a.m. He announced the passing of Mr. Bob Craig, Watermaster’s 2014 Chair, and offered condolences to Mr. Craig’s family and to Jurupa Community Services District on behalf of the Watermaster Board and water community.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

None

AGENDA - ADDITIONS/REORDER

(0:01:05) Chair Elie requested Business Item II.D. is taken after confidential session.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board Special Meeting held April 8, 2015
2. Minutes of the Watermaster Board Meeting held April 28, 2015

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2015
2. Watermaster VISA Check Detail for the month of March 2015
3. Combining Schedule for the Period July 1, 2014 through March 31, 2015
4. Treasurer’s Report of Financial Affairs for the Period March 1, 2015 through March 31, 2015
5. Budget vs. Actual Report for the Period July 1, 2014 through March 31, 2015

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 3,000.000 acre-feet of water from the City of Pomona by the Cucamonga Valley Water District. This purchase is made from the City of Pomona’s Excess Carryover Account. Date of application: March 13, 2015.

D. BROWNSTEIN HYATT FARBER SCHRECK – FY 2015/16 BILLING RATE ADJUSTMENT, AMENDMENT TO AGREEMENT FOR LEGAL SERVICES

Approve the FY 2015/16 billing rate adjustment.

E. CBWM FY 2015/16 PAY SCHEDULE

Approve the FY 2015/16 Pay Schedule.

(0:01:24)

Motion by Mr. Jim Bowman, seconded by Mr. Jeff Pierson, and carried unanimously
Moved to approve Consent Calendar as presented

II. BUSINESS ITEMS

A. INTEGRATED RESOURCES PLAN – GROUNDWATER MODELING REIMBURSEMENT AGREEMENT

Approve the Reimbursement Agreement.

(0:01:47) Mr. Kavounas gave a report.

(0:02:35)

Motion by Mr. Bob Bowcock, seconded by Mr. Mark Kinsey, and carried unanimously
Moved to approve Business Item II.A. as presented

B. WATERMASTER FISCAL YEAR 2015/16 PROPOSED BUDGET

Approve the Proposed FY 2015/16 Budget as presented.

(0:02:51) Mr. Kavounas introduced the item.

(0:03:51) Mr. Joswiak gave a presentation. A discussion ensued.

(0:13:50) Ms. Teri Layton with San Antonio Water Company addressed the Board regarding their position on the proposed budget. More discussion ensued.

(0:20:39)

Motion by Mr. Geoffrey Vanden Heuvel, seconded by Mr. Jim Bowman, and carried unanimously
Moved to approve Business Item II.B. as presented

**C. SAFE YIELD RECALCULATION AND RESET FACILITATED PROCESS
(Facilitator's Report and Possible Action)**

(0:21:00) Chair Elie made opening remarks.

(0:22:37) Mr. Kavounas gave a report and introduced Mr. Slater.

(0:24:01) Mr. Slater gave a report. A discussion ensued.

(1:43:16) Motion introduced by Mr. Don Galleano.

(1:55:53) *Motion modified by Mr. Kinsey and Chair Elie*

Motion by Mr. Mark Kinsey, seconded by Mr. Geoffrey Vanden Heuvel, and by unanimous vote
Moved to direct staff and counsel to prepare a status report to the Court for consideration by the Board at its regular meeting on June 25, 2015. Direct staff and counsel to commence coordinating drafting of a binding agreement based on FANDA Key Principles unless either the Agricultural or Non-Agricultural Pool express concerns with the Principles by close of business on June 12, 2015. If necessary, the Board will convene a special meeting on June 16, 2015 to evaluate concerns and take appropriate action.

(2:01:15) Mr. Kavounas thanked Mr. Slater, Mr. Herrema, Mr. Wildermuth, and staff for their hard work in supporting the Safe Yield effort.

D. GM CONTRACT CONSIDERATION

Item continued to June 25, 2015 Board meeting.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. SGMA Basin Boundary Revisions Rulemaking Process

(2:04:28) Mr. Herrema gave a report on the SGMA Basin Boundary Revisions.

(2:07:32) Mr. Slater gave a report on the Appropriative Pool's request regarding the State Water Resources Control Board's drought regulations. A discussion ensued.

(2:11:50) Chair Elie stated that it is acceptable for Mr. Herrema to proceed as Mr. Slater described and for a report to be given at the June 2015 Board meeting.

B. ENGINEER REPORT

1. State of the Basin Report – Part 2
 - Groundwater Quality
 - Land Subsidence
2. Land Subsidence Committee Update
 - Work plan to develop a subsidence management plan for North MZ-1 area
 - 2014 Annual Report
 - Update to MZ-1 Plan

Items continued to June 25, 2015 Board meeting.

C. CFO REPORT

None

D. GM REPORT

1. CBWM 35th Annual Report
2. ACWA Conference
3. Other

Items continued to June 25, 2015 Board meeting.

IV. INFORMATION

1. Cash Disbursements for April 2015

V. BOARD MEMBER COMMENTS

(2:12:21) Mr. Vanden Heuvel requested to hear the Land Subsidence Committee report at the June 2015 Board meeting.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

(2:12:49) Confidential session item deferred to June 25, 2015 Board meeting.

1. GM Performance Evaluation

ADJOURNMENT

(2:12:56) Chair Elie adjourned the Watermaster Board meeting at 1:15 p.m. in memory of Mr. Bob Craig.

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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: June 25, 2015
TO: Board Members
SUBJECT: Cash Disbursement Report - Financial Report B1 (April 30, 2015)

SUMMARY

Issue: Record of cash disbursements for the month of April 30, 2015.

Recommendation: Receive and file Cash Disbursements for April 30, 2015 as presented.

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

Future Consideration

Watermaster Board: June 25, 2015; Receive and File (Normal Course of Business)

ACTIONS:

June 11, 2015 – Appropriative Pool – Unanimously approved
June 11, 2015 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
June 11, 2015 – Agricultural Pool – Unanimously approved
June 18, 2015 – Advisory Committee – Unanimously approved
June 25, 2015 – 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 April 2015 were \$508,760.91.

The most significant expenditures during the month were to Inland Empire Utilities Agency in the amount of \$185,423.12 (check number 18547 dated April 13, 2015); and Brownstein Hyatt Farber Schreck in the amount of \$122,190.23 (check number 18569 dated April 24, 2015).

ATTACHMENTS

1. Financial Report - B1

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2015

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	04/06/2015	ACH 040615	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	03/28/2015	03/28/2015	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 03/15/15-03/28/15	2000 · Accounts Payable	8,018.23
TOTAL						8,018.23
Bill Pmt -Check	04/09/2015	18519	ARROWHEAD MOUNTAIN SPRING WATER	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	03/30/2015	0023230253		Office Water Bottle - March 2015	6031.7 · Other Office Supplies	149.25
TOTAL						149.25
Bill Pmt -Check	04/09/2015	18520	CHARTER COMMUNICATIONS	8245100651455350	1012 · Bank of America Gen'l Ckg	
Bill	04/03/2015	8245100651455350		8245100651455350	6053 · Internet Expense	44.99
TOTAL						44.99
Bill Pmt -Check	04/09/2015	18521	COMPUTER NETWORK	92128	1012 · Bank of America Gen'l Ckg	
Bill	03/26/2015	92128		Replacement laptop for board room	6055 · Computer Hardware	144.72
TOTAL						144.72
Bill Pmt -Check	04/09/2015	18522	HOGAN LOVELLS	2886038	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2015	2886038		Non-Ag Pool Legal Services - February 2015	8567 · Non-Ag Legal Service	2,112.32
TOTAL						2,112.32
Bill Pmt -Check	04/09/2015	18523	MATHIS GROUP		1012 · Bank of America Gen'l Ckg	
Bill	03/31/2015	16747		Consulting Services - 16747	6013 · Human Resources Services	375.00
Bill	03/31/2015	16741		Consulting Services - 16741	6013 · Human Resources Services	562.50
TOTAL						937.50
Bill Pmt -Check	04/09/2015	18524	OFFICE PRIDE	339923	1012 · Bank of America Gen'l Ckg	
Bill	04/01/2015	339923		Janitorial Services - 339923	6024 · Building Repair & Maintenance	988.32
TOTAL						988.32
Bill Pmt -Check	04/09/2015	18525	PARK PLACE COMPUTER SOLUTIONS, INC.	497	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2015	497		IT Consulting Services - March 2015	6052.1 · Park Place Comp Solutn	2,475.00
TOTAL						2,475.00
Bill Pmt -Check	04/09/2015	18526	PAYCHEX	2015032600	1012 · Bank of America Gen'l Ckg	
Bill	03/30/2015	2015032600		March 2015	6012 · Payroll Services	368.07
TOTAL						368.07
Bill Pmt -Check	04/09/2015	18527	STAPLES BUSINESS ADVANTAGE	8033720842	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2015	8033720842		Miscellaneous office supplies	6031.7 · Other Office Supplies	342.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2015

Financial Report B-1

Type	Date	Num	Name	Memo	Account	Paid Amount
				Toner	6031.7 · Other Office Supplies	72.51
				Copier paper	6031.1 · Copy Paper	210.55
TOTAL						625.06
Bill Pmt -Check	04/09/2015	18528	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2015	7076224530355049		Fuel - March 2015	6175 · Vehicle Fuel	69.68
TOTAL						69.68
Bill Pmt -Check	04/09/2015	18529	VERIZON	012561121521714508	1012 · Bank of America Gen'l Ckg	
Bill	03/30/2015	012561121521714508		012561121521714508	7405 · PE4-Other Expense	195.72
TOTAL						195.72
Bill Pmt -Check	04/09/2015	18530	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	03/30/2015	001017890001		Vision Insurance - April 2015	60182.2 · Dental & Vision Ins	99.02
TOTAL						99.02
Bill Pmt -Check	04/09/2015	18531	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
Bill	04/01/2015	08-k2213849		Disposal Service - April 2015	6024 · Building Repair & Maintenance	111.57
TOTAL						111.57
General Journal	04/11/2015	04/11/2015	Payroll and Taxes for 03/29/15-04/11/15	Payroll and Taxes for 03/29/15-04/11/15	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 03/29/15-04/11/15	1012 · Bank of America Gen'l Ckg	22,539.31
				Employee Garnishments for 03/29/15-04/11/15	1012 · Bank of America Gen'l Ckg	125.76
				Payroll Taxes for 03/29/15-04/11/15	1012 · Bank of America Gen'l Ckg	8,433.90
				Payroll Checks for 03/29/15-04/11/15	1012 · Bank of America Gen'l Ckg	1,192.91
			ICMA-RC	457 Employee Deductions for 03/29/15-04/11/15	1012 · Bank of America Gen'l Ckg	3,457.97
			ICMA-RC	401(a) Employee Deductions for 03/29/15-04/11/15	1012 · Bank of America Gen'l Ckg	1,134.17
TOTAL						36,884.02
Bill Pmt -Check	04/13/2015	18532	ACWA JOINT POWERS INSURANCE AUTHORITY	0345117	1012 · Bank of America Gen'l Ckg	
Bill	04/08/2015	0345117		Prepayment - May 2015	1409 · Prepaid Life, BAD&D & LTD	125.20
				April 2015	60191 · Life & Disab.Ins Benefits	131.57
TOTAL						256.77
Bill Pmt -Check	04/13/2015	18533	APPLIED COMPUTER TECHNOLOGIES	2572	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2015	2572		Database Consulting Services - March 2015	6052.2 · Applied Computer Technol	3,057.20
TOTAL						3,057.20
Bill Pmt -Check	04/13/2015	18534	BOWCOCK, ROBERT		1012 · Bank of America Gen'l Ckg	
Bill	03/12/2015	3/12 Ag Pool Mtg		3/12/15 Ag Pool Meeting	6311 · Board Member Compensation	125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2015

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	03/26/2015	3/26 Board Mtg		3/26/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	04/13/2015	18535	BOWMAN, JIM	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/26/2015	3/26 Board Mtg		3/26/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	04/13/2015	18536	COMPUTER NETWORK		1012 · Bank of America Gen'l Ckg	
Bill	03/23/2015	92098		Replacement Server	1840 · Capital Assets	7,668.00
Bill	03/24/2015	92105		Replacement Server	6055 · Computer Hardware	4,642.92
TOTAL						12,310.92
Bill Pmt -Check	04/13/2015	18537	CORELOGIC INFORMATION SOLUTIONS	81440705	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2015	81440705		81440705	7103.7 · Grdwtr Qual-Computer Svc	62.50
				81440705	7101.4 · Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	04/13/2015	18538	COSTCO WHOLESALE	7003-7309-1000-2744	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2015	7003730910002744		Miscellaneous office supplies	6031.7 · Other Office Supplies	1,183.93
TOTAL						1,183.93
Bill Pmt -Check	04/13/2015	18539	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/19/2015	3/19 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/19/15 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	03/24/2015	3/24 Special Ag Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/24/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	04/13/2015	18540	DE HAAN, HENRY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/12/2015	3/12 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/12/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	03/24/2015	3/24 Special Ag Pool		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/24/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	04/13/2015	18541	DURRINGTON, GLEN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/12/2015	3/12 Ag Pool Mtg		3/12/15 Ag Pool Meeting	8411 · Compensation	25.00
				Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2015

Type	Date	Num	Name	Memo	Account	Paid Amount	
Bill Pmt -Check	04/13/2015	18542	EGOSCUE LAW GROUP	10906	1012 · Bank of America Gen'l Ckg		
Bill	03/31/2015	10906		Ag Pool Legal Services - March 2015	8467 · Ag Legal & Technical Services	29,225.00	
TOTAL						29,225.00	
Bill Pmt -Check	04/13/2015	18543	ELIE, STEVEN	Board Member Compensation	1012 · Bank of America Gen'l Ckg		
Bill	03/24/2015	3/24 Admin Mtg		3/24/15 Administrative Meeting w/PK	6311 · Board Member Compensation	125.00	
Bill	03/26/2015	3/26 Board Meeting		3/26/15 Board Meeting	6311 · Board Member Compensation	125.00	
TOTAL						250.00	
Bill Pmt -Check	04/13/2015	18544	FEENSTRA, BOB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg		
Bill	03/12/2015	3/12 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00	
				3/12/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00	
Bill	03/19/2015	3/19 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00	
				3/19/15 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00	
Bill	03/24/2015	3/24 Special Ag Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00	
				3/24/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00	
Bill	03/26/2015	3/26 Board Mtg		3/26/15 Board Meeting	8470 · Ag Meeting Attend -Special	125.00	
TOTAL						500.00	
P12	Bill Pmt -Check	04/13/2015	18545	HALL, PETE*	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	03/04/2015	3/04 Joint Projects		3/04/15 Joint Proj. Committee-East Declez Basin	8470 · Ag Meeting Attend -Special	125.00
	Bill	03/12/2015	3/12 Appro Pool Mtg		3/12/15 Appropriative Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	03/12/2015	3/12 Non Ag Pool Mtg		3/12/15 Non Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	03/12/2015	3/12 Ag Pool Mtg		3/12/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	03/19/2015	3/19 Land Subsidence		3/19/15 Land Subsidence Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	03/19/2015	3/19 RMPU Mtg		3/19/15 RMPU Amendment Steering Committee	8470 · Ag Meeting Attend -Special	125.00
	Bill	03/19/2015	3/19 Advisory Comm		3/19/15 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	03/24/2015	3/24 Special Ag Pool		3/24/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	03/26/2015	3/26 Board Mtg		3/26/15 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						1,125.00	
Bill Pmt -Check	04/13/2015	18546	HUITSING, JOHN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg		
Bill	03/12/2015	3/12 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00	
				3/12/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00	
Bill	03/24/2015	3/24 Special Ag Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00	
				3/24/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00	
TOTAL						250.00	
Bill Pmt -Check	04/13/2015	18547	INLAND EMPIRE UTILITIES AGENCY	90015858	1012 · Bank of America Gen'l Ckg		
Bill	04/01/2015	90015858		Groundwater Recharge O&M Cost Reimbursement	7206 · Comp Recharge-O&M	185,423.12	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2015

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						185,423.12
Bill Pmt -Check	04/13/2015	18548	JESKE, KEN'	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/19/2015	3/19 Advisory Comm		3/19/15 Advisory Committee Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	04/13/2015	18549	KOOPMAN, GENE	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/12/2015	3/12 Ag Pool Mtg		Ag Pool Member Meeting Compensation	8411 · Compensation	25.00
				3/12/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	03/24/2015	3/24 Special Ag Mtg		Ag Pool Member Meeting Compensation	8411 · Compensation	25.00
				3/24/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	04/13/2015	18550	KUHN, BOB	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/12/2015	3/12 Appro Pool Mtg		3/12/15 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	03/19/2015	3/19 Advisory Comm		3/19/15 Advisory Committee Meeting	6311 · Board Member Compensation	125.00
Bill	03/26/2015	3/26 Board Meeting		3/26/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						375.00
P13						
Bill Pmt -Check	04/13/2015	18551	MONTE VISTA WATER DIST	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/19/2015	3/19 Admin Mtg		3/19/15 Administrative Meeting w/PK	6311 · Board Member Compensation	125.00
Bill	03/26/2015	3/26 Board Meeting		3/26/15 Board Meeting - Mark Kinsey attended	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	04/13/2015	18552	PIERSON, JEFFREY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/12/2015	3/12 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/12/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	03/19/2015	3/19 Land Subsidence		3/19/15 Land Subsidence Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	03/19/2015	3/19 RMPU Steering		3/19/15 RMPU Amendment Steering Comm. Mtg.	8470 · Ag Meeting Attend -Special	125.00
Bill	03/19/2015	3/19 Advisory Comm		3/19/15 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	03/24/2015	3/24 Special Ag Pool		3/24/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	03/26/2015	3/26 Board Mtg		3/26/15 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						750.00
Bill Pmt -Check	04/13/2015	18553	PREMIERE GLOBAL SERVICES	18288973	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2015	18288973		SY Recalc call on 2/27	6906.73 · OBMP-Safe Yield Recalculation	117.45
				WM Coordination call on 3/02	6909.1 · OBMP Meetings	29.49
				Joint Projects Committee call on 3/04	6909.1 · OBMP Meetings	39.25
				Call re Desi Alvarez/CalPERS on 3/05	6141.3 · Admin Meetings	18.14
				SY Recalc call on 3/06	6906.73 · OBMP-Safe Yield Recalculation	75.72

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2015

Type	Date	Num	Name	Memo	Account	Paid Amount	
				SY Recalc call on 3/09	6906.73 · OBMP-Safe Yield Recalculation	28.54	
				SY Recalc call on 3/11	6906.73 · OBMP-Safe Yield Recalculation	36.37	
				Pool mtgs check call on 3/11	8312 · Meeting Expenses	1.35	
				Pool mtgs check call on 3/11	8412 · Meeting Expenses	1.35	
				Pool mtgs check call on 3/11	8512 · Meeting Expense	1.36	
				Non Ag Pool mtg call on 3/12	8512 · Meeting Expense	54.52	
				SY Recalc call on 3/13	6906.73 · OBMP-Safe Yield Recalculation	86.34	
				SY Recalc call on 3/16	6906.73 · OBMP-Safe Yield Recalculation	53.76	
				RMPU call on 3/17	7204 · Comp Recharge-Supplies	40.00	
				SY Recalc call on 3/17	6906.73 · OBMP-Safe Yield Recalculation	96.81	
				SY Recalc call on 3/17	6906.73 · OBMP-Safe Yield Recalculation	4.06	
				SY Recalc call on 3/17	6906.73 · OBMP-Safe Yield Recalculation	126.87	
				SY Recalc call on 3/18	6906.73 · OBMP-Safe Yield Recalculation	24.16	
				Joint Projects Committee call on 3/19	6909.1 · OBMP Meetings	4.30	
				Joint Projects Committee call on 3/19	6909.1 · OBMP Meetings	4.07	
				Land Subsidence Committee call on 3/19	6909.1 · OBMP Meetings	4.42	
				SY Recalc call on 3/20	6906.73 · OBMP-Safe Yield Recalculation	139.19	
				SY Recalc call on 3/23	6906.73 · OBMP-Safe Yield Recalculation	76.26	
				Board Agenda review call on 3/24	6312 · Meeting Expenses	8.21	
				SY Recalc call on 3/25	6906.73 · OBMP-Safe Yield Recalculation	12.67	
				SY Recalc call on 3/26	6906.73 · OBMP-Safe Yield Recalculation	88.51	
				Fee - General	6022 · Telephone	49.00	
				Fee - Confidential	6022 · Telephone	49.00	
				Service fee	6022 · Telephone	41.67	
TOTAL						<u>1,312.84</u>	
P 1 4	Bill Pmt -Check	04/13/2015	18554	RODRIGUEZ, ARNOLD	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	03/12/2015	3/12 Appro Pool Mtg		3/12/15 Appropriate Pool Meeting	6311 · Board Member Compensation	125.00
	Bill	03/26/2015	3/26 Board Meeting		3/26/15 Board Meeting	6311 · Board Member Compensation	125.00
	TOTAL						<u>250.00</u>
	Bill Pmt -Check	04/13/2015	18555	STAPLES BUSINESS ADVANTAGE	8033805226	1012 · Bank of America Gen'l Ckg	
	Bill	03/28/2015	8033805226		Miscellaneous office supplies	6031.7 · Other Office Supplies	17.95
TOTAL						<u>17.95</u>	
	Bill Pmt -Check	04/13/2015	18556	VANDEN HEUVEL, GEOFFREY	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	03/12/2015	3/12 Ag Pool Mtg		3/12/15 Ag Pool Meeting	6311 · Board Member Compensation	125.00
	Bill	03/24/2015	3/24 Special Ag Pool		3/24/15 Special Ag Pool Meeting	6311 · Board Member Compensation	125.00
	Bill	03/26/2015	3/26 Board Meeting		3/26/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>375.00</u>	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2015

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	04/13/2015	18557	VANDEN HEUVEL, ROB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/12/2015	3/12 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/12/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	03/24/2015	3/24 Special Ag Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/24/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	04/13/2015	18558	WESTERN MUNICIPAL WATER DISTRICT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/26/2015	3/26 Board Meeting		3/26/15 Board Meeting - Don Galleano attended	6311 · Board Member Compensation	125.00
TOTAL						125.00
Check	04/15/2015	04/15/2015	Service Charge	Service Charge	1012 · Bank of America Gen'l Ckg	
				Service Charge	6039.1 · Banking Service Charges	416.36
TOTAL						416.36
Bill Pmt -Check	04/20/2015	18559	ED BELL	VOID: April 20, 2015 CBWM Board Dinner	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
P15 Bill Pmt -Check	04/20/2015	18560	ED BELL	April 20, 2015 CBWM Board Dinner	1012 · Bank of America Gen'l Ckg	
Bill	04/15/2015			Catering for 4/20/15 CBWM Board dinner	6312 · Meeting Expenses	324.00
TOTAL						324.00
Bill Pmt -Check	04/22/2015	18561	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	04/15/2015	1394905143		Medical Insurance - May 2015	60182.1 · Medical Insurance	7,598.11
TOTAL						7,598.11
Bill Pmt -Check	04/22/2015	18562	CUCAMONGA VALLEY WATER DISTRICT	Lease due May 1, 2015	1012 · Bank of America Gen'l Ckg	
Bill	04/15/2015			Lease due May 1, 2015	1422 · Prepaid Rent	6,283.20
TOTAL						6,283.20
Bill Pmt -Check	04/22/2015	18563	OFFICE DEPOT		1012 · Bank of America Gen'l Ckg	
Bill	03/31/2015	756643610001		Binders	6031.7 · Other Office Supplies	22.65
Bill	03/31/2015	756642798001		Miscellaneous office supplies	6031.7 · Other Office Supplies	36.40
TOTAL						59.05
Bill Pmt -Check	04/22/2015	18564	STAPLES BUSINESS ADVANTAGE	8033909226	1012 · Bank of America Gen'l Ckg	
Bill	04/04/2015	8033909226		Miscellaneous office supplies	6031.7 · Other Office Supplies	87.72
TOTAL						87.72

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2015

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	04/22/2015	18565	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2015				60182.4 · Retiree Medical	25.76
TOTAL						25.76
Bill Pmt -Check	04/22/2015	18566	THOMAS HARDER & CO	Consulting Services	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2015	12		Jan & Feb 2015	8306 · Consulting/Engineering Services	12,026.34
Bill	03/31/2015	13		March 2015	8306 · Consulting/Engineering Services	1,483.78
TOTAL						13,510.12
Bill Pmt -Check	04/22/2015	18567	VERIZON WIRELESS	9743401778	1012 · Bank of America Gen'l Ckg	
Bill	04/15/2015	9743401778		Monthly service	6022 · Telephone	296.67
TOTAL						296.67
Bill Pmt -Check	04/23/2015	ACH 042315	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	04/23/2015	04/23/2015	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 03/29/15-04/11/15	2000 · Accounts Payable	8,194.92
TOTAL						8,194.92
Bill Pmt -Check	04/24/2015	18568	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2015	XXXX-XXXX-XXXX-9341		Uniform shirt for field staff	6154 · Uniforms	21.60
				Reg. fee-PK-attend 2015 State of the City conferenc	6192 · Training & Seminars	50.00
				Lunch-03/18/15 Land Subsidence Committee Mtg.	6909.1 · OBMP Meetings	232.91
				Admin. Mtg. w/Kavounas/Joswiak/Maurizio/Truong	6141.3 · Admin Meetings	55.39
				Earphone extension cord audio cable	6031.7 · Other Office Supplies	9.67
				Headphones	6031.7 · Other Office Supplies	12.99
				Lunch for 3/06/15 SY Recalc meeting	6906.73 · OBMP-Safe Yield Recalculation	55.29
				Lunch for 3/06/15 SY Recalc meeting	6906.73 · OBMP-Safe Yield Recalculation	5.99
				PK meeting w/Chris Berch - IEUA	8312 · Meeting Expenses	20.09
				Lunch for staff between 3/12/15 meetings	6909.1 · OBMP Meetings	50.11
				Lunch for 3/13/15 SY Recalc meeting	6906.73 · OBMP-Safe Yield Recalculation	302.82
				Lunch for 3/16/15 SY Recalc meeting	6906.73 · OBMP-Safe Yield Recalculation	296.03
				Lunch for 3/20/15 SY Recalc meeting	6906.73 · OBMP-Safe Yield Recalculation	338.10
				Lunch for 3/23/15 SY Recalc meeting	6906.73 · OBMP-Safe Yield Recalculation	299.19
				Airfare-PK-04/14/15 DWR Technical Panel in Sacto	6191 · Conferences - General	224.50
				Early bird check-PK-04/14/15 DWR Technical Pane	6191 · Conferences - General	25.00
				PK meeting w/Rick Hansen - TVWMD	8312 · Meeting Expenses	36.24
				Book for office-"It's Not About the Shark: How to So	6031.7 · Other Office Supplies	13.88
				Trays for office lunch/breakroom supplies	6031.7 · Other Office Supplies	12.94
				4/02/15 PK meeting w/Steve Elie	6312 · Meeting Expenses	11.74
				Training materials for staff attending seminar	6192 · Training & Seminars	526.55
TOTAL						2,601.03

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2015

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	04/24/2015	18569	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	03/31/2015	598339		598339	6078 · BHFS Legal - Miscellaneous	4,534.20
				Expenses	6907.42 · Safe Yield Recalculation	2,550.00
				Expenses	8375 · BHFS Legal - Appropriative Pool	55.20
				Expenses	8475 · BHFS Legal - Agricultural Pool	55.20
				Expenses	8575 · BHFS Legal - Non-Ag Pool	55.20
Bill	03/31/2015	598340		Alvarez-CalPERS	6073 · BHFS Legal - Personnel Matters	12,538.35
				457(f) Def. Comp.	6073 · BHFS Legal - Personnel Matters	3,559.50
				Personnel	6073 · BHFS Legal - Personnel Matters	252.00
				Expenses	6073 · BHFS Legal - Personnel Matters	13.56
Bill	03/31/2015	598341		598341	6907.36 · Santa Ana River Habitat	123.75
Bill	03/31/2015	598342		598342	6275 · BHFS Legal - Advisory Committee	1,071.00
				Expenses	6275 · BHFS Legal - Advisory Committee	329.55
Bill	03/31/2015	598343		598343	6375 · BHFS Legal - Board Meeting	4,851.00
Bill	03/31/2015	598344		598344	8375 · BHFS Legal - Appropriative Pool	1,449.00
Bill	03/31/2015	598345		598345	8475 · BHFS Legal - Agricultural Pool	1,449.00
Bill	03/31/2015	598346		598346	8575 · BHFS Legal - Non-Ag Pool	1,449.00
Bill	03/31/2015	598347		598347	6077 · BHFS Legal - Party Status Maint	315.00
Bill	03/31/2015	598348		598348	6907.39 · Recharge Master Plan	2,337.30
Bill	03/31/2015	598349		598349	6907.42 · Safe Yield Recalculation	83,357.10
				Expenses	6907.42 · Safe Yield Recalculation	1,845.32
TOTAL						122,190.23
Bill Pmt -Check	04/24/2015	18570	GREAT AMERICA LEASING CORP.	16840199	1012 · Bank of America Gen'l Ckg	
Bill	04/22/2015	16840199		Invoice	6043.1 · Ricoh Lease Fee	3,252.70
TOTAL						3,252.70
Bill Pmt -Check	04/24/2015	18571	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	
Bill	04/22/2015	0111802		Employee Deductions - April 2015	60194 · Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	04/24/2015	18572	PITNEY BOWES CREDIT CORPORATION	6684246	1012 · Bank of America Gen'l Ckg	
Bill	04/22/2015	6684246		Postage meter lease	6044 · Postage Meter Lease	548.64
TOTAL						548.64
Bill Pmt -Check	04/24/2015	18573	SAN BERNARDINO COUNTY - DEPT. AIRPORTS	Lease No. CNO-1843	1012 · Bank of America Gen'l Ckg	
Bill	04/22/2015	Lease No. CNO-1843		Annual rental payment for extensometer site	7107.9 · Grd Level-Other	1,596.00
TOTAL						1,596.00

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2015

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	04/24/2015	18574	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	04/22/2015	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	707.74
TOTAL						707.74
Bill Pmt -Check	04/24/2015	18575	TW TELECOM	06961950	1012 · Bank of America Gen'l Ckg	
Bill	04/22/2015	06961950		4/10/15-5/09/15	6053 · Internet Expense	1,043.93
TOTAL						1,043.93
Bill Pmt -Check	04/24/2015	18576	UNITED HEALTHCARE	003747822	1012 · Bank of America Gen'l Ckg	
Bill	04/22/2015	0037478221		Dental Insurance - May 2015	60182.2 · Dental & Vision Ins	770.24
TOTAL						770.24
Bill Pmt -Check	04/24/2015	18577	VERIZON	012519128144592510	1012 · Bank of America Gen'l Ckg	
Bill	04/22/2015	012519128144592510		012519128144592510	6022 · Telephone	136.45
TOTAL						136.45
General Journal	04/25/2015	04/25/2015	Payroll and Taxes for 04/12/15-04/25/15	Payroll and Taxes for 04/12/15-04/25/15	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 04/12/15-04/25/15	1012 · Bank of America Gen'l Ckg	23,417.19
				Employee Garnishments for 04/12/15-04/25/15	1012 · Bank of America Gen'l Ckg	125.76
				Payroll Taxes for 04/12/15-04/25/15	1012 · Bank of America Gen'l Ckg	7,970.23
				Payroll Checks for 04/12/15-04/25/15	1014 · Bank of America P/R Ckg	1,189.50
			ICMA-RC	457(f) Employee Deductions for 04/12/15-04/25/15	1012 · Bank of America Gen'l Ckg	3,457.97
			ICMA-RC	401(a) Employee Deductions for 04/12/15-04/25/15	1012 · Bank of America Gen'l Ckg	1,134.17
TOTAL						37,294.82
Bill Pmt -Check	04/25/2015	ACH 050615	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	04/25/2015	04/25/2015	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 04/12/15-04/25/15	2000 · Accounts Payable	8,194.92
TOTAL						8,194.92
General Journal	04/30/2015	04/30/2015	Wage Works FSA Direct Debits - Apr 2015	Wage Works FSA Direct Debits - Apr 2015	1012 · Bank of America Gen'l Ckg	
				Wage Works FSA Direct Debits - Apr 2015	1012 · Bank of America Gen'l Ckg	741.90
				Wage Works FSA Direct Debits - Apr 2015	1012 · Bank of America Gen'l Ckg	741.90
				Wage Works FSA Direct Debits - Apr 2015	1012 · Bank of America Gen'l Ckg	81.50
TOTAL						1,565.30
Total Disbursements:						508,760.91

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CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: June 25, 2015
TO: Board Members
SUBJECT: VISA Check Detail Report - Financial Report B2 (April 30, 2015)

SUMMARY

Issue: Record of VISA credit card payment disbursed for the month of April 30, 2015.

Recommendation: Receive and file VISA Check Detail Report for April 30, 2015 as presented.

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

Future Consideration

Watermaster Board: June 25, 2015; Receive and File (Normal Course of Business)

ACTIONS:

June 11, 2015 – Appropriative Pool – Unanimously approved
June 11, 2015 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
June 11, 2015 – Agricultural Pool – Unanimously approved
June 18, 2015 – Advisory Committee – Unanimously approved
June 25, 2015 – 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 April 2015 was \$2,601.03. The payment was processed by check number 18568 dated April 24, 2015. The monthly charges for April 2015 of \$2,601.03 were for routine and customary expenditures and properly documented with receipts.

ATTACHMENTS

1. Financial Report - B2



CHINO BASIN WATERMASTER
VISA Check Detail Report
April 2015

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	04/24/2015	18568	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2015	XXXX-XXXX-XXXX-9341		Uniform shirt for field staff	6154 · Uniforms	21.60
				Reg. fee-PK-attend 2015 State of the City conference	6192 · Training & Seminars	50.00
				Lunch-03/18/15 Land Subsidence Committee Mtg.	6909.1 · OBMP Meetings	232.91
				Admin. Mtg. w/Kavounas/Joswiak/Maurizio/Truong	6141.3 · Admin Meetings	55.39
				Earphone extension cord audio cable	6031.7 · Other Office Supplies	9.67
				Headphones	6031.7 · Other Office Supplies	12.99
				Lunch for 3/06/15 SY Recalc meeting	6906.73 · OBMP-Safe Yield Recalculation	55.29
				Lunch for 3/06/15 SY Recalc meeting	6906.73 · OBMP-Safe Yield Recalculation	5.99
				PK meeting w/Chris Berch - IEUA	8312 · Meeting Expenses	20.09
				Lunch for staff between 3/12/15 meetings	6909.1 · OBMP Meetings	50.11
				Lunch for 3/13/15 SY Recalc meeting	6906.73 · OBMP-Safe Yield Recalculation	302.82
				Lunch for 3/16/15 SY Recalc meeting	6906.73 · OBMP-Safe Yield Recalculation	296.03
				Lunch for 3/20/15 SY Recalc meeting	6906.73 · OBMP-Safe Yield Recalculation	338.10
				Lunch for 3/23/15 SY Recalc meeting	6906.73 · OBMP-Safe Yield Recalculation	299.19
				Airfare-PK-04/14/15 DWR Technical Panel in Sacto	6191 · Conferences - General	224.50
				Early bird check-PK-04/14/15 DWR Technical Panel	6191 · Conferences - General	25.00
				PK meeting w/Rick Hansen - TVWMD	8312 · Meeting Expenses	36.24
				Book for office-"It's Not About the Shark: How to Solve Unsolvable Probl	6031.7 · Other Office Supplies	13.88
				Trays for office lunch/breakroom supplies	6031.7 · Other Office Supplies	12.94
				4/02/15 PK meeting w/Steve Elie	6312 · Meeting Expenses	11.74
				Training materials for staff attending seminar	6192 · Training & Seminars	526.55
				Total Disbursements:		<u>2,601.03</u>

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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: June 25, 2015
TO: Board Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2014 through April 30, 2015 - Financial Report B3 (April 30, 2015)

SUMMARY

Issue: Record of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2014 through April 30, 2015.

Recommendation: Receive and file Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2014 through April 30, 2015 as presented.

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

Future Consideration

Watermaster Board: June 25, 2015; Receive and File (Normal Course of Business)

ACTIONS:

June 11, 2015 – Appropriative Pool – Unanimously approved
June 11, 2015 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
June 11, 2015 – Agricultural Pool – Unanimously approved
June 18, 2015 – Advisory Committee – Unanimously approved
June 25, 2015 – Watermaster Board –

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Working Capital for the period July 1, 2014 through April 30, 2015 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 15.0, 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 APRIL 30, 2015

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			7,280,399		244,107				7,524,506	7,524,250
Interest Revenue			11,763	901	274				12,939	25,800
Mutual Agency Project Revenue	155,607								155,607	155,331
Grant Income									-	0
Miscellaneous Income									-	0
Total Revenues	155,607	-	7,292,163	901	244,381	-	-	-	7,693,052	7,705,381
Administrative & Project Expenditures:										
Watermaster Administration	939,129								939,129	1,137,511
Watermaster Board-Advisory Committee	134,326								134,326	228,826
Ag Pool Misc. Expense - Ag Fund									-	400
Pool Administration			101,996	214,072	91,020				407,087	666,185
Optimum Basin Mgmt Administration		1,390,960							1,390,960	1,333,696
OBMP Project Costs		2,202,403							2,202,403	3,354,082
Debt Service		415,978							415,978	431,740
Basin Recharge Improvements									-	1,748,077
Education Funds Use									-	0
Mutual Agency Project Costs									-	10,000
Total Administrative/OBMP Expenses	1,073,455	4,009,341	101,996	214,072	91,020	-	-	-	5,489,884	8,910,517
Net Administrative/OBMP Expenses	(917,849)	(4,009,341)								
Allocate Net Admin Expenses To Pools	917,849		664,517	223,167	30,165					
Allocate Net OBMP Expenses To Pools		3,593,363	2,601,572	873,694	118,097					
Allocate Debt Service to App Pool		415,978	415,978							
Agricultural Expense Transfer*			1,310,932	(1,310,932)						
Total Expenses	-	-	5,094,995	-	239,282	-	-	-	5,489,884	8,910,517
Net Administrative Income	-	-	2,197,168	901	5,099	-	-	-	2,203,168	(1,205,136)
Other Income/(Expense)										
Replenishment Water Assessments						751,983			751,983	0
Non-Ag Stored Water Purchases									-	0
Exhibit "G" Non-Ag Pool Water			1,151,196						1,151,196	0
Interest Revenue						1,698			1,698	0
MWD Water Purchases									-	0
Non-Ag Stored Water Purchases									-	0
Exhibit "G" Non-Ag Pool Water			(1,151,196)						(1,151,196)	0
MWD Water Purchases									-	0
Groundwater Replenishment									-	0
LAIF - Fair Market Value Adjustment									-	0
Refund-Excess Reserves			(6,456)		(1,841)				(8,297)	0
Refund-Recharge Debt									-	0
Net Other Income/(Expense)	-	-	(6,456)	-	(1,841)	753,681	-	-	745,384	0
Net Transfers To/(From) Reserves	-	2,948,551	2,190,712	901	3,258	753,681	-	-	2,948,551	(1,205,136)
Working Capital, July 1, 2014	-	-	5,373,896	479,894	120,514	633,295	158,251	2,120	6,767,969	-
Working Capital, End Of Period	-	-	7,564,608	480,795	123,772	1,386,976	158,251	2,120	9,716,521	9,716,521
13/14 Assessable Production	-	-	100,165,551	33,638,883	4,546,972	-	-	-	138,351,406	-
13/14 Production Percentages	-	-	72.399%	24.314%	3.287%	-	-	-	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 APRIL 30, 2015

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: June 25, 2015
TO: Board Members
SUBJECT: Treasurer's Report of Financial Affairs for the Period April 1, 2015 through April 30, 2015
- Financial Report B4 (April 30, 2015)

SUMMARY

Issue: Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of April 1, 2015 through April 30, 2015.

Recommendation: Receive and file Treasurer's Report of Financial Affairs for the Period April 1, 2015 through April 30, 2015 as presented.

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

Future Consideration

Watermaster Board: June 25, 2015; Receive and File (Normal Course of Business)

ACTIONS:

June 11, 2015 – Appropriative Pool – Unanimously approved
June 11, 2015 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
June 11, 2015 – Agricultural Pool – Unanimously approved
June 18, 2015 – Advisory Committee – Unanimously approved
June 25, 2015 – Watermaster Board –

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period April 1, 2015 through April 30, 2015 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 15.0, 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
APRIL 1, 2015 THROUGH APRIL 30, 2015**

Financial Report - B4

DEPOSITORIES:

Cash on Hand - Petty Cash			\$	500
Bank of America				
Governmental Checking-Demand Deposits	\$	570,535		
Zero Balance Account - Payroll	\$	-		570,535
Local Agency Investment Fund - Sacramento				10,717,692
TOTAL CASH IN BANKS AND ON HAND		4/30/2015		\$ 11,288,728
TOTAL CASH IN BANKS AND ON HAND		3/31/2015		11,196,286
PERIOD INCREASE (DECREASE)				\$ 92,442

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable			\$	(64,099)
Assessments Receivable				543,669
Prepaid Expenses, Deposits & Other Current Assets				(14,892)
(Decrease)/Increase in Liabilities: Accounts Payable				208,087
Accrued Payroll, Payroll Taxes & Other Current Liabilities				18,061
Transfer to/(from) Reserves				(598,386)
PERIOD INCREASE (DECREASE)				\$ 92,442

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SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 3/31/2015	\$ 500	\$ 485,531	\$ -	\$ 10,710,255	\$ 11,196,286
Deposits	-	593,765	-	7,438	601,203
Transfers	-	(114,012)	(86,694)	-	(200,706)
Withdrawals/Checks	-	(394,749)	86,694	-	(308,055)
	\$ 500	\$ 570,535	\$ -	\$ 10,717,692	\$ 11,288,728
PERIOD INCREASE OR (DECREASE)	\$ -	\$ 85,004	\$ -	\$ 7,438	\$ 92,442

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
APRIL 1, 2015 THROUGH APRIL 30, 2015**

Financial Report - B4

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
4/15/2015	Interest		\$ 7,438				

TOTAL INVESTMENT TRANSACTIONS	\$ 7,438	-
--------------------------------------	-----------------	----------

* The earnings rate for L.A.I.F. is a daily variable rate; 0.26% was the effective yield rate at the Quarter ended March 31, 2015.

**INVESTMENT STATUS
April 30, 2015**

<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	\$ 10,717,692			
TOTAL INVESTMENTS	\$ 10,717,692			

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

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CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: June 25, 2015
TO: Board Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2014 through April 30, 2015 -
Financial Report B5 (April 30, 2015)

SUMMARY

Issue: Record of revenues and expenses of Watermaster for the Period of July 1, 2014 through April 30, 2015.

Recommendation: Receive and file Budget vs. Actual Report for the Period July 1, 2014 through April 30, 2015 as presented.

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

Future Consideration

Watermaster Board: June 25, 2015; Receive and File (Normal Course of Business)

ACTIONS:

June 11, 2015 – Appropriative Pool – Unanimously approved
June 11, 2015 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
June 11, 2015 – Agricultural Pool – Unanimously approved
June 18, 2015 – Advisory Committee – Unanimously approved
June 25, 2015 – Watermaster Board –

BACKGROUND

A Budget vs. Actual Report for the period July 1, 2014 through April 30, 2015 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. The Budget vs. Actual report has been created from QuickBooks Enterprise Solutions 15.0, 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.

DISCUSSION

CURRENT MONTH – APRIL 2015

Year-To-Date (YTD) for the ten months ending April 30, 2015, all but three categories were at or below the projected budget. The categories over budget were the Watermaster Legal Services expenses (6070's) which were over budget by \$38,971 or 19.5%; the Optimum Basin Management Plan Expenses (6900's) which were over budget by \$196,476 or 18.2%; and the Production Monitoring expenses (7100's) which were over budget by \$10,228 or 17.0%. Overall, the Watermaster (YTD) Actual Expenses were \$2,739,528 or 33.3% below the (YTD) Budgeted Expenses of \$8,229,411.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

November 2014:

During the month of November 2014 there was a Budget Transfer (T-14-10-01) presented and approved. During the IEUA/CBWM Joint Recharge Improvement Projects Committee Meeting held on October 16, 2014, the committee recommended to use the projected budget savings of approximately \$100,000 from the Jurupa Pump Station HVAC Improvements (Task Order No. 5) to fund the GWR SCADA Upgrades (Task Order No. 4) of \$45,700 ($\$91,400 \times 50\% = \$45,700$) and the Hickory Basin Arizona Crossing settlement of \$27,500 ($\$55,000 \times 50\% = \$27,500$). The total Budget Transfer amounts were \$73,200 ($\$45,700 + \$27,500 = \$73,200$). Budget Transfer Form T-14-10-01 was approved by the Board on November 25, 2014. There was no change to the overall budget of \$7,640,381 as a result of Budget Transfer Form T-14-10-01 and no new funds or assessments were required.

September 2014:

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.

August 2014:

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).

July 2014:

During the month of July 2014, 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.

SALARIES EXPENSE

CURRENT MONTH – APRIL 2015

As of April 30, 2015, the total (YTD) Watermaster salary expenses were \$26,232 or 2.1% below the (YTD) budgeted amount of \$1,244,604. The budget was developed with a staffing level of nine Full-Time Equivalents (FTE's). As of April 30, 2015, the actual staffing level was nine Full-Time Equivalents (FTE's).

Watermaster utilizes an in-house database time and attendance system to track and record staff's actual hours worked and records those hours to a specific project or activity. This time and attendance database of captured staff hours and activities is the basis for the bi-weekly payrolls which are processed using an external payroll processing service. Watermaster staff can record time to a large number of activities but the five most used categories are as follows (1) General Administrative activities; (2) Paid Leaves of vacation, sick or holiday; (3) Pools, Advisory or Board Meeting attendance; (4) OBMP activities; and (5) OBMP Implementation Program Elements 1 through 9 activities.

When the FY 2014/15 budget was developed, basic assumptions were used in allocating how staff's time would be spent and on which of the 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.

The table summarizes the Year-To-Date (YTD) Actual Watermaster salary costs compared to the Year-To-Date (YTD) Budget as of April 30, 2015. 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 - Apr '15 Actual	Jul '14 - Apr '15 Budget	\$ Over Budget	% of Budget	FY 2014/15 Annual Budget
WM Salary Expense					
6011 · WM Staff Salaries	631,018.80	680,083.84	-49,065.04	92.79%	814,847.00
6017.2 · Temp Services - Office Specialist Services	0.00	14,000.00	-14,000.00	0.0%	21,000.00
6201 · Advisory Committee - WM Staff Salaries	14,039.75	17,500.21	-3,460.46	80.23%	20,968.00
6301 · Watermaster Board - WM Staff Salaries	26,087.57	29,059.64	-2,972.07	89.77%	34,818.00
8301 · Appropriative Pool - WM Staff Salaries	38,872.80	23,596.24	15,276.56	164.74%	28,272.00
8401 · Agricultural Pool - WM Staff Salaries	19,465.00	20,646.71	-1,181.71	94.28%	24,738.00
8501 · Non-Agricultural Pool - WM Staff Salaries	14,343.09	12,206.25	2,136.84	117.51%	14,625.00
6901 · OBMP - WM Staff Salaries	177,955.09	100,470.16	77,484.93	177.12%	120,379.00
7101.1 · Production Monitor - WM Staff Salaries	69,670.24	59,442.74	10,227.50	117.21%	64,489.00
7102.1 · In-line Meter - WM Staff Salaries	1,530.01	7,237.79	-5,707.78	21.14%	8,672.00
7103.1 · Grdwater Quality - WM Staff Salaries	35,419.58	40,003.56	-4,583.98	88.54%	46,525.00
7104.1 · Grdwater Level - WM Staff Salaries	37,205.20	33,166.78	4,038.42	112.18%	39,739.00
7108.1 · Hydraulic Control - WM Staff Salaries	1,242.78	1,993.89	-751.11	62.33%	2,389.00
7108.11 · Prado Basin - WM Staff Salaries	1,141.63	6,659.39	-5,517.76	17.14%	7,979.00
7201 · Comp Recharge - WM Staff Salaries	48,295.86	35,459.47	12,836.39	136.2%	42,486.00
7301 · PE3&5 - WM Staff Salaries	0.00	9,693.73	-9,693.73	0.0%	11,610.00
7401 · PE4 - WM Staff Salaries	2,592.15	7,403.88	-4,811.73	35.01%	8,871.00
7501.1 · PE 6&7 - WM Staff Salaries (Plume)	0.00	5,348.21	-5,348.21	0.0%	6,408.00
7501 · PE6&7 - WM Staff Salaries	0.00	3,526.25	-3,526.25	0.0%	4,225.00
7601 · PE8&9 - WM Staff Salaries	241.62	7,508.71	-7,267.09	3.22%	8,992.00
Subtotal WM Staff Costs	1,119,121.17	1,115,007.45	4,113.72	100.37%	1,332,032.00
60185 · Vacation	50,087.86	52,552.50	-2,464.64	95.31%	63,063.00
60186 · Sick Leave	18,060.54	36,687.50	-18,626.96	49.23%	44,025.00
60187 · Holidays	31,102.13	40,356.25	-9,254.12	77.07%	44,025.00
Subtotal WM Paid Leaves	99,250.53	129,596.25	-30,345.72	76.58%	151,113.00
Total WM Salary Costs	1,218,371.70	1,244,603.70	-26,232.00	97.89%	1,483,145.00

LEGAL SERVICES

BROWNSTEIN HYATT FARBER SCHRECK EXPENSES

CURRENT MONTH – APRIL 2015

As of April 30, 2015, the total (YTD) Watermaster Legal Services expenses (consolidating the three categories of Watermaster Administrative Legal Services, Pool/Advisory/Board Meeting legal expenses, and OBMP legal expenses) were \$177,255 or 23.4% above the (YTD) budgeted amount of \$755,946.

The three line items with the largest over budget variances for the Watermaster Legal Services expenses were Personnel Matters (6073) over budget by \$85,978 or 209.7%; Miscellaneous expenses (6078) over budget by \$51,888 or 190.3%; and the Safe Yield Recalculation expenses (6907.42) over budget by \$429,014 or 389.7%. While there were some expenses that were also under budget for the period, the total consolidated grouping was over budget for the month.

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 for the amount of \$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 April 30, 2015, was \$32,823 or 17.7% above the budgeted amount of \$185,025. The specific items within the Administrative Legal Services expenses (6070's) which were under budget were the expenses for Court Coordination (6071) under budget by \$22,652 or 80.5%; Annotated Judgment (6072) under budget by \$27,263 or 100.0%; Interagency Issues (6074) under budget by \$36,079 or 95.4%; and the Party Status Maintenance (6077) under budget by \$3,482 or 18.1%. The specific items within the Administrative Legal Services expenses (6070's) which were over budget were the expenses for Personnel Matters (6073)

over budget by \$78,679 or 191.9%; Miscellaneous (6078) over budget by \$42,739 or 174.1%: and CCG Motion (6078.12) over budget by \$881 or 12.6% %.

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. On October 1, 2014 Watermaster received from CalPERS a discovery request for Case No. 2013-1113. On October 31, 2014 Brownstein Hyatt Farber Schreck provided the information to Mr. Kennedy of CalPERS as requested on October 1, 2014. On January 16, 2015 a Prehearing conference along with a Settlement conference was conducted in Los Angeles. On March 2, 2015 a Motion to Continue was granted and the new Administrative Hearing is scheduled for November 16-18, 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 April 30, 2015 was \$81,303 or 45.3% below the budgeted amount of \$179,318. While the regularly scheduled monthly meetings in December 2014 for the Pools, Advisory and Board were cancelled, there was a Special meeting held for the Board, Advisory, along with the Appropriative and Agricultural Pool.

The OBMP legal expenses (accounts 6907.30 through 6907.90) were above the budget for the month. As of April 30, 2015 the category of OBMP legal expenses were \$158,937 or 47.9% above the budgeted amount of \$331,819. The majority of expenses within this OBMP category were under budget for the first nine months, however, the BHFS Safe Yield Recalculation legal expenses (6907.42) continue to increase and exceed the monthly budget. As of April 30, 2015, the Safe Yield Recalculation legal expenses were \$335,830 or 305.0% above the 6-month budgeted amount of \$110,100. The 12-month annual legal budget for the Safe Yield Recalculation was approved at an amount of \$110,100. The approved BHFS legal budget anticipated 260 labor hours for consolidated legal staff time with regards to the Safe Yield Recalculation effort. Continued Safe Yield Recalculation legal expenses might result in a Budget Transfer or Budget Amendment to fund the ongoing increasing expenses.

The table listed below summarizes the Brownstein Hyatt Farber Schreck (BHFS) expenses as of April 30, 2015 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:

	<u>Jul '14 - Apr '15</u> <u>Actual</u>	<u>Jul '14 - Apr '15</u> <u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>FY 2014/15</u> <u>Annual Budget</u>
6070 · Watermaster Legal Services					
6071 · BHFS Legal - Court Coordination	5,491.68	31,270.84	-25,779.16	17.56%	37,525.00
6072 · BHFS Legal - Annotated Judgment	0.00	30,291.66	-30,291.66	0.0%	36,350.00
6073 · BHFS Legal - Personnel Matters	126,977.79	41,000.00	85,977.79	309.7%	41,000.00
6074 · BHFS Legal - Interagency Issues	1,720.80	42,000.00	-40,279.20	4.1%	50,400.00
6076 · BHFS Legal - Storage Issues	0.00	0.00	0.00	0.0%	0.00
6077 · BHFS Legal - Party Status Maintenance	17,928.50	21,416.66	-3,488.16	83.71%	25,700.00
6078 · BHFS Legal - Miscellaneous (Note 1)	79,158.45	27,270.84	51,887.61	290.27%	32,725.00
6078.12 · BHFS Legal - CCG Motion	7,943.58	7,000.00	943.58	113.48%	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	239,220.80	200,250.00	38,970.80	119.46%	230,700.00
6275 · BHFS Legal - Advisory Committee	11,326.99	28,000.00	-16,673.01	40.45%	33,600.00
6375 · BHFS Legal - Board Meeting	51,016.12	87,241.66	-36,225.54	58.48%	104,690.00
8375 · BHFS Legal - Appropriative Pool	15,211.87	28,000.00	-12,788.13	54.33%	33,600.00
8475 · BHFS Legal - Agricultural Pool	14,494.43	28,000.00	-13,505.57	51.77%	33,600.00
8575 · BHFS Legal - Non-Ag Pool	15,754.45	28,000.00	-12,245.55	56.27%	33,600.00
Total BHFS Legal Services	107,803.86	199,241.66	-91,437.80	54.11%	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	23,729.16	-23,729.16	0.0%	28,475.00
6907.32 · Chino Airport Plume	0.00	23,729.16	-23,729.16	0.0%	28,475.00
6907.33 · Desalter/Hydraulic Control	1,228.95	46,750.00	-45,521.05	2.63%	56,100.00
6907.34 · Santa Ana River Water Rights	9,697.50	23,666.66	-13,969.16	40.98%	28,400.00
6907.36 · Santa Ana River Habitat	2,163.75	18,750.00	-16,586.25	11.54%	22,500.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	10,708.34	-10,708.34	0.0%	12,850.00
6907.39 · Recharge Master Plan	33,909.66	41,083.34	-7,173.68	82.54%	49,300.00
6907.40 · Storage Agreements	0.00	21,416.66	-21,416.66	0.0%	25,700.00
6907.41 · Prado Basin Habitat Sustainability	0.00	15,583.34	-15,583.34	0.0%	18,700.00
6907.42 · Safe Yield Recalculation	539,113.67	110,100.00	429,013.67	489.66%	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	20,937.50	-20,937.50	0.0%	25,125.00
Total 6907 · WM Legal Counsel	586,176.53	356,454.16	229,722.37	164.45%	405,725.00
Total Brownstein, Hyatt, Farber, Schreck Costs	933,201.19	755,945.82	177,255.37	123.45%	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; (9) Land Subsidence Committee reports/meetings; (10) West Venture background reviews; and (11) Miscellaneous legal research on current and pending issues.

OBMP ENGINEERING SERVICES AND LEGAL COSTS

CURRENT MONTH – APRIL 2015

Reviewing in total the OBMP Engineering Services and Legal Costs (consolidating the four categories of OBMP Watermaster Staff and SAWPA, OBMP Engineering Services, OBMP Legal Costs, and OBMP Other Expenses) for the ten month period ending April 30, 2015, the actual expenses of \$1,278,451 were above the budgeted amount of \$1,081,974 by \$196,477 or 18.2%. For a detailed discussion, the following is provided.

For April 30, 2015, the accounts 6901-6903 (Optimum Basin Mgmt Program) section was above the Year-To-Date (YTD) budget by \$86,135 or 76.2%. Watermaster utilizes an in-house database time and attendance system to record and document staff's actual hours worked and also allocates those 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 \$77,485 or 77.1%. 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 were billed at \$21,150 which was above the budget by \$8,650 or 69.2% as of April 30, 2015.

For April 30, 2015, the accounts 6906 (Optimum Basin Mgmt Program Engineering Services) section was below the Year-To-Date (YTD) budget by \$113,818 or 18.9%. The OBMP-Watermaster Model Update and the State of the Basin Report expenses had a budget provided for the month, but there was a small amount of activity and 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 \$429,077 while some other line item activities were below the budget by \$199,355. Above the budget line items were the Safe Yield Recalculation of \$429,014; 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 \$23,729; the Chino Airport Plume of \$23,729; the Desalter/Hydraulic Control of \$45,521; the Santa Ana River Water Rights of \$13,969; the Santa Ana River Habitat of \$16,586; the Regional Water Quality Control Board of \$10,708; the Recharge Master Plan of \$7,174; Storage Agreements of \$21,417; the Prado Basin Habitat Sustainability of \$15,584; and the WM Unanticipated of \$20,938. For the ten months ended April 30, 2015, the overall cumulative (YTD) budget was \$356,454 and the actual (BHFS) legal expenses totaled \$586,177 which resulted in an over budget variance of \$229,722 or 64.4%.

As mentioned in the Brownstein Hyatt Farber Schreck section, the 12-month annual legal budget for the Safe Yield Recalculation was approved at an amount of \$110,100. The approved BHFS legal budget anticipated 260 labor hours for consolidated legal staff time with regards to the Safe Yield Recalculation effort. Continued Safe Yield Recalculation legal expenses will result in a Budget Transfer or Budget Amendment to fund the ongoing increasing expenses.

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 April 30, 2015 this category of expenses was \$5,562 or 55.6% below the budgeted amount of \$10,000.

Overall, the Optimum Basin Management Program (OBMP) category was \$1,278,451 compared to a (YTD) budget of \$1,081,974 for an over budget of \$196,476 or 18.2% as of April 30, 2015.

The table listed below summarizes the Optimum Basin Management Program (OBMP) expenses as of April 30, 2015 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 - Apr '15 Actual	Jul '14 - Apr '15 Budget	\$ Over Budget	% of Budget	FY 2014/15 Annual Budget
6900 · Optimum Basin Mgmt Plan					
6901 · WM Staff Salaries	177,955.09	100,470.16	77,484.93	177.12%	120,379.00
6903 · OBMP SAWPA Group	21,150.00	12,500.00	8,650.00	169.2%	12,500.00
Total 6901-6903 · OBMP WM Staff/SAWPA	199,105.09	112,970.16	86,134.93	176.25%	132,879.00
6906 · OBMP Engineering Services					
6906.1 · OBMP - Watermaster Model Update	34,829.72	95,320.00	-60,490.28	36.54%	95,320.00
6906.21 · State of the Basin Report	87,412.75	133,510.00	-46,097.25	65.47%	133,510.00
6906.22 · Water Rights Compliance Reporting	24,228.50	24,264.00	-35.50	99.85%	24,264.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	49,148.72	56,782.50	-7,633.78	86.56%	68,139.00
6906.32 · OBMP - Other General Meetings	7,540.30	27,397.50	-19,857.20	27.52%	32,877.00
6906.33 · OBMP - App. Pool Issue Resolution	0.00	28,603.34	-28,603.34	0.0%	34,324.00
6906.71 · OBMP - Data Requests - CBWM Staff	30,289.44	53,439.16	-23,149.72	56.68%	64,127.00
6906.72 · OBMP - Data Requests - Non CBWM	9,672.25	23,620.00	-13,947.75	40.95%	28,344.00
6906.73 · OBMP - Safe Yield Recalculation	190,227.22	79,500.00	110,727.22	239.28%	79,500.00
6906.74 · OBMP - Mat'l Phy. Injury Requests	26,847.50	61,153.34	-34,305.84	43.9%	73,384.00
6906 · OBMP Engineering Services - Other	28,535.00	18,960.00	9,575.00	150.5%	22,752.00
Total 6906 · OBMP Engineering Services	488,731.40	602,549.84	-113,818.44	81.11%	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	23,729.16	-23,729.16	0.0%	28,475.00
6907.32 · Chino Airport Plume	0.00	23,729.16	-23,729.16	0.0%	28,475.00
6907.33 · Desalter/Hydraulic Control	1,228.95	46,750.00	-45,521.05	2.63%	56,100.00
6907.34 · Santa Ana River Water Rights	9,697.50	23,666.66	-13,969.16	40.98%	28,400.00
6907.36 · Santa Ana River Habitat	2,163.75	18,750.00	-16,586.25	11.54%	22,500.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	10,708.34	-10,708.34	0.0%	12,850.00
6907.39 · Recharge Master Plan	33,909.66	41,083.34	-7,173.68	82.54%	49,300.00
6907.40 · Storage Agreements	0.00	21,416.66	-21,416.66	0.0%	25,700.00
6907.41 · Prado Basin Habitat Sustainability	0.00	15,583.34	-15,583.34	0.0%	18,700.00
6907.42 · Safe Yield Recalculation	539,113.67	110,100.00	429,013.67	489.66%	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	20,937.50	-20,937.50	0.0%	25,125.00
Total 6907 · WM Legal Counsel	586,176.53	356,454.16	229,722.37	164.45%	405,725.00
Total 6907 · OBMP Legal Fees	586,176.53	356,454.16	229,722.37	164.45%	405,725.00
6909 · OBMP Other Expenses					
6909.1 · OBMP Meetings	2,498.81	0.00	2,498.81	100.0%	0.00
6909.2 · OBMP Mailing Expense	38.75	0.00	38.75	100.0%	0.00
6909.3 · Other OBMP Expenses	1,900.00	1,666.66	233.34	114.0%	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	8,333.34	-8,333.34	0.0%	10,000.00
Total 6909 · OBMP Other Expenses	4,437.56	10,000.00	-5,562.44	44.38%	12,000.00
Total 6900 · Optimum Basin Mgmt Plan	1,278,450.58	1,081,974.16	196,476.42	118.16%	1,207,145.00

ENGINEERING SERVICES - OBMP IMPLEMENTATION PROJECTS COSTS
WILDERMUTH ENVIRONMENTAL, INC.

CURRENT MONTH – APRIL 2015

As of April 30, 2015, the total (YTD) Engineering Services expenses were \$375,248 or 19.8% below the (YTD) budget amount of \$1,896,692. The OBMP Implementation Projects (consolidated accounts 7100's – 7700's) were all (Under) budget as of April 30, 2015.

Wildermuth Environmental, Inc. provides Watermaster an Estimated Cost at Completion (ECAC) report each quarter. The purpose of this ECAC report is to update Watermaster on whether or not the Engineering Services budget will be above or below budget at the end of the fiscal year. If the Engineering Services budget is expected to be above budget at fiscal year-end, a Budget Amendment or Budget Transfer Form would need to be approved to ensure funding. The ECAC report as of March 31,

2015 continues to show the projected expenses to be \$8,029 above the budget of \$2,104,879 (including the Carryover funding of \$388,119). Since the projected amount over budget of \$8,029 is not material in comparison to the budget of \$2,104,879, a Budget Transfer Form is not being processed at this time.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

September 2014:

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.

July 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%).

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 April 30, 2015. 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 - Apr '15 Actual	Jul '14 - Apr '15 Budget	\$ Over Budget	% of Budget	FY 2014/15 Annual Budget
6906 · OBMP Engineering Services - Other	28,535.00	18,960.00	9,575.00	150.5%	22,752.00
6906.1 · OBMP - Watermaster Model Update	34,829.72	95,320.00	-60,490.28	36.54%	95,320.00
6906.21 · State of the Basin Report	87,412.75	133,510.00	-46,097.25	65.47%	133,510.00
6906.22 · Water Rights Compliance Reporting	24,228.50	24,264.00	-35.50	99.85%	24,264.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	49,148.72	56,482.50	-7,333.78	87.02%	68,139.00
6906.32 · OBMP - Other General Meetings	7,540.30	27,397.50	-19,857.20	27.52%	32,877.00
6906.33 · OBMP - App. Pool Issue Resolution	0.00	28,603.34	-28,603.34	0.0%	34,324.00
6906.71 · OBMP - Data Requests - CBWM Staff	30,289.44	53,439.16	-23,149.72	56.68%	64,127.00
6906.72 · OBMP - Data Requests - Non CBWM	9,672.25	23,620.00	-13,947.75	40.95%	28,344.00
6906.73 · OBMP - Safe Yield Recalculation	190,227.22	79,500.00	110,727.22	239.28%	79,500.00
6906.74 · OBMP - Mat'l Physical Injury Requests	26,847.50	61,153.34	-34,305.84	43.9%	73,384.00
7103.3 · Grdwtr Qual-Engineering	61,913.75	68,435.00	-6,521.25	90.47%	82,122.00
7103.5 · Grdwtr Qual-Lab Svcs	33,256.00	32,975.84	280.16	100.85%	39,571.00
7104.3 · Grdwtr Level-Engineering	113,378.11	139,888.34	-26,510.23	81.05%	167,866.00
7104.8 · Grdwtr Level-Contracted Services	0.00	8,333.34	-8,333.34	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equipment	591.41	5,833.34	-5,241.93	10.14%	7,000.00
7107.2 · Grd Level-Engineering	59,780.44	92,707.16	-32,926.72	64.48%	105,061.00
7107.3 · Grd Level-SAR Imagery	90,000.00	90,000.00	0.00	100.0%	90,000.00
7107.6 · Grd Level-Contract Svcs	77,803.17	137,151.84	-59,348.67	56.73%	161,312.00
7107.61 · Grd Level-Chino Hills ASR	18,779.16	0.00	18,779.16	100.0%	0.00
7107.8 · Grd Level-Cap Equip Exte	0.00	13,445.84	-13,445.84	0.0%	16,135.00
7108.3 · Hydraulic Control-Engineering	40,485.23	41,609.16	-1,123.93	97.3%	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	25,633.00	21,067.50	4,565.50	121.67%	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	149,865.43	126,395.00	23,470.43	118.57%	126,395.00
7109.3 · Recharge & Well - Engineering	13,809.00	18,000.00	-4,191.00	0.0%	21,000.00
7202.2 · Comp Recharge-Engineering Services	118,944.24	73,844.00	45,100.24	161.08%	79,844.00
7202.3 · Comp Recharge-Implementation	42,816.91	20,670.00	22,146.91	207.15%	24,804.00
7303 · PE3&5-Engineering - Other	0.00	32,386.66	-32,386.66	0.0%	38,864.00
7402 · PE4-Engineering	162,806.50	163,997.50	-1,191.00	99.27%	176,797.00
7403 · PE4-Contract Svcs	0.00	16,666.66	-16,666.66	0.0%	20,000.00
7502 · PE6&7-Engineering	22,850.50	68,900.00	-46,049.50	33.17%	80,680.00
7602 · PE8&9-Engineering	0.00	17,700.00	-17,700.00	0.0%	21,240.00
Total Engineering Services Costs	1,521,444.25	1,896,692.02	-375,247.77	80.22%	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 April 30, 2015:

	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 - Apr. 2015	\$ 149,865.43	\$ (74,932.72)	\$ -	\$ 74,932.72	9.00	\$ 1,141.63
Totals	\$ 303,676.55	\$ (151,838.28)	\$ 6,750.01	\$ 158,588.29	142.00	\$ 15,109.58
	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 April 30, 2015.

September 2014:

Per section VI.D.3 of the Groundwater Storage Program Funding Agreement No. 49960 in the Chino Basin with The Metropolitan Water District of Southern California, the FY 2014/15 annual administrative fee invoice was issued on September 19, 2014 in the amount of \$155,606.67 under invoice number DYY 14-01. On October 23, 2014 payment in the amount of \$155,606.67 was received from The Metropolitan Water District of Southern California.

"CARRY OVER" FUNDING

CURRENT MONTH – APRIL 2015

As of April 30, 2015, the total (YTD) amount remaining of the "Carried Over" funding is \$702,995.52 (\$1,205,135.82 - \$502,140.30 = \$702,995.52). 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	
GWR SCADA Upgrades	\$	45,700.00	E	7690.61	Task Order #4
Jurupa Pumping Station	\$	76,800.00	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	\$	31,377.00	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)

Chino Hills ASR Project	\$	(174,036.01)	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 Monitoring Well Installation - PBHSP	\$	(108,395.00)	B	7108.7 ⁵	
Hydraulic Control Monitoring - Adaptive Mgmt Plan	\$	(18,000.00)	K	7108.7 ⁶	
Wineville Basin Proof of Concept	\$	(144,420.29)	F	7209.2	Task Order #6
PE 6&7 - Engineering Services	\$	(10,000.00)	L	7502 ⁷	
Updated Balance as of April 30, 2015	\$	702,995.52			

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.

BACKGROUND OF "CARRY OVER" FUNDING

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.

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.

"Carried Over" Expenses At June 30, 2014

			<u>GL Account</u>	
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>			

AUDIT FIELD WORK

FY 2014/15

Auditors from the audit firm of Charles Z. Fedak & Company are scheduled to be onsite at the Watermaster offices on June 15 and June 16, 2015 to conduct preliminary audit field work for the FY 2014/15 financial audit. The final field work is scheduled for August 10 and August 11, 2015. The presentation of the "Draft" Annual Financial and Audit Reports to the Watermaster Board by the Senior Manager of Charles Z. Fedak & Company is tentatively scheduled for November 19, 2015. The "Final" Annual Financial and Audit Reports for FY 2014/15 are tentatively scheduled to be posted to the Watermaster website no later than December 18, 2015.

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. The presentation of the "Draft" Annual Financial and Audit Reports to the Watermaster Board by the Senior Manager of Charles Z. Fedak & Company was completed on November 25, 2014. The "Final" Annual Financial and Audit Reports for FY 2013/14 were posted to the Watermaster website on December 10, 2014.

FY 2014/15 EXHIBIT "G" NON-AGRICULTURAL POOL SALE OF WATER

Pursuant to Exhibit "G" of the Restated Judgment, members of the Overlying (Non-Agricultural) Pool may annually transfer water to members of the Appropriative Pool through a Watermaster clearinghouse process. Watermaster purchases water from the Overlying (Non-Agricultural) Pool members, which Watermaster then transfers to the members of the Appropriative Pool based on the prescribed process. Members of the Appropriative Pool purchasing water through the process must complete their payments to Watermaster by June 30 of the fiscal year. Watermaster has determined that Aqua Capital Management, California Speedway Corporation and NRG CA South, LP are in compliance with Restated Judgment, Exhibit "G" ¶9(g), authorizing 2014-2015 Exhibit "G" Physical Solution Transfers.

The invoices to the nine Appropriators who purchased Exhibit "G" water from the Non-Agricultural Pool were issued on March 30, 2015 totaling \$1,151,196. Once Watermaster has received all of the payments from the Appropriators and those payments have cleared the bank, Watermaster will issue payment to Aqua Capital Management in the amount of \$150,156 (300.000 AF x \$500.52 = \$150,156); California Speedway Corporation in the amount of \$500,520 (1,000.000 AF x \$500.52 = \$500,520); and NRG CA South, LP in the amount of \$500,520 (1,000.000 AF x \$500.52 = \$500,520).

ASSESSMENT INVOICING

CURRENT MONTH – APRIL 2015

On March 12, 2015 the Appropriative Pool approved their Pool's legal services budget to be increased from \$75,000 to \$140,000 for FY 2014/15. With this action, the Appropriative Pool instructed the Watermaster accounting office to bill the entire amount of \$140,000 based upon the formula of 50% "Operating Safe Yield (OSY)" and 50% based upon "Physical Production". The Assessment invoices issued on November 25, 2014 included a Special Assessment of \$75,000 for legal services based upon "Actual Production". The invoicing for the Special Assessment of \$65,000 to the members of the Appropriative Pool was issued on April 16, 2015. The invoicing issued on April 16, 2015 corrected any adjustments that might be required as a result of the differences between the mathematical formula using "Actual Production" and "Physical Production".

PREVIOUSLY REPORTED ACTIONS (Descending Order)

The Watermaster Board approved the FY 2014/15 Assessment Package at the November 25, 2014 meeting. Watermaster staff created and emailed the Assessment invoices on Tuesday, November 25, 2014. The Assessment invoices were due 30 days from invoice date, so payment would be received by Watermaster on or before Friday, December 26, 2014. The Watermaster office was closed during the holidays until Friday, January 2, 2015. All checks received by the postal service during the office closure period were delivered to the Watermaster office on January 2, 2015. To date, all payments have been received and accounted for.

This year's Assessment invoicing included the standard Assessment amounts per the Assessment Package, along with any Special Assessments and the "Excess Cash Reserve" refund credits. The Appropriative Pool had a Special Assessment of \$75,000 as approved during the budgeting process. The \$75,000 was allocated to the Appropriative Pool members based upon prorated actual production numbers from 2013/14. The Non-Agricultural Pool had a Special Assessment of \$60,000 as approved during a Confidential Session on November 13, 2014. The \$60,000 was allocated to the Non-Agricultural Pool members based upon prorated actual production numbers from 2013/14. The Excess Cash Reserves refunds were \$6,456 to the Appropriative Pool members and \$1,841 to the Non-Agricultural Pool members. The refunds were applied as credits on the Assessment invoices and allocated based upon last year's percentage of assessments paid.

ATTACHMENTS

1. Financial Report - B5

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	1/12th (8.33%) of the Total Budget				10/12th (83%) of the Total Budget				100% of the Total Budget			
	For The Month of April 2015				Year-To-Date as of April 30, 2015				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%	155,606.67	155,331.00	275.67	100.18%	155,606.67	155,331.00	275.67	100.18%
4110 · Admin Asmnts-Approp Pool	65,000.00	65,000.00	0.00	100.0%	7,280,399.15	7,280,154.00	245.15	100.0%	7,280,399.15	7,280,154.00	245.15	100.0%
4120 · Admin Asmnts-Non-Agri Pool	0.00	0.00	0.00	0.0%	244,106.89	244,096.00	10.89	100.0%	244,106.89	244,096.00	10.89	100.0%
4700 · Non Operating Revenues	0.00	0.00	0.00	0.0%	12,938.82	21,630.00	-8,691.18	59.82%	20,938.82	25,800.00	-4,861.18	81.16%
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	65,000.00	65,000.00	0.00	100.0%	7,693,051.53	7,701,211.00	-8,159.47	99.89%	7,701,051.53	7,705,381.00	-4,329.47	99.94%
Gross Profit	65,000.00	65,000.00	0.00	100.0%	7,693,051.53	7,701,211.00	-8,159.47	99.89%	7,701,051.53	7,705,381.00	-4,329.47	99.94%
Expense												
6010 · Admin. Salary/Benefit Costs	57,049.78	72,446.92	-15,397.14	78.75%	592,902.03	696,567.16	-103,665.13	85.12%	809,270.70	838,327.00	-29,056.30	96.53%
6020 · Office Building Expense	8,259.46	8,314.00	-54.54	99.34%	88,777.99	89,559.00	-781.01	99.13%	105,575.87	106,274.00	-698.13	99.34%
6030 · Office Supplies & Equip.	2,978.18	2,698.00	280.18	110.39%	26,870.34	27,153.00	-282.66	98.96%	32,036.29	32,050.00	-13.71	99.96%
6040 · Postage & Printing Costs	8,000.09	4,033.33	3,966.76	198.35%	44,565.74	50,183.34	-5,617.60	88.81%	56,818.44	56,900.00	-81.56	99.86%
6050 · Information Services	7,867.93	9,486.67	-1,618.74	82.94%	97,260.55	109,783.33	-12,522.78	88.59%	128,397.77	131,840.00	-3,442.23	97.39%
6060 · Contract Services	0.00	0.00	0.00	0.0%	8,470.00	35,500.00	-27,030.00	23.86%	38,592.00	40,200.00	-1,608.00	96.0%
6070 · Watermaster Legal Services	21,373.08	15,225.00	6,148.08	140.38%	239,220.80	200,250.00	38,970.80	119.46%	287,064.96	230,700.00	56,364.96	124.43%
6080 · Insurance	0.00	0.00	0.00	0.0%	25,276.03	25,776.00	-499.97	98.06%	27,129.62	27,312.00	-182.38	99.33%
6110 · Dues and Subscriptions	0.00	0.00	0.00	0.0%	18,090.99	20,325.00	-2,234.01	89.01%	20,205.99	20,325.00	-119.01	99.41%
6140 · WM Admin Expenses	0.00	175.00	-175.00	0.0%	1,699.78	2,300.00	-600.22	73.9%	2,229.40	2,650.00	-420.60	84.13%
6150 · Field Supplies	43.20	0.00	43.20	100.0%	450.41	1,450.00	-999.59	31.06%	1,400.41	1,450.00	-49.59	96.58%
6170 · Travel & Transportation	1,816.84	2,500.00	-683.16	72.67%	16,825.09	19,620.00	-2,794.91	85.76%	20,694.11	22,860.00	-2,165.89	90.53%
6190 · Conferences & Seminars	2,584.93	2,500.00	84.93	103.4%	18,328.57	18,500.00	-171.43	99.07%	18,367.57	18,500.00	-132.43	99.28%
6200 · Advisory Comm - WM Board	2,563.75	4,657.56	-2,093.81	55.05%	25,465.73	46,333.55	-20,867.82	54.96%	37,149.96	55,568.00	-18,418.04	66.86%
6300 · Watermaster Board Expenses	11,157.22	14,482.80	-3,325.58	77.04%	108,860.13	144,426.30	-35,566.17	75.37%	137,112.16	173,258.00	-36,145.84	79.14%
8300 · Appr PI-WM & Pool Admin	3,632.25	11,254.75	-7,622.50	32.27%	101,996.04	180,221.24	-78,225.20	56.6%	190,332.21	202,622.00	-12,289.79	93.94%
8400 · Agri Pool-WM & Pool Admin	3,458.02	5,143.22	-1,685.20	67.24%	37,716.53	51,146.71	-13,430.18	73.74%	52,488.20	61,338.00	-8,849.80	85.57%
8467 · Ag Legal & Technical Services	33,632.50	32,083.34	1,549.16	104.83%	146,730.00	185,833.34	-39,103.34	78.96%	201,076.00	205,000.00	-3,924.00	98.09%
8470 · Ag Meeting Attend -Special	4,850.00	1,850.00	3,000.00	262.16%	29,625.00	18,500.00	11,125.00	160.14%	35,550.00	22,200.00	13,350.00	160.14%
8471 · Ag Pool Expense	0.00	16,250.00	-16,250.00	0.0%	0.00	65,000.00	-65,000.00	0.0%	32,500.00	65,000.00	-32,500.00	50.0%
8485 · Ag Pool - Misc. Exp. - Ag Fund	0.00	0.00	0.00	0.0%	0.00	300.00	-300.00	0.0%	0.00	400.00	-400.00	0.0%
8500 · Non-Ag PI-WM & Pool Admin	4,728.65	9,187.50	-4,458.85	51.47%	91,019.69	91,706.25	-686.56	99.25%	115,765.90	110,025.00	5,740.90	105.22%
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	-33,245.81	-32,664.47	-581.34	101.78%	-239,608.95	-330,919.67	91,310.72	72.41%	-312,121.21	-391,877.00	79,755.79	79.65%
6900 · Optimum Basin Mgmt Plan	172,390.07	62,816.92	109,573.15	274.43%	1,278,450.58	1,081,974.16	196,476.42	118.16%	1,553,390.17	1,207,145.00	346,245.17	128.68%
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	18,724.93	10,548.52	8,176.41	177.51%	112,509.76	106,865.71	5,644.05	105.28%	147,129.97	126,551.00	20,578.97	116.26%
7101 · Production Monitoring	13,108.91	2,588.49	10,520.42	506.43%	70,295.24	60,067.74	10,227.50	117.03%	91,150.06	65,239.00	25,911.06	139.72%
7102 · In-line Meter Installation	203.78	8,462.94	-8,259.16	2.41%	11,096.81	84,529.47	-73,432.66	13.13%	68,316.17	101,422.00	-33,105.83	67.36%
7103 · Grdwtr Quality Monitoring	3,994.21	14,150.89	-10,156.68	28.23%	132,282.37	147,914.40	-15,632.03	89.43%	159,034.64	176,018.00	-16,983.36	90.35%
7104 · Gdwtr Level Monitoring	16,252.52	19,747.19	-3,494.67	82.3%	151,177.68	197,013.46	-45,835.78	76.74%	224,746.82	236,355.00	-11,608.18	95.09%
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	59,693.81	19,601.58	40,092.23	304.54%	403,215.62	536,626.84	-133,411.22	75.14%	543,858.74	575,830.00	-31,971.26	94.45%

	1/12th (8.33%) of the Total Budget				10/12th (83%) of the Total Budget				100% of the Total Budget			
	For The Month of April 2015				Year-To-Date as of April 30, 2015				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	-29,762.89	7,436.64	-37,199.53	-400.22%	146,831.88	305,076.60	-158,244.72	48.13%	271,198.26	319,910.00	-48,711.74	84.77%
7109 · Recharge & Well Monitoring Prog	4,719.25	1,250.00	3,469.25	377.54%	13,809.00	18,000.00	-4,191.00	76.72%	16,570.80	21,000.00	-4,429.20	78.91%
7200 · PE2- Comp Recharge Pgm	222,212.86	207,376.89	14,835.97	107.15%	956,146.98	1,186,200.95	-230,053.97	80.61%	1,195,128.62	1,204,944.82	-9,816.20	99.19%
7300 · PE3&5-Water Supply/Desalte	0.00	4,808.23	-4,808.23	0.0%	53.16	47,913.73	-47,860.57	0.11%	45,000.00	57,474.00	-12,474.00	78.3%
7400 · PE4- Mgmt Plan	23,991.70	9,025.38	14,966.32	265.83%	167,302.87	190,151.38	-22,848.51	87.98%	202,285.62	208,168.00	-5,882.38	97.17%
7500 · PE6&7-CoopEfforts/SaltMgmt	2,586.00	6,789.72	-4,203.72	38.09%	22,850.50	77,774.46	-54,923.96	29.38%	72,420.60	91,313.00	-18,892.40	79.31%
7600 · PE8&9-StorageMgmt/Conj Use	0.00	2,563.88	-2,563.88	0.0%	241.62	25,500.37	-25,258.75	0.95%	25,241.62	30,582.00	-5,340.38	82.54%
7690 · Recharge Improvement Debt Pymt	0.00	0.00	0.00	0.0%	415,978.00	2,179,817.00	-1,763,839.00	19.08%	1,865,978.00	2,179,817.00	-313,839.00	85.6%
7700 · Inactive Well Protection Prgm	0.00	41.67	-41.67	0.0%	0.00	416.66	-416.66	0.0%	250.00	500.00	-250.00	50.0%
9502 · G&A Expenses Allocated-Projects	14,520.88	22,115.95	-7,595.07	65.66%	127,099.19	224,053.96	-96,954.77	56.73%	164,991.24	265,326.00	-100,334.76	62.18%
Total Expense	663,386.10	578,948.51	84,437.59	114.59%	5,489,883.75	8,229,411.44	-2,739,527.69	66.71%	8,694,327.69	8,910,516.82	-216,189.13	97.57%
Net Ordinary Income	-598,386.10	-513,948.51	-84,437.59	116.43%	2,203,167.78	-528,200.44	2,731,368.22	-417.11%	-993,276.16	-1,205,135.82	211,859.66	82.42%
Other Income												
4210 · Approp Pool-Replenishment	0.00	0.00	0.00	0.0%	696,210.53	0.00	696,210.53	100.0%	696,210.53	0.00	696,210.53	100.0%
4220 · Non-Ag Pool-Replenishment	0.00	0.00	0.00	0.0%	55,772.41	0.00	55,772.41	100.0%	55,772.41	0.00	55,772.41	100.0%
4225 · Interest Income	0.00	0.00	0.00	0.0%	1,697.77	0.00	1,697.77	100.0%	2,297.77	0.00	2,297.77	100.0%
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%	1,151,196.00	0.00	1,151,196.00	100.0%	1,151,196.00	0.00	1,151,196.00	100.0%
Total Other Income	0.00	0.00	0.00	0.0%	1,904,876.71	0.00	1,904,876.71	100.0%	1,905,476.71	0.00	1,905,476.71	100.0%
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%	1,151,196.00	0.00	1,151,196.00	100.0%	1,151,196.00	0.00	1,151,196.00	100.0%
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%	6,456.00	0.00	6,456.00	100.0%	6,456.00	0.00	6,456.00	100.0%
9997 · Refund-Excess Reserves-NonAg	0.00	0.00	0.00	0.0%	1,841.00	0.00	1,841.00	100.0%	1,841.00	0.00	1,841.00	100.0%
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%	1,159,493.00	0.00	1,159,493.00	100.0%	1,159,493.00	0.00	1,159,493.00	100.0%
Net Other Income	0.00	0.00	0.00	0.0%	745,383.71	0.00	745,383.71	100.0%	745,983.71	0.00	745,983.71	100.0%
Net Income	-598,386.10	-513,948.51	-84,437.59	116.43%	2,948,551.49	-528,200.44	3,476,751.93	-558.23%	-247,292.45	-1,205,135.82	957,843.37	20.52%

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

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. MONTE VISTA WATER DISTRICT AQUIFER STORAGE AND RECOVERY 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: June 25, 2015
TO: Board Members
SUBJECT: Monte Vista Water District Aquifer Storage and Recovery Agreement

SUMMARY

Issue: The prior agreement between Monte Vista Water District, Inland Empire Utilities Agency (IEUA), and Chino Basin Watermaster (CBWM) that permitted MVWD's Aquifer Storage and Recovery (ASR) program under the joint IEUA/CBWM permit expired in 2009.

Recommendation: Approve the updated agreement, and authorize the General Manager to execute on behalf of Watermaster.

Financial Impact: No impact to Watermaster.

Future Consideration

Watermaster Board: June 25, 2015 Approval [Advisory Committee Approval Required]

ACTIONS:

June 11, 2015 – Appropriative Pool – unanimously voted to recommend Advisory Committee approval.
June 11, 2015 – Non-Agricultural Pool – unanimously voted to recommend Advisory Committee approval; and directed the Pool representatives to support at the Advisory Committee and Board meetings subject to changes which they deem appropriate.
June 11, 2015 – Agricultural Pool – unanimously voted to recommend Advisory Committee approval.
June 18, 2015 – Advisory Committee – unanimously voted to approve the proposed agreement.
June 18, 2015 – Watermaster Board –

BACKGROUND

Monte Vista Water District (MVWD) developed an Aquifer Storage and Recovery (ASR) program that injects treated water from the State Water Project in Chino Basin for storage and later pumping. This activity was permitted under the recharge permit issued by the Regional Water Quality Control Board (RWQCB) jointly to IEUA and Watermaster (CBWM) in 2005 (R8-2005-0033).

In 2007 MVWD, IEUA, and CBWM entered into an agreement (Attachment 1) to incorporate the MVWD ASR program in the IEUA/CBWM permit issued in 2005. According to the terms of the agreement, MVWD conducted the operations and required monitoring, and IEUA/CBWM complied with reporting requirements. The agreement expired in 2009, as a result of an amendment to the IEUA/Watermaster permit at that time.

DISCUSSION

MVWD wishes to update the prior agreement. The proposed updates are references to RWQCB Orders affecting the IEUA/Watermaster permit since it was first issued, specifically 2007 updated recharge permit (R8-2007-0039) and 2009 permit amendment (R8-2009-0057); reference to the 2014 California Groundwater regulations; and a ten year agreement term.

Entering into the proposed updated agreement (Attachment 2) allows MVWD to operate its program more efficiently. IEUA has approved the proposed updated Agreement.

ATTACHMENTS

1. Original Agreement (2007)
2. Proposed updated Agreement

**AGREEMENT BETWEEN CHINO BASIN WATERMASTER, INLAND EMPIRE UTILITIES
AGENCY AND MONTE VISTA WATER DISTRICT
REGARDING INCORPORATION OF GROUNDWATER INJECTION WITH STATE WATER
PROJECT WATER BY MONTE VISTA WATER DISTRICT IN THE CHINO BASIN
WATERMASTER AND INLAND EMPIRE UTILTIY AGENCY PERMIT R8-2005-0033**

WHEREAS, Monte Vista Water District (MVWD) proposes to recharge up to 3,500 acre-ft/yr of treated State Water Project (SWP) water by injection at its wells 1, 4, 30 and 32 (ASR project), and to subsequently recover most this water within the same year.

WHEREAS, this water will be treated to CCR Title 22 drinking water standards at the Water Facilities Authority treatment plant prior to injection.

WHEREAS, injection will generally occur in the seven-month period of October through April and recovery will generally occur in the five-month period May through September.

WHEREAS, the injected water will be used to offset a portion of the MVWD annual overproduction in the Chino Basin.

WHEREAS, MVWD completed an investigation entitled *Groundwater Recharge Facilities Program Feasibility Study* in April 2003 and a related CEQA document entitled *Findings of Consistency, Groundwater Recharge Facility Feasibility Study* in May 2003 that was tiered off of the OBMP Program EIR completed in 2000.

WHEREAS, on November 1, 2005, MVWD sent an application to the Chino Basin Watermaster (Watermaster) pursuant to the Peace Agreement and Watermaster's Rules and Regulation requesting to recharge to the Chino Basin up to 3,500 acre-ft/yr of treated SWP water.

WHEREAS, the Watermaster approved this application in its January 2006 Watermaster process meetings.

WHEREAS, the Watermaster and the Inland Empire Utilities Agency (IEUA) received a permit to recharge supplemental waters in the Chino Basin from the Regional Water Quality Control Board (RWQCB) pursuant to RWQCB Order R8-2005-0033 adopted on April 15, 2005 (hereafter Watermaster and IEUA joint permit).

WHEREAS, the RWQCB requires that MVWD either apply for and receive an individual permit to inject treated SWP water through its ASR project or apply to Watermaster and IEUA for inclusion of its ASR project under their joint permit described in RWQCB Order R8-2005-0033.

WHEREAS, MVWD desires to have the operation of its ASR project included in the Watermaster and IEUA joint permit.

WHEREAS, MVWD has reviewed the Watermaster and IEUA joint permit described in R8-2005-0033 and agrees to perform appropriate monitoring and reporting as required by the Watermaster.

THEREFORE, the parties do hereby agree as follows:

1. The Watermaster and IEUA have developed an Operations and Monitoring Program for the injection of treated SWP water through MVWD ASR project pursuant to RWQCB Order R8-2005-0033 and other criteria as the Watermaster and IEUA deem necessary based on the OBMP, the Peace Agreement, mitigation requirements contained in the ASR project CEQA document, and sound basin management based, a copy of which is attached hereto as Exhibit A.

2. MVWD will, at its sole expense, operate its ASR project pursuant to the Operations and Monitoring Program referenced in Paragraph 1 above, its recharge application to the Watermaster dated November 1, 2005 and the MVWD ASR project CEQA document .
3. Watermaster and IEUA will notify the RWQCB that MVWD's ASR project is included in the Watermaster and IEUA joint permit.
4. Failure to comply with the Operations and Monitoring Program will result in immediate termination of this Agreement and MVWD ASR project will no longer be included in the Watermaster and IEUA joint permit. The RWQCB will be notified immediately if this Agreement is terminated.
5. From time to time the Watermaster and IEUA may determine it necessary to modify the supplemental water recharge in the Basin to remain in compliance with the Watermaster and IEUA joint permit. If this occurs the Watermaster and IEUA may, at their sole discretion, modify the Operations and Monitoring Program and MVWD agrees to comply with the revised Operations and Monitoring Plan.
6. From time to time MVWD may apply to Watermaster and IEUA to modify the operation of the ASR project. Watermaster and IEUA will consider this application and, at their sole discretion, modify the Operations and Monitoring Program.
7. The term of this Agreement shall coincide with the Watermaster and IEUA joint permit. To be clear, this Agreement will terminate automatically when the Watermaster and IEUA joint permit is revised by the RWQCB or if the Watermaster and IEUA joint permit is terminated by the RWQCB. The Watermaster and IEUA joint permit should expire on or around April 15, 2010.
8. Notices among the parties to this agreement may be sent shall be as follows:

Chino Basin Watermaster:

Kenneth R. Manning
Chief Executive Officer
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Inland Empire Utilities Agency

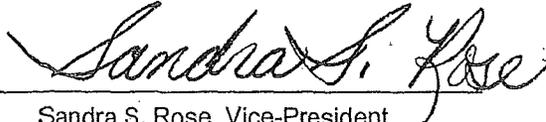
Richard Atwater
Chief Executive Officer
P.O. Box 9020
Chino Hills, CA 91709

Monte Vista Water District

Mark Kinsey
General Manager
10575 Central Avenue
Montclair, CA 91763

9. Approved:

Monte Vista Water District

By: 
Sandra S. Rose, Vice-President
Board of Directors

Date: 4-25-07

By: 
Mark N. Kinsey
General Manager

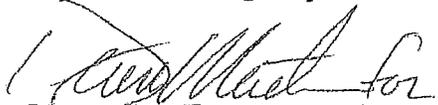
Date: 4/5/07

Chino Basin Watermaster

By: 
Kenneth R. Manning
Chief Executive Officer

Date: 4/19/07

Inland Empire Utilities Agency

By: 
Richard W. Atwater
Chief Executive Officer/General Manager

Date: 4-13-07

Attachment: Exhibit A: Operations and Monitoring Program for the MVWD ASR Project

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BEEN LEFT
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Exhibit A

Operations and Monitoring Program for the MVWD ASR Project

This Exhibit contains the operations and monitoring requirements for the injection of State Water Project (SWP) water through the Monte Vista Water District (MVWD) ASR Project and is provided for in the Agreement among the MVWD, the Chino Basin Watermaster (Watermaster) and the Inland Empire Utilities Agency (IEUA) Regarding Incorporation of Groundwater Injection with State Water Project Water by Monte Vista Water District in the Chino Basin Watermaster and Inland Empire Utility Agency Permit R8-2005-0033. Pursuant to its authorities in Chino Basin Judgment, the Peace Agreement, the Agreement for Operations and Maintenance of Facilities to Implement the Chino Basin Recharge Master Plan, and the Chino Basin Recharge Facilities Operations Procedures, the Watermaster regulates and coordinates all recharge activities in the Chino Basin. It is the intent of the Watermaster to revise this Exhibit from time to time to reflect new regulatory requirements, R8-2005-0033 (hereafter the Watermaster and IEUA joint permit), other new information, and sound basin management practices.

Source Water for Injection

1. The source water used by MVWD for injection shall be State Water Project water treated to drinking water standards as described in Title 22 of the California Code of Regulations.

Integrated Recharge Operations

2. The Watermaster and the IEUA have integrated recharge operations to maximize the use of storm, recycled and imported waters. Pursuant to Watermaster and IEUA's joint permit (R8-2005-0033), the five-year, volume-weighted average total dissolved solids (TDS) and total inorganic nitrogen (TIN) limits for recharge must not exceed 420 mg/L and 5 mg/L-N, respectively. The Watermaster and the IEUA, pursuant to the Watermaster and IEUA joint permit, must monitor and make determinations to the Regional Board to demonstrate compliance. The MVWD ASR project will inject treated SWP water into the Chino Basin during non-peak water use periods and will pump the injected water and groundwater from the basin such that the amount of pumped water will equal or exceed the volume of water injected. Operated this way, there should be no increase in TDS or TIN in groundwater associated with the ASR project.

Monitoring and Reporting

3. The volume of water injected in and pumped from each well will be reported to the Watermaster monthly as direct meter readings and computations based on the meter readings.

4. All water quality determinations used to demonstrate compliance with Title 22 Drinking water requirements at the WFA and in the water recovered from the ASR wells shall be submitted to the Watermaster and IEUA in hardcopy and electronic formats at the same frequency that this information is submitted to the Department of Health Services.

5. During the first year of operation and otherwise if directed by the Watermaster, MVWD shall obtain and analyze TDS and TIN samples from the ASR wells when they are being

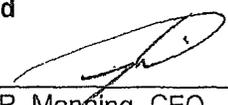
used to recover injected water. These samples will be taken when the cumulative water pumped at these wells equals approximately 20, 40, 60, 80, 100 and 120 percent of the injected water volume. These data shall be submitted to the Watermaster and IEUA on a timely basis in hardcopy and electronic formats.

6. The Watermaster and the IEUA will use the information described in paragraphs 4, 5 and 6 along with production data from the ASR wells reported to the Watermaster pursuant to the Judgment to determine compliance with Watermaster and IEUA joint permit. This information will then be included in the Watermaster/IEUA quarterly monitoring reports that are submitted to the Regional Board, and the annual compliance reports submitted to the Regional Board.

Effective Date

7. These requirements are effective as of March 22, 2007 and will remain in effect until modified by the Watermaster.

Approved



Kenneth R. Manning, CEO
Chino Basin Watermaster

Date

4/19/07

**AGREEMENT BETWEEN CHINO BASIN WATERMASTER, INLAND EMPIRE UTILITIES AGENCY
AND MONTE VISTA WATER DISTRICT
REGARDING INCORPORATION OF GROUNDWATER INJECTION WITH STATE WATER PROJECT
WATER BY MONTE VISTA WATER DISTRICT IN THE CHINO BASIN WATERMASTER AND INLAND
EMPIRE UTILITIES AGENCY PERMIT ORDER NO. R8-2007-0039**

WHEREAS, Monte Vista Water District (MVWD) may recharge up to 3,500 acre-feet per year of treated State Water Project (SWP) water by injection at its wells, 4, 30, 32, and 33 and subsequently recover most of this water within the same year as part of their Aquifer Storage and Recovery (ASR) program. A map showing the ASR well location is attached hereto as Exhibit A.

WHEREAS, this water will be treated to California Code of Regulations (CCR) Title 22 drinking water standards at the Water Facilities Authority treatment plant prior to injection.

WHEREAS, injection will generally occur in the seven-month period of October through April and recovery will generally occur in the five-month period May through September.

WHEREAS, MVWD intends to use the injected water to offset a portion of the MVWD annual overproduction from the Chino Basin.

WHEREAS, MVWD completed an investigation entitled *Groundwater Recharge Facilities Program Feasibility Study* in April 2003 and a related CEQA document entitled *Findings of Consistency, Groundwater Recharge Facility Feasibility Study* in May 2003 that was tiered off of the OBMP Program EIR completed in 2000.

WHEREAS, on November 1, 2005, MVWD sent an application to the Chino Basin Watermaster (Watermaster) pursuant to the Peace Agreement and Watermaster's Rules and Regulations requesting to recharge to the Chino Basin up to 3,500 acre-fee per year of treated SWP water.

WHEREAS, the Watermaster approved this application in its January 2006 Watermaster process meetings.

WHEREAS, the Watermaster and the Inland Empire Utilities Agency (IEUA) received a permit to recharge supplemental waters in the Chino Basin from the Regional Water Quality Control Board (RWQCB) pursuant to Order No. R8-2005-0033 adopted on April 15, 2005 for Phase I program basins.

WHEREAS, in 2007 the Watermaster and IEUA received a new joint permit from the RWQCB to implement both Phase I and Phase II Projects of the Chino Basin Recycled Water Groundwater Recharge Program pursuant to Order No. R8-2007-0039 adopted on June 29, 2007.

WHEREAS, in 2009 the Watermaster and IEUA received an amendment to their joint permit from the RWQCB for Water Recycling Requirements for the Chino Basin Recycled Water Groundwater Recharge Program Phase I and Phase II projects, San Bernardino County pursuant to Order No. R8-2009-0057 adopted on October 23, 2009.

WHEREAS, in 2014 the California Division of Drinking Water approved regulations for Groundwater Replenishment Using Recycled Water pursuant to DPH-14-003E, which may impact existing and future groundwater recharge permits.

WHEREAS, the RWQCB required that MVWD either apply for and receive an individual permit to inject treated SWP water through its ASR project or apply to Watermaster and IEUA for inclusion of its ASR project under the Watermaster and IEUA joint permit.

WHEREAS, Watermaster and IEUA has originally notified the RWQCB that it was MVWD's desire to include the ASR project within Order No. R8-2005-0033.

WHEREAS, MVWD, Watermaster and IEUA still desire to include the ASR project within Watermaster and IEUA's joint permit R8-2007-0039 and amended by Order No. R8-2009-0057.

WHEREAS, MVWD ASR injection well data have been included in quarterly monitoring reports since the second quarter of 2007.

WHEREAS, MVWD has agreed to perform appropriate monitoring and reporting as required by the Watermaster.

THEREFORE, the parties do hereby agree as follows:

1. The Watermaster and IEUA developed an Operations and Monitoring Program for the injection of treated SWP water through MVWD's ASR project pursuant to Order No. R8-2007-0039 and other criteria as the Watermaster and IEUA deem necessary based on the OBMP, the Peace Agreement, mitigation requirements contained in the ASR project CEQA document, and sound basin management, a copy of the Operations and Monitoring Program is attached hereto as Exhibit B.
2. MVWD will, at its sole expense, operate its ASR project pursuant to the Operations and Monitoring Program referenced in Paragraph 1 above, its recharge application to the Watermaster dated November 1, 2005 and the MVWD ASR project CEQA document.
3. Failure to comply with the Operations and Monitoring Program will result in immediate termination of this Agreement and the subsequent removal of the MVWD ASR project from coverage pursuant to Order No. R8-2007-0039. Watermaster and IEUA will immediately notify the RWQCB if this Agreement is terminated.
4. From time to time the Watermaster and IEUA may determine it necessary to modify the supplemental water recharge in the Basin to remain in compliance with Order No. R8-2007-0039 and Order No. R8-2009-0057. If this occurs, the Watermaster and IEUA may, at their sole discretion, modify the Operations and Monitoring Program, and MVWD agrees to comply with the revised Operations and Monitoring Plan.
5. From time to time, MVWD may apply to Watermaster and IEUA to modify the operation of the ASR project. Watermaster and IEUA will consider this application and, at their sole discretion, modify the Operations and Monitoring Program.
6. The term of this Agreement shall be 10 years from the signature date, or sooner should Order No. R8-2007-0039 be terminated or should the RWQCB elect to individually permit the MVWD ASR project.
7. Notices among the parties to this agreement may be sent shall be as follows:

Chino Basin Watermaster:

Peter Kavounas
General Manager
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Inland Empire Utilities Agency:

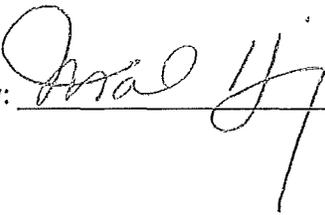
P. Joseph Grindstaff
General Manager
6075 Kimball Avenue
Chino, CA 91708

Monte Vista Water District:

Mark Kinsey
General Manager
10575 Central Avenue
Montclair, CA 91763

8. Approved:

Monte Vista Water District

By: 

Date: 6/4/2015

Chino Basin Watermaster

By: _____

Date: _____

Inland Empire Utilities Agency

By: _____

Date: _____

Attachments:
Exhibit A – MVWD ASR Well Map
Exhibit B – Operations and Monitoring Program for the MVWD ASR Project

Exhibit A
MVWD ASR Well Map

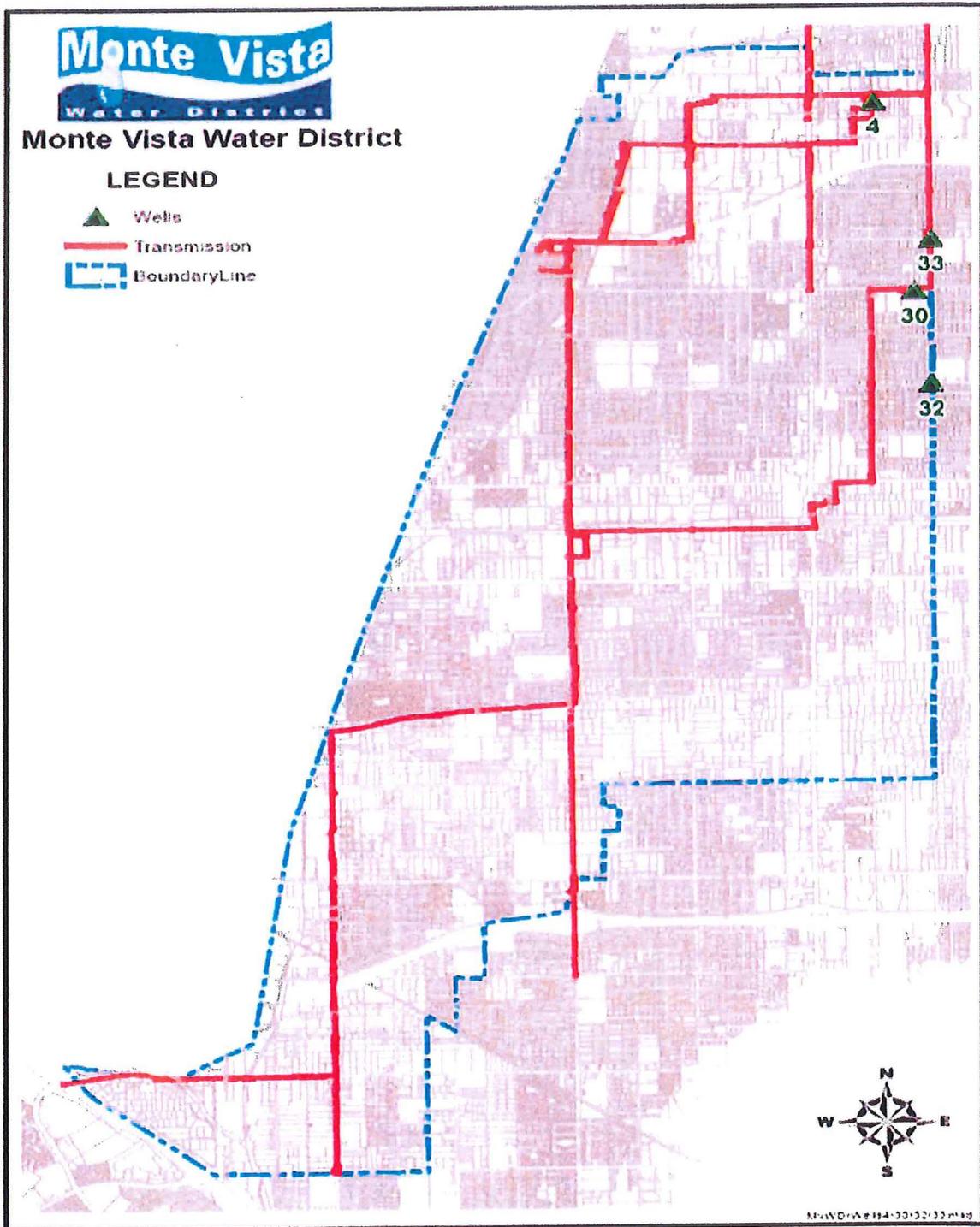


Exhibit B
Operations and Monitoring Program for the MVWD ASR Project

This Exhibit contains the operations and monitoring requirements for the injection of State Water Project (SWP) water through the Monte Vista Water District (MVWD) ASR Project and is provided for in the Agreement among *the MVWD, the Chino Basin Watermaster (Watermaster) and the Inland Empire Utilities Agency (IEUA) Regarding Incorporation of Groundwater Injection with State Water Project Water by Monte Vista Water District in the Chino Basin Watermaster and Inland Empire Utilities Agency Permit Order No. R8-2007-0039*. Pursuant to its authorities in Chino Basin Judgment, the Peace Agreement, the Agreement for Operations and Maintenance of Facilities to Implement the Chino Basin Recharge Master Plan, and the Chino Basin Recharge Facilities Operations Procedures, the Watermaster regulates and coordinates all recharge activities in the Chino Basin. It is the intent of the Watermaster to revise this Exhibit from time to time to reflect new regulatory requirements, other new information, and sound basin management practices.

Source Water for Injection

1. The source water used by MVWD for injection shall be State Water Project water treated to drinking water standards as described in Title 22 of the California Code of Regulations.

Integrated Recharge Operations

2. The Watermaster and the IEUA have integrated recharge operations to maximize the use of stormwater / local runoff, recycled water, and imported waters. Pursuant to the Watermaster and IEUA joint permit (Order No. R8-2007-0039), the five-year, volume-weighted average total dissolved solids (TDS) and total inorganic nitrogen (TIN) limits for recharge must not exceed 420 mg/L and 5 mg/L as nitrogen, respectively. The Watermaster and the IEUA, pursuant to Order No. R8-2007-0039, must monitor and make determinations to the Regional Board to demonstrate compliance. The MVWD ASR project will inject treated SWP water into the Chino Basin during non-peak water use periods and will pump the injected water and groundwater from the basin such that the amount of pumped water will equal or exceed the volume of water injected. Operated this way, there should be no net increase in TDS or TIN in groundwater associated with the ASR project.

Monitoring and Reporting

3. The volume of water injected in and pumped from each well will be reported to the Watermaster and IEUA monthly as direct meter readings and computations based on the meter readings.

4. All water quality determinations used to demonstrate compliance with Title 22 Drinking water requirements at the WFA and in the water recovered from ASR wells shall be submitted to the Watermaster and the IEUA in electronic format at the same frequency that this information is submitted to the State Water Resources Control Board – Division of Drinking Water (formerly California Department of Public Health).

5. MVWD shall obtain and analyze samples for TDS and TIN (summation of nitrate as nitrogen, nitrite as nitrogen, and ammonia as nitrogen) from the ASR wells on a quarterly basis

when they are being used to recover injected water. These data shall be electronically submitted to the Watermaster and the IEUA in a timely manner to facilitate quarterly reporting.

6. The Watermaster and the IEUA will use the information described in paragraphs 3, 4, and 5 to determine compliance with the Order No. R8-2007-0039. This information will then be included in the Watermaster/IEUA quarterly compliance monitoring reports submitted to the Regional Board.

Effective Date

7. These requirements are effective as of _____, 2015 and will remain in effect until modified by the Watermaster.

Approved

Peter Kavounas
General Manager
Chino Basin Watermaster

Date

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

- D. MONTE VISTA WATER DISTRICT OVERLYING (NON-AGRICULTURAL) POOL INTERVENTION REQUEST**



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: June 25, 2015
TO: Board Members
SUBJECT: Monte Vista Water District Request for Intervention into Overlying (Non-Agricultural) Pool

SUMMARY

Issue: On May 28, 2015, Watermaster received a request for Intervention into the Overlying (Non-Agricultural) Pool from Monte Vista Water District (MVWD). This Staff Report provides a summary and analysis of the proposed Intervention.

Recommendation: Approve the request for Intervention and authorize Watermaster Legal Counsel to file a motion with the Court.

Financial Impact: None.

Future Consideration

Watermaster Board: June 25, 2015; Recommend to Court

ACTIONS:

June 11, 2015 – Appropriative Pool – Unanimously recommended Advisory Committee approval
June 11, 2015 – Non-Agricultural Pool – Unanimously recommended Advisory Committee approval; and directed the Pool representatives to support at the Advisory Committee and Board meetings subject to changes which they deem appropriate
June 11, 2015 – Agricultural Pool – Unanimously recommended Advisory Committee approval
June 18, 2015 – Advisory Committee – Unanimously approved
June 25, 2015 – Watermaster Board –

BACKGROUND

Aqua Capital Management Intervened into the Judgment as an Overlying Non-Agricultural Party in November 2008. It currently has 332.981 acre-feet of Safe Yield in the Overlying (Non-Agricultural) Pool, obtained through transfers from CCG Ontario, LLC and Calmat (Vulcan Materials).

Aqua Capital Management and MVWD have submitted Consolidated Forms 3, 4 & 5 (Application for Sale or Transfer of Right to Produce Water from Storage, Application or Amendment to Application to Recapture Water in Storage, and Application to Transfer Annual Production Right or Safe Yield). The Application indicates that the quantity of Safe Yield to be permanently transferred from Aqua Capital Management to MVWD is 50.000 acre-feet, effective in Production Year 2015/2016.

DISCUSSION

Intervention Requests

Interventions are governed by paragraph 60 of the Judgment: "Any non-party assignee of the adjudicated appropriative rights of any appropriator, or any other person newly proposing to produce water from the Chino Basin, may become a party to this Judgment upon filing a petition in intervention. Said intervention must be confirmed by order of [the] Court. Such intervenor shall thereafter be a party bound by [the] Judgment and entitled to the rights and privileges accorded under the Physical Solution...through the pool to which the Court shall assign such intervenor."

Watermaster's practice has been to accept interventions informally by way of a letter request and then process the request through the Pools, Advisory Committee and Board. After this internal approval process, the request for Intervention is filed with the Court for approval.

Overlying (Non-Agricultural) Pool Membership

According to the Judgment, a producer is assigned to the Overlying (Non-Agricultural) Pool if it is an overlying producer who produces water for industrial or commercial purposes. (Judgment, ¶ 43(b).) "Any party who changes the character of his use may, by subsequent order of the Court, be reassigned to the proper pool. ... Any non-party producer or any person who may hereafter commence production of water from Chino Basin, and who may become a party to [the] physical solution by intervention, shall be assigned to the proper pool by the order of the Court authorizing such intervention." (Judgment, ¶ 43.)

The 1978 Judgment specified that Overlying (Non-Agricultural) Pool rights were appurtenant to the land and were therefore only assignable with the land for overlying uses on that land. (Judgment, ¶ 8; Exhibit "G" ¶ 6.) This appurtenancy requirement was modified through the Peace Agreement process and Paragraph 8 and Exhibit "G" paragraph 6 were amended to allow Pool members to transfer or lease their rights as between members of the Pool. The Peace II process, which allowed for Non-Agricultural Pool water to be transferred to Watermaster and ultimately to members of the Appropriative Pool under defined conditions, further modified this appurtenancy requirement.

The only definition of the scope of allowable uses of Non-Agricultural Pool water is found in Paragraph 1 or Exhibit "G" to the Judgment: "Said pool includes producers of water for overlying industrial or commercial (non-agricultural) purposes ..." This is a general description which on its face would allow a broad category of beneficial uses. However, the scope of use of Overlying (Non-Agricultural) Pool water is also informed by the history of actual use by the Pool members, as the custom and usage among the parties to the Judgment and similarly situated users. Overlying (Non-Agricultural) Pool water is used for a variety of uses including landscaping, indoor uses at facilities and outdoor uses at commercial and industrial facilities. Watermaster has not historically regulated specific uses of Overlying (Non-Agricultural) Pool water by members of the Pool so long as they are using the water on land owned by the Pool member that overlies the Basin.

MVWD's Request for Intervention

MVWD has requested Intervention into the Overlying (Non-Agricultural) Pool for the purpose of accepting the Transfer of Aqua Capital Management's water rights. MVWD intends to be a member of each of the Appropriative and Overlying (Non-Agricultural) Pools, and will therefore hold separate Carryover and Storage accounts with Watermaster within each Pool. There is precedent for this kind of intervention—it is similar to the manner in which the City of Ontario intervened into the Overlying (Non-Agricultural) Pool.

MVWD has indicated that it owns multiple properties overlying the Chino Basin, including a property previously owned by Conrock (APN #1007-722-06-0000), an original party to the Overlying (Non-Agricultural) Pool and a predecessor in interest to the water rights held by Aqua Capital Management. The property ownership history is consistent with what Watermaster staff found using County Assessor's records. Upon successful intervention into the Overlying (Non-Agricultural) Pool, MVWD intends to use the overlying rights purchased from Aqua Capital Management on its overlying properties and in a manner consistent with the Judgment and current practices as approved through the Chino Basin Watermaster process and the Watermaster Court. MVWD has indicated that it will separately meter and report all overlying uses of its overlying rights.

Watermaster staff interprets the applicable authorities as allowing Monte Vista to use the water transferred to it by Aqua Capital Management according to its intended uses as described above. Watermaster staff finds that the proposed intervention is consistent with the Judgment. On this basis, Watermaster staff recommends the approval of the request for Intervention.

ATTACHMENTS

1. MVWD's Request for Intervention

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Mark N. Kinsey
GENERAL MANAGER

May 28, 2015

Mr. Peter Kavounas
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, California 91730

**Request to Intervene in *Chino Basin Municipal Water District v. City of Chino, et al.*
San Bernardino Superior Court Case No. RCV 51010 (Formerly Case No. 164327)**

Dear Mr. Kavounas:

The Monte Vista Water District (District) hereby submits this request to intervene in the above-referenced action under paragraph 60 of the Chino Basin Judgment (Judgment) as a member of the Overlying Non-Agricultural Pool (NAP). The purpose for this request is to accept permanent transfer of 50 acre-feet (AF) of safe yield overlying groundwater rights from Aqua Capital Management LP (ACM). The District will utilize these groundwater rights on properties owned by the District and overlying the Chino Basin, consistent with the Judgment as administered by the Chino Basin Watermaster.

The District's request is based on the following facts:

- A. ACM owns overlying groundwater production rights adjudicated to ACM or its predecessor-in-interest under the Judgment.
- B. Pursuant to an executed water purchase agreement between ACM and the District, ACM has requested the permanent transfer of 50 acre-feet of its overlying groundwater productions rights to the District (see attached letter and executed water transfer forms).
- C. The Judgment allocates overlying water rights based on land ownership and overlying use. The District owns multiple properties overlying the Chino Basin, including a property appurtenant to the historical production and use of overlying groundwater production rights (APN #1007-722-06-0000). Upon successful intervention into the NAP, the District intends to use the overlying rights purchased from ACM on its overlying properties and in a manner consistent with the Judgment and current practices as approved through the Chino Basin Watermaster process and the San Bernardino Superior Court. The District will separately meter and report all overlying uses of its overlying rights.

Mr. Peter Kavounas
May 28, 2015

- D. The District understands the distinction between overlying and appropriative rights under the Judgment. Therefore, the District will not seek special status or treatment as a member of both the NAP and the Appropriative Pool. This includes the use of overlying rights to meet the District's obligations under existing agreements as a member of the Appropriative Pool.
- E. The transfer from ACM to the District does not involve any additional groundwater extractions not provided for under the Judgment. As a result, the transfer will not result in any "material physical injury" to any party under the Judgment's Physical Solution.

Based on the foregoing, the District respectfully requests that the Chino Basin Watermaster approve its request to intervene in the Judgment to become a member of the NAP. The District also respectfully requests that Watermaster approve ACM's request to permanently transfer 50 acre-feet of overlying groundwater rights to the District. The District shall comply with all provisions of the Judgment in a manner consistent with past actions and approvals by Watermaster and the Court.

Please agendaize the District and ACM's requests for the June 2015 Pool and Advisory Committee meetings. If you have any questions or require additional information concerning this matter, please call me at (909) 624-0035, extension 170. Thank you.

Sincerely,

Monte Vista Water District



Mark N. Kinsey
General Manager

Attachments



AQUA CAPITAL MANAGEMENT LP
444 Regency Parkway Drive, Suite 300
Omaha, NE 68114

May 18, 2015

Mr. Peter Kavounas
CEO/General Manager
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Permanent Transfer of Safe Yield

Dear Mr. Kavounas,

This is to notify Chino Basin Watermaster that Aqua Capital Management LP (ACM) is hereby requesting the permanent transfer to the Monte Vista Water District (District) of 50 acre-feet of its remaining groundwater production rights, adjudicated to ACM or its predecessor-in-interest in the Judgment rendered in the case of *Chino Basin Municipal Water District vs City of Chino, et al.* RCV 51010 (formerly Case No. SCV 164327). This transfer is contingent on the District's successful intervention into the Overlying (Non-Agricultural) Pool.

The executed original Watermaster forms and all supporting documentation are attached. Please put the proposed purchase on the agenda for the next Watermaster meetings.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Penrice", is written over the word "Sincerely,".

David Penrice
Chief Executive Officer

Attachments

cc: Mark N. Kinsey, General Manager, Monte Vista Water District

WATER TRANSFER INFORMATION NEEDED
FOR THE WATER ACTIVITY REPORTS AND
THE ASSESSMENT PACKAGE

FISCAL YEAR 2015 - 2016

DATE REQUESTED: May 18, 2015 AMOUNT REQUESTED: 50 Acre-Feet

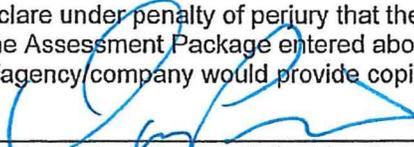
SALES PRICE: \$ _____ / Acre-Foot
(Needed for Assessment Package)

IF 85/15 RULE APPLIES, 15% GOES TO:
Seller Buyer N/A

TRANSFER FROM (SELLER / TRANSFEROR):
Aqua Capital Management LP
Name of Party

TRANSFER TO (BUYER / TRANSFEREE):
Monte Vista Water District
Name of Party

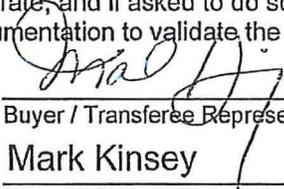
I declare under penalty of perjury that the date, quantity, \$/AF, and party to receive the 15% credit in the Assessment Package entered above is accurate, and if asked to do so, my city/agency/company would provide copies of documentation to validate the transaction.



Seller / Transferor Representative Signature

David Penrice

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Mark Kinsey

Buyer / Transferee Representative Name (Printed)

**THIS PAGE IS TO BE KEPT CONFIDENTIAL UNTIL
THE FISCAL YEAR IS OVER AND THE
WATER ACTIVITY REPORTS ARE CREATED.**

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

FISCAL YEAR 2015 - 2016

DATE REQUESTED: May 18, 2015

AMOUNT REQUESTED: 50 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR): Aqua Capital Management LP	TRANSFER TO (BUYER / TRANSFEREE): Monte Vista Water District
Name of Party 444 Regency Parkway Drive, #300	Name of Party 10575 Central Avenue
Street Address Omaha NE 68114	Street Address Montclair CA 91763
City State Zip Code (402) 934-0066 ext. 205	City State Zip Code (909) 624-0035 ext. 170
Telephone (402) 934-0085	Telephone (909) 624-0035
Facsimile	Facsimile

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

- Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool)
- Storage
- Annual Production Right / Operating Safe Yield first, then any additional from Storage
- Other, explain Permanent transfer of 50 AF of Safe Yield

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common)
- Storage (rare)
- Other, explain Permanent transfer of 50 AF of Safe Yield

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes No
Is the Buyer an 85/15 Party? Yes No
Is the purpose of the transfer to meet a current demand over and above production right? Yes No
Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:	
Projected Rate of Recapture _____	Projected Duration of Recapture _____
METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):	

PLACE OF USE OF WATER TO BE RECAPTURED:	

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

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

What are the existing water levels in the areas that are likely to be affected?
Static water levels range from 504' to 533' below ground levels.

MATERIAL PHYSICAL INJURY

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

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

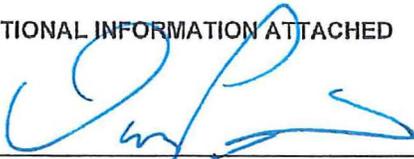
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

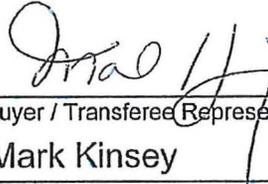
Yes No



Seller / Transferor Representative Signature

David Penrice

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Mark Kinsey

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

E. WATER TRANSACTIONS

(Consider Approval for Notice of Sale or Transfer)

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

May 8, 2015

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: March 21, 2015

Date of this notice: May 8, 2015

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

- Notice of Sale or Transfer – The purchase of 5,000.000 acre-feet of water from the City of Upland by Fontana Water Company. This purchase is made from the City of Upland’s Excess Carryover Account.

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

Appropriative Pool: May 14, 2015

Non-Agricultural Pool: May 14, 2015

Agricultural Pool: May 14, 2015

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: May 8, 2015

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

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CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

DATE: May 8, 2015
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – The purchase of 5,000,000 acre-feet of water from the City of Upland by Fontana Water Company. This purchase is made from the City of Upland's Excess Carryover Account.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – The purchase of 5,000.000 acre-feet of water from the City of Upland by Fontana Water Company. This purchase is made from the City of Upland's Excess Carryover Account.

Notice of the water transaction identified above was mailed on May 8, 2015 along with the materials submitted by the requestors.

DISCUSSION

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

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

FISCAL YEAR 20¹⁴ - 20¹⁵

DATE REQUESTED: March 21, 2015

AMOUNT REQUESTED: 5,000.00 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):			TRANSFER TO (BUYER / TRANSFEREE):		
City of Upland			Fontana Water Company		
Name of Party			Name of Party		
460 N. Euclid Avenue			15966 Arrow Route		
Street Address			Street Address		
Upland	CA.	91786	Fontana	CA.	92335
City	State	Zip Code	City	State	Zip Code
(909) 291-2931			(909) 822-2201		
Telephone			Telephone		
(909) 291-2974			(909) 823-5046		
Facsimile			Facsimile		

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes No
 Is the Buyer an 85/15 Party? Yes No
 Is the purpose of the transfer to meet a current demand over and above production right? Yes No
 Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:	
<u>Varies</u>	<u>2014 - 2015</u>
<u>Projected Rate of Recapture</u>	<u>Projected Duration of Recapture</u>
METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):	
<u>Pumping</u>	
PLACE OF USE OF WATER TO BE RECAPTURED:	
<u>Chino Basin Management Zone 3</u>	
LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES):	
<u>N/A</u>	

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

Of the wells routinely pumped, current perchlorate levels range from non detect to 10.0 ppb and current nitrate levels range from 8.9 to 39.0 ppm (as of March 2015)

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

Static Water Levels ranging from 316 bgs to 657 bgs (as of March 2015)

MATERIAL PHYSICAL INJURY

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

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

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

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

Yes No



 Seller / Transferor Representative Signature
 Rosemary Hoerning, Public Works Director

 Seller / Transferor Representative Name (Printed)



 Buyer / Transferee Representative Signature
 Robert Young, General Manager

 Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

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

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

May 8, 2015

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: April 20, 2015

Date of this notice: May 8, 2015

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

- Notice of Sale or Transfer – The purchase of 4.500 acre-feet of water from The Nicholson Trust by Fontana Water Company. This purchase is made from The Nicholson Trust's Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool).

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

Appropriative Pool: May 14, 2015

Non-Agricultural Pool: May 14, 2015

Agricultural Pool: May 14, 2015

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: May 8, 2015

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

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CHINO BASIN WATERMASTER

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Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

PETER KAVOUNAS, P.E.
General Manager

DATE: May 8, 2015
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – The purchase of 4.500 acre-feet of water from The Nicholson Trust by Fontana Water Company. This purchase is made from The Nicholson Trust's Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool).

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – The purchase of 4,500 acre-feet of water from The Nicholson Trust by Fontana Water Company. This purchase is made from The Nicholson Trust's Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool).

Notice of the water transaction identified above was mailed on May 8, 2015 along with the materials submitted by the requestors.

DISCUSSION

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

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

FISCAL YEAR 20₁₄ - 20₁₅

DATE REQUESTED: April 20, 2015

AMOUNT REQUESTED: 4.50 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR): The Nicholson Trust	TRANSFER TO (BUYER / TRANSFEREE): Fontana Water Company
Name of Party Post Office Box	Name of Party 15966 Arrow Route
Street Address El Monte CA 91734	Street Address Fontana CA 92335
City State Zip Code (626) 448-6183	City State Zip Code (909) 822-2201
Telephone (626) 448-5530	Telephone (909) 823-5046
Facsimile	Facsimile

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes No
Is the Buyer an 85/15 Party? Yes No
Is the purpose of the transfer to meet a current demand over and above production right? Yes No
Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:	
<u>Varies</u>	<u>2014 - 2015</u>
Projected Rate of Recapture	Projected Duration of Recapture
METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):	
<u>Pumping</u>	
PLACE OF USE OF WATER TO BE RECAPTURED:	
<u>Chino Basin Management Zone 3</u>	
LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES):	
<u>N/A</u>	

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

Of the wells routinely pumped, current perchlorate levels range from non detect to 10.0 ppb and current nitrate levels range from 8.9 to 39.0 ppm (as of March 2015)

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

Static Water Levels ranging from 316 bgs to 657 bgs (as of March 2015)

MATERIAL PHYSICAL INJURY

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

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

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

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

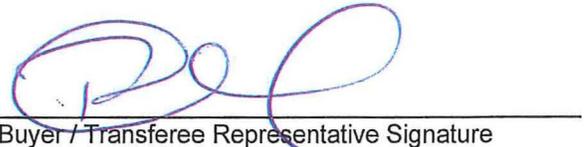
Yes No



Seller / Transferor Representative Signature

Robert H. Nicholson, Jr., Trustee

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Robert Young, General Manager

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

May 8, 2015

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **April 24, 2015**

Date of this notice: **May 8, 2015**

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

- Notice of Sale or Transfer – The permanent transfer of 282.981 acre-feet of Safe Yield from Aqua Capital Management by the City of Ontario (Non-Ag), effective as of the beginning of fiscal year 2015/16.

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

Appropriative Pool: May 14, 2015

Non-Agricultural Pool: May 14, 2015

Agricultural Pool: May 14, 2015

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: May 8, 2015

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

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CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730

Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

PETER KAVOUNAS, P.E.

General Manager

DATE: May 8, 2015

TO: Watermaster Interested Parties

SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – The permanent transfer of 282.981 acre-feet of Safe Yield from Aqua Capital Management by the City of Ontario (Non-Ag), effective as of the beginning of fiscal year 2015/16.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – The permanent transfer of 282.981 acre-feet of Safe Yield from Aqua Capital Management by the City of Ontario (Non-Ag), effective as of the beginning of fiscal year 2015/16.

Notice of the water transaction identified above was mailed on May 8, 2015 along with the materials submitted by the requestors.

DISCUSSION

Under Exhibit G, paragraph 6, of the Judgment: "Rights herein decreed are appurtenant to that land and are only assignable with the land for overlying use thereon; provided however, . . . (b) the members of the Pool shall have the right to Transfer or lease their quantified production rights within the Pool or to Watermaster in conformance with the procedures described in the Peace Agreement between the Parties therein, dated June 29, 2000 for the term of the Peace Agreement." The Peace Agreement and Peace II Agreement thus modified the strict appurtenancy requirement to allow Transfers of the water rights under certain conditions.

Aqua Capital Management Intervened into the Judgment as an Overlying Non-Agricultural Party in November 2008. It currently has 332.981 acre-feet of Safe Yield in the Overlying Non-Agricultural Pool. The City of Ontario Intervened into the Judgment as an Overlying Non-Agricultural Party in September 2008. It currently has 2,627.807 acre-feet of Safe Yield in the Overlying Non-Agricultural Pool.

Aqua Capital Management and Ontario City Non-Ag have submitted Consolidated Forms 3, 4 & 5 (Application for Sale or Transfer of Right to Produce Water from Storage, Application or Amendment to Application to Recapture Water in Storage, and Application to Transfer Annual Production Right or Safe Yield). The Application indicates that the amount of Safe Yield to be permanently transferred from Aqua Capital Management by Ontario City Non-Ag is 282.981 acre-feet. The Parties have indicated that the transfer is to be effective for fiscal year 2015/2016. After the transfer, Aqua Capital Management's remaining adjudicated Safe Yield right will be 50.000 acre-feet, Ontario City Non-Ag's adjudicated Safe Yield right will be 2,910.788 acre-feet. The transfer does not involve any change of use or additional groundwater extractions not provided for under the Judgment. As a result, the transfer will not result in any "material physical injury" to any party.

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



AQUA CAPITAL MANAGEMENT LP
444 Regency Parkway Drive, Suite 300
Omaha, NE 68114

May 8, 2015

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

Re. Permanent Transfer of Safe Yield

Dear Mr. Kavounas,

This is to notify the Watermaster that Aqua Capital Management LP ("Transferor") is hereby requesting the permanent transfer to the City of Ontario ("Transferee") 282.981 AF of its remaining groundwater production rights, adjudicated to Transferor or its predecessor-in-interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs CITY OF CHINO, et al." RCV 51010 (formerly Case No. SCV 164327).

The executed original Watermaster forms and all supporting documentation shall be provided under separate cover. Please put the proposed purchase on the agenda for the next Watermaster meetings.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Penrice", written over a white background.

David Penrice
Chief Executive Officer



ONTARIO MUNICIPAL UTILITIES COMPANY

PAUL S. LEON
MAYOR

AL C. BOLING
CITY MANAGER

ALAN D. WAPNER
MAYOR PRO TEM

April 14, 2015

MARY E. WIRTES, MMC
CITY CLERK

JIM W. BOWMAN
DEBRA DORST-PORADA
PAUL VINCENT AVILA
COUNCIL MEMBERS

JAMES R. MILHISER
TREASURER

SCOTT BURTON
UTILITIES GENERAL MANAGER

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

RE: PERMANENT TRANSFER OF SAFE YIELD

Dear Mr. Kavounas,

Pursuant to an executed water purchase agreement with Aqua Capital Management LP of the Non-Agricultural Pool (Transferor) and the City of Ontario of the Non-Agricultural Pool (Transferee), enclosed are the following documents for the permanent transfer of 282.981 AF of safe yield:

- Letter from Aqua Capital Management LP requesting the permanent transfer of safe yield to the City of Ontario of the Non-Agricultural Pool;
- Consolidated Water Transfer Forms 3,4, and 5; and
- Water Transfer Information form.

Consistent with the Judgment, Peace Agreements and Rules and Regulations, the City intends to use this water on City property and for future desalter replenishment obligations. Please schedule the proposed application for consideration at the May 2015 Pool and Advisory Watermaster meetings.

Sincerely,

Scott Burton
Utilities General Manager

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

FISCAL YEAR 2015-2016

DATE REQUESTED: April 24, 2015

AMOUNT REQUESTED: 282.981 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
Aqua Capital Management LP	City of Ontario (Non-Ag)
Name of Party	Name of Party
444 Regency Parkway Drive, #300	1425 Bon View Avenue
Street Address	Street Address
Omaha NE 68114	Ontario CA 91761
City State Zip Code	City State Zip Code
402.934.0066 ext. 205	909.395.2678
Telephone	Telephone
402.934.0085	909.395.2601
Facsimile	Facsimile

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

PURPOSE OF TRANSFER:

- Pump when other sources of supply are curtailed
- Pump to meet current or future demand over and above production right
- Pump as necessary to stabilize future assessment amounts
- Other, explain Any usage allowed under the Judgment, Peace Agreements & Rules & Regulations

WATER IS TO BE TRANSFERRED FROM:

- Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool)
- Storage
- Annual Production Right / Operating Safe Yield first, then any additional from Storage
- Other, explain PERMANENT transfer of 282.981 AF of SY

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common)
- Storage (rare)
- Other, explain PERMANENT transfer of 282.981 AF of SY

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

Is the Buyer an 85/15 Party? Yes No

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

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:	
Varies	Indefinite (permanent transfer)
Projected Rate of Recapture	Projected Duration of Recapture
METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):	
Any usage allowed under the Judgment, Peace Agreements, and Rules and Regulations	
PLACE OF USE OF WATER TO BE RECAPTURED:	
Management Zones 2 & 3	
LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES):	
N/A	

WATER QUALITY AND WATER LEVELS

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

If yes, please explain: Water quality in the area is characterized by high nitrate, perchlorate and VOC concentrations.

Production water is either treated or blended to meet water quality standards or pumped in areas without water quality issues.

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

Static level varies from 272 feet to 524 feet

MATERIAL PHYSICAL INJURY

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

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

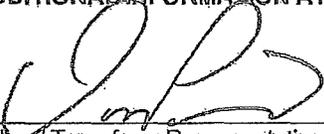
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

Yes No



Seller / Transferor Representative Signature

Buyer / Transferee Representative Signature

David Penrice

Seller / Transferor Representative Name (Printed)

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

Yes No

Seller / Transferor Representative Signature

Scott Burton

Buyer / Transferee Representative Signature

Seller / Transferor Representative Name (Printed)

SCOTT BURTON

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

F. NONQUALIFIED DEFERRED COMPENSATION PLAN 457 (f)



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: June 25, 2015
TO: Board Members
SUBJECT: Nonqualified Deferred Compensation Plan 457(f)

SUMMARY

Issue: Adoption of a 457(f) Nonqualified Deferred Compensation Plan

Recommendation: Adopt Resolution 2015-03 approving a 457(f) Nonqualified Deferred Compensation Plan

Financial Impact: Adoption of the recommendation will not result in a fiscal impact.

ACTIONS:

June 25, 2015 – Watermaster Board –

BACKGROUND

The current Employment Agreement between Chino Basin Watermaster and Peter Kavounas, General Manager, was approved by the Watermaster Board in open session on June 26, 2014. The effective date of the Employment Agreement is June 30, 2014 and it continues for a term of three years.

Section 5.h. of the Employment Agreement states the following: "Nonqualified Deferred Compensation Plan. The Watermaster agrees to establish and maintain, subject to applicable laws, a nonqualified deferred compensation plan (the "NQDC Plan") through which Executive, and possibly other eligible employees, may defer compensation and may receive allocations of employer contributions. For each 12 consecutive month period during the Initial Term, the Watermaster agrees to make an employer contribution to the NQDC Plan for the benefit of Executive in an amount equal to two percent (2%) of Executive's salary (the sum of executive's Base Salary and any COLA pursuant to section 5.a. and any CalPERS increase pursuant to section 5.g.) plus incentive compensation paid during that 12 month period, provided that Executive is employed on the last day of that 12 month period (i.e., June 30, 2015, June 30, 2016 and June 30, 2017). Any employer contribution made to the NQDC Plan shall be subject to the terms and conditions of the NQDC Plan, including but not limited to the substantial risk of forfeiture provisions in addition to the time and form of payment provisions."

DISCUSSION

Per the terms of the General Manager Employment Agreement effective June 30, 2014, Chino Basin Watermaster needs to establish a 457(f) Nonqualified Deferred Compensation Plan, authorize a named administrator, and fund the plan. The proposed plan has been developed by Watermaster's legal counsel and meets the requirements of Sections 457(f) and 409A of the Internal Revenue Code of 1986.

Chino Basin Watermaster will fund the NQDC Plan on or before June 30, 2015 in the amount of \$4,750.27 as described in the paragraph listed above. However, this amount shall remain an asset of the Watermaster, and shall be separately recorded on the books and records of the Watermaster as a contractual obligation. The Watermaster Board has agreed to a certain contribution percentage, which is shown in Resolution 2015-03. However, Watermaster can revise the agreement to an increased amount at the Watermaster Board's direction.

The Watermaster Board needs to adopt Resolution 2015-03 (Attachment 1) to establish the 457(f) Nonqualified Deferred Compensation Plan.

ATTACHMENT:

1. Resolution 2015-03

RESOLUTION 2015-03

**RESOLUTION OF THE CHINO BASIN WATERMASTER,
SAN BERNARDINO COUNTY, CALIFORNIA,
ESTABLISHING THE
CHINO BASIN WATERMASTER 457(f) DEFERRED COMPENSATION PLAN**

Name of Employer: Chino Basin Watermaster
State: California
Title of Program Coordinator: Chief Financial Officer

WHEREAS, the Board of Directors (the "Board") of Chino Basin Watermaster (the "Watermaster") desires to implement a nonqualified deferred compensation plan that meets the requirements of Sections 457(f) and 409A of the Internal Revenue Code of 1986, as amended (the "457(f) Plan"); and

WHEREAS, the purpose of the 457(f) Plan is to allow each individual who (i) is a key management and other highly compensated employee of the Watermaster and (ii) has been specifically selected by the Watermaster to participate in the 457(f) Plan (each, a Participant"), to elect to receive allocations of employer contributions; and,

WHEREAS, the Board desires to select Peter Kavounas, the General Manager of the Watermaster, for participation in the 457(f) Plan; and

WHEREAS, the Board has reviewed a draft 457(f) Plan for Peter Kavounas as to the benefits it provides, the payout provisions and the terms and conditions of its administration and operation; and

WHEREAS, the Board believes that it has the authority and that it is in the best interest of the Watermaster to establish the 457(f) Plan;

NOW, THEREFORE, BE IT RESOLVED, that the form, terms and provisions of the Chino Basin Watermaster 457(f) Plan (the "457(f) Plan") hereby are, authorized, adopted and approved effective as of June 25, 2015, in substantially the form attached hereto as Appendix A with such changes as may be recommended by counsel; and

BE IT FURTHER RESOLVED, that Peter Kavounas hereby is selected as a participant in the 457(f) Plan; and

BE IT FURTHER RESOLVED, that the Chief Financial Officer of the Watermaster (the "CFO") hereby is authorized and directed to execute the 457(f) Plan with respect to Peter Kavounas on behalf of the Watermaster; and

BE IT FURTHER RESOLVED, that, in accordance with Section 2.4 of the 457(f) Plan and until change by this Board, the Watermaster shall be responsible for the expenses related to the administration of the 457(f) Plan; and

BE IT FURTHER RESOLVED, that, in accordance with the applicable terms of the 457(f) Plan, each participant's account under the 457(f) Plan shall be adjusted for hypothetical investment gains and losses, which investment accretions shall mirror the investment gains and losses of the ICMA target date fund in the Watermaster's 457(b) plan with the target date that is closest to the date on which the participant will attain age 65; and

BE IT FURTHER RESOLVED, that, the CFO hereby is authorized and directed to administer and operate the 457(f) Plan in accordance with its terms and the decisions made by the Board as set forth herein; except that the following shall be reserved solely to the Board and may be acted upon solely by the Board, provided, however, these actions are consistent with the terms of the 457(f) Plan: (i) the Board shall have the sole and absolute discretion to select the individuals who may become eligible to participate in the 457(f) Plan; (ii) the Board shall have the sole and absolute discretion to terminate an individual's

**CHINO BASIN WATERMASTER
457(f) DEFERRED COMPENSATION PLAN**

Effective June 25, 2015

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**CHINO BASIN WATERMASTER
457(f) DEFERRED COMPENSATION PLAN
Effective June 1, 2015**

INTRODUCTION

The Employer (defined below) hereby establishes this Plan (defined below) as of the Effective Date (defined below) in order to (1) enable selected Employees (defined below) to defer receipt of all or a portion of their compensation and (2) allow the Employer to set aside and allocate discretionary Employer contributions to selected Employees, the payment of all such amounts to be made only upon the occurrence of an event giving rise to entitlement to payment under the terms of this Plan.

This Plan is intended to be an unfunded deferred compensation plan that complies with the requirements of Section 457(f) and 409A of the Code (as defined below).

**ARTICLE I
DEFINITIONS**

For purposes of this Plan, unless the context requires otherwise, the following capitalized words and phrases shall have the meanings indicated below:

1.1 **Account** means, for each Participant, the bookkeeping account maintained with respect to and on behalf of the Participant. Such account shall reflect the value of the deferred compensation credited on behalf of the Participant, including Deferrals, any Employer Contributions, and the earnings or losses resulting from the investment of such Deferrals and Employer Contributions, and any distributions made to the Participant or any Beneficiary of the Participant.

1.2 **Beneficiary** means the person or persons designated by a Participant to receive distributions of the Account after the Participant's death or Disability.

1.3 **Board** means the Board of Directors of the Employer.

1.4 **Code** means the Internal Revenue Code of 1986, as amended from time to time, and the U.S. Department of Treasury regulations promulgated thereunder.

1.5 **Deferral** means an amount credited to a Participant's Account by reason of the Deferral Agreement by that Participant.

1.6 **Deferral Agreement** means the agreement referred to in Section 3.2 (regardless of how it may be titled), which must be in writing and must be in a form as prescribed by the Plan Administrator, pursuant to which a Participant elects the amount of the Participant's salary and/or bonus to be deferred into the Account during the Deferral Period. The terms and elections made by the Participant in any Deferral Agreement shall be irrevocable and shall not be changed, except to the extent otherwise permitted by this Plan and by Section 409A, as applicable.

1.7 **Deferral Period** means the period of time for which the Participant elects to defer receipt of deferred salary and/or bonus as designated in a Deferral Agreement.

1.8 **Disability** or **Disabled** means one of the following:

(a) the inability of the Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months;

(b) the Participant is, by reason of any medically-determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering the Participant; or

(c) the Participant is determined to be totally disabled by the Social Security Administration.

1.9 **Disability Date** means the date on which the Plan Administrator makes a final determination that the Participant is Disabled. If the Plan Administrator and the Participant do not agree that the Participant is Disabled within the meaning of Section 1.8, the Plan Administrator shall determine whether the Participant is Disabled based upon an examination of the Participant by a licensed physician or psychiatrist selected by the Plan Administrator. In the event the Participant disagrees with the results of the examination of the licensed physician or psychiatrist selected by the Plan Administrator, the Participant shall be entitled to obtain a second opinion from a licensed physician or psychiatrist of the Participant's choosing. In the event the conclusions of the two physicians or psychiatrists differ, the Plan Administrator and the Participant shall select together a third independent licensed physician or psychiatrist whose examination shall be binding upon the parties.

1.10 **Effective Date** means, for this Plan (except as otherwise set forth in this document) June 1, 2015. The Effective Date of any amendment or restatement of this Plan shall be the effective date specified in the amendment or restatement, or in the resolution or minutes of action adopting the amendment or restatement.

1.11 **Employee** means any individual who is employed as a common law employee by the Employer. The determination of whether an individual is an Employee, independent contractor, leased employee, contract worker or any other category of worker and the determination of whether an Employee is classified as a member of any particular classification of employees shall be made by the Employer in its sole discretion in accordance with the classifications used by it and these determinations shall be final, conclusive and binding regardless of whether any court or federal, state or local government or agency finds that a different determination should have been made with respect to the treatment of any individual for any purposes under the Code, common law or any other law or for any reason.

1.12 **Employer** means Chino Basin Watermaster, which is an agent of the San Bernardino County Superior Court and serves as the Court's special master in order to administer and enforce the provisions of the Chino Basin Watermaster Judgment, San Bernardino County Superior Court Case No. RCV 51010 (formerly Case No. SCV 164327), and any successors.

1.13 **Employer Contributions** means the contributions made by the Employer and allocated to the Accounts of Participants pursuant to Article IV.

1.14 **ERISA** means the Employee Retirement Income Security Act of 1974, as amended.

1.15 **Ineligible Deferred Compensation Plan** means a plan maintained by the Employer that provides for deferral of compensation in accordance with Section 457(f) of the Code and is not an "eligible deferred compensation plan" within the meaning of Section 457(b) of the Code. This Plan is intended to be an Ineligible Deferred Compensation Plan.

1.16 **Investment Option** means one of the available alternatives designated by the Plan Administrator for crediting investment earnings to the Account.

1.17 **IRS** means the U.S. Internal Revenue Service.

1.18 **Participant** means each Employee who is selected to participant in this Plan in accordance with Section 3.1.

1.19 **Performance Year** means, with respect to performance-based bonuses, the 12-consecutive month period beginning on each July 1 and ending on the immediate following June 30.

1.20 **Plan** means the Chino Basin Watermaster 457(f) Deferred Compensation Plan, as set forth herein and as it may be amended from time to time.

1.21 **Plan Administrator** means the Board or its duly authorized delegate. If any of the authority of the Plan Administrator has been delegated by the Plan Administrator to a delegate, reference herein to the Plan Administrator shall be deemed to include reference to such delegate to the extent of such delegation, as appropriate.

1.22 **Plan Year** means the calendar year, except for the initial Plan Year, which shall begin on the Effective Date and end on the immediately subsequent December 31.

1.23 **Section 409A** means Section 409A of the Code and guidance promulgated thereunder.

1.24 **Separation from Service** means a "separation from service" within the meaning of Section 409A and 26 C.F.R. Section 1.409A-1(h).

1.25 **Trust** means one or more trust agreements as may be executed by and between the Employer and a Trustee, provided that the Plan assets remain an asset of the Employer, subject to the claims of the Employer's general creditors. Any Trust shall be a "rabbi trust" established in accordance with IRS Revenue Procedure 92-64.

1.26 **Trustee** means the Plan Administrator or such other person, body, or entity duly designated by the Plan Administrator to serve as the trustee of the Trust.

1.27 **Valuation Date** means the last day of each Plan Year and each interim date on which the Plan Administrator determines that a valuation of the Trust shall be made.

1.28 **Vesting Date** means the date on which an Account is no longer subject to a substantial risk of forfeiture, in accordance with Section 5.1.

ARTICLE II ADMINISTRATION

2.1 **Plan Administration.** This Plan shall be administered by the Plan Administrator which, subject to the provisions of this Plan, is specifically given the discretionary authority and such powers as are necessary for the proper administration of this Plan, including, but not limited to, the following:

(a) to have the authority and discretion to interpret this Plan and other documents, to decide questions and disputes, to supply omissions, and to reconcile inconsistencies and resolve ambiguities arising under this Plan and other documents, which interpretations and decisions shall be final and binding on all parties;

(b) to make any other determinations that the Plan Administrator believes necessary or advisable for the administration of this Plan;

(c) to establish rules, regulations and forms of agreements and other instruments relating to the administration of this Plan not inconsistent with this Plan;

(d) to maintain any records necessary in connection with the operation of this Plan;

(e) to retain counsel, employ agents, and provide for such clerical, accounting, actuarial, and consulting services as it deems necessary or desirable to assist it in the administration of this Plan;

(f) to retain the right, authority, and discretion to make benefit payments and predetermination of benefit decisions upon claims and appeal to the extent it has the authority to make such claim and appeal determinations under Section 2.2; and

(g) to otherwise administer this Plan in accordance with its terms.

2.2 *Claims Procedure.*

(a) With respect to claims arising under this Plan, a Participant or Beneficiary shall submit claims to the Plan Administrator as soon as possible following the occurrence of the event on which the claim is based. The Plan Administrator shall review such claim and respond thereto within a reasonable time. In making determinations upon review, the Plan Administrator shall have the discretion and authority described in Section 2.1 and its decisions shall be final and binding on all parties.

(b) After exhausting the claims procedures established by this Section, nothing shall prevent any person from pursuing any other legal remedy; provided, however, that no person shall have the right to file a civil action, proceeding or lawsuit against this Plan or any person acting with respect to this Plan, including, but not limited to, the Plan Administrator, the Employer, any affiliate of the Employer, the recordkeeper, any trustee, or any other Plan fiduciary, or any third party service provider, after the last day of the 24th month following the later of (a) the deadline applicable to that person for filing an appeal under this Plan or (b) the date on which an adverse benefit determination on appeal was issued with respect to such Plan benefit claim.

2.3 *Delegation of Authority.* In its absolute discretion, the Plan Administrator may delegate all or any part of its authority hereunder and other administrative duties of the Plan Administrator to an Employee or a committee composed of Employees and all reference to the Plan Administrator in this Plan shall be deemed to include any such delegate to the extent authorized by such delegation. Decisions and determinations made by the Plan Administrator or a delegate of the Plan Administrator shall be final and binding upon all parties. No determination of the Plan Administrator in one case shall create a bias or retroactive adjustment in any other case.

2.4 *Plan Expenses.* The expenses of administering this Plan, including (a) expenses incurred by the Plan Administrator in the administration of this Plan, (b) fees and expenses approved by the Plan Administrator for investment advisory, custodial, or trust, recordkeeping, and other plan administration and communication services, and (c) any other expenses or charges allocable to this Plan that have been approved by the Plan Administrator shall be charged to the Trust or, as appropriate, to a particular Investment Option or Investment Options under the Trust and shall be reflected in the Account balance. Brokerage fees, transfer taxes, and any other costs incident to the purchase or sale by the Trust of securities or other investments shall be deemed to be part of the cost of such securities or investments or deducted in computing the sales proceeds there from and shall be accounted for accordingly. Notwithstanding the foregoing, the Plan Administrator reserves the right to enter into arrangements with the Employer under which specified administration costs are borne by the Employer or charged against additional Deferrals and Employer Contributions at the time such amounts are invested under the Trust.

2.5 *Indemnification of the Plan Administrator.* The Employer shall indemnify the members of the Plan Administrator against any and all claims, losses, damages, costs and expenses, including attorney's fees, incurred by them, and any liability, including any amounts

paid in settlement with their approval, arising from their action or failure to act in relation to this Plan, except when the same is judicially determined to be attributable to their gross negligence or willful misconduct.

2.6 **Compliance with Laws.** At all times, this Plan shall be administered in a manner that is intended to comply with all applicable laws, regulations and guidance including, but not limited to, Section 409A.

ARTICLE III ELIGIBILITY AND PARTICIPATION

3.1 **Eligibility.** Subject to the provisions of Section 2.1, only individuals who have been selected by the Plan Administrator shall become Participants eligible to participate in this Plan.

3.2 **Deferral Agreement.** Each Participant shall be entitled to elect to forego all or any portion, as either a dollar amount or a percentage, of the Participant's salary and/or bonus that may become payable by the Employer for a Plan Year after all applicable deductions and withholdings. Such election shall be evidenced by a Deferral Agreement.

(a) **Salary Deferrals.** Any Deferral Agreement with respect to the deferral of salary shall be executed no later than the last day of the Plan Year immediately preceding the Plan Year in which the services relating to such salary are rendered. To the extent the Participant elects to defer a dollar amount of the salary that may become payable for a Plan Year and such elected amount exceeds the actual amount of salary that becomes payable to the Participant for such Plan Year, the Participant's election shall be deemed to cover 100% of the actual salary amount that becomes payable to the Participant for such Plan Year after all applicable deductions and withholdings.

(b) **Bonus Deferrals.** Any Deferral Agreement with respect to the deferral of a bonus that may become payable to the Participant shall be executed no later than the last day of the Performance Year preceding the Performance Year in which the services relating to such bonus are rendered. To the extent a Participant elects to defer a dollar amount of the bonus relating to a Performance Year and such elected amount exceeds the actual amount of bonus that becomes payable to the Participant for such Performance Year, the election shall be deemed to cover 100% of the actual bonus amount that becomes payable to the Participant for such Performance Year after all applicable deductions and withholdings.

3.3 **Effect of Deferral Agreement.** Commencing with the effective date of a Deferral Agreement, the Participant's gross salary and/or bonus shall be reduced by the Deferral amount specified in the Deferral Agreement. Deferrals shall continue to be made in such amount unless and until the Deferral Agreement is amended, the Plan Administrator determines that the Participant is no longer eligible to participate in this Plan, or the Participant has a Separation from Service with the Employer.

3.4 **Investment of Account.** To the extent assets representing the Account are set aside by the Employer and held in Trust (subject to Article VIII), the Participant shall have the right, consistent with the terms of the Trust, to direct the Plan Administrator to invest the amounts deferred into the Account among the Investment Options made available by the Plan Administrator. Unless otherwise permitted by the Plan Administrator, the Participant may change the Participant's investment direction at any time and from time to time. Any expenses, losses incurred or gains realized as a result of the Participant's investment direction shall be subtracted from or added to the Account. The Account shall be adjusted as of each Valuation Date to reflect investment gains, losses and all applicable expenses.

3.5 **Cessation of Participation.** Notwithstanding any Plan provision to the contrary, the Participant shall have no right or entitlement to continue as a participant in this Plan except to the extent and for the purposes specifically provided in this Plan or determined from time to time by the Plan Administrator in the administration of this Plan. Subject to any applicable limitations that might be imposed under Section 409A, the Plan Administrator shall be specifically empowered to terminate the Participant's status as a participant if the Plan Administrator determines, in its sole discretion, that such termination is necessary, appropriate or desirable, including without limitation, any such termination premised on the Plan Administrator's determination or belief that continuation of such status as a participant is, would or might be contrary to or inconsistent with the terms of this Plan or of applicable law. Accordingly, the Participant shall cease to be a participant in this Plan effective as of any date designated by the Plan Administrator. Any such Plan Administrator action shall be communicated to the Participant prior to the effective date of such action. Notwithstanding the foregoing, the Plan Administrator shall not require that any distributions of Accounts be made in connection with such action, except to the extent such distributions may be permitted by Section 409A.

ARTICLE IV EMPLOYER CONTRIBUTIONS

4.1 **Employer Contributions.** The Employer, in its sole discretion, may make contributions to the Account of any Participant, at such times and in such amounts, as it shall determine in its sole discretion.

ARTICLE V VESTING

5.1 **Substantial Risk of Forfeiture.** At all times until a Participant's Vesting Date, the Participant's Account shall be subject to a substantial risk of forfeiture, within the meaning of Section 457(f)(3)(B) of the Code. The substantial risk of forfeiture shall lapse, and the Participant shall be entitled to a distribution of the Account, upon the Vesting Date, which shall be the earliest to occur of the following: (a) the Participant's Disability Date, (b) the Participant's death, or (c) the Participant's Separation from Service.

ARTICLE VI PARTICIPANT ACCOUNTS

6.1 *Establishment of Bookkeeping Accounts.* For each Participant, the Employer shall establish an Account and shall enter, from time to time, therein the amounts to be credited on behalf of the Participant. Within each Participant's Account, separate subaccounts may be maintained to the extent the Plan Administrator determines it to be necessary or desirable for the administration of this Plan. The Account shall be credited with Deferrals, Employer Contributions (if any), and credited or charged, as the case may be, with plan administration expenses (in accordance with Section 2.4) and investment results (in accordance with Section 3.4).

6.2 *Hypothetical Nature of the Accounts.* Notwithstanding any provision of this Plan to the contrary, the Account shall be hypothetical in nature and shall be maintained for bookkeeping purposes only so that expenses, gains and losses relating to the hypothetical investment of amounts credited to the Account or charged against the Account, as the case may be. Neither this Plan nor any Account or subaccounts thereof established hereunder shall hold any actual funds or assets. The right of the Participant to receive any payments under this Plan shall be an unsecured claim against the general assets of the Employer only, and the Participant, any Beneficiary, or any other distributee shall have no interest in, or any lien or prior claim upon, any property of the Employer by reason of any rights of such party, or obligations owed to such party, under this Plan. Any liability of the Employer to the Participant, any Beneficiary, or any other distributee with respect to a right to payment shall be based solely upon the contractual obligations created by this Plan.

6.3 *Statements.* The Plan Administrator may, but is not required to, deliver or cause to be delivered to each Participant, annually or at such other frequency as the Plan Administrator determines in its discretion, a statement of the Participant's Account setting forth the balance of the Account as of a stated date, Deferrals and Employer Contributions (if any) made since the date of the prior statement, and investment and expense activity since the date of the prior statement.

ARTICLE VII DISTRIBUTION OF ACCOUNT

7.1 *Timing and Form of Distribution.* On the Vesting Date, or as soon as administratively practicable thereafter but in no event later than December 31st of the calendar year in which occurs the Vesting Date, the Participant shall receive a single lump sum cash payment equivalent to the balance of the Participant's Account on the Vesting Date.

ARTICLE VIII TERMS OF TRUST INVESTMENT

8.1 *Unfunded Status of this Plan.* This Plan is unfunded. All distributions from this Plan will be paid from the general assets of the Employer.

8.2 Unsegregated Funds; Unsecured General Creditor Status of Participants and Beneficiaries.

(a) The Employer shall be under no obligation to segregate deferred funds during the Deferral Period and an election to defer compensation hereunder shall constitute an acknowledgment and agreement by the Participants that such unsegregated funds belong absolutely and unconditionally to the Employer and are subject to the claims of the Employer's general creditors during the Deferral Period. Nothing herein contained shall be construed as creating any trust, expressed or implied, for the benefit of any Participant.

(b) The payments to any Participant, any Beneficiary or any other distributee hereunder shall be made from assets which shall continue, for all purposes, to be a part of the general, unrestricted assets of the Employer until the time when any such payment is made; no person shall have nor acquire any interest in any such assets by virtue of the provisions of this Plan. The Employer's obligation hereunder shall be an unfunded and unsecured promise to pay money in the future. To the extent that the Participant, any Beneficiary or any other distributee acquires a right to receive payments from the Employer under the provisions hereof, such right shall be no greater than the right of any unsecured general creditor of the Employer; no such person shall have nor acquire any legal or equitable right, interest or claim in or to any property or assets of the Employer.

(c) Notwithstanding Subsection (a) hereof, to meet its obligations under this Plan, the Employer may, but shall not be obligated to, establish a Trust or Trusts as the Plan Administrator shall deem appropriate, advisable or desirable in its sole discretion. If any such Trust is established, then so long as such Trust is maintained, the assets of such Trust will be used solely to pay benefits and administrative expenses of this Plan; provided, however, the assets of such Trust will be subject to the claims of creditors of the Employer in the event the Employer becomes insolvent, as that term may be defined by the Trust. To the extent that the assets of such Trust is insufficient to pay benefits due under this Plan, such benefits shall be paid by the Employer from its general assets, which assets shall, at all times, remain subject to the claims of the Employer's creditors. Neither the Participants, any Beneficiaries nor their legal representatives shall have any right, actual or beneficial, other than the right of an unsecured general creditor, against the Employer or against any such Trust in respect of any portion of the Account. The Employer has no obligation to make or to continue to make any contributions to any Trust that may be established in connection with this Plan and any such contributions, if made, shall be made and may be discontinued in the sole discretion of the Employer. Notwithstanding the foregoing, the establishment of any Trust pursuant to this Article VIII shall comply with Section 409A.

8.3 Administration of Trust. Notwithstanding anything in this Plan to the contrary (including without limitation Section 3.4), if there is a Trust created to hold the amounts credited under this Plan, the Trustee has the exclusive control of the administration and investment of any Trust, subject to the terms of this Plan. The Trustee may retain a bank or trust company to serve as a custodian for safekeeping, recordkeeping, delivery, securities valuation, investment performance reporting, or other services in connection with the investment of any Trust. In

addition, the Trustee may retain one or more investment managers or investment advisors to manage or participate in the management of the investment portfolios of any Trust. All expenses and fees incurred in the administration of a Trust shall be treated as Plan expenses under Section 2.4.

8.4 **Investment Options.** The Plan Administrator shall have the sole discretion to determine what, if any Investment Option may be employed hereunder. The Plan Administrator may establish such Investment Options as it deems necessary to provide the Participants with a diversified range of investment alternatives. Each Investment Option shall be based upon the investment performance of one or a combination of separate investment portfolios maintained under the Trust. The Plan Administrator shall specify the investment objectives and characteristics of each Investment Option and the corresponding investment portfolio or portfolios and shall provide the Employer and the Participants with a written description of each available Investment Option. The Plan Administrator, in its sole discretion, may add, eliminate, or consolidate Investment Options and corresponding investment portfolios at any time and from time to time. In the event that an Investment Option is eliminated, the Plan Administrator shall provide prior notice of such elimination, and, if a Participant does not make a new investment election with respect to the portion of the Account allocated to the discontinued Investment Option, the Plan Administrator shall reallocate such portion of the Account to the available Investment Option or Investment Options that the Plan Administrator, in its sole discretion, deems most comparable to the eliminated Investment Option.

8.5 **Trust Investments.** Subject to the limitations of applicable law and such further limitations as the Plan Administrator may establish, each investment portfolio of the Trust may hold any form of investment that is consistent with its investment objectives. Without limiting the generality of the foregoing, the investment portfolios may hold equity or debt securities (other than securities issued by the Employer), fixed or variable annuity contracts (including deposit administration contracts) issued by life insurance companies, certificates of deposit or fixed rate investment contracts issued by a bank or similar institution, and such short-term instruments or deposits as the Plan Administrator deems necessary to satisfy the liquidity needs of the Trust. In addition, each investment portfolio may hold shares, units, or participating interests in regulated investment companies, common or collective trust Trusts maintained by banks or similar institutions, investment partnerships, or other pooled investment trusts or trusts that may issue participating interests to Ineligible Deferred Compensation Plans.

8.6 **Trust Valuation and Accounting.** Each investment portfolio of the Trust shall be valued on each Valuation Date, and the value of the Account shall be determined by reference to the portion of the Account allocable to each investment portfolio. The valuation of each investment portfolio shall reflect income received and accrued, realized and unrealized gains and losses, and allocable Trust expenses. The value of the portion of the Account invested in an investment portfolio may be measured in units, shares, or dollars.

**ARTICLE IX
GENERAL PROVISIONS**

9.1 **Plan Status.** This Plan is intended to be an Ineligible Deferred Compensation Plan and the Employer believes this Plan is a governmental plan within the meaning of Section 3(32) of ERISA. Solely to the extent that ERISA is deemed to apply to this Plan, this Plan is an unfunded plan for the benefit of a select group of management or highly compensated employees (a “top hat” plan) with the meaning of ERISA.

9.2 **Notice.** Any notice required to be delivered to a Participant under this Plan shall be delivered to the last address provided by the Participant to the Plan Administrator. Any notice required to be delivered to the Plan Administrator under this Plan shall be delivered to:

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

9.3 **Beneficiary Designation.** Subject to applicable law, the Participant shall have the right to designate one or more Beneficiaries to receive payment of the Account in the event of the Participant’s death before the Account has been distributed to the Participant. The Participant shall designate one or more Beneficiaries by executing the beneficiary designation form prescribed, from time to time, by the Plan Administrator and filing the same with the Plan Administrator. Any such designation may be changed at any time by execution of a new designation in accordance with this section. If no Beneficiary survives the Participant for a period of 15 days, if there is no Beneficiary on file with the Plan Administrator at the time of the death of the Participant, or if no such Beneficiary designation is effective, for any reason, as determined by the Plan Administrator, then the designated Beneficiary or Beneficiaries to receive such benefit shall be the Participant’s surviving spouse, if any, or, if none, the Participant’s estate or such other individual or entity as may be directed by law or by order or judgment of a court of competent jurisdiction. No Beneficiary designation or change thereto shall be effective until it has been received by the Plan Administrator.

9.4 **Unclaimed Benefits.** In the case of an amount payable pursuant to this Plan on behalf of the Participant, if the Plan Administrator is unable to locate the Participant or any Beneficiary to whom such amount is payable, such amount may be forfeited to the Employer, upon the Plan Administrator’s determination, and subject to applicable escheat and similar laws. Notwithstanding the foregoing, if subsequent to any such forfeiture that is received and retained by the Employer, the Participant or any Beneficiary to whom such amount is payable makes a valid claim for such amount, such forfeited amount shall be paid by the Employer or restored to this Plan by the Employer.

9.5 **Reservation of Rights.** Nothing in this Plan shall be construed to (a) give the Participant any right to defer compensation other than as expressly authorized and permitted by the Plan Administrator, (b) limit in any way the right of the Employer to terminate the

Participant's employment with the Employer for any reason, or (c) be evidence of any agreement or understanding, expressed or implied, that the Employer will employ the Participant at any particular rate of remuneration.

9.6 ***Amendment and Termination.*** The Employer shall be entitled to amend or terminate this Plan at any time; provided, however, subject to Sections 9.9 and 9.11, any such amendment or termination does not adversely affect the Participant's rights with respect to the balance of the Account in existence at the time of such amendment or termination. In the event that this Plan is terminated, this Plan shall continue to apply to the Account prior to the distribution of the Account.

9.7 ***Other Plans.*** The benefits provided for the Participant hereunder are in addition to the benefits provided by any other plan or program of the Employer and shall supplement and not supersede any other plan, program or arrangement between the Employer and the Participant except as otherwise specifically provided under the terms of such a plan, program, or arrangement.

9.8 ***Assignment.*** Neither the Participant nor any Beneficiary or heir of the Participant shall have any right to commute, sell, transfer, assign or otherwise convey the right to receive any payment under the terms of this Plan. Any such attempted assignment shall be considered null and void. The interest of any such person in receiving a payment hereunder shall not be subject to anticipation, not to voluntary or involuntary alienation, until such payment is actually made.

9.9 ***Section 409A and Taxation.*** This Plan is intended to comply with the requirements of Section 409A. This Plan shall be interpreted, construed and administered in accordance with the foregoing intent. Notwithstanding any provision of this Agreement to the contrary:

(a) In no event does the Employer guarantee any particular tax consequences, outcome or tax liability to the Participant. No provision of this Plan shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from the Participant or any other individual to the Employer or its affiliates.

(b) In the event the Plan Administrator determines after the Effective Date that any compensation payable hereunder may be subject to Section 409A, the Employer or the Plan Administrator, as applicable (without any obligation to do so or obligation to indemnify the Participant for any failure to do so) may adopt, without the consent of the Participant, such amendments to this Plan or take any other actions that the Employer or the Plan Administrator, in its sole discretion, determines are necessary or appropriate for such compensation to either (i) be exempt from the requirements of Section 409A or (ii) comply with the requirements of Section 409A.

(c) Whenever a payment under this Agreement specifies a payment period, the actual date of payment within such specified period shall be within the sole discretion of the

Plan Administrator, and the Participant shall have no right (directly or indirectly) to determine the year in which such payment is made. Wherever the payment period applicable to a payment spans two consecutive Plan Years, the payment shall be made in the second of such Plan Years.

(d) No compensation that is subject to the requirements of Section 409A and that is payable upon the Participant's termination of employment shall be paid unless the Participant's termination of employment constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h).

9.10 ***Withholding and Reporting.*** The Employer shall have the right to deduct or withhold, from any and all Deferrals and Employer Contributions to and from all payments from this Plan, any applicable taxes required by federal, state or local law to be withheld from such deferrals, contributions and payments. To the extent required by applicable law, any Deferrals and Employer Contributions made to, and any payments made from, the Account each Plan Year shall be reported on IRS Form W-2 or IRS Form 1099, as applicable.

9.11 ***Change in Employment or Law.*** The Plan Administrator may, in its absolute discretion and without the consent of the Participant, make appropriate adjustments with respect to the terms of this Plan and its applicability to the Participant, including termination of individual Deferral Agreements, or dilution or suspension of any provision of such agreements in the event (a) of a discontinuance by the Employer of the Participant's employment or association with the Employer resulting from an event such as the merger or consolidation of the Employer and (b) any of the anticipated benefits of deferral pursuant to this Plan or any provision hereof are altered by reason of any interpretation of or change in law, policy or regulation.

9.12 ***Number and Gender.*** Wherever appropriate herein, words used in the singular shall be considered to include the plural and words used in the plural shall be considered to include the singular. The masculine gender, where appearing in this Plan, shall be deemed to include the feminine gender.

9.13 ***Headings.*** All headings herein have been inserted solely for reference and shall not constitute a part of this Plan nor affect its meaning, construction or effect.

9.14 ***Severability.*** If any term, provision, covenant, paragraph, or condition of this Plan is held to be invalid, illegal, or unenforceable by any court or arbitrator of competent jurisdiction, as to such jurisdiction that provision shall be limited ("blue-penciled") to the minimum extent necessary so this Plan shall otherwise remain enforceable in full force and effect. To the extent such provision cannot be so modified, the offending provision shall, as to such jurisdiction, be deemed severable from the remainder of this Plan, and the remaining provisions of this Plan shall be construed to preserve, to the maximum permissible extent, the intent and purposes of this Plan.

9.15 ***Successors.*** This Plan shall be binding upon any successor, whether direct or indirect, by merger, consolidation or otherwise, to all or substantially all of the business and/or

assets of the Employer, and the Employer shall require any such successor to expressly assume and agree to perform the obligation under this Plan.

9.16 **Governing Law.** This Plan shall be construed under the laws of the State of California and in conformity with the requirements of the Code, including Sections 457(f) and 409A thereof. Notwithstanding the foregoing, this Plan is not subject to ERISA.

IN WITNESS WHEREOF, this Plan has been executed on the date written below and made effective as of the Effective Date.

CHINO BASIN WATERMASTER

By: _____

Name: _____

Title: _____

Date: _____

**CHINO BASIN WATERMASTER
457(f) DEFERRED COMPENSATION PLAN**

DEFERRAL ELECTION FORM

This deferral election form applies for the _____ calendar year (the "Plan Year").

INSTRUCTIONS: If you do not wish to defer any annual base salary, bonuses or other taxable compensation, leave (A), (B) and (C) blank but please initial on the line at (D). If you wish to defer annual base salary, bonuses and/or other taxable compensation, please complete only one line at (A), one line at (B) and/or one line at (C), as applicable. If lines at (A), (B) or (C) are left blank, no amount of your compensation for the Plan Year will be deferred.

To be valid, your deferral election must be completed and returned to the Employer no later than _____.

In accordance with the terms of the Chino Basin Watermaster 457(f) Deferred Compensation Plan (the "Plan"), I, the undersigned am a participant in the Plan and I hereby elect to defer the following compensation:

(A) **Annual Base Salary:**

_____ % of my annual base salary (after applicable deductions and withholdings),

OR

\$ _____ from each regular pay check (after applicable deductions and withholdings) or, if less, the amount of each regular pay check (after applicable deductions and withholdings), and

(B) **Bonuses:**

_____ % of any bonus payment (after applicable deductions and withholdings),

OR

\$ _____ from any bonus payment (after applicable deductions and withholdings) or, if less, the amount of each such bonus payment (after applicable deductions and withholdings), and

(C) **Other Taxable Compensation** (taxable compensation other than annual base salary and bonuses):

_____ % of each payment of any other taxable compensation (after applicable deductions and withholdings),

OR

\$ _____ from each payment of any other taxable compensation (after applicable deductions and withholdings) or, if less, the amount of each such payment (after applicable deductions and withholdings).

that would otherwise to be paid to me and to have such amount contributed on my behalf to my Account in accordance with the terms of the Plan.

I understand that, with regard to the deferral of any annual base salary or other taxable compensation (other than bonuses), this Deferral Election Form shall become effective only as to annual base salary and other taxable compensation (other than bonuses) earned on or after the first day of the calendar month immediately following the month in which this Deferral Election Form is executed or, if later, the month in which this form is received by the Employer.

I understand that, with regard to any bonus deferral, this Deferral Election Form shall apply only to bonuses earned after the last day of the Performance Year (as that term is defined in the Plan) in which this Deferral Election Form is executed.

I understand that this Deferral Election Form shall remain in effect until the earlier of (i) the effective date of a subsequently executed Deferral Election Form or (ii) the date on which I incur a Separation from Service (as defined in the Plan) from the Employer.

(D) _____ **NO DEFERRAL** - At this time, I elect not to defer any annual base
(Initials) salary, bonuses or other taxable compensation into the Plan.

I understand that the election(s) made above are subject to all of the terms and conditions of the Plan.

Date

Signature

Print Name

Please keep a copy of this completed form for your files

**Chino Basin Watermaster
457(f) Deferred Compensation Plan**

**Designation
of Beneficiary**

Personal Information

Last Name	First Name	M.I.	Social Security Number	
Street Address		City	State	Zip Code

Instructions: Complete this Designation of Beneficiary, make a copy for your records, and file the original with the Chief Financial Officer at the Chino Basin Watermaster (the "Employer"). This Designation includes and is subject to the General Provisions on page 2, which should be read carefully before completing this form.

Beneficiary Designation

Instructions: All fields required. Use the space below to name up to three primary and contingent beneficiaries. If you want to name more than three beneficiaries, attach a separate sheet of paper listing the additional beneficiaries and all of required information noted below. Note that certain fields are inapplicable to non-individuals, such as an estate, trust, or charity.

Revocation of Previously Filed Designations: Upon filing of this Designation in accordance with the instructions noted above, I, the participant named above, hereby revoke any beneficiary designation I previously may have made under the Chino Basin Watermaster 457(f) Deferred Compensation Plan (the "Plan") and designate the following as my beneficiary(ies) under the Plan. I understand that if I am married and name primary beneficiaries other than my spouse, my spouse must consent by signing the back of this form and have that signature witnessed by either a Plan representative or a notary public; otherwise, my beneficiary designation will be invalid.

Primary Beneficiary(ies):

Name	Share %	Relationship	Social Security Number or TIN	Current Address	Date of Birth
1.					
2.					
3.					

100%

Check here if additional primary beneficiaries are identified on a separate sheet of paper.

Contingent Beneficiary(ies):

Name	Share %	Relationship	Social Security Number or TIN	Current Address	Date of Birth
1.					
2.					
3.					

100%

Check here if additional contingent beneficiaries are identified on a separate listing.

Current Marital Status (check one)

If you are a married participant, your spouse is required to sign this form if you designates primary beneficiaries other than your spouse, and your spouse's signature must be witnessed by a Plan representative or a notary public. Failure to do so will invalidate the non-spouse beneficiary designation.

Unmarried Plan Participant - I am not married. I understand that if I become married in the future, this Designation of Beneficiary becomes void and I must execute a new Designation of Beneficiary to name any designated beneficiary(ies) other than my spouse and obtain my spouse's consent.

Married Plan Participant - I am married. If my spouse is not the sole Primary Beneficiary of my Plan account, my spouse has signed the consent on page 2 of this form, consenting to the naming of Primary Beneficiaries other than my spouse, and my spouse's signature has been witnessed by either a Plan representative or a notary public. (If your spouse's consent cannot be obtained, e.g., your spouse cannot be located or is incapacitated, contact the Employer for information about possible alternatives.)

Participant Signature*	Date*
------------------------	-------

*Your form is not complete unless it is signed and dated.

Continued on Page 2

CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

- A. CITY OF ONTARIO AGREEMENT FOR THE CONDITIONAL CONTRIBUTION OF SAFE YIELD TO OFFSET FUTURE DESALTER REPLENISHMENT



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: June 25, 2015
TO: Board Members
SUBJECT: City of Ontario Agreement for the Conditional Contribution of Safe Yield to Offset Future Desalter Replenishment

SUMMARY

Issue: The City of Ontario holds both appropriative and overlying water rights and is a member of both the Appropriative and Overlying (Non-Agricultural) Pools. It has indicated that a prospective purchase of water within the Overlying (Non-Agricultural) Pool is dependent upon learning whether it may dedicate a portion of water acquired to off-set a future Desalter replenishment obligation. It anticipates a future obligation to offset or replenish Desalter pumping and seeks confirmation, through an Agreement for the Conditional Contribution of Safe Yield to Offset Future Desalter Replenishment, that it may satisfy its obligation through dedication of Safe Yield arising under its overlying water rights.

Recommendation: Consider Advisory Committee's recommendation regarding additional legal counsel input; and defer making a decision until after the Ad Hoc Committee has provided input, and the Appropriative and Agricultural Pools and the Advisory Committee have made a recommendation.

Financial Impact: None

Future Consideration

Watermaster Board: June 25, 2015; Consideration of action [Advisory Committee approval required]

ACTIONS:

May 14, 2015 – Appropriative Pool – refer the matter to an Ad Hoc committee for further discussion; bring back in June Pool meeting.

May 14, 2015 – Non-Agricultural Pool – recommend Advisory Committee approval of the proposed Agreement, and direct its representatives to support at the Advisory Committee and Watermaster Board meetings subject to any changes they deem appropriate.

May 14, 2015 – Agricultural Pool – request that Mr. Pierson and Mr. Hall be invited to serve as its representative to the Appropriative Pool Ad Hoc committee.

June 11, 2015 – Appropriative Pool – motion to recommend approval of the proposed agreement failed. Moved, by majority vote, to refer the matter to the Ad Hoc Committee for further discussion and to bring back in July Pool meeting (No votes: Ontario and Chino).

June 11, 2015 – Agricultural Pool – no action taken

June 18, 2015 – Advisory Committee – unanimously moved to recommend that the Board direct legal counsel to provide additional input, provide more complete information including any correspondence, and to provide that input/information to the Ad Hoc committee to continue its work toward a resolution.

June 25, 2015 – Watermaster Board –

BACKGROUND

The City of Ontario ("City") is a party to the Judgment and the owner of appropriative and overlying rights, and is a member of the Appropriative and Overlying (Non-Agricultural) Pools. The City has a prospective replenishment obligation attributable to the Desalters as a member of the Appropriative Pool. The City has indicated that it may wish to offset its Desalter Replenishment obligation through contribution of Safe Yield under its overlying water rights. The City has prepared an Agreement for the Conditional Contribution of Safe Yield to Offset Future Desalter Replenishment ("Agreement") to confirm its ability to offset its Desalter Replenishment obligation in this manner.

DISCUSSION

The City

The City is an original party to the 1978 Judgment, pursuant to which it was made a member of the Appropriative Pool, with a 20.742% share of the Operating Safe Yield. The City intervened into the Judgment as an Overlying (Non-Agricultural) Party in September 2008. As a result of its original purchase and subsequent transfers, as of May 1, 2015, it has 2,627.807 acre-feet of Safe Yield in the Overlying (Non-Agricultural) Pool ("Non-Ag Pool"), and has requested approval of the permanent transfer of an additional 282.981 acre-feet of Safe Yield in the Non-Ag Pool to be effective in Production Year 2015/2016.

Desalter Replenishment

- A. The Development of the Desalter Replenishment Obligation
 1. The Peace Agreement

The obligation for Desalter Replenishment initially arises out of paragraph 7.5 of the Peace Agreement, which provides for replenishment for the Desalters from specified sources in a designated order of priority. Specifically, paragraph 7.5 provides for replenishment first from a Watermaster Desalter Replenishment account composed of 25,000 AF of water abandoned to the Basin by Kaiser¹ and other water previously dedicated for the same purpose, then New Yield of the Basin, Safe Yield of the Basin, and finally "Additional Replenishment Water purchased by Watermaster², the costs of which shall be levied as an Assessment by Watermaster." (Peace Agreement, ¶ 7.5.)

2. First Amendment to Peace Agreement

In 2004, based on changes implemented through the Regional Water Quality Control Board's Basin Plan Amendment for the Chino Basin and the resultant lack of development of previously anticipated "Salt Credits", some Parties to the Peace Agreement contended that they should be relieved of their obligation to provide a share of storm flow recharge New Yield for Desalter Replenishment (First Amendment to Peace Agreement, Recital B.) As a result, the Stormwater component of New Yield was dedicated to the members of the Appropriative Pool according to their percentages of Safe Yield, and was excepted from Desalter Replenishment under Peace Agreement § 7.5(b). (First Amendment to Peace Agreement, ¶ 2.)

¹ This water was abandoned by Kaiser for this purpose pursuant to what Peace Agreement Section 7.2(a)(ii) refers to as "an agreement with the Watermaster, all Pools of Producers from the Chino Basin, Kaiser Ventures, Inc., formerly known as Kaiser Resources, Inc. (Kaiser) and the California Regional Water Quality Control Board, Santa Ana Region (RWQCB), regarding provision of certain water with which to satisfy the Replenishment obligation for operating the Desalter."

² Peace Agreement Section 5.3(e), describing the newly created mechanism through which members of the Overlying (Non-Agricultural) Pool could transfer water held in storage or pursuant to their annual production rights, provides that "the parties to the Judgment with rights within the Non-Agricultural Pool shall have the additional right to Transfer their rights to Watermaster for the purposes of Replenishment for a Desalter..."

3. Peace II Agreement

The Peace II Agreement, which contemplated expansion of the Desalters, further expressed the hierarchy through which water could be dedicated to offset Desalter Production, designating that the Section 6.2 controls the process. (Peace II, § 6.1.) Section 6.2 of the Peace II Agreement ("Peace II Desalter Production Offsets") provides that the Replenishment obligation attributable to Desalter production in any year will be determined by Watermaster by first applying a credit against the total quantity of Desalter Production from:

- (i) the Kaiser account (Peace Agreement Section 7.5(a).);
- (ii) dedication of water from the Overlying (Non-Agricultural) Pool Storage Account;
- (iii) New Yield (other than Stormwater (Peace Agreement Section 7.5(b)));
- (iv) any declared losses from storage in excess of actual losses enforced as a "Leave Behind";
- (v) Safe Yield that may be contributed by the parties (Peace Agreement Section 7.5(c));
- (vi) Any Production of groundwater attributable to the controlled overdraft authorized pursuant to amended Exhibit I to the Judgment.

To the extent available credits applied pursuant to the hierarchy above are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Peace II Section 6.2(b) directs Watermaster to "use water or revenue obtained by levying...assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriative Pool to meet any remaining replenishment obligation." (Peace II, § 6.2(b).)

Section 6.2(b) provides Watermaster shall first levy the Special OBMP Assessment against the Overlying (Non-Agricultural) Pool described in Exhibit "G" to the Judgment³, with water obtained through the assessment being dedicated by Watermaster to further off-set replenishment of the Desalters. (Peace II Agreement, § 6.2(b)(i).)

If, after application of the credits and water obtained pursuant to the Overlying (Non-Agricultural) Pool Special OBMP Assessment described above, a replenishment obligation remains, Watermaster is to levy a Replenishment Assessment against the Appropriative Pool, to be assessed pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production⁴, excluding Desalter Production.

4. Resolution 2010-04

In October 2010, after approval by the Pools and Advisory Committee, the Watermaster Board adopted Resolution 2010-04 in order to confirm the factual and legal assumptions of the Parties as they initiated the final required phase of the Desalter project. The resolution contains commitments by Watermaster and described commitments made by members of the Chino Desalter Authority (CDA) that facilitate the initiation of the final phase of the project.

³ Section 5(c) of the Overlying (Non-Agricultural) Pool Pooling Plan provides, "Special Project OBMP Assessment. Each year, every member of this Pool will dedicate ten (10) percent of their annual share of Operating Safe Yield to Watermaster or in lieu thereof Watermaster will levy a Special Project OBMP Assessment in an amount equal to ten percent of the Pool member's respective share of Safe Yield times the then-prevailing MWD Replenishment Rate."

⁴ Exhibit "D" to Resolution 2010-04 stated that the intended allocation of the residual Replenishment obligation among the members of the Appropriative Pool would be on the basis of 50% Base Annual Production Right and 50% actual Production. It further stated that the formula is used elsewhere in the Peace II Agreement and it is commonly understood by the Parties to the Judgment and Watermaster to apply in this manner. Watermaster staff understands this allocation mechanism to be on the basis of 50% Operating Safe Yield and 50% assessable production, which is the same as that used for the allocation of stored water in the settlement agreements regarding the Overlying (Non-Agricultural) Pool Purchase and Sale Agreements and that provided for allocation of water available through Physical Solution Transfers pursuant to Paragraph 9(b) of Restated Judgment, Exhibit "G".

Because the cost of Desalter Replenishment was anticipated to be significant⁵, as part of their agreement to move forward with the final portion of the Desalter project, the CDA members required certainty as to the manner in which Watermaster would implement Section 6.2 of the Peace II Agreement. The Parties' understanding of that implementation mechanism was included as Exhibit "D" to Resolution 2010-04, titled "Desalter Replenishment Post-Peace II Measures." (See Resolution 2010-04, Whereas Statement 72.) Exhibit "D" describes, by way of example, the manner in which a replenishment obligation might remain after the application of the credits described in the Peace II Section 6.2 hierarchy, described above.

Exhibit "D" further provides that it was the Parties' understanding that any individual member of the Appropriative Pool reserved its discretion to meet its Desalter Replenishment Obligation in any manner that it might choose that is otherwise consistent with the Judgment. By way of example, Exhibit "D" states that a party might "pursue water transfers, remove water from a stored water account or assign a share of Operating Safe Yield⁶" to offset its individual Replenishment Assessment. In this manner, Desalter Replenishment is treated no differently than replenishment for pumping in excess of a party's annual production right: "Nothing contained with[in] Peace II and its treatment of Replenishment for the Desalters limited the pre-existing rights of the parties with respect to Replenishment."

The understanding of the Parties regarding their Desalter Replenishment obligations, as documented in Exhibit "D", was approved by the Court as part of its October 28, 2011 Order after Hearing on Motion for Approval of Watermaster Resolution 2010-04, which ordered,

17. Agreements among the Parties, whatever they may be, for Replenishment, operations, conditions and corresponding consideration without limitations, are unaffected by this determination. However, for the avoidance of doubt, Watermaster Resolution 2010-04, Exhibit "D" accurately summarizes and restates these obligations.

(October 28, 2011 Order after Hearing on Motion for Approval of Watermaster Resolution 2010-04.)

B. Appropriative Pool Parties may meet their Desalter Replenishment Obligations through Either Monetary or Water Contributions

As described above, the obligation for Desalter Replenishment, for existing Desalters is apportioned among the Parties to the Judgment in accordance with the hierarchy set forth in Peace II Section 6.2. Assuming that in a particular year that Desalter Production exceeded water made available through the application of the hierarchy, the remaining obligation would be assumed by the members of the Appropriative Pool in accordance with the melded Annual Production Right and Production formula.

As described above, in the creation of the Peace II Section 6.2 requirements, it was the Parties' understanding, endorsed by the Court in its approval of Resolution 2010-04, that the Members of the Appropriative Pool may meet their Desalter Replenishment Obligations in any manner they choose, including through contribution of water – through the acquisition of water by way of allowed water transfers, through the removal of water from a stored water account or through the assignment of a portion of an annual production right – or may contribute financially toward the necessary cost of offsetting their individual Replenishment Assessments.

⁵ The applicable replenishment obligation arises in regard to the Production of the existing Desalters, as the Production that would occur as a result of the expansion of the Desalters was completely offset through the apportionment of a portion of the 400,000 acre-feet of Re-Operation water, approved by the Court pursuant to Condition Subsequent No. 7.

⁶ Watermaster has previously discussed mechanisms through which these contributions might be made – similar to preemptive replenishment, but there is no standard mechanism for the same. To date, no party has utilized this provision to dedicate Safe Yield for the purpose of offsetting Desalter obligations.

The City's Proposed Agreement

The Agreement states that the City has acquired and may, in the future, acquire Overlying (Non-Agricultural) Pool water rights in Safe Yield, and hold this water in storage "with the intention of subsequently contributing this Safe Yield to Watermaster." (Agreement, ¶ 1.) The Agreement provides that if a Replenishment Obligation arises that is attributable to Desalter Production, as provided in Section 6.2 of the Peace II Agreement, the City may contribute Safe Yield attributable to its overlying rights in the Non-Agricultural Pool to Watermaster for the purpose of offsetting its individual Replenishment Obligation as a member of the Appropriative Pool. (Agreement, ¶ 2.) Upon such a contribution, Watermaster would make a corresponding adjustment to the City's assessment and thereby reduce the City's Replenishment obligation in an amount equal to the number of acre-feet contributed by the City in that year. (Agreement, ¶ 2.)

The City seeks the Agreement to confirm its reading of the Peace and Peace II Agreements that it might utilize Safe Yield from its Non-Ag overlying rights to satisfy its Desalter production offset obligations. Confirmation is sought as this mechanism – dedication of Safe Yield arising from an overlying right to satisfy a specific Appropriator's offset obligation – is not explicitly enumerated in the Peace or Peace II Agreements. Although this mechanism not explicitly enumerated in the Peace or Peace II Agreements, staff's interpretation is that the City's reading is permissible.

A question has arisen as to whether the allowance of such a dedication would be contrary to other provisions of the Watermaster guidance documents, particularly in regard to other provisions of the Non-Ag Pool's Pooling Plan (Exhibit "G" to the Restated Judgment). Section 9 of Exhibit "G" describes the manner in which water may be transferred from the Safe Yield rights of a member of the Overlying (Non-Agricultural) Pool, providing that, during the term of the Peace Agreement, members of the Non-Ag Pool may transfer their quantified Production rights and carry-over water held in storage accounts to other members of the Non-Ag Pool, and to Watermaster and thence to members of the Appropriative Pool in accordance with the clearinghouse process outlined therein, which provides all members of the Appropriative Pool the opportunity to purchase a pro rata share of water made available for transfer. (Restated Judgment, Exhibit "G", 9.)

Consistent with Section 5.3(e) of the Peace Agreement ("...parties to the Judgment with rights within the Non-Agricultural Pool shall have the additional right to Transfer their rights to Watermaster for the purposes of Replenishment of a Desalter") Section 9 of Exhibit "G" additionally provides that such water may be directly transferred to Watermaster for replenishment purposes. Although this section does not expressly indicate that such a transfer may be earmarked to offset the obligation of a particular member of the Appropriative Pool, the language within Peace and Peace II Agreements is susceptible to a common sense interpretation that such dedication is permissible, and the mechanism is not expressly or impliedly limited under the Judgment, Peace I or Peace II, or Watermaster Rules and Regulations.

The Physical Solution Transfers authorized by the Peace Agreement and its progeny have always been construed as collective rights. To date, no party has articulated a good reason for requiring a gross dedication of Safe Yield for the benefit of all members of the Appropriative Pool where only one (or less than all) have provided the consideration for acquiring the underlying rights. Watermaster is seeking review and recommendation as to Watermaster's potential action to confirm that the City may satisfy its Replenishment obligation by dedicating Safe Yield arising under its overlying water rights, and enter into the draft Agreement, subject to obtaining Court approval.

During its May 14, 2015 meeting the Appropriative Pool appointed an Ad Hoc committee to review this, as well as the matter related to the proposed use of Ontario Non-Ag water on City right-of-way maintained by commercial/industrial customers. On the same day the Agricultural Pool, requested that Mr. Pierson and Mr. Hall be invited to participate in the Ad Hoc committee deliberations. The Non Ag Pool recommended approval of the proposed Agreement, however appointed its Chair, Vice Chair and any other interested member of the Pool to participate in the Ad Hoc committee on the second matter. The Ad Hoc committee, chaired by Mr. Darron Poulsen (Pomona), met on Thursday May 21, 2015 and discussed both items.

The Ad Hoc Committee was not able to reach a unanimous recommendation regarding the proposed agreement and the Appropriative Pool deliberated the item during its June 11, 2015 meeting. The Pool rejected a motion (roll call vote) to recommend Advisory Committee approval of the agreement proposed by Ontario. The Appropriative Pool then voted by majority vote (Cities of Ontario and Chino voted against) to refer the matter back to the Ad Hoc Committee to develop a clear understanding among parties of allowable uses on Non Agricultural Pool water. The Ad Hoc Committee was requested to bring back a recommendation during the July Pool meeting. The Agricultural Pool took no action.

The City of Ontario requested the proposed agreement be brought to the Watermaster Board for consideration in June, even if there has been no recommendation by the Ad Hoc Committee at that time. Ontario is amenable to waiting for the Ad Hoc Committee's deliberation on the matter of Non Agricultural water assignment for irrigation on City Right Of Way by commercial/industrial customers. Cucamonga Valley Water District and San Antonio Water Company each submitted letters to Watermaster expressing their views on the proposed agreement (Attachments 3 and 4).

The proposed agreement was presented to the Advisory Committee on June 18, 2015 in advance of Board's consideration. The Advisory Committee was not able to reach a unanimous recommendation, and voted to recommend that the Board direct legal counsel to provide additional input, provide more complete information including any correspondence, and to provide that input/information to the Ad Hoc committee to continue its work toward a resolution.

ATTACHMENTS

1. Agreement for the Conditional Contribution of Safe Yield to Offset Future Desalter Replenishment
2. Exhibit "D" to Watermaster Resolution 2010-04
3. June 17, 2015 Letter from Cucamonga Valley Water District
4. June 18, 2015 Letter from San Antonio Water Company

**AGREEMENT FOR THE CONDITIONAL CONTRIBUTION
OF SAFE YIELD TO OFFSET FUTURE DESALTER REPLENISHMENT**

WHEREAS, Watermaster is charged with responsibility to administer the Judgment and the Optimum Basin Management Program ("OBMP");

WHEREAS, a substantial Replenishment Obligation for the Chino Basin Desalters is projected to arise starting as soon as next fiscal year;

WHEREAS, the City of Ontario ("City") is a party to the Judgment and the owner of appropriative and overlying rights and is a member of the Appropriative and Overlying (Non-Agricultural) Pools;

WHEREAS, the Judgment allocates the Basin's Safe Yield among the Appropriative, Overlying (Agricultural) and Overlying (Non-Agricultural) Pools;

WHEREAS, the City has acquired, and intends to acquire rights to a portion of the Safe Yield allocated among the members of the Overlying (Non-Agricultural) Pool;

WHEREAS, Section 9 of the Overlying (Non-Agricultural) Pooling Plan, Exhibit G to the Judgment, provides that members of the Pool may transfer their quantified Production rights "to Watermaster in conformance with the procedures described in the Peace Agreement between the Parties therein, dated June 29, 2000." Said Peace Agreement at Section 5.3 (e) provides that "parties to the Judgment with rights within the Non-Agricultural Pool shall have the additional right to Transfer their rights to Watermaster for the purposes of Replenishment for a Desalter....";

WHEREAS, Section 7.5(c) of the Peace Agreement provides that "Safe Yield" may be utilized for replenishment of Desalter production;

WHEREAS, pursuant to Peace Agreement II Section 6.2(a), which cites Section 7.5(c) of the Peace Agreement, Watermaster will determine the Replenishment Obligation attributable to the Desalters after taking into account Safe Yield "contributed by the parties";

WHEREAS, Exhibit D to Watermaster Resolution 2010-04, states that a party might pursue water transfers, remove water from a stored water account or assign a share of Operating Safe Yield to offset its individual Replenishment Assessment attributable to the Desalters.

WHEREAS, the City has a prospective Replenishment Obligation attributable to the Desalters as an individual member of the Appropriative Pool, which it may desire to offset through contribution of Safe Yield;

WHEREAS, Watermaster has previously acquired Safe Yield from other Parties to offset subsequent Desalter Replenishment obligations;

WHEREAS, the City intends to conditionally contribute Safe Yield acquired from the Overlying (Non-Agricultural) Pool to Watermaster in accordance with the provisions of

the Peace and Peace II Agreements;

NOW THEREFORE, the parties agree as follows:

AGREEMENT

1. City Acquisition of Safe Yield. The City has acquired and may, in the future, validly acquire Overlying (Non-Agricultural) Pool water rights in Safe Yield from Parties to the Judgment and hold this water in Local Storage with the intention of subsequently contributing this Safe Yield to Watermaster, provided that it complies with all Watermaster rules and regulations concerning the beneficial use and storage of Basin Water, including but not limited to the application of an annual loss from storage until a contribution occurs or the City otherwise elects to use the Safe Yield for another permissible purpose.

2. Contribution. At any time after the date of execution of this Agreement, if a Replenishment Obligation arises that is attributable to Desalter Production, the City may contribute Safe Yield, attributable to its overlying rights in the Non-Agricultural Pool, to Watermaster for the purpose of offsetting its individual Replenishment Obligation as a member of the Appropriative Pool or otherwise. Upon a City contribution, Watermaster will make a corresponding adjustment to the City's assessment and thereby reduce the City's Replenishment obligation in an amount equal to the number of acre-feet contributed by the City in that year.

3. No Prejudice. The execution of this Agreement will be without prejudice to the City's right to use the acquired Safe Yield for permissible purposes under the Judgment.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CHINO BASIN WATERMASTER

By:

Name:
Title:

CITY OF ONTARIO

By:

Name:
Title:

Exhibit "D"

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EXHIBIT "D"

DESALTER REPLENISHMENT POST-PEACE II MEASURES

Summary

Desalter Replenishment is controlled by Peace II Section 6.2, attached hereto. As a result of the methodology referenced below, Western Municipal Water District (WMWD) will not incur any replenishment obligation for the 9 mgd expansion. This follows from the fact that WMWD is not a member of the Appropriative Pool and it was not required to become one as a precondition to the approval of the Peace II Measures, although it may elect in its discretion to do so.

WMWD has no share of Operating Safe Yield. Because the formula for apportioning the cost of Replenishment set forth in Section 6.2 attributable to the Desalters expressly excluded Production from the Desalters from the calculation of responsibility, even WMWD's intervention into the Appropriative Pool would not trigger a Replenishment obligation for WMWD. Specifically, without a share of Operating Safe Yield or any eligible groundwater production, there would be no basis to assess WMWD for a Replenishment Assessment.

It is also true that to the extent WMWD shared a portion of its rights to the 9 mgd expansion with Jurupa Community Services District and the City of Ontario as contemplated by Article VI, there would be no impact on the net Replenishment obligation of any other Party to the Judgment because all of the projected groundwater production planned for the proposed 9 mgd expansion was to be offset by the apportionment of 175,000 acre-feet for this purpose; both in the Court proceeding and in the filing in compliance with Condition Subsequent Number 7 (attached hereto as Exhibit "B").¹ (See below.) Replenishment attributable to the Chino I and Chino II Desalters is also addressed by formula in Peace Agreement II Section 6.2(b)(ii).

Replenishment Example

The obligation for Desalter Replenishment, for existing Desalters (as the Expansion was fully offset) was apportioned among the Parties to the Judgment in accordance with the hierarchy set forth in Peace Agreement II Section 6.2. Thus, assuming in Year X, there was 35,000 acre-feet of Desalter Production, the stated hierarchy of sources would be applied to satisfy the cumulative demand.

(1) Kaiser: (Peace Agreement II Section 6.2(a)(i))

¹ Subject to an adjustment in the schedule to reflect actual operations.

- (2) No Ag Dedication (Peace Agreement II Section 6.2(a)(ii))
- (3) New Yield other than Storm Water (Peace Agreement II Section 6.2(a)(iii))
- (4) Losses from Storage and Recovery Agreements enforced as a Leave Behind (Peace Agreement II Section 6.2(a)(iv))
- (5) Contributed safe yield (Peace Agreement II Section 6.2(a)(v))
- (6) Controlled Overdraft as authorized (175 / 225). (Judgment Exhibit I.

Assuming for purposes of this example that the sum of (1)-(5) referenced above in Year X was 10,000 acre-feet, there would be a total Replenishment Requirement of 25,000 acre-feet. That quantity apportioned to the Expansion would be apportioned 10,000 acre-feet to offset that production (assuming the schedule is adhered to) and the balance would be assumed by the Appropriative Pool in accordance with the formula set forth in Section 6.2(b)(ii). In summary, that formula divides the residual Replenishment obligation among the members of the Appropriative Pool on the basis of 50% Base Annual Production Right and 50% actual Production. The actual language of Section 6.2(b)(ii) reads slightly different, but it is not inconsistent. This formula is used elsewhere in the Peace II Agreement and it is commonly understood by the Parties to the Judgment and Watermaster to apply in the manner described in this paragraph and this Exhibit.

The formula expressly, albeit provisionally, excludes Desalter Production from the calculation. This means that the 25,000 acre-feet of production in this example attributed to the Desalters would *not* form a basis to assess any member of CDA a larger assessment simply because they received desalted water. However, if there is a material reduction in the cost of desalted water, this provision was subject to a re-opener. (See below)

This structure preserves the intention of the parties, the Court and Watermaster to remove the Replenishment obligation from the cost consideration of the Expansion Project. The Replenishment obligation attributed to the Chino I and Chino II Desalters was a pre-existing and known obligation prior to Peace II. The use of water made available by the Peace II Measures substantially reduced the projected Replenishment obligation by 225,000 acre-feet.

It is true that there is a provision in Peace Agreement Section 6.2(b)(ii) that reflects that the exclusion of the Desalter production from the calculation might be revisited if the costs of water from the Desalters were to be materially reduced. However, as of October 28, 2010, Watermaster has no present information and thus no good cause that would suggest that the cost of product water from the Desalters is going to be substantially less than the negotiated price cap. Consequently it would appear that there is no present basis to reconsider this element although Watermaster and the Court would be authorized to revisit this provision if good cause were subsequently presented.

The treatment of Replenishment in any Renewal Term (Post-Peace Agreement 2030) is the subject of negotiation. (Peace Agreement II, Section 6.2(c)). This means that the inter-se allocation of the 400,000 acre-feet is fully addressed during the term of the Peace Agreement. The Parties to the Judgment are free to extend the Peace Agreement for the Renewal Term or to renegotiate any provision as a condition of extension.

Any individual member of the Appropriative Pool reserves discretion to meet their Replenishment Obligation in any manner that they may choose that is otherwise consistent with the Judgment. For example, a party may pursue water transfers, remove water from a stored water account or assign a share of Operating Safe Yield to offset their individual Replenishment Assessment. Nothing contained with Peace II and its treatment of Replenishment for the Desalters limited the pre-existing rights of the parties with respect to Replenishment.

Allocation of 400,000 Acre-Feet

As far as the inter-se apportionment of the allocation, Section 7 of the Peace II Agreement contemplated a fair process to arrive at an apportionment. An initial schedule was transmitted to the Court in response to the Court Order. The schedule was the subject of testimony and further reporting and ultimately a requirement for a schedule to be filed in connection with Condition Subsequent Number 7.

Watermaster filed its apportionment in response to Condition Subsequent Number 7, allocating 175,000 acre-feet to the expansion and 225,000 to the existing Desalters.

Peace Agreement II Section 7.2(e)(ii) authorizes Watermaster to propose revisions to the proposed schedule where good cause exists -- supported by a technical explanation. A potential cause to revise the schedule might include the Expansion Project's failure to extract the allocated quantities as a result of delays in construction and operation. It is possible that there may be other public policy reasons that support other potential causes that would support a revision of the schedule, but no such reason has been presented to Watermaster.

In general, modest corrections are fairly likely to be acceptable. Material deviations may suggest a failure in one or more purposes of the OBMP Implementation Plan, and Watermaster is unable to predict how it may respond to the failure of the Expansion Project to proceed as planned.

Legal Effect of WMWD Intervention In the Appropriative Pool

As noted above, there is no requirement in the Peace II Measures that WMWD intervene into the Appropriative Pool. There is a requirement that

WMWD make the Appropriative Pool whole for historic contributions under Peace Agreement II Section 5.5(e). The requirements set forth in Section 5.5(e) of the Peace II Agreement have been satisfied by WMWD's assumption of project risk, out-of-pocket costs presently in excess of \$5 million (\$15 million for the Expansion Parties) and the further assumption of capital and operations and maintenance costs in excess of expectations (the cost-cap as for WMWD's portion of expenses. However, this finding is made only with regard to WMWD's obligation under Section 5.5 to complete final binding agreement(s) regarding Future Desalters. This finding is not intended to have any bearing or impact on the sufficiency of WMWD's assumption of risk and costs for any other purpose, including the availability of a reduced uniform loss percentage under Peace II Agreement Section 7.4. This finding also does not affect WMWD's rights or obligations to intervene into the Appropriative Pool on the terms and conditions that may be fairly agreed among the Appropriative Pool and WMWD.

Transferability of 400,000 Acre-Feet

There is no allocation of any portion of the 400,000 acre-feet to any individual party. The water is made available for the express purpose of offsetting Desalter production in furtherance of obtaining Hydraulic Control through Re-Operation. The water is apportioned as provided in Watermaster's Response to Condition Subsequent Number 7 to the December 21, 2007 Order of the Court.

EXHIBIT D-1

PEACE II AGREEMENT:
PARTY SUPPORT FOR WATERMASTER'S OBMP
IMPLEMENTATION PLAN, -
SETTLEMENT AND RELEASE OF CLAIMS
REGARDING FUTURE DESALTERS

6.2 Peace II Desalter Production Offsets. To facilitate Hydraulic Control through Basin Re-Operation, in accordance with the 2007 Supplement to the OBMP Implementation Plan and the amended Exhibits G and I to the Judgment, additional sources of water will be made available for purposes of Desalter Production and thereby some or all of a Replenishment obligation. With these available sources, the Replenishment obligation attributable to Desalter production in any year will be determined by Watermaster as follows:

- (a) Watermaster will calculate the total Desalter Production for the preceding year and then apply a credit against the total quantity from:
 - (i) the Kaiser account (Peace Agreement Section 7.5(a).);
 - (ii) dedication of water from the Overlying (Non-Agricultural) Pool Storage Account;
 - (iii) New Yield (other than Stormwater (Peace Agreement Section 7.5(b)));
 - (iv) any declared losses from storage in excess of actual losses enforced as a "Leave Behind";
 - (v) Safe Yield that may be contributed by the parties (Peace Agreement Section 7.5(c));
 - (vi) any Production of groundwater attributable to the controlled overdraft authorized pursuant to amended Exhibit I to the Judgment.
- (b) To the extent available credits are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriative Pool to meet any remaining replenishment obligation as follows.

- (i) A Special OBMP Assessment against the Overlying (Non-Agricultural) Pool as more specifically authorized and described in amendment to Exhibit "G" paragraph 8(c) to the Judgment will be dedicated by Watermaster to further off-set replenishment of the Desalters. However, to the extent there is no remaining replenishment obligation attributable to the Desalters in any year after applying the off-sets set forth in 6.2(a), the OBMP Special Assessment levied by Watermaster will be distributed as provided in Section 9.2 below. The Special OBMP Assessment will be assessed pro-rata on each member's share of Safe Yield, followed by
 - (ii) A Replenishment Assessment against the Appropriative Pool, pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production. Desalter Production is excluded from this calculation. However, if there is a material reduction in the net cost of Desalter product water to the purchasers of product water, Watermaster may re-evaluate whether to continue the exclusion of Desalter Production but only after giving due regard to the contractual commitment of the parties.
 - (iii) The quantification of any Party's share of Operating Safe Yield does not include the result of any land use conversions.
- (c) The rights and obligations of the parties, whatever they may be, regarding Replenishment Assessments attributable to all Desalters and Future Desalters in any renewal term of the Peace Agreement are expressly reserved and not altered by this Agreement.



Cucamonga Valley
Water District

10440 Ashford Street, Rancho Cucamonga, CA 91730-2799
P.O. Box 638, Rancho Cucamonga, CA 91729-0638
(909) 987-2591 Fax (909) 476-8032

Martin E. Zvirbulis
Secretary / General Manager/CEO

June 17, 2015

Mr. Peter Kavounas
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, California 91730

Re: City of Ontario Proposal to Use Its Overlying Non-Agricultural Pool Rights to Offset Its Desalter Replenishment Obligations as a Member of the Appropriative Pool

Dear Mr. Kavounas:

The Cucamonga Valley Water District ("District") submits this letter as a supplement to comments already made on record by the District and others regarding the proposal (the "Proposal") by the City of Ontario ("Ontario" or "City") to use overlying rights that it holds as a member of the Overlying Non-Agricultural Pool to offset and/or satisfy Ontario's future Desalter replenishment obligations as a member of the Appropriative Pool. For reasons previously articulated at the May 14, 2015 and June 11, 2015 meetings of the Appropriative Pool, the District opposes Ontario's Proposal as presented and disagrees with statements made in the Watermaster staff reports that appear to support the Proposal, even though the Appropriative Pool remains divided on the matter.

The District opposes the Ontario Proposal because it is not authorized by the Judgment or the Peace Agreements, and because it fundamentally undermines the expectations and benefits held by the District and other members of the Appropriative Pool. For the reasons set forth below, the Proposal cannot and should not be approved.

I. Ontario's Proposal is Inconsistent with Its intervention in the Overlying Non-Agricultural Pool in 2008 and Inconsistent with Historic Overlying Non-Agricultural Uses in the Chino Basin as Authorized by Watermaster

Ontario's Proposal is a complete departure from the basis upon which Ontario was allowed to intervene in the Overlying Non-Agricultural Pool in 2008. Various documents show that Ontario intervened in the Non-Agricultural Pool to use overlying rights for overlying purposes on property owned by the City. Watermaster's staff report regarding Ontario's 2008 intervention noted:

All three pools have unanimously approved the intervention. At the Appropriative Pool meeting a discussion occurred regarding the scope of authorized uses and place of use of the water that will be

James V. Curatalo, Jr.
President

Luis Cetina
Vice President

Oscar Gonzalez
Director

Randall Reed
Director

Kathleen J. Tieg
Director

transferred to Ontario after it has successfully intervened into the Pool. The Pool requested that as a part of the staff report for the Advisory Committee and Board that Watermaster staff provide an interpretation of the existing authorities as they will inform Watermaster accounting of Ontario's production as a member of the Pool. (See Watermaster Staff Report Re Ontario Intervention, September 25, 2008, p. 2.)

To assist in Watermaster's interpretation, Ontario provided the following description of its intended use of water and water rights in the Overlying Non-Agricultural Pool:

Once Ontario is a member of the [Overlying Non-Agricultural] Pool, Ontario therefor intends to use this water on its overlying property. That property includes uses similar and consistent with uses historically and currently allowed and performed by other members of the Pool. Examples are: median/streetscape landscaping ... irrigation of recreational parks and community center facilities ... use at other community/municipal/safety building properties ... use at Ontario's Citizen Business Bank Event Center and Ontario's Convention Center ... and, municipal facility uses such as the City Operation Center These non-agricultural uses will be metered separately from appropriative uses. (See Watermaster Staff Report Re Ontario Intervention, September 25, 2008, p. 2.)

Based on the description provided by Ontario, Watermaster concluded:

Once Ontario has intervened, it will be able to make the acquired right available for the benefit of other land owned by the City that overlies the Chino Basin as permitted by the Judgment. Watermaster therefore interprets the applicable authorities as allowing Ontario to use the water transferred to it by Sunkist according to its intended uses as described above. (See Watermaster Staff Report Re Ontario Intervention, September 25, 2008, p. 3, emphasis added.)

Since the time Watermaster and the Court approved Ontario's intervention into the Non-Agricultural Pool in 2008, Ontario has used its overlying rights as it said it would, i.e., for overlying uses on property owned by the City. Both in 2008 and now, Watermaster staff agrees that such overlying uses are consistent with the terms of the Judgment and historical custom and practices within the Chino Basin:

The only definition of the scope of allowable uses of Non-Agricultural Pool water is found in Paragraph 1 of Exhibit "G" to the Judgment: "Said pool includes producers of water for overlying industrial or commercial (non-agricultural) purposes ..." This is a general description which on its face would allow a broad category of beneficial uses. However, the scope of use of Overlying (Non-

Agricultural) Pool water is also informed by the history of actual use by the Pool member, as the custom and usage among the parties to the Judgment and similarly situated users. Overlying (Non-Agricultural) Pool water is used for a variety of uses including landscaping, indoor uses at facilities and outdoor uses at commercial and industrial facilities. Watermaster has not historically regulated specific uses of Overlying (Non-Agricultural) Pool water by members of the Pool so long as they are using the water on land owned by the Pool member that overlies the Basin. (See Watermaster Staff Report Re Ontario Intervention, September 25, 2008, p. 3; Watermaster Staff Report Re Monte Vista Water District Request for Intervention into Overlying Non-Agricultural Pool, June 11, 2015, p. 2, emphasis added.)

Ontario's current Proposal, however, goes far beyond its intervention into the Non-Agricultural Pool as presented to and approved by Watermaster and the Court in 2008. Moreover, the Proposal is inconsistent with the terms of the Judgment and the Peace Agreements and finds no support in the historic custom and usage of Overlying Non-Agricultural rights in the Chino Basin as authorized by Watermaster.

II. Ontario's Proposal Demonstrates a Clear and Ongoing Need to Address "Dual Pool" Issues

In 2014, a transaction was presented to and approved by Watermaster wherein Aqua Capital Management, as a member of the Overlying Non-Agricultural Pool, permanently transferred 300 acre-feet of Overlying Non-Agricultural rights to Ontario as a member of the Overlying Non-Agricultural Pool. Although the transaction was approved, it spurred a pointed and relevant discussion before the Overlying Non-Agricultural Pool. In particular, that discussion noted that Ontario's acquisition of additional Overlying Non-Agricultural rights and its growing ownership percentage within the Overlying Non-Agricultural Pool signifies the need for Watermaster to address certain "Dual Pool" issues. Indeed, concerns were raised that Ontario's acquisition of additional Overlying Non-Agricultural rights (without near enough overlying demand to use those rights) gives way to creating a "Junior Appropriative Pool" that requires further discussion and direction from Watermaster. On this point, Watermaster legal counsel referred to the Paragraph 31 Settlement Agreement requiring the "Dual Pool" issues to be further addressed by the parties.

Further discussions on "Dual Pool" issues were scheduled to occur in mid-2014, but were put on hold to handle the recent Safe Yield Reset process. Ontario's Proposal puts the "Dual Pool" issues front-and-center, and the Proposal should not be considered or approved until those issues are meaningfully addressed and resolved by the Pools and by Watermaster.

III. Ontario's Proposal is Not Authorized by the Judgment or the Peace Agreements

Ontario's Proposal is not authorized by the Judgment or the Peace Agreements; in fact the Proposal is inconsistent with the express terms of that legal framework. The Judgment specifically defines and limits the nature of overlying rights. In that regard, the Judgment states that "all overlying rights are appurtenant to the land and cannot be assigned or conveyed separate or apart therefrom

for the term of the Peace Agreement,” except that members of the Overlying Non-Agricultural Pool can transfer their Overlying Non-Agricultural rights under three express and limited exceptions, as follows:

- (i) among themselves within the Overlying Non-Agricultural Pool;
- (ii) to Watermaster as provided in the Peace Agreement; or
- (iii) to Watermaster as part of the “clearinghouse” process established under the Peace II Agreement. (See, e.g., Judgment, Sections 4(n) and 8, Exhibit G, Paragraphs 6 and 9.)¹

This specific language shows that the Judgment simply does not authorize a member of the Overlying Non-Agricultural Pool to dedicate its Overlying Non-Agricultural rights to satisfy that party’s Desalter replenishment obligation as a member of the Appropriative Pool. Watermaster only has, and only may exercise, the express powers as provided in the Judgment. (Judgment, Section 17.) Because Ontario’s Proposal is not expressly authorized by the Judgment, Watermaster is not authorized to approve it.

Nor is Ontario’s Proposal sanctioned by the Peace or Peace II Agreements. To the contrary, the Proposal is inconsistent with the language and intent of those Agreements. First, as noted above and by Watermaster’s staff report, the Peace Agreement allows a member of the Overlying Non-Agricultural Pool to transfer its Overlying Non-Agricultural rights to Watermaster “for the purposes of Replenishment for a Desalter or for a Storage and Recovery Program.” (Peace Agreement, Section 5.3(e).) Yet the language of Section 5.3(e) does not expressly authorize a member of the Overlying Non-Agricultural Pool to transfer its overlying rights to Watermaster to satisfy that member’s specific Desalter replenishment obligation incurred as a member of the Appropriative Pool. Some have suggested that a lack of express authority in Section 5.3(e) leaves wiggle-room for a “common sense interpretation” that such a transfer is impliedly authorized. However, the legal framework of the Chino Basin adjudication is not administered through “implied authority” and such an interpretation is directly inconsistent with the express language, mechanisms, and purpose of the Peace II Agreement.²

¹ The right of any member of the Overlying Non-Agricultural Pool to transfer water in any year in accordance with the “clearinghouse” process established under the Peace II Agreement is dependent upon Watermaster making a finding that the member of the Overlying Non-Agricultural Pool is using recycled water where it is both physically available and appropriate for the designated end use in lieu of pumping groundwater. (Judgment, Exhibit G, Paragraph 9(g).)

² Nor is such an interpretation aided by Watermaster Resolution 2010-04. As noted by the Watermaster staff report, Resolution 2010-04 and Exhibit “D” thereto address post-Peace II manners in which members of the Appropriative Pool may seek to satisfy their Desalter replenishment obligations. Nothing in Resolution 2010-04 or Exhibit “D” thereto authorize the dedication of Overlying Non-Agricultural rights as provided by the Ontario Proposal, and in fact Exhibit “D” states that “the treatment of Replenishment in any Renewal Term (Post-Peace Agreement 2030) is the subject of negotiation. (Peace Agreement II, Section 6.2(c).)”

The Peace II Agreement clearly provides that transfers under Section 5.3(e) of the Peace Agreement from members of the Overlying Non-Agricultural Pool to Watermaster are to be used by Watermaster to offset the overall Desalter replenishment obligation in any given year. By design, such transfers reduce the residual Desalter replenishment obligation faced by the entire Appropriative Pool, and thus constitute an important bargained-for mechanism that was developed and instituted pursuant to the Peace II Agreement. In this regard, Section 6.2 of the Peace II Agreement states that in accordance with the 2007 Supplement to the OBMP Implementation Plan and the amended Exhibits G and I to the Judgment, “additional sources of water will be made available for purposes of Desalter Production and thereby some or all of a Replenishment obligation.” (Peace II Agreement, Section 6.2.)

To effectuate this provision, Section 6.2(a)(ii) requires Watermaster each year to apply any transfers of Overlying Non-Agricultural rights to Watermaster for Desalter replenishment (in accordance with Section 5.3(e) of the Peace Agreement) as a credit against total Desalter production for that year. Such transfers can be made by members of the Overlying Non-Agricultural Pool to Watermaster for value, and once applied by Watermaster such transfers reduce the residual Desalter replenishment obligation imposed on the Overlying Non-Agricultural Pool and the Appropriative Pool under the provisions of Section 6.2(b). (See Peace II Agreement, Sections 6.2(a)-(b).)³ Ontario’s Proposal short-circuits and is contrary to this contractual mechanism under Section 6.2(a)(ii) that was bargained for under the Peace II Agreement for the express benefit of all members of the Appropriative Pool.

The Ontario Proposal is also inconsistent with the “clearinghouse” mechanism established by the Peace II Agreement. This mechanism allows members of the Appropriative Pool to access underutilized amounts of Overlying Non-Agricultural water in accordance with the provisions of Paragraph 9 of Exhibit G to the Judgment as amended. Such transfers can create additional local water that is available to all members of the Appropriative Pool for offsetting replenishment obligations. Ontario’s Proposal short-circuits this contractual mechanism, and thus is contrary to the bargain negotiated and implemented under the Peace II Agreement for the express benefit of all members of the Appropriative Pool.

In sum, the Ontario Proposal seeks to enable a transfer that is not expressly authorized by the Judgment and Peace Agreements for the sole benefit of Ontario, while disabling transfers that are expressly authorized by the Judgment and Peace Agreements for the benefit of the entire Appropriative Pool and others.

IV. Watermaster is Not Authorized by the Judgment or the Peace Agreements to Approve Ontario’s Proposal

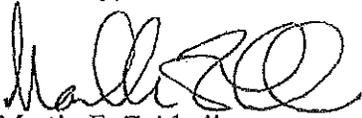
Ontario’s Proposal to dedicate its Overlying Non-Agricultural rights to satisfy its specific Desalter replenishment obligations as a member of the Appropriative Pool is not authorized by the Judgment. Moreover, Watermaster’s staff report acknowledges that the Proposal “is not explicitly enumerated in the Peace or Peace II Agreements.” As noted above, because Ontario’s Proposal is not expressly authorized by the Judgment or the Peace Agreements, Watermaster is not authorized to approve it.

³ See also, Peace II Agreement Section 6.2(b)(i) and Section 9.2.

Beyond issues of law, the Proposal undermines and interferes with key mechanisms that were negotiated and instituted through the Peace II Agreement that allow unused Overlying Non-Agricultural water to benefit all members of the Appropriative Pool on a pro rata basis. For all the reasons provided herein, the Ontario Proposal should not be approved. Instead, the Proposal illustrates a need for the Pools and Watermaster to resume discussions of "Dual Pool" issues at the appropriate time.

The District appreciates your consideration of this matter. Should you have any questions or concerns, please feel free to contact me at (909) 987-2591.

Sincerely,

A handwritten signature in black ink, appearing to read "Martin E. Zvirbulis". The signature is fluid and cursive, with the first name being the most prominent.

Martin E. Zvirbulis
General Manager/CEO



San Antonio Water Company

Incorporated October 25, 1882

Serving the original Ontario Colony lands

TO: Advisory Committee

FROM: San Antonio Water Company ("SAWCO")

SUBJECT: Ontario proposal regarding use of Non-AG water rights

DATE: June 18, 2015

Dear Committee Members:

1. It is premature for the Advisory Committee to act on the Ontario proposal.
 - A. The Appropriate Pool has not finally acted on the Ontario proposal.
 - B. It would be unprecedented for the Advisory Committee to act before final Appropriate Pool action.
2. The Watermaster Staff's argument in favor of the Ontario proposal is that it is "common sense", which does not seem to be true.

The purpose of the Peace Agreements was to free "stranded water" belonging to the members of the Non-AG Pool for purposes other than traditional Overlying Rights uses.

The Appropriate Pool has "first rights" to the water and only the Appropriate Pool passes on its rights to the offered water do the other alternatives uses arise. That is the "common sense" reading of the Judgment and Peace Agreements. The holder of the rights in the Non-AG pool is not the party who decides that the water can be used for a purpose other than to make it available for purchase by the Appropriate Pool members.

Sincerely,

A handwritten signature in cursive script that reads "Teri Layton".

Teri Layton
Assistant Manager of Administration and Finance

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B. CHINO BASIN SAFE YIELD REDETERMINATION 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: June 25, 2015
TO: Board Members
SUBJECT: Chino Basin Safe Yield Redetermination and Reset

SUMMARY

Issue: The Agricultural and Non-Agricultural Pool Committees have reviewed the Safe Yield Redetermination and Reset Key Principles and, in light of no significant concerns, drafting of a binding Agreement has commenced. The Chino Basin Watermaster Board has directed staff to prepare a Status Report for the Court.

Recommendation: Direct Legal Counsel and staff to finalize and file the Status Report with the Court.

Financial Impact: No impact to Watermaster.

Future Consideration

Watermaster Board: June 25, 2015 Provide direction to Counsel and Staff [Within WM Duties and Powers]

ACTIONS:

June 11, 2015 – Appropriative Pool –recommended by majority vote that WM move forward with the amended language on the Key Principles which incorporates Agricultural and Non-Agricultural Pool comments. The City of Chino and San Antonio Water Company voted against the motion.

June 11, 2015 – Non-Agricultural Pool – Unanimously voted to support the Safe Yield Key Principles document, and direct the Pool representatives to support at the Advisory Committee and Board meetings subject to changes which they deem appropriate with the following caveats: [1] Paragraph 4 – Storage Management Plan: The Pool recommends that issues related to this item be scoped by December 31, 2015 including a cost estimate and that the Storage Management Plan process is completed no later than June 30, 2016; and [2] The Pool would like the FANDA expenses be reallocated to participants only; any costs allocated to the NAP should be credited.

June 11, 2015 – Agricultural Pool – unanimously approved the amended Safe Yield Reset Key Principles document approved by the Appropriative Pool..

June 18, 2015 – Advisory Committee – Information only

Date – Watermaster Board –

BACKGROUND

A group of parties that signed the Facilitation and Non-Disclosure Agreement (FANDA) developed a set of Key Principles as a balanced approach to all matters related to the Chino Basin Safe Yield Redetermination and Reset. With the group's permission the facilitator, Scott Slater, presented the Key Principles to the Watermaster Board during the May 28, 2015 meeting.

The FANDA Group includes most of the Appropriative Pool parties (with the exception of San Antonio Water Company) and the three municipal water districts: Inland Empire Utilities Agency, Three Valleys Municipal Water District, and Western Municipal Water District. The group does not include members of the Non-Agricultural Pool, the Agricultural Pool, or the Chino Basin Water Conservation District.

On May 28, 2015, the Board heard the presentation by Mr. Slater, and also received comments from the City of Chino which, although a member of the FANDA group, was not in support of the Key Principles. After deliberation the Board moved to: direct staff and counsel to prepare a status report to the Court for consideration by the Board at its regular meeting on June 25, 2015; direct staff and counsel to commence coordinating drafting of a binding agreement based on FANDA Key Principles unless either the Agricultural or Non-Agricultural Pool express concerns with the Key Principles by close of business on June 12, 2015. If necessary, the Board would have convened a special meeting on June 16, 2015 to evaluate concerns and take appropriate action.

DISCUSSION

During the June 11, 2015 Pool Committee meetings each of the Pools considered the May 28, 2015 Key Principles, as amended by various proposals (Attachment 1). All three Pools recommended approval of the Key Principles.

The Appropriative Pool motion was approved by majority vote in Confidential Session, with the City of Chino and the San Antonio Water Company voting against.

The Non-Agricultural Pool voted unanimously to approve beginning drafting a binding agreement based on the Key Principles, and recommended that issues related to the Storage Management Plan be scoped by December 31, 2015 including a cost estimate, and that the Storage Management Plan process is completed no later than June 30, 2016. Additionally the Non-Agricultural Pool would like the expenses associated with the facilitated process to be reallocated to participants of the process. This concern is administrative in nature and does not impede the drafting of the agreement. Watermaster staff will address this issue through the annual budget reconciliation process after the close of the fiscal year, at which time a funds transfer will be presented.

The Agricultural Pool Committee voted unanimously to approve the Key Principles.

In light of the actions taken by the three Pool Committees, a Special Board meeting on June 16, 2015 was not necessary and a meeting was held instead to begin the drafting of a binding agreement as directed by the Board. Future drafting sessions have been planned to complete the agreement by the September 1, 2015 deadline.

Following the Board's May 28, 2015 direction, staff has prepared a draft Status Report to the Court for consideration by the Board during its June 25, 2015 meeting (Attachment 2). The draft Status Report was distributed during the June 18, 2015 Advisory Committee meeting for review and input by the parties, and minor changes have been made based on input by parties. The Status Report will be amended as necessary based on any further input received before the Board meeting.

ATTACHMENTS

1. June 11, 2015 Pool Approved Safe Yield Key Principles
2. Draft Status Report; Herrema Declaration; Proposed Order

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SAFE YIELD RESET SUMMARY OF NON-BINDING KEY PRINCIPLES DERIVED FROM FACILITATED PROCESS

These Non-Binding Key Principles are the product of good faith bargaining among the initialing parties reflecting a substantial consensus moving forward to re-set Safe Yield contemplated by the Judgment, the Peace Agreement(s) and the OBMP. Although support is not unanimous, the parties are initialing these *Non-Binding* Key Principles, each signifying an intention to continue to negotiate in good faith to reduce these principles into a binding instrument(s), whatever form it may take, for execution no later than September 1, 2015 and to coordinate further briefings of the Court in support of their good faith intentions. The Safe Yield is not to be reset unless and until the binding agreements are finalized among the parties. No person or party waives any right to object to the documentation of these key principles in binding instruments or binds any individual or institution by its initialing of this document.

Each of the initialing parties acknowledges their individual duty and collective stewardship obligation to manage the precious water resources of this State and more specifically the waters of the Chino Basin in accordance with the Constitutional requirements set forth in Article X, Section 2. This process exemplifies their individual and collective best efforts towards the optimum management of groundwater in the Basin to ensure the maximum reasonable and beneficial use thereof.

The initialing parties invite all other parties to the Judgment to participate in good faith to document final binding agreements to re-set Safe Yield and to implement the use of Chino Basin to promote sound resources conservation and stewardship practices as contemplated by the Judgment, the Peace Agreements and the OBMP.

The facilitated process shall remain privileged and confidential and its content not subject to disclosure pursuant to California Evidence Code Section 1152.

Safe Yield Reset

1. Safe Yield Reset. 135,000 AFY.
2. Effective Date. Upon Court approval of the Safe Yield Reset, July 1, 2010, the implementation of the reset will occur on July 1, 2014, but with no retroactive accounting. For the avoidance of doubt, this means Watermaster will not change prior accounting of its prior allocation of Safe Yield and Operating Safe Yield among the parties for years prior to July 1 2014.
3. Reset again in 2020 for the period 2021-2030.
4. Safe Yield evaluations shall be consistent with the April 10, 2015 Tech Memo prepared by Wildermuth Environmental (See Exhibit "A"):
 - (a) Use normalized long-term hydrology: 1921 to present date.

- (b) Long-term hydrology will be expanded to include data from each year from now until 2030.
 - (c) Long-term hydrology accounts for short-term climatic variations, wet and dry.
 - (d) Watermaster will ensure that all production by all parties to the Judgment is reported and accounted for.
 - (e) Collect data concerning cultural conditions annually, with cultural conditions including, but not limited to, land use, water use practices, production, and facilities.
 - (f) Evaluate the potential need for the exercise of prudent management discretion to impose measures as may be required to avoid or mitigate undesirable results including, but not limited to, subsidence, water quality degradation, and unreasonable pump lifts.
 - (g) If evaluation of data appears to suggest a material change from existing and projected conditions or threatened undesirable results, then a more significant evaluation and a model run will be undertaken.
 - (h) A budget will be developed for the annual data collection, data evaluation and model run efforts with an agreed methodology for the allocation of expenses among the parties.
 - (i) A model run will be completed in connection with the 2020 Reset and again in 2025 in a manner consistent with Exhibit “A” the April 10, 2015 Wildermuth Environmental Technical Memorandum.
5. An interim correction and a Safe Yield Reset will occur when Watermaster has conducted a higher level of evaluation, as referenced in paragraph 4 above and with the advice and counsel of the Pools and Advisory Committee in the exercise of prudent management discretion, a conclusion is reached that Safe Yield must be changed by an amount greater (plus or minus) than 2.5%.
6. Peer review of Watermaster collection and application of data may be undertaken by all Pools annually.

Safe Storage Management

1. Safe Storage Management. 130,000 AF. The parties will support the prudent management objective of protecting against Material Physical Injury and Undesirable Results. Further explanation to be provided in a technical memorandum.
2. Safe Storage Reserve
 - (a) Safe Storage Reserve means a quantity of water held in storage that is sufficient to ensure protection against a precipitous drop in water levels and undesirable results while a more comprehensive plan can be developed by the parties.
 - (b) Appropriate Pool stored water in non-supplemental stored water accounts will be the only water subject to this provision.
 - (c) The Appropriate Pool parties will be responsible for ensuring such quantities are present in the Reserve, shared among them in accordance with their

- relative percentage of their quantity of non-supplemental held in groundwater in storage on July 1, 2015, if and when the quantity of Appropriative Pool stored water in non-supplemental stored water accounts decreases to a gross quantity of 150,000 AF.
- (d) 100,000 AF of the Safe Storage Reserve water will be available for use in the event of an emergency, provided that any stored water withdrawn would be replenished within 36 months of the withdrawal and the withdrawal will not cause Material Physical Injury.
 - (e) Absent a Storage Management Plan, up to a maximum of 30,000 AF of the Safe Storage Reserve water will be available after 2024 for the exclusive purpose of the dedication to Desalter Replenishment in furtherance of the OBMP and the maintenance of Hydraulic Control. The withdrawal of this water must not cause Material Physical Injury.
 - (f) Parties remain subject to the terms of the Peace Agreement.
4. The Appropriative Pool, in coordination with other interested Pools and Parties, will exercise best efforts to develop and recommend, and Watermaster will obtain Court approval, of a Storage Management Plan that may be substituted in whole or in part for the above referenced Safe Storage Management commitments. The Appropriative Pool, in coordination with other interested Pools and Parties, will exercise best efforts to develop a Storage Management Plan for presentation to Watermaster and the Court for approval within twenty-four (24) months of the Court approved Safe Yield Reset. Both the Ag Pool and the Appropriative Pool must approve any Storage Management Plan before it can be presented to the Watermaster, provided that if, after exercising good faith and best efforts to reach a mutually acceptable agreement within 1 year from the initiation of negotiations, then either Pool may submit its proposal to Watermaster, and then to the Court, for review and approval within 24 months.
5. Consistent with a Tech Memo to be provided, storage losses will be reduced from 2% to 600 AFY (across all water in storage) upon completion of hydraulic control. Storage losses for storage accounts held by persons other than parties to the Judgment will be consistent with the Peace Agreement(s).
6. Storage of water will be managed consistent with the Peace Agreement(s).

Storm Water

1. Historic Storm Water Programs. (2001-2014). Projects approved and being implemented during 2001-2014 that capture Storm Water that is the result of approved Storm Water Programs (e.g., CBFIP and its extensions) will be distributed as Safe Yield and there will be no deduction against Safe Yield or requirement that the quantity of Storm Water Recharge be the subject of a “backfill” from unused Agricultural Pool water.

2. **Interim Programs.** For the term of the Peace Agreement, Storm Water that is obtained from the funding and implementation of new projects [baseline projects will be listed] will be *temporarily* considered New Yield until there is a Safe Yield Reset. There will be no “backfill” of this water.
3. **Safe Yield Reset.** Upon any Safe Yield Reset, any quantity of Storm Water New Yield will become Safe Yield but without creating a requirement for “backfill” as an apportionment of Safe Yield. This means that the Storm Water will be considered a part of the Safe Yield and therefore its allocation as prescribed will not create a backfill obligation.
4. Any member of the Appropriative Pool that elects, in its complete discretion, not to participate in Storm Water capture improvement Program that has been approved by the Appropriative Pool, may “opt out” of the participation by providing reasonable notice to the members of the Appropriative Pool and offering the other members of the Appropriative Pool the right to acquire that portion of the water by assuming the respective position of the party opting out by assignment of all rights and responsibilities
 - (a) In the event that one or more members of the Appropriative Pool elect to “opt out” of an approved Storm Water Program, they will permanently waive and relinquish, without limitation of qualification, the right to all the benefits accruing under that specific Storm Water Program.
 - (b) The Pool member opting out will assume no further financial obligation attributable to the Storm Water Program that is subject to the Pool’s approval.
 - (c) In exchange for assuming the financial obligation associated therewith, Fontana Water Company shall have the right exclusive all right, title and interest in the water supply made available by the approved Storm Water Program for any member of the Appropriative Pool that “opts out” of the approved Storm Water Program up to a cumulative maximum quantity of 2,000 AFY. After Fontana Water has obtained a cumulative maximum of 2,000 AFY under this provision, and if other members of the Appropriative Pool request to participate pro-rata in the assignment of the respective rights subject to an “opt out”, then the available water will be distributed among the members of the Appropriative Pool that express an intention to participate, pro rata, including Fontana Water Company. This right of assignment will survive the expiration of the Peace Agreement for the life of the “Storm Water Program” as it may be approved pursuant to the same terms and conditions generally applicable to all participants under Paragraph (a) above.

- (d) This opt-out and opt-in opportunity applies to those project included in the RMPU Amendment approved by the Court in 2013, and any projects subsequently approved by the AP.

Santa Ana River Underflow

1. 2001-2014 SARUNY. As a compromise between competing claims and contractual interpretations, induced recharge from the Santa Ana River that is attributable to the Desalters for the period of 2001-2014 will be deemed to be a portion of the Safe Yield and unavailable to be produced by the Desalters without incurring a replenishment assessment.
2. 2015-2030 SARUNY. Will be quantified as the equivalent of fifty percent of the cumulative annual Desalter Production. Induced recharge from the Santa Ana River that is attributable to the Desalters for the period of 2015-2030 will be taken as a deduction against Safe Yield for this period and applied to off-set the groundwater production of the Desalters.
 - (a) After backfilling any decline in Safe Yield, water that is not produced by the Agricultural Pool will be used to off-set claims for surplus Agricultural Pool water under the Early Transfer provision of the Peace Agreement and to satisfy Land Use Conversions.
 - (b) Shortages will be shared pro rata among the competing Early Transfer and Land Use Conversion claims.
3. 2031-2060 SARUNY. SARUNY and Desalter replenishment will be subject to the negotiation of a new and separate agreement among the Parties, unless otherwise agreed SARUNY will not be backfilled.

Accounting Post 2030

1. After the initial term of the Peace Agreement (2030) Peace II provisions relating to the distribution of surplus (unpumped) water by the Agricultural Pool requiring that claims for the Early Transfer of 32,800 AFY and for Land Use Conversions be treated equally are expressly repealed, including changes to the Rules and Regulations arising out of the Peace II Agreement and those ordered by the Court pursuant to its October 8, 2010 Order. The parties confirm that in any Peace Agreement extension term, the changes to Judgment Section 10(b)(3)(i) effectuated by paragraph 4.4(c) of the Peace Agreement, allocating 2.0 acre-feet of unallocated Safe Yield water for each converted acre, shall remain in effect.

Desalters and Re-Operation

1. Amend schedule for access to Re-Operation water to ensure that any water that would be unused before 2030 (presently estimated to be 27,500 acre-feet) is available to be pumped before 2030 and allow for a gradual reduction in the availability of Re-Operation water. For the initial 5 year period following the approval of the revised schedule the expected Desalter Replenishment obligation would be 2,000 AFY and then gradually increasing by 2,000-3,000 AFY every two years until the maximum Desalter Replenishment obligation is reached its maximum.
2. Reservation of Rights. The parties reserve their respective rights and remedies arising from the Judgment and the Peace Agreements, whatever they may be, to pursue, promote, design, plan, finance and implement Desalter Replenishment in furtherance of the OBMP and to allocate costs attributable thereto. Notwithstanding this reservation, the parties expressly waive their right to seek a re-evaluation of Desalter Replenishment arising from Paragraph 6.2(b) of the Peace II Agreement.

Supplemental Water Recharge

1. Watermaster will engage in best efforts as required by the Peace Agreements to pursue the recharge of Supplemental Water to create hydrologic balance within the Basin and within each management zone.

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

10
11 CHINO BASIN MUNICIPAL WATER
DISTRICT,

12 Plaintiff,

13 v.

14 CITY OF CHINO, et al.,

15 Defendant.

Case No. RCV 51010

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

**STATUS REPORT ON WATERMASTER'S
SAFE YIELD REDETERMINATION AND
RESET**

16
17
18 Pursuant to the Court's continuing jurisdiction and the prior orders of this Court, the
19 Chino Basin Watermaster ("Watermaster") is responsible for setting Safe Yield and administering
20 the decree. This Status Report is provided to advise the Court of Watermaster's ongoing efforts
21 and its expected time for the completion of previously ordered actions. Watermaster respectfully
22 requests that the Court accept the Status Report and approve the proposed timeline for completion
23 by its adoption of the proposed Order, attached hereto for the Court's convenience and
24 consideration.

25 **I. BACKGROUND**

1

26 The Basin's Safe Yield¹ was initially set in the Judgment at 140,000 acre feet per year.

27 ¹ The Basin's Safe Yield is defined within the Judgment as: "The long-term average annual
28 quantity of ground water (excluding replenishment or stored water but including return flow to
the Basin from use of replenishment or stored water) which can be produced from the Basin

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1 (Restated Judgment, ¶ 6.) As required by the Restated Judgment and the Court's further orders,
2 Watermaster has a duty to set the Safe Yield, subject to the Court's continuing jurisdiction. (See
3 Restated Judgment, ¶¶ 4.(x), 15.(a), Exhibit "H", ¶ 10.(a)(1); July 13, 2000 Order Concerning
4 Adoption of OBMP; July 19, 2001 Order Granting Final Approval of Watermaster Rules and
5 Regulations; Approving Intervention of CCG Ontario, LLC; Continuance of Hearing re Status
6 Report; Filing of Motions to Amend Judgment.)

7 In 2000, in developing the Implementation Plan for the Optimum Basin Management
8 Program ("OBMP"), as part of Program Elements 8 (Develop and Implement Groundwater
9 Storage Management Program) and 9 (Develop and Implement Storage and Recovery Programs),
10 the Parties planned that, based on the need for additional data regarding the Basin, in year
11 2010/11 and every ten years thereafter, Watermaster would re-determine and reset the Basin's
12 Safe Yield² for the following ten-year period, using new data and information that would become
13 available for the first time, following the Peace Agreement. (OBMP Implementation Plan, pp.
14 44-45, Watermaster Rules and Regulations, § 6.5; see Watermaster's April 11, 2014 Status
15 Report on Watermaster's Safe Yield Recalculation ("April 2014 Status Report"), at 2:7-13.)

16 **II. PRESENT RE-DETERMINATION AND RESET PROCESS**

17 **A. Model Update and Initial Stakeholder Meetings**

18 As described in Watermaster's April 2014 Status Report, at the close of the ten-year
19 period that was identified in the OBMP Implementation Plan and the Rules and Regulations, in
20 the opinion of its technical expert, Watermaster was not able to competently perform the required
21 re-determination and reset because of insufficient data and the absence of important analytical
22 tools; namely, the ability to model the operation of the groundwater basin. (April 2014 Status
23 Report, 2:20-24.) In addition, the need to complete competing projects impacted available staff
24 and consultant time. (April 2014 Status Report, 2:24-25.) After beginning, in 2010/2011, the
25 process of methodically gathering and analyzing the data from time of the Peace Agreement

26 under cultural conditions of a particular year without causing an undesirable result." (Restated
27 Judgment, ¶ 4.(x).)

28 ² The Implementation Plan additionally provided for the computation and reset of the Basin's
storage loss rate, but this has been superseded by an alternative mechanism, pursuant the Peace II
Agreement. (OBMP Implementation Plan, p. 45; Peace II Agreement, ¶ 7.4.)

1 forward, and during the past four years, Watermaster has caused the collection of all required data
2 and fully funded the work of its hydrologic consultant in updating its hydrologic model of the
3 movement of water within the Basin (“Basin Model”), and is now able to complete the required
4 re-determination and reset. (April 2014 Status Report, 3:2-9.)

5 As described in the April 2014 Status Report, following its completion of its forensic
6 exercise of data collection, model update and model calibration, Watermaster began the process
7 of obtaining stakeholder input as to the Safe Yield reset process and peer review of the updated
8 Basin Model. (April 2014 Status Report, 3:10-12.) Between Summer 2013 and November of
9 2014, Watermaster held workshops and technical modeling review sessions specifically in regard
10 to the update to the model and Watermaster staff and consultants conducted numerous meetings
11 with smaller subsets of interested Parties. (April 2014 Status Report, 3:12-15.)

12 After the filing of the April 2014 Status Report, and throughout the summer and early fall
13 of 2014, meetings and discussions among stakeholders continued. On July 10, 2014, the
14 Appropriative Pool Committee took action to request that Watermaster convene regular meetings,
15 occurring twice each month, to allow the Pool members to attempt to reach consensus as to the
16 issues surrounding the redetermination and reset of the Basin’s Safe Yield. (Declaration of
17 Bradley J. Herrema in Support of Status Report on Watermaster’s Safe Yield Redetermination
18 and Reset (“Herrema Decl.”), at ¶ 3.) On September 16, 2014, a Board workshop was held
19 regarding the Safe Yield redetermination and reset issues. (Herrema Decl., at ¶ 4.) In October
20 and November of 2014, the Watermaster parties, at the Pool Committee, Advisory Committee
21 and Watermaster Board meetings, discussed various technical approaches to the determination
22 and reset, though no action was taken. (Herrema Decl., at ¶ 5.)

23 **B. Watermaster Facilitated Process**

24 On November 20, 2014, the Advisory Committee requested that Watermaster convene a
25 facilitated process to identify and resolve all issues related to the successful completion of the
26 Safe Yield redetermination for consideration by the Pool Committees, Advisory Committee and
27 Watermaster Board in May 2015. (Herrema Decl., at ¶ 6.) On November 25, 2014, the
28 Watermaster Board adopted the Advisory Committee’s recommendation with certain

1 clarifications regarding the selection of a facilitator for that process. (Herrema Decl., at ¶ 7.)

2 In December 2014, in response to a request by the Advisory Committee, the Watermaster
3 Board agreed to allow Watermaster legal counsel to serve as the facilitator in this process.
4 (Herrema Decl., at ¶ 7.) In early January, the process began in earnest, among a group of parties
5 signatory to a Facilitation and Non-Disclosure Agreement, with the Watermaster Board
6 additionally agreeing to the terms of that agreement in regard to the services of its counsel and
7 staff in attempting to facilitate resolution among the parties.

8 The parties to the facilitation process met at least weekly and, in many cases, multiple
9 times per week, in an attempt to achieve consensus as to the Safe Yield redetermination and reset
10 issues. (Herrema Decl., at ¶ 8.) In total, in addition to the many informal meetings and
11 discussions that took place, the group of parties met more than 30 times. (*Ibid.*) In recognition of
12 the complexity of the issues at hand and the substantial progress that was being made by these
13 parties, it was agreed that the timeframe for completion of the facilitation process should be
14 extended to allow consensus to be reached if at all possible. (Herrema Decl., at ¶ 9.) As the
15 discussions elucidated the potential terms of resolution among the parties to the facilitation,
16 parties to the Judgment that were not signatories to the facilitation agreement were briefed so that
17 they might be prepared to receive and evaluate any agreement among the parties to the facilitation
18 agreement. (Herrema Decl., at ¶ 10.)

19 **C. Stakeholder Agreement Upon Key Principles**

20 On May 27, 2015, all but one of the active parties to the Facilitation and Non-Disclosure
21 Agreement reached agreement on certain key principles embodied in the Safe Yield Summary of
22 Non-Binding Key Principles Derived from Facilitated Process (“Key Principles”), attached to the
23 declaration of Bradley J. Herrema as Exhibit “A.” Generally, the Key Principles address the
24 following element the redetermined and reset Safe Yield along with agreements by the parties as
25 to their recommendations as to how the reset should be implemented.

26 Upon their agreement to the Key Principles, the parties thereto distributed the Key
27 Principles to the Watermaster Judgment parties that had not been participating in the facilitation
28 process, as well as to the Watermaster Board for review and discussion at its May 28, 2015

1 regular meeting. (Herrema Decl., at ¶ 11.) At its May 28, 2015 meeting, the Watermaster Board
2 requested input on the Key Principles from the parties that were not part of the facilitated process
3 and directed staff to convene a special meeting to discuss any concerns of those parties prior to its
4 next regulatory scheduled meeting. (Herrema Decl., at ¶ 12.) The Board also requested that staff
5 begin drafting a status report for its consideration at its regularly scheduled June 2015 meeting.
6 At their June 11, 2015 regular meetings, the Overlying (Non-Agricultural) Pool Committee and
7 the Overlying (Agricultural) Pool Committee both approved the Key Principles including specific
8 agreed modifications as they had been approved by the Appropriate Pool Committee during its
9 June 11, 2015 Committee meeting. (Herrema Decl., at ¶ 13.)

10 As stated in the Key Principles, each approving Party or Pool intends to continue to
11 negotiate in good faith, with the goal to reduce the Key Principles into a binding instrument for
12 execution no later than September 1, 2015. (Herrema Decl., Exh. "A", at p. 1.) Upon finalization
13 of such an instrument, the parties will, as expediently as is practicable, present the final document
14 to their respective governing bodies for approval and adoption. It is anticipated that the approval
15 process by the respective governing bodies may take as long as 30 days to complete. (Herrema
16 Decl., at ¶ 14.) Watermaster's reasonable belief, therefore, is that it will be able to file its motion
17 by October 1, 2015.

18 **III. WATERMASTER'S RECOMMENDATION AND REQUEST**

19 In light of the substantial progress towards the comprehensive resolution of issues
20 pertinent to the implementation of the Safe Yield Reset, Watermaster respectfully requests the
21 Court accept this Status Report and await further filings in support of the Key Principles as they
22 may be reduced to a final binding legal instrument. Watermaster anticipates that it will be able to
23 complete preparation and filing of the legal instruments along with a supporting record for the
24 Court's review no later than October 1, 2015 (see Herrema Decl., at ¶ 15), pursuant to the
25 proposed order filed herewith.

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Dated: June __, 2015

BROWNSTEIN HYATT FARBER
SCHRECK, LLP

By: _____
SCOTT S. SLATER
BRADLEY J. HERREMA
ATTORNEYS FOR
CHINO BASIN WATERMASTER

DRAFT

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9 **CHINO BASIN WATERMASTER**

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

12 CHINO BASIN MUNICIPAL WATER
13 DISTRICT,

14 Plaintiff,

15 v.

16 CITY OF CHINO, et al.,

17 Defendant.

Case No. RCV 51010

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

**DECLARATION OF BRADLEY J.
HERREMA IN SUPPORT OF STATUS
REPORT ON WATERMASTER'S SAFE
YIELD REDETERMINATION AND
RESET**

18
19 I, Bradley J. Herrema, declare:

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

1 3. After the filing of the April 2014 Status Report, throughout the summer and early
2 fall of 2014, the Appropriative Pool Committee met to determine a strategy for approaching Safe
3 Yield Recalculation and Reset. On July 10, 2014, the Appropriative Pool requested that
4 Watermaster convene regular meetings, occurring twice each month, to allow the pool members
5 to attempt to reach consensus as to the issues surrounding the redetermination and reset of the
6 Basin's Safe Yield.

7 4. On September 16, 2014, a Board workshop was held regarding the Safe Yield
8 redetermination and reset issues.

9 5. In October and November of 2014, the Watermaster parties, through discussions at
10 the meetings of the Pool Committees, Advisory Committee, and Watermaster Board, discussed
11 various technical approaches to the redetermination and reset, though no action was taken.

12 6. On November 20, 2014, the Advisory Committee requested that Watermaster
13 convene a facilitated process to identify and resolve all issues related to the successful completion
14 of the Safe Yield redetermination for consideration by the Pool Committees, Advisory
15 Committee, and Watermaster Board in May 2015.

16 7. On November 25, 2014, the Watermaster Board adopted the Advisory
17 Committee's recommendation with certain clarifications regarding the selection of a facilitator for
18 that process. In December, 2014, in response to a request by the Advisory Committee, the
19 Watermaster Board agreed to allow Watermaster legal counsel, Scott Slater, to serve as the
20 facilitator in this process.

21 8. During the months of January through May, 2015, the parties to the facilitation
22 process met at least weekly and, in many cases, multiple times per week, in an attempt to achieve
23 consensus as to the safe yield redetermination and reset issues. In total, in addition to many
24 informal meetings and discussions that took place, the group of parties met more than 30 times.

25 9. In recognition of the complexity of the issues at hand and the substantial progress
26 that was being made by the participating parties,² it was agreed by the Board, through action at its
27 March and April 2015 regular meetings, that the timeframe for completion of the facilitation
28 process should be extended to allow consensus to be reached if at all possible.

1 10. As the discussions elucidated the potential terms of resolution among the parties to
2 the facilitation, parties to the Judgment that were not signatories to the facilitation agreement
3 were briefed so that they might be prepared to receive and evaluate any agreement among the
4 parties to the facilitation agreement.

5 11. On May 27, 2015, all but two of the active parties to the Facilitation and Non-
6 Disclosure Agreement reached agreement on certain key principles embodied in the Safe Yield
7 Summary of Non-Binding Key Principles Derived from Facilitated Process (“Key Principles”),
8 attached hereto as Exhibit “A”. Upon agreement to the Key Principles, the parties thereto
9 distributed the Key Principles to the Watermaster Judgment parties that had not been participating
10 in the facilitation process, as well as to the Watermaster Board for review and discussion at its
11 May 28, 2015 regular meeting.

12 12. At its May 28, 2015 meeting, the Watermaster Board requested input on the Key
13 Principles from the parties that were not part of the facilitated process and directed staff to
14 convene a special meeting to discuss any concerns of those parties prior to its next regulatory
15 scheduled meeting. The Board also requested that staff begin drafting a status report for its
16 consideration at its regularly scheduled June 2015 meeting.

17 13. At their June 11, 2015 regular meetings, the Overlying (Non-Agricultural) Pool
18 Committee and the Overlying (Agricultural) Pool Committee both approved the Key Principles
19 including specific agreed modifications as they had been approved by the Appropriative Pool
20 Committee during its June 11, 2015 Committee meeting.

21 14. Once the parties memorialize the Key Principles into a binding agreement, they
22 will be required to present the agreement to their respective governing bodies for approval and
23 adoption. I reasonably anticipate the approval process to be complete in approximately 30 days.

24 15. Watermaster has proposed a schedule for completion of the previously-ordered
25 Safe Yield Recalculation and Reset that is reasonably calculated to allow Watermaster to return to
26 the Court for its consideration and possible approval not later than October 1, 2015.

27 I declare under penalty of perjury under the laws of the State of California that the
28 foregoing is true and correct. Dated this day of June, 2015, at Los Angeles, CA.

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Bradley J. Herrema

DRAFT

SAFE YIELD RESET SUMMARY OF NON-BINDING KEY PRINCIPLES DERIVED FROM FACILITATED PROCESS

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Each of the initialing parties acknowledges their individual duty and collective stewardship obligation to manage the precious water resources of this State and more specifically the waters of the Chino Basin in accordance with the Constitutional requirements set forth in Article X, Section 2. This process exemplifies their individual and collective best efforts towards the optimum management of groundwater in the Basin to ensure the maximum reasonable and beneficial use thereof.

The initialing parties invite all other parties to the Judgment to participate in good faith to document final binding agreements to re-set Safe Yield and to implement the use of Chino Basin to promote sound resources conservation and stewardship practices as contemplated by the Judgment, the Peace Agreements and the OBMP.

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Safe Yield Reset

1. Safe Yield Reset. 135,000 AFY.
2. Effective Date. Upon Court approval of the Safe Yield Reset, July 1, 2010, the implementation of the reset will occur on July 1, 2014, but with no retroactive accounting. For the avoidance of doubt, this means Watermaster will not change prior accounting of its prior allocation of Safe Yield and Operating Safe Yield among the parties for years prior to July 1 2014.
3. Reset again in 2020 for the period 2021-2030.
4. Safe Yield evaluations shall be consistent with the April 10, 2015 Tech Memo prepared by Wildermuth Environmental (See Exhibit "A"):
 - (a) Use normalized long-term hydrology: 1921 to present date.

- (b) Long-term hydrology will be expanded to include data from each year from now until 2030.
 - (c) Long-term hydrology accounts for short-term climatic variations, wet and dry.
 - (d) Watermaster will ensure that all production by all parties to the Judgment is reported and accounted for.
 - (e) Collect data concerning cultural conditions annually, with cultural conditions including, but not limited to, land use, water use practices, production, and facilities.
 - (f) Evaluate the potential need for the exercise of prudent management discretion to impose measures as may be required to avoid or mitigate undesirable results including, but not limited to, subsidence, water quality degradation, and unreasonable pump lifts.
 - (g) If evaluation of data appears to suggest a material change from existing and projected conditions or threatened undesirable results, then a more significant evaluation and a model run will be undertaken.
 - (h) A budget will be developed for the annual data collection, data evaluation and model run efforts with an agreed methodology for the allocation of expenses among the parties.
 - (i) A model run will be completed in connection with the 2020 Reset and again in 2025 in a manner consistent with Exhibit “A” the April 10, 2015 Wildermuth Environmental Technical Memorandum.
5. An interim correction and a Safe Yield Reset will occur when Watermaster has conducted a higher level of evaluation, as referenced in paragraph 4 above and with the advice and counsel of the Pools and Advisory Committee in the exercise of prudent management discretion, a conclusion is reached that Safe Yield must be changed by an amount greater (plus or minus) than 2.5%.
6. Peer review of Watermaster collection and application of data may be undertaken by all Pools annually.

Safe Storage Management

1. Safe Storage Management. 130,000 AF. The parties will support the prudent management objective of protecting against Material Physical Injury and Undesirable Results. Further explanation to be provided in a technical memorandum.
2. Safe Storage Reserve
 - (a) Safe Storage Reserve means a quantity of water held in storage that is sufficient to ensure protection against a precipitous drop in water levels and undesirable results while a more comprehensive plan can be developed by the parties.
 - (b) Appropriative Pool stored water in non-supplemental stored water accounts will be the only water subject to this provision.
 - (c) The Appropriative Pool parties will be responsible for ensuring such quantities are present in the Reserve, shared among them in accordance with their

- relative percentage of their quantity of non-supplemental held in groundwater in storage on July 1, 2015, if and when the quantity of Appropriative Pool stored water in non-supplemental stored water accounts decreases to a gross quantity of 150,000 AF.
- (d) 100,000 AF of the Safe Storage Reserve water will be available for use in the event of an emergency, provided that any stored water withdrawn would be replenished within 36 months of the withdrawal and the withdrawal will not cause Material Physical Injury.
 - (e) Absent a Storage Management Plan, up to a maximum of 30,000 AF of the Safe Storage Reserve water will be available after 2024 for the exclusive purpose of the dedication to Desalter Replenishment in furtherance of the OBMP and the maintenance of Hydraulic Control. The withdrawal of this water must not cause Material Physical Injury.
 - (f) Parties remain subject to the terms of the Peace Agreement.
4. The Appropriative Pool, in coordination with other interested Pools and Parties, will exercise best efforts to develop and recommend, and Watermaster will obtain Court approval, of a Storage Management Plan that may be substituted in whole or in part for the above referenced Safe Storage Management commitments. The Appropriative Pool, in coordination with other interested Pools and Parties, will exercise best efforts to develop a Storage Management Plan for presentation to Watermaster and the Court for approval within twenty-four (24) months of the Court approved Safe Yield Reset. Both the Ag Pool and the Appropriative Pool must approve any Storage Management Plan before it can be presented to the Watermaster, provided that if, after exercising good faith and best efforts to reach a mutually acceptable agreement within 1 year from the initiation of negotiations, then either Pool may submit its proposal to Watermaster, and then to the Court, for review and approval within 24 months.
5. Consistent with a Tech Memo to be provided, storage losses will be reduced from 2% to 600 AFY (across all water in storage) upon completion of hydraulic control. Storage losses for storage accounts held by persons other than parties to the Judgment will be consistent with the Peace Agreement(s).
6. Storage of water will be managed consistent with the Peace Agreement(s).

Storm Water

1. Historic Storm Water Programs. (2001-2014). Projects approved and being implemented during 2001-2014 that capture Storm Water that is the result of approved Storm Water Programs (e.g., CBFIP and its extensions) will be distributed as Safe Yield and there will be no deduction against Safe Yield or requirement that the quantity of Storm Water Recharge be the subject of a “backfill” from unused Agricultural Pool water.

2. **Interim Programs.** For the term of the Peace Agreement, Storm Water that is obtained from the funding and implementation of new projects [baseline projects will be listed] will be *temporarily* considered New Yield until there is a Safe Yield Reset. There will be no “backfill” of this water.
3. **Safe Yield Reset.** Upon any Safe Yield Reset, any quantity of Storm Water New Yield will become Safe Yield but without creating a requirement for “backfill” as an apportionment of Safe Yield. This means that the Storm Water will be considered a part of the Safe Yield and therefore its allocation as prescribed will not create a backfill obligation.
4. Any member of the Appropriative Pool that elects, in its complete discretion, not to participate in Storm Water capture improvement Program that has been approved by the Appropriative Pool, may “opt out” of the participation by providing reasonable notice to the members of the Appropriative Pool and offering the other members of the Appropriative Pool the right to acquire that portion of the water by assuming the respective position of the party opting out by assignment of all rights and responsibilities
 - (a) In the event that one or more members of the Appropriative Pool elect to “opt out” of an approved Storm Water Program, they will permanently waive and relinquish, without limitation of qualification, the right to all the benefits accruing under that specific Storm Water Program.
 - (b) The Pool member opting out will assume no further financial obligation attributable to the Storm Water Program that is subject to the Pool’s approval.
 - (c) In exchange for assuming the financial obligation associated therewith, Fontana Water Company shall have the right exclusive all right, title and interest in the water supply made available by the approved Storm Water Program for any member of the Appropriative Pool that “opts out” of the approved Storm Water Program up to a cumulative maximum quantity of 2,000 AFY. After Fontana Water has obtained a cumulative maximum of 2,000 AFY under this provision, and if other members of the Appropriative Pool request to participate pro-rata in the assignment of the respective rights subject to an “opt out”, then the available water will be distributed among the members of the Appropriative Pool that express an intention to participate, pro rata, including Fontana Water Company. This right of assignment will survive the expiration of the Peace Agreement for the life of the “Storm Water Program” as it may be approved pursuant to the same terms and conditions generally applicable to all participants under Paragraph (a) above.

- (d) This opt-out and opt-in opportunity applies to those project included in the RMPU Amendment approved by the Court in 2013, and any projects subsequently approved by the AP.

Santa Ana River Underflow

1. **2001-2014 SARUNY.** As a compromise between competing claims and contractual interpretations, induced recharge from the Santa Ana River that is attributable to the Desalters for the period of 2001-2014 will be deemed to be a portion of the Safe Yield and unavailable to be produced by the Desalters without incurring a replenishment assessment.
2. **2015-2030 SARUNY.** Will be quantified as the equivalent of fifty percent of the cumulative annual Desalter Production. Induced recharge from the Santa Ana River that is attributable to the Desalters for the period of 2015-2030 will be taken as a deduction against Safe Yield for this period and applied to off-set the groundwater production of the Desalters.
 - (a) After backfilling any decline in Safe Yield, water that is not produced by the Agricultural Pool will be used to off-set claims for surplus Agricultural Pool water under the Early Transfer provision of the Peace Agreement and to satisfy Land Use Conversions.
 - (b) Shortages will be shared pro rata among the competing Early Transfer and Land Use Conversion claims.
3. **2031-2060 SARUNY.** SARUNY and Desalter replenishment will be subject to the negotiation of a new and separate agreement among the Parties, unless otherwise agreed SARUNY will not be backfilled.

Accounting Post 2030

1. After the initial term of the Peace Agreement (2030) Peace II provisions relating to the distribution of surplus (unpumped) water by the Agricultural Pool requiring that claims for the Early Transfer of 32,800 AFY and for Land Use Conversions be treated equally are expressly repealed, including changes to the Rules and Regulations arising out of the Peace II Agreement and those ordered by the Court pursuant to its October 8, 2010 Order. The parties confirm that in any Peace Agreement extension term, the changes to Judgment Section 10(b)(3)(i) effectuated by paragraph 4.4(c) of the Peace Agreement, allocating 2.0 acre-feet of unallocated Safe Yield water for each converted acre, shall remain in effect.

Desalters and Re-Operation

1. Amend schedule for access to Re-Operation water to ensure that any water that would be unused before 2030 (presently estimated to be 27,500 acre-feet) is available to be pumped before 2030 and allow for a gradual reduction in the availability of Re-Operation water. For the initial 5 year period following the approval of the revised schedule the expected Desalter Replenishment obligation would be 2,000 AFY and then gradually increasing by 2,000-3,000 AFY every two years until the maximum Desalter Replenishment obligation is reached its maximum.
2. Reservation of Rights. The parties reserve their respective rights and remedies arising from the Judgment and the Peace Agreements, whatever they may be, to pursue, promote, design, plan, finance and implement Desalter Replenishment in furtherance of the OBMP and to allocate costs attributable thereto. Notwithstanding this reservation, the parties expressly waive their right to seek a re-evaluation of Desalter Replenishment arising from Paragraph 6.2(b) of the Peace II Agreement.

Supplemental Water Recharge

1. Watermaster will engage in best efforts as required by the Peace Agreements to pursue the recharge of Supplemental Water to create hydrologic balance within the Basin and within each management zone.

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

CHINO BASIN MUNICIPAL WATER
DISTRICT,

Plaintiff,

v.

CITY OF CHINO, et al.,

Defendant.

Case No. RCV 51010

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

**[PROPOSED] ORDER REGARDING
WATERMASTER'S SAFE YIELD
REDETERMINATION AND RESET**

The Court having read, reviewed and considered the June XX, 2015 Status Report on Watermaster's Safe Yield Redetermination and Reset ("Status Report"), including all declarations attached thereto, IT IS HEREBY ORDERED that:

1. The Court accepts Watermaster's Status Report; and
2. Watermaster is ordered to file, not later than October 1, 2015, a motion for the Court's approval as to the redetermined and reset Safe Yield along with the parties' recommendations as to how the reset should be implemented ("Safe Yield Reset Motion"). Upon Watermaster's filing of the Safe Yield Reset Motion, the Court shall set a hearing date and a briefing schedule.

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IT IS SO ORDERED.

Dated: _____

JUDGE OF THE SUPERIOR COURT

CHINO BASIN WATERMASTER

IV. INFORMATION

1. Cash Disbursements for May 2015

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2015

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/04/2015	18578	APPLIED COMPUTER TECHNOLOGIES	2584	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2015	2584		Database Consulting - April 2015	6052.2 · Applied Computer Technol	3,059.00
TOTAL						3,059.00
Bill Pmt -Check	05/04/2015	18579	ARROWHEAD MOUNTAIN SPRING WATER	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	04/27/2015	0023230253		Office Water Bottle - April 2015	6031.7 · Other Office Supplies	113.27
TOTAL						113.27
Bill Pmt -Check	05/04/2015	18580	COMPUTER NETWORK	92207	1012 · Bank of America Gen'l Ckg	
Bill	04/27/2015	92207		Adapter cable	6055 · Computer Hardware	32.40
TOTAL						32.40
Bill Pmt -Check	05/04/2015	18581	DIRECTV	019447404	1012 · Bank of America Gen'l Ckg	
Bill	04/27/2015	019447404		Monthly Service 4/19/15 - 5/18/15	6031.7 · Other Office Supplies	110.48
TOTAL						110.48
Bill Pmt -Check	05/04/2015	18582	FEENSTRA, BOB	AG Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	04/29/2015			Reimburse for 3/31/15 Special Ag Pool Mtg.	8412 · Meeting Expenses	82.98
TOTAL						82.98
Bill Pmt -Check	05/04/2015	18583	FRED PRYOR SEMINARS		1012 · Bank of America Gen'l Ckg	
Bill	04/27/2015	032586961-15108		Ruiz-12 month training membership renewal	6192 · Training & Seminars	299.00
TOTAL						299.00
Bill Pmt -Check	05/04/2015	18584	MILK PRODUCERS COUNCIL		1012 · Bank of America Gen'l Ckg	
Bill	04/29/2015			Reimburse for 3/31/15 Special Ag Pool Mtg.	8412 · Meeting Expenses	79.40
TOTAL						79.40
Bill Pmt -Check	05/04/2015	18585	STAPLES BUSINESS ADVANTAGE	8033999375	1012 · Bank of America Gen'l Ckg	
Bill	04/11/2015	8033999375		Tabs for FY 2015/16 budget handouts	6031.7 · Other Office Supplies	75.55
TOTAL						75.55
Bill Pmt -Check	05/04/2015	18586	STATE COMPENSATION INSURANCE FUND	1970970-14	1012 · Bank of America Gen'l Ckg	
Bill	05/01/2015	1970970-14		Premium on account 4/26/15-5/26/15	60183 · Worker's Comp Insurance	724.75
TOTAL						724.75
Bill Pmt -Check	05/04/2015	18587	TRUONG, ANNA	Travel Reimbursement - Truong & Wilson	1012 · Bank of America Gen'l Ckg	
Bill	04/27/2015			Mileage-IAAP TEC15 Conference	6191 · Conferences - General	127.54
				Hotel-IAAP TEC15 Conference	6191 · Conferences - General	692.52

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2015

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>
				Meals-IAAP TEC15 Conference	6191 · Conferences - General	143.55
				Books-IAAP TEC15 Conference	6191 · Conferences - General	9.00
TOTAL						972.61
Bill Pmt -Check	05/04/2015	18588	VERIZON	012561121521714508	1012 · Bank of America Gen'l Ckg	
Bill	04/29/2015	012561121521714508		012561121521714508	7405 · PE4-Other Expense	197.13
TOTAL						197.13
Bill Pmt -Check	05/04/2015	18589	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	04/27/2015	001017890001		Vision Insurance - May 2015	60182.2 · Dental & Vision Ins	99.02
TOTAL						99.02
Bill Pmt -Check	05/04/2015	18590	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
Bill	05/01/2015	08-k2 213849		Disposal Service for May 2015	6024 · Building Repair & Maintenance	111.57
TOTAL						111.57
Bill Pmt -Check	05/04/2015	18591	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
Bill	03/31/2015	2015073		2015073	6906.31 · OBMP-Pool, Adv. Board Mtgs	3,691.17
Bill	03/31/2015	2015074		2015074	6906.71 · OBMP-Data Req.-CBWM Staff	442.50
Bill	03/31/2015	2015075		2015075	6906.72 · OBMP-Data Req.-Non CBWM Staff	1,033.50
Bill	03/31/2015	2015076		2015076	6906 · OBMP Engineering Services	2,155.00
Bill	03/31/2015	2015077		2015077	6906.73 · OBMP-Safe Yield Recalculation	32,962.95
Bill	03/31/2015	2015078		2015078	6906.21 · State of the Basin Report	12,018.75
Bill	03/31/2015	2015079		2015079	7103.3 · Grdwtr Qual-Engineering	8,065.00
Bill	03/31/2015	2015080		2015080	7104.3 · Grdwtr Level-Engineering	14,389.59
Bill	03/31/2015	2015081		2015081	7107.61 · Grd Level-Chino Hills ASR	2,805.00
Bill	03/31/2015	2015082		2015082	7107.2 · Grd Level-Engineering	1,662.50
				Neva Ridge	7107.3 · Grd Level-SAR Imagery	56,000.00
Bill	03/31/2015	2015083		2015083	7107.2 · Grd Level-Engineering	8,474.61
				Michael C. Carpenter	7107.6 · Grd Level-Contract Svcs	4,609.62
				Western Gumm Hydrology, LLC	7107.6 · Grd Level-Contract Svcs	4,559.81
				Zumasys	7107.6 · Grd Level-Contract Svcs	467.50
Bill	03/31/2015	2015084		2015084	7108.3 · Hydraulic Control-Engineering	11,069.00
Bill	03/31/2015	2015085		2015085	7108.7 · Hydraulic Control - Prado Basin	15,197.97
Bill	03/31/2015	2015086		2015086	7202.2 · Engineering Svc	31,203.58
Bill	03/31/2015	2015087		2015087	7202.3 · Comp Recharge-Implementation	876.25
Bill	03/31/2015	2015088		2015088	7402 · PE4-Engineering	17,141.69
TOTAL						228,825.99
Bill Pmt -Check	05/04/2015	18592	PETTY CASH	2517-2531	1012 · Bank of America Gen'l Ckg	

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2015

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	05/04/2015			Parking & lunch for admin. meetings - 1/20 & 4/23	6141.3 · Admin Meetings	75.46
				Supplies for staff meetings, admin meetings	6141.1 · Meeting Supplies	82.59
				Reg. fee-Wilson-4/14/15 IAAP Citrus Valley mtg.	6191 · Conferences - General	18.00
				Supplies-SY Recalc mtgs-4/01, 4/10, 4/29 & 5/01	6906.73 · OBMP-Safe Yield Recalculation	90.77
				Cards for office birthdays, ice for meetings	6031.7 · Other Office Supplies	17.98
				Reimburse PK for PE license renewal	6111 · Membership Dues	115.00
				Reimburse PK for dinner at conference	6192 · Training & Seminars	21.00
TOTAL						420.80
Check	05/06/2015	18593	ARROWHEAD MOUNTAIN SPRING WATER CO.		1012 · Bank of America Gen'l Ckg	
Credit Memo	04/16/2015	AP15-32CORR		Refund Overpayment on Pool Legal Services	4111.3 · App Pool - Special Assessments	51.00
TOTAL						51.00
Check	05/06/2015	18594	CHINO HILLS, CITY OF		1012 · Bank of America Gen'l Ckg	
Credit Memo	04/16/2015	AP15-33CORR		Refund Overpayment on Pool Legal Services	4111.3 · App Pool - Special Assessments	1,392.49
TOTAL						1,392.49
Check	05/06/2015	18595	MARYGOLD MUTUAL WATER COMPANY		1012 · Bank of America Gen'l Ckg	
Payment	04/10/2015	20519	MARYGOLD MUTUAL WATER COMPANY	Refund Overpayment on Pool Legal Services	1303 · Assmts Rec - Appropriative	111.25
TOTAL						111.25
Check	05/06/2015	18596	NIAGARA BOTTLING, LLC		1012 · Bank of America Gen'l Ckg	
Credit Memo	04/16/2015	AP15-43CORR		Refund Overpayment on Pool Legal Services	4111.3 · App Pool - Special Assessments	180.62
TOTAL						180.62
Check	05/06/2015	18597	SAN ANTONIO WATER COMPANY		1012 · Bank of America Gen'l Ckg	
Payment	04/13/2015	24131	SAN ANTONIO WATER COMPANY	Refund Overpayment on Pool Legal Services	1303 · Assmts Rec - Appropriative	98.09
TOTAL						98.09
Check	05/06/2015	18598	SAN BERNARDINO CO. REGIONAL PARKS		1012 · Bank of America Gen'l Ckg	
Credit Memo	04/16/2015	AP15-49CORR		Refund Overpayment on Pool Legal Services	4111.3 · App Pool - Special Assessments	2.20
TOTAL						2.20
General Journal	05/09/2015	05/09/2015	Payroll and Taxes for 04/26/15-05/09/15	Payroll and Taxes for 04/26/15-05/09/15	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 04/26/15-05/09/15	1012 · Bank of America Gen'l Ckg	22,535.95
				Employee Garnishments for 04/26/15-05/09/15	1012 · Bank of America Gen'l Ckg	125.76
				Payroll Taxes for 04/26/15-05/09/15	1012 · Bank of America Gen'l Ckg	8,488.36
				Payroll Checks for 04/26/15-05/09/15	1014 · Bank of America P/R Ckg	1,189.50
			ICMA-RC	457(f) Employee Deductions for 04/26/15-05/09/15	1012 · Bank of America Gen'l Ckg	3,484.75
			ICMA-RC	401(a) Employee Deductions for 04/26/15-05/09/15	1012 · Bank of America Gen'l Ckg	1,134.17

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2015

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						36,958.49
Bill Pmt -Check	05/18/2015	18599	ACWA JOINT POWERS INSURANCE AUTHORITY	0350053	1012 · Bank of America Gen'l Ckg	
Bill	05/06/2015	0350053		Prepayment - June 2015 May 2015	1409 · Prepaid Life, BAD&D & LTD 60191 · Life & Disab.Ins Benefits	125.20 131.57
TOTAL						256.77
Bill Pmt -Check	05/18/2015	18600	BOWMAN, JIM		1012 · Bank of America Gen'l Ckg	
Bill	04/08/2015	4/08 Special Board		4/08/15 Special Board Conference Call Mtg.	6311 · Board Member Compensation	125.00
Bill	04/28/2015	4/28 Board Mtg		4/28/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	05/18/2015	18601	CHARTER COMMUNICATIONS	8245100651455350	1012 · Bank of America Gen'l Ckg	
Bill	05/04/2015	8245100651455350		8245100651455350	6053 · Internet Expense	44.99
TOTAL						44.99
Bill Pmt -Check	05/18/2015	18602	COMPUTER NETWORK	92334	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2015	92334		Replacement keyboard	6055 · Computer Hardware	102.60
TOTAL						102.60
Bill Pmt -Check	05/18/2015	18603	COSTCO WHOLESALE	7003-7309-1000-2744	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2015	7003730910002744		Miscellaneous office supplies Copy paper Service Cart Stacking Chairs for copyroom Replacement black wall clock	6031.7 · Other Office Supplies 6031.1 · Copy Paper 6031.7 · Other Office Supplies 6031.7 · Other Office Supplies 6031.7 · Other Office Supplies	462.08 263.41 113.00 188.31 38.64
TOTAL						1,065.45
Bill Pmt -Check	05/18/2015	18604	DE BOOM, NATHAN		1012 · Bank of America Gen'l Ckg	
Bill	04/01/2015	3/31 Special Ag Pool		Ag Pool Member Compensation 3/31/15 Special Ag Pool Meeting	8411 · Compensation 8470 · Ag Meeting Attend -Special	25.00 100.00
Bill	04/09/2015	4/09 Ag Pool Mtg		Ag Pool Member Compensation 4/09/15 Ag Pool Meeting	8411 · Compensation 8470 · Ag Meeting Attend -Special	25.00 100.00
Bill	04/16/2015	4/16 Advisory Comm		Ag Pool Member Compensation 4/16/15 Advisory Committee Meeting	8411 · Compensation 8470 · Ag Meeting Attend -Special	25.00 100.00
Bill	04/22/2015	4/22 Special Ag Pool		Ag Pool Member Compensation 4/22/15 Special Ag Pool Meeting	8411 · Compensation 8470 · Ag Meeting Attend -Special	25.00 100.00
Bill	04/28/2015	4/28 Special Ag Pool		Ag Pool Member Compensation 4/28/15 Special Ag Pool Meeting	8411 · Compensation 8470 · Ag Meeting Attend -Special	25.00 100.00
TOTAL						625.00

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2015

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/18/2015	18605	DURRINGTON, GLEN		1012 · Bank of America Gen'l Ckg	
Bill	04/01/2015	3/31 Special Ag Mtg		3/31/15 Special Ag Pool Meeting	8411 · Compensation	25.00
				Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
Bill	04/09/2015	4/09 Ag Pool Mtg		4/09/15 Ag Pool Meeting	8411 · Compensation	25.00
				Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
Bill	04/22/2015	4/22 Special Ag Pool		4/22/15 Special Ag Pool Meeting	8411 · Compensation	25.00
				Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
Bill	04/28/2015	4/28 Special Ag Pool		4/28/15 Special Ag Pool Meeting	8411 · Compensation	25.00
				Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
TOTAL						500.00
Bill Pmt -Check	05/18/2015	18606	ELIE, STEVEN		1012 · Bank of America Gen'l Ckg	
Bill	04/02/2015	4/02 Admin Mtg		4/02/15 Administrative Meeting w/PK	6311 · Board Member Compensation	125.00
Bill	04/08/2015	4/08 Special Board		4/08/15 Special Board Meeting Conference Call	6311 · Board Member Compensation	125.00
Bill	04/27/2015	4/27 Board Agenda		4/27/15 Board Agenda Meeting	6311 · Board Member Compensation	125.00
Bill	04/28/2015	4/28 Board Meeting		4/28/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						500.00
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Bill Pmt -Check	05/18/2015	18607	FEENSTRA, BOB		1012 · Bank of America Gen'l Ckg	
Bill	04/01/2015	3/31 Special Ag Pool		3/31/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/09/2015	4/09 Ag Pool Mtg		4/09/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/16/2015	4/16 Advisory Comm		4/16/15 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/22/2015	4/22 Special Ag Pool		4/22/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/28/2015	4/28 Board Mtg		4/28/15 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/28/2015	4/28 Special Ag Pool		4/28/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						750.00
Bill Pmt -Check	05/18/2015	18608	HALL, PETE*		1012 · Bank of America Gen'l Ckg	
Bill	04/01/2015	3/31 Special Ag Pool		3/31/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/08/2015	4/08 Special Board		4/08/15 Special Board Meeting Conference Call	8470 · Ag Meeting Attend -Special	125.00
Bill	04/09/2015	4/09 Land Subsidence		4/09/15 Land Subsidence Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/09/2015	4/09 Appro Pool Mtg		4/09/15 Appropriative Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/09/2015	4/09 Non Ag Pool		4/09/15 Non-Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/09/2015	4/09 Ag Pool Mtg		4/09/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/16/2015	4/16 Advisory Comm		4/16/15 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/16/2015	4/16 RIP Comm		4/16/15 RIPCom Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/22/2015	4/22 Special Ag Pool		4/22/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/28/2015	4/28 Board Meeting		4/28/15 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/28/2015	4/28 Special Ag Pool		4/28/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00

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	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
TOTAL							1,375.00
	Bill Pmt -Check	05/18/2015	18609	HUITSING, JOHN		1012 · Bank of America Gen'l Ckg	
	Bill	04/01/2015	3/31 Special Ag Pool		Ag Pool Member Compensation	8411 · Compensation	25.00
					3/31/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
	Bill	04/09/2015	4/19 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
					4/09/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
	Bill	04/28/2015	4/28 Special Ag Pool		Ag Pool Member Compensation	8411 · Compensation	25.00
					4/22/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL							375.00
	Bill Pmt -Check	05/18/2015	18610	JESKE, KEN'	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	04/28/2015	4/28 Board Mtg		4/28/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL							125.00
	Bill Pmt -Check	05/18/2015	18611	KOOPMAN, GENE		1012 · Bank of America Gen'l Ckg	
	Bill	04/01/2015	3/31 Special Ag Pool		Ag Pool Member Meeting Compensation	8411 · Compensation	25.00
					3/31/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
P 190	Bill	04/09/2015	4/09 Ag Pool Mtg		Ag Pool Member Meeting Compensation	8411 · Compensation	25.00
					4/09/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
	Bill	04/22/2015	4/22 Special Ag Pool		Ag Pool Member Meeting Compensation	8411 · Compensation	25.00
					4/22/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
	Bill	04/28/2015	4/28 Special Ag Pool		Ag Pool Member Meeting Compensation	8411 · Compensation	25.00
					4/28/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL							500.00
	Bill Pmt -Check	05/18/2015	18612	KUHN, BOB		1012 · Bank of America Gen'l Ckg	
	Bill	04/08/2015	4/08 Special Board		4/08/15 Special Board Meeting Conference Call	6311 · Board Member Compensation	125.00
	Bill	04/09/2015	4/09 Appro Pool Mtg		4/19/15 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
	Bill	04/28/2015	4/28 Board Meeting		4/28/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL							375.00
	Bill Pmt -Check	05/18/2015	18613	MONTE VISTA WATER DIST		1012 · Bank of America Gen'l Ckg	
	Bill	04/08/2015	4/08 Special Board		4/08/15 Special Board Meeting Conference Call	6311 · Board Member Compensation	125.00
	Bill	04/28/2015	4/28 Board Meeting		4/28/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL							250.00
	Bill Pmt -Check	05/18/2015	18614	OFFICE PRIDE	343292	1012 · Bank of America Gen'l Ckg	
	Bill	05/01/2015	343292		343292	6024 · Building Repair & Maintenance	988.32
TOTAL							988.32

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Bill Pmt -Check	05/18/2015	18615	PAYCHEX	2015043000	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2015	2015043000		April 2015	6012 · Payroll Services	412.95
TOTAL						412.95
Bill Pmt -Check	05/18/2015	18616	PIERSON, JEFFREY		1012 · Bank of America Gen'l Ckg	
Bill	04/01/2015	3/31 Special Ag Pool		3/31/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/09/2015	4/09 Ag Pool Mtg		4/09/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/16/2015	4/16 Advisory Comm		4/16/15 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/16/2015	4/16 RIPComm		4/16/15 RIPCom Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	04/22/2015	4/22 Ag Pool Mtg		4/22/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						625.00
Bill Pmt -Check	05/18/2015	18617	PREMIERE GLOBAL SERVICES	18485674	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2015	18485674		SY Recalc call on 3/30	6906.73 · OBMP-Safe Yield Recalculation	22.01
				SY Recalc call on 4/01	6906.73 · OBMP-Safe Yield Recalculation	62.29
				SY Recalc call on 4/02	6906.73 · OBMP-Safe Yield Recalculation	4.06
				SY Recalc call on 4/02	6906.73 · OBMP-Safe Yield Recalculation	115.73
				SY Recalc call on 4/03	6906.73 · OBMP-Safe Yield Recalculation	79.83
				SY Recalc call on 4/06	6906.73 · OBMP-Safe Yield Recalculation	41.03
				SY Recalc call on 4/06	6906.73 · OBMP-Safe Yield Recalculation	4.12
				SY Recalc call on 4/06	6906.73 · OBMP-Safe Yield Recalculation	30.95
				SY Recalc call on 4/07	6906.73 · OBMP-Safe Yield Recalculation	86.22
				SY Recalc call on 4/07	6906.73 · OBMP-Safe Yield Recalculation	4.17
				Board Confidential Conference call on 4/08	6312 · Meeting Expenses	111.33
				Pool mtgs check call on 4/08	8312 · Meeting Expenses	4.06
				Pool mtgs check call on 4/08	8412 · Meeting Expenses	4.06
				Pool mtgs check call on 4/08	8512 · Meeting Expense	4.06
				Non-Ag Pool Mtg call on 4/09	8512 · Meeting Expense	30.07
				SY Recalc call on 4/10	6906.73 · OBMP-Safe Yield Recalculation	112.86
				SY Recalc call on 4/13	6906.73 · OBMP-Safe Yield Recalculation	42.09
				WM Coordination call on 4/13	6909.1 · OBMP Meetings	4.04
				SY Recalc call on 4/15	6906.73 · OBMP-Safe Yield Recalculation	13.42
				SY Recalc call on 4/15	6906.73 · OBMP-Safe Yield Recalculation	85.22
				SY Recalc call on 4/16	6906.73 · OBMP-Safe Yield Recalculation	4.06
				SY Recalc call on 4/16	6906.73 · OBMP-Safe Yield Recalculation	155.76
				SY Recalc call on 4/16	6906.73 · OBMP-Safe Yield Recalculation	4.06
				SY Recalc call on 4/17	6906.73 · OBMP-Safe Yield Recalculation	100.84
				SY Recalc call on 4/20	6906.73 · OBMP-Safe Yield Recalculation	9.30
				SY Recalc call on 4/20	6906.73 · OBMP-Safe Yield Recalculation	4.06

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Type	Date	Num	Name	Memo	Account	Paid Amount
				SY Recalc call on 4/20	6906.73 · OBMP-Safe Yield Recalculation	4.06
				SY Recalc call on 4/20	6906.73 · OBMP-Safe Yield Recalculation	72.96
				SY Recalc call on 4/20	6906.73 · OBMP-Safe Yield Recalculation	4.08
				SY Recalc call on 4/20	6906.73 · OBMP-Safe Yield Recalculation	4.75
				SY Recalc call on 4/22	6906.73 · OBMP-Safe Yield Recalculation	225.20
				SY Recalc call on 4/22	6906.73 · OBMP-Safe Yield Recalculation	75.51
				SY Recalc call on 4/22	6906.73 · OBMP-Safe Yield Recalculation	4.06
				SY Recalc call on 4/24	6906.73 · OBMP-Safe Yield Recalculation	5.22
				SY Recalc call on 4/24	6906.73 · OBMP-Safe Yield Recalculation	98.39
				Fee - General	6022 · Telephone	49.00
				Fee - Confidential	6022 · Telephone	49.00
				Service fees	6022 · Telephone	57.25
TOTAL						1,769.18
Bill Pmt -Check	05/18/2015	18618	RODRIGUEZ, ARNOLD		1012 · Bank of America Gen'l Ckg	
Bill	04/08/2015	4/08 Special Board		4/08/15 Special Board Meeting Conference Call	6311 · Board Member Compensation	125.00
Bill	04/09/2015	4/09 Appro Pool Mtg		4/09/15 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	04/28/2015	4/28 Board Meeting		4/28/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	05/18/2015	18619	STAPLES BUSINESS ADVANTAGE		1012 · Bank of America Gen'l Ckg	
Bill	04/25/2015	8034169333		Trays for breakroom, auxilliary room	6031.7 · Other Office Supplies	50.74
Bill	04/30/2015	8034083783		Miscellaneous office supplies	6031.7 · Other Office Supplies	521.00
				Replacement binding machine	6031.7 · Other Office Supplies	124.15
				Copier paper - 11x17	6031.1 · Copy Paper	113.38
TOTAL						809.27
Bill Pmt -Check	05/18/2015	18620	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2015	7076224530355049		Vehicle fuel - April 2015	6175 · Vehicle Fuel	136.84
TOTAL						136.84
Bill Pmt -Check	05/18/2015	18621	VANDEN HEUVEL, GEOFFREY	6311	1012 · Bank of America Gen'l Ckg	
Bill	04/01/2015	3/31 Special Ag Pool		3/31/15 Special Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	04/08/2015	4/08 Special Board		4/08/15 Special Board Meeting	6311 · Board Member Compensation	125.00
Bill	04/09/2015	4/09 Ag Pool Mtg		4/09/15 Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	04/22/2015	4/22 Special Ag Pool		4/22/15 Special Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	04/28/2015	4/28 Board Meeting		4/28/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						625.00
Bill Pmt -Check	05/18/2015	18622	VANDEN HEUVEL, ROB		1012 · Bank of America Gen'l Ckg	

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<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
Bill	04/01/2015	3/31 Special Ag Pool		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/31/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	04/09/2015	4/09 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				4/09/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	04/16/2015	4/16 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00
				4/16/15 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	04/22/2015	4/22 Special Ag Pool		Ag Pool Member Compensation	8411 · Compensation	25.00
				4/22/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	04/28/2015	4/28 Special Ag Pool		Ag Pool Member Compensation	8411 · Compensation	25.00
				4/28/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						625.00
Bill Pmt -Check	05/18/2015	18623	WESTERN MUNICIPAL WATER DISTRICT		1012 · Bank of America Gen'l Ckg	
Bill	04/08/2015	4/08 Special Board		4/08/15 Special Board Meeting	6311 · Board Member Compensation	125.00
Bill	04/28/2015	4/28 Board Mtg		4/28/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	05/18/2015	18624	COMPUTER NETWORK	92360	1012 · Bank of America Gen'l Ckg	
Bill	05/05/2015	92360		Replacement keyboard w/mouse	6055 · Computer Hardware	91.80
TOTAL						91.80
Bill Pmt -Check	05/18/2015	18625	CORELOGIC INFORMATION SOLUTIONS	81474829	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2015	81474829		81474829	7103.7 · Grdwtr Qual-Computer Svc	62.50
				81474829	7101.4 · Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	05/18/2015	18626	GRAINGER	9725754866	1012 · Bank of America Gen'l Ckg	
Bill	04/27/2015	9725754866		Supplies for water quality/calibration meter	7103.6 · Grdwtr Qual-Supplies	351.71
TOTAL						351.71
Bill Pmt -Check	05/18/2015	18627	HOGAN LOVELLS	2894537	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2015	2894537		Non-Ag Pool Legal Services - March 2015	8567 · Non-Ag Legal Service	1,917.60
TOTAL						1,917.60
Bill Pmt -Check	05/18/2015	18628	LIATTI & ASSOCIATES	524	1012 · Bank of America Gen'l Ckg	
Bill	05/13/2015	524		D&O 6/01/15-6/30/15	6085 · Business Insurance Package	583.89
				D&O 7/01/15-5/31/16	1401 · Prepaid Insurance-Pkg	6,520.11
TOTAL						7,104.00
Bill Pmt -Check	05/18/2015	18629	PARK PLACE COMPUTER SOLUTIONS, INC.	498	1012 · Bank of America Gen'l Ckg	

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	04/30/2015	498		IT Consulting Services - April 2015	6052.1 · Park Place Comp Solutn	3,675.00
TOTAL						3,675.00
Bill Pmt -Check	05/18/2015	18630	PRINTING RESOURCES	62111	1012 · Bank of America Gen'l Ckg	
Bill	05/04/2015	62111		Name badge - General Counsel	6031.7 · Other Office Supplies	46.22
TOTAL						46.22
Bill Pmt -Check	05/18/2015	18631	R&D PEST SERVICES	0188935	1012 · Bank of America Gen'l Ckg	
Bill	05/08/2015	0188935		Pest control-ant and flea control	6024 · Building Repair & Maintenance	100.00
TOTAL						100.00
Bill Pmt -Check	05/18/2015	18632	RAUCH COMMUNICATION CONSULTANTS, LLC Apr-1501		1012 · Bank of America Gen'l Ckg	
Bill	05/08/2015	Apr-1501		Annual report work through March 31, 2015	6061.3 · Rauch	1,190.00
TOTAL						1,190.00
Bill Pmt -Check	05/18/2015	18633	LIATTI & ASSOCIATES	523	1012 · Bank of America Gen'l Ckg	
Bill	05/13/2015	523		W/C deposit premium	60183 · Worker's Comp Insurance	1,533.00
				W/C broker fee 6/26/15-6/30/15	6085 · Business Insurance Package	15.81
				W/C broker fee 7/01/15-6/25/16	1406 · Prepaid Workers Comp Ins.	1,138.09
TOTAL						2,686.90
Bill Pmt -Check	05/20/2015	18634	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
Bill	04/30/2015	2015121		2015121	6906.31 · OBMP-Pool, Adv. Board Mtgs	4,587.57
Bill	04/30/2015	2015122		2015122	6906.32 · OBMP-Other General Meetings	924.19
Bill	04/30/2015	2015123		2015123	6906.71 · OBMP-Data Req.-CBWM Staff	468.25
Bill	04/30/2015	2015124		2015124	6906.72 · OBMP-Data Req.-Non CBWM Staff	1,701.50
Bill	04/30/2015	2015125		205125	6906 · OBMP Engineering Services	2,963.75
Bill	04/30/2015	2015126		2015126	6906.73 · OBMP-Safe Yield Recalculation	24,444.17
Bill	04/30/2015	2015127		2015127	6906.21 · State of the Basin Report	9,155.00
Bill	04/30/2015	2015128		2015128	7103.3 · Grdwtr Qual-Engineering	3,027.50
Bill	04/30/2015	2015129		2015129	7104.3 · Grdwtr Level-Engineering	12,532.72
Bill	04/30/2015	2015130		2015130	7107.2 · Grd Level-Engineering	7,069.90
				Parsons Brinckeroff, Inc.	7107.6 · Grd Level-Contract Svcs	51,027.91
Bill	04/30/2015	2015131		2015131	7108.3 · Hydraulic Control-Engineering	782.35
Bill	04/30/2015	2015132		2015132	7108.3 · Hydraulic Control-Engineering	1,107.43
Bill	04/30/2015	2015133		2015133	7108.3 · Hydraulic Control-Engineering	7,233.80
Bill	04/30/2015	2015134		2015134	7109.3 · Recharge & Well - Engineering	4,719.25
Bill	04/30/2015	2015135		2015135	7108.7 · Hydraulic Control - Prado Basin	28,575.33
Bill	04/30/2015	2015136		2015136	7202.3 · Comp Recharge-Implementation	29,241.99
Bill	04/30/2015	2015137		2015137	7202.3 · Comp Recharge-Implementation	3,213.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	04/30/2015	2015138		2015138	7402 · PE4-Engineering	23,223.75
Bill	04/30/2015	2015139		2015139	7502 · PE6&7-Engineering	2,586.00
Bill	04/30/2015	2015140		2015140	7108.7 · Hydraulic Control - Prado Basin	1,535.00
TOTAL						220,120.36
Bill Pmt -Check	05/18/2015	ACH 051815	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	05/09/2015	05/09/2015	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 04/26/15-05/09/15	2000 · Accounts Payable	8,194.92
TOTAL						8,194.92
Bill Pmt -Check	05/28/2015	18635	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2015	XXXX-XXXX-XXXX-9341		iPhone data/sync charger	6031.7 · Other Office Supplies	8.53
				iPhone adaptor	6031.7 · Other Office Supplies	8.09
				iPhone case and supplies	6031.7 · Other Office Supplies	57.76
				Registration fee-Wilson-05/16/15 IAAP Conf.	6191 · Conferences - General	284.70
				Projector repair parts	6031.7 · Other Office Supplies	40.47
				Replacement bulb for projector in auxiliary room	6031.7 · Other Office Supplies	140.90
				Shirts for field staff	6154 · Uniforms	41.14
				Airpot and bins for office	6031.7 · Other Office Supplies	70.45
				Lunch for 4/06/15 Safe Yield Recalc Mtg.	6906.73 · OBMP-Safe Yield Recalculation	285.14
				Study materials-Troung-TA Specialty Exam-IAAP	6192 · Training & Seminars	500.86
				Shuttle for PK at DWR Technical Advisory Panel	6191 · Conferences - General	17.14
				Lunch for 4/13/15 Safe Yield Recalc Mtg.	6906.73 · OBMP-Safe Yield Recalculation	256.63
				Shuttle-PK at DWR Technical Advisory Panel	6191 · Conferences - General	20.95
				Breakfast-PK at DWR Technical Advisory Panel	6191 · Conferences - General	9.54
				Parking-PK at airport-DWR Tech. Advisory Panel	6191 · Conferences - General	17.14
				Paperweights for Board Members	6312 · Meeting Expenses	563.29
				Lunch for 4/20/15 Safe Yield Recalc Mtg.	6906.73 · OBMP-Safe Yield Recalculation	275.36
				Lunch for 4/27/15 Safe Yield Recalc Mtg.	6906.73 · OBMP-Safe Yield Recalculation	303.87
				Flight-PK to attend the 2015 ACWA Spring Conf.	6191 · Conferences - General	322.79
				Early bird check in for above flight	6191 · Conferences - General	23.81
				Lunch for 4/29/15 Safe Yield Recalc Mtg.	6906.73 · OBMP-Safe Yield Recalculation	267.56
				Changes to flight-PK-2015 ACWA Spring Conf.	6191 · Conferences - General	111.40
				Lunch for 5/04/15 Safe Yield Recalc Mtg.	6906.73 · OBMP-Safe Yield Recalculation	219.97
TOTAL						3,847.49
Total Disbursements:						537,160.46

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