

# CHINO BASIN WATERMASTER



## NOTICE OF MEETING

**Thursday, September 17, 2015**

9:00 a.m. – Advisory Committee Meeting

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

# **CHINO BASIN WATERMASTER**

**Thursday, September 17, 2015**

9:00 a.m. – Advisory Committee Meeting

***AGENDA***

**CHINO BASIN WATERMASTER  
ADVISORY COMMITTEE MEETING**

9:00 a.m. – September 17, 2015

**WITH**

*Mr. Jeff Pierson, Chair*

*Mr. Todd Corbin, Vice-Chair*

**At The Offices Of**

**Chino Basin Watermaster**

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

**AGENDA**

**CALL TO ORDER**

**AGENDA - ADDITIONS/REORDER**

**I. CONSENT CALENDAR**

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

**A. MINUTES**

1. Minutes of the Advisory Committee Meeting held August 20, 2015 *(Page 1)*

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of July 2015 *(Page 5)*
2. Watermaster VISA Check Detail for the month of July 2015 *(Page 23)*
3. Combining Schedule for the Period July 1, 2015 through July 31, 2015 *(Page 27)*
4. Treasurer's Report of Financial Affairs for the Period July 1, 2015 through July 31, 2015 *(Page 31)*
5. Budget vs. Actual Report for the Period July 1, 2015 through July 31, 2015 *(Page 35)*

**C. OBMP SEMI-ANNUAL STATUS REPORT 2013-1 *(Page 49)***

Recommend to the Watermaster Board to adopt the Semi-Annual OBMP Status Report 2013-1, along with filing a copy with the Court, subject to any necessary non-substantive changes.

**D. WATER TRANSACTION *(Page 59)***

Notice of Sale or Transfer – The purchase of 500.000 acre-feet of water from West Valley Water District by Cucamonga Valley Water District. This purchase is made from West Valley Water District's storage account, effective for the Fiscal Year 2014-2015.

**II. BUSINESS ITEMS**

**A. SAFE YIELD REDETERMINATION AND RESET *(Page 69)***

Recommend the Board's adoption of Resolution 2015-06.

**B. EXHIBIT “G” PHYSICAL SOLUTION TRANSFER RATE SUBSTITUTION** *(Page 143)*

Approve the proposed FY 2015-16 substitute Physical Solution Transfer rate, and approve Watermaster legal counsel’s filing of motion for Court approval of the same.

**III. REPORTS/UPDATES**

**A. LEGAL COUNSEL REPORT**

1. August 21, 2015 Hearing
2. DWR Basin Boundary Regulations *(Page 157)*

**B. ENGINEER REPORT**

None

**C. CFO REPORT**

1. Unexpended Recharge Projects Funds

**D. GM REPORT**

1. Amendment No. 2 to Agreement to Form Task Force to Conduct Basin Monitoring Program For Nitrogen And TDS in The Santa Ana River Watershed (Basin Monitoring Program)

**E. INLAND EMPIRE UTILITIES AGENCY**

1. MWD Update (Written) *(Page 164)*
2. State and Federal Legislative Reports *(Page 167)*
3. Community Outreach/Public Relations Report *(Page 183)*

**F. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

**IV. INFORMATION**

1. Cash Disbursements for August 2015 *(Page 189)*

**V. COMMITTEE MEMBER COMMENTS**

**VI. OTHER BUSINESS**

1. Watermaster Reappointment

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

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

**VIII. FUTURE MEETINGS AT WATERMASTER**

9/15/15	Tue	1:30 p.m.	Agricultural Pool Meeting
9/17/15	Thu	8:00 a.m.	Appropriative Pool Special Meeting
9/17/15	Thu	9:00 a.m.	Advisory Committee
9/17/15	Thu	9:30 a.m.	Recharge Investigations and Projects Committee (RIPCom)
9/24/15	Thu	11:00 a.m.	Watermaster Board

**SAFE YIELD REDETERMINATION AND RESET – DRAFTING OF AGREEMENT**

9/16/15 Wed 10:00 a.m.\* At Watermaster (In-person meeting only)

\*NOTE: These meetings are intended for Parties who have agreed to the confidentiality protocols.

**ADJOURNMENT**

# CHINO BASIN WATERMASTER

## I. CONSENT CALENDAR

### A. MINUTES

1. Advisory Committee Meeting held on August 20, 2015

**DRAFT MINUTES**  
**CHINO BASIN WATERMASTER**  
**ADVISORY COMMITTEE MEETING**

August 20, 2015

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on August 20, 2015.

**ADVISORY COMMITTEE MEMBERS PRESENT**

**AGRICULTURAL POOL**

Jeff Pierson, Chair  
Pete Hall  
Rob Vanden Heuvel  
Bob Feenstra

Crops  
State of California – CIM  
Dairy  
Dairy

**APPROPRIATIVE POOL**

Todd Corbin, Vice-Chair  
Ryan Shaw for Scott Burton  
Teri Layton  
Ron Craig  
Van Jew  
Van Jew for Justin Scott-Coe  
Josh Swift  
Dave Crosley  
Cris Fealy  
Darron Poulsen  
Rosemary Hoerning  
Marty Zvirbulis

Jurupa Community Services District  
City of Ontario  
San Antonio Water Company  
City of Chino Hills  
Monte Vista Irrigation Company  
Monte Vista Water District  
Fontana Water Company  
City of Chino  
Fontana Union Water Company  
City of Pomona  
City of Upland  
Cucamonga Valley Water District

**NON-AGRICULTURAL POOL**

Ken Jeske

California Steel Industries (CSI)

**WATERMASTER BOARD MEMBER PRESENT**

Bob Kuhn

Three Valleys 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**

Brad Herrema  
Mark Wildermuth  
Andy Malone

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

**OTHERS PRESENT**

Terry Catlin

Inland Empire Utilities Agency

David DeJesus  
Curtis Paxton  
Sheri Rojo  
Eunice Ulloa

Three Valleys Municipal Water District  
Chino Basin Desalter Authority  
Fontana Water Company  
Chino Basin Water Conservation District

**CALL TO ORDER**

Chair Pierson called the Advisory Committee meeting to order at 9:03 a.m.

**AGENDA - ADDITIONS/REORDER**

None

**I. CONSENT CALENDAR**

**A. MINUTES**

1. Minutes of the Advisory Committee Meeting held July 16, 2015

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of June 2015
2. Watermaster VISA Check Detail for the month of June 2015
3. Combining Schedule for the Period July 1, 2014 through June 30, 2015
4. Treasurer's Report of Financial Affairs for the Period June 1, 2015 through June 30, 2015
5. Budget vs. Actual Report for the Period July 1, 2014 through June 30, 2015

**C. WATER TRANSACTIONS**

1. Notice of Sale or Transfer – The purchase of 3,000.000 acre-feet of water from Cucamonga Valley Water District by Fontana Water Company. This purchase is made from Cucamonga Valley Water District's storage account. Date of application: May 20, 2015.
2. Notice of Sale or Transfer - The purchase of 1,067.000 acre-feet of water from West End Consolidated Water Company by the City of Upland. This purchase is made from West End Consolidated Water Company's Excess Carryover Account. The City of Upland is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of application: June 11, 2015.
3. Notice of Sale or Transfer – The purchase of 70.000 acre-feet of water from the City of Upland by Golden State Water Company. This purchase is made from the City of Upland's Excess Carryover Account. Date of application: June 15, 2015.
4. Notice of Sale or Transfer - The purchase of 100.000 acre-feet of water from West End Consolidated Water Company by Golden State Water Company. This purchase is made from West End Consolidated Water Company's Excess Carryover Account. Golden State Water Company is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of application: June 15, 2015.
5. Notice of Sale or Transfer - The purchase of 6,500.000 acre-feet of water from the City of Chino by Fontana Water Company. This purchase is made from the City of Chino's Excess Carryover Account. Date of application: June 16, 2015.

(0:01:10)

*Motion by Mr. Ron Craig, seconded by Mr. Josh Swift, and by unanimous vote*  
***Moved to approve Consent Calendar as presented***

**II. BUSINESS ITEMS**

**A. BUDGET TRANSFER FORM T-15-06-01**

Approve Budget Transfer Form T-15-06-01 for FY 2014/15 as presented.

(0:01:37) Mr. Joswiak gave a presentation.

(0:02:34)

*Motion by Mr. Van Jew, seconded by Mr. Ken Jeske, and by unanimous vote  
**Moved to approve Business Item II.A. as presented***

**III. REPORTS/UPDATES**

**A. LEGAL COUNSEL REPORT**

1. August 21, 2015 Hearing
2. DWR Draft Basin Boundary Revision Regulations

(0:02:59) Mr. Herrema gave a report. A discussion ensued.

**B. ENGINEER REPORT**

None

**C. CFO REPORT**

None

**D. GM REPORT**

1. Chino Basin Safe Yield Redetermination and Reset
2. City of Ontario Overlying (Non-Agricultural) Pool Proposed Water Right Use and Proposed Methodology
3. Process Improvement for Submittal of Documents to Watermaster
4. Water Activity Reports

(0:07:15) Mr. Kavounas gave a report. A discussion ensued.

**E. INLAND EMPIRE UTILITIES AGENCY**

1. MWD Update (Written)
2. Community Outreach/Public Relations Report
3. State and Federal Legislative Reports

**F. OTHER METROPOLITAN MEMBER AGENCY REPORTS**

None

**IV. INFORMATION**

1. Cash Disbursements for July 2015

(0:11:00) Ms. Layton raised a question regarding voided checks listed on the current roster. Mr. Joswiak replied that the voided checks were due to printer issues.

**V. COMMITTEE MEMBER COMMENTS**

None

**VI. OTHER BUSINESS**

None

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

None

**ADJOURNMENT**

Chair Pierson adjourned the Advisory Committee meeting at 9:15 a.m.

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

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

# CHINO BASIN WATERMASTER

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### B. FINANCIAL REPORTS

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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

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PETER KAVOUNAS, P.E.  
General Manager

### STAFF REPORT

DATE: September 17, 2015  
TO: Advisory Committee Members  
SUBJECT: Cash Disbursement Report - Financial Report B1 (July 31, 2015)

#### SUMMARY

Issue: Record of Cash Disbursements for the month of July 31, 2015.

Recommendation: Receive and file Cash Disbursements for July 31, 2015 as presented.

Financial Impact: Funds disbursed were included in the FY 2015/16 "Amended" Watermaster Budget.

#### Future Consideration

Agricultural Pool: September 15, 2015; Receive and File

Advisory Committee: September 17, 2015; Receive and File

Watermaster Board: September 24, 2015; Receive and File (Normal Course of Business)

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#### ACTIONS:

September 10, 2015 – Appropriative Pool – Unanimously approved

September 10, 2015 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval

September 15, 2015 – Agricultural Pool –

September 17, 2015 – Advisory Committee –

September 24, 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 July 2015 were \$1,536,891.04.

The most significant expenditures during the month were to Brownstein Hyatt Farber Schreck in the amounts of \$128,057.24 and \$117,099.37 (check number 18726 dated July 6, 2015 and check number 18803 dated July 28, 2015); Inland Empire Utilities Agency in the amount of \$792,678.37 (check number 18749 dated July 8, 2015); John J. Schatz in the amount of \$87,644.00 (check number 18750 dated July 8, 2015); and Wildermuth Environmental, Inc. in the amount of \$157,362.04 (check number 18771 dated July 20, 2015).

## ATTACHMENTS

1. Financial Report - B1

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
July 2015

Type	Date	Num	Name	Memo	Account	Paid Amount
General Journal	07/04/2015	07/04/2015	Payroll and Taxes for 06/21/15-07/04/15	Payroll and Taxes for 06/21/15-07/04/15	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 06/21/15-07/04/15	1012 · Bank of America Gen'l Ckg	22,294.48
				Employee Garnishments for 06/21/15-07/04/15	1012 · Bank of America Gen'l Ckg	100.61
				Payroll Taxes for 06/21/15-07/04/15	1012 · Bank of America Gen'l Ckg	7,808.42
				Payroll Checks for 06/21/15-07/04/15	1012 · Bank of America Gen'l Ckg	1,496.78
			ICMA-RC	457(f) Employee Deductions for 06/21/15-07/04/15	1012 · Bank of America Gen'l Ckg	3,696.36
			ICMA-RC	401(a) Employee Deductions for 06/21/15-07/04/15	1012 · Bank of America Gen'l Ckg	1,141.72
TOTAL						<u>36,538.37</u>
Bill Pmt -Check	07/06/2015	18726	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	05/31/2015	604850		604850	6078 · BHFS Legal - Miscellaneous	16,843.05
				Expenses	6078 · BHFS Legal - Miscellaneous	24.89
				Expenses	6907.42 · Safe Yield Recalculation	3,675.00
				Expenses	8375 · BHFS Legal - Appropriative Pool	94.31
				Expenses	8475 · BHFS Legal - Agricultural Pool	94.31
				Expenses	8575 · BHFS Legal - Non-Ag Pool	94.30
Bill	05/31/2015	604851		Alvarez-CalPERS	6073 · BHFS Legal - Personnel Matters	2,070.00
				GM Evaluation	6073 · BHFS Legal - Personnel Matters	1,610.55
				457(f) Def. Comp.	6073 · BHFS Legal - Personnel Matters	1,161.00
Bill	05/31/2015	604852		604852	6275 · BHFS Legal - Advisory Committee	882.00
				Expenses	6275 · BHFS Legal - Advisory Committee	159.27
Bill	05/31/2015	604853		604853	6375 · BHFS Legal - Board Meeting	4,279.50
				Expenses	6375 · BHFS Legal - Board Meeting	37.95
Bill	05/31/2015	604854		604854	8375 · BHFS Legal - Appropriative Pool	1,732.50
Bill	05/31/2015	604855		604855	8475 · BHFS Legal - Agricultural Pool	1,732.50
Bill	05/31/2015	604856		604856	8575 · BHFS Legal - Non-Ag Pool	1,732.50
Bill	05/31/2015	604857		604857	6077 · BHFS Legal - Party Status Maint	2,047.50
Bill	05/31/2015	604858		604858	6907.39 · Recharge Master Plan	315.00
Bill	05/31/2015	604859		604859	6907.42 · Safe Yield Recalculation	88,597.80
				Expenses	6907.42 · Safe Yield Recalculation	526.81
Bill	05/31/2015	604860		604860	6078.12 · CCG Motion	346.50
TOTAL						<u>128,057.24</u>
Bill Pmt -Check	07/08/2015	18727	ACWA JOINT POWERS INSURANCE AUTHORITY	0359891	1012 · Bank of America Gen'l Ckg	
Bill	07/01/2015	0359891		Prepayment - August 2015	1409 · Prepaid Life, BAD&D & LTD	128.39
				July 2015	60191 · Life & Disab.Ins Benefits	128.38
TOTAL						<u>256.77</u>
Bill Pmt -Check	07/08/2015	18728	APPLIED COMPUTER TECHNOLOGIES	2593	1012 · Bank of America Gen'l Ckg	

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**July 2015**

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	06/30/2015	2593		Database Consulting Services - June 2015	6052.2 · Applied Computer Technol	3,319.00
TOTAL						<u>3,319.00</u>
Bill Pmt -Check	07/08/2015	18729	ARROWHEAD MOUNTAIN SPRING WATER	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2015	0023230253		Office Water Bottle - June 2015	6031.7 · Other Office Supplies	161.78
TOTAL						<u>161.78</u>
Bill Pmt -Check	07/08/2015	18730	BOWCOCK, ROBERT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/25/2015	6/25 Board Mtg		6/25/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>125.00</u>
Bill Pmt -Check	07/08/2015	18731	BOWMAN, JIM	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/25/2015	6/25 Board Meeting		6/25/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>125.00</u>
Bill Pmt -Check	07/08/2015	18732	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	07/02/2015	1394905143		Unfunded Liability for Plan as of June 30, 2013	60180 · Employers PERS Expense	3,077.00
TOTAL						<u>3,077.00</u>
P8 Bill Pmt -Check	07/08/2015	18733	CHARTER COMMUNICATIONS	8245100651455350	1012 · Bank of America Gen'l Ckg	
Bill	07/02/2015	8245100651455350		8245100651455350	6053 · Internet Expense	44.99
TOTAL						<u>44.99</u>
Bill Pmt -Check	07/08/2015	18734	CHEF DAVE'S CAFE & CATERING	5557	1012 · Bank of America Gen'l Ckg	
Bill	06/25/2015	5557		Lunch for 6/25/15 Watermaster Board meeting	6312 · Meeting Expenses	456.20
TOTAL						<u>456.20</u>
Bill Pmt -Check	07/08/2015	18736	COSTCO WHOLESale	7003-7309-1000-2744	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2015	7003730910002744		Miscellaneous office supplies	6031.7 · Other Office Supplies	373.91
TOTAL						<u>373.91</u>
Bill Pmt -Check	07/08/2015	18738	DE BOOM, NATHAN		1012 · Bank of America Gen'l Ckg	
Bill	06/03/2015	6/03 Special Ag Mtg		6/03/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/05/2015	6/05 Special Ag Mtg		6/05/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/11/2015	6/11 Ag Pool Mtg		6/11/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						<u>375.00</u>
Bill Pmt -Check	07/08/2015	18739	DIRECTV	019447404	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2015	019447404		6/19/15 - 7/18/15	6031.7 · Other Office Supplies	110.98
TOTAL						<u>110.98</u>

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**July 2015**

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	07/08/2015	18740	DURRINGTON, GLEN		1012 · Bank of America Gen'l Ckg	
Bill	06/03/2015	6/03 Special Ag Mtg		6/03/15 Special Ag Pool Meeting	8411 · Compensation	25.00
				Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
Bill	06/11/2015	6/11 Ag Pool Mtg		6/11/15 Ag Pool Meeting	8411 · Compensation	25.00
				Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	07/08/2015	18741	EGOSCUE LAW GROUP	10973	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2015	10973		Ag Pool Legal Services - June 2015	8467 · Ag Legal & Technical Services	28,667.50
TOTAL						28,667.50
Bill Pmt -Check	07/08/2015	18742	ELIE, STEVEN		1012 · Bank of America Gen'l Ckg	
Bill	06/23/2015	6/23 Board Preview		6/23/15 Board Agenda Review Meeting	6311 · Board Member Compensation	125.00
Bill	06/25/2015	6/25 Board Mtg		6/25/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	07/08/2015	18743	FEDAK & BROWN LLP		1012 · Bank of America Gen'l Ckg	
Bill	06/30/2015			Progress Billing - June 2015	6062 · Audit Services	4,624.00
TOTAL						4,624.00
Bill Pmt -Check	07/08/2015	18744	FEENSTRA, BOB		1012 · Bank of America Gen'l Ckg	
Bill	06/03/2015	6/03 Special Ag Mtg		6/03/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/05/2015	6/05 Special Ag Mtg		6/05/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/11/2015	6/11 Ag Pool Mtg		6/11/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/18/2015	6/18 Advisory Comm		6/18/15 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/25/2015	6/25 Board Mtg		6/25/15 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/29/2015	6/29 Ontario Mtg		6/29/15 City of Ontario Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						750.00
Bill Pmt -Check	07/08/2015	18746	GEOTECHNICAL SERVICES	21087	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2015	21087		21087	7104.7 · Grdwtr Level-WM Staff-Cap Equip	4,056.46
TOTAL						4,056.46
Bill Pmt -Check	07/08/2015	18747	HALL, PETE*		1012 · Bank of America Gen'l Ckg	
Bill	06/03/2015	6/03 Special Ag Mtg		6/03/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/05/2015	6/05 Special Ag Mtg		6/05/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/10/2015	6/10 Land Subsidence		6/10/15 Land Subsidence Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/11/2015	6/11 Appro Pool Mtg		6/11/15 Appropriative Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/11/2015	6/11 Non Ag Pool Mtg		6/11/15 Non-Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**July 2015**

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	06/11/2015	6/11 Ag Pool Mtg		6/11/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/18/2015	6/18 RIP Com Mtg		6/18/15 RIP Com Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/18/2015	6/18 Advisory Comm		6/18/15 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/25/2015	6/25 Board Mtg		6/25/15 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
<b>TOTAL</b>						<b>1,125.00</b>
<b>Bill Pmt -Check</b>	<b>07/08/2015</b>	<b>18748</b>	<b>HUITSING, JOHN</b>		<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	06/05/2015	6/05 Special Ag Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				6/05/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	06/11/2015	6/11 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				6/11/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
<b>TOTAL</b>						<b>250.00</b>
<b>Bill Pmt -Check</b>	<b>07/08/2015</b>	<b>18749</b>	<b>INLAND EMPIRE UTILITIES AGENCY</b>		<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	06/29/2015	1800002510		Turner Basins/Guasti Park Recharge Improvements	7690.2 · Turner Basin Recharge Imprvmnt	107,000.00
Bill	06/30/2015	1800002515		Hickory Basin Arizona Crossing Project	7690.3 · Hickory Basin Recharge Imprvmnt	27,500.00
Bill	07/01/2015	90016386		FY 2015/16 Debt Service Payment	7690.1 · Recharge Improvement Debt Pymts	460,201.50
Bill	07/01/2015	90016387		Groundwater Recharge O&M Costs - 1st Quarter	7206 · Comp Recharge-O&M	197,976.87
<b>TOTAL</b>						<b>792,678.37</b>
<b>Bill Pmt -Check</b>	<b>07/08/2015</b>	<b>18750</b>	<b>JOHN J. SCHATZ</b>		<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	06/30/2015			Appropriative Pool Legal Services - Sep. 2014	8367 · Legal Service	9,964.00
				Appropriative Pool Legal Services - Oct. 2014	8367 · Legal Service	9,464.00
				Appropriative Pool Legal Services - Nov. 2014	8367 · Legal Service	9,610.00
				Appropriative Pool Legal Services - Dec. 2014	8367 · Legal Service	7,810.00
				Appropriative Pool Legal Services - Jan. 2015	8367 · Legal Service	11,936.00
				Appropriative Pool Legal Services - Feb. 2015	8367 · Legal Service	9,556.00
				Appropriative Pool Legal Services - Mar. 2015	8367 · Legal Service	9,104.00
				Appropriative Pool Legal Services - Apr. 2015	8367 · Legal Service	9,030.00
				Appropriative Pool Legal Services - May 2015	8367 · Legal Service	7,606.00
				Appropriative Pool Legal Services - Jun. 2015	8367 · Legal Service	3,564.00
<b>TOTAL</b>						<b>87,644.00</b>
<b>Bill Pmt -Check</b>	<b>07/08/2015</b>	<b>18751</b>	<b>KOOPMAN, GENE</b>		<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	06/03/2015	6/03 Special Ag Mtg		6/03/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/05/2015	6/05 Special Ag Mtg		6/05/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
<b>TOTAL</b>						<b>250.00</b>
<b>Bill Pmt -Check</b>	<b>07/08/2015</b>	<b>18752</b>	<b>KUHN, BOB</b>	<b>Board Member Compensation</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	06/25/2015	6/25 Admin Mtg		6/25/15 Administrative Meeting w/PK	6311 · Board Member Compensation	125.00

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**July 2015**

	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
TOTAL							125.00
	Bill Pmt -Check	07/08/2015	18753	MONTE VISTA WATER DIST	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	06/18/2015	6/18 Advisory Comm		6/18/15 Advisory Committee Meeting	6311 · Board Member Compensation	125.00
	Bill	06/25/2015	6/25 Board Mtg		6/25/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL							250.00
	Bill Pmt -Check	07/08/2015	18754	OFFICE PRIDE	350184	1012 · Bank of America Gen'l Ckg	
	Bill	07/01/2015	350184		Janitorial Services - 350184	6024 · Building Repair & Maintenance	399.42
TOTAL							399.42
	Bill Pmt -Check	07/08/2015	18755	PARK PLACE COMPUTER SOLUTIONS, INC.	500	1012 · Bank of America Gen'l Ckg	
	Bill	06/30/2015	500		IT Consulting Services - June 2015	6052.1 · Park Place Comp Solutn	4,875.00
TOTAL							4,875.00
	Bill Pmt -Check	07/08/2015	18756	PAYCHEX	2015062500	1012 · Bank of America Gen'l Ckg	
	Bill	06/30/2015	2015062500		June 2015	6012 · Payroll Services	284.09
TOTAL							284.09
<b>P11</b>	Bill Pmt -Check	07/08/2015	18757	PIERSON, JEFFREY		1012 · Bank of America Gen'l Ckg	
	Bill	06/03/2015	6/03 Special Ag Mtg		6/03/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	06/05/2015	6/05 Special Ag Mtg		6/05/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	06/11/2015	6/11 Ag Pool Mtg		6/11/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	06/18/2015	6/18 RIPCom Mtg		6/18/15 RIP Com Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	06/18/2015	6/18 Advisory Comm		6/18/15 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	06/25/2015	6/25 Board Mtg		6/25/15 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	06/29/2015	6/29 Ontario Mtg		6/29/15 City of Ontario Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL							875.00
	Bill Pmt -Check	07/08/2015	18758	PREMIERE GLOBAL SERVICES	18868616	1012 · Bank of America Gen'l Ckg	
	Bill	06/30/2015	18868616		SY call on 5/27	6906.73 · OBMP-Safe Yield Recalculation	60.49
					SY call on 5/27	6906.73 · OBMP-Safe Yield Recalculation	43.95
					Non-Qualified Deferred Comp Plan call on 5/29	6141.3 · Admin Meetings	16.53
					SY call on 6/01	6906.73 · OBMP-Safe Yield Recalculation	18.45
					Ag Pool Special Meeting call on 6/03	8412 · Meeting Expenses	68.61
					SY call on 6/04	6906.73 · OBMP-Safe Yield Recalculation	19.85
					Ag Pool Special Meeting call on 6/05	8412 · Meeting Expenses	78.50
					Appropriative Pool Special Meeting call on 6/08	8312 · Meeting Expenses	65.59
					WM coordination call on 6/08	6909.1 · OBMP Meetings	11.25
					Non-Ag Pool Meeting on 6/11	8512 · Meeting Expense	41.29

**CHINO BASIN WATERMASTER**  
Cash Disbursements For The Month of  
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Type	Date	Num	Name	Memo	Account	Paid Amount
				WM coordination call on 6/15	6909.1 · OBMP Meetings	16.53
				SY call on 6/16	6906.73 · OBMP-Safe Yield Recalculation	4.08
				SY call on 6/16	6906.73 · OBMP-Safe Yield Recalculation	92.06
				Appropriative Pool Special Meeting call on 6/22	8312 · Meeting Expenses	120.68
				Appropriative Pool Special Meeting call on 6/22	8312 · Meeting Expenses	4.45
				Appropriative Pool Special Meeting call on 6/22	8312 · Meeting Expenses	4.06
				Board agenda preview call on 6/23	6312 · Meeting Expenses	8.02
				SY call on 6/26	6906.73 · OBMP-Safe Yield Recalculation	87.24
				General - fees	6022 · Telephone	49.00
				Confidential - fees	6022 · Telephone	49.00
				Service fees	6022 · Telephone	26.91
<b>TOTAL</b>						<b>886.54</b>
<b>Bill Pmt -Check</b>	<b>07/08/2015</b>	<b>18759</b>	<b>SANTA ANA RIVER WATER COMPANY</b>	<b>Board Member Compensation</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	06/25/2015	6/25 Board Mtg		6/25/15 Board Meeting	6311 · Board Member Compensation	125.00
<b>TOTAL</b>						<b>125.00</b>
<b>Bill Pmt -Check</b>	<b>07/08/2015</b>	<b>18760</b>	<b>STAPLES BUSINESS ADVANTAGE</b>	<b>8034888828</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	06/20/2015	8034888828		Miscellaneous office supplies	6031.7 · Other Office Supplies	98.33
<b>TOTAL</b>						<b>98.33</b>
<b>Bill Pmt -Check</b>	<b>07/08/2015</b>	<b>18761</b>	<b>STATE COMPENSATION INSURANCE FUND</b>	<b>1970970-14</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	07/01/2015	1970970-15		Revision of the required deposit premium	60183 · Worker's Comp Insurance	662.74
<b>TOTAL</b>						<b>662.74</b>
<b>Bill Pmt -Check</b>	<b>07/08/2015</b>	<b>18762</b>	<b>UNION 76</b>	<b>7076-2245-3035-5049</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	06/30/2015	7076224530355049		Fuel Costs - June 2015	6175 · Vehicle Fuel	242.18
<b>TOTAL</b>						<b>242.18</b>
<b>Bill Pmt -Check</b>	<b>07/08/2015</b>	<b>18763</b>	<b>VANDEN HEUVEL, GEOFFREY</b>	<b>6311</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	06/05/2015	6/05 Special Ag Mtg		6/05/15 Special Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	06/25/2015	6/25 Board Mtg		6/25/15 Board Meeting	6311 · Board Member Compensation	125.00
<b>TOTAL</b>						<b>250.00</b>
<b>Bill Pmt -Check</b>	<b>07/08/2015</b>	<b>18764</b>	<b>VANDEN HEUVEL, ROB</b>		<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	06/05/2015	6/05 Special Ag Mtg		6/05/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/11/2015	6/11 Ag Pool Mtg		6/11/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/29/2015	6/29 Ontario Mtg		6/29/15 City of Ontario Meeting	8470 · Ag Meeting Attend -Special	125.00
<b>TOTAL</b>						<b>375.00</b>

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
July 2015

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	07/08/2015	18765	VERIZON	012561121521714508	1012 · Bank of America Gen'l Ckg	
Bill	06/29/2015	012561121521714508		012561121521714508	7405 · PE4-Other Expense	191.01
TOTAL						191.01
Bill Pmt -Check	07/08/2015	18766	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2015	001017890001		July 2015	60182.2 · Dental & Vision Ins	99.02
TOTAL						99.02
Bill Pmt -Check	07/08/2015	18767	WESTERN MUNICIPAL WATER DISTRICT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/25/2015	6/25 Board Meeting		6/25/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	07/08/2015	18768	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
Bill	07/02/2015	08-k2 213849		July 2015	6024 · Building Repair & Maintenance	111.57
TOTAL						111.57
Bill Pmt -Check	07/14/2015	ACH 071415	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	07/04/2015	15/07/02	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payroll and Taxes for 06/21/15-07/04/15	2000 · Accounts Payable	6,401.85
TOTAL						6,401.85
Check	07/15/2015	07/15/2015	Service Charge	Service Charge	1012 · Bank of America Gen'l Ckg	
				Service Charge	6039.1 · Banking Service Charges	419.44
TOTAL						419.44
General Journal	07/18/2015	07/18/2015	Payroll and Taxes for 07/05/15-07/18/15	Payroll and Taxes for 07/05/15-07/18/15	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 07/05/15-07/18/15	1012 · Bank of America Gen'l Ckg	22,473.94
				Employee Garnishments for 07/05/15-07/18/15	1012 · Bank of America Gen'l Ckg	100.61
				Payroll Taxes for 07/05/15-07/18/15	1012 · Bank of America Gen'l Ckg	7,944.99
				Payroll Checks for 07/05/15-07/18/15	1012 · Bank of America Gen'l Ckg	1,523.69
			ICMA-RC	457(f) Employee Deductions for 07/05/15-07/18/15	1012 · Bank of America Gen'l Ckg	3,696.36
			ICMA-RC	401(a) Employee Deductions for 07/05/15-07/18/15	1012 · Bank of America Gen'l Ckg	1,162.69
TOTAL						36,902.28
Bill Pmt -Check	07/20/2015	18769	BUSINESS TELECOMMUNICATION SYSTEMS IN 9526		1012 · Bank of America Gen'l Ckg	
Bill	06/30/2015	9526		ShoreTel Phone with satellite microphones	6055 · Computer Hardware	1,039.52
TOTAL						1,039.52
Bill Pmt -Check	07/20/2015	18770	CORELOGIC INFORMATION SOLUTIONS	81535099	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2015	81535099		81535099	7103.7 · Grdwtr Qual-Computer Svc	62.50
				81535099	7101.4 · Prod Monitor-Computer	62.50

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**Cash Disbursements For The Month of**  
**July 2015**

	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
TOTAL							125.00
	Bill Pmt -Check	07/20/2015	18771	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
	Bill	06/30/2015	2015184		2015184	6906.31 · OBMP-Pool, Adv. Board Mtgs	6,350.98
	Bill	06/30/2015	2015815		2015185	6906.71 · OBMP-Data Req.-CBWM Staff	2,295.00
	Bill	06/30/2015	2015186		2015186	6906.72 · OBMP-Data Req.-Non CBWM Staff	2,238.75
	Bill	06/30/2015	2015187		2015187	6906 · OBMP Engineering Services	2,498.75
	Bill	06/30/2015	2015188		2015188	6906.73 · OBMP-Safe Yield Recalculation	5,426.69
	Bill	06/30/2015	2015189		2015189	6906.21 · State of the Basin Report	26,356.06
	Bill	06/30/2015	2015190		2015190	7104.3 · Grdwtr Level-Engineering	8,500.00
				Parsons Brinkerhoff, Inc.		7104.8 · Grdwtr Level-Contracted Serv	13,786.72
	Bill	06/30/2015	2015191		2015191	7107.2 · Grd Level-Engineering	9,447.15
				Michael C. Carpenter		7107.6 · Grd Level-Contract Svcs	1,900.00
				Parsons Brinkerhoff, Inc.		7107.6 · Grd Level-Contract Svcs	2,611.49
	Bill	06/30/2015	2015192		2015192	7108.3 · Hydraulic Control-Engineering	2,470.00
	Bill	06/30/2015	2015193		2015193	7108.7 · Hydraulic Control - Prado Basin	6,881.63
	Bill	06/30/2015	2015194		2015194	7108.31 · Hydraulic Control - PBHSP	6,025.94
	Bill	06/30/2015	2015195		2015195	7202.2 · Engineering Svc	7,494.95
P14	Bill	06/30/2015	2015196		2015196	7402 · PE4-Engineering	11,860.33
	Bill	06/30/2015	2015197		2015197	7502 · PE6&7-Engineering	30,563.75
	Bill	06/30/2015	2015198		2015198	7108.7 · Hydraulic Control - Prado Basin	5,833.75
	Bill	06/30/2015	2015199		2015199	6910.1 · IRP Groundwater Modeling - WEI	4,820.10
TOTAL							157,362.04
	Bill Pmt -Check	07/20/2015	18772	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
	Bill	06/30/2015	L0222889		L0222889	7108.7 · Hydraulic Control - Prado Basin	2,732.00
	Bill	06/30/2015	L0222885		L0222885	7108.7 · Hydraulic Control - Prado Basin	2,732.00
	Bill	06/30/2015	L0222535		L0222535	7108.7 · Hydraulic Control - Prado Basin	2,732.00
TOTAL							8,196.00
	Bill Pmt -Check	07/20/2015	18773	RR FRANCHISING, INC.	7914	1012 · Bank of America Gen'l Ckg	
	Bill	07/10/2015	7914		7914	6024 · Building Repair & Maintenance	473.04
TOTAL							473.04
	Bill Pmt -Check	07/20/2015	18774	SOUTHERN CALIFORNIA WATER COMMITTEE	26621	1012 · Bank of America Gen'l Ckg	
	Bill	07/01/2015	26621		Annual Dues 2015-2016	6111 · Membership Dues	850.00
TOTAL							850.00
	Bill Pmt -Check	07/20/2015	18775	STAPLES BUSINESS ADVANTAGE	8034973660	1012 · Bank of America Gen'l Ckg	
	Bill	06/27/2015	8034973660		8034973660	6031.7 · Other Office Supplies	8.61

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
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	Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL							8.61
	Bill Pmt -Check	07/20/2015	18776	STATE COMPENSATION INSURANCE FUND	1970970-15	1012 · Bank of America Gen'l Ckg	
	Bill	07/13/2015	1970970-15		premium on account 6/26/15-7/26/15	60183 · Worker's Comp Insurance	961.58
TOTAL							961.58
	Bill Pmt -Check	07/20/2015	18777	VALLEY PUMP & WATER WELL SERVICE	1263	1012 · Bank of America Gen'l Ckg	
	Bill	07/08/2015	1263		1263	7102.5 · In-line Meter-Repair & Maint.	1,415.32
TOTAL							1,415.32
	Bill Pmt -Check	07/20/2015	18778	VERIZON WIRELESS	9748435385	1012 · Bank of America Gen'l Ckg	
	Bill	07/08/2015	9748435385		9748435385	6022 · Telephone	297.85
TOTAL							297.85
	Bill Pmt -Check	07/22/2015	18779	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
	Bill	06/30/2015	XXXX-XXXX-XXXX-9341		Wounded Warrior Project-in honor of Robert Craig	6312 · Meeting Expenses	250.00
					Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	261.15
					Purchase lumbar support for office chair	6031.7 · Other Office Supplies	28.91
					Purchase monitor stands for office	6031.7 · Other Office Supplies	298.58
					License and support for WS FTP Server	6055 · Computer Hardware	1,924.64
					Purchase document frames for office	6031.7 · Other Office Supplies	107.65
					Purchase 12 igloo avalanche coolers	6031.7 · Other Office Supplies	282.68
					Purchase office uniforms	6154 · Uniforms	187.69
					CA Harassment Prevention Training for employees	6192 · Training & Seminars	23.93
					Airfare-PK-CWF Objectives Roundtable-Sacto	6191 · Conferences - General	310.63
					Early bird check-in for above flight	6191 · Conferences - General	24.93
					Replenishment of Fastrack account	6174 · Public Transportation	29.92
					Lunch for 6/08/15 Special Appropriative Pool Mtg	8312 · Meeting Expenses	213.17
					Transport-PK-CWF Objectives Roundtable-Sacto	6191 · Conferences - General	16.95
					Airfare-PK-SGMP PAP Meeting in Sacramento	6191 · Conferences - General	351.03
					Early bird check-in for above flight	6191 · Conferences - General	24.93
					Purchase document frames for office	6031.7 · Other Office Supplies	72.65
					Parking-PK-Sacramento-CWF Roundtable Mtg	6191 · Conferences - General	17.95
					Purchase items for employee recognition lunch	6141.1 · Meeting Supplies	727.95
					Parking-PK-Sacramento-SGMP PAP Meeting	6191 · Conferences - General	17.95
					PK meeting w/Bob Kuhn	6312 · Meeting Expenses	19.44
					PK meeting w/Steve Elie	6312 · Meeting Expenses	35.09
TOTAL							5,227.82

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CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	07/22/2015	18780	BUSINESS TELECOMMUNICATION SYSTEMS IN	9414	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2015	9414		Troubleshoot Polycom phone in auxilliary room	6022 · Telephone	269.00
TOTAL						269.00
Bill Pmt -Check	07/22/2015	18781	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	07/21/2015	1394905143		1394905143	60182.1 · Medical Insurance	7,888.75
TOTAL						7,888.75
Check	07/22/2015	18782	VOIDED	VOID:	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Check	07/22/2015	18783	VOIDED	VOID:	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Check	07/22/2015	18784	VOIDED	VOID:	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Check	07/22/2015	18785	VOIDED	VOID:	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Check	07/22/2015	18786	VOIDED	VOID:	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Check	07/22/2015	18787	VOIDED	VOID:	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Check	07/22/2015	18788	VOIDED	VOID:	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Check	07/22/2015	18789	VOIDED	VOID:	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Check	07/22/2015	18790	VOIDED	VOID:	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Check	07/22/2015	18791	VOIDED	VOID:	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Bill Pmt -Check	07/22/2015	18792	CHINO CHAMPION NEWSPAPER	8043	1012 · Bank of America Gen'l Ckg	
Bill	07/21/2015	8043		Subscribe-Chino Champion newspaper-one year	6112 · Subscriptions/Publications	35.00

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Cash Disbursements For The Month of  
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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						35.00
Bill Pmt -Check	07/22/2015	18793	CUCAMONGA VALLEY WATER DISTRICT	Lease due August 1, 2015	1012 · Bank of America Gen'l Ckg	
Bill	07/20/2015			Lease due August 1, 2015	1422 · Prepaid Rent	6,283.20
TOTAL						6,283.20
Bill Pmt -Check	07/22/2015	18794	GOLDEN METERS SERVICE	649	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2015	649		649	7102.8 · In-line Meter-Calib & Test	2,100.00
TOTAL						2,100.00
Bill Pmt -Check	07/22/2015	18795	GREAT AMERICA LEASING CORP.		1012 · Bank of America Gen'l Ckg	
Bill	06/30/2015	17271364		Usage for Color/Black & White Copies	6043.2 · Ricoh Usage & Maintenance Fee	795.39
Bill	07/21/2015	17271364		Invoice	6043.1 · Ricoh Lease Fee	3,252.70
TOTAL						4,048.09
Bill Pmt -Check	07/22/2015	18796	HOGAN LOVELLS	2911178	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2015	2911178		Non-Ag Pool Legal Services - May 2015	8567 · Non-Ag Legal Service	5,093.62
TOTAL						5,093.62
P17						
Bill Pmt -Check	07/22/2015	18797	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	
Bill	07/21/2015	0111802		Employee deductions - July 2015	60194 · Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	07/22/2015	18798	PITNEY BOWES CREDIT CORPORATION	6684246	1012 · Bank of America Gen'l Ckg	
Bill	07/17/2015	6684246		Postage meter lease	6044 · Postage Meter Lease	548.64
TOTAL						548.64
Bill Pmt -Check	07/22/2015	18799	SANTA ANA WATERSHED PROJECT AUTHORIT 9209		1012 · Bank of America Gen'l Ckg	
Bill	07/09/2015	9209		FY 2015-16 Basin Monitoring Task Force	6903 · OBMP SAWPA Group	12,159.00
TOTAL						12,159.00
Bill Pmt -Check	07/22/2015	18800	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	07/21/2015	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	725.52
TOTAL						725.52
Bill Pmt -Check	07/22/2015	18801	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2015				60182.4 · Retiree Medical	25.76
TOTAL						25.76
Bill Pmt -Check	07/22/2015	18802	TW TELECOM	07656641	1012 · Bank of America Gen'l Ckg	

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	07/21/2015	07656641		7/10/15-8/09/15	6053 · Internet Expense	1,043.84
TOTAL						1,043.84
Bill Pmt -Check	07/23/2015	ACH 072315	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	07/18/2015	07/18/2015	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 07/05/15-07/18/15	2000 · Accounts Payable	6,515.41
TOTAL						6,515.41
Bill Pmt -Check	07/28/2015	18803	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	06/30/2015	608204		608204	6078 · BHFS Legal - Miscellaneous	24,543.90
				Expenses	8375 · BHFS Legal - Appropriative Pool	12.46
				Expenses	8475 · BHFS Legal - Agricultural Pool	12.46
				Expenses	8575 · BHFS Legal - Non-Ag Pool	12.45
				Expenses	6375 · BHFS Legal - Board Meeting	375.00
				Expenses	6907.42 · Safe Yield Recalculation	600.00
				Expenses	6078 · BHFS Legal - Miscellaneous	435.21
Bill	06/30/2015	608205		Expenses	6073 · BHFS Legal - Personnel Matters	218.16
				457(f) Def. Comp.	6073 · BHFS Legal - Personnel Matters	3,951.45
				Alvarez-CalPERS	6073 · BHFS Legal - Personnel Matters	6,598.80
				Personnel	6073 · BHFS Legal - Personnel Matters	247.50
				GM Contract Extension	6073 · BHFS Legal - Personnel Matters	2,885.40
				Harassment Prevention Training	6073 · BHFS Legal - Personnel Matters	2,187.00
Bill	06/30/2015	608206		608206	6907.34 · Santa Ana River Water Rights	1,102.50
Bill	06/30/2015	608207		608207	6907.31 · Archibald South Plume	94.50
Bill	06/30/2015	608208		608208	6275 · BHFS Legal - Advisory Committee	1,953.00
Bill	06/30/2015	608209		608209	6375 · BHFS Legal - Board Meeting	5,708.70
				Expenses	6375 · BHFS Legal - Board Meeting	37.37
				Expenses	6275 · BHFS Legal - Advisory Committee	37.37
Bill	06/30/2015	608210		608210	8375 · BHFS Legal - Appropriative Pool	1,543.50
Bill	06/30/2015	608211		608211	8475 · BHFS Legal - Agricultural Pool	1,543.50
Bill	06/30/2015	608212		608212	8575 · BHFS Legal - Non-Ag Pool	1,543.50
Bill	06/30/2015	608213		608213	6071 · BHFS Legal - Court Coordination	359.10
Bill	06/30/2015	608214		608214	6077 · BHFS Legal - Party Status Maint	94.50
Bill	06/30/2015	608215		608215	6907.42 · Safe Yield Recalculation	58,426.20
				Expenses	6907.42 · Safe Yield Recalculation	74.74
				608215	6078 · BHFS Legal - Miscellaneous	1,335.60
Bill	06/30/2015	608216		608216	6078.12 · CCG Motion	1,165.50
TOTAL						117,099.37
Bill Pmt -Check	07/28/2015	18804	AMERICAN WATER WORKS ASSOCIATION	7001028112	1012 · Bank of America Gen'l Ckg	
Bill	07/28/2015	7001028112		Membership dues - Maurizio (9/01/15-8/31/16)	6111 · Membership Dues	249.00

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**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**July 2015**

	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
TOTAL							249.00
	Bill Pmt -Check	07/28/2015	18805	ARROWHEAD MOUNTAIN SPRING WATER	0023230253	1012 · Bank of America Gen'l Ckg	
	Bill	07/27/2015	0023230253		Office Water Bottle - July 2015	6031.7 · Other Office Supplies	116.83
TOTAL							116.83
	Bill Pmt -Check	07/28/2015	18806	COMPUTER NETWORK	92785	1012 · Bank of America Gen'l Ckg	
	Bill	07/22/2015	92785		Replacement printer for Accounting office	6055 · Computer Hardware	378.00
TOTAL							378.00
	Bill Pmt -Check	07/28/2015	18807	DIRECTV	019447404	1012 · Bank of America Gen'l Ckg	
	Bill	07/27/2015	019447404		7/19/15 - 8/18/15	6031.7 · Other Office Supplies	110.98
TOTAL							110.98
	Bill Pmt -Check	07/28/2015	18808	ESRI	96006375	1012 · Bank of America Gen'l Ckg	
	Bill	07/24/2015	93006375		ESRI maintenance 8/19/2015-8/18/2016	6054 · Computer Software	2,808.00
TOTAL							2,808.00
<b>P19</b>	Bill Pmt -Check	07/28/2015	18809	HOGAN LOVELLS	2915087	1012 · Bank of America Gen'l Ckg	
	Bill	06/30/2015	2915087		Non-Ag Pool Legal Service - June 2015	8567 · Non-Ag Legal Service	3,355.80
TOTAL							3,355.80
	Bill Pmt -Check	07/28/2015	18810	LIATTI & ASSOCIATES	Bond #68513307-R7	1012 · Bank of America Gen'l Ckg	
	Bill	07/28/2015	68513307-R7		Bond #68513307-R7 9/30/2015 - 9/30/2016	6086 · Position Bond Insurance	206.00
					Brokerage fee 9/30/2015 - 9/30/2016	6086 · Position Bond Insurance	50.00
TOTAL							256.00
	Bill Pmt -Check	07/28/2015	18811	R&D PEST SERVICES	0190903	1012 · Bank of America Gen'l Ckg	
	Bill	07/28/2015	0190903		Pest control-ant and flea control	6024 · Building Repair & Maintenance	100.00
TOTAL							100.00
	Bill Pmt -Check	07/28/2015	18812	RR FRANCHISING, INC.	8008	1012 · Bank of America Gen'l Ckg	
	Bill	07/27/2015	8008		Janitorial Service - 8008	6024 · Building Repair & Maintenance	20.86
TOTAL							20.86
	Bill Pmt -Check	07/28/2015	18813	STAPLES BUSINESS ADVANTAGE		1012 · Bank of America Gen'l Ckg	
	Bill	07/27/2015	8035154819		Miscellaneous office supplies	6031.7 · Other Office Supplies	132.03
					Parchment paper	6031.1 · Copy Paper	72.34
	Bill	07/27/2015	8033633998		Miscellaneous office supplies	6031.7 · Other Office Supplies	146.98
	Bill	07/28/2015	8035072348		Miscellaneous office supplies	6031.7 · Other Office Supplies	57.29

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
July 2015

Type	Date	Num	Name	Memo	Account	Paid Amount
				Toner	6031.7 · Other Office Supplies	345.56
TOTAL						754.20
Bill Pmt -Check	07/28/2015	18814	STATE COMPENSATION INSURANCE FUND	1970970-15	1012 · Bank of America Gen'l Ckg	
Bill	08/01/2015	1970970-15		Premium on account 7/26/15-8/26/15	60183 · Worker's Comp Insurance	961.58
TOTAL						961.58
Bill Pmt -Check	07/28/2015	18815	UNITED HEALTHCARE	0038171914	1012 · Bank of America Gen'l Ckg	
Bill	07/27/2015	0038171914		Dental Insurance - August 2015	60182.2 · Dental & Vision Ins	833.15
TOTAL						833.15
Bill Pmt -Check	07/28/2015	18816	VERIZON	012519128144592510	1012 · Bank of America Gen'l Ckg	
Bill	07/27/2015	012519128144592510		012519128144592510	6022 · Telephone	136.80
TOTAL						136.80
Bill Pmt -Check	07/28/2015	18817	VERIZON WIRELESS	9748909473	1012 · Bank of America Gen'l Ckg	
Bill	07/28/2015	9748909473		Machine to machine data exchange activity	7103.7 · Grdwr Qual-Computer Svc	22.04
TOTAL						22.04
P20 Bill Pmt -Check	07/28/2015	18818	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	07/27/2015	001017890001		Vision Insurance - August 2015	60182.2 · Dental & Vision Ins	105.03
TOTAL						105.03
Bill Pmt -Check	07/28/2015	18819	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
Bill	08/01/2015	08-k2 213849		Disposal Service - August 2015	6024 · Building Repair & Maintenance	111.57
TOTAL						111.57
Bill Pmt -Check	07/31/2015	ACH 073115	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
Bill	07/30/2015	GASB68 Report Fee #1		GASB 68 Report - Classic Employees	60180 · Employers PERS Expense	850.00
Bill	07/30/2015	GASB68 Report Fee #2		GASB 68 - New Employees	60180 · Employers PERS Expense	850.00
TOTAL						1,700.00
General Journal	07/31/2015	07/31/2015	Payroll and Taxes for 07/18/15-08/01/15	Payroll and Taxes for 07/18/15-08/01/15	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 07/18/15-08/01/15	1012 · Bank of America Gen'l Ckg	22,318.58
				Employee Garnishments for 07/18/15-08/01/15	1012 · Bank of America Gen'l Ckg	100.61
				Payroll Taxes for 07/18/15-08/01/15	1012 · Bank of America Gen'l Ckg	7,861.93
				Payroll Checks for 07/18/15-08/01/15	1012 · Bank of America Gen'l Ckg	1,523.68
		ICMA-RC		457(f) Employee Deductions for 07/18/15-08/01/15	1012 · Bank of America Gen'l Ckg	3,696.36
		ICMA-RC		401(a) Employee Deductions for 07/18/15-08/01/15	1012 · Bank of America Gen'l Ckg	1,162.69
TOTAL						36,663.85

CHINO BASIN WATERMASTER  
Cash Disbursements For The Month of  
July 2015

Type	Date	Num	Name	Memo	Account	Paid Amount
General Journal	07/31/2015	07/31/2015	Wage Works FSA Direct Debits - July 2015	Wage Works FSA Direct Debits - July 2015	1012 · Bank of America Gen'l Ckg	
				Wage Works FSA Direct Debits - July 2015	1012 · Bank of America Gen'l Ckg	76.25
				Wage Works FSA Direct Debits - July 2015	1012 · Bank of America Gen'l Ckg	511.14
				Wage Works FSA Direct Debits - July 2015	1012 · Bank of America Gen'l Ckg	511.14
TOTAL						1,098.53
					<b>Total Disbursements:</b>	<b>1,536,891.04</b>

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## CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.  
General Manager

### STAFF REPORT

DATE: September 17, 2015  
TO: Advisory Committee Members  
SUBJECT: VISA Check Detail Report - Financial Report B2 (July 31, 2015)

#### SUMMARY

Issue: Record of VISA credit card payment disbursed for the month of July 31, 2015.

Recommendation: Receive and file VISA Check Detail Report for July 31, 2015 as presented.

Financial Impact: Funds disbursed were included in the FY 2015/16 "Amended" Watermaster Budget.

#### Future Consideration

Agricultural Pool: September 15, 2015; Receive and File

Advisory Committee: September 17, 2015; Receive and File

Watermaster Board: September 24, 2015; Receive and File (Normal Course of Business)

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#### ACTIONS:

September 10, 2015 – Appropriative Pool – Unanimously approved

September 10, 2015 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval

September 15, 2015 – Agricultural Pool –

September 17, 2015 – Advisory Committee –

September 24, 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 July 2015 was \$5,227.82. The payment was processed by check number 18779 dated July 22, 2015. The monthly charges for July 2015 of \$5,227.82 were for routine and customary expenditures and properly documented with receipts.

## ATTACHMENTS

1. Financial Report - B2

CHINO BASIN WATERMASTER  
 VISA Check Detail Report  
 July 2015

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	07/22/2015	18779	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2015	XXXX-XXXX-XXXX-9341		Wounded Warrior Project-in honor of Robert Craig	6312 · Meeting Expenses	250.00
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	261.15
				Purchase lumbar support for office chair	6031.7 · Other Office Supplies	28.91
				Purchase monitor stands for office	6031.7 · Other Office Supplies	298.58
				License and support for WS FTP Server	6055 · Computer Hardware	1,924.64
				Purchase document frames for office	6031.7 · Other Office Supplies	107.65
				Purchase 12 igloo avalanche coolers	6031.7 · Other Office Supplies	282.68
				Purchase office uniforms	6154 · Uniforms	187.69
				CA Harassment Prevention Training for employees	6192 · Training & Seminars	23.93
				Airfare-PK-CWF Objectives Roundtable-Sacto	6191 · Conferences - General	310.63
				Early bird check-in for above flight	6191 · Conferences - General	24.93
				Replenishment of Fastrack account	6174 · Public Transportation	29.92
				Lunch for 6/08/15 Special Appropriative Pool Mtg	8312 · Meeting Expenses	213.17
				Transport-PK-CWF Objectives Roundtable-Sacto	6191 · Conferences - General	16.95
				Airfare-PK-SGMP PAP Meeting in Sacramento	6191 · Conferences - General	351.03
				Early bird check-in for above flight	6191 · Conferences - General	24.93
				Purchase document frames for office	6031.7 · Other Office Supplies	72.65
				Parking-PK-Sacramento-CWF Roundtable Mtg	6191 · Conferences - General	17.95
				Purchase items for employee recognition lunch	6141.1 · Meeting Supplies	727.95
				Parking-PK-Sacramento-SGMP PAP Meeting	6191 · Conferences - General	17.95
				PK meeting w/Bob Kuhn	6312 · Meeting Expenses	19.44
				PK meeting w/Steve Elie	6312 · Meeting Expenses	35.09
					<b>Total Disbursements:</b>	<b><u>5,227.82</u></b>

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PETER KAVOUNAS, P.E.  
General Manager

## STAFF REPORT

DATE: September 17, 2015  
TO: Advisory Committee Members  
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2015 through July 31, 2015 - Financial Report B3 (July 31, 2015)

### SUMMARY

Issue: Record of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2015 through July 31, 2015.

Recommendation: Receive and file Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2015 through July 31, 2015 as presented.

Financial Impact: Funds disbursed were included in the FY 2015/16 "Amended" Watermaster Budget.

### Future Consideration

Agricultural Pool: September 15, 2015; Receive and File

Advisory Committee: September 17, 2015; Receive and File

Watermaster Board: September 24, 2015; Receive and File (Normal Course of Business)

---

### ACTIONS:

September 10, 2015 – Appropriative Pool – Unanimously approved

September 10, 2015 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval

September 15, 2015 – Agricultural Pool –

September 17, 2015 – Advisory Committee –

September 24, 2015 – Watermaster Board –

## BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Working Capital for the period July 1, 2015 through July 31, 2015 is provided to keep all members apprised of the FY 2015/16 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 Intuit 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, 2015 THROUGH JULY 31, 2015

Financial Report - B3

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUNDWATER OPERATIONS		LAIF VALUE ADJ.	GRAND TOTALS	AMENDED BUDGET 2015-2016
			APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS			
<b>Administrative Revenues:</b>										
Administrative Assessments			-		-				-	8,934,215
Interest Revenue			-	-	-				-	22,050
Mutual Agency Project Revenue	157,349								157,349	157,941
Miscellaneous Income									-	0
<b>Total Revenues</b>	<b>157,349</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>157,349</b>	<b>9,114,206</b>
<b>Administrative &amp; Project Expenditures:</b>										
Watermaster Administration	121,473								121,473	1,227,268
Watermaster Board-Advisory Committee	13,075								13,075	222,418
Ag Pool Misc. Expense - Ag Fund									-	400
Pool Administration			4,947	45,087	3,578				53,612	595,933
Optimum Basin Mgmt Administration		185,009							185,009	1,473,093
OBMP Project Costs		324,456							324,456	3,525,355
Debt Service		460,202							460,202	460,200
Basin Recharge Improvements									-	3,472,477
Mutual Agency Project Costs									-	10,000
<b>Total Administrative/OBMP Expenses</b>	<b>134,548</b>	<b>969,666</b>	<b>4,947</b>	<b>45,087</b>	<b>3,578</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,157,826</b>	<b>10,987,144</b>
<b>Net Administrative/OBMP Expenses</b>	<b>22,802</b>	<b>(969,666)</b>								
Allocate Net Admin Expenses To Pools	(22,802)		(16,508)	(5,544)	(749)				-	
Allocate Net OBMP Expenses To Pools		509,465	368,849	123,872	16,744				-	
Allocate Debt Service to App Pool		460,202	460,202						-	
Agricultural Expense Transfer*			163,414	(163,414)					-	
<b>Total Expenses</b>			<b>980,904</b>	<b>-</b>	<b>19,573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,157,826</b>	<b>10,987,144</b>
<b>Net Administrative Income</b>			<b>(980,904)</b>	<b>-</b>	<b>(19,573)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,000,477)</b>	<b>(1,872,938)</b>
<b>Other Income/(Expense)</b>										
Replenishment Water Assessments						-			-	0
Non-Ag Stored Water Purchases									-	0
Exhibit "G" Non-Ag Pool Water			-						-	0
Interest Revenue						-			-	0
MWD Water Purchases									-	0
Non-Ag Stored Water Purchases									-	0
Exhibit "G" Non-Ag Pool Water			-						-	0
MWD Water Purchases									-	0
Groundwater Replenishment									-	0
LAIF - Fair Market Value Adjustment							-		-	0
Other Post-Employment Benefits (OPEB)									-	0
Refund-Excess Reserves									-	0
Refund-Recharge Debt									-	0
<b>Net Other Income/(Expense)</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>
<b>Net Transfers To/(From) Reserves</b>		<b>(1,000,477)</b>	<b>(980,904)</b>	<b>-</b>	<b>(19,573)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,000,477)</b>	<b>(1,872,938)</b>
Working Capital, July 1, 2015			6,273,229	481,130	67,280	1,388,080	158,251	3,446	8,371,416	
Working Capital, End Of Period			5,292,325	481,130	47,707	1,388,080	158,251	3,446	7,370,939	7,370,939
<b>13/14 Assessable Production</b>			100,165.551	33,638.883	4,546.972				138,351.406	
<b>13/14 Production Percentages</b>			72.399%	24.314%	3.287%				100.000%	

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

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# CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.  
General Manager

## STAFF REPORT

DATE: September 17, 2015  
TO: Advisory Committee Members  
SUBJECT: Treasurer's Report of Financial Affairs for the Period July 1, 2015 through July 31, 2015 - Financial Report B4 (July 31, 2015)

### SUMMARY

Issue: Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of July 1, 2015 through July 31, 2015.

Recommendation: Receive and file Treasurer's Report of Financial Affairs for the Period July 1, 2015 through July 31, 2015 as presented.

Financial Impact: Funds disbursed were included in the FY 2015/16 "Amended" Watermaster Budget.

### Future Consideration

Agricultural Pool: September 15, 2015; Receive and File

Advisory Committee: September 17, 2015; Receive and File

Watermaster Board: September 24, 2015; Receive and File (Normal Course of Business)

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### ACTIONS:

September 10, 2015 – Appropriative Pool – Unanimously approved

September 10, 2015 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval

September 15, 2015 – Agricultural Pool –

September 17, 2015 – Advisory Committee –

September 24, 2015 – Watermaster Board –

## BACKGROUND

A Treasurer's Report of Financial Affairs for the Period July 1, 2015 through July 31, 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 Intuit 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  
JULY 1, 2015 THROUGH JULY 31, 2015**

Financial Report - B4

**DEPOSITORIES:**

Cash on Hand - Petty Cash			\$	500
Bank of America				
Governmental Checking-Demand Deposits	\$	95,605		
Zero Balance Account - Payroll	\$	-		95,605
Local Agency Investment Fund - Sacramento				8,026,426
<b>TOTAL CASH IN BANKS AND ON HAND</b>		<b>7/31/2015</b>	<b>\$</b>	<b>8,122,530</b>
<b>TOTAL CASH IN BANKS AND ON HAND</b>		<b>6/30/2015</b>		<b>9,649,337</b>
<b>PERIOD INCREASE (DECREASE)</b>			<b>\$</b>	<b>(1,526,807)</b>

**CHANGE IN CASH POSITION DUE TO:**

Decrease/(Increase) in Assets: Accounts Receivable			\$	(21,040)
Assessments Receivable				-
Prepaid Expenses, Deposits & Other Current Assets				(124,226)
(Decrease)/Increase in Liabilities: Accounts Payable				(350,135)
Accrued Payroll, Payroll Taxes & Other Current Liabilities				(30,928)
Transfer to/(from) Reserves				(1,000,477)
<b>PERIOD INCREASE (DECREASE)</b>			<b>\$</b>	<b>(1,526,807)</b>

**SUMMARY OF FINANCIAL TRANSACTIONS:**

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 6/30/2015	\$ 500	\$ 479,819	\$ -	\$ 9,169,018	\$ 9,649,337
Deposits	-	1,152,677	-	7,408	1,160,084
Transfers	-	(89,576)	(63,744)	(1,150,000)	(1,303,319)
Withdrawals/Checks	-	(1,447,315)	63,744	-	(1,383,572)
 Balances as of 7/31/2015	 \$ 500	 \$ 95,605	 \$ -	 \$ 8,026,426	 \$ 8,122,530
 <b>PERIOD INCREASE OR (DECREASE)</b>	 \$ -	 \$ (384,214)	 \$ -	 \$ (1,142,592)	 \$ (1,526,807)

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**CHINO BASIN WATERMASTER  
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD  
JULY 1, 2015 THROUGH JULY 31, 2015**

**INVESTMENT TRANSACTIONS**

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
7/9/2015	Withdrawal		\$ (1,150,000)				
7/15/2015	Interest		\$ 7,408				
<b>TOTAL INVESTMENT TRANSACTIONS</b>			<b>\$ (1,142,592)</b>	<b>-</b>			

\* The earnings rate for L.A.I.F. is a daily variable rate; 0.28% was the effective yield rate at the Quarter ended June 30, 2015.

**INVESTMENT STATUS  
July 31, 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	\$ 8,026,426			
<b>TOTAL INVESTMENTS</b>	<b>\$ 8,026,426</b>			

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

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

Respectfully submitted,



Joseph S. Joswiak  
Chief Financial Officer  
Chino Basin Watermaster



# CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.  
General Manager

## STAFF REPORT

DATE: September 17, 2015  
TO: Advisory Committee Members  
SUBJECT: Budget vs. Actual Report for the Period July 1, 2015 through July 31, 2015 -  
Financial Report B5 (July 31, 2015)

### SUMMARY

Issue: Record of revenues and expenses of Watermaster for the Period of July 1, 2015 through July 31, 2015.

Recommendation: Receive and file Budget vs. Actual Report for the Period July 1, 2015 through July 31, 2015 as presented.

Financial Impact: Funds disbursed were included in the FY 2015/16 "Amended" Watermaster Budget.

### Future Consideration

Agricultural Pool: September 15, 2015; Receive and File

Advisory Committee: September 17, 2015; Receive and File

Watermaster Board: September 24, 2015; Receive and File (Normal Course of Business)

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### ACTIONS:

September 10, 2015 – Appropriative Pool – Unanimously approved

September 10, 2015 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval

September 15, 2015 – Agricultural Pool –

September 17, 2015 – Advisory Committee –

September 24, 2015 – Watermaster Board –

## BACKGROUND

A Budget vs. Actual Report for the period July 1, 2015 through July 31, 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 Intuit 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 – JULY 2015

Year-To-Date (YTD) for the one month ending July 31, 2015, all but five 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 \$2,149 or 13.3% as a result of unanticipated CCG Motion related legal expenses not budgeted for FY 2015/16; the Agricultural Legal Services expenses (8467) which were over budget by \$19,349 or 113.3% as a result of ongoing Safe Yield Redetermination and Reset efforts; the Agricultural Pool Meeting Attendance expenses (8470's) which were over budget by \$2,500 or 135.1% as a result of the Agricultural Pool's Special Meetings which were not anticipated when the FY 2015/16 budget was developed; the Optimum Basin Management Plan Expenses (6900's) which were over budget by \$31,845 or 22.7% as a direct result of ongoing Safe Yield Redetermination and Reset legal expenses; and the Production Monitoring expenses (7100's) which were over budget by \$3,884 or 81.2% as a direct result of ongoing efforts of Watermaster staff in production reporting. The Watermaster budget for FY 2015/16 is divided into 12-monthly amounts and allocated accordingly. As the fiscal year progresses, categories might level out over time and be within the budget levels. Overall, the Watermaster (YTD) Actual Expenses were \$1,961,491 or 62.9% below the (YTD) Budgeted Expenses of \$3,119,318.

During the month of July 2015, the "Carry Over" funding was calculated. The Total "Carry Over" funding amount of \$1,872,937.85 has been posted to the general ledger accounts. The total amount of \$1,872,937.85 consisted of \$1,686,955.86 from Capital Improvement Projects, \$136,696 from Engineering Services, \$29,285.99 from Chino Hills ASR, and \$20,000 from the Administrative section for the Annual Reports. More detailed information is provided regarding this issue under the "Carry Over" Funding section.

The Amended Budget for FY 2015/16 is \$10,987,143.85 which includes \$1,872,937.85 for the prior years "Carry Over" funding. The Original Approved budget for FY 2015/16 of \$9,114,206 was approved by the Watermaster Board on May 28, 2015 ( $\$9,114,206 + \$1,872,937.85 = \$10,987,143.85$ ).

## SALARIES EXPENSE

### CURRENT MONTH – JULY 2015

As of July 31, 2015, the total (YTD) Watermaster salary expenses were \$3,899 or 3.0% below the (YTD) budgeted amount of \$131,315. The overall staffing budget was developed with a staffing level of nine Full-Time Equivalent (FTE's), and staffing is currently at nine Full-Time Equivalent (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 2015/16 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 July 31, 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 '15 - Jul '15 Actual	Jul '15 - Jul '15 Budget	\$ Over Budget	% of Budget	FY 2015/16 Annual Budget
<b>WM Salary Expense</b>					
6011 · WM Staff Salaries	57,412.27	71,830.00	-14,417.73	79.93%	848,891.00
6017.2 · Temp Services - Office Specialist Services	0.00	1,750.00	-1,750.00	0.0%	21,000.00
6201 · Advisory Committee - WM Staff Salaries	1,022.04	1,885.00	-862.96	54.22%	22,274.00
6301 · Watermaster Board - WM Staff Salaries	2,111.64	3,121.00	-1,009.36	67.66%	36,879.00
8301 · Appropriative Pool - WM Staff Salaries	3,168.97	2,515.00	653.97	126.0%	29,719.00
8401 · Agricultural Pool - WM Staff Salaries	2,420.42	2,208.00	212.42	109.62%	26,090.00
8501 · Non-Agricultural Pool - WM Staff Salaries	1,844.70	1,318.00	526.70	139.96%	15,574.00
6901 · OBMP - WM Staff Salaries	20,757.01	10,552.00	10,205.01	196.71%	124,709.00
7101.1 · Production Monitor - WM Staff Salaries	8,605.37	4,721.00	3,884.37	182.28%	55,797.00
7102.1 · In-line Meter - WM Staff Salaries	0.00	779.00	-779.00	0.0%	9,212.00
7103.1 · Grdwater Quality - WM Staff Salaries	1,612.34	4,612.00	-2,999.66	34.96%	54,511.00
7104.1 · Grdwater Level - WM Staff Salaries	5,537.23	3,592.00	1,945.23	154.16%	42,447.00
7108.1 · Hydraulic Control - WM Staff Salaries	0.00	208.00	-208.00	0.0%	2,464.00
7108.11 · Prado Basin - WM Staff Salaries	0.00	703.00	-703.00	0.0%	8,305.00
7201 · Comp Recharge - WM Staff Salaries	3,953.36	3,745.00	208.36	105.56%	44,259.00
7301 · PE3&5 - WM Staff Salaries	0.00	1,260.00	-1,260.00	0.0%	14,892.00
7401 · PE4 - WM Staff Salaries	0.00	765.00	-765.00	0.0%	9,042.00
7501.1 · PE 6&7 - WM Staff Salaries (Plume)	0.00	571.00	-571.00	0.0%	6,743.00
7501 · PE6&7 - WM Staff Salaries	0.00	371.00	-371.00	0.0%	4,383.00
7601 · PE8&9 - WM Staff Salaries	0.00	1,035.00	-1,035.00	0.0%	12,231.00
<b>Subtotal WM Staff Costs</b>	<b>108,445.35</b>	<b>117,541.00</b>	<b>-9,095.65</b>	<b>92.26%</b>	<b>1,389,422.00</b>
60185 · Vacation	15,756.23	6,039.00	9,717.23	260.91%	72,479.00
60185.2 · Comp Time Accrual Adjustment	0.00	0.00	0.00	0.0%	0.00
60185.3 · Vacation Accrual Adjustment	0.00	0.00	0.00	0.0%	0.00
60186 · Sick Leave	1,216.35	3,868.00	-2,651.65	31.45%	46,405.00
60186.1 · Sick Leave Accrual Adjustment	0.00	0.00	0.00	0.0%	0.00
60187 · Holidays	1,997.58	3,867.00	-1,869.42	51.66%	46,405.00
<b>Subtotal WM Paid Leaves</b>	<b>18,970.16</b>	<b>13,774.00</b>	<b>5,196.16</b>	<b>137.72%</b>	<b>165,289.00</b>
<b>Total WM Salary Costs</b>	<b>127,415.51</b>	<b>131,315.00</b>	<b>-3,899.49</b>	<b>97.03%</b>	<b>1,554,711.00</b>

LEGAL SERVICES  
BROWNSTEIN HYATT FARBER SCHRECK EXPENSES

CURRENT MONTH – JULY 2015

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 2015/16. The "Approved" budget amount was adopted for the amount of \$933,815. The total budget was developed by multiplying the number of hours that would be required to complete the specific tasks by the hourly rate. As of July 31, 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 \$21,627 or 26.6% above the (YTD) budgeted amount of \$81,200.

WATERMASTER ADMINISTRATIVE LEGAL SERVICES:

Overall, the Watermaster Administrative Legal Services expense (6070's), as of July 31, 2015, was \$2,149 or 13.3% above the budgeted amount of \$16,144. 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 \$103 or 3.0%; Annotated Judgment (6072) under budget by \$3,345 or 100.0%; Interagency Issues (6074) under budget by \$2,550 or 100.0%; and the Party Status Maintenance (6077) under budget by \$2,391 or 100.0%. 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 \$2,147 or 143.1%; Miscellaneous (6078) over budget by \$5,312 or 180.4%; and CCG Motion (6078.12) over budget by \$3,080 or 100.0%.

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.

WATERMASTER POOLS, ADVISORY AND BOARD LEGAL SERVICES:

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 July 31, 2015 was \$4,964 or 27.2% below the budgeted amount of \$18,231. Normal Brownstein Hyatt Farber Schreck meeting attendance during any given month includes attendance at all three pool meetings, one Advisory Committee meeting and one Board meeting.

OBMP LEGAL SERVICES:

The OBMP legal expenses (accounts 6907.31 through 6907.90) were above the budget for the month. As of July 31, 2015 the category of OBMP legal expenses were \$24,442 or 52.2% above the budgeted amount of \$46,825. The majority of expenses within this OBMP category were under budget for the first month, however, the BHFS Safe Yield Redetermination and Reset legal expenses (6907.42) continue to increase and exceed the monthly budget. As of July 31, 2015, the Safe Yield Redetermination and Reset legal expenses were \$52,993 or 307.8% above the budgeted amount of \$17,217. It should be noted that the 12-month annual legal budget for the Safe Yield Redetermination and Reset was approved at an amount of \$103,300 and anticipated to be allocated within the first six months of FY 2015/16 (July 2015 – December 2015). The approved BHFS legal budget anticipated 230 labor hours for consolidated legal staff time with regards to the Safe Yield Redetermination and Reset effort. If the Safe Yield Redetermination and Reset effort is completed earlier than projected, the monthly budget can be reallocated from six months to fewer months, but still at the amount of \$103,300 as approved.

The table listed below summarizes the Brownstein Hyatt Farber Schreck (BHFS) expenses as of July 31, 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 '15 - Jul '15 Actual	Jul '15 - Jul '15 Budget	\$ Over Budget	% of Budget	FY 2015/16 Annual Budget
<b>6070 · Watermaster Legal Services</b>					
6071 · BHFS Legal - Court Coordination	3,309.75	3,413.00	-103.25	96.98%	40,950.00
6072 · BHFS Legal - Annotated Judgment	0.00	3,345.00	-3,345.00	0.0%	40,150.00
6073 · BHFS Legal - Personnel Matters	3,646.80	1,500.00	2,146.80	243.12%	80,700.00
6074 · BHFS Legal - Interagency Issues	0.00	2,550.00	-2,550.00	0.0%	30,600.00
6076 · BHFS Legal - Storage Issues	0.00	0.00	0.00	0.0%	0.00
6077 · BHFS Legal - Party Status Maintenance	0.00	2,391.00	-2,391.00	0.0%	28,700.00
6078 · BHFS Legal - Miscellaneous (Note 1)	8,256.65	2,945.00	5,311.65	280.36%	35,350.00
6078.12 · BHFS Legal - CCG Motion	3,079.82	0.00	3,079.82	100.0%	0.00
<b>Total 6070 · Watermaster Legal Services</b>	<b>18,293.02</b>	<b>16,144.00</b>	<b>2,149.02</b>	<b>113.31%</b>	<b>256,450.00</b>
6275 · BHFS Legal - Advisory Committee	1,338.75	1,700.00	-361.25	78.75%	20,400.00
6375 · BHFS Legal - Board Meeting	6,727.20	8,881.00	-2,153.80	75.75%	106,565.00
8375 · BHFS Legal - Appropriative Pool	1,733.71	2,550.00	-816.29	67.99%	30,600.00
8475 · BHFS Legal - Agricultural Pool	1,733.71	2,550.00	-816.29	67.99%	30,600.00
8575 · BHFS Legal - Non-Ag Pool	1,733.70	2,550.00	-816.30	67.99%	30,600.00
<b>Total BHFS Legal Services</b>	<b>13,267.07</b>	<b>18,231.00</b>	<b>-4,963.93</b>	<b>72.77%</b>	<b>218,765.00</b>
<b>6907.3 · WM Legal Counsel</b>					
6907.31 · Archibald South Plume	0.00	2,041.66	-2,041.66	0.0%	24,500.00
6907.32 · Chino Airport Plume	0.00	2,041.66	-2,041.66	0.0%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	4,075.00	-4,075.00	0.0%	48,900.00
6907.34 · Santa Ana River Water Rights	525.60	2,108.34	-1,582.74	24.93%	25,300.00
6907.36 · Santa Ana River Habitat	531.00	1,641.66	-1,110.66	32.35%	19,700.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	1,195.84	-1,195.84	0.0%	14,350.00
6907.39 · Recharge Master Plan	0.00	5,675.00	-5,675.00	0.0%	68,100.00
6907.40 · Storage Agreements	0.00	7,175.00	-7,175.00	0.0%	86,100.00
6907.41 · Prado Basin Habitat Sustainability	0.00	1,195.84	-1,195.84	0.0%	14,350.00
6907.42 · Safe Yield Recalculation	70,209.94	17,216.66	52,993.28	407.8%	103,300.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	2,458.34	-2,458.34	0.0%	29,500.00
<b>Total 6907 · WM Legal Counsel</b>	<b>71,266.54</b>	<b>46,825.00</b>	<b>24,441.54</b>	<b>152.2%</b>	<b>458,600.00</b>
<b>Total Brownstein, Hyatt, Farber, Schreck Costs</b>	<b>102,826.63</b>	<b>81,200.00</b>	<b>21,626.63</b>	<b>126.63%</b>	<b>933,815.00</b>

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 transfer documents; (8) Land Subsidence Committee reports/meetings; (9) Review process and criteria for re-appointment of the Watermaster 9 member Board; (10) Review current California issued drought regulations; (11) Review and comment on Waters of the United States rule making; and (12) Miscellaneous legal research on current and pending issues.

## OBMP ENGINEERING SERVICES AND LEGAL COSTS

### CURRENT MONTH – JULY 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 one month period ending July 31, 2015, the actual expenses of \$171,867 were above the budgeted amount of \$140,022 by \$31,845 or 22.7%. For a detailed discussion, the following is provided.

For July 31, 2015, the accounts 6901-6903 (Optimum Basin Mgmt Program) section was above the Year-To-Date (YTD) budget by \$9,864 or 42.8%. 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 \$10,205 or 96.7%. The remaining expense was the Santa Ana Watershed Project Authority (SAWPA) FY 2015/16 Basin Monitoring Program Task Force Contribution which was budgeted at \$12,500 but actual expenses were billed at \$12,159 which was below the budget by \$341 or 2.7% as of July 31, 2015.

For July 31, 2015, the accounts 6906 (Optimum Basin Mgmt Program Engineering Services) section was below the Year-To-Date (YTD) budget by \$1,335 or 1.9%. For FY 2015/16, the OBMP-Safe Yield Redetermination and Reset expenses (6906.73) did not have a budget amount assigned. For the month of July 2015, there were OBMP-Safe Yield Redetermination and Reset expenses of \$21,658 recorded under this account. As a result, the account was over budget by \$21,658 or 100.0%. The OBMP-Watermaster Model Update and the Material Physical Injury Request 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, along with several other engineering related line items within the (6906's) assisted in reducing the overall budget variance and is a large factor as to 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 \$52,993 while some other line item activities were below the budget by \$28,551. Above the budget line items were the Safe Yield Redetermination and Reset of \$52,993. The individual legal projects/activities that were below budget for the Year-To-Date (YTD) period were the Archibald South Plume of \$2,042; the Chino Airport Plume of \$2,042; the Desalter/Hydraulic Control of \$4,075; the Santa Ana River Water Rights of \$1,582; the Santa Ana River Habitat of \$1,110; the Regional Water Quality Control Board of \$1,196; the Recharge Master Plan of \$5,675; Storage Agreements of \$7,175; the Prado Basin Habitat Sustainability of \$1,196; and the WM Unanticipated of \$2,458. For the one month ended July 31, 2015, the overall cumulative (YTD) budget was \$46,825 and the actual (BHFS) legal expenses totaled \$71,267 which resulted in an over budget variance of \$24,442 or 52.2%.

As mentioned in the Brownstein Hyatt Farber Schreck section, the annual legal budget for the Safe Yield Redetermination and Reset was approved at an amount of \$103,300. The approved BHFS legal budget anticipated 230 labor hours for consolidated legal staff time with regards to the Safe Yield Redetermination and Reset effort. The budget assumed these expenses would be recorded during the period of July 2015 through December 2015.

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 July 31, 2015 this category of expenses was \$1,125 or 100.0% below the budgeted amount of \$1,125.

The Integrated Resource Plan expenses (6910's) is billed directly to IEUA on the following month once the payment has been issued to Wildermuth Environmental, Inc. per the contract. As of July 31, 2015 this category of expenses was fully invoiced to IEUA in the amount of \$28,448.

Overall, the Optimum Basin Management Program (OBMP) category was \$171,867 compared to a (YTD) budget of \$140,022 for an over budget of \$31,845 or 22.7% as of July 31, 2015.

The table listed below summarizes the Optimum Basin Management Program (OBMP) expenses as of July 31, 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 '15 - Jul '15 Actual	Jul '15 - Jul '15 Budget	\$ Over Budget	% of Budget	FY 2015/16 Annual Budget
6900 · Optimum Basin Mgmt Plan					
6901 · WM Staff Salaries	20,757.01	10,552.00	10,205.01	196.71%	124,709.00
6903 · OBMP SAWPA Group	12,159.00	12,500.00	-341.00	97.27%	12,500.00
Total 6901-6903 · OBMP WM Staff/SAWPA	32,916.01	23,052.00	9,864.01	142.79%	137,209.00
6906 · OBMP Engineering Services					
6906.1 · OBMP - Watermaster Model Update	15,621.25	31,037.76	-15,416.51	50.33%	279,340.00
6906.21 · State of the Basin Report	0.00	0.00	0.00	0.0%	0.00
6906.22 · Water Rights Compliance Reporting	5,798.50	2,033.63	3,764.87	285.13%	24,404.00
6906.23 · SGMA Reporting Requirements	0.00	1,449.37	-1,449.37	0.0%	17,392.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	5,718.15	7,304.91	-1,586.76	78.28%	87,659.00
6906.32 · OBMP - Other General Meetings	965.10	2,739.75	-1,774.65	35.23%	32,877.00
6906.33 · OBMP - App. Pool Issue Resolution	0.00	4,580.34	-4,580.34	0.0%	54,964.00
6906.71 · OBMP - Data Requests - CBWM Staff	10,251.50	5,338.66	4,912.84	192.02%	64,064.00
6906.72 · OBMP - Data Requests - Non CBWM	4,741.25	3,184.00	1,557.25	148.91%	38,208.00
6906.73 · OBMP - Safe Yield Recalculation	21,657.75	0.00	21,657.75	100.0%	0.00
6906.74 · OBMP - Mat'l Phy. Injury Requests	0.00	9,191.66	-9,191.66	0.0%	110,300.00
6906 · OBMP Engineering Services - Other	2,931.25	2,160.00	771.25	135.71%	25,920.00
Total 6906 · OBMP Engineering Services	67,684.75	69,020.08	-1,335.33	98.07%	735,128.00
6907 · OBMP Legal Fees					
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	2,041.66	-2,041.66	0.0%	24,500.00
6907.32 · Chino Airport Plume	0.00	2,041.66	-2,041.66	0.0%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	4,075.00	-4,075.00	0.0%	48,900.00
6907.34 · Santa Ana River Water Rights	525.60	2,108.34	-1,582.74	24.93%	25,300.00
6907.36 · Santa Ana River Habitat	531.00	1,641.66	-1,110.66	32.35%	19,700.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	1,195.84	-1,195.84	0.0%	14,350.00
6907.39 · Recharge Master Plan	0.00	5,675.00	-5,675.00	0.0%	68,100.00
6907.40 · Storage Agreements	0.00	7,175.00	-7,175.00	0.0%	86,100.00
6907.41 · Prado Basin Habitat Sustainability	0.00	1,195.84	-1,195.84	0.0%	14,350.00
6907.42 · Safe Yield Recalculation	70,209.94	17,216.66	52,993.28	407.8%	103,300.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	2,458.34	-2,458.34	0.0%	29,500.00
Total 6907 · WM Legal Counsel	71,266.54	46,825.00	24,441.54	152.2%	458,600.00
Total 6907 · OBMP Legal Fees	71,266.54	46,825.00	24,441.54	152.2%	458,600.00
6909 · OBMP Other Expenses					
6909.1 · OBMP Meetings	0.00	125.00	-125.00	0.0%	1,500.00
6909.3 · Other OBMP Expenses	0.00	166.66	-166.66	0.0%	2,000.00
6909.6 · OBMP Expenses - Miscellaneous	0.00	833.34	-833.34	0.0%	10,000.00
Total 6909 · OBMP Other Expenses	0.00	1,125.00	-1,125.00	0.0%	13,500.00
6910 · Integrated Resource Plan					
6910.1 · IRP Groundwater Modeling - WEI	28,448.00	0.00	28,448.00	100.0%	0.00
6910.15 · IRP Groundwater Modeling - IEUA	-28,448.00	0.00	-28,448.00	100.0%	0.00
Total 6910 · Integrated Resource Plan	0.00	0.00	0.00	0.0%	0.00
Total 6900 · Optimum Basin Mgmt Plan	171,867.30	140,022.08	31,845.22	122.74%	1,344,437.00

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

CURRENT MONTH – JULY 2015

As of July 31, 2015, the total (YTD) Engineering Services expenses were \$213,879 or 57.2% below the (YTD) budget amount of \$374,103. The OBMP Implementation Projects (consolidated accounts 7100's – 7700's) were all (Under) budget as of July 31, 2015.

The breakdown of the total Task Order amount of \$2,595,942 includes direct labor costs for Wildermuth Environmental, Inc. (80%) along with other direct charges such as equipment rental, laboratory fees, travel costs, reproduction costs, and outside professional services (20%).

The approved "Original" Engineering Services budget of \$2,595,942 was increased by "Carry Over" funding in the amount of \$136,696 to the "Amended" amount of \$2,732,638 for FY 2015/16 as provided in the Engineering Services Task Order. The "Carry Over" amount of \$136,696 from FY 2014/15 to the FY 2015/16 budget are expenses related to the ongoing long-term pumping test (\$9,813 for account 7107.2 and \$34,770 for account 7107.6), the PBHSP monitoring program (\$12,127 for account 7108.31 and \$35,986 for account 7108.41), the hydraulic control monitoring program Adaptive Management Plan (\$33,000 for account 7107.8), and expenses related to the upload of GeoTracker and EnviroStor data (\$11,000 for 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 2015/16 timeframe.

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 July 31, 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 '15 - Jul '15 Actual	Jul '15 - Jul '15 Budget	\$ Over Budget	% of Budget	FY 2015/16 Annual Budget
6906 · OBMP Engineering Services - Other	2,931.25	2,160.00	771.25	135.71%	25,920.00
6906.1 · OBMP - Watermaster Model Update	15,621.25	31,037.76	-15,416.51	50.33%	279,340.00
6906.21 · State of the Basin Report	0.00	0.00	0.00	0.0%	0.00
6906.22 · Water Rights Compliance Reporting	5,798.50	2,033.63	3,764.87	285.13%	24,404.00
6906.23 · SGMA Reporting Requirements	0.00	1,449.37	-1,449.37	0.0%	17,392.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	5,718.15	7,304.91	-1,586.76	78.28%	87,659.00
6906.32 · OBMP - Other General Meetings	965.10	2,739.75	-1,774.65	35.23%	32,877.00
6906.33 · OBMP - App. Pool Issue Resolution	0.00	4,580.34	-4,580.34	0.0%	54,964.00
6906.71 · OBMP - Data Requests - CBWM Staff	10,251.50	5,338.66	4,912.84	192.02%	64,064.00
6906.72 · OBMP - Data Requests - Non CBWM	4,741.25	3,184.00	1,557.25	148.91%	38,208.00
6906.73 · OBMP - Safe Yield Recalculation	21,657.75	0.00	21,657.75	100.0%	0.00
6906.74 · OBMP - Mat'l Physical Injury Requests	0.00	9,191.66	-9,191.66	0.0%	110,300.00
7103.3 · Grdwtr Qual-Engineering	5,326.25	10,043.00	-4,716.75	53.03%	120,516.00
7103.5 · Grdwtr Qual-Lab Svcs	0.00	3,267.09	-3,267.09	0.0%	39,205.00
7104.3 · Grdwtr Level-Engineering	12,258.74	14,702.50	-2,443.76	83.38%	176,430.00
7104.8 · Grdwtr Level-Contracted Services	0.00	833.34	-833.34	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equipment	0.00	583.34	-583.34	0.0%	7,000.00
7107.2 · Grd Level-Engineering	7,787.26	13,690.84	-5,903.58	56.88%	56,347.00
7107.3 · Grd Level-SAR Imagery	12,000.00	21,250.00	-9,250.00	56.47%	85,000.00
7107.6 · Grd Level-Contract Svcs	331.50	44,460.75	-44,129.25	0.75%	151,059.00
7107.8 · Grd Level-Capital Equipment	0.00	466.66	-466.66	0.0%	5,600.00
7108.3 · Hydraulic Control-Engineering	1,464.40	4,164.00	-2,699.60	35.17%	49,968.00
7108.31 · Hydraulic Control-PBHSP	2,229.62	21,878.59	-19,648.97	10.19%	129,146.00
7108.32 · Hydraulic Control-Adaptive Mgmt Plan	19,977.50	0.00	19,977.50	100.0%	10,176.00
7108.4 · Hydraulic Control-Lab Svcs	2,032.00	2,090.09	-58.09	97.22%	25,081.00
7108.41 · Hydraulic Control-PBHSP	0.00	37,078.50	-37,078.50	0.0%	49,096.00
7108.6 · Hydraulic Control-Outside Professionals	0.00	7,500.00	-7,500.00	0.0%	90,000.00
7108.7 · Hydraulic Control-Prado Basin Habitat	0.00	33,000.00	-33,000.00	0.0%	33,000.00
7109.3 · Recharge & Well - Engineering	0.00	1,655.59	-1,655.59	0.0%	19,867.00
7202.2 · Comp Recharge-Engineering Services	2,580.72	13,292.00	-10,711.28	19.42%	159,504.00
7303 · PE3&5-Engineering - Other	0.00	1,948.66	-1,948.66	0.0%	23,384.00
7402 · PE4-Engineering	2,600.00	7,059.00	-4,459.00	36.83%	84,708.00
7402.10 · PE4-MZ1 Pomona Project	15,638.90	42,187.91	-26,549.01	37.07%	506,255.00
7403 · PE4-Contract Svcs	0.00	1,666.66	-1,666.66	0.0%	20,000.00
7502 · PE6&7-Engineering	8,312.25	16,903.34	-8,591.09	49.18%	81,840.00
7602 · PE8&9-Engineering	0.00	5,360.66	-5,360.66	0.0%	64,328.00
<b>Total Engineering Services Costs</b>	<b>160,223.89</b>	<b>374,102.60</b>	<b>-213,878.71</b>	<b>42.83%</b>	<b>2,732,638.00 *</b>

\* Wildermuth and Subcontractor Engineering Budget of \$2,595,942 plus Carryover Funds from FY 2014/15 of \$136,696 = \$2,732,638  
Carryover Funds from FY 2014/15 = \$9,813 (7107.2); \$34,770 (7107.6); \$12,127 (7108.31); \$35,986 (7108.41); \$33,000 (7108.7); and \$11,000 (7502) = \$136,696

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 July 31, 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 - Jun. 2015	\$ 198,138.44	\$ (99,069.22)	\$ -	\$ 99,069.22	9.00	\$ 1,141.63
Jul. 2015 - Jul. 2015	\$ -	\$ -	\$ -	\$ -	-	\$ -
<b>Totals</b>	<b>\$ 351,949.56</b>	<b>\$ (175,974.78)</b>	<b>\$ 6,750.01</b>	<b>\$ 182,724.79</b>	<b>142.00</b>	<b>\$ 15,109.58</b>
	7108.7	7108.71, 7108.72	7108.75			7108.11

OTHER INCOME AND EXPENSE

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 2015/16 annual administrative fee invoice was issued on July 1, 2015 in the amount of \$157,349.47 under invoice number DYY 15-01. On August 3, 2015 payment in the amount of \$157,349.47 was received from The Metropolitan Water District of Southern California.

There were no other significant items to report within the category of Other Income and Expenses for the month ending July 31, 2015.

"CARRY OVER" FUNDING

CURRENT MONTH – JULY 2015

As of July 31, 2015, the total (YTD) amount remaining of the "Carried Over" funding is \$1,872,937.85 (\$1,872,937.85 - \$0.00 = \$1,872,937.85). The following details are provided:

"Carried Over" Expenses At June 30, 2015

			GL Account		
Printing - Annual Report	\$ 5,000.00	A	6045	FY 2014/15	ADM
Rauch Communication Consultants - Annual Report	\$ 15,000.00	B	6061.3	FY 2014/15	ADM
Ground Level Monitoring - Engineering	\$ 9,813.00	C	7107.2 <sup>1</sup>	FY 2014/15	ENG
Ground Level - Contracted Services	\$ 34,770.00	D	7107.6 <sup>1</sup>	FY 2014/15	ENG
Chino Hills ASR Project	\$ 29,285.99	E	7107.62	FY 2014/15	ASR
Hydraulic Control Engineering - PBHSP	\$ 12,127.00	F	7108.31 <sup>2</sup>	FY 2014/15	ENG
Hydraulic Control Monitoring Lab Services - PBHSP	\$ 35,986.00	G	7108.41 <sup>2</sup>	FY 2014/15	ENG
Hydraulic Control Monitoring - Adaptive Mgmt Plan	\$ 33,000.00	H	7108.7 <sup>3</sup>	FY 2014/15	ENG
Jurupa Pumping Station (TO #5)	\$ 37,981.33	I	7209.1	FY 2014/15	PROJ
Wineville Basin Proof of Concept (TO #6)	\$ 35,397.53	J	7209.2	FY 2014/15	PROJ
PE 6&7 - Engineering Services	\$ 11,000.00	K	7502 <sup>4</sup>	FY 2014/15	ENG
Hickory Basin Recharge Improvement Project	\$ 3,877.00	L	7690.3	FY 2014/15	PROJ
San Sevaine Recharge Improvement Project (TO #8)	\$ 475,000.00	M	7690.4	FY 2014/15	PROJ
CB20 Turnout Noise Abatement Project	\$ 80,000.00	N	7690.5	FY 2014/15	PROJ
GWR SCADA Upgrades (TO #4)	\$ 383,200.00	O	7690.61	FY 2014/15	PROJ
SCADA Communication Upgrades (TO #3)	\$ 547,500.00	P	7690.62	FY 2014/15	PROJ
Upper Santa Ana River HCP (TO #7)	\$ 75,000.00	Q	7690.7	FY 2014/15	PROJ
Lower Day Basin RMPU (TO #2)	\$ 49,000.00	R	7690.8	FY 2014/15	PROJ
<b>Total Balance, June 30, 2015</b>	<b>\$ 1,872,937.85</b>				

"Carried Over" Balance, July 1, 2015 \$ 1,872,937.85

Less: (Invoices Received To Date FY 2015/16)

**Updated Balance as of July 31, 2015** \$ 1,872,937.85

<sup>1</sup> Long-Term Pumping Test

<sup>2</sup> Prado Basin Habitat Sustainability Program monitoring program

<sup>3</sup> Adaptive Management Plan

<sup>4</sup> Upload GeoTracker and EnviroStor sites

BACKGROUND OF "CARRY OVER" FUNDING

Once the FY 2014/15 period as of June 30, 2015 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 2015/16 budget. The Total "Carry Over" funding amount of \$1,872,937.852 was posted to the accounts as of July 31, 2015. The total amount of \$1,872,937.85 consisted of \$1,686,955.86 from Capital Improvement Projects; \$136,696.00 from Engineering Services; \$29,285.99 from the Chino Hills ASR Project; and \$20,000.00 from the Administration budget for completion of the Annual Reports.

Several projects were completed during FY 2014/15 and have remaining funds available to be either (1) transferred to other project(s) that need additional funding, (2) keep amounts on reserve for future Capital Improvement Projects, or (3) refunded back to the Appropriative Pool when the Assessment package is invoiced. The funding amounts available are as follows: Jurupa Pumping Station in the amount of \$37,981.33 (account 7209.1); Wineville Basin Proof of Concept in the amount of \$35,397.53 (account 7209.2); and Hickory Basin Recharge Improvement Project in the amount of \$3,877.00 (account 7690.3). The total amount available is \$77,255.86 (\$37,981.33 + \$35,397.53 + \$3,877.00 = \$77,255.86).

The San Sevaime Recharge Improvement Project-Task Order #8 has a remaining funded budget balance of \$475,000 in account (7690.4); the CB 20 Turnout project has a remaining funded budget balance of \$80,000 in account (7690.5); the GWR SCADA Upgrades-Task Order #4 has a remaining funded budget balance of \$383,200 in account (7960.61); the SCADA Communication Upgrades-Task Order #3 has a remaining funded budget balance of \$547,500 in account (7690.62); the Upper Santa Ana River HCP-Task Order #7 has a remaining funded balance of \$75,000 in account (7690.7); and the Lower Day Basin RMPU-Task Order #2 has a remaining funded budget balance of \$49,000 in account (7690.8). The total funded budget for these combined projects is \$1,609,700.

Unspent funds related to ongoing projects and associated activities from the Engineering Services budget from FY 2014/15 in several accounts totaling \$136,696 were "Carried Over" into the current FY 2015/16 budget. These funds were from the Ground Level Monitoring-Engineering (7107.2) in the amount of \$9,813; Ground Level Monitoring-Contracted Services (7107.6) in the amount of \$34,770; Hydraulic Control Monitoring-Engineering-PBHSP (7108.31) in the amount of \$12,127; Hydraulic Control Monitoring-Lab Services-PBHSP (7108.41) in the amount of \$35,986; Hydraulic Control Monitoring-Adaptive Management Plan (7108.7) in the amount of \$33,000; and Cooperative Efforts/Salt Management Engineering Services (7502) in the amount of \$11,000.

The ongoing Chino Hills ASR Project continues into FY 2015/16 and previous years funding of \$29,285.99 has been carried over into account (7107.62).

Unspent funds of \$20,000 related to the ongoing Annual Reports for development, production, and printing from the Administrative budget from FY 2014/15 from two accounts were "Carried Over" into the current FY 2015/16 budget. These funds were from the Printing-Annual Report (6045) in the amount of \$5,000; and Rauch Communication Consultants-Annual Report (6061.3) in the amount of \$15,000.

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 July 31, 2016, any remaining balances of the FY 2015/16 and prior years funding (if any), along with any new FY 2015/16 expenses, will then be "Carried Over" into the FY 2016/17 budget.

#### AUDIT FIELD WORK

##### FY 2014/15

Auditors from the audit firm of Fedak & Brown LLP were onsite at the Watermaster offices on August 10 and August 11. This was the final field work and the start of the development of the audited financial reports and statements for FY 2014/15. The initial field work was completed on June 15 and June 16, 2015 for the FY 2014/15 financial audit. The presentation of the "Draft" Annual Financial and Audit Reports to the Watermaster Board by the Senior Manager of Fedak & Brown LLP 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.

#### ASSESSMENT INVOICING

##### CURRENT MONTH – JULY 2015

No Assessment activity for the month to report.

#### ATTACHMENTS

1. Financial Report - B5

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	1/12th (8.33%) of the Total Budget				1/12th (8%) of the Total Budget				100% of the Total Budget			
	For The Month of July 2015				Year-To-Date as of July 31, 2015				Fiscal Year End as of June 30, 2016			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget
<b>Income</b>												
4010 · Local Agency Subsidies	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	157,941.00	157,941.00	0.00	100.0%
4110 · Admin Asmnts-Approp Pool	157,349.47	157,941.00	-591.53	99.63%	157,349.47	157,941.00	-591.53	99.63%	8,637,418.00	8,637,418.00	0.00	100.0%
4120 · Admin Asmnts-Non-Agri Pool	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	296,797.00	296,797.00	0.00	100.0%
4700 · Non Operating Revenues	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	22,050.00	22,050.00	0.00	100.0%
4900 · Miscellaneous Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
<b>Total Income</b>	<b>157,349.47</b>	<b>157,941.00</b>	<b>-591.53</b>	<b>99.63%</b>	<b>157,349.47</b>	<b>157,941.00</b>	<b>-591.53</b>	<b>99.63%</b>	<b>9,114,206.00</b>	<b>9,114,206.00</b>	<b>0.00</b>	<b>100.0%</b>
<b>Gross Profit</b>	<b>157,349.47</b>	<b>157,941.00</b>	<b>-591.53</b>	<b>99.63%</b>	<b>157,349.47</b>	<b>157,941.00</b>	<b>-591.53</b>	<b>99.63%</b>	<b>9,114,206.00</b>	<b>9,114,206.00</b>	<b>0.00</b>	<b>100.0%</b>
<b>Expense</b>												
6010 · Admin. Salary/Benefit Costs	60,691.73	73,401.00	-12,709.27	82.69%	60,691.73	73,401.00	-12,709.27	82.69%	880,591.00	880,591.00	0.00	100.0%
6020 · Office Building Expense	8,098.74	10,193.00	-2,094.26	79.45%	8,098.74	10,193.00	-2,094.26	79.45%	110,381.00	110,381.00	0.00	100.0%
6030 · Office Supplies & Equip.	2,457.29	2,630.00	-172.71	93.43%	2,457.29	2,630.00	-172.71	93.43%	32,560.00	32,560.00	0.00	100.0%
6040 · Postage & Printing Costs	3,849.24	9,102.00	-5,252.76	42.29%	3,849.24	9,102.00	-5,252.76	42.29%	60,032.00	60,032.00	0.00	100.0%
6050 · Information Services	13,533.30	14,570.00	-1,036.70	92.89%	13,533.30	14,570.00	-1,036.70	92.89%	131,840.00	131,840.00	0.00	100.0%
6060 · Contract Services	1,200.00	16,500.00	-15,300.00	7.27%	1,200.00	16,500.00	-15,300.00	7.27%	55,600.00	55,600.00	0.00	100.0%
6070 · Watermaster Legal Services	18,293.02	16,144.00	2,149.02	113.31%	18,293.02	16,144.00	2,149.02	113.31%	256,450.00	256,450.00	0.00	100.0%
6080 · Insurance	26,194.25	26,776.00	-581.75	97.83%	26,194.25	26,776.00	-581.75	97.83%	27,916.00	27,916.00	0.00	100.0%
6110 · Dues and Subscriptions	8,319.00	9,568.00	-1,249.00	86.95%	8,319.00	9,568.00	-1,249.00	86.95%	21,335.00	21,335.00	0.00	100.0%
6140 · WM Admin Expenses	268.91	375.00	-106.09	71.71%	268.91	375.00	-106.09	71.71%	2,700.00	2,700.00	0.00	100.0%
6150 · Field Supplies	183.60	500.00	-316.40	36.72%	183.60	500.00	-316.40	36.72%	1,450.00	1,450.00	0.00	100.0%
6170 · Travel & Transportation	1,858.82	1,880.00	-21.18	98.87%	1,858.82	1,880.00	-21.18	98.87%	25,320.00	25,320.00	0.00	100.0%
6190 · Conferences & Seminars	2,144.75	3,817.00	-1,672.25	56.19%	2,144.75	3,817.00	-1,672.25	56.19%	22,400.00	22,400.00	0.00	100.0%
6200 · Advisory Comm - WM Board	2,360.79	3,669.00	-1,308.21	64.34%	2,360.79	3,669.00	-1,308.21	64.34%	43,674.00	43,674.00	0.00	100.0%
6300 · Watermaster Board Expenses	10,713.84	14,943.00	-4,229.16	71.7%	10,713.84	14,943.00	-4,229.16	71.7%	178,744.00	178,744.00	0.00	100.0%
8300 · Appr PI-WM & Pool Admin	4,947.15	5,127.00	-179.85	96.49%	4,947.15	5,127.00	-179.85	96.49%	136,069.00	136,069.00	0.00	100.0%
8400 · Agri Pool-WM & Pool Admin	4,304.13	5,008.00	-703.87	85.95%	4,304.13	5,008.00	-703.87	85.95%	59,690.00	59,690.00	0.00	100.0%
8467 · Ag Legal & Technical Services	36,432.50	17,084.00	19,348.50	213.26%	36,432.50	17,084.00	19,348.50	213.26%	205,000.00	205,000.00	0.00	100.0%
8470 · Ag Meeting Attend -Special	4,350.00	1,850.00	2,500.00	235.14%	4,350.00	1,850.00	2,500.00	235.14%	22,200.00	22,200.00	0.00	100.0%
8471 · Ag Pool Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	65,000.00	65,000.00	0.00	100.0%
8485 · Ag Pool - Misc. Exp. - Ag Fund	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	400.00	400.00	0.00	100.0%
8500 · Non-Ag PI-WM & Pool Admin	3,578.40	4,018.00	-439.60	89.06%	3,578.40	4,018.00	-439.60	89.06%	107,974.00	107,974.00	0.00	100.0%
9400 · Depreciation Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9500 · Allocated G&A Expenditures	-25,619.39	-33,443.00	7,823.61	76.61%	-25,619.39	-33,443.00	7,823.61	76.61%	-401,307.00	-401,307.00	0.00	100.0%
6900 · Optimum Basin Mgmt Plan	171,867.30	140,022.08	31,845.22	122.74%	171,867.30	140,022.08	31,845.22	122.74%	1,344,437.00	1,344,437.00	0.00	100.0%
6950 · Mutual Agency Projects	0.00	10,000.00	-10,000.00	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	13,141.68	10,721.34	2,420.34	122.58%	13,141.68	10,721.34	2,420.34	122.58%	128,656.00	128,656.00	0.00	100.0%
7101 · Production Monitoring	8,667.87	4,783.50	3,884.37	181.2%	8,667.87	4,783.50	3,884.37	181.2%	56,547.00	56,547.00	0.00	100.0%
7102 · In-line Meter Installation	1,415.32	5,601.91	-4,186.59	25.27%	1,415.32	5,601.91	-4,186.59	25.27%	67,087.00	67,087.00	0.00	100.0%
7103 · Grdwtr Quality Monitoring	7,023.13	18,431.27	-11,408.14	38.1%	7,023.13	18,431.27	-11,408.14	38.1%	220,342.00	220,342.00	0.00	100.0%
7104 · Gdwtr Level Monitoring	17,795.97	20,690.34	-2,894.37	86.01%	17,795.97	20,690.34	-2,894.37	86.01%	247,627.00	247,627.00	0.00	100.0%
7105 · Sur Wtr Qual Monitoring	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
7107 · Ground Level Monitoring	20,118.76	109,154.24	-89,035.48	18.43%	20,118.76	109,154.24	-89,035.48	18.43%	327,291.99	327,291.99	0.00	100.0%

	1/12th (8.33%) of the Total Budget				1/12th (8%) of the Total Budget				100% of the Total Budget			
	For The Month of July 2015				Year-To-Date as of July 31, 2015				Fiscal Year End as of June 30, 2016			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget
7108 · Hydraulic Control Monitoring	25,703.52	106,622.18	-80,918.66	24.11%	25,703.52	106,622.18	-80,918.66	24.11%	397,236.00	397,236.00	0.00	100.0%
7109 · Recharge & Well Monitoring Prog	0.00	1,655.59	-1,655.59	0.0%	0.00	1,655.59	-1,655.59	0.0%	19,867.00	19,867.00	0.00	100.0%
7200 · PE2- Comp Recharge Pgm	204,510.95	289,184.52	-84,673.57	70.72%	204,510.95	289,184.52	-84,673.57	70.72%	1,078,549.86	1,078,549.86	0.00	100.0%
7300 · PE3&5-Water Supply/Desalte	0.00	3,792.00	-3,792.00	0.0%	0.00	3,792.00	-3,792.00	0.0%	45,276.00	45,276.00	0.00	100.0%
7400 · PE4- Mgmt Plan	18,430.14	51,886.91	-33,456.77	35.52%	18,430.14	51,886.91	-33,456.77	35.52%	622,505.00	622,505.00	0.00	100.0%
7500 · PE6&7-CoopEfforts/SaltMgmt	8,312.25	17,845.34	-9,533.09	46.58%	8,312.25	17,845.34	-9,533.09	46.58%	92,966.00	92,966.00	0.00	100.0%
7600 · PE8&9-StorageMgmt/Conj Use	0.00	6,424.82	-6,424.82	0.0%	0.00	6,424.82	-6,424.82	0.0%	76,909.00	76,909.00	0.00	100.0%
7690 · Recharge Improvement Debt Pymt	460,201.50	2,096,027.00	-1,635,825.50	21.96%	460,201.50	2,096,027.00	-1,635,825.50	21.96%	3,932,677.00	3,932,677.00	0.00	100.0%
7700 · Inactive Well Protection Prgm	0.00	41.66	-41.66	0.0%	0.00	41.66	-41.66	0.0%	500.00	500.00	0.00	100.0%
9502 · G&A Expenses Allocated-Projects	12,477.71	22,720.91	-10,243.20	54.92%	12,477.71	22,720.91	-10,243.20	54.92%	272,651.00	272,651.00	0.00	100.0%
<b>Total Expense</b>	<b>1,157,826.17</b>	<b>3,119,317.61</b>	<b>-1,961,491.44</b>	<b>37.12%</b>	<b>1,157,826.17</b>	<b>3,119,317.61</b>	<b>-1,961,491.44</b>	<b>37.12%</b>	<b>10,987,143.85</b>	<b>10,987,143.85</b>	<b>0.00</b>	<b>100.0%</b>
<b>Net Ordinary Income</b>	<b>-1,000,476.70</b>	<b>-2,961,376.61</b>	<b>1,960,899.91</b>	<b>33.78%</b>	<b>-1,000,476.70</b>	<b>-2,961,376.61</b>	<b>1,960,899.91</b>	<b>33.78%</b>	<b>-1,872,937.85</b>	<b>-1,872,937.85</b>	<b>0.00</b>	<b>100.0%</b>
<b>Other Income</b>												
4210 · Approp Pool-Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4220 · Non-Ag Pool-Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4225 · Interest Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4226 · LAIF Fair Market Value	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4500 · Groundwater Sales	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
<b>Total Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>Other Expense</b>												
5010 · Groundwater Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5100 · Other Water Purchases	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
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%
9251 · Other Post Employment Benefits	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9996 · Refund-Excess Reserves-Approp.	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9997 · Refund-Excess Reserves-NonAg	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9998 · Refund-Recharge Debt-Approp.	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9999 · To/(From) Reserves	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
<b>Total Other Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>Net Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>Net Income</b>	<b>-1,000,476.70</b>	<b>-2,961,376.61</b>	<b>1,960,899.91</b>	<b>33.78%</b>	<b>-1,000,476.70</b>	<b>-2,961,376.61</b>	<b>1,960,899.91</b>	<b>33.78%</b>	<b>-1,872,937.85</b>	<b>-1,872,937.85</b>	<b>0.00</b>	<b>100.0%</b>

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

# **CHINO BASIN WATERMASTER**

## **I. CONSENT CALENDAR**

### **C. OBMP SEMI-ANNUAL STATUS REPORT 2013-1**



# CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.  
General Manager

## STAFF REPORT

DATE: September 17, 2015  
TO: Advisory Committee Members  
SUBJECT: Semi-Annual Optimum Basin Management Program Status Report 2013-1

### SUMMARY

Issue: Watermaster produces the Semi-Annual Optimum Basin Management Program (OBMP) Status Reports. The report for the period from January to June 2013 has been drafted.

Recommendation: Recommend to the Watermaster Board to adopt the Semi-Annual OBMP Status Report 2013-1, along with filing a copy with the Court, subject to any necessary non-substantive changes.

Financial Impact: The costs of preparing the Semi-Annual OBMP Status Report and filing it with the Court are included in the Watermaster budget.

### Future Consideration

Agricultural Pool: September 15, 2015 Recommendation to the Advisory Committee

Advisory Committee: September 17, 2015 Recommendation to the Watermaster Board

Watermaster Board: September 24, 2015 Adopt the Semi-Annual OBMP Status Report 2013-1, along with filing a copy with the Court, subject to any necessary non-substantive changes [Discretionary Function]

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### ACTIONS:

September 10, 2015 – Appropriative Pool – Recommend to the Advisory Committee to recommend to the Board the revised (removal of the word "existing" from Page 8) Semi-Annual OBMP Status Report 2013-1, along with filing a copy with the Court, subject to any necessary non-substantive changes.

September 10, 2015 – Non-Agricultural Pool – Direct Advisory Committee representatives to support the Advisory Committee recommending to the Board the revised (removal of the word "existing" from Page 8) Semi-Annual OBMP Status Report 2013-1, along with filing a copy with the Court, subject to any necessary non-substantive changes, and subject to any changes they deem necessary.

September 15, 2015 – Agricultural Pool –

September 17, 2015 – Advisory Committee –

September 24, 2015 – Watermaster Board –

## BACKGROUND

Semi-Annual OBMP Status Report 2013-1 covers the period from January to June 2013. The report describes work conducted, and the current status of the nine Program Elements of the Optimum Basin Management Program during the six-month period.

## DISCUSSION

Semi-Annual OBMP Status Report 2013-1 has been drafted. Once adopted by the Board, the Semi-Annual OBMP Status Report will be filed with the Court.

The Report was reviewed by the Appropriative and Non-Agricultural Pools on September 10, 2015. Both Pools recommended a minor language change on Page 8 of the Report, as shown below and as shown in revised Attachment 1.

*Recent events demonstrate the importance of groundwater storage to the Chino Basin. Watermaster has committed to investigate the technical and management implications of Local Storage Agreements, improve related policies and procedures, and then revisit all existing applications of Local Storage Agreements.*

## ATTACHMENTS

1. Semi-Annual Optimum Basin Management Program Status Report 2013-1

## Optimum Basin Management Program

### Staff Status Report 2013-1: January to June 2013



CHINO BASIN WATERMASTER

Optimum Basin Management Program

#### Highlighted Activities

- As a requirement of Mitigation Measure 4.4-3 from the Peace II Subsequent Environmental Impact Report (SEIR), Watermaster, Inland Empire Utilities Agency (IEUA) and Orange County Water District (OCWD) continued to develop a Prado Basin Habitat Sustainability Program. During this reporting period, the Technical Specifications, the Sampling and Analysis Plan, and the Health and Safety Plan were prepared for the cone penetrometer test (CPT) and monitoring well installation. IEUA continued property acquisition efforts for the nine monitoring well sites. The bidding process began for contractors to perform the CPT and well installation. Development of the Adaptive Management Plan began.
- Watermaster continued work on the 2013 Amendment to the 2010 Recharge Master Plan (2013 RMPU). The Recharge Master Plan Update Steering Committee (Steering Committee) met twice per month to complete sections of the 2013 RMPU. Sections 5, 6, and 7 of the Amendment were completed and approved by Watermaster during this period.
- Watermaster and IEUA jointly identified a series of recharge projects outside of the 2013 RMPU effort, and jointly agreed to fund these projects. Watermaster and IEUA staff started meeting monthly to plan these projects. Watermaster's share of the cost of these projects was included in the budget adopted by Watermaster for fiscal year 2013/14. Watermaster and IEUA continue to work together toward the creation of a fifth retention facility at the Turner Basin. Following completion, anticipated in 2015, the expansion project is projected to recharge an additional 300 AF of storm runoff annually. Watermaster and IEUA planned the Wineville Basin proof-of-concept investigation during the reporting period. The proof-of-concept investigation was designed to determine the effective infiltration rate in the Wineville Basin that in turn can be used to estimate the long-term average annual stormwater recharge.
- A right of entry agreement was entered into with the California Institution for Men (CIM) to allow Watermaster to continue monitoring wells on the CIM property that were otherwise planned to be destroyed.
- During this reporting period, approximately 2,088 acre-feet of stormwater and 7,017 acre-feet of recycled water were recharged; no imported water was recharged. During the entire fiscal year, approximately 5,298 acre-feet of stormwater and 10,479 acre-feet of recycled water were recharged; no imported water was recharged.

#### Important Court Hearings and Orders

- JUNE 17, 2013- NOTICE OF ORDER RE JUDGE AND FILE LOCATION

#### Program Element 1: Develop and Implement a Comprehensive Monitoring Program

##### Groundwater Level Monitoring

Watermaster initiated a basin-wide groundwater-level monitoring program as part of the implementation of the OBMP. The monitoring program has been refined over time to satisfy the evolving needs of the Watermaster and IEUA, such as new regulatory requirements, and to increase efficiency. The groundwater-level monitoring program supports many Watermaster functions, such as the periodic reassessment of Safe Yield, the monitoring and management of land subsidence, the assessment of Hydraulic Control, the analysis of desalter pumping impacts at private wells, and the triennial re-computation of ambient water quality that is mandated by the Water Quality Control Plan for the Santa Ana Basin. The data are also used to update and re-calibrate Watermaster's computer-simulation groundwater-flow model, to understand directions of groundwater flow, to compute storage changes, to interpret water quality data, and to identify areas of the Basin where recharge and discharge are not in balance.

# Optimum Basin Management Program

## Program Element 1: Develop and Implement a Comprehensive Monitoring Program (Continued)

The current groundwater-level monitoring program is comprised of about 1,000 wells. At about 800 of these wells, water levels are measured by well owners, which include municipal water agencies, the California Department of Toxic Substances Control (DTSC), the Counties, and various private consulting firms. Watermaster collects these water level data at least semi-annually. At the remaining approximately 200 wells, water levels are measured by Watermaster staff using manual methods once per month or by using pressure transducers that record data once every 15 minutes. These wells are mainly Agricultural Pool wells located south of the 60 freeway.

### Groundwater Quality Monitoring

Watermaster initiated a comprehensive groundwater-quality monitoring program as part of the implementation of the OBMP. The groundwater-quality monitoring program consists of the following four components:

1. An Annual Key Well Water Quality Monitoring Program consisting of 111 wells, which are mostly privately-owned agricultural wells in the southern portion of Chino Basin that are otherwise not included in an established sampling program. Twenty of these wells are sampled every year, and the remaining wells are sampled once every three years. The wells sampled annually are for the continuous monitoring of areas of concern associated with the southern edge of the Archibald South (formerly OIA) volatile organic compound (VOC) plume, the southern region of the Chino Airport Plume, and the Kaiser Steel Plume, and includes two multi-port MZ-3 monitoring wells.
2. Annual sampling at nine HCMP multi-port monitoring wells strategically placed between the Chino Desalter well fields and the Santa Ana River. Results of the annual sampling are used to analyze the effect of desalter pumping over time on hydraulic control, by comparing water quality of the native groundwater and the Santa Ana River.
3. Quarterly sampling at four near-river wells to characterize the interaction between the Santa Ana River and nearby groundwater. These shallow monitoring wells along the Santa Ana River consist of two former USGS National Water Quality Assessment Program (NAWQA) wells (Archibald 1 and Archibald 2), and two wells owned by the Santa Ana River Water Company (Well 9 and Well 11).
4. A cooperative basin-wide data-collection effort known as the Chino Basin Data Collection (CBDC) program, which relies on municipal producers and other government agencies to supply groundwater-quality data on a cooperative basis. These sources include the Appropriators, Department of Toxic Substance Control (DTSC), Regional Water Quality Control Board (RWQCB), US Geological Survey (USGS), the Counties, and other cooperators.



Water Quality Sampling

All groundwater-quality data are checked by Watermaster staff and uploaded to a centralized database management system that can be accessed online through HydroDaVE<sup>SM</sup>. Groundwater quality data are used by Watermaster for the biennial State of the Basin report, the triennial ambient water quality update mandated by the Basin Plan, and the demonstration of Hydraulic Control (a maximum benefit commitment in the Basin Plan). Data are also used for monitoring nonpoint source groundwater contamination and plumes associated with point source discharges and to assess the overall health of the groundwater basin. Groundwater quality data are also used in conjunction with numerical models to assist Watermaster and other parties in evaluating proposed groundwater remediation strategies.

A right of entry agreement was entered into with the California Institution for Men (CIM) during this reporting period to allow Watermaster to continue monitoring groundwater level and groundwater quality from wells on the CIM property that were otherwise planned to be destroyed.

# Optimum Basin Management Program

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## Program Element 1: Develop and Implement a Comprehensive Monitoring Program (Continued)

### Groundwater Production Monitoring

All active wells (except for minimum user wells) are now metered. Watermaster reads the agricultural production data from the meters on a quarterly basis and enters these data into Watermaster's relational database.

### Surface Water Monitoring

**Water Quality and Quantity in Recharge Basins.** Watermaster and IEUA continually measure the quantity of storm and supplemental water entering the recharge basins. Pressure transducers or staff gauges are used to measure water levels during recharge operations. In addition to these quantity measurements, imported water quality data for State Water Project water are obtained from the Metropolitan Water District of Southern California (MWDSC) and recycled water quality data for the RP-1 and RP-4 treatment plant effluents are obtained from IEUA. Combining the measured flow data with the respective water qualities enables the calculation of the blended water quality in each recharge basin, the New Yield to the Chino Basin, and the adequate dilution of recycled water.

**Surface Water Monitoring in the Santa Ana River (SAR).** Watermaster measures selected water quality parameters quarterly at two sites along the Santa Ana River (Santa Ana River at River Road and Santa Ana River at Etiwanda). Along with data collected at four near-river wells, these data are used to characterize the interaction between the Santa Ana River and nearby groundwater. These data are also combined with discharge data from permanent USGS stream gauges, discharge data from publicly owned treatment works (POTWs), and groundwater modeling to assess the state of hydraulic control.

### Hydraulic Control

In January 2004, the RWQCB amended the Water Quality Control Plan (Basin Plan) for the Santa Ana River Basin to incorporate an updated total dissolved solids (TDS) and nitrogen (N) management plan. The Basin Plan Amendment includes both "antidegradation" and "maximum benefit" objectives for TDS and nitrate-nitrogen for the Chino-North and Cucamonga groundwater management zones. The application of the "maximum benefit" objectives relies on Watermaster and IEUA's implementation of a specific program of projects and requirements, which are an integral part of the OBMP. On April 15, 2005, the RWQCB adopted resolution R8-2005-0064, thus approving the Surface Water Monitoring Program and Groundwater Monitoring Program in support of maximum benefit commitments in the Chino and Cucamonga Basins.

One of the main maximum-benefit commitments is to achieve and maintain "hydraulic control" of the Chino Basin so that downstream beneficial uses of the Santa Ana River are protected. Hydraulic control is defined by the Basin Plan as the elimination of groundwater discharge from the Chino-North Management Zone to the Santa Ana River or its reduction to a *de minimus* level. In October 2011, the RWQCB indicated that groundwater discharge in an amount less than 1,000 acre-ft/yr would be considered *de minimus*.

In 2012, the Basin Plan was amended to remove all references to the specific monitoring locations and sampling frequencies required for groundwater and surface water monitoring, thus allowing the program to be modified over time, with approval of the Executive Officer of the RWQCB. The Basin Plan amendment was approved by the RWQCB on February 12, 2012 and by the State Office of Administrative Law on December 6, 2012. This amendment was adopted based on demonstrations made by Watermaster and the IEUA showing that the surface water monitoring program, as included in the Basin Plan, was not meaningfully adding to the body of evidence required to demonstrate hydraulic control. In the place of specific monitoring requirements, the Basin Plan Amendment required that Watermaster and IEUA submit for approval by the Executive Officer a new surface water monitoring program work plan by February 25, 2012 and a new groundwater monitoring program work plan by December 31, 2013. In February 2012, Watermaster and the IEUA submitted, and the RWQCB approved, a new surface water monitoring program that reduced the 2004 monitoring program from bi-weekly water quality measurements at 17 sites and direct discharge measurements at six sites, to quarterly water quality sampling at two sites. The new work plan including these changes was adopted by the RWQCB in March 2012.

During this reporting period, Watermaster measured 480 manual water levels at 83 private wells throughout the Chino Basin, conducted downloads at 99 wells containing pressure transducers, and collected 8 groundwater quality samples and 4 surface water quality samples.

### Prado Basin Habitat Sustainability Program

A requirement of Mitigation Measure 4.4-3 from the Peace II SEIR is for Watermaster, IEUA and OCWD to develop an Adaptive Management Plan for the Prado Basin Habitat Sustainability Program (PBHSP). The objective of this plan is to ensure that the riparian

# Optimum Basin Management Program

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## Program Element 1: Develop and Implement a Comprehensive Monitoring Program (Continued)

habitat in Prado Basin is not adversely impacted by drawdown associated with the implementation of the Peace II activities. Seventeen monitoring wells at nine sites will be constructed as part of the monitoring program for the PBHSP.

During this reporting period, the Technical Specifications, the Sampling and Analysis Plan, and the Health and Safety Plan were prepared for the CPT and monitoring well installation. The initial site walk at potential well sites was held on January 22, 2013. IEUA continued property acquisition efforts for the nine monitoring well sites. The bidding process began for contractors to perform the CPT and well installation. Development of the Adaptive Management Plan began.

### *Chino Basin Groundwater Recharge Program*

Watermaster, IEUA, the Chino Basin Water Conservation District (CBWCD), and the San Bernardino County Flood Control District (SBCFCD) jointly sponsor the Chino Basin Groundwater Recharge Program. This is a comprehensive water supply program to enhance water supply reliability and improve the groundwater quality in local drinking water wells throughout the Chino Basin by increasing the recharge of storm water, imported water, and recycled water. The recharge program is regulated under RWQCB Order No. R8-2007-0039 and Monitoring and Reporting Program No. R8-2007-0039.

**Recharge Activities.** Ongoing recycled water recharge occurred in the Brooks, 7th Street, 8th Street, Turner, Victoria, San Sevaire, Ely, Hickory, RP-3, and Banana Basins this reporting period. Stormwater was recharged at 16 recharge basins across all management zones of the Chino Basin during this reporting period. No imported water was recharged this reporting period.

**Monitoring Activities.** Watermaster and IEUA collect weekly water quality samples from recharge basins that are actively recharging recycled water and from lysimeters installed within those recharge basins. During this reporting period, approximately 204 recharge basin and lysimeter samples were collected and 38 recycled water samples were collected for alternative monitoring plans that include the application of a correction factor for soil-aquifer treatment determined from each recharge basin's start-up period. Monitoring wells located down-gradient of the recharge basins were sampled quarterly at a minimum; however, some monitoring wells were sampled more frequently during the reporting period for a total of 99 samples.

**Reporting.** Watermaster and IEUA completed the following required reports concerning the recharge program during the reporting period:

- 4Q-2012 Quarterly Report, submitted to the RWQCB – February 2013
- 1Q-2013 Quarterly Report, submitted to the RWQCB – May 2013
- 2012 Annual Report, submitted to the RWQCB – May 2013

### *Land Surface Monitoring*

In response to the occurrence of land subsidence in the City of Chino, the Watermaster prepared and submitted the MZ-1 Subsidence Management (MZ-1 Plan) to the Court for approval and, in November 2007, the Court ordered its implementation (see Program Element 4: Develop and Implement a Comprehensive Groundwater Management Plan for Management Zone 1). The MZ-1 Plan calls for several monitoring and mitigation measures to minimize or abate the future occurrence of land subsidence and ground fissuring in the western Chino Basin. These measures and activities include:

- Continuing the scope and frequency of monitoring within the so-called Managed Area (southwest MZ-1) that was conducted during the period when the MZ-1 Plan was being developed.
- Expanding the monitoring of the aquifer system and land subsidence into other areas of MZ-1 and Chino Basin where the data indicate concern for future subsidence and ground fissuring.
- Monitoring of horizontal strain across the historical zone of ground fissuring.
- Evaluating the potential contribution of groundwater production in northern MZ-1 on conditions in southern MZ-1.
- Conducting additional testing and monitoring to refine the MZ-1 Guidance Criteria.
- Developing alternative pumping plans for the MZ-1 producers that are impacted by the MZ-1 Plan.

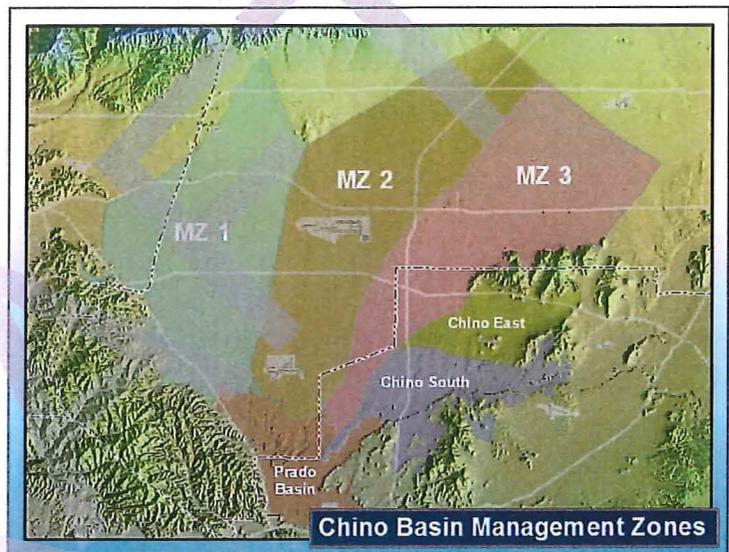
# Optimum Basin Management Program

## Program Element 1: Develop and Implement a Comprehensive Monitoring Program (Continued)

- Constructing and testing a lower-cost cable extensometer facility at Ayala Park.
- Evaluating and comparing ground-level surveying and Interferometric Synthetic Aperture Radar (InSAR), and recommending future monitoring protocols for both techniques.
- Conducting an ASR (aquifer storage recovery) feasibility study at a City of Chino Hills production well within the MZ-1 Managed Area (Well 16).
- Providing for recovery of groundwater levels in the MZ-1 Managed Area.

During the reporting period, Watermaster undertook the following activities called for in the MZ-1 Plan:

- The continuation of detailed water-level monitoring at wells within the Managed Area and across much of the western portion of Chino Basin. All monitoring equipment is inspected at least quarterly and is repaired and/or replaced as necessary. The data collected were checked and analyzed to assess the functionality of the monitoring equipment and for compliance with MZ-1 Plan.
- The continuation of monitoring and maintenance at the extensometer facilities including: Ayala Park, Chino Creek, and Daniels sites.
- The collection of InSAR data from radar satellites in January, April and June, 2013, which will be analyzed for ground motion in early 2014.
- Assisted the City of Chino Hills in required quarterly reporting for its DWR grant to support the ASR pilot test.



## Program Element 2: Develop and Implement a Comprehensive Recharge Program

The average stormwater recharge is approximately 10,000 acre-feet/yr (AFY), the supplemental "wet" water recharge capacity is approximately 60,600 AFY, and the in lieu supplemental water recharge capacity ranges from 25,000 to 40,000 AFY. There is also a demonstrated well injection capacity of 5,600 AFY. Current total supplemental water recharge capacity ranges from 91,200 to 106,200 AFY, which is greater than projected supplemental water recharge capacity required by Watermaster.

Stormwater recharge during this reporting period was approximately 2,088 AF. Recycled water recharge during this reporting period was approximately 7,017 AF. No imported water was recharged during this reporting period. The IEUA and Watermaster recharge permit was amended in fiscal year 2009/10 to allow for underflow dilution and extended the dilution period from a running 60 months to a running 120 months. The significance of this permit amendment was to reduce the amount of imported and stormwater required for dilution. IEUA projects that dilution requirements will likely be met through 2019/20, even if no imported water were available for dilution.

The total amount of supplemental water recharged in MZ-1 since the Peace II Agreement through June 30, 2013 was approximately 41,710 AF, which exceeds the 39,000 AF required by June 30, 2013 (annual requirement of 6,500 AF). The amount of supplemental water recharged into MZ-1 during the reporting period was approximately 2,722 AF.

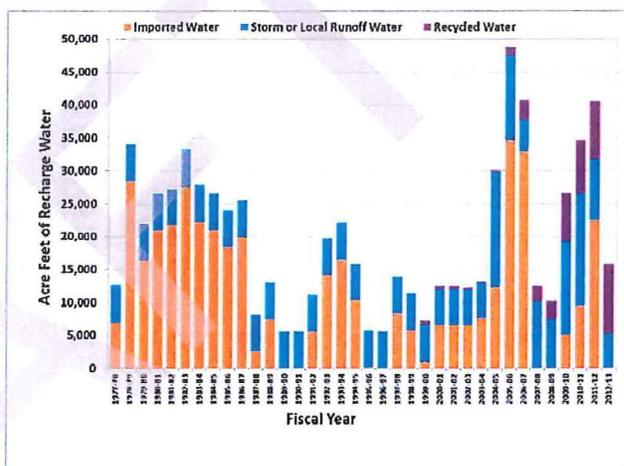
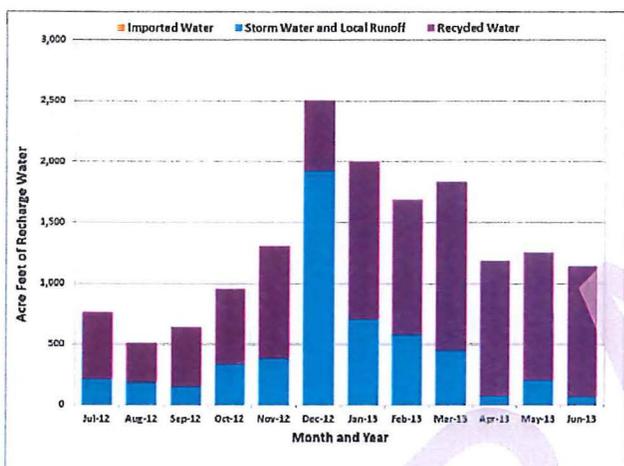
Watermaster and IEUA continued work on the Turner Basins/Guasti Park Recharge Expansion Project in MZ-2. Following completion, anticipated in 2015, the expansion project is projected to recharge an addition 300 AF of storm runoff annually. Watermaster and IEUA planned the Wineville Basin proof-of-concept investigation during the reporting period. The proof-of-concept investigation is

# Optimum Basin Management Program

## Program Element 2: Develop and Implement a Comprehensive Recharge Program (Continued)

designed to determine the effective infiltration rate in the Wineville Basin that in turn can be used to estimate the long-term average annual stormwater recharge. Also during the reporting period, Watermaster and IEUA jointly identified a series of projects outside of the 2013 RMPU effort that will increase stormwater and supplemental water recharge, and have jointly agreed to fund these projects. Watermaster and IEUA staff's started meeting monthly to plan these projects. Watermaster's share of the cost of these projects was included in the budget adopted by Watermaster for fiscal year 2013/14.

Watermaster continued work on the 2013 Amendment to the 2010 Recharge Master Plan (2013 RMPU). The Recharge Master Plan Update Steering Committee (Steering Committee) met twice per month to complete the 2013 RMPU. During this period, the following sections of the Amendment were completed and approved by Watermaster: 5-Monitoring, Reporting, and Accounting Practices to Estimate Long-Term Average Annual Net New Stormwater Recharge; 6-Recharge Options to Improve Yield and Assure Sustainability; and 7-Evaluation Criteria.



## Program Element 3: Develop and Implement Water Supply Plan for the Impaired Areas of the Basin; and Program Element 5: Develop and Implement Regional Supplemental Water Program

Construction of the Chino I Desalter Expansion and the Chino II Desalter facilities was completed in February 2006. As currently configured, the Chino I Desalter provides 2.6 million gallons per day (MGD) of treated (air stripping for VOC removal) water from Well Nos. 1-4, 4.9 MGD of treated (ion exchange for nitrate removal) water from Well Nos. 5-15, and 6.7 MGD of treated (reverse osmosis for nitrate and TDS removal) water from Well Nos. 5-15 for a total of 14.2 MGD (15,900 AFY). The Chino II Desalter provides 4.0 MGD of ion exchange treated water and 6.0 MGD of reverse osmosis treated water from eight additional wells for a total of 10.0 MGD (11,200 AFY).

Planning continued between the Chino Desalter Authority (CDA) and Western Municipal Water District (WMWD) to expand the Chino II Desalter by 10.5 MGD (11,800 AFY). Raw water will be drawn from existing CDA II wells, and possible additional new wells, if needed. In addition, a new Chino Creek Desalter Well Field, required for the hydraulic control commitment associated with Maximum Benefit, will provide additional raw water to the Chino I Desalter, enabling some existing wells to direct production to the expanded Chino II Desalter facility. Watermaster and the CDA demonstrated continued progress on the project schedule RWQCB approved by the RWQCB in June 2010, which calls for completion of the expansion in 2015. Existing design contracts for pipeline, well and pump facilities continue to lead toward task and eventual project completion.

In June 2012, the WMWD was awarded a \$51 million state grant from the California Department of Health for the desalter expansion project. To date, more than \$70 million in grant funds have been secured toward this expansion project.

# Optimum Basin Management Program

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## Program Element 4: Develop and Implement a Comprehensive Groundwater Management Plan for Management Zone 1

### *MZ-1 Management Plan*

Because of the historical occurrence of pumping-induced land subsidence and ground fissuring in southwestern Chino Basin (southern MZ-1), the OBMP called for the development and implementation of an Interim Management Plan (IMP) for MZ-1 that would:

- Minimize subsidence and fissuring in the short-term,
- Collect information necessary to understand the extent, rate, and mechanisms of subsidence and fissuring, and
- Formulate a management plan to reduce to tolerable levels or abate future subsidence and fissuring.

From 2001-2005, Watermaster developed, coordinated, and conducted an Interim Monitoring Program (IMP) under the guidance of the MZ-1 Technical Committee. The investigation provided enough information for Watermaster to develop Guidance Criteria for the MZ-1 producers in the investigation area that, if followed, would minimize the potential for subsidence and fissuring during the completion of the MZ-1 Plan. The Guidance Criteria included a listing of Managed Wells and their owners subject to the criteria, a map of the so-called Managed Area, and an initial threshold water level (Guidance Level) of 245 feet below the top of the PA-7 well casing. The MZ-1 Summary Report and the Guidance Criteria were adopted by the Watermaster Board in May 2006. The Guidance Criteria formed the basis for the MZ-1 Plan, which was approved by Watermaster in October 2007. The Court approved the MZ-1 Plan in November 2007 and ordered its implementation.

During this reporting period, Watermaster continued implementation of the MZ-1 Plan. Drawdown at the PA-7 piezometer stayed above the Guidance Level during the reporting period, and very little, if any, permanent compaction was recorded at the Ayala Park Extensometer. The ongoing monitoring program called for by the MZ-1 Plan continues to be implemented. Watermaster staff and consultants prepared a draft of the 2012 Annual Report of the Land Subsidence Committee.

The Land Subsidence Committee met in March 2013. Watermaster staff and consultants provided an update on the ongoing monitoring and testing program in the MZ-1 Managed Area, on the ASR pilot test at Chino Hills Well 16, and on the recent data collected from the newly-installed extensometer at the Chino Creek Well Field. In addition, the Committee prepared a scope of work and cost-estimate for the program for fiscal year 2013/14.

## Program Element 6: Develop and Implement Cooperative Programs with the Regional Water Quality Control Board, Santa Ana Region (Regional Board) and Other Agencies to Improve Basin Management; and Program Element 7: Develop and Implement a Salt Management Program

### *Archibald South Plume*

In July 2005, the RWQCB prepared draft Cleanup and Abatement Orders (CAOs) for seven parties who were tenants on the Ontario International Airport (OIA) with regard to the Archibald South (trichloroethene [TCE]) Plume. The draft CAOs required the parties to "submit a work plan and time schedule to further define the lateral and vertical extent of the TCE and related VOCs that are discharging, have been discharged, or threaten to be discharged from the site" and to "submit a detailed remedial action plan, including an implementation schedule, to cleanup or abate the effects of the TCE and related VOCs." Four of the parties (Aerojet, Boeing, General Electric [GE], and Lockheed Martin) voluntarily formed a group (known as ABGL) to work jointly on a remedial investigation. Northrop Grumman declined to participate in the group. The US Air Force, in cooperation with the US Army Corps of Engineers, funded the installation of one of the four clusters of monitoring wells installed by ABGL.

In 2012, the RWQCB issued a draft CAO to the City of Ontario, the City of Upland, and IEUA concerning the former Ontario-Upland Sewage Treatment Plant (Regional Recycling Plant No. 1), located in the City of Ontario. The draft CAO states that these parties are "responsible parties subject to this Order because, as the former and current owners and operators of the WWTP and disposal areas, they are responsible for discharge of wastes that resulted in the presence of TCE in groundwater down-gradient of the WWTP and disposal areas." In part, the draft CAO requires the parties to "supply uninterrupted replacement water service...to all residences south of Riverside Drive that are served by private domestic wells at which TCE has been detected at concentrations at or exceeding 5 µg/L..." and to report this information to the RWQCB. In addition, the parties are to "prepare and submit [a] ...feasibility study" and "prepare, submit and implement the Remedial Action Plan" to mitigate the "effects of the TCE groundwater plume."

# Optimum Basin Management Program

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## **Program Element 6: Develop and Implement Cooperative Programs with the Regional Water Quality Control Board, Santa Ana Region (Regional Board) and Other Agencies to Improve Basin Management; and**

## **Program Element 7: Develop and Implement a Salt Management Program (Continued)**

Upon the direction of the Regional Board, sampling at residential taps in the affected area has been conducted approximately every two years (2007-2008, 2009, 2011). Alternative water systems (tanks) have been installed at residences in the area where well water contains TCE at or above 80% of the MCL for TCE. Residents who declined tank system are being provided bottled water. Watermaster also routinely samples for water quality at private wells in the area, and uses data obtained from this monitoring to delineate the plume.

The Regional Board has indicated that many of the potential responsible parties issued Draft CAOs will work together to prepare a remedial action feasibility study. Discussions among those parties are ongoing to resolve details about how to proceed with that work.

### *Chino Airport*

The County of San Bernardino, Department of Airports is working under RWQCB CAO No. R8-2008-0064, which requires the County to define the lateral and vertical extent of the plume and prepare a remedial action plan. Beginning in 2007, Tetra Tech, the consultant to the County, conducted several off-site plume characterization studies to delineate the areal and vertical extent of the plume. Since 2003, the County has conducted quarterly monitoring events at their monitoring wells. Conclusions from this monitoring program can be found in reports posted on the Regional Board's GeoTracker website.

Watermaster has also collected samples from dedicated monitoring wells and private wells in and around the Chino Airport plume area. The County and Watermaster have been sharing these investigation data so that both parties can utilize a robust data set for plume characterization. Watermaster has used its calibrated groundwater model to estimate cleanup times and contaminant concentrations in the Chino Creek Well Field (CCWF). This work will be updated, given new information about the extent of contamination, subsurface hydrogeology, well performance, and the need for habitat sustainability in the Prado Basin.

In 2012, Tetra Tech installed groundwater monitoring well clusters (at least two wells per location) at seven locations, and submitted a VOC Plume Characterization and Monitoring Well Installation Report in January 2013 (revised March 2013). In May 2013, Tetra Tech submitted a Historical Site Assessment Report identifying on-site areas of concern at the Airport. Additional work expected to be completed in 2013 includes the preparation of a work plan for additional on-site characterization of the Airport property. The County has not yet performed any groundwater remediation activities.

### *Other Water Quality Issues*

Watermaster continues to track monitoring programs and mitigation measures associated with other point sources in the Chino Basin, including: Alumax Aluminum Recycling, the California Institute for Men, Crown Coach, GE Test Cell and Flatiron, Kaiser Steel, Milliken Landfill, Upland Landfill, and the Stringfellow National Priorities List sites.

## **Program Element 8: Develop and Implement a Groundwater Storage Management Program; and Program Element 9: Develop and Implement a Storage and Recovery Program**

Recent events demonstrate the importance of groundwater storage to the Chino Basin. Watermaster has committed to investigate the technical and management implications of Local Storage Agreements, improve related policies and procedures, and then revisit all applications of Local Storage Agreements.

The existing Watermaster/IEUA/MWDSC/Three Valley Municipal Water District (TVMWD) Dry-Year Yield (DYY) program continued during the reporting period. By April 30, 2011, all DYY program construction projects and a full "put" and "take" cycle had been completed, leaving the storage account with a zero balance. No water has been placed into the DYY account since that time. Watermaster, IEUA, TVMWD, and MWDSC are negotiating potential amendments to the current contract.

# **CHINO BASIN WATERMASTER**

## **I. CONSENT CALENDAR**

### **D. WATER TRANSACTION**

(Consider Approval for Notice of Sale or Transfer)

***CHINO BASIN WATERMASTER***

**NOTICE**

**OF**

**APPLICATION(S)**

**RECEIVED FOR**

**WATER TRANSACTIONS – ACTIVITIES**

Date of Notice:

August 6, 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: **June 10, 2015**

Date of this notice: **August 6, 2015**

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

- Notice of Sale or Transfer – The purchase of 500.000 acre-feet of water from West Valley Water District by Cucamonga Valley Water District. This purchase is made from West Valley Water District’s storage account, effective for the Fiscal Year 2014-2015.

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

Appropriative Pool: August 13, 2015

Non-Agricultural Pool: August 13, 2015

Agricultural Pool: August 13, 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: August 6, 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

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PETER KAVOUNAS, P.E.  
General Manager

**DATE:** August 6, 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 500,000 acre-feet of water from West Valley Water District by Cucamonga Valley Water District. This purchase is made from West Valley Water District's storage account, effective for the Fiscal Year 2014-2015. Date of application: June 10, 2015.

**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 500,000 acre-feet of water from West Valley Water District by Cucamonga Valley Water District. This purchase is made from West Valley Water District's storage account, effective for the Fiscal Year 2014-2015. Date of application: June 10, 2015.

Notice of the water transaction identified above was mailed on August 6, 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:** June 10, 2015

**AMOUNT REQUESTED:** 500 Acre-Feet

<b>TRANSFER FROM (SELLER / TRANSFEROR):</b>	<b>TRANSFER TO (BUYER / TRANSFEREE):</b>
<u>West Valley Water District</u>	<u>Cucamonga Valley Water District</u>
Name of Party	Name of Party
<u>855 W Baseline Road</u>	<u>10440 Ashford Street</u>
Street Address	Street Address
<u>Rialto</u> <u>CA</u> <u>92376</u>	<u>Rancho Cucamonga</u> <u>CA</u> <u>91730</u>
City                                      State              Zip Code	City                                      State              Zip Code
<u>(909) 875-1804</u>	<u>(909) 937-2591</u>
Telephone	Telephone
<u>(909) 875-7284</u>	<u>(909) 476-8032</u>
Facsimile	Facsimile

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

**PURPOSE OF TRANSFER:**

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

**WATER IS TO BE TRANSFERRED FROM:**

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

**WATER IS TO BE TRANSFERRED TO:**

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



**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

Tom Crowley  
Seller / Transferor Representative Name (Printed)



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

Martin E. Zvirbulis  
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

## II. BUSINESS ITEMS

### A. 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: September 17, 2015  
TO: Advisory Committee Members  
SUBJECT: Chino Basin Safe Yield Redetermination and Reset

### SUMMARY

Issue: A binding Agreement on the Safe Yield Reset is substantially complete. The Watermaster Board has directed Legal Counsel and staff to seek advice and counsel from the Committees.

Recommendation: Approve the Board's adoption of Resolution 2015-06.

Financial Impact: No impact to Watermaster.

### Future Consideration

Agricultural Pool: September 15, 2015 Advice and counsel on the Safe Yield Reset Agreement

Advisory Committee: September 17, 2015 Consider approval the Board's adoption of Resolution 2015-06

Watermaster Board: September 24, 2015 Consider adoption of Resolution 2015-06

### 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

June 25, 2015 – Watermaster Board – Direct Staff and Counsel to seek advice and counsel from the Agricultural and Non-Agricultural Pools and finalize and file the Status Report with the Court

August 27, 2015 – Watermaster Board – Direct Legal Counsel and staff to seek advice and counsel from the Committees on the 2015 Safe Yield Reset Agreement, and to return to the Board in September so that the Board may take action in order to file with the Court by the planned date of October 1, 2015

September 10, 2015 – Appropriative Pool – no action

September 10, 2015 – Non Agricultural Pool – no action

## 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.

On May 28, 2015, the Board directed staff and counsel to commence coordinating drafting of a binding agreement based on FANDA Key Principles unless either the Agricultural or Non-Agricultural Pool expressed concerns with the Key Principles by close of business on June 12, 2015.

During the June 11, 2015 Pool Committee meetings each of the Pools considered the May 28, 2015 Key Principles, as amended by various proposals. All three Pools recommended approval of the Key Principles, with the City of Chino and the San Antonio Water Company voting against.

The parties, with assistance from Watermaster Counsel have drafted the 2015 Safe Yield Reset Agreement that describes the Key Principles so they can be properly implemented in the future. During its August 27, 2015 meeting the Watermaster Board gave direction to Legal Counsel and staff to seek advice and counsel from the Pools and Advisory Committees as to whether Watermaster should endorse the Agreement, and return to the Board at its September meeting for final consideration.

## DISCUSSION

The Advisory Committee is requested to offer advice and counsel to Watermaster on Watermaster's potential endorsement of the August 26, 2015 Draft 2015 Safe Yield Reset Agreement (Attachment 1) and supporting Exhibits (Attachment 2), and approve the Board's adoption of Resolution 2015-06, pursuant to which Watermaster might endorse the Agreement (Attachment 3).

During its September 10, 2015 meeting the Appropriative Pool considered the Draft Resolution; the Appropriative Pool will prepare and provide comments by September 16, 2015. During its September 10, 2015 meeting, the Non-Agricultural Pool took no action. The Agricultural Pool has not met as of the drafting of this staff report, and is scheduled to meet on Tuesday, September 15, 2015. Any advice and counsel by the Agricultural Pool will be presented during the September 17, 2015 Advisory Committee meeting.

## ATTACHMENTS

1. 2015 Safe Yield Reset Agreement (August 26, 2015 Draft)
2. Exhibits A through E
3. Exhibit F (Draft Watermaster Resolution 2015-06 and attachments)

## 2015 SAFE YIELD RESET AGREEMENT

**WHEREAS**, the Parties to this 2015 Safe Yield Reset Agreement (hereinafter, the "Agreement") are Parties or successors to Parties in *Chino Basin Municipal Water District v. City of Chino* (San Bernardino Superior Court Case No. 51010) and the Judgment in that case set the Safe Yield of the Chino Basin at 140,000 acre-feet per year (AFY), but reserved continuing jurisdiction to the Court to amend the Judgment, inter alia, to redetermine the Safe Yield after the first 10 years of operation of the Physical Solution established under the Judgment;

**WHEREAS**, the Parties to the Judgment have executed; and Watermaster, with the advice and consent of the Pools and Advisory Committees, has endorsed; and the Court has approved, the following agreements to implement the Physical Solution ("Court Approved Management Agreements"):

[1] the Chino Basin Peace Agreement, dated June 29, 2000, as subsequently amended in September 2004 and December 2007;

[2] the Peace II Measures (Court approved on December 21, 2007);

[3] the OBMP Implementation Plan dated June 29, 2000, as supplemented in December 2007;

[4] the Recharge Master Plan, dated 1998, as updated in 2010 and amended in 2013);

[5] the Watermaster Rules and Regulations dated June 2000, as amended; and

[6] Watermaster Resolution 2010-04 ("Resolution of the Chino Basin Watermaster regarding Implementation of the Peace II Agreement and the Phase III Desalter Expansion in Accordance with the December 21, 2007 Order of the San Bernardino Superior Court;

**WHEREAS**, the parties to this Agreement have reviewed evidence that the conditions affecting the Safe Yield of the Basin have changed since the Judgment was entered in 1978 and evidence supporting reset of the Safe Yield of the Basin to 135,000 AFY;

**WHEREAS**, questions have arisen concerning the interpretation and implementation of the Judgment and the Court Approved Management Agreements, and the Parties to this Agreement intend to address those questions and settle their

disputes and compromise their respective claims as to the subject matter set forth herein as expressly provided for in this Agreement;

**WHEREAS**, the Parties intend this Agreement to be consistent with, and further the implementation of, the Judgment and the Court Approved Management Agreements. The terms of this Agreement shall not constitute an amendment to the Judgment or the Court Approved Management Agreements, but shall be construed and implemented consistently with the Judgment and Court Approved Management Agreements; and

**NOW, THEREFORE**, in consideration of the mutual promises specified herein and by conditioning their performance under this Agreement upon the conditions precedent set forth in Article 2 herein, and for other good and valuable consideration, the Parties agree as follows:

## **ARTICLE 1 DEFINITIONS AND RULES OF CONSTRUCTION**

### **1.1 Definitions.**

(a) "2001-2014 Stormwater Recharge Program" means those specific recharge projects that were previously approved and initiated by Watermaster during production years 2001-2014 (e.g., Chino Basin Facilities Improvement Plan, and Chino Basin Facilities Improvement Plan II). The 2001-2014 Stormwater Recharge Program does not include projects identified in the 2013 Amendment to the 2010 Recharge Master Plan Update.

(b) "Advisory Committee" shall have the meaning as used in the Judgment for the Advisory Committee.

(c) "Agricultural Pool" shall have the meaning of Overlying (Agricultural) Pool as used in the Judgment and shall include all its members.

(d) "Appropriative Pool" shall have the meaning as used in the Judgment and shall include all its members.

(e) "Assessment Package" means Watermaster's annual report of that title, which summarizes allocations of Production rights, Production, and related data (e.g., water transfers, storage accounting) relative to the previous Production Year. Based on this information, the report includes the calculation of each Party's share

of Assessments for the applicable fiscal year's Watermaster-approved budget.

(f) "Best Efforts" means reasonable diligence and reasonable efforts under the totality of the circumstances. Indifference and inaction do not constitute Best Efforts. Futile action(s) are not required.

(g) "Chino Basin" or "Basin" means the groundwater basin underlying the area shown on Exhibit "B" to the Judgment and within the boundaries described on Exhibit "K" to the Judgment.

(h) "Desalter" and "Desalters" means the Chino I Desalter, Chino I Desalter Expansion, the Chino II Desalter and Future Desalters, consisting of all the capital facilities and processes that remove salt from Basin Water, including extraction wells, transmission facilities for delivery of groundwater to the Desalter, Desalter treatment and delivery facilities for the desalter water including pumping and storage facilities, and treatment and disposal capacity in the SARI System.

(i) "Effective Date" means the date upon which all conditions precedent, described in Article 2.1, are satisfied.

(j) "Hydraulic Control" means the reduction of groundwater discharge from the Chino North Management Zone to the Santa Ana River to *de minimus* quantities. The Chino North Management Zone is defined in the 2004 Basin Plan Amendment (RWQCB resolution R8-2004-001) attached to the Peace II Agreement as Exhibit "B."

(k) "Material Physical Injury" means material injury that is attributable to the Recharge, Transfer, storage and recovery, management, movement or Production of water, or implementation of the OBMP, including, but not limited to, degradation of water quality, liquefaction, land subsidence, increases in pump lift (lower water levels) and adverse impacts associated with rising groundwater. Material Physical Injury does not include "economic injury" that results from other than physical causes. Once fully mitigated, physical injury shall no longer be considered to be material.

(l) "Net New Recharge" means the stormwater recharge caused by the implementation of a Post-2014 Stormwater Recharge Project, upon its construction and operation, less the decrease in recharge at

stormwater recharge projects existing at the time of implementation, which decrease is attributable to the new projects.

(m) "New Yield" means proven increases in yield in quantities greater than historical amounts from sources of supply including, but not limited to, capture of rising water, capture of available storm flow, operation of the Desalters (including the Chino I Desalter), induced Recharge and other management activities implemented and operational after June 1, 2000.

(n) "Non-Agricultural Pool" shall have the meaning as used in the Judgment for the Overlying (Non-Agricultural) Pool and shall include all its members.

(o) "Operating Safe Yield" means the annual amount of groundwater which Watermaster shall determine, pursuant to criteria specified in Exhibit "I" to the Judgment, can be Produced from Chino Basin by the Appropriative Pool parties free of Replenishment obligation under the Physical Solution. Watermaster shall include any New Yield in determining Operating Safe Yield.

(p) "Participation Share" means a member of the Appropriative Pool's prescribed share of the potential Post-2014 Stormwater Recharge Project Net New Recharge benefits and corresponding financial obligations.

(q) "Party" means a party to this Agreement.

(r) "Party to the Judgment" means a party to the Judgment regardless of whether it has executed this Agreement.

(s) "Physical Solution" shall have the meaning of Physical Solution as described in the Judgment.

(t) "Post-2014 Stormwater Recharge Program" means a suite of Post-2014 Stormwater Recharge Projects that are considered together for approval and initiation.

(u) "Post-2014 Stormwater Recharge Project" means a stormwater recharge project, including the improvement of a previously existing project, that was not in existence in Production Year 2014 but is approved and initiated thereafter (i.e., a project other than those within the 2001-2014 Stormwater Recharge Program) and is included within a Post-2014 Stormwater Recharge Program.

(v) "Produce" or "Produced" means to pump or extract groundwater from the Chino Basin.

(w) "Production" means the annual quantity, stated in acre-feet, of water Produced from the Chino Basin.

(x) "Production Year" means the fiscal year, July 1 through June 30 following, for which Production and related data are used to calculate the Assessment Package of the following year.

(y) "Re-Operation" means the controlled overdraft of the Basin by the managed withdrawal of groundwater Production for the Desalters and the potential increase in the cumulative un-replenished Production from 200,000 acre-feet authorized by Paragraph 3 of the Engineering Appendix attached as Exhibit "I" to the Judgment, to 600,000 acre-feet for the express purpose of securing and maintaining Hydraulic Control as a component of the Physical Solution.

(z) "Reset Technical Memorandum" means the memorandum attached hereto and incorporated herein as Exhibit "A," which sets forth the methodology pursuant to which the Safe Yield is evaluated or reset.

(aa) "Safe Yield" shall have the meaning of Safe Yield as used in the Restated Judgment.

(bb) "Safe Storage Reserve" shall mean the 130,000 AF reserve composed of stored water held in the non-Supplemental Water storage accounts of individual members of the Appropriative Pool, that may be conditionally accessed as described in Paragraph 6.2 of this Agreement.

(cc) "Storage Management Plan" shall mean a long-term plan for ensuring that, consistent with Program Elements 8 and 9 of the Optimum Basin Management Program Implementation Plan and section 5.2 of the Peace Agreement, use of the Basin's Safe Storage Capacity, as defined in the Optimum Basin Management Program Implementation Plan, is safe, sustainable, and will not cause Material Physical Injury or undesirable results.

(dd) "Supplemental Water" includes both water imported to Chino Basin from outside Chino Basin Watershed and reclaimed water.

(ee) Unless otherwise expressly provided herein, all definitions set forth in the Peace Agreement, the Peace II Agreement, and the Restated Judgment are applicable to the terms as they are used herein.

1.2 Rules of Construction.

- (a) Unless the context clearly requires otherwise:
  - (i) The plural and singular forms include the other;
  - (ii) "Shall," "will," "must," and "agrees" are each mandatory;
  - (iii) "May" is permissive;
  - (iv) "Or" is not exclusive;
  - (v) "Includes" and "including" are not limiting; and
  - (vi) "Between" includes the ends of the identified range.
- (b) Headings at the beginning of Articles, Paragraphs and Subparagraphs of this Agreement are solely for the convenience of the Parties, are not a part of this Agreement and shall not be used in construing it.
- (c) The masculine gender shall include the feminine and neuter genders and vice versa.
- (d) The word "person" shall include individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, water district and other entity of whatever nature.
- (e) Reference to any agreement (including this Agreement), document, or instrument means such agreement, document, instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms thereof.
- (f) Except as specifically provided herein, reference to any law, statute or ordinance, regulation or the like means such law as amended, modified, codified or reenacted, in whole or in part

and in effect from time to time, including any rules and regulations promulgated thereunder.

- (g) In the event of a conflict between this Agreement and the Judgment, the Judgment shall prevail. The terms of the Peace Agreement, Peace II Agreement, and this Agreement shall be construed as an integrated set of agreements; but, where the subject matter of this Agreement expressly provides guidance, direction, construction, or interpretation, those terms of this Agreement shall prevail.

1.3 Incorporation of Recitals and Exhibits. The Recitals set forth above are incorporated in this Agreement and made a part hereof. All exhibits attached hereto are incorporated by this reference as though fully stated herein.

1.4 Reservation of Discretion. Execution of this Agreement is not intended to commit any Party to undertake a project without compliance with CEQA or to commit the Parties individually or collectively to any specific course of action, which would result in the present approval of a future project.

1.5 Commitments are Consistent with CEQA. The Parties acknowledge and agree that this Agreement provides for the further administration of the Judgment by Watermaster following the reset of the Safe Yield, pursuant to the Court's continuing jurisdiction, and that no commitment is being made to carry out any "project" within the meaning of CEQA unless and until the environmental review and assessment that may be required by CEQA for that defined "project" have been completed.

## **ARTICLE 2 CONDITIONS PRECEDENT**

2.1 Performance under Articles 3 through 10 is Subject to Satisfaction of the Conditions Precedent. Each Party's obligations under this Agreement are subject to the satisfaction of the following conditions precedent on or before the dates specified below, unless satisfaction of a specified condition is waived in writing by all other Parties;

- (a) Watermaster approval of Resolution 2015-~~XX~~ in the form attached hereto as Exhibit "F", including the following Attachments thereto:
  - (i) 2015 Safe Yield Reset Agreement

(ii) Proposed Order amending Paragraph 6 of the Restated Judgment

(iii) Amended schedule for access to Re-Operation water

(b) Court orders:

(i) Amending Paragraph 6 of the Restated Judgment, as shown in Attachment "Y" to Resolution 2015-XX, to provide that the Safe Yield of the Chino Basin is 135,000 acre feet per year.

(ii) Amending the schedule for access to Re-Operation water as shown in Attachment "X" to Resolution 2015-XX [amended schedule shall 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.]

(iii) Directing Watermaster to proceed in accordance with the terms of the Agreement on Redetermination and Reset of Safe Yield, as embodied in Resolution 2015-XX.

### ARTICLE 3 MUTUAL ACKNOWLEDGEMENT AND COVENANTS

3.1 Acknowledgment of Safe Yield Reset. The collective actions of Watermaster set forth in Watermaster Resolution 2015-XX and the Attachments thereto constitute further actions by Watermaster in implementing the OBMP Implementation Plan and administration of the Judgment post-reset in accordance with the Judgment

3.2 Non-Opposition. No Party shall oppose Watermaster's administration of the Judgment as set forth in this Agreement. Notwithstanding this covenant, no Party shall be limited in its right of participation in all functions of Watermaster as they are provided in the Judgment nor shall a Party to the Judgment be precluded from seeking judicial review (i) of Watermaster actions not related to this

Agreement; or (ii) to determine the consistency of Watermaster actions with this Agreement, pursuant to the Judgment or as otherwise provided in this Agreement.

3.3 Consent to Amendments. Each Party expressly consents to the amendment of Paragraph 6 of the Restated Judgment and to the amendment to the schedule for access to Re-Operation water set forth in Watermaster's Resolution 2015-XX.

3.4 Stewardship. Each of the Parties acknowledges its individual duty and the collective stewardship obligation of all Parties to the Judgment to manage the precious water resources of this State, and, more specifically, all waters of the Chino Basin, in accordance with the Constitutional requirements set forth in Article X, section 2 of the California Constitution, which states, in part:

It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare.

The Parties will exercise their best efforts toward the optimization of groundwater management in the Basin to ensure the maximum reasonable and beneficial use thereof.

3.5 Supplemental Water Recharge. The Parties acknowledge the obligations of Watermaster, pursuant to Peace Agreement sections 5.1 and Peace II Agreement section 8.4, to exercise Best Efforts to direct Recharge relative to Production in each area and sub-area of the Basin to achieve and maintain long term balance between total Recharge and discharge and to promote the goal of equal access to groundwater within all areas and sub-areas of the Basin, and to direct wet water Supplemental Water recharge to Management Zone 1 in an amount equal to or greater than 6,500 AFY.

#### **ARTICLE 4 SAFE YIELD RESET**

4.1 Safe Yield Reset. Consistent with the prior orders of the Court pursuant to its continuing jurisdiction, effective July 1, 2010 and continuing until June 30, 2020, the Safe Yield for the Basin is reset at 135,000 AFY. For all purposes

arising under the Judgment, the Peace Agreement(s) and the OBMP Implementation Plan, the Safe Yield shall be 135,000 AFY, without exception, unless and until Safe Yield is reset in accordance with the procedures set forth in this Article 4, and determined by the Court pursuant to its retained continuing jurisdiction. Any reduction in Safe Yield pursuant to Paragraph 5.2(b), below, shall be a reduction from this 135,000 AFY.

4.2 Scheduled Reset. Watermaster will initiate a process to evaluate and reset the Safe Yield by July 1, 2020 as further provided herein. Subject to the provisions of Paragraph 4.3 below, the Safe Yield, as it is reset effective July 1, 2020 will continue until June 30, 2030. Watermaster will initiate the reset process no later than January 1, 2019, in order to ensure that the Safe Yield, as reset, may be approved by the Court no later than June 30, 2020. Consistent with the provisions of the OBMP Implementation Plan, thereafter, Watermaster will conduct a Safe Yield evaluation and reset process no less frequently than every ten years. This Paragraph is deemed to satisfy Watermaster's obligation, under Paragraph 3.(b) of Exhibit "I" to the Restated Judgment, to provide notice of a potential change in Operating Safe Yield.

4.3 Interim Correction. In addition to the scheduled reset set forth in Paragraph 4.2 above, the Safe Yield may be reset in the event that, with the recommendation and advice of the Pools and Advisory Committee and in the exercise of prudent management discretion described in Paragraph 4.5(c), below, Watermaster recommends to the Court that the Safe Yield must be changed by an amount greater (more or less) than 2.5% of the then-effective Safe Yield.

4.4 Safe Yield Reset Methodology. The Safe Yield has been reset effective July 1, 2010 and shall be subsequently evaluated pursuant to the methodology set forth in the Reset Technical Memorandum attached hereto and incorporated herein as Exhibit "A". The reset will rely upon long-term hydrology and will include data from 1921 to the date of the reset evaluation. The long-term hydrology will be continuously expanded to account for new data from each year, through July 2030, as it becomes available. This methodology will thereby account for short-term climatic variations, wet and dry. Based on the best information practicably available to Watermaster, the Reset Technical Memorandum sets forth a prudent and reasonable professional methodology to evaluate the then prevailing Safe Yield in a manner consistent with the Judgment, the Peace Agreements, and the OBMP Implementation Plan. In furtherance of the goal of maximizing the beneficial use of the waters of the Chino Basin, Watermaster, with the recommendation and advice of the Pools and Advisory Committee, may supplement the Reset Technical Memorandum's methodology to incorporate future advances in best management practices and hydrologic science as they evolve over the term of this Agreement.

4.5 Annual Data Collection and Evaluation. In support of its obligations to undertake the reset in accordance with the Reset Technical Memorandum, Watermaster shall annually undertake the following actions:

- (a) Ensure that, unless a Party to the Judgment is excluded from reporting, all production by all Parties to the Judgment is metered, reported, and reflected in Watermaster's approved Assessment Packages;
- (b) Collect data concerning cultural conditions annually, with cultural conditions including, but not limited to, land use, water use practices, production, and facilities for the production, generation, storage, recharge, treatment, or transmission of water;
- (c) Evaluate the potential need for prudent management discretion to avoid or mitigate undesirable results including, but not limited to, subsidence, water quality degradation, and unreasonable pump lifts. Where the evaluation of available data suggests that there has been or will be a material change from existing and projected conditions or threatened undesirable results, then a more significant evaluation, including modeling, as described in the Reset Technical Memorandum, will be undertaken; and,
- (d) As part of its regular budgeting process, develop a budget for the annual data collection, data evaluation, and any scheduled modeling efforts, including the methodology for the allocation of expenses among the Parties to the Judgment. Such budget development shall be consistent with section 5.4(a) of the Peace Agreement.

4.6 Modeling. Watermaster shall cause the Basin Model to be updated and a model evaluation of Safe Yield, in a manner consistent with the Reset Technical Memorandum, to be initiated no later than January 1, 2024, in order to ensure that the same may be completed by June 30, 2025.

4.7 Peer Review. The Pools shall be provided with reasonable opportunity, no less frequently than annually, for peer review of the collection of data and the application of the data collected in regard to the activities described in Paragraphs 4.4, 4.5, and 4.6 above.

4.8 No Retroactive Accounting. Notwithstanding that the initial Safe Yield reset, described in Paragraph 4.1, above, shall be effective as of July 1, 2010, Watermaster will not, in any manner, including through the approval of its Assessment Packages, seek to change prior accounting of the prior allocation of Safe Yield and Operating Safe Yield among the Parties to the Judgment for production years prior to July 1, 2014.

## ARTICLE 5 WATERMASTER ACCOUNTING

5.1 Stormwater Recharge. After the Effective Date and until termination of this Agreement, the Parties expressly consent to Watermaster's accounting for Basin recharge arising from stormwater as follows:

- (a) 2001-2014 Stormwater Recharge Program. Stormwater recharge that arises from or is attributable to the 2001-2014 Stormwater Recharge Program shall be: (i) New Yield for the period 2001-2014 in the manner that it has been distributed through approved Watermaster Assessment Packages; and (ii) Safe Yield in each subsequent year. For the 2001-2014 Stormwater Recharge Program, Watermaster shall cause no reduction against Safe Yield requiring supplementation by the reallocation of a portion of the unproduced Overlying (Agricultural) Pool's share of the Basin's Safe Yield.
- (b) Post-2014 Stormwater Recharge Projects. For the remainder of the term of the Peace Agreement, inclusive of an extension term, if any, stormwater recharge that arises from or is attributable to Post-2014 Stormwater Recharge Projects shall be allocated as set forth in this Paragraph 5.1(b).
  - (i) Interim Accounting Between Resets. For any and all Post-2014 Stormwater Recharge Projects completed in the interim periods between subsequent Safe Yield resets, Net New Recharge attributable to specific Post-2014 Stormwater Recharge Projects shall be New Yield, as that term is defined in the Peace Agreement and will be allocated based upon observed and quantified annual net-increases rather than projected future estimates of annual performance. New Yield attributable to Post-2014 Stormwater Recharge Projects shall be credited annually to the Project participants, in the Production Year in which such New

Yield actually arises. Post-2014 Stormwater Recharge Project New Yield is in addition to Safe Yield and therefore by definition it shall cause no reduction against Safe Yield requiring supplementation by the reallocation of a portion of the unproduced Overlying (Agricultural) Pool's share of the Basin's Safe Yield.

- (ii) Post-Safe Yield Reset Accounting for Post-2014 Stormwater Recharge Projects. Upon any reset of the Safe Yield after 2015, any Net New Recharge that occurs as a result of specific Post-2014 Stormwater Recharge Projects that have been previously approved and fully implemented at the time of the reset shall be considered as a potential change in cultural conditions as provided in the Reset Technical Memorandum and thereafter considered a component of the Safe Yield if the Post-2014 Stormwater Recharge Projects to which the Net New Recharge is attributable have been constructed and in operation for a minimum of five (5) years prior to the reset. The Net New Recharge will be measured and accounted for and will be made available exclusively to the members of the Appropriate Pool in accordance with Paragraph 5.1(c) below. Following a reset of the Safe Yield, Post-2014 Stormwater Recharge Project recharge will be included within Safe Yield and its separate measurement and allocation shall cause no reduction against Safe Yield requiring supplementation by the reallocation of a portion of the unproduced Overlying (Agricultural) Pool's share of the Basin's Safe Yield. Moreover, Post-2014 Stormwater Recharge Projects that have been fully constructed and in operation for less than five (5) years or the Net New Recharge from which is otherwise not included as a component of Safe Yield pursuant to the Reset Technical Memorandum, will be treated "as if" the Net New Recharge were Safe Yield for the limited and exclusive purpose of quantifying the annual supplementation by the reallocation of a portion of the unproduced Overlying (Agricultural) Pool's share of the Basin's Safe Yield. To assist the Parties to the Agreement in their understanding of this section, examples of how Watermaster will conduct the accounting described in this Section 5.1(b)(ii) are included in Exhibit "B" hereto.

(c) Participation in Post-2014 Stormwater Recharge Programs. The Parties contemplate that Post-2014 Stormwater Recharge Projects, such as those projects described in Watermaster's Court-approved 2013 Amendment to 2010 Recharge Master Plan Update, may be completed after the Effective Date, as part of suites of such Projects (each suite of Projects, a "Post-2014 Stormwater Recharge Program" and collectively, "Post-2014 Stormwater Recharge Programs"). Watermaster shall prepare an estimate of the Net New Recharge projected to arise from or be attributable to proposed Post-2014 Stormwater Recharge Programs. Based on this pre-approval estimate, Watermaster shall quantify each member of the Appropriate Pool's proportionate share of the potential Net New Recharge benefits in accordance with its percentage of Operating Safe Yield and calculate its corresponding capital financing obligations. Each Appropriate Pool member's proportionate share of the potential Program Net New Recharge benefits and corresponding financing obligations shall be referred to as its "Participation Share" in the Program. The Participation Shares in a particular Program shall remain unchanged regardless of actual Program yield. Within six months of the Effective Date, Watermaster, with the recommendation and advice of the Pools and Advisory Committee, will develop rules and regulations for the definition of Post-2014 Stormwater Programs and Participation Shares therein.

Any member of the Appropriate Pool may elect, in its discretion, not to participate in certain Post-2014 Stormwater Recharge Programs. In the case a member of the Appropriate Pool has cast a final vote against an approved Post-2014 Stormwater Recharge Program, then that member may elect, in its complete discretion, to opt out of its Participation Share, by providing written notice to the members of the Appropriate Pool, within ninety (90) days of the approval of the Post-2014 Stormwater Recharge Program. Notice shall be provided through a request that the election be placed on the agenda of a regularly scheduled meeting of the Appropriate Pool, and offering the other members of the Appropriate Pool the right to assume its respective Participation Share of stormwater recharge New Yield or Safe Yield attributable to the Post-2014 Stormwater Recharge Program, along with the Pool member's assumption of all applicable rights and responsibilities.

- (i) In the event that one or more members of the Appropriative Pool voting against the approval of a Post-2014 Stormwater Recharge Program elects to opt out of its Participation Share therein, each shall permanently waive and relinquish, without limitation, all right to all the benefits accruing under its Participation Share of a Post-2014 Stormwater Recharge Program;
- (ii) An Appropriative Pool member electing to opt out of participation in a Post-2014 Stormwater Recharge Program shall be assigned no further financial obligation attributable to a Participation Share in the Post-2014 Stormwater Recharge Program that was the subject of the election;
- (iii) Fontana Water Company (FWC), a member of the Appropriative Pool, and any successor in interest thereto, shall have the first priority and exclusive right and obligation to acquire the Participation Shares, representing up to 2,000 AFY (cumulative maximum) of projected annual average recharge arising from or attributable to one or more Post-2014 Stormwater Recharge Programs, which may be made available by one or more members of the Appropriative Pool opting out of the Post-2014 Stormwater Recharge Programs. If Participation Shares in Post-2014 Stormwater Recharge Programs are available in excess of FWC's first priority right of up to 2,000 AFY under this provision, then each member of the Appropriative Pool may elect to participate in the acquisition of the excess Participation Shares along with its corresponding assumption of duties associated therewith. Available Participation Shares shall be distributed among the members of the Appropriative Pool electing to acquire the Participation Shares, pro rata based on the total number of members electing to acquire, including FWC. The acquisition of any obligations and benefits pursuant to this Paragraph shall survive the expiration of the Peace Agreement, for the life of the Post-2014 Stormwater Recharge Program, pursuant to the same terms and conditions generally applicable to all Project Participants.

- (iv) FWC shall have a right of first refusal (ROFR) as to any transfer, lease, or assignment (collectively “transfer”) of any portion of a Participation Share by any member of the Appropriative Pool until a cumulative maximum of 2,000 AFY of Participation Shares has been acquired by FWC. Any member of the Appropriative Pool desiring to transfer any portion of its Participation Share will provide sixty (60) days written notice of its intention to transfer to FWC along with a copy of any agreement and accompanied by a reasonable description of the transfer. Upon its receipt of written notice, FWC may, in its complete discretion, elect to match the offer and the Appropriative Pool member providing its notice of intention to transfer must sell the identified Participation Shares. After FWC has acquired a cumulative total of 2,000 AFY of Participation Shares, its right to share in Post-2014 Stormwater Recharge Programs shall be limited to the provisions of Paragraph 5.1(c)(iii) above. FWC’s ROFR, as described in this Section 5.1(c)(iv), shall be limited only to those transfers as to which the City of Ontario is not the proposed transferee.

5.2 Desalter-Induced Recharge. After the Effective Date and until termination of this Agreement, the Parties expressly consent to Watermaster’s accounting for Basin recharge arising from or attributable the Desalters as follows:

- (a) 2001-2014 Desalter-Induced Recharge. Induced recharge that arises from or is attributable to the Desalters for the period of production years 2001-2014 shall be accounted for as Safe Yield, in the manner it has been distributed through approved Watermaster Assessment Packages, shall not be considered New Yield, and shall not be considered to have been available for production by the Desalters.
- (b) 2015-2030 Desalter-Induced Recharge. For the production years of 2015- 2030, Watermaster shall account for induced recharge that arises from or is attributable to the Desalters as equal to fifty (50) percent of the total Desalter Production during each applicable production year up to a maximum of twenty-thousand (20,000) AFY of recharge. Consistent with Paragraph 6.2(a)(iii) of the Peace II Agreement, Watermaster shall deem the induced recharge as having been produced by

the Desalters. During each applicable production year, Watermaster shall reduce Safe Yield by an amount equal to fifty (50) percent of the total Desalter Production, up to a maximum of twenty-thousand (20,000) AFY, and require a corresponding supplementation by the reallocation of available unproduced Agricultural Pool's share of the Basin's Safe Yield.

Claims for reallocation of the remaining unproduced quantity of the Agricultural Pool's share of Safe Yield shall be satisfied consistent with section 6.3(c) of Watermaster's Rules and Regulations, as amended as part of the Peace II Measures, and the October 8, 2010 Order Approving Watermaster's Compliance with Condition Subsequent Number Eight and Approving Procedures to be used to Allocate Surplus Agricultural Pool Water in the Event of a Decline in Safe Yield.

- (c) 2031-2060 Desalter-Induced Recharge. Should the term of the Peace Agreement be extended pursuant to Paragraph 8.4 thereof, the treatment of Desalter-Induced Recharge shall be subject to the negotiation of a new and separate agreement among the Parties to the Judgment. The accounting provided for in Section 5.2(b), above, shall be without prejudice to the negotiation of such a new and separate agreement among the Parties to the Judgment. Unless otherwise agreed by the Parties, during the extension term, Watermaster shall not consider such recharge to require supplementation by the reallocation of a portion of the unproduced Agricultural Pool's share of Safe Yield.

5.3 Post-2030 Priority among Land Use Conversion and Early Transfer Claims. At the expiration of the Peace II Agreement, the 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 Conversion be treated equally are expressly repealed, including (i) the amendment to Section 6.3(c) of Watermaster's Rules and Regulations, pursuant to the Peace II measures, and (ii) Section III.(6) of the October 8, 2010 Order Approving Watermaster's Compliance with Condition Subsequent Number Eight and Approving Procedures to be used to Allocate Surplus Agricultural Pool Water in the Event of a Decline in Safe Yield. In any Peace Agreement extension term, the previous changes to Restated Judgment, Exhibit "H", Paragraph 10(b)(3)(i) effectuated by Paragraph 4.4(c) of the Peace Agreement, which, to the extent sufficient unallocated Safe Yield from the

Agricultural Pool is available for conversion claims, allocate 2.0 acre-feet of unallocated Safe Yield water for each converted acre, shall remain in effect.

## ARTICLE 6 SAFE STORAGE MANAGEMENT

6.1 Safe Storage Management. The following measures ensure that withdrawals of groundwater from authorized storage accounts within the Basin are safe, sustainable, and will not cause Material Physical Injury or undesirable results.

6.2 Safe Storage Reserve. A Safe Storage Reserve is established in the amount of one hundred thirty thousand (130,000) AF. This quantity is sufficient to ensure protection against a precipitous drop in water levels, undesirable results, and Material Physical Injury while a Storage Management Plan is developed by the Parties.

- (a) The Safe Storage Reserve shall be composed of water in the non-Supplemental Water stored water accounts of members of the Appropriative Pool, apportioned among them in accordance with their relative percentages of their quantity of non-Supplemental held in groundwater storage on July 1, 2015, consistent with the illustration shown in Exhibit "B," attached hereto, which utilizes existing July 1, 2014 information. Watermaster will update Exhibit "B" and distribute the final table when the quantities of non-Supplemental water held in groundwater storage on July 1, 2015 become available.
- (b) Watermaster shall annually report, in its Assessment Package, the quantity of water in non-Supplemental stored water accounts of the members of the Appropriative Pool. In any production year in which Watermaster determines that less than one hundred fifty thousand (150,000) AF exist in non-supplemental stored water accounts, each member of the Appropriative Pool shall maintain a stored water balance in their non-supplemental stored water accounts in an amount equal to or greater than the quantity set forth in Exhibit "B" by the close of that production year.
- (i) Watermaster will provide written notice to the Chair of the Appropriative Pool within thirty (30) days of its determination that the cumulative quantity of non-

supplemental stored water is less than one hundred fifty thousand (150,000) AF.

- (ii) Members of the Appropriative Pool shall not be restricted in their transactions (withdrawals and transfers to and from storage) unless and until Watermaster has provided notice of its determination that the cumulative quantity of non-supplemental stored water is less than one hundred fifty thousand (150,000) AF. Thereafter, and until quantities of non-supplemental stored water again exceed 150,000 AF, withdrawals from non-supplemental storage shall be subject to the provisions of Paragraph 6.1(c) below.

If, within 24 months of the Effective Date, the Court has not approved a Storage Management Plan pursuant to Paragraph 6.3, below, Watermaster, with the recommendation and advice of the Pools and Advisory Committee, will develop rules and regulations for the administration of its obligations under this Paragraph 6.2(b).

- (c) Withdrawals from Safe Storage Reserve. Members of the Appropriative Pool may make temporary withdrawals from their portions of the Safe Storage Reserve, in the event of an emergency, and permanent withdrawals for Desalter Replenishment as set forth below:

- (i) Emergency. Each member of the Appropriative Pool shall be allowed to temporarily withdraw a quantity equal to 10/13 of its portion of the Safe Storage Reserve in the event that the member of the Appropriative Pool has made a finding, in its discretion, pursuant to Water Code section 350 or other applicable law, that the ordinary demands and requirements of its customers cannot be satisfied by its other supplies such that, without access to this water, it would have insufficient supplies for human consumption, sanitation, and fire protection. The availability of water for withdrawal pursuant to this provision is expressly conditioned upon the full replenishment, at the member's expense, of any temporary withdrawals within thirty six (36) months of the withdrawal, and upon a Watermaster finding that the withdrawal will not result in Material

Physical Injury or undesirable results, consistent with the methodology defined in Exhibit "D" hereto.

(ii) Withdrawal for Desalter Replenishment. After 2024, each member of the Appropriative Pool shall be allowed to withdraw a quantity equal to 3/13 of its portion of the Safe Storage Reserve for the exclusive purpose of replenishment of Desalter production, consistent with Peace II Agreement section 6.2, Watermaster Resolution 2010-04, dedication to Desalter Replenishment in furtherance of the OBMP Implementation Plan and the maintenance of Hydraulic Control. Any such withdrawal of this water is conditioned upon a Watermaster finding that the withdrawal will not result in Material Physical Injury or undesirable results, consistent with the methodology defined in Exhibit "D" hereto.

(d) The provisions of this Paragraph 6.2 shall remain in effect only until the Court has approved a Storage Management Plan pursuant to Paragraph 6.3, below.

6.3 Development of Storage Management Plan. Within twenty four (24) months of the Effective Date, the Appropriative Pool, in coordination with other interested Pools and Parties to the Judgment, will exercise Best Efforts to develop and recommend, a Storage Management Plan to Watermaster and the Court for approval. Each of the Agricultural Pool Committee, the Non-Agricultural Pool Committee and the Appropriative Pool Committee must approve any Storage Management Plan before it may be presented to the Watermaster, provided that, at any time after exercising good faith and undertaking best efforts to reach a mutually acceptable agreement within one year from the initiation of negotiations, any Pool may submit its proposal to Watermaster, and then to the Court, for review and approval.

6.4 Storage Losses. After the Effective Date and until termination of this Agreement, consistent with Exhibit "C" hereto, the "Post-Hydraulic Control uniform loss percentage of less than 1 percent," as that terminology is used in Peace II Agreement 7.4(b), shall be a uniform annual storage loss of 0.07 percent. Storage losses for storage accounts held by persons other than Parties to the Judgment, if any, will be consistent with the requirements of the Peace Agreements. This Paragraph 6.4 shall have no effect on any agreements, in existence at the Effective Date, that provide for the exemption from storage losses of specific quantities of water resident in the Basin.

**ARTICLE 7**  
**SETTLEMENT AND RESERVATION OF RIGHTS**

7.1 Settlement. By execution of this Agreement, the Parties mutually and irrevocably fully settle their respective claims, rights and obligations, whatever they may be, regarding the timing and methodology of the 2015 Safe Yield Reset, and Watermaster's past and future accounting practices consistent with this Agreement for the apportionment of Basin recharge resulting from 2001-2014 Stormwater Recharge Program, Post-2014 Stormwater Recharge Projects, and Desalter-Induced Recharge.

7.2 Reservation of Rights: General. Nothing herein shall be construed as precluding any Party to the Judgment from seeking judicial review of any Watermaster action on the grounds that Watermaster has failed to act in accordance with the Peace Agreement as amended, the Peace II Agreement, this Agreement, the Amended Judgment, the OBMP Implementation Plan as amended, and applicable law.

7.3 Reservation of Rights: Desalter Replenishment. The Parties expressly 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 Implementation Plan 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.

The rights and obligations of the Parties regarding Replenishment Assessments attributable to all Desalters in any renewal term of the Peace Agreement are subject to the negotiation of a new and separate agreement among the Parties to the Judgment.

**ARTICLE 8**  
**TERM**

8.1 Commencement. This Agreement will become effective upon the satisfaction of all conditions precedent and shall expire on its termination, as described in Paragraph 8.2, below.

8.2 Termination. This Agreement is coterminous with of the term of the Peace Agreement, including any extension thereto, and will expire of its own terms and terminate on the date of the Peace Agreement.

8.3 Survival. Paragraphs 5.1(b)(ii) and 5.1(c) shall survive termination of this agreement.

**ARTICLE 9  
DISPUTE RESOLUTION**

9.1 Scope of Dispute Resolution. Disputes (Disputes) between the Parties other than those constituting an "Exclusion" (defined below), shall be subject to the provisions of this Paragraph.

9.2 Exclusions:

- (a) Emergency. An emergency event which, if not promptly resolved may result in imminent danger to the public health, safety or welfare shall not be subject to dispute resolution.
- (b) Complete Discretion. Those matters reserved to the complete discretion of a Party under this Agreement shall not be subject to dispute resolution.
- (c) Review under the Judgment Unaffected. The rights and remedies of the Parties to the Judgment to seek review of Watermaster actions shall not be subject to dispute resolution.

9.3 Disputes.

- (a) Each Party may submit any Dispute related to or arising under this Agreement to non-binding mediation by delivering a Notice of Dispute to the other Party;
- (b) The written Notice of Dispute prepared by the Party shall be delivered to the other Party in accordance with Section 10.13 of the Peace Agreement. The Notice of Dispute shall clearly describe the basis of the dispute and the Paragraphs of the Agreement under which the Dispute arises;
- (c) The non-binding mediation shall be conducted by Judicial Arbitration Mediation Services (JAMS) or an equivalent mediation service agreed to by the Parties;
- (d) Unless otherwise agreed, a mediator shall be appointed within forty-five (45) days of the date the Notice of Dispute is delivered to hear the dispute and provide a written determination. The mediator shall be chosen jointly by the Parties. If the Parties cannot agree, the Court shall appoint the mediator. Employees or agents of Watermaster or any Party to the Judgment are ineligible to serve as the mediator;

- (e) The mediation shall be held within ninety (90) days of the date the Notice of Dispute is delivered;
- (f) Any statute of limitations applicable to any claims, rights, causes of action, suits, or liabilities of whatever kind or nature, in law, equity or otherwise, whether known or unknown, shall be tolled during the mediation process. For purposes of this Paragraph, the mediation process shall commence upon the service of a Notice of Dispute to the other Party pursuant to Paragraph 9.3(b) above. For purposes of this Paragraph, the mediation process shall be deemed complete ten (10) days after service of the mediator's written notice of the conclusion of the mediation.

**ARTICLE 10**  
**GENERAL PROVISIONS**

10.1 Construction of this Agreement. Each Party, with the assistance of competent legal counsel, has participated in the drafting of this Agreement and any ambiguity should not be construed for or against any Party on account of such drafting.

10.2 Awareness of Contents/Legal Effect. The Parties expressly declare and represent that they have read the Agreement and that they have consulted with their respective counsel regarding the meaning of the terms and conditions contained herein. The Parties further expressly declare and represent that they fully understand the content and effect of this Agreement and they approve and accept the terms and conditions contained herein, and that this Agreement is executed freely and voluntarily.

10.3 Amendments and/or Changes to Agreement.

- (a) Any amendments and/or changes to this Agreement must be in writing, signed by a duly authorized representative of the Parties hereto, and must expressly state the mutual intent of the Parties to amend this Agreement as set forth herein. The Parties to this Agreement recognize that the terms and conditions of this Agreement, which are set forth herein in the Paragraphs preceding this Paragraph, have been arrived at through the collective negotiations by the Parties.
- (b) The Parties hereby agree that no amendments and/ or changes may be made to this Agreement without the express written

approval of each Party to this Agreement, provided that upon request, no such approval shall be unreasonably withheld.

10.4 Counterparts. This Agreement may be executed in counterparts. This Agreement shall become operative as soon as one counterpart hereof has been executed by each Party. The counterparts so executed shall constitute on Agreement notwithstanding that the signatures of all Parties do not appear on the same page.

IN WITNESS WHEREOF, the Parties hereto have set forth their signatures as of the date written below:

DRAFT

## EXHIBITS

- A. Reset Technical Memorandum
- B. Section 5.1(b)(ii) Accounting Examples
- C. Safe Storage Reserve Allocation Illustration
- D. Storage Losses Technical Memorandum
- E. Safe Storage Withdrawal Technical Memorandum
- F. Watermaster Resolution No. 2015-XX

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## Reset Technical Memorandum

<b>To:</b>	<b>Peter Kavounas, General Manager of the Chino Basin Watermaster</b>
<b>From:</b>	<b>Mark Wildermuth and Andy Malone</b>
<b>Date:</b>	<b>August 10, 2015</b>
<b>Subject:</b>	<b>Methodology to Reset Safe Yield Using Long-Term Average Hydrology and Current and Projected Future Cultural Conditions</b>
<b>Job No.:</b>	<b>007-014-076</b>

The Safe Yield of the Chino Basin is defined within the Judgment as:

The *long-term average* annual 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 under *cultural conditions* of a particular year without causing an undesirable result. (emphasis added)

The “long-term average annual quantity of ground water which can be produced from the Basin” is directly related to the long-term average hydrologic conditions, such as precipitation. The “cultural conditions” refer to the overlying land uses and water-management practices that affect the net recharge to the Basin, including but not limited to, impervious cover, channel lining, land use conversions from agricultural to urban uses, installation and operation of the Chino Desalter well fields, construction of recharge basins and the location and magnitude of groundwater pumping, etc.

The Judgment additionally provides for a Physical Solution to provide maximum flexibility and adaptability in order that Watermaster and the Court may be free to use existing and future technological, social, institutional and economic options, in order to maximize beneficial use of the waters of Chino Basin. (Restated Judgment, ¶ 40).

Subject to these requirements, Watermaster developed an optimum basin management program [OBMP] that both preserved the quantity of the Basin’s waters and maximized their beneficial use. (Restated Judgment, ¶ 41).

Watermaster’s OBMP Implementation Plan called for an initial redetermination of Basin’s Safe Yield in 2010/2011, using monitoring data that would be gathered for the first time during 2000/01 through 2009/10. (OBMP Implementation Plan, pages 44-45

[Program Element 8 – Develop and Implement Groundwater Storage Management Program, Program Element 9 – Develop and Implement Storage and Recovery Programs]). This requirement is additionally carried forward in Section 6.5 of Watermaster’s Rules and Regulations, which states that the “Safe Yield shall be recalculated in year 2010/11 based upon data from the ten-year period 2000/01 to 2009/10.”

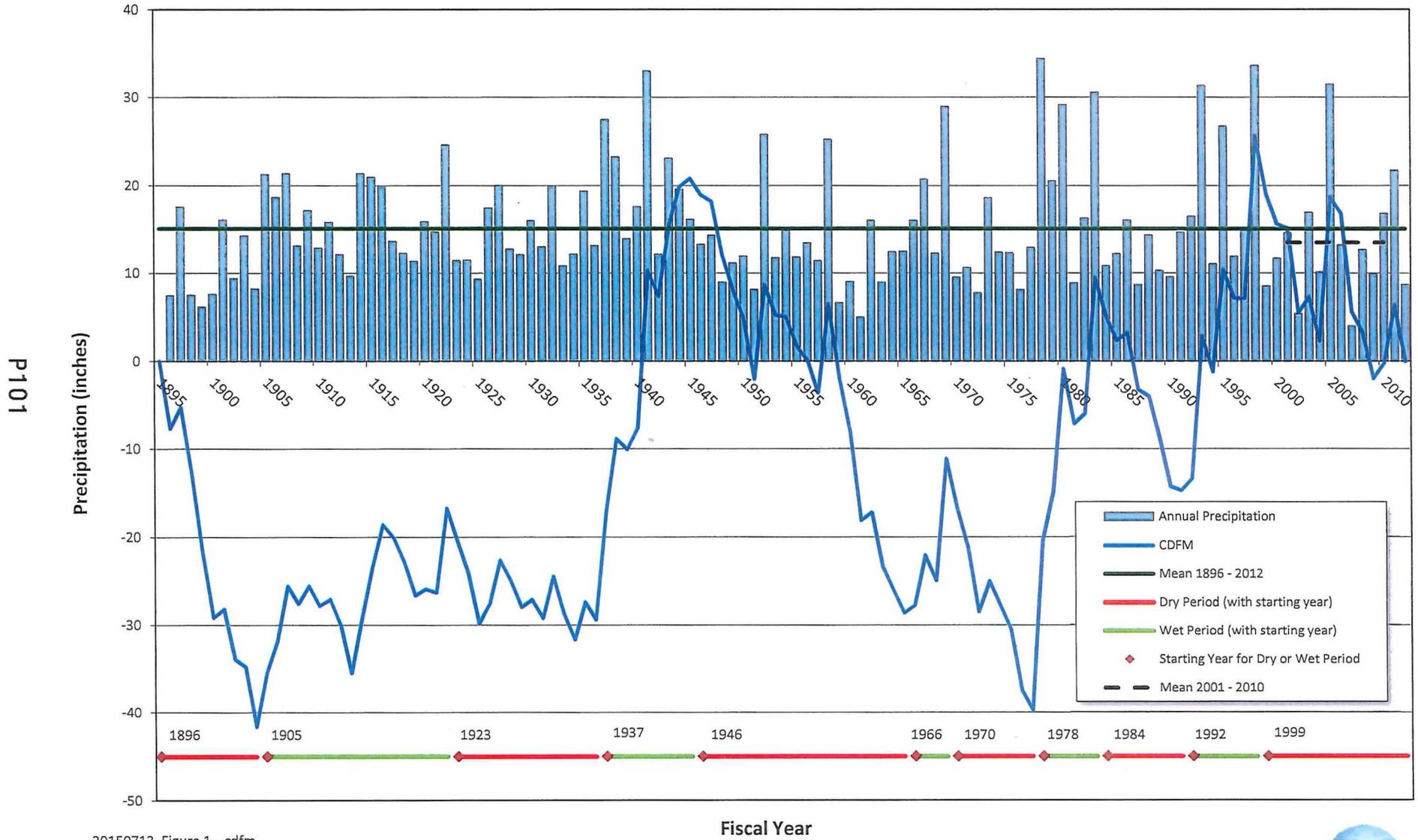
The methodology to redetermine the Safe Yield for 2010/11 and the recommended methodology for future Safe Yield evaluations is listed below. This methodology is consistent with professional custom, standard and practice, and the definition of Safe Yield in the Judgment and the Physical Solution.

1. Use the data collected during 2000/01 to 2009/10 (and in the case of subsequent resets newly collected data) in the re-calibration process for the Watermaster’s groundwater-flow model.
2. Use a long-term historical record of precipitation falling on current and projected future land uses to estimate the long-term average net recharge to the Basin.
3. Describe the current and projected future cultural conditions, including, but not limited to the plans for pumping, stormwater recharge and supplemental-water recharge.
4. With the information generated in [1] through [3] above, use the groundwater-flow model to redetermine the net recharge to the Chino Basin taking into account the then existing current and projected future cultural conditions.
5. Qualitatively evaluate whether the groundwater production at the net recharge rate estimated in [4] above will cause or threaten to cause "undesirable results" or "Material Physical Injury". If groundwater production at net recharge rate estimated in [4] above will cause or threaten to cause "undesirable results" or "Material Physical Injury" then Watermaster will identify and implement prudent measures necessary to mitigate "undesirable results" or "Material Physical Injury", set the value of Safe Yield to ensure there is no "undesirable results" or "Material Physical Injury", or implement a combination of mitigation measures and a changed Safe Yield.



**Figure 1 Annual Precipitation Over the Chino Basin and Cumulative Departure from Mean (CDFM) Precipitation**

Based on Monthly Precipitation Estimates from PRISM



20150713 Figure 1-- cdfm  
 Created 03/05/2013  
 Printed 7/13/2015



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Net Ag Pool Reallocation Scenario  
 Including Desalter-Induced Recharge of 50% Desalter Production  
 Land Use Conversion and Ag Production Based on Linear Projections for Ultimate Build-Out at 2049/2050

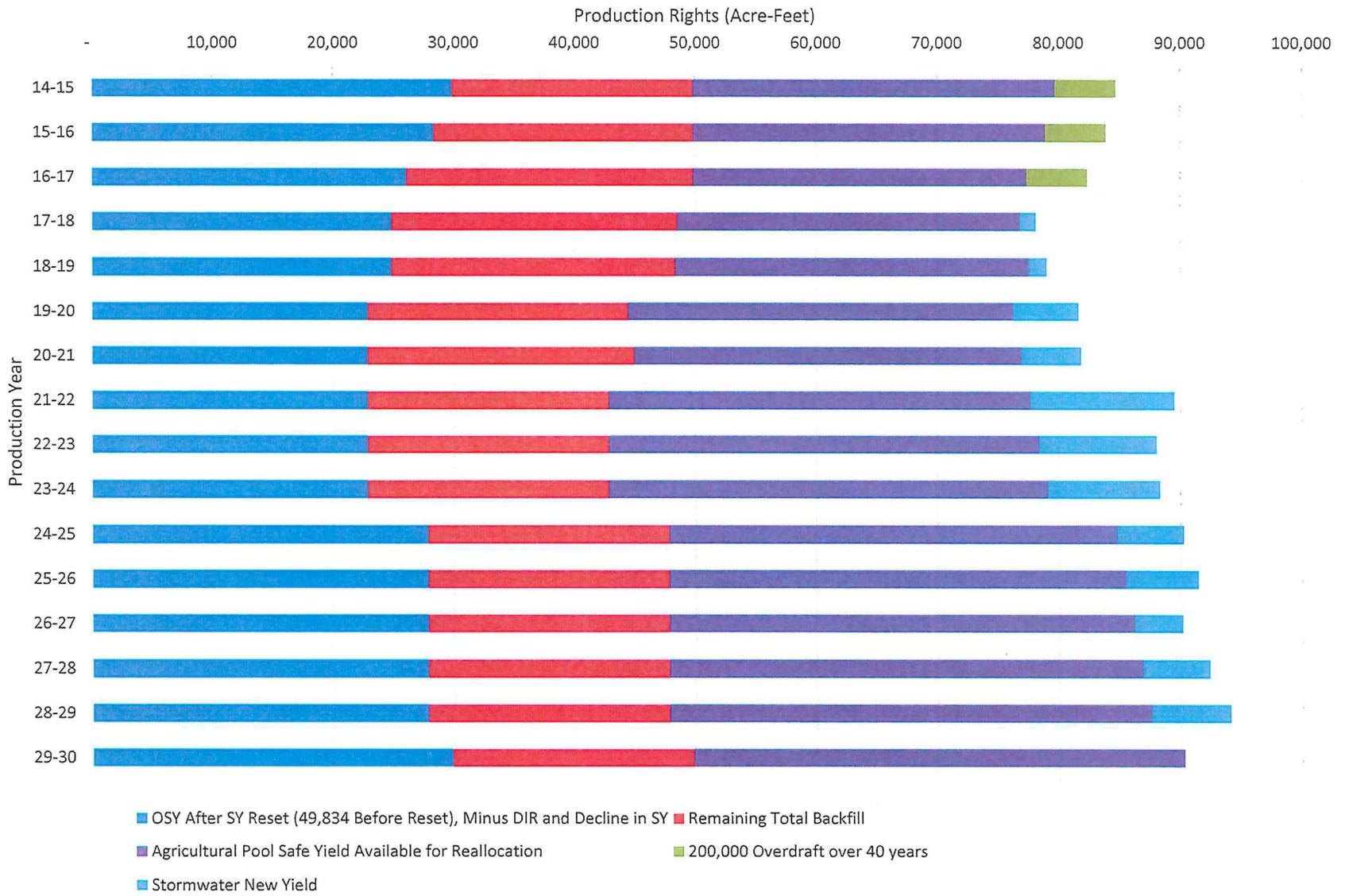
Assume build-out is at 2050, and occurs linearly. Based on 11/2014 Watermaster Staff Projections.

Assume Ultimate Agricultural Total Pool Physical Production (Including Voluntary Agreements) =	6,601
Assume Ultimate Agricultural Total Pool Voluntary Agreements =	1,560
Assume Ultimate Land Use Conversion =	50,399

	Production Year															
	PROJECTED Ag Production & Land Use Conversion Values															
	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
Assumptions:																
Safe Yield	135,000	135,000	135,000	135,000	135,000	133,000	133,000	133,000	133,000	133,000	138,000	138,000	138,000	138,000	138,000	140,000
Change in Safe Yield (= 140,000 AF - New Safe Yield)	5,000	5,000	5,000	5,000	5,000	7,000	7,000	7,000	7,000	7,000	2,000	2,000	2,000	2,000	2,000	-
Desalter-Induced Recharge (To Be Allocated Toward DRO Until 2030)	15,000	16,500	18,750	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
<b>Backfill Due to Decline in Safe Yield &amp; DRO</b>	<b>20,000</b>	<b>21,500</b>	<b>23,750</b>	<b>25,000</b>	<b>25,000</b>	<b>27,000</b>	<b>27,000</b>	<b>27,000</b>	<b>27,000</b>	<b>27,000</b>	<b>22,000</b>	<b>22,000</b>	<b>22,000</b>	<b>22,000</b>	<b>22,000</b>	<b>20,000</b>
Net New Recharge	-	-	-	1,300	1,500	5,400	4,900	11,850	9,700	9,250	10,900	11,400	9,400	10,900	11,900	11,000
Portion of Net New Recharge That Is Measured Yield (SW New Yield)	-	-	-	1,300	1,500	5,400	4,900	11,850	9,700	9,250	5,500	6,000	4,000	5,500	6,500	-
Portion of Net New Recharge That Is Annualized Yield (Incl. as Safe Yield)	-	-	-	-	-	-	-	-	-	-	5,400	5,400	5,400	5,400	5,400	11,000
<b>Reduction in Backfill (Stormwater Projects "As If")</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,300</b>	<b>1,500</b>	<b>5,400</b>	<b>4,900</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>
<b>Remaining Total Backfill</b>	<b>20,000</b>	<b>21,500</b>	<b>23,750</b>	<b>23,700</b>	<b>23,500</b>	<b>21,600</b>	<b>22,100</b>	<b>20,000</b>								
Agricultural Pool Safe Yield	82,800	82,800	82,800	82,800	82,800	82,800	82,800	82,800	82,800	82,800	82,800	82,800	82,800	82,800	82,800	82,800
Agricultural Total Pool Physical Production	(21,656)	(21,226)	(20,796)	(20,366)	(19,936)	(19,506)	(19,076)	(18,645)	(18,215)	(17,785)	(17,355)	(16,925)	(16,495)	(16,065)	(15,634)	(15,204)
Agricultural Total Pool Voluntary Agreements	(11,275)	(10,997)	(10,720)	(10,442)	(10,164)	(9,887)	(9,609)	(9,332)	(9,054)	(8,777)	(8,499)	(8,222)	(7,944)	(7,666)	(7,389)	(7,111)
<b>Remaining Total Backfill</b>	<b>(20,000)</b>	<b>(21,500)</b>	<b>(23,750)</b>	<b>(23,700)</b>	<b>(23,500)</b>	<b>(21,600)</b>	<b>(22,100)</b>	<b>(20,000)</b>								
Agricultural Pool Safe Yield Available for Reallocation	29,869	29,077	27,534	28,292	29,200	31,807	32,015	34,823	35,530	36,238	36,946	37,654	38,361	39,069	39,777	40,484
Total Land Use Conversions	(26,835)	(27,508)	(28,181)	(28,855)	(29,528)	(30,201)	(30,875)	(31,548)	(32,221)	(32,894)	(33,568)	(34,241)	(34,914)	(35,587)	(36,261)	(36,934)
Early Transfer	(32,800)	(32,800)	(32,800)	(32,800)	(32,800)	(32,800)	(32,800)	(32,800)	(32,800)	(32,800)	(32,800)	(32,800)	(32,800)	(32,800)	(32,800)	(32,800)
Potential for Ag Pool Reallocation	(59,635)	(60,308)	(60,981)	(61,655)	(62,328)	(63,001)	(63,675)	(64,348)	(65,021)	(65,694)	(66,368)	(67,041)	(67,714)	(68,387)	(69,061)	(69,734)
<b>Required Ag Pool Reallocation Adjustment</b>	<b>(29,766)</b>	<b>(31,232)</b>	<b>(33,447)</b>	<b>(33,363)</b>	<b>(33,128)</b>	<b>(31,194)</b>	<b>(31,660)</b>	<b>(29,525)</b>	<b>(29,491)</b>	<b>(29,456)</b>	<b>(29,422)</b>	<b>(29,387)</b>	<b>(29,353)</b>	<b>(29,319)</b>	<b>(29,284)</b>	<b>(29,250)</b>

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### Net Ag Pool Reallocation Scenario



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**Safe Yield Reset Implementation**  
**Safe Storage Reserve Accounting Illustration<sup>1</sup>**  
**Excess Carryover Storage Account Ending Balances as of June 30, 2014 / July 1, 2014<sup>1</sup>**  
**(Per June 11, 2015 Key Principles)**  
**(Acre-Feet)**

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[A] Appropriative Pool Party	[B] Excess Carryover (ECO) Balance <sup>2</sup>	[C] ECO Percent of Total	[D]		[E]	[F]
			Emergency		Safe Storage Reserves	
			ECO Party	Percent Applied Over 100,000 AF	Post-2024 Desalter Replenishment ECO Party	Percent Applied Over 30,000 AF
Arrowhead Mtn Spring Water Co	0.000	0.000%		0.000	0.000	0.000
Chino Hills, City Of	7,044.754	3.041%		3,040.738	912.221	3,952.959
Chino, City Of	65,507.715	28.275%		28,275.193	8,482.558	36,757.751
Cucamonga Valley Water District	41,927.991	18.097%		18,097.441	5,429.232	23,526.674
Desalter Authority	0.000	0.000%		0.000	0.000	0.000
Fontana Union Water Company	0.000	0.000%		0.000	0.000	0.000
Fontana Water Company	0.000	0.000%		0.000	0.000	0.000
Fontana, City Of	0.000	0.000%		0.000	0.000	0.000
Golden State Water Company	1,216.503	0.525%		525.081	157.524	682.605
Jurupa Community Services District	7,272.166	3.139%		3,138.896	941.669	4,080.565
Marygold Mutual Water Company	832.906	0.360%		359.508	107.853	467.361
Monte Vista Irrigation Company	4,959.655	2.141%		2,140.743	642.223	2,782.966
Monte Vista Water District	6,639.003	2.866%		2,865.603	859.681	3,725.284
Niagara Bottling, LLC	0.000	0.000%		0.000	0.000	0.000
Nicholson Trust	1,129	0.000%		0.487	0.146	0.634
Norco, City Of	3,058.998	1.320%		1,320.360	396.108	1,716.468
Ontario, City Of	31,465.957	13.582%		13,581.698	4,074.509	17,656.207
Pomona, City Of	28,375.606	12.248%		12,247.805	3,674.342	15,922.147
San Antonio Water Company	4,447.513	1.920%		1,919.687	575.906	2,495.593
San Bernardino, County of (Shooting Park)	0.000	0.000%		0.000	0.000	0.000
Santa Ana River Water Company	1,835.140	0.792%		792.104	237.631	1,029.735
Upland, City Of	16,682.750	7.201%		7,200.800	2,160.240	9,361.040
West End Consolidated Water Co	4,028.903	1.739%		1,739.001	521.700	2,260.702
West Valley Water District	6,382.421	2.755%		2,754.854	826.456	3,581.310
<b>Total</b>	<b>231,679.110</b>	<b>100.000%</b>		<b>100,000.000</b>	<b>30,000.000</b>	<b>130,000.000</b>

1. Per the Key Principles, the Safe Storage Reserves are to be calculated based on July 1, 2015 ECO account balances. The table will be updated and distributed when these numbers become available.

2. Excess Carry Over (ECO) water is subject to Safe Storage, and Supplemental water is not.

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## Storage Losses Technical Memorandum

<b>To:</b>	Peter Kavounas, General Manager of the Chino Basin Watermaster
<b>From:</b>	Mark Wildermuth, Wenbin Wang
<b>Date:</b>	September 4, 2015
<b>Subject:</b>	Storage Losses After Achievement of Hydraulic Control
<b>Job No.:</b>	007-015-076

### Background

In May 2014, Wildermuth Environmental, Inc. (WEI) completed an assessment of the state of hydraulic control and identified the timing of attainment of hydraulic control, based on a schedule to bring the Chino Creek Well Field (CCWF) and three new Desalter II wells online. This work was documented in a letter report to Watermaster dated May 29, 2014. The letter report was provided to the Regional Board to demonstrate that the implementation of the Chino Desalter Authority (CDA) project and Reoperation would ensure that hydraulic control is achieved and maintained in the future as agricultural groundwater production declines.

This Technical Memorandum describes WEI's assessment of hydraulic control, based on the CDA production plan, and provides an estimate of storage loss.

### CDA Production Plan and Schedule

Table 1 lists existing and proposed CDA wells, nominal production capacities in gallons per minute (gpm), use factors (fraction of time well is in use), effective production capacities (gpm), and annual production expressed in acre-feet/year (afy). This table was initially provided by Curtis Paxton of the CDA on April 21, 2014 via email and updated by him on August 20, 2015. Figure 1 shows the locations of the existing and proposed CDA wells. The CDA is constructing three new wells; two of which (II-10 and II-11) will become operational in January 2016 and the third well (II-12) will become operational in June 2016. All of the new wells are projected to have a production capacity of about 2,000 gpm. Table 1 indicates when the CCWF and new wells are projected to come on-line. The CCWF is projected to come on-line later this year, and hydraulic control will be achieved shortly thereafter.

### Analysis of Hydraulic Control with CDA Proposed Expansion

The projected state of hydraulic control was estimated with the 2013 Groundwater Model by simulating the Chino Basin's response to Watermaster planning Scenarios 5A and 5G<sup>1</sup>. Scenarios 5A and 5G are identical except for the location of the future CDA II-12 well and when its production commences. Scenarios 5A and 5G contain identical projected future groundwater production and recharge and replenishment plans. Scenarios 5A and 5G include a gradual increase in groundwater production by the Appropriator Parties, based on groundwater production projections developed in the 2013 Amendment to the 2010 Recharge Master Plan Update,<sup>2</sup> and assume that replenishment and recharge operations would be conducted by Watermaster pursuant to the Judgment and Peace Agreements. Planning Scenarios 5A and 5G assume:

- The planning period runs from 2012 through 2050.
- The economy will expand with the build out of undeveloped land occurring by 2030.
- The CDA expansion would occur based on an approved schedule, and re-operation will occur based on the current approved schedule through 2030.
- The 6,500 acre-ft/yr supplemental water recharge obligation for MZ1 will terminate in 2030.
- Projected future recycled water recharge estimates were provided by the IEUA.
- Projected future stormwater recharge estimates were based on average historical stormwater recharge estimates.
- There will be no increase in future stormwater recharge capacity.
- The 5,000 acre-ft/yr of controlled overdraft pursuant to the Judgment will cease after 2017.
- Production rights will be based on the current and projected future Safe Yield.
- Groundwater production estimates for fiscal years 2012 and 2013 were actual production estimates, and groundwater production estimates for 2014 through 2050 were provided by the Parties or developed by Watermaster staff and approved by the Parties.
- The annual replenishment obligation was estimated using the efficient market assumption that includes the following:

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<sup>1</sup> Planning scenarios 5A through 5F were created to investigate the groundwater response to assuming different base periods for resetting Safe Yield. Watermaster is using Scenario 5A for the Safe Yield reset. Scenario 5G is identical Scenario 5A except for the location of CDA well II-12.

<sup>2</sup> [http://www.cbwm.org/rep\\_engineering.htm](http://www.cbwm.org/rep_engineering.htm)

- On a go-forward (post 2013) basis, under-producers will transfer un-pumped rights to over-producers each year; that is, there is an efficient market that moves unused production rights from under-producers to over-producers.
- Water in storage accounts will be used to meet future replenishment obligations prior to the purchase of supplemental water for wet-water for recharge.
- All transfers among the parties and depletion from storage accounts will not cause MPI.

The model-projected groundwater response for Scenarios 5A and 5G are identical except in the immediate vicinity of proposed CDA well II-12 locations. Scenario 5G is representative of the actual well location for CDA well II-12. Therefore for simplicity and clarity for presentation only Scenario 5G is discussed further herein.

The attainment of hydraulic control is measured either by demonstrating, from groundwater elevation data, that all groundwater north of the desalter well fields cannot pass through the desalter well fields (total hydraulic containment standard) or that the groundwater discharge through the desalter well fields is, in aggregate, less than 1,000 afy (de minimis standard). The Regional Board has agreed that compliance with the de minimis standard will be determined from the results of periodic calibrations of the Watermaster groundwater model and the interpretations of the calibration results.

Figures 2a and 2b illustrate the state of hydraulic control for Scenario 5G for 2020 and 2025, respectively. These maps include groundwater-elevation contours and arrows that depict groundwater-flow directions in the southern part of the Chino Basin in the vicinity of the CDA well field and the Santa Ana River. Hydraulic containment is attained at and east of CDA well I-20 by 2020 for both scenarios.

Groundwater discharge from the Chino North Management Zone to the Prado Basin Management Zone and the Santa Ana River is projected to not be fully contained by the CCWF in the area between the Chino Hills and CDA well I-20. Groundwater discharge through the CCWF was estimated through the analysis of 2013 Groundwater Model projected cell-by-cell discharges through the CCWF. Table 2 lists the projected annual time series of this discharge through the CCWF for Scenario 5G (as reported in the May 29, 2014 report to the Regional Board) and comparable time series, taking into account an updated schedule to bring the CCWF online. Using the *de minimis* discharge threshold of 1,000 afy or less of groundwater discharge from the Chino North Management Zone to the Santa Ana River, hydraulic control is achieved in 2016 and maintained thereafter. Thus, hydraulic control will likely be established in 2016.

### Storage Losses after the Achievement of Hydraulic Control

Surface water discharge in the Santa Ana River consists of storm flow and base flow. Base flow is divided into two components: wastewater discharged from publicly owned treatment plants and rising groundwater. Section 2 of the *Optimum Basin Management Program, Phase 1 Report*<sup>3</sup> contains a description of the relationship of groundwater discharge from the Chino Basin to the Santa Ana River due to storing water in the Chino Basin. The discussion below describes the theoretical background for the storage loss rate and its application using the modeling results from the hydraulic control investigation described above.

In the absence of complete hydraulic containment, the aggregate volume of water held in storage accounts and carryover will increase groundwater discharge and a subsequent increase in Santa Ana River base flow. The physics of the groundwater storage-base flow relationship can be represented by the linear reservoir theory<sup>4</sup>, where discharge is directly proportional to storage:

$$Q = K * S$$

Where:

- Q is the discharge from storage (afy)
- S is the volume of water in storage (af)
- K is the linear reservoir coefficient ( $y^{-1}$ )

This formula can be calibrated to a specific range of storage and groundwater management conditions. Figure 3 shows the relationship of total groundwater discharge through the CCWF to the projected future aggregate volume of water held in storage accounts and carryover<sup>5</sup>; this relationship is shown by the dark blue curve. This curve is divided into two parts, corresponding to the period of projected future increases in the aggregate volume of water in storage accounts and carryover (2015 through 2023) and the subsequent period of decline in the aggregate volume of water in storage accounts and carryover (2024 through 2043). Inspection of the curve indicates the following:

- The decreasing storage limb of the curve has a slope of about 0.07 percent for a range of storage of 0 to 450,000 af and where the slope is the storage loss rate (K).

<sup>3</sup> *Optimum Basin Management Program Report, Phase 1 Report*, prepared by WEI and submitted to Watermaster in August 1999. [http://www.cbwm.org/rep\\_engineering.htm](http://www.cbwm.org/rep_engineering.htm)

<sup>4</sup> This is discussed in hydrology textbooks when covering hydrograph decomposition. For example, see Section 7-2 in *Hydrology for Engineers* by Linsley, Kohler and Paulhus, second edition, 1975.

<sup>5</sup> Though Watermaster does not consider carryover water to be stored water, it is included in this document because the model considers it in the same manner as stored water.

- The increasing storage limb of the curve is too short to interpret except to conclude that it is suggestive of a comparable storage loss rate.
- The increasing limb of the curve does not include the full hydraulic effect of the CCWF well field as it was assumed to come online in 2014, and the production trough created by it will take a few years to reach its maximum effectiveness.
- There is a minimum groundwater discharge through the CCWF of about 500 afy regardless of amount of water in storage: when the aggregate volume of water in storage accounts and carryover is 0 af, the groundwater discharge is about 500 afy.

Watermaster should use the slope of the decreasing limb of the curve to estimate the storage loss rate. The second (green) curve shown in Figure 3 represents the estimated discharge through the CCWF attributable to the aggregate volume of water in storage accounts and carryover. It is identical to the total discharge through the CCWF curve plotted above minus 500 afy. Based on modeling work described herein, there will be about 500 afy of discharge through the CCWF regardless of the volume of water in storage accounts and carryover. This base 500 afy discharge is an artifact of the CCWF design and projected operation. This base 500 afy of discharge is accounted for in the net recharge calculation and could be eliminated through additional production wells in the CCWF.

The planning assumptions used to project future groundwater conditions presented herein represent the best estimate of future basin management at the time the assumptions were made. These assumptions will likely change in the future and new future projections will be made. Watermaster will revise the planning assumptions and projected hydrologic conditions when it reevaluates net recharge and Safe Yield in 2020, 2025 and 2030. Watermaster has a maximum benefit requirement to assess the state of hydraulic control and report its findings to the Regional Board when it evaluates the net recharge and Safe Yield. It is our professional opinion that under a range of plausible future changes in cultural conditions that the storage loss rate will not change significantly from that estimated herein.

### **Recommendation**

Upon achieving hydraulic control, Watermaster should change the storage loss rate used in its accounting process from 2.00 percent to 0.07 percent. Achieving hydraulic control will reduce losses from the aggregate volume of water in storage accounts and carryover by about 97 percent.

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**Table 1**  
**CDA Desalter Well Production Schedule for Scenario 5G**  
**As of May 2014**

Well	Operational Assumptions		Model-Assumed Production		Well in Service
	Current Capacity (gpm)	Operating Factor (% used)	Average Capacity (gpm)	Annual Capacity (afy)	
(1)	(2)	(3)	(4) = (2) * (3)	(5) = (4) * 1.631	(6)
CDA I-1	399	95%	379	611	Now
CDA I-2	210	95%	200	322	Now
CDA I-3	555	95%	527	850	Now
CDA I-4	170	95%	162	260	Now
CDA I-5	1,327	70%	932	1,504	Now
CDA I-6	297	70%	209	337	Now
CDA I-7	302	70%	212	342	Now
CDA I-8	1,098	70%	771	1,244	Now
CDA I-9	1,096	70%	770	1,242	Now
CDA I-10	1,304	70%	916	1,478	Now
CDA I-11	789	70%	554	894	Now
CDA I-13	1,185	70%	833	1,343	Now
CDA I-14	2,103	70%	1,477	2,383	Now
CDA I-15	2,496	70%	1,754	2,828	Now
CDA I-16	250	70%	176	283	5/1/2014
CDA I-17	300	70%	211	340	5/1/2014
CDA I-18	0	0%	0	0	Not Used
CDA I-19	0	0%	0	0	Abandoned
CDA I-20	400	70%	281	453	9/1/2015
CDA I-21	400	70%	281	453	9/1/2015
CDA II-1	2,162	70%	1,519	2,450	Now
CDA II-2	1,791	70%	1,258	2,029	Now
CDA II-3	1,848	70%	1,298	2,094	Now
CDA II-4	2,030	70%	1,426	2,300	Now
CDA II-6	1,758	70%	1,235	1,992	Now
CDA II-7	1,089	70%	765	1,234	Now
CDA II-8	1,287	70%	904	1,458	Now
CDA II-9A	1,980	70%	1,391	2,244	Now
CDA II-10	2,000	70%	1,405	2,266	1/1/2016
CDA II-11	2,000	70%	1,405	2,266	1/1/2016
CDA II-12 Opt 1					Not Used
CDA II-12 Opt 2					Not Used
CDA II-12 Opt 3	2,000	70%	1,405	2,266	6/1/2016
<b>Totals</b>	<b>34,626</b>	<b>71%</b>	<b>24,656</b>	<b>39,768</b>	
CCWF Sub-totals	1,350		948	1,530	

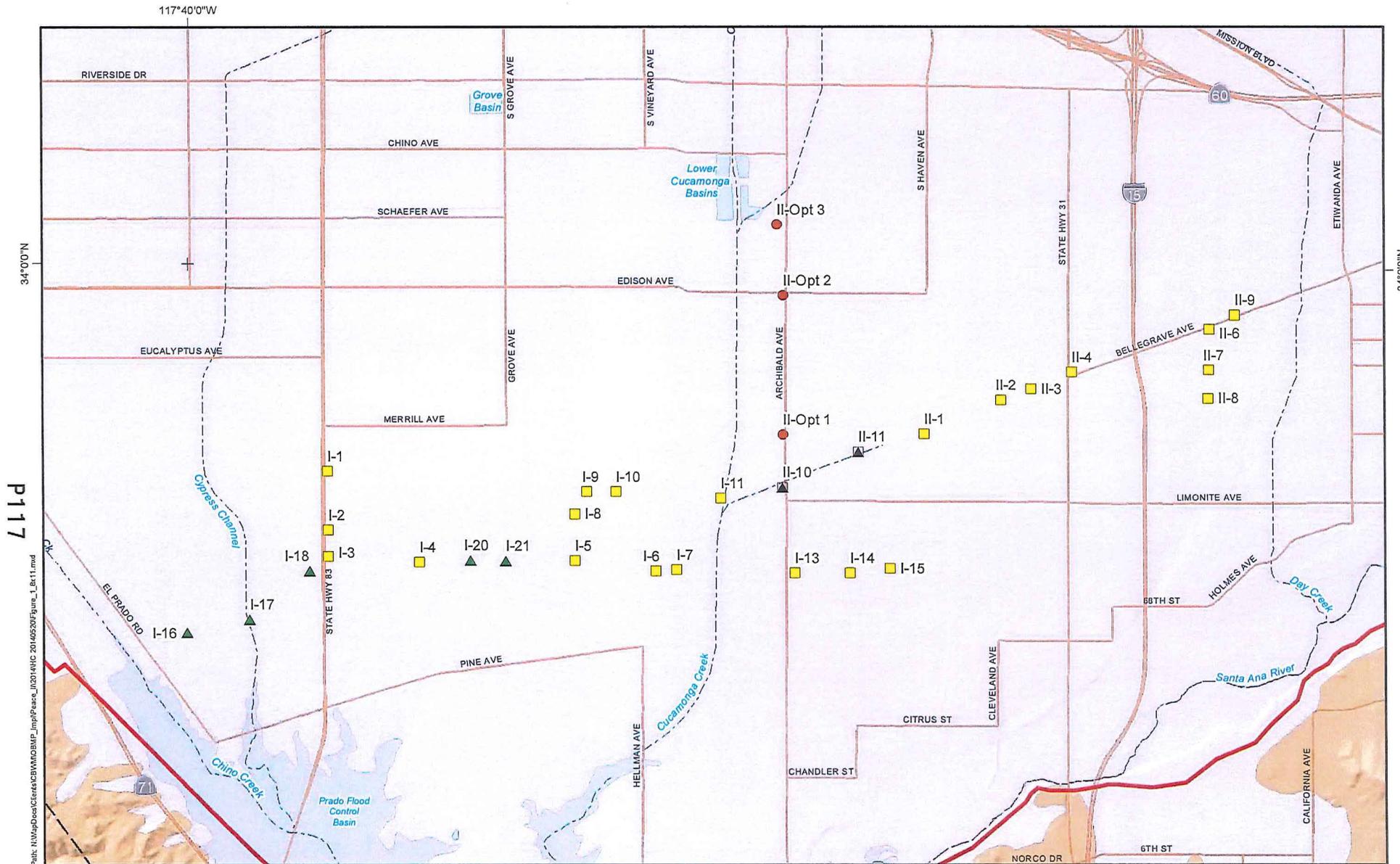


**Table 2**  
**Subsurface Discharge through the CCWF for Scenario 5G**  
 (afy)

Year	Per May 29, 2014 Report	July 31, 2015 Technical Memorandum <sup>1</sup>
2014	1,061	
2015	910	1,061
2016	910	910
2017	916	910
2018	917	916
2019	911	917
2020	905	911
2021	904	905
2022	898	904
2023	888	898
2024	876	888
2025	863	876
2026	850	863
2027	837	850
2028	824	837
2029	811	824
2030	797	811
2040	584	562
2050	417	416

<sup>1</sup> The groundwater discharge through the CCWF in the July 31 Technical Memorandum is, for any given year, has been assumed equal the discharge in the May 29, 2014 Report for the immediately prior year. That is, it has been lagged a year to account for the delay in bringing the CCWF online.

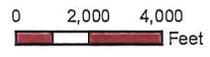




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**Chino Basin Hydrologic  
 Control and Safe Yield**

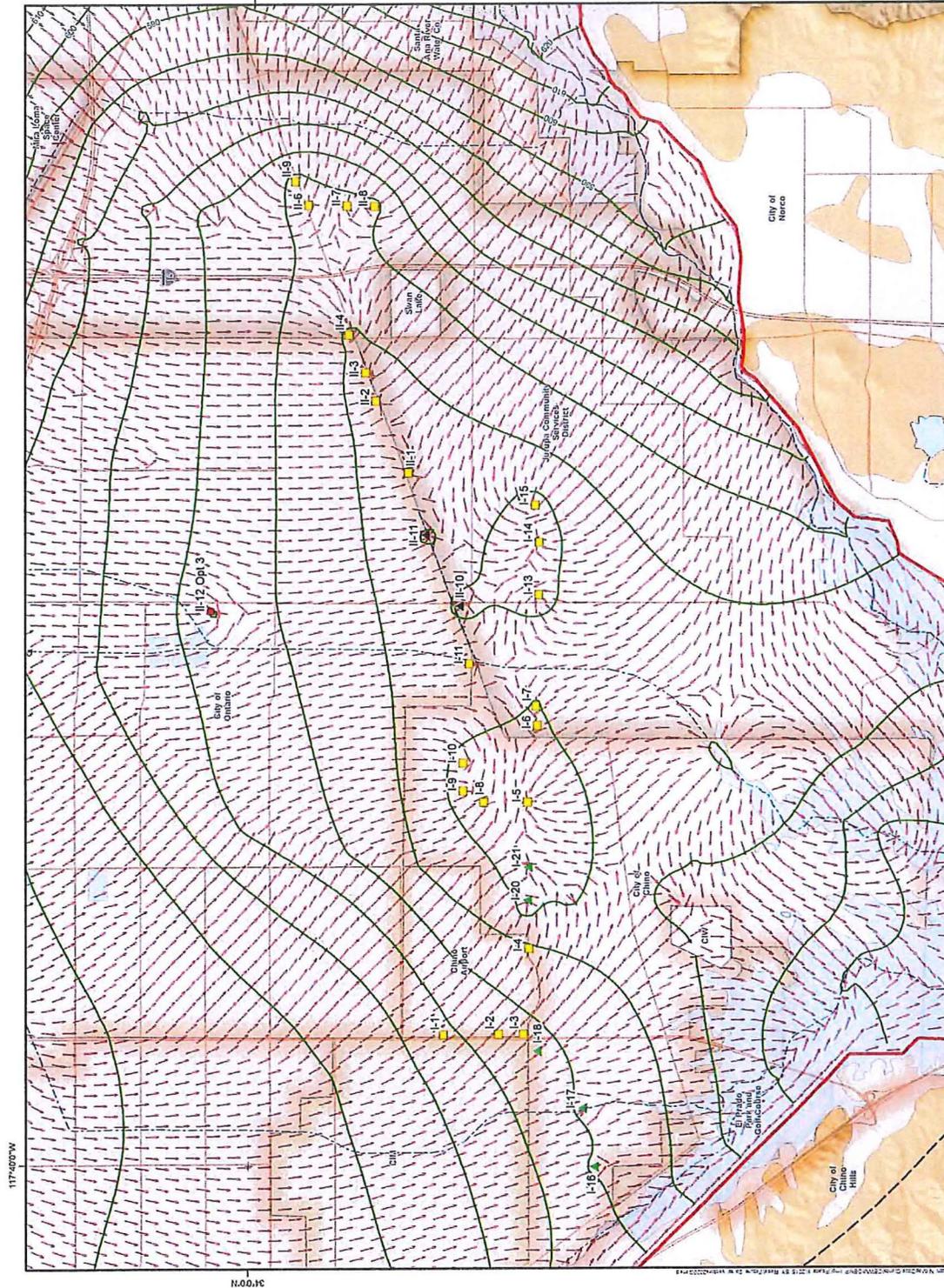
Author: LBB  
 Date: 8/11/2015

- Existing Chino Desalter Wells
- ▲ New Chino Creek Well Field Wells
- Future Chino II Desalter Wells
- Location Options for Third New Chino II Desalter Well

- Groundwater Flow Model Boundary
- Flood Control and Conservation Basins

## Chino Basin Desalter Wells

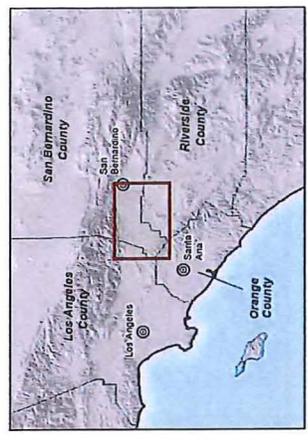
Figure 1



- 2020 Groundwater Flow Vectors  
Model Layer 1 - Scenario 5G
- 2020 Groundwater Elevation Contours (Scenario 5G)  
(feet above mean sea-level)
- Water Service Area Boundaries
- Existing Chino Desalter Wells
- New Chino Creek Well Field Wells
- Future Chino II Desalter Wells
- Location Option for Third  
New Chino II Desalter Well

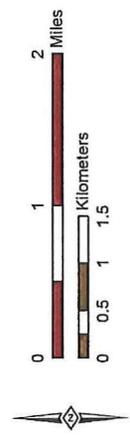
Other Features

- Groundwater Flow Model Boundary
- Flood Control and Conservation Basins



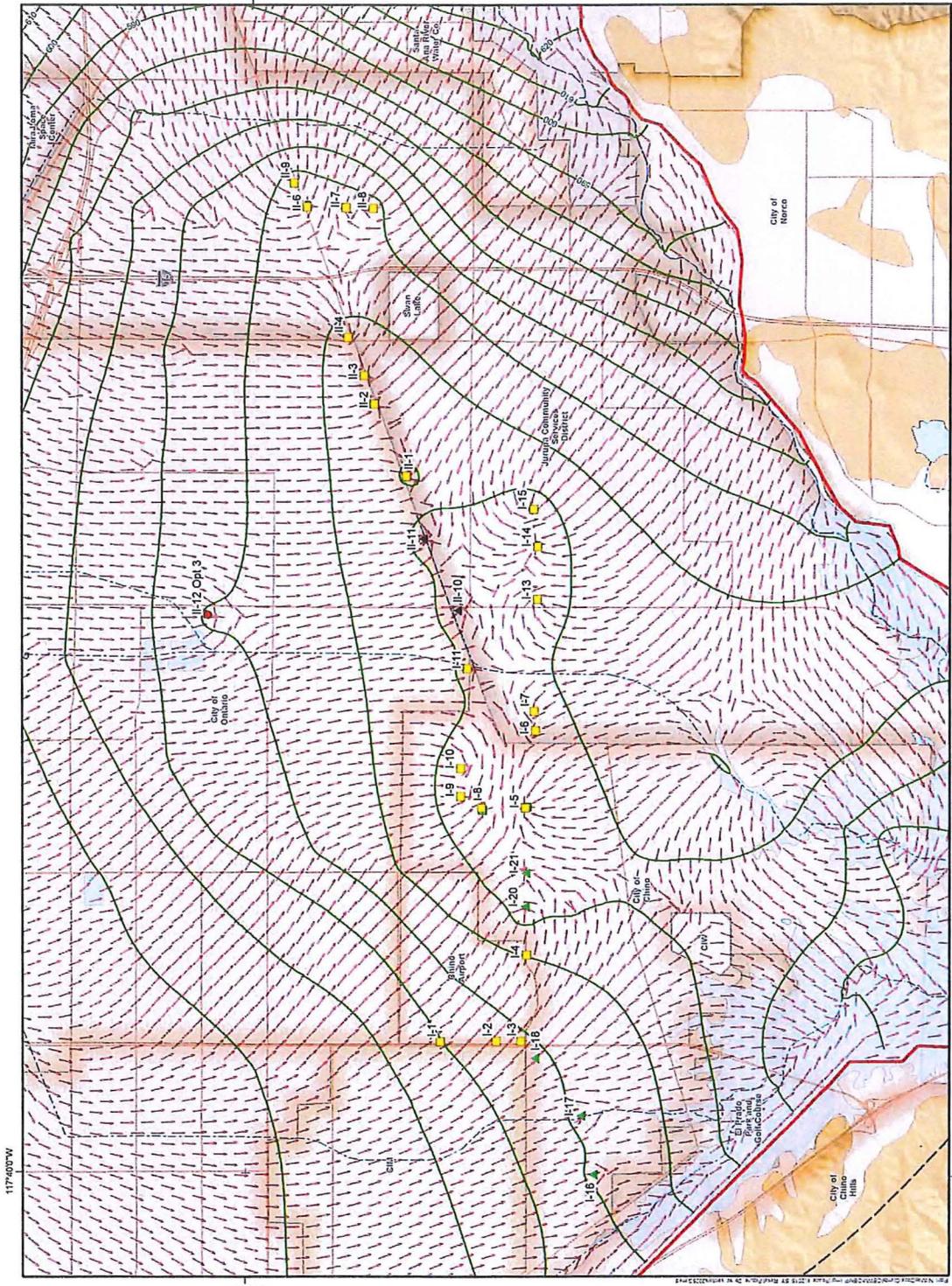
State of Hydraulic Control in 2020  
Scenario 5G

Figure 2a



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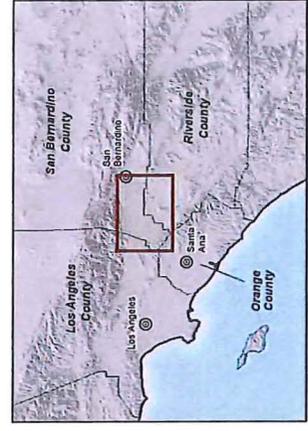




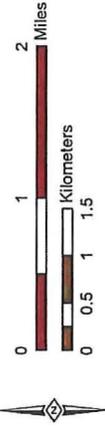
- 2025 Groundwater Flow Vectors  
Model Layer 1 - Scenario 5G
- 2025 Groundwater Elevation Contours (Scenario 5G)  
(feet above mean sea-level)
- Water Service Area Boundaries
- Existing Chino Desalter Wells
- New Chino Creek Well Field Wells
- Future Chino II Desalter Wells
- Location Option for Third  
New Chino II Desalter Well

Other Features

- Groundwater Flow Model Boundary
- Flood Control and Conservation Basins



Chino Basin Hydraulic Control and Safe Yield



Author: LBB  
Date: 8/24/2015

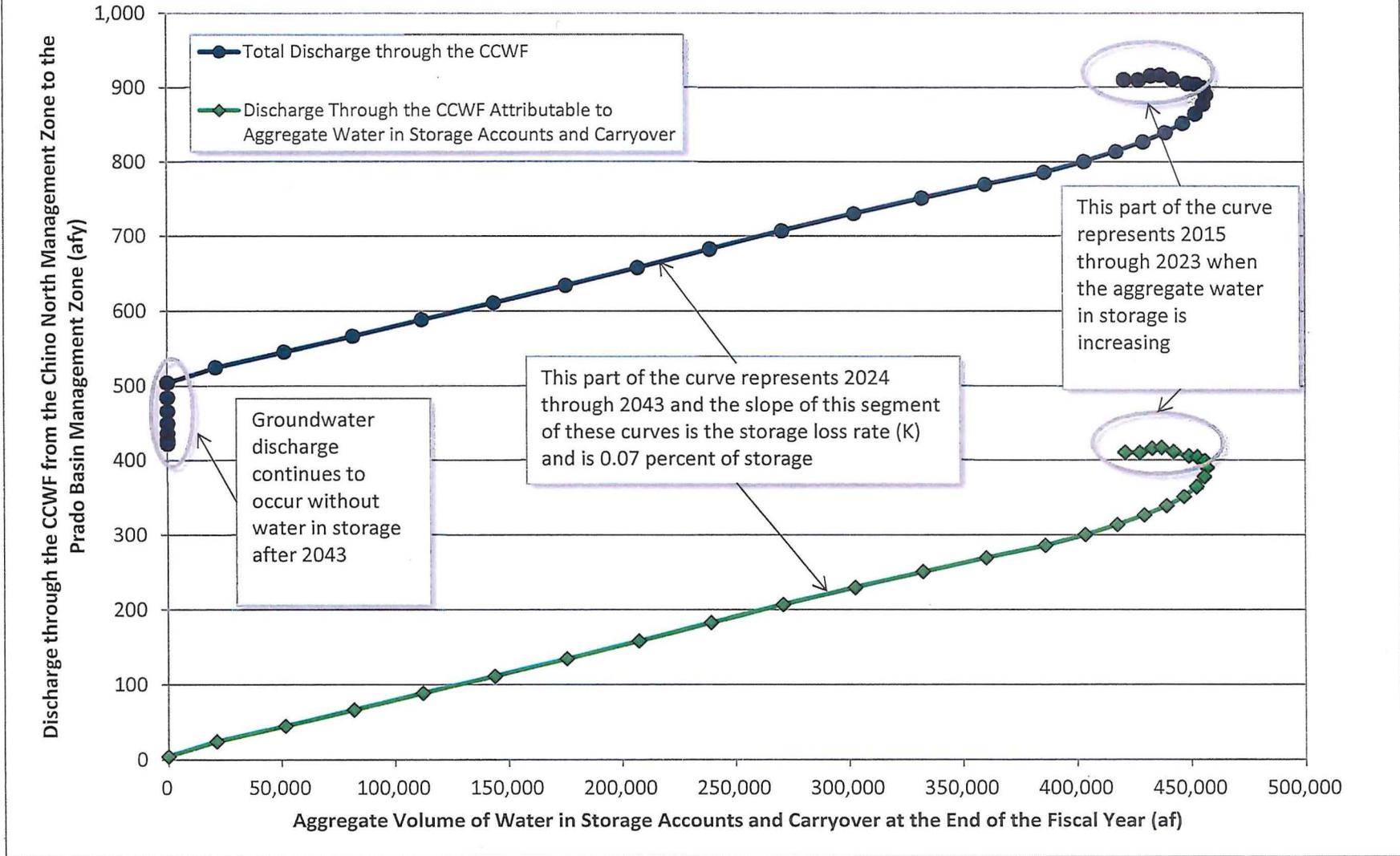


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State of Hydraulic Control in 2025  
Scenario 5G

Figure 2b

Figure 3 Relationship of Discharge through the CCWF from the Chino North Management Zone to the Prado Basin Management Zone to the Aggregate Volume of Stored Water and Carryover





## Safe Storage Management Technical Memorandum

<b>To:</b>	Peter Kavounas, General Manager, Chino Basin Watermaster Scott Slater, General Counsel
<b>From:</b>	Mark Wildermuth, Andy Malone
<b>Date:</b>	September 4 2015
<b>Subject:</b>	Evaluation of Safe Storage Management Measures as Described in the August 23, 2015 Draft 2015 Safe Yield Reset Agreement
<b>Job No.:</b>	007-015-076

As part of the development of the 2015 Safe Yield Reset Agreement, the Parties have proposed certain Safe Storage Management measures with the objective of ensuring that any potential removal of groundwater from non-Supplemental Water storage accounts<sup>1</sup> would not cause Material Physical Injury (MPI) or undesirable results. As an interim measure to “ensure protection against a precipitous drop in water levels and undesirable results” and MPI, a Safe Storage Reserve, comprising 130,000 AF of non-Supplemental Water in Appropriative Pool member storage accounts, would be established, pending the development of a Storage Management Plan. This technical memorandum examines whether setting aside 130,000 AF is sufficient to achieve this objective in the interim. We conclude that, in combination with the existing monitoring and Watermaster-required review, it does.

### Background

The 2013 Watermaster model was used to evaluate past and future conditions in the Chino Basin, including, but not limited to, net recharge, the state of hydraulic control, and time histories of groundwater levels and storage. The investigation covered the historical period of 1961 through 2011 and projected future conditions for 2012 through 2050. Planning scenarios were created based on the water resource plans provided by the Watermaster Parties. Scenario 5A is the planning scenario used by Watermaster as a basis for projecting future Basin conditions, resetting the Safe Yield, and making regulatory findings regarding the state of hydraulic control. The analysis of current and

<sup>1</sup>The 2015 Safe Yield Reset Agreement consistently refers to water held in non-Supplemental Water storage accounts. In Watermaster accounting, non-Supplemental Water storage accounts is the same as excess carryover water storage accounts and excess carryover water storage accounts is used in this Technical Memorandum when discussing the Safe Storage management measures.

projected future conditions is described in detail in the draft *2013 Chino Basin Groundwater Model Update and Recalculation of Safe Yield Pursuant to the Peace Agreement*<sup>2</sup> and subsequent Watermaster monthly process meetings and numerous Safe Yield Reset workshops<sup>3</sup>.

During the Watermaster process to evaluate and reset the Safe Yield, a concern arose regarding the projection of future changes in groundwater levels that may be caused through the management of stored water pursuant to the Judgment and Peace Agreements. To address this concern, the Watermaster Parties and Watermaster desire to implement Safe Storage Management measures (SSMM) that will ensure that the future management of stored water will not cause MPI or undesirable results to the Basin or a Party to the Judgment.

This Technical Memorandum was prepared to: describe the historical and projected future changes in storage, describe potential bases of concern, describe the proposed SSMM, describe the interim SSMM and respond to specific questions regarding the interim SSMM, and describe the anticipated technical process to develop the Storage Management Plan.

### Historical and Projected Future Changes in Storage

Table 1 lists the historical amounts of water in carryover<sup>4</sup>, excess carryover storage, and the supplemental water in storage for the Appropriative and Overlying Non-Agricultural Pools for the period spanning fiscal years 2001 through 2014 (the Peace Agreement period). The water in storage held by members of the Appropriative Pool increased during the Peace Agreement period:

- The aggregate annual volume of carryover increased from about 16,000 acre-feet (af) in 2001 to about 42,000 af in 2008 and remained at about that level through 2014—an increase of 26,000 af or 162 percent.
- The aggregate volume of excess carryover storage increased steadily from about 45,000 af in 2001 to about 232,000 af through 2014—an increase of 186,000 af or 412 percent.
- The aggregate volume of supplemental water storage varied between 80,000 and 90,000 af during the period of 2001 through 2010 and thereafter increased to about 125,000 af through 2014—an increase of 32,000 af or 35 percent.

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<sup>2</sup>

<http://www.cbwm.org/FTP/2013%20Safe%20Yield%20Recalculation/20140128%20Draft%202013%20CBWM%20Model%20Update%20and%20Recalc%20of%20Safe%20Yield%20Report/>

<sup>3</sup> <http://www.cbwm.org/FTP/2013%20Safe%20Yield%20Recalculation/>

<sup>4</sup> Though Watermaster does not consider Carryover water to be stored water, it is included in this document because the model considers it in the same manner as stored water.

- In sum, the aggregate volume of storage by the Appropriative Pool Parties increased from about 154,000 af in 2001 to about 398,000 af in 2014—an increase of 244,000 af or 159 percent.

The aggregate volume of water in storage held by the Overlying Non Agricultural Pool was about 38,000 af in 2001, increased to 59,000 af in 2007, and subsequently decreased to about 20,000 af in the 2012 through 2014 period.

The total water held in carryover and storage accounts by Parties within the Appropriative and Overlying Non-Agricultural Pools increased from 192,000 in 2001 to about 418,000 af through 2014—an increase over fourteen years of 226,000 af or 118 percent.

Figure 1 shows the estimated time history of the total volume of water in storage in the Chino Basin for the historical period of 1978 through 2011 and the subsequent projected future period of 2012 through 2050. This time history was developed from the calibration of the 2013 Chino Basin Model and its subsequent application to projected future Basin conditions.

In contrast to the increase in water in storage accounts during the period of 2001 through 2014, as described above and in Table 1, the physical water in storage within the Basin declined from 5,966,000 af to about 5,649,000 af during this period—a decline of about 317,000 af. The planned change in storage during the same period was a decline of 294,000 af (5,000 afy from controlled overdraft [as provided for in the Judgment] and Reoperation and other water dedicated from storage [as provided for in the Peace Agreements]). The physical groundwater storage declined by about 23,000 af more than was planned.

The projected future total volume of water in storage was estimated by simulating the Chino Basin's response to projected future groundwater production and recharge and replenishment plans with the 2013 Groundwater Model. The specific projected future groundwater production, recharge and replenishment plans, other cultural conditions, and hydrology used herein are collectively referred to as Scenario 5A. Scenario 5A includes a gradual increase in groundwater production by the Appropriators, based on groundwater production projections developed in the 2013 Amendment to the 2010 Recharge Master Plan Update<sup>5</sup> and that replenishment and recharge operations would be conducted by Watermaster pursuant to the Judgment and Peace Agreements<sup>6</sup>. Planning Scenario 5A assumes:

- The planning period runs from 2012 through 2050.

<sup>5</sup> [http://www.cbwm.org/rep\\_engineering.htm](http://www.cbwm.org/rep_engineering.htm)

<sup>6</sup> The planning assumptions used to project future groundwater conditions presented herein represent the best estimate of future basin management at the time the assumptions were made. These assumptions will likely change in the future and new future projections will be made.

- The economy will expand with the build out of undeveloped land occurring by 2030.
- The CDA expansion would occur based on an approved schedule, and re-operation will occur based on the current approved schedule through 2030.
- The 6,500 af/yr supplemental water recharge obligation for MZ1 will terminate in 2030.
- Projected future recycled water recharge estimates were provided by the IEUA.
- Projected future stormwater recharge estimates were based on the average historical stormwater recharge estimates.
- There will be no increase in future stormwater recharge capacity installed after 2013 and excludes the new stormwater recharge projected included in the 2013 Amendment to the RMPU.
- The 5,000 acre-ft/yr of controlled overdraft pursuant to the Judgment will cease after 2017.
- Production rights will be based on the current and projected future Safe Yield including 135,000 afy Safe Yield for 2015 through 2020 period as contemplated in the 2015 Safe Yield Reset Agreement.
- Groundwater production estimates for fiscal years 2012 and 2013 are actual production estimates, and groundwater production estimates for 2014 through 2050 are estimates provided by the Parties or developed by Watermaster staff and approved by the Parties.
- The annual replenishment obligation was estimated using the efficient market assumption, which includes the following:
  - On a go-forward (post 2013) basis, under-producers will transfer un-pumped rights to over-producers each year; there is an efficient market that moves unused production rights from under-producers to over-producers.
  - Water in storage accounts will be used to meet future replenishment obligations prior to the purchase of supplemental water for wet-water for recharge.
  - All transfers among the Parties and depletion from storage accounts will not cause MPI or undesirable results.

Figure 2 shows the projected future change in physical storage for the period of 2012 through 2050 based upon assumptions included within Scenario 5A. Storage is projected to decline by about 604,000 af through 2043 and not decline thereafter. The decline in storage during 2012 through 2043 can be attributed to planned reductions in storage (5,000 af/yr from controlled overdraft [as provided for in the Judgment and

Reoperation] and other water dedicated from storage [as provided for in the Peace Agreements]) and withdrawals from storage accounts.

The historical and projected future decline in storage within the Basin from fiscal 2000-01 through 2049-50 is estimated to be about 900,000 af, all of which except for 23,000 af is planned reduction under the Judgment and Peace Agreements. The major contributions to the decrease in storage are planned Basin water dedicated to the replenishment of CDA production (Reoperation) and stored water in the Watermaster Parties' storage accounts.

The withdrawal of supplemental water in storage currently requires an MPI analysis by Watermaster (Rules and Regulations 8.4). Consequently, some portion of the supplemental water currently in storage may already have an MPI analysis completed and a finding of no MPI, allowing it to be produced without further review. The transfer of excess carryover water is subject to MPI review pursuant to the Peace Agreement (Peace Agreement 5.1 (e)(iv)) "Watermaster shall exercise Best Efforts to: [...]

"evaluate the potential or threat for any Material Physical Injury to any party to the Judgment or the Chino Basin including, but not limited to, any Material Physical Injury that may result from any Transfer of water in storage or water rights which is proposed in place of physical Recharge of water to the Chino Basin in accordance with the provisions of Section 5.3;"

For the avoidance of doubt that the withdrawal of water from storage accounts will not result in MPI or undesirable results and to inform Watermaster and the Parties as to whether they may also achieve their concurrent objective of facilitating the reservation of some stored water for future water shortages caused by drought or importation system failure, further analysis was undertaken. The principle MPI concerns are: exacerbating subsidence in the Northwest MZ1 area and production sustainability generally and specifically in the Jurupa area. In response to this concern, the Watermaster Parties are contemplating an agreement to implement the SSMM.

### Safe Storage Management Plan Description

An initial description of the SSMM emerged from the FANDA process in June 2015 and is included in the 2015 Safe Yield Reset Agreement (currently being drafted<sup>7</sup>). The goal of the SSMM is to manage stored water to protect against MPI or undesirable results. The SSMM will be implemented in two parts. First an interim plan will be implemented immediately after the 2015 Safe Yield Reset Agreement is approved by the Court, which is anticipated this year. The Watermaster Parties have committed to use Best Efforts to develop a Storage Management Plan within two years of Court approval of the 2015 Safe Yield Reset Agreement. The Storage Management Plan will replace the interim plan upon the Court's approval.

<sup>7</sup> Specifically the August 23, 2015 draft as circulated by Brad Herrema.

The key feature of the interim plan is the creation of a *Safe Storage Reserve* of 130,000 af<sup>8</sup> to be maintained by the Appropriative Pool Parties in their excess carryover water accounts. During the interim plan period, the aggregate water in their excess carryover water accounts will not be allowed to decline below 130,000 af except as provided for below:

- During the interim plan period, the Appropriative Pool Parties may be able to access up to 100,000 af from the Safe Storage Reserve in the event of an emergency, provided that the water withdrawn will be replaced within 36 months and that Watermaster can make a finding that the withdrawal will not cause MPI or undesirable results.
- Absent a Storage Management Plan, up to a maximum of 30,000 af will be available from the Safe Storage Reserve after 2024 for the exclusive purpose of dedication to Desalter replenishment, provided that Watermaster can make a finding that the withdrawal will not cause MPI or undesirable results.

The contents and requirements of the Storage Management Plan will be developed in the future; therefore, the following discussion pertains to the SSMM during the interim plan period while the Storage Management Plan is developed.

#### Evaluation of the Interim Safe Storage Management Plan Commitments

As to the Safe Storage Reserve, four questions have been posed in the drafting of the SSMM regarding the likelihood of the Appropriative Pool Parties needing access to the 100,000 af emergency water held in the Safe Storage Reserve and as to whether there will be potential for or an actual MPI or undesirable results caused by withdrawals from storage during the interim plan period. These questions and their answers follow.

***Assuming the SSMM is effective July 1, 2015, what is the likelihood that the Appropriative Pool Parties will need to access the 100,000 af pool of water in the 130,000 af Safe Storage Reserve in the next two years and prior to the approval and implementation of the Storage Management Plan?***

Under the current best estimate of planned production, recharge and replenishment, it is highly unlikely that the Appropriative Pool will need to access the 100,000 af emergency storage in the Safe Storage Reserve during the next two years. The aggregate volumes of water in excess carryover storage and supplemental water storage for the Appropriative Pool Parties on July 1, 2014 (July 1, 2015 values are not yet available) were about 232,000 af and 125,000 af, respectively, totaling 357,000 af. The average amount of carryover water for the five-year period of 2010 through 2014 is about 41,000 af. So for planning purposes, the amount of water in storage and

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<sup>8</sup> Short term actual measured recharge during 2000-2014 was less than total rights allocated to the Parties to the Judgment to produce groundwater without incurring a replenishment assessment over the period 2000-2014 by a quantity potentially as high as 130,000 af. The Safe Storage Reserve quantity is consistent with this estimate.

carryover available to the Appropriative Pool Parties is about 398,000 af (equal to 232,000 af of excess carryover storage plus 125,000 af of supplemental water storage and 41,000 af of carryover). The difference between what is in storage plus carryover now and the 130,000 af of proposed Safe Storage Reserve is about 268,000 af. Figure 2 shows the Scenario 5A-based projected future total water in storage, aggregate water in storage accounts plus carryover through 2050, the 130,000 af Safe Storage Reserve limit and the 100,000 af limit of emergency storage within the Safe Storage Reserve. Based on this planning scenario:

- The aggregate volume of water in storage in storage accounts and carryover will continue to increase through 2023 and potentially reach 457,000 af.
- The amount of stored water plus carryover will decline to about 100,000 af in about 2040.

Therefore, based on the best planning information available to Watermaster, it is highly unlikely that the Appropriative Pool Parties will need to access the 100,000 af pool of water in the 130,000 af Safe Storage Reserve in the next two years and prior to the approval and implementation of the Storage Management Plan.

Based on the information available to WEI, the Appropriative Pool Parties in aggregate do not have the well and groundwater treatment capacity to produce an additional 268,000 af over the next two years or the water demand to serve it. It is also highly unlikely that the Appropriative Pool Parties will have the well and groundwater treatment capacity to produce an additional 268,000 af over the next five years, and doing so would require replacing most or all of the imported water that now comes into the basin for direct use<sup>9</sup>. Some of the imported water used for direct use is required for blending with groundwater to produce potable water. For all these reasons, we believe that it is very unlikely that the limitation of the Safe Storage Reserve would actually constrain party production and withdrawal from non-supplemental storage accounts during the next five years.

***How would the projected aggregate volume of water in storage accounts change if the efficient market assumption was not used?***

The aggregate volume of water in storage accounts would increase at a greater rate than described above and shown in Figure 2 if the efficient market assumption was not used. The total water in storage in the Basin would also increase. This occurs because under-producers would store their unproduced water right instead of transferring it to over-producers, thus triggering wet-water recharge to occur to meet replenishment obligations. Without the efficient market assumption, the aggregate volume in storage accounts would increase beyond that shown in Figure 2, the period of increasing storage would extend further into the future (beyond 2024), and the subsequent projected decline in storage would occur slower and perhaps never reach the 600,000 af decline

<sup>9</sup> For both the two and five-year periods, it was assumed that that the Appropriators would use up their supplemental water in storage prior to accessing the 100,000 af in the Safe Storage Reserve.

by 2045 as suggested with the efficient market assumption. The use of the efficient market assumption results in a more rapid (conservative) rate of drawdown than would occur if it were not used.

***Will withdrawals from storage during the interim plan period of the SSMM cause potential or actual MPI or undesirable results?***

No. Watermaster is required to conduct an MPI evaluation for each transfer among the Parties that is ultimately used to satisfy a replenishment obligation. This obligation does not change with the SSMM. In doing so, Watermaster will be able to identify storage management and transfer activity that has the potential to cause MPI or undesirable results well before volume in excess carryover declines to Safe Storage Reserve of 130,000 af.

The aggregate volume of water in storage accounts plus carryover water is projected to increase by 12,000 af during the interim plan period (July 1, 2015 through June 30, 2017). The physical storage in the Basin is projected to decrease by about 12,000 af for the same period. Figure 3 shows the projected change in groundwater levels for the interim period. During this period no significant changes in groundwater elevations are projected to occur except in the Chino II Desalter well field area and, more specifically, where new desalter production wells will come online after 2015. The projected groundwater level changes during the two-year interim plan period will not cause MPI or undesirable results to the Basin or a Party.

***If a Storage Management Plan is never developed and the interim plan remains in force through the term of the Peace Agreement, does Watermaster have the authority to review and approve the recovery of water in storage in excess of the 130,000 Safe Storage Reserve to ensure there is no MPI or undesirable results to the Chino Basin or a Party?***

Yes. The Peace Agreement and Watermaster's Rules and Regulations provide Watermaster with the authority to review each transfer and subsequent recovery of stored water, evaluate these actions before they occur for MPI or undesirable results, and subsequently to: approve them if there is no threatened or actual MPI or undesirable results, conditionally approve them with mitigation requirements if there is threatened or actual MPI or undesirable results, or disapprove them if there is unmitigated threatened or actual MPI or undesirable results.

Watermaster conducts continuous monitoring of the Basin and programmatic investigations that provide Watermaster with scientifically defensible information for use in MPI or undesirable results assessments. Watermaster is required to conduct certain investigations every two years that inform Watermaster regarding how past approval of transfers that reduce replenishment with wet water recharge have impacted the Basin and provide Watermaster guidance on conducting wet water replenishment. These analyses are:

- Analysis of the cumulative impact of transfers (Rules and Regulations, § 9.3(a)). This effort is included in Fiscal year 2016.
- Balance of recharge and discharge (Peace Agreement, § 5.1(e)(viii); Rules and Regulations, § 7.1). This effort is included in Fiscal 2016.

Watermaster conducts extensive monitoring and reports on this monitoring every two years in its State of the Basin Report. This monitoring supports many Watermaster activities. This monitoring includes groundwater production, groundwater levels, groundwater quality, artificial recharge, surface water discharge surface water quality and ground elevation.

Watermaster is monitoring subsidence over the entire Chino Basin and is conducting a focused investigation to understand the cause of subsidence in the Northwest MZ1 Area and to develop a management plan to abate or minimize subsidence in this area. The subsidence management plan will be completed in fiscal 2020. Watermaster and the Appropriative Pool Parties are implementing the 2013 RMPU<sup>10</sup> that includes the development of production sustainability projects.

#### Process to Develop the Storage Management Plan

The Watermaster Parties will, pursuant to the 2015 Safe Yield Reset Agreement, develop the Storage Management Plan to protect the Basin and the Parties from MPI or undesirable results caused by withdrawing water from Basin storage accounts. The Storage Management Plan may also address, as necessary, the appropriateness of any limitations on the total amount of water held in storage accounts, as well as priority among pending applications for local storage accounts. Watermaster may also identify other goals consistent with the OBMP that can be addressed through storage management and subsequently incorporate them into the Storage Management Plan (e.g., salinity management).

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<sup>10</sup> [http://www.cbwm.org/rep\\_engineering.htm](http://www.cbwm.org/rep_engineering.htm)

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**Table 1**  
**Time History of Ending Balances in Storage in the Chino Basin Exclusive of the Dry-Year Yield Activities and**  
**Aggregate Storage Account Estimate without Reoperation**

(af)

Fiscal Year	Appropriative Pool (Pool 3)				Overlying Non-Ag (Pool 2)			Total in Storage
	Carryover	Excess Carryover (ECO)	Suppl.	Total	Carryover	Local Storage	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2001	15,940	45,281	92,813	154,034	5,301	32,330	37,631	191,665
2002	13,521	42,206	87,801	143,528	5,285	33,727	39,012	182,540
2003	18,656	48,650	81,180	148,486	6,743	36,850	43,593	192,079
2004	21,204	53,128	80,963	155,295	7,177	40,881	48,058	203,353
2005	21,289	63,631	88,849	173,769	7,227	45,888	53,115	226,884
2006	32,062	55,442	86,170	173,674	7,227	49,178	56,405	230,079
2007	34,552	50,894	83,184	168,630	7,084	51,476	58,560	227,190
2008	41,626	83,962	83,861	209,449	6,819	45,248	52,067	261,516
2009	42,795	101,908	84,867	229,570	6,672	46,600	53,272	282,842
2010	41,263	120,897	90,133	252,293	6,934	47,732	54,666	306,959
2011	41,412	146,074	98,080	285,566	6,959	49,343	56,302	341,868
2012	42,614	209,981	116,138	368,733	6,914	13,993	20,907	389,640
2013	39,413	225,068	116,378	380,859	7,073	15,473	22,546	403,405
2014	41,708	231,679	125,052	398,439	6,478	12,812	19,290	417,729

<sup>1</sup> Though Watermaster does not consider Carryover water to be stored water, it is included in this document because the model considers it in the same manner as stored water.



### Figure 1 Historical and Projected Future Storage in the Chino Basin 1978 through 2050

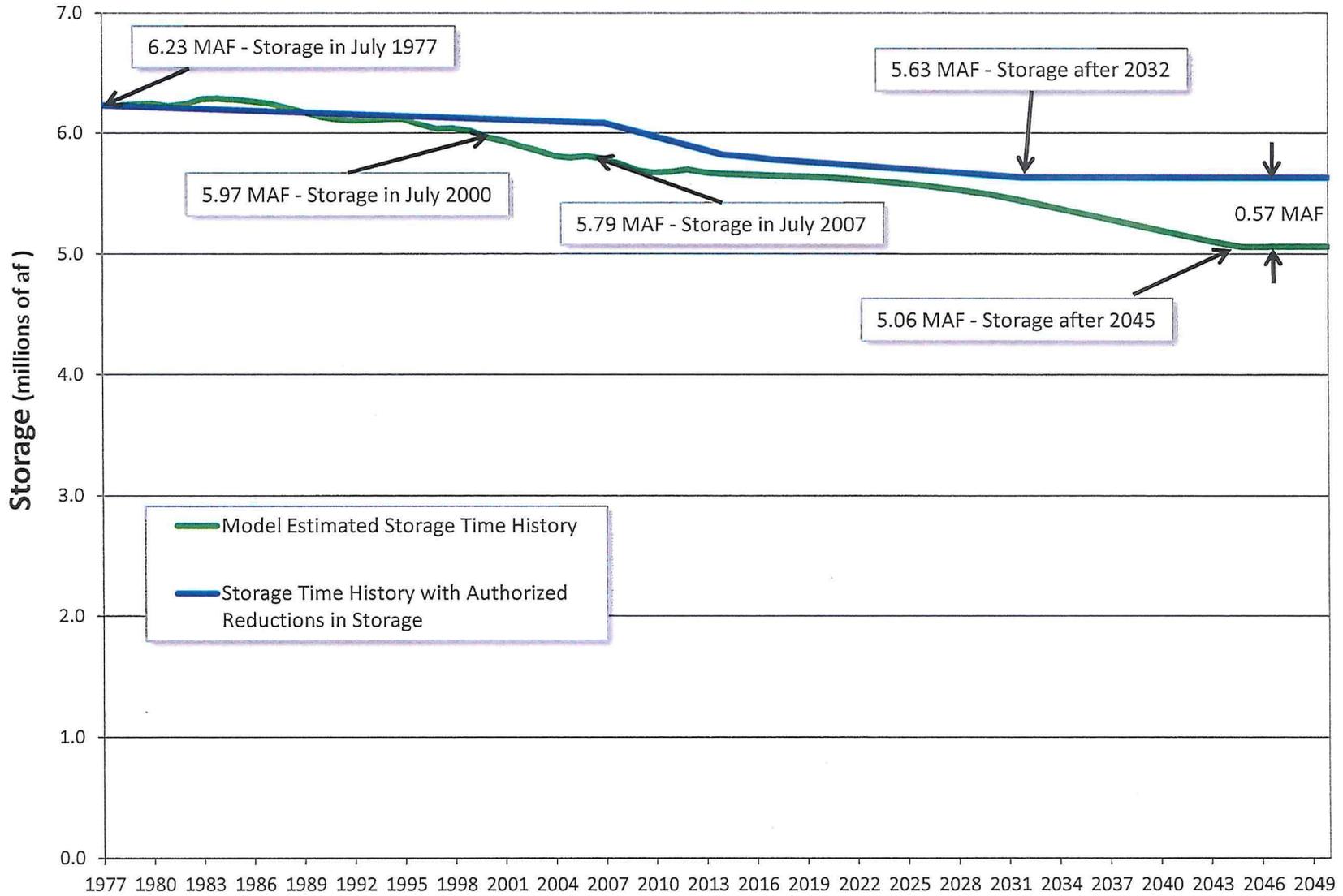
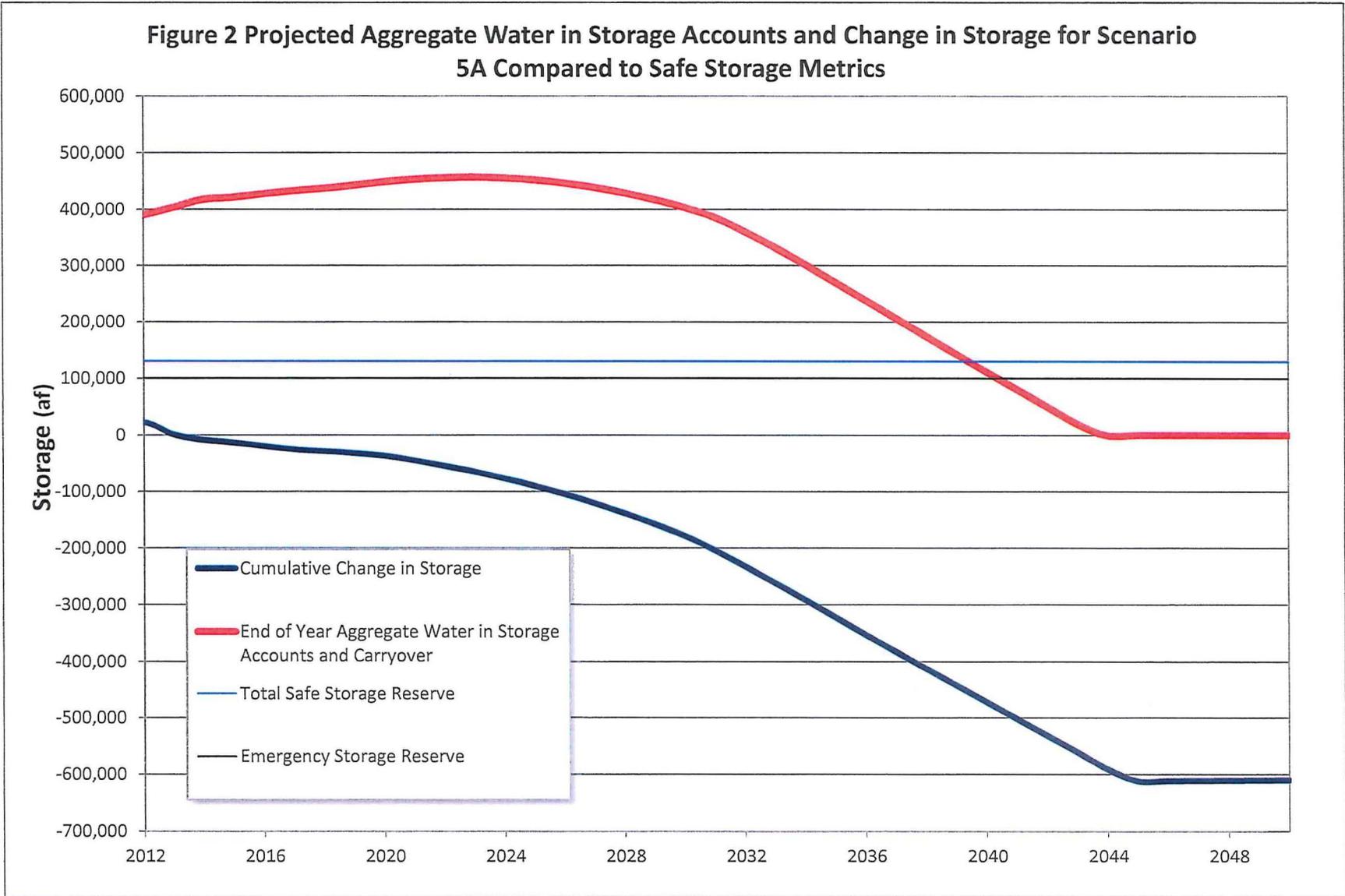


Figure 2 Projected Aggregate Water in Storage Accounts and Change in Storage for Scenario 5A Compared to Safe Storage Metrics

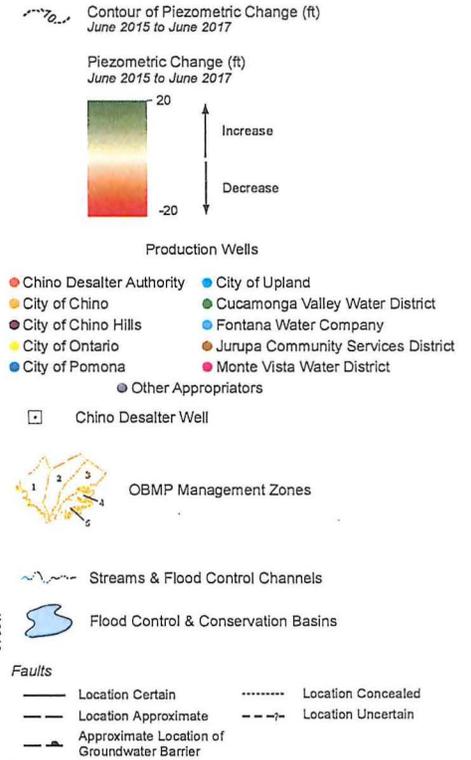
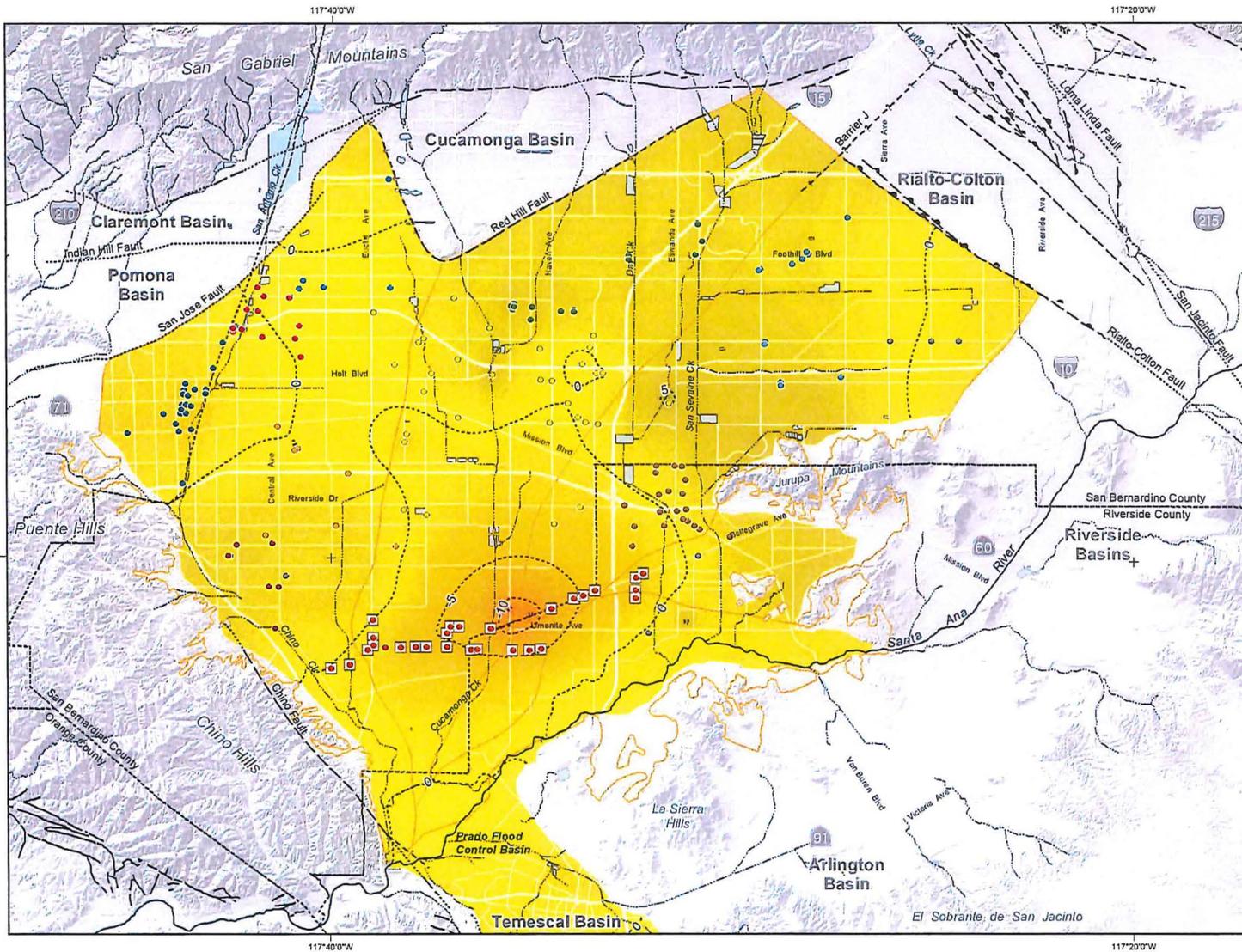


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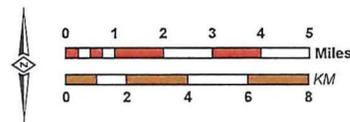
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Technical Memorandum No. 2 - Evaluation of the Safe Storage Management Proposal as Described in the June 11, 2015 Safe Yield Reset Summary of Non-Binding Key Principles Derived from Facilities Process



Groundwater Level Change in Layer 1  
 June 2015 to June 2017

Figure 3

# ATTACHMENT 3

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**WATERMASTER RESOLUTION  
NO. 2015-06**

**RESOLUTION OF THE CHINO BASIN WATERMASTER  
REGARDING 2015 SAFE YIELD RESET AGREEMENT**

1. **WHEREAS**, the Chino Basin Watermaster was appointed pursuant to the Judgment in Chino Basin Municipal Water District v. City of Chino (San Bernardino Superior Court Case No. 51010) to administer and enforce the provisions of the Judgment and any subsequent instructions and orders of the Court;
2. **WHEREAS**, the Judgment was entered in 1978 and set the initial Safe Yield of the Chino Basin at 140,000 acre-feet per year (AFY), but reserved continuing jurisdiction to the Court to amend the Judgment, inter alia, to redetermine the Safe Yield after the first ten years of operation of the Physical Solution established under the Judgment;
3. **WHEREAS**, in 2000, the Parties to the Judgment executed the Peace Agreement, and agreed to Watermaster's adoption of the Optimum Basin Management Program Implementation Plan (OBMP Implementation Plan), and the Court, through its July 13, 2000 Order, ordered Watermaster to proceed in a manner consistent with the Peace Agreement and the OBMP Implementation Plan;
4. **WHEREAS**, Elements 8 and 9 of the OBMP Implementation Plan acknowledged the need for obtaining better production data through metering of all production within the Basin and provided for Watermaster's redetermination and reset of the Basin's Safe Yield in year 2010/11 using production data derived from metering of agricultural Producers within the Basin during the ten-year period of 2000/01 through 2009/10. Section 6.5 of Watermaster's Rules and Regulations, which was approved by the Court in 2001, provides for the same;
5. **WHEREAS**, Watermaster oversaw the installation of metering devices and collected production data from all non-exempt Producers within the Basin during the ten-year period of 2000/01 through 2009/10 to enable the reset of Safe Yield;
6. **WHEREAS**, although Watermaster timely collected the Production data to enable a reset of Safe Yield, an update to Watermaster's hydrologic model was needed to undertake a long-term hydrologic assessment of Basin conditions incorporating the newly obtained Production data;
7. **WHEREAS**, the update to the model was designed, funded, constructed and calibrated at a cost of over \$1 million and completed over a four-year period;
8. **WHEREAS**, since Watermaster's initial Safe Yield reset workshop in July 2013, Watermaster has held numerous additional workshops, multiple technical modeling review sessions specifically in regard to the update to the model and to allow ample opportunity for peer review. Between summer 2013 and November of 2014, Watermaster held workshops and technical modeling review sessions specifically in regard to the update to the model and Watermaster staff and consultants conducted numerous meetings with smaller subsets of interested Parties;
9. **WHEREAS**, in 2000 the Court ordered Watermaster and the Parties to the Judgment to expand Desalter capacity in the southwest portion of the Basin by 20 MGD to protect against a decline in Safe Yield and for water quality benefits and reserved the question of how "Future Desalter" capacity would be addressed;

10. **WHEREAS**, in 2007, the Parties to the Judgment entered into the Peace II Agreement which, among other commitments (hereinafter Peace II Measures), set forth respective rights and responsibilities for constructing 10 MGD of additional desalting capacity in furtherance of the OBMP Implementation Plan and in full satisfaction of the Parties' Future Desalters obligations;

11. **WHEREAS**, the Court ordered Watermaster to proceed as provided in the Peace II Measures and Watermaster and the Parties have designed, financed and complied with the direction by constructing an additional 10 MGD of expanded Desalter capacity;

12. **WHEREAS**, despite the construction of the Desalters and the implementation of the Peace II Measures, the evaluation of available production data, long-term hydrology and prevailing cultural conditions indicated that there may have been a decline in Safe Yield;

13. **WHEREAS**, throughout summer and fall of 2014, Watermaster held meetings and discussions among stakeholders regarding the required Safe Yield reset and shared data and information, received input on Safe Yield reset and other related subjects that were of concern to the stakeholders if the Safe Yield was determined to have declined;

14. **WHEREAS**, on July 10, 2014, the Appropriate Pool Committee took action to request that Watermaster convene regular meetings, occurring twice each month, to allow the Pool members to attempt to reach consensus as to the issues surrounding the redetermination and reset of the Basin's Safe Yield. On September 16, 2014, a Board workshop was held regarding the Safe Yield redetermination and reset issues;

15. **WHEREAS**, in November, 2014, the Advisory Committee requested, and the Watermaster Board adopted the Advisory Committee's recommendation that Watermaster convene a facilitated process to identify and resolve all issues related to the successful completion of the Safe Yield redetermination for consideration by the Pool Committees, Advisory Committee and Watermaster Board in mid-2015;

16. **WHEREAS**, in December 2014, in response to a request by the Advisory Committee, the Watermaster Board agreed to allow Watermaster legal counsel to serve as the facilitator in the facilitated process;

17. **WHEREAS**, the parties to the facilitation process met at least weekly and, in many cases, multiple times per week, in an attempt to achieve consensus as to the Safe Yield redetermination and reset issues, with the group meeting more than 30 times in all;

18. **WHEREAS**, on May 27, 2015, all but one of the then active parties to the Facilitation and Non-Disclosure Agreement representing approximately ninety (90) percent of total production rights among them reached agreement on certain key principles embodied in the Safe Yield Summary of Non-Binding Key Principles Derived from Facilitated Process ("Key Principles") and recommended that the parties continue to negotiate in good faith, with the goal to reduce the Key Principles into a binding instrument for execution no later than September 1, 2015;

19. **WHEREAS**, on August 27, 2015, Watermaster Counsel presented a proposed Draft 2015 Safe Yield Reset Agreement for referral by the Board to the Pool Committees, the Advisory Committee, and the parties to the Judgment and their decision-making entities for consideration and approval; and

20. **WHEREAS**, the City of Chino has commented negatively on the Key Principles, principally claiming that if reduced to a binding agreement, the Key Principles would unfairly discriminate against the City, "take" its water held in storage, unlawfully overstate Watermaster's authority to regulate the use of

stored water, unnecessarily address unrelated subjects (accounting issues) and reset Safe Yield at a level lower than prudent;

**21. WHEREAS**, the Overlying (Non-Agricultural), the Overlying (Agricultural) Pool, and the Appropriative Pool considered the proposed 2015 Safe Yield Reset Agreement, evaluated the concerns expressed by the City of Chino and following deliberation recommended Watermaster's adoption of this Resolution 2015-06; and

**22. WHEREAS**, the Advisory Committee considered the proposed 2015 Safe Yield Reset Agreement, evaluated the concerns of the City of Chino and following deliberation recommended Watermaster's adoption of this Resolution 2015-06.

**NOW, THEREFORE**, on the basis of the staff reports, expert opinions and substantial evidence presented, Watermaster finds that:

1. Watermaster caused the metering of groundwater production as required by the Court and gathered Production data from 2002 to the present time;
2. Over a four year period, Watermaster caused an update to its hydrologic model that enabled a long-term assessment of Basin hydrology with the benefit of using production data collected in 2002-present and an evaluation of cultural conditions now prevailing in the Basin, thereby enabling the required redetermination and reset;
3. At the request, and with the consent, of the parties, the advice and counsel of the three Pools and the Advisory Committee, the 2015 Safe Yield Reset Agreement will provide more efficient administration of the Judgment by Watermaster for:
  - a. Safe Yield reset, inclusive of a methodology, consistent with prudent professional practice, the OBMP Implementation Plan (as amended), the Physical Solution and the Judgment as set forth in the Agreement's Reset Technical Memorandum (Exhibit "A" thereto);
  - b. An amendment of the Restated Judgment to reset the Basin's Safe Yield to 135,000 AFY, effective 2010/11, consistent with the Proposed Order Approving 2015 Safe Yield Reset Agreement ("Proposed Order") attached hereto as Exhibit 1;
  - c. Resolution and compromise of competing claims and interpretation of existing agreements and court orders, Watermaster's accounting, among members of the Appropriative Pool, for Basin stormwater and Desalter-induced recharge under future conditions, including but not limited to a decline in Safe Yield;
  - d. The amendment of the current Court-approved schedule accounting for Desalter-induced recharge and access to Re-Operation water, consistent with Attachment X to the Proposed Order;
  - e. Measures that fairly preserve the parties to the Judgment's respective rights to storage while ensuring withdrawals of groundwater from authorized storage accounts within the Basin do not cause a precipitous drop in water levels, are safe, sustainable, and will not cause Material Physical Injury or undesirable results:

4. The Reset Technical Memorandum, an evaluation of long-term hydrology using the metered agricultural production data from 2002-present, the cultural conditions affecting the Safe Yield of the Basin and the risk of undesirable results support the reset of the Safe Yield of the Basin to 135,000 AFY, having declined from 140,000 AFY.
5. The reset of the Safe Yield pursuant to the 2015 Safe Yield Reset Agreement is consistent with and fulfills Watermaster's obligations under the OBMP Implementation Plan (as amended), Watermaster Rules and Regulations, prudent professional standards and the Judgment.
6. The accounting for recharge pursuant to the 2015 Safe Yield Reset Agreement is appropriate and consistent with the Court-approved management agreements to enable a fair, balanced and efficient administration of the Judgment as requested by the Parties, the Pools and the Advisory Committee;
7. The amendment of the current Court-approved schedule accounting for Desalter-induced recharge and access to Re-Operation water is appropriate and in furtherance of the OBMP Implementation Plan and the Physical Solution;
8. Prior to the entry of the Judgment, more than 1 million AF was withdrawn from the Basin in excess of the recharge and an additional 500,000 AF was withdrawn after entry of the Judgment prior to the Peace Agreement.
9. Short term actual measured recharge during 2000-2014 was less than total rights allocated to the Parties to the Judgment to produce groundwater without incurring a replenishment assessment over the period 2000-2014 by a quantity potentially as high as 130,000 AF but nevertheless only a 23,000 AF actual depletion from storage occurred.
10. During the period 2000-2014 there has been a substantial and corresponding increase in non-supplemental storage accounts and Safe Storage Management is an appropriate mechanism to ensure withdrawals of groundwater from authorized storage accounts within the Basin are safe, sustainable, and will not cause Material Physical Injury or undesirable results.
11. The establishment of the Safe Storage Reserve does not unreasonably restrict the withdrawal of water from storage accounts because: (i) the Safe Storage Reserve is 130,000 AF and present quantities are in excess of 350,000 AF; (ii) it is highly unlikely that the Parties to the Judgment could physically pump enough groundwater from the Basin to reach the cumulative trigger of 150,000 AF in less than five (5) years given current infrastructure; (iii) the Appropriate Pool has committed to exercise Best Efforts to prepare a Storage Management Plan within two (2) years of the effective date and no reserve quantities are under discussion; (iv) even if the Safe Storage Reserve of 130,000 AF were implemented, access to stored water is available for emergencies and desalter replenishment; and (v) Watermaster has the authority under the Judgment to manage all storage within the Basin;

**NOW, THEREFORE, BE IT RESOLVED**, by the Chino Basin Watermaster that:

1. Watermaster endorses the 2015 Safe Yield Reset Agreement as consistent with its obligations pursuant to Optimum Basin Management Program Implementation Plan and

its Rules and Regulations, in furtherance of the Basin's Physical Solution, and consistent with Article X, section 2 of the California Constitution.

2. Consistent with the Proposed Order, Watermaster will comply with the provisions of Articles 4-6 of the 2015 Safe Yield Reset Agreement.
3. Watermaster will adopt all necessary policies and procedures in order to implement the provisions in Articles 4-6 of the 2015 Safe Yield Reset Agreement, on or before June 30, 2016, unless an earlier date is specified in the 2015 Safe Yield Reset Agreement
4. In adopting this Resolution and by its agreement to implement the 2015 Safe Yield Reset Agreement, Watermaster is not committing to carry out any project within the meaning of CEQA unless and until CEQA compliance has been demonstrated for any such project.
5. The Watermaster Board will transmit this Resolution 2015-06, the 2015 Safe Yield Reset Agreement, and the referenced Attachments to the Court along with other supporting materials and In accordance with the requests by the parties, the advice and counsel of the Pools and the Advisory Committee, Watermaster urge the Court to approve the proposed Judgment Amendments and to further order that Watermaster proceed to further comply with the 2015 Safe Yield Reset Agreement.

**APPROVED** by the Advisory Committee this 20th day of September 2015.

**ADOPTED** by the Watermaster Board on this 27th day of September 2015.

By: \_\_\_\_\_

Chairman, Watermaster Board

APPROVED:

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

ATTEST:

\_\_\_\_\_  
Board Secretary  
Chino Basin Watermaster

STATE OF CALIFORNIA            )  
  ) ss  
COUNTY OF SAN BERNARDINO    )

I, Arnold Rodriguez, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Revised Resolution being No. 2015-06, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

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

CHINO BASIN WATERMASTER

\_\_\_\_\_  
Secretary

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

# CHINO BASIN WATERMASTER

## II. BUSINESS ITEMS

### B. EXHIBIT "G" PHYSICAL SOLUTION TRANSFER RATE SUBSTITUTION



# CHINO BASIN WATERMASTER

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

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PETER KAVOUNAS, P.E.  
General Manager

## STAFF REPORT

DATE: September 17, 2015  
TO: Advisory Committee Members  
SUBJECT: Exhibit "G" Physical Solution Transfer Rate Substitution

### SUMMARY

Issue: There is no identified Physical Solution Transfer rate for FY 2015-16.

Recommendation: Approve the proposed FY 2015-16 substitute Physical Solution Transfer rate, and approve Watermaster legal counsel's filing of motion for Court approval of the same.

Financial Impact: None

### Future Consideration

Agricultural Pool: September 15, 2015 Information only; no action needed

Advisory Committee: September 17, 2015 Approval

Watermaster Board: September 24, 2015 Approval [with advice and assistance from Pools and Advisory Committee]

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### ACTIONS:

September 10, 2015 – Appropriative Pool – Unanimously approved

September 10, 2015 – Non-Agricultural Pool – Voted unanimously to recommend Advisory Committee approval of the proposed rate and approval of Watermaster legal counsel filing motion with the Court; and authorize Pool's legal counsel to sign the stipulation; and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

September 15, 2015 – Agricultural Pool –

September 17, 2015 – Advisory Committee –

September 24, 2015 – Watermaster Board –

## BACKGROUND

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

According to Watermaster's past practice, the MWD Replenishment Rate utilized would be that applicable for the calendar year in which Watermaster's purchase takes place. As applied to transfers in Fiscal Year 2015-16, as payment would be made by June 30, 2016, if MWD had a Replenishment Rate in effect for 2016, that rate would be utilized. MWD ceased publishing a Replenishment Rate in 2013 and it is not presently known when and how MWD may reinitiate a replenishment program. Accordingly, Watermaster and the parties to the Restated Judgment are without a rate from which to calculate the rate for Physical Solution Transfers in Fiscal Year 2015-16. This was also the case during Fiscal Year 2014-15, during which the Watermaster Court approved a requested one year rate substitution.

## DISCUSSION

The members of the Overlying (Non-Agricultural) and Appropriative Pools have proposed to use a substitute rate of 85.52% of MWD's 2016 Tier 1 Untreated Rate for Physical Solution Transfers during Fiscal Year 2015-16. The 2016 MWD Tier 1 Untreated Rate is \$594 per acre-foot; 85.52% of that rate is \$508.00 per acre-foot.

A motion to allow substitution of Physical Solution Transfer rate for FY 2015-16 would request the deviation from the terms of the Restated Judgment in order to utilize a substitute "Physical Solution Transfer" rate applicable to transfers from the Overlying (Non-Agricultural) Pool to Watermaster, and thence to members of the Appropriative Pool, pursuant to Paragraph 9 of Exhibit "G" to the Restated Judgment. If granted, this would allow Watermaster to substitute a rate of 85.52% of the Tier 1 MWD Untreated Rate for the rate provided for in Exhibit "G" for FY 2015-16, as MWD no longer publishes a Replenishment Rate.

The Court's approval of a substitute rate under Paragraph 9(d) of Exhibit "G" would allow transfers to proceed without issue in 2015-2016, with the Parties able to discuss a long-term solution when MWD's long term replenishment plans become clear.

## ATTACHMENTS

1. Draft Motion for Court Approval of Temporary Substitute Rate
2. Draft Declaration
3. Draft Stipulation

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

5 Attorneys for  
CHINO BASIN WATERMASTER

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.  
16  
17

Case No. RCV 51010

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

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

Date:  
Time: 1:30 P.M.  
Dept.: R-6

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

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

28 ///

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MOTION FOR APPROVAL OF TEMPORARY SUBSTITUTE RATE

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

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

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

Dated:

BROWNSTEIN HYATT FARBER  
SCHRECK, LLP

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

1 MEMORANDUM OF POINTS AND AUTHORITIES

2  
3 **I. INTRODUCTION**

4 Pursuant to Paragraph 15 of the Restated Judgment in this action, the Chino Basin  
5 Watermaster (“Watermaster”) respectfully requests that the Court grant this Motion and the relief  
6 herein requested, which are necessary to enforce and carry out the Chino Basin Judgment<sup>1</sup>  
7 (“Restated Judgment”). Watermaster petitions the Court to allow Watermaster to temporarily  
8 deviate from the requirements of certain provisions of Exhibit “G” to the Restated Judgment, due  
9 to unique circumstances for Fiscal Year 2015-2016. Specifically, Watermaster seeks the Court’s  
10 approval to utilize a substitute “Physical Solution Transfer” rate applicable to transfers from the  
11 Overlying (Non-Agricultural) Pool to Watermaster, and thence to members of the Appropriative  
12 Pool, pursuant to Paragraph 9 of Exhibit “G” to the Restated Judgment, as explained below.

13 **II. BACKGROUND**

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

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

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

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

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

19 **III. ARGUMENT**

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

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

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1 Physical Solution Transfers under Exhibit “G” to the Judgment, dated September XX, 2015 and  
2 attached hereto (“Herrema Dec.,” at ¶ 4.) As applied to transfers in Fiscal Year 2015-2016, as  
3 payment would be made by June 30, 2016, MWD’s Replenishment Rate for 2016 would be  
4 utilized. (Herrema Dec., ¶ 4.) Watermaster, the members of the Appropriative Pool, and the  
5 members of the Overlying (Non-Agricultural) Pool are aware, however, that MWD discontinued  
6 its Replenishment Rate prior to 2013. (Herrema Dec., ¶ 5.) Accordingly, as this is the case,  
7 Watermaster and the parties to the Restated Judgment are left without a rate from which to  
8 calculate the rate for Physical Solution Transfers in Fiscal Year 2015-2016. (See Herrema Dec., ¶  
9 5.)

10 Recognizing this problem, Watermaster, the Overlying (Non-Agricultural) Pool and the  
11 Appropriative Pool have stipulated that the substitution of a rate of 85.52% of MWD’s 2016 Tier  
12 1 Untreated Rate for the rate of 92% of its Replenishment Rate for Physical Solution Transfers  
13 during Fiscal Year 2015-2016 would be appropriate. (See attached Stipulation and Proposed  
14 Order.) Watermaster and the members of the Appropriative and Overlying (Non-Agricultural)  
15 Pools have all agreed that 85.52% of MWD’s Tier 1 Untreated Rate is a proper rate to be used  
16 temporarily. (Herrema Dec., ¶¶ 6, 7.) It is important that the substitute rate be identified prior to  
17 the December 31, 2015 date by which members of the Overlying (Non-Agricultural) Pool must  
18 determine whether to make water available for transfer so that they may properly evaluate  
19 whether to do so. (Herrema Dec., ¶ 8.) The Court’s approval of a substitute rate under Paragraph  
20 9(d) of Exhibit “G” would allow transfers to proceed without further issue, allowing the parties to  
21 discuss a long-term solution once MWD’s plan for offering replenishment water in the future  
22 becomes clear.

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

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

1 commitments it has made in the Peace II documents....” (Order Concerning Motion for  
2 Approvals of Peace II Documents (Dec. 21, 2007), at p 7:13-14, p. 8:24-25.) In order to remain  
3 compliant with Watermaster’s Peace II obligations and with the terms of Exhibit “G” to the  
4 Restated Judgment, Watermaster seeks court approval to temporarily deviate from the terms of  
5 the Restated Judgment and utilize the MWD 2016 Tier 1 Untreated rate in place of the MWD  
6 Replenishment Rate for transfers under Paragraph 9 of Exhibit G. Watermaster requests that the  
7 temporary substitute 85.52% of the 2015 Tier 1 Untreated Rate apply only for Physical Solution  
8 Transfers in Fiscal Year 2015-2016.

9 **IV. CONCLUSION**

10 For the reasons stated above, there is good cause to grant Watermaster’s Motion for Court  
11 Approval of Temporary Substitute Rate under Exhibit “G”, allowing temporary deviation from  
12 the terms of the Restated Judgment to substitute a rate of 85.52% of MWD’s Tier 1 Untreated  
13 Rate for Fiscal Year 2015-2016.

14 Dated: \_\_\_\_\_

BROWNSTEIN HYATT FARBER  
SCHRECK, LLP

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

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

8 Attorneys for  
9 **CHINO BASIN WATERMASTER**

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

13 CHINO BASIN MUNICIPAL WATER  
14 DISTRICT,  
15  
16 Plaintiff,  
17  
18 v.  
19 CITY OF CHINO, et al.,  
20  
21 Defendant.

22 **Case No. RCV 51010**

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

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

I, Bradley J. Herrema, declare as follows:

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

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

///

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

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

6           4.       According to Watermaster’s past practice applicable to Physical Solution Transfers  
7 pursuant to Exhibit “G” Paragraph 9 to the Judgment, the Metropolitan Water District of Southern  
8 California (“MWD”) Replenishment Rate utilized to calculate the rate to be paid for transferred  
9 water under Exhibit “G” Paragraph 9(d) is the Replenishment Rate applicable for the calendar  
10 year in which Watermaster’s purchase of water, on behalf of the members of the Appropriative  
11 Pool, takes place. As applied to transfers in Fiscal Year 2015-2016, as payment would be made  
12 by June 30, 2016, MWD’s Replenishment Rate for 2016 would typically be utilized.

13           5.       MWD terminated its Replenishment Rate prior to 2013 and there are no  
14 indications that it will publish a Replenishment Rate for 2016. Accordingly, Watermaster and the  
15 parties to the Judgment will be left without a base rate from which to calculate the required 92%  
16 rate for Physical Solution Transfers in Fiscal Year 2015-2016.

17           6.       Recognizing this problem, Watermaster, the Overlying (Non-Agricultural) Pool  
18 and the Appropriative Pool have agreed to a substitute rate, which is 85.52% of MWD’s 2016  
19 Tier 1 Untreated Rate, applicable to Physical solution Transfers in Fiscal Year 2015-2016.  
20 MWD’s 2016 Tier 1 Untreated Rate is \$594.00 per acre-foot; 85.52% of that rate is \$508.00 per  
21 acre-foot.

22           7.       At their September 10, 2015 regular meetings, the Overlying (Non-Agricultural)  
23 and Appropriative Pool Committees each approved this rate substitution for Fiscal Year 2015-  
24 2016 transfers. At its regular meeting on September 17, 2015, the Advisory Committee approved  
25 the rate substitution, and at its regular meeting on September 24, 2015, the Watermaster Board  
26 approved the rate substitution.

27           8.       It is important that the rate for Physical Solution Transfers be identified prior to  
28 the December 31, 2015 date by which members of the Overlying (Non-Agricultural) Pool must

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determine whether to make water available for transfer so that they may properly evaluate whether to do so.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Dated this \_\_\_\_ day of September, 2015, at Rancho Cucamonga, CA.

\_\_\_\_\_  
Bradley J. Herrema

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

9 1. If any member of the Overlying (Non-Agricultural) Pool Committee (each, a  
10 "NAP Electing Member") elects, pursuant to Section 9(a) of Exhibit "G" to the Judgment, to  
11 make any or all of its current annual Production right or water held in storage available for  
12 purchase by the members of the Appropriative Pool, then such offer shall be subject to the terms  
13 and conditions of Section 9 of Exhibit "G", except that the phrase "92% of the then-prevailing  
14 'MWD Replenishment Rate'" shall be replaced with the phrase "85.52% of the water rate for Full  
15 Service Untreated Volumetric Cost: Tier 1, as adopted by the Metropolitan Water District of  
16 Southern California as of the date hereof to be effective during the period of January 1, 2016  
17 through June 30, 2016, for each acre foot so transferred. MWD's 2016 rate for Full Service  
18 Untreated Volumetric Cost: Tier 1 is \$594.00 per acre-foot; 85.52% of that rate is \$508.00 per  
19 acre-foot." The terms and conditions of this Stipulation shall apply only to water made available  
20 by a NAP Electing Member between the date hereof and December 31, 2015, and only in the  
21 event that MWD does not, prior to December 31, 2015, publish a MWD Replenishment Rate that  
22 is effective during the period of January 1, 2016 through June 30, 2016.

23 2. The approval of a temporary substitute rate for Physical Solution Transfers herein  
24 shall have no precedential effect in regard to the rate that may be implemented for Physical  
25 Solution Transfers in years other than Fiscal Year 2015-2016.

26 3. Legal counsel for the Watermaster Board shall file a motion seeking entry of an  
27 order of the Court approving the rate substitution described in paragraph 1 above, and shall  
28

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

4 Dated: September , 2015

HOGAN LOVELLS US, LLP

5

6

By: \_\_\_\_\_

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

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8

9

Dated: September , 2015

10

BY: \_\_\_\_\_

JOHN J. SCHATZ  
Attorneys for CHINO BASIN  
WATERMASTER APPROPRIATIVE  
POOL

11

12

13

Dated: September , 2015

BROWNSTEIN HYATT FARBER  
SCHRECK, LLP

14

15

BY: \_\_\_\_\_

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

16

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ORDER

20

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

21

ORDERED.

22

DATED: \_\_\_\_\_, 2015

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\_\_\_\_\_  
Judge of the Superior Court

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# CHINO BASIN WATERMASTER

## III. REPORTS/UPDATES

### A. LEGAL COUNSEL REPORT

2. DWR Draft Basin Boundary Revision Regulations

September 4, 2015

Bradley J. Herrema  
Attorney at Law  
310.500.4609 tel  
310.500.4602 fax  
BHerrema@bhfs.com

**VIA E-MAIL AND U.S. MAIL**

California Department of Water Resources  
Attn: Sustainable Groundwater Management Section  
P.O. Box 942836  
Sacramento, CA 94236

**RE: Department of Water Resources Draft Basin Boundary Emergency Regulations**

Dear Department of Water Resources:

Brownstein Hyatt Farber Schreck, LLP represents the Chino Basin Watermaster ("Watermaster") and presents these comments on Watermaster's behalf in connection with the Department of Water Resources' (DWR) Draft Basin Boundary Emergency Regulations ("Draft Regulations"). Watermaster appreciates the opportunity to submit comments on the Draft Regulations.

Watermaster is the arm of the San Bernardino County Superior Court that oversees implementation of the 1978 Judgment, which adjudicated the groundwater rights to the Chino Groundwater Basin ("Chino Basin" or the "Basin"). One of the key features of the 1978 Judgment is that the Court retains continuing jurisdiction to ensure that the water resources of the Chino Basin are utilized in a manner consistent with Article X, Section 2 of the California Constitution. As an adjudicated basin subject to ongoing judicial oversight, Chino Basin is exempt from the Sustainable Groundwater Management Act's (SGMA) groundwater sustainability plan ("Plan") requirement. (Wat. Code, § 10720.8, subd. (a)(4).)

One of the central tasks given to Watermaster under the 1978 Judgment is to develop a physical solution for the Chino Basin. This physical solution takes the form of a comprehensive and integrated groundwater management plan called the Optimum Basin Management Program (OBMP). Watermaster and the parties to the Judgment have invested a substantial amount of time and hundreds of millions of dollars to develop and implement the OBMP and the OBMP Implementation Plan, and the result of their investment is a remarkable Basin management structure. Watermaster has been effectively managing the Basin pursuant to the OBMP Implementation Plan since its approval by the Court in 2000.

Watermaster's focus in providing these comments is the preservation of the investment of the Parties to the Judgment in the OBMP and OBMP Implementation Plan, as these have been found by the Court to provide for the sustainable management of the Basin consistent with Article X, section 2 of the California Constitution. Watermaster provides the following comments regarding three aspects of the Draft Regulations: (1) the jurisdictional modification procedure should incorporate SGMA's presumption of existing effective management in adjudicated basins; (2) the need for alternative management mechanisms in fringe areas in the absence of a mechanism for addressing fringe areas through Basin Boundary revisions; and (3) a request that non-agency basin management entities be allowed to request basin boundary modifications.

2049 Century Park East, Suite 3550  
Los Angeles, CA 90067  
main 310.500.4600

#### **Section 342.4: Jurisdictional Modifications**

The Draft Regulations would provide a mechanism through which internal basin boundaries may be revised to comport with jurisdictional boundaries. (See Code Regs., §§ 340.4, subd. (p), 342.4.) Watermaster supports the Draft Regulations' proposed inclusion of such a mechanism for jurisdictional modifications. Watermaster believes such a change may be appropriate in the case of the Chino Basin, where Chino Basin shares a boundary with other adjudicated Bulletin 118 basins and sub-basins and there are offsets between the adjudicated boundaries and those delineated under Bulletin 118, but there is no lack of coverage of a management structure – an adjudication.

Attached to this letter as Exhibit "A" is a comparison of the Basin's adjudicated boundaries to those delineated by Bulletin 118. This figure also shows the Bulletin 118 and adjudicated boundaries of neighboring basins. As an example, the Six Basins adjudicated portion of the Main San Gabriel Basin and the Cucamonga Basin, to the northwest of Chino Basin, are adjudicated basins that are also exempt from SGMA's Plan requirement. (See Exh. A; Wat. Code, § 10720.8, subd. (a)(5), (22).) Although the adjudicated boundaries do not match the Bulletin 118 boundaries, no absence of groundwater management results from the inconsistency. However, the discrepancy between the adjudicated and 118 boundaries creates uncertainty as to what the impact of this inconsistency might be in future SGMA administration.

The Draft Regulations would create certain showings necessary for the California Water Commission to be able to approve a jurisdictional boundary revision. (Code Regs., §§ 344.16, 345.4, subd. (b).) These largely focus on the ability of the basin, as revised, to be sustainably managed. (Code Regs., § 345.2.) In its exemption of adjudicated basins from its Plan requirements, SGMA demonstrates a presumption of sustainable management within adjudicated basins. (Wat. Code, § 10720.8.) Watermaster suggests that this presumption should be incorporated in the regulations governing basin boundary revisions such that, unless evidence is provided otherwise, it is assumed that the area within an adjudicated boundary will be sustainably managed. Inclusion of such a presumption – Watermaster suggests that it be inserted in section 345.4, subdivision (b) – would facilitate modifications required to conform the Bulletin 118 boundaries to the boundaries of adjudications, allowing such changes to be made more efficiently, which is in the interests of both the entities requesting the modification and those administering the boundary revision processes.

#### **Alternative Management Mechanism for "Fringe Areas"**

In many areas within the state – if not in all circumstances – there are incongruities between basin boundaries, as described in Bulletin 118, and the boundaries as provided for in adjudication decrees, which result in areas of the Bulletin 118 defined basin extending outside the adjudication boundaries. DWR has described these areas, in its *Discussion Paper: Topic 5 – Boundaries* (Aug. 3, 2015) as "fringe areas." The Chino Basin is not exempt from the fringe area issue, with a prime example being in the southeast of the Basin. (See Att. A.) Because the SGMA's exemption of adjudicated basins applies only to the extent of the adjudicated boundaries, fringe areas would not be exempted from SGMA's Plan requirement. The SGMA requires sustainable management for the entire Bulletin 118 basin, so a demonstration of sustainable management – either through the adoption of a new Plan or through SGMA's plan alternative mechanism (Wat. Code, § 10720.8, subd. (e).) – will be required for fringe areas. The requirement of a Plan in a fringe area that abuts an adjudicated basin may raise the concern of inconsistency in the management within and outside the adjudication, and additional – but unnecessary – requirements for coordination of the adjudication's management with this new mechanism. As may be shown at the appropriate time, based on the manner in which Watermaster manages the Basin within the adjudicated boundary, sustainable management is ensured through the Bulletin 118 boundaries – including within the fringe areas.

The parties to the Chino Basin Judgment have invested substantial time and resources to craft a basin management program that is specifically tailored to provide sustainable management of the Basin. As the result of the time and effort invested by those parties, they reasonably expect to be able to rely on the management structure carried forward through the OBMP Implementation Plan. If faced with the potential for inconsistent groundwater management in a fringe area, as the result of a Plan, the parties to the adjudication may be faced with the choice of seeing their efforts and investments frustrated or investing more time and money in coordination efforts.

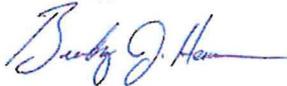
The Draft Regulations do not include a mechanism to eliminate such concerns regarding fringe areas through a boundary revision. DWR's draft issue papers prepared in advance of the regulation promulgation process have shown that DWR is aware of the need to address fringe areas, particularly in the situation of incongruity between adjudicated and Bulletin 118 boundaries. (See *Discussion Paper 5, supra*, at 4-5.) To the extent that DWR does not believe it is appropriate to allow basin boundary modifications to address fringe area concerns, Watermaster encourages DWR to continue to work to develop an alternative mechanism in which the concerns described above may be addressed short of a full-scale Plan that may be consistent with adjudication.

#### **Section 343.2: Non-Agency Basin Management Entities**

As described above, Watermaster is an arm of the adjudication court, and has been tasked with the administration of the adjudication, subject to the court's ongoing jurisdiction. Watermaster is a judicial entity, and therefore not a local agency as contemplated by the SGMA. (Wat. Code, § 10721, subd. (m).) The Draft Regulations require that a request for boundary revision be initiated by a local agency whose jurisdiction lies within or borders the basin or sub-basin for which the boundary modification is sought. The Draft Regulations therefore have the effect of precluding Watermaster—the entity responsible for administration of the Chino Basin adjudication—from requesting modification of its boundaries. As representatives of all of the parties to an adjudication, including multiple local agencies, it is not clear why watermasters should not have the ability to request boundary revisions and Watermaster requests that DWR incorporate such a change into its final regulations. This addition to the DWR's final Regulations would promote efficiency in the process of proposing and considering basin boundary revisions.

Thank you for this opportunity to provide comments on the Draft Regulations. Watermaster respectfully requests that DWR address these comments in its final regulations for basin boundary modifications pursuant to SGMA.

Sincerely,



Bradley J. Herrema

BXH:olr

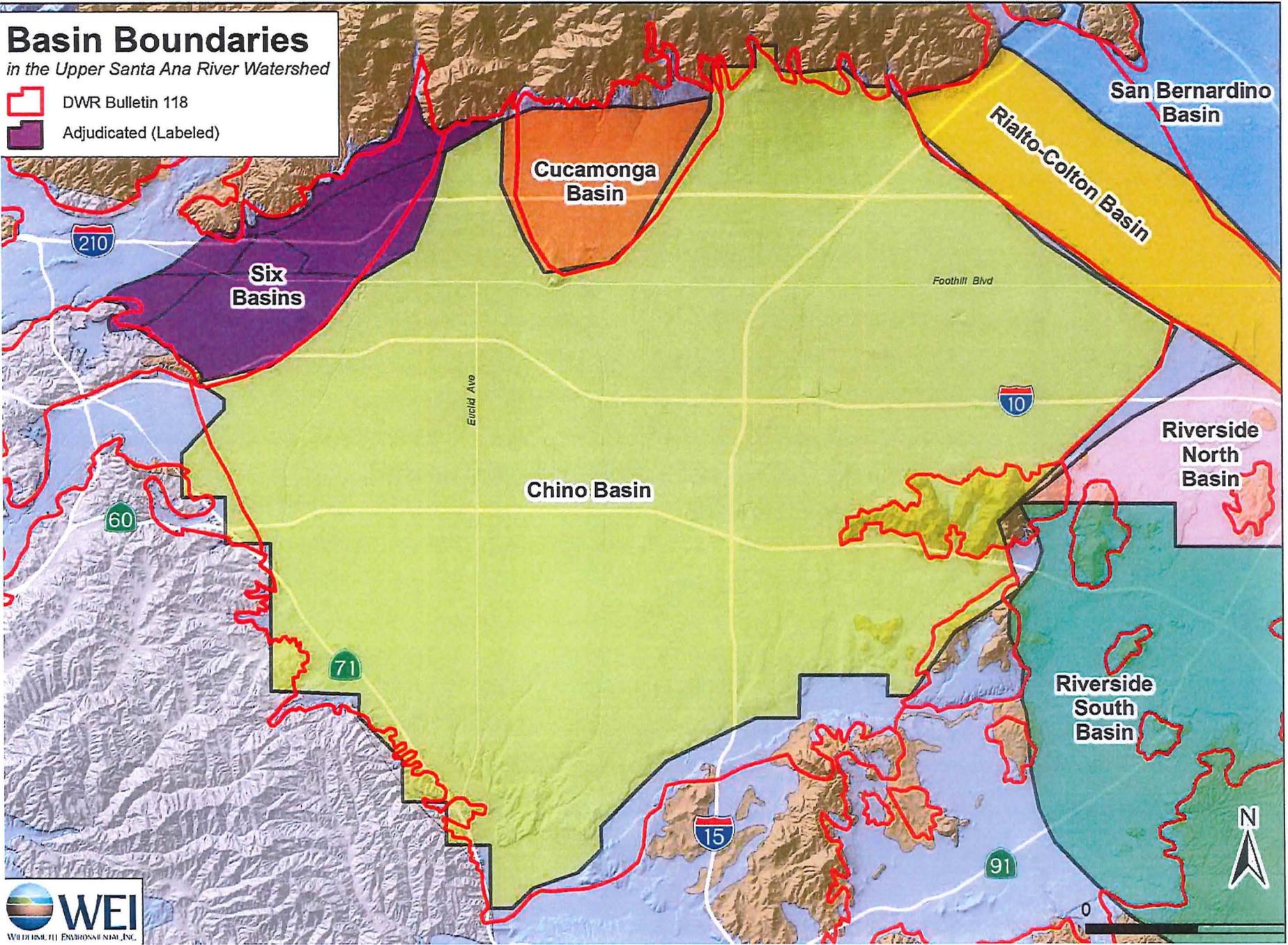
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# Exhibit A

## Basin Boundaries

in the Upper Santa Ana River Watershed

-  DWR Bulletin 118
-  Adjudicated (Labeled)



P 160





## County Administrative Office

Gregory C. Devereaux  
Chief Executive Officer

September 4, 2015

California Department of Water Resources  
Attn: Sustainable Groundwater Management Section  
P.O. Box 942836  
Sacramento, CA 94236  
By email to: [SGMPS@water.ca.gov](mailto:SGMPS@water.ca.gov)

RE: Comment Letter – Basin Boundary Revision Draft Emergency Regulations and Sustainable Groundwater Plan Regulations Scoping Topic 5 - Boundaries

Dear Sustainable Groundwater Management Section:

The County of San Bernardino (County) appreciates the opportunity to comment on the Basin Boundary Revision Draft Emergency Regulations and the Sustainable Groundwater Plan Regulations Scoping Topic 5 – Boundaries discussion paper.

The County agrees with Chino Basin Watermaster's statement on Page 3 of its September 4, 2015 comment letter (attached) that the Basin Boundary Revision Draft Emergency Regulations do not offer a mechanism for eliminating minimal fringe areas that abut adjudicated basins through a boundary revision. Assuming such fringe areas will remain following the completion of the basin boundary revision process, the County supports Chino Basin Watermaster's request that the Department of Water Resources (DWR) continue to work with watermasters and local agencies to develop an alternative mechanism for ensuring the sustainable management of minimal fringe areas.

On page 9 of the Sustainable Groundwater Plan Regulations Scoping Topic 5 – Boundaries discussion paper dated August 3, 2015, DWR asks whether sustainable management of these minimal fringe areas could be proven through:

- conformance to a lesser Groundwater Sustainability Plan standard, or
- a demonstration that de minimis extraction is occurring within the fringe area and therefore the whole basin is being sustainably managed by activities of the watermaster/parties to the adjudication.

The County submits that the answer is "Yes."

### BOARD OF SUPERVISORS

ROBERT A. LOVINGOOD  
Vice Chairman, First District

JANICE RUTHERFORD  
Second District

JAMES RAMOS  
Chairman, Third District

CURT HAGMAN  
Fourth District

JOSIE GONZALES  
Fifth District

GREGORY C. DEVEREAUX  
Chief Executive Officer

Comment Letter – Basin Boundary Revision Draft Emergency Regulations and Sustainable Groundwater Plan Regulations Scoping Topic 5 - Boundaries  
September 4, 2015  
Page 2

The County looks forward to the opportunity to continue to work with DWR to develop a simple solution to the minimal fringe area issue.

Please note that the County Board of Supervisors has not adopted an official position on the Basin Boundary Revision Draft Emergency Regulations and Sustainable Groundwater Plan Regulations Scoping Topic 5 - Boundaries. However, to assist DWR with its efforts to implement the Sustainable Groundwater Management Act of 2014, the County Administrative Office has provided the above comments.

We are available to provide any further assistance so that DWR clearly understands the position taken by the County. Also, should you wish to discuss the County's comments, I can be reached at (909) 387-4384. Additionally, Josh Candelaria of the County Administrative Office's Legislative Affairs Unit may be reached at (909) 387-4821.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bob Page".

Bob Page  
Principal Management Analyst, Special Projects  
County Administrative Office  
County of San Bernardino

# CHINO BASIN WATERMASTER

## III. REPORTS/UPDATES

### E. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update (Written)
2. Community Outreach/Public Relations Report
3. State and Federal Legislative Reports

**CHINO BASIN WATERMASTER**

**ADVISORY COMMITTEE**

**September 17, 2015**

**AGENDA**

**INTERAGENCY WATER MANAGER'S REPORT**

**Chino Basin Watermaster**

**9641 San Bernardino Road**

**Rancho Cucamonga, CA 91730**

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**Discussion Items:**

- MWD Update (Written)

**Written Items:**

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

**CBWM Advisory Committee Meeting  
September 17, 2015**

MWD Update – Discussion

- **Integrated Resources Plan:**

MWD is in the process of updating its 2010 Integrated Resources Plan (IRP) and has been conducting technical workshops to discuss both imported water and local supply forecasts. Initial results indicate that if no IRP actions are taken, there is a 20% likelihood of being in a shortage allocation by 2030 and 60% by 2040. This indicates that they will need to establish additional supplies to avoid triggering water allocations. IEUA has been participating in these discussions, and is coordinating with Chino Basin Watermaster (CBWM) as needed. Schedule for completion is set for October.

IEUA is also developing an IRP and held a supply portfolio development workshop with guest presenters from RAND Corp. At this workshop each member agency had the ability to select project categories they would like to include in a regional supply portfolio. A group analysis of the common interests was done prior to concluding the workshop. In general, interest in groundwater projects, securing supplemental water for recharge via spreading or in-lieu and increasing water use efficiency due to cost effectiveness were some of the comment themes. The Agency will continue the supply portfolio discussions through September and will schedule individual meetings with our member agencies.

- **Water Supply Allocation Plan (WSAP):** Reminder that effective July 1, 2015 through June 30, 2016, reduced Tier 1 allocations will be as follows. Purchases of water in excess of the amounts below will result in an Allocation Surcharge from MWD. Cumulative sales are through end of July 2015.

CVWD: 26,569 AF	(Cumulative sales of 1,022.3 AF, 4% of WSAP Allocation)
WFA: 27,406 AF	(Cumulative sales of 1,311.6, 5% of WSAP Allocation)
FWC: 7,293 AF	(Cumulative sales of 993.4 AF, 14% of WSAP Allocation)

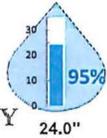


# WATER SUPPLY CONDITIONS CRA

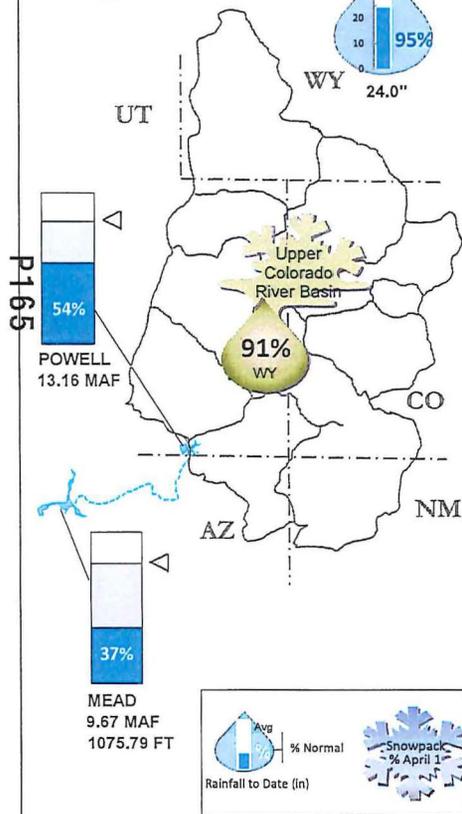
As of: 07/12/2015

## 2015 Colorado River

925,000 AF  
74% of full CRA



WY 24.0"



Turn page for more CRA Data

Flip Over for SWP Data

## HIGHLIGHTS

### Colorado River Basin

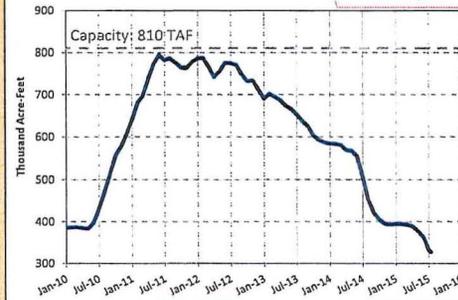
- Runoff forecast at 91% of normal up from 63% due to above normal precipitation in May and June.
- More monsoonal moisture anticipated this week, producing heavy rain and localized flooding.

### Northern California

- Runoff forecast remains below normal at 49%.
- Above normal temperatures forecasted for the week.
- Snow in July for portions of the central Sierra, increasing the 5 Station Index to 167% for the month of July to date

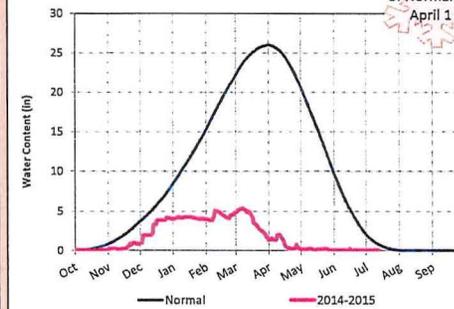
### Diamond Valley Lake Storage

155 TAF less in storage than this time last year

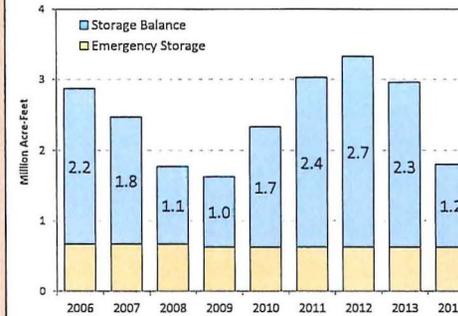


### Southern Sierra Snowpack

5% of Normal on April 1st

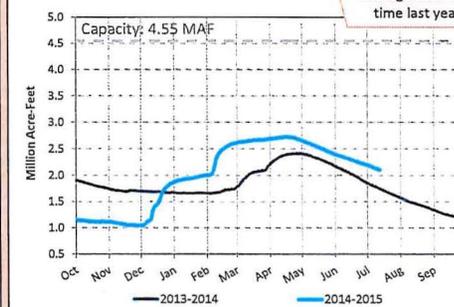


### MWD Storage Reserve Levels



### Lake Shasta Reservoir Storage

363 TAF more in storage than this time last year



This report is produced by the Water Resource Management group and contains information from various federal, state, and local agencies. Metropolitan cannot guarantee the accuracy or completeness of this information. Readers should refer to the relevant state, federal, and local agencies for additional or for the most up to date water supply information. Reservoirs, lakes, aqueducts, maps, watersheds, and all other visual representations on this report are not drawn to scale.

[http://www.mwdh2o.com/PDF\\_About\\_Your\\_Water/2.2.4\\_water\\_supply\\_conditions.pdf](http://www.mwdh2o.com/PDF_About_Your_Water/2.2.4_water_supply_conditions.pdf)  
This report is best printed double sided on legal size paper (8.5" x 14") and folded in quarters

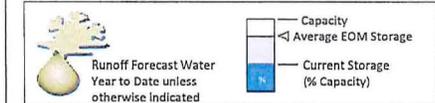
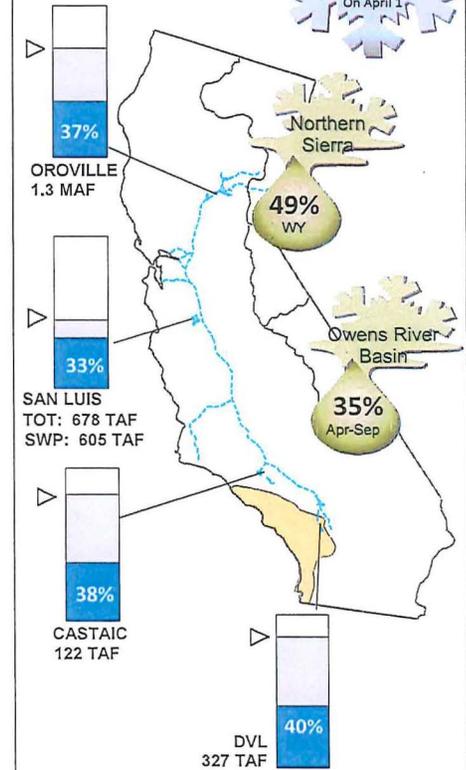


# WATER SUPPLY CONDITIONS SWP

As of: 07/12/2015

## 2015 SWP Allocation

382,300 AF  
20% of Table A



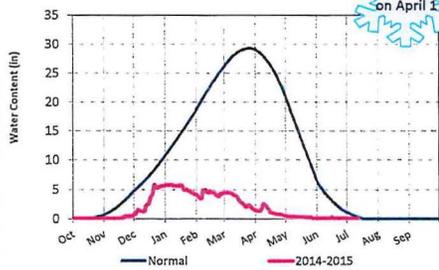
Flip Over for CRA Data

Turn page for more SWP Data

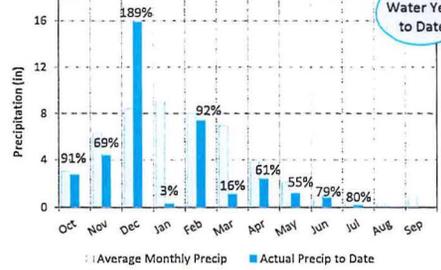
## State Water Project Resources

As of: 07/12/2015

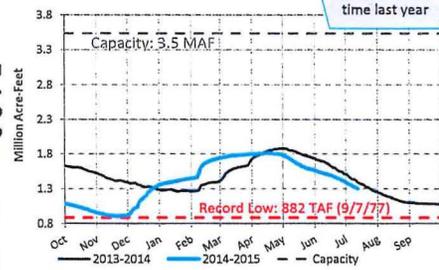
### Northern Sierra Snowpack



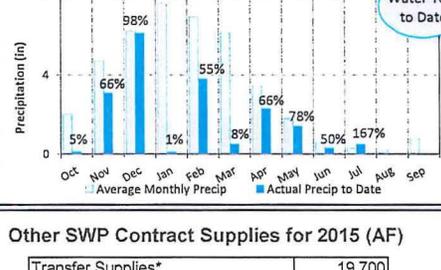
### 8 Station Index Precip



### Oroville Reservoir Storage



### 5 Station Index Precip

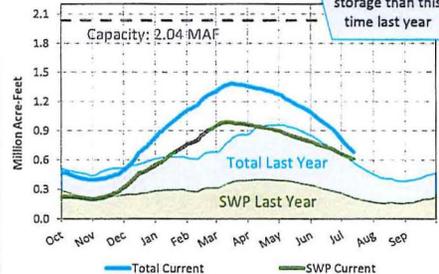


### Other SWP Contract Supplies for 2015 (AF)

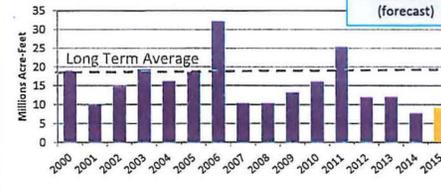
Transfer Supplies*	19,700
Multi Year Pool	1,400
Pool A/B (Purchased)	0
Article 56 (Prior Cal. Year(s) CO)	36,000

\* Assumes 20% losses

### San Luis Reservoir Storage



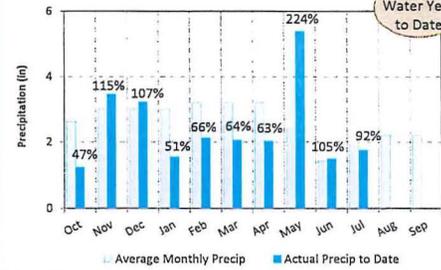
### Sacramento River Runoff



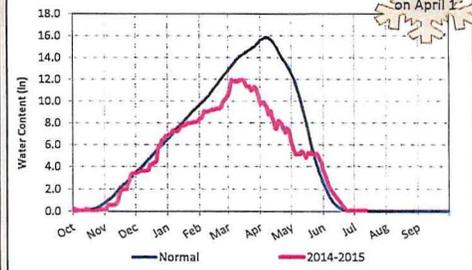
## Colorado River Resources

As of: 07/12/2015

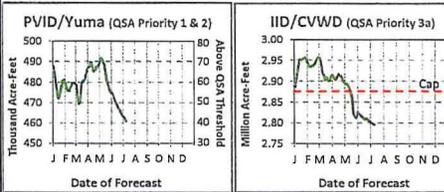
### Upper Colorado Basin Precip



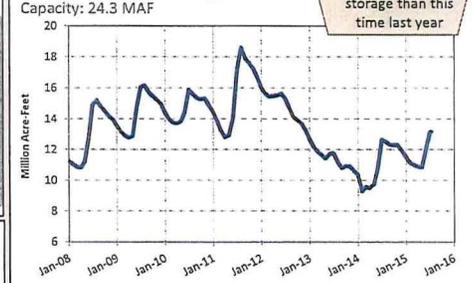
### Upper Colorado Basin Snowpack



### Colorado River Ag Use Forecast



### Lake Powell Storage

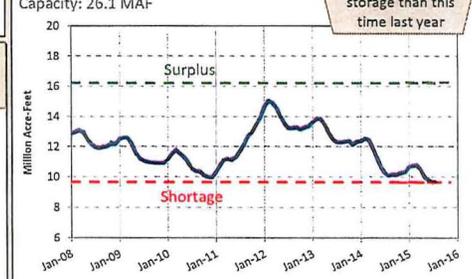


### Lake Mead Shortage/Surplus Outlook

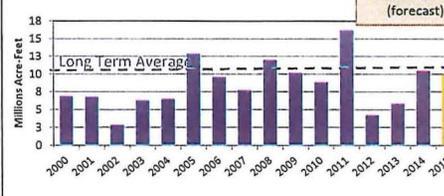
	2016	2017	2018	2019	2020
Shortage	0%	47%	65%	66%	63%
Surplus	0%	0%	3%	8%	12%

Likelihood based on results from the June 2015 USBR M10M/CRSS simulations.

### Lake Mead Storage



### Powell Unregulated Inflow





CALIFORNIA STRATEGIES, LLC

Date: August 28, 2015  
To: Inland Empire Utilities Agency  
From: John Withers, Jim Brulte  
Re: August Activity Report

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Listed below is the California Strategies, LLC monthly activity report. Please feel free to call us if you have any questions or would like to receive any more information on any of the items mentioned below.

- Met with IEUA Executive Management Team to review priority issues and to discuss activities for August that they wanted accomplished.
- Participated in discussions with staffs of San Bernardino and IEUA to discuss coordination of County and District legislative and public policy issue agendas that Executive Staff wanted.
- Received the recently released LAFCO report.
- Discussed County flood control and IEUA issues.
- Continue to monitor statewide water issues including the BDCP, water bond, and drought relief act activities.
- Outreach to Board Directors as needed on issues of interest
- Monitor Santa Ana Regional Board agenda and issues of interest to IEUA.

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# *Agricultural Resources*

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

August 28, 2015

## Legislative Report

**TO:** Joe Grindstaff  
General Manager, Inland Empire Utility Agency

**FR:** David M. Weiman  
Agricultural Resources  
LEGISLATIVE REPRESENTATIVE, IEUA

**SU:** Legislative Report, August 2015

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### Snapshot.

- \* House and Senate on recess throughout August until after Labor Day.
- \* Reports (almost daily) on pending El Nino – filled with uncertainties (where, when, how strong, how intense, rain or snow, ability to capture run-off and most of all, will the storms extend to North California). Big unanswered question, will the precip fall as snow in the Sierras?).
- \* Arizona Senators are “shopping” legislative amendments to change the Colorado River shortage allocations (at the expense of CA)
- \* Late storms on the Colorado River Basin provided some relief – and pushed the river away from the “shortage allocation trigger” (for now – and estimated not to reach it through 2016).
- \* Congressional Schedule – September 10-12 days only. Once again, Government shutdown looms – over two different issues – pending Iran Agreement and social funding in pending CR.

### El Nino is Coming, El Nino is Coming.

- El Nino stories from NASA, the Weather Service and academics who track such events are now appearing daily in print and e-media and are reporting this EL Nino to be one of

the strongest formations ever is building in the Pacific in years. Questions remain. Is this a “drought-buster OR a flood-inducer? Will precipitation from storms have a chance to permeate the dry landscape, OR instead, become huge “gully-washers?” Where will the storm hit? Most reports and indications are that Southern California will receive the brunt of an El Nino. What about Northern California? Will it come as rain OR reach the higher elevations as snow? And, will any of this precip carry over to the Colorado River Basin? Within the IEUA service area, if flooding occurs, there will be concerns about the ability to capture and recharge as much water as possible and limit conflicts with the Chino Dairies. Right now, there are more questions than answers. IEUA should be coordinating with SAWPA, the Corps and local governments if flooding occurs or to manage it if/when it comes.

### **Federal Water/Drought Legislation.**

- ***What will happen in Congress and when?*** The House passed the Valadao-Nunes bill (very controversial, highly contentious and that is largely limited to address San Joaquin Valley needs only). In the House and Senate, numerous other drought bills are pending (House, Matsui, Napolitano, McNerney and Huffman). In the Senate, in late July, a comprehensive statewide (all 58-county) Feinstein-Boxer bill was introduced that provides authorization for \$1.2 billion divided between storage (\$600 million) and recycling storage and other programs (\$600 million).
  
- ***Feinstein-Boxer Bill Goes to Senate Energy Committee – Sen. Lisa Murkowski (R-AK), Chair – Hearings and Markup Pending.*** Sen. Murkowski has publicly stated that hearings will be held, likely not before late September or sometime in October. She has also stated that the Committee will NOT consider a California-only bill, but look to a comprehensive, westside drought bill (OR, WA, NV, AZ, ID and parts of MT, UT and CO are all struggling with drought). As of now, a westwide bill has yet to be drafted. Moreover, in the immediate short-term, it is anticipated that Murkowski’s highest priority will be to take to the Senate floor and pass a comprehensive bi-partisan energy bill which was marked up and passed by Committee prior to the August break.
  
- ***Westlands and Other San Joaquin Valley Water Interests Are Anxious to Get Drought Legislation into Conference.*** The functional repeal of CVPIA, the Fish and Wildlife Coordination Act, ESA and the San Joaquin Restoration Act repeal are the near-exclusive priorities of the San Joaquin Valley Members (and that’s reflected in the limited nature of the House bill). Feinstein-Boxer excluded those contentious provisions from their bill. The House San Joaquin Valley members want to get a bill into conference as soon as possible so they can engineer a political “trade” – new financial authority (i.e. the \$1.2 billion plus whatever the other states want for their “repealer” list). The Administration is opposed. Feinstein and Boxer are adamant that no such bill will be allowed to pass. As of now, no one can see how this impasse will (or can) be resolved.
  
- **Feinstein-Boxer – Storage – What’s Really Authorized?** The bill authorizes \$600 million for storage. The bill identifies five possible storage projects, but stops short of

authorizing any of them. The five storage projects – based on publicly available BuRec or DWR reports – are estimated to cost at least \$6 billion – likely far more, excluding the proposed Delta Tunnels (and produce very little water). A question has emerged among many who are reviewing the bill – is the \$600 million a “federal contribution cap” (a limit from the feds) OR is it a down-payment or first installment on a multi-billion federal commitment? It’s unclear and unknown. Staff, reps and interested parties are asking back here in Washington.

### **Colorado River**

- ***Lake Mead – Mandatory Allocation Trigger – Reached Then Late Storms Hit.*** In the June-July period, Lake Mead dropped significantly, and went under the 1075' level. If sustained over a several month average, a mandatory allocation trigger would have been reached. It has not. Late storms brought enough relief to avoid (for now) such a dire situation. Colorado River experts are now indicating that there should be enough water in the system to avoid a trigger event in the remainder of 2015 and (hopefully) 2016 (El Nino potentially could be positive in the Colorado River Basin depending on the intensity, duration and path of the storm systems).
  
- ***Drought Conditions – California.*** An all but identical report from last few months. At the end of August, all 58 California Counties remained in various levels of drought. According to the NOAA/USDA’s well-visited Drought Monitor web site, 100% of California remains is in drought and the August 25 weekly update reported that approximately 90% of the entire State was in severe, extreme or exceptional drought and – once again – more than 90% of the coastal regions (including Southern California) of the State and the entire Sacramento and San Joaquin Valleys were in the highest category of drought.
  
- ***Drought Conditions – Rest of the West.*** And, an all but identical report for the rest of the West too. Previously, I reported that the drought map for the West abruptly changed following the huge storms in the Gulf, Texas and Oklahoma several months ago. Drought has all but disappeared east of the Rockies. Almost no drought conditions exist from the Dakotas down through Texas. Coastal states (CA, OR, and WA) remain in severe drought (emergencies were formally declared by both Governors). Same with Arizona, Nevada and Utah. Western MT, and WY. Parts of , NM and CO remain in some level of drought, but the eastern part of each of those states are largely drought-free at this time.

### **Political Threats – Arizona Claims – Invokes Fear – California Would “Steal” Arizona Water**

- ***Arizona Unhinged Over “Possible Threat.”*** Beginning early in 2015, Arizona water leaders began privately and later publicly began expressing outright alarm that California would “steal” Arizona water if the Colorado River dropped low enough to force a mandatory allocation.

- ***Arizona Senators and Delegation Shopping Legislative Amendments to Overturn 1968 Agreement.*** Arizona, in turns out, doesn't like the agreement it negotiated with California and others back in 1968 to finance the Central Arizona Project. In response to the perceived threat today, Members of the Arizona delegation shopped amendments to overturn the 1968 agreement when the Energy Bill was being considered in the Senate Energy Committee. No amendment was offered, but MWD very concerned.

#### **EPA-Corps of Engineers Issue New Clean Water Act Rule Blocked by Federal Judge.**

- The "Waters of the US" EPA-Corps rule has been highly controversial, deserved or not. Litigation has occurred and now, a Federal Judge has blocked the implementation of the rule, at least in part and for now. This will be an issue for some time to come.
- And, as a reminder, I previously reported that "*IEUA and others asked EPA and the Corps, after reviewing the draft, to exempt recycled water facilities and projects. As requested, these projects were exempted.*"

#### **Municipal Bonds**

- ***Municipal Bonds for America Coalition Planning July Fly-In.*** Led by South Carolina Mayor, Steve Benjamin, the Municipal Bonds for America Coalition held a "fly-in" – meeting with House and Senate leadership, Senate Finance and House Ways and Means Committee leaders and members and others. A staff briefing was held in the new Visitor's Center. While comprehensive tax reform is not expected to be considered before 2017, it could be forced to occur if Reconciliation takes place. The only way to achieve a 25% tax rate (personal and business) is to wipe out major sections of the tax code – and deductibility of muni bonds are in that zone.

#### **Looking Into September**

- September schedule is packed with high profile, highly controversial issues
- Fiscal years ends September 30, new one begins on October 1. Funding bills (CR) must be enacted by the end of the month to avoid government shut-down.
- House/Senate to consider Disapproval Resolution on Nuclear Agreement with Iran
- Short-term Highway bill set to expire shortly – needs to be addressed
- Filibuster threats have been raised on both the CR and the Iran Agreement
- Congressional Research Service (CRS) detailed analysis of the Feinstein-Boxer bill is expected.



**August 28, 2015**

**To:** Inland Empire Utilities Agency  
**From:** Michael Boccadoro  
President  
**RE:** August Legislative Report

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**Overview:**

Legislators have returned to Sacramento after their month-long Summer Recess for the final few weeks legislative session which ends on September 11. Members will have until August 28 to get their bills out of Appropriations Committees and onto the floor before two final weeks of floor sessions. During the final few weeks it is rumored that the Legislature could take action on key issues including a public goods charge for water, cleanup of water district consolidation and allocation of the Greenhouse Gas Reduction Funds. Senator Pavley earlier this week announced she would be amending her SB 20 to create a water resiliency investment fund, sparking further rumor of a public goods charge effort.

The Senate Select Committee on the Sacramento San Joaquin Delta held a hearing to discuss the California WaterFix. The committee is chaired by Senator Wolk who stacked the agenda with pro-Delta, anti-tunnel advocates. The Legislative Analyst's Office gave a general overview of the history of BDCP and issues in the Delta while panelists discussed the effects to the ecosystem and fish, the view of the Delta Counties, alternatives to the CA Water Fix, and the economics of the proposal. Panelists warned any Delta conveyance facility would harm the economy, the ecosystem and take water away from in-Delta interests while costing taxpayers billions of dollars. There was no representation from the Brown Administration or any party that favors the CA WaterFix.

The South Coast Air Quality Management District's (SCAQMD) plan to update and tighten emissions reduction requirements under its NOx trading program continues. Industry is claiming a recently released update would impose massive economic costs, while advocates say the program needs to be even more stringent.

Acting on a drought-response directive from Governor Brown to tackle water-appliance efficiency, the California Energy Commission approved a new standard for showerheads that is expected to save 2.4 billion gallons of water in the first year of the program. The two-phase program will be fully in effect by July 1, 2018.

Several Legislators and environmental groups are pressing the CPUC to revise a Proposed Decision (PD) that implements the recently re-authorized Self Generation Incentive Program. The Legislators and stakeholders argue that while using ratepayer dollars, the program does not require sufficient greenhouse gas emissions reductions and will only incentivize more natural gas powered fuel cells without advancing the state's emissions reduction and renewable energy goals.

## Inland Empire Utilities Agency Status Report – August 2015

### *California Water Resiliency Investment Fund Introduced*

Rumor about a new public goods charge for water has been a hot topic in California for months. With Legislative session a few short weeks from ending Senator Fran Pavley (D-Augora Hills) amended her SB 20 to propose a California Water Resiliency Investment Fund. While the Senator has indicated that she does not plan to move the bill this session, it is the most formal step to instituting a public goods charge for water we have seen.

The bill currently consists only of intent language and funding categories but offers some limited insight. The bill creates five “accounts:”

- The Emergency Drought Response and Recovery Account- to support emergency actions to prevent vulnerable populations from the severe impacts of water droughts, including providing emergency drinking water and other residential water supplies, and other economic relief measures.
- The Integrated Regional Water Resiliency Management Account- to provide matching grants to local and regional agencies to increase regional self-reliance and result in integrated, multibenefit solutions for ensuring sustainable water resources. Projects may include groundwater storage, wastewater recycling, stormwater capture, water conservation, flood management, and other water supply and quality projects.
- The Safe Drinking Water for Disadvantaged Communities Account- support planning, construction, operation and maintenance of drinking water systems for disadvantaged communities.
- The Environmental Resilience and recovery Account- provide funding to restore and protect fish and wildlife habitat and populations to avoid or reduce conflicts with water management systems. This funding is only available for projects that are greater than required environmental mitigation measures or compliance obligations and cannot be used to pay for mitigation or environmental review costs of any current or proposed water supply project.
- The Smart Water Data Program Account- support improved data and information systems that enable better management of water resources and to further facilitate expansion of water markets.

The measure currently contains no specifics about funding levels.

Again, the Senator has indicated that she will not move the bill in the final weeks of session. There will likely be stakeholder meetings on the bill in the fall and early winter before the Legislature returns in early 2016. Passage of any new tax or fee, like a public goods charge, would require a two-thirds vote of the Legislature under Proposition 26.

### *Hearing in Senate on California WaterFix*

The Senate Select Committee on the Sacramento San Joaquin Delta recently held a hearing on the California WaterFix. Senator Lois Wolk (D- Davis,) an outspoken opponent of any type of conveyance facility and Chair of the committee, opened the hearing by outlining several questions she has identified as having yet to be answered:

- Will the tunnels improve the Delta ecosystem?
- Will the tunnels significantly impact economies and the community of the Delta and Northern California?
- Will the tunnels improve water supply reliability in other parts of California?
- Will the tunnels be cost effective?
- Will the results justify the cost?
- Will the tunnels help meet the coequal goals?
- Who will control the pumps and their operation?

The Legislative Analyst's Office (LAO) gave a history of the Sacramento San Joaquin Delta, outlined recent efforts and proposals to address Delta challenges, a summary of the major revisions between the Bay Delta Conservation Plan and the California WaterFix and finally discussed issues for the Legislature to consider. Some of the issues the LAO identified the Legislature might want to consider include:

- How well does the California WaterFix align and integrate with the Delta Reform Act, the Delta plan and other Delta efforts?
- What entities currently have the authority to ensure the WaterFix meets statewide goals for the Delta? Is the oversight sufficient and appropriate? How will the project incorporate evolving scientific understandings?
- What role could the Legislature take to exercise its preferred role?
- How does the California WaterFix affect fish and wildlife?
- Does the California WaterFix account for changing water flows in future years?
- Are there viable alternatives?
- What costs might the state have to bear?

Following the LAO, the panel discussion commenced with presentations from Dr. Christina Swanson who discussed if the tunnels would be good for the fish and the ecosystem. She recognized that native fish populations are declining at an alarming rate and that the current management system is not working. While she spoke about many factors, the highlight of her presentation was about flows through the Delta. She noted that if there are sufficient flows in the Delta many of the other contributing factors to ecosystem and habitat decline can be mitigated for easily.

Sacramento County Supervisor Don Nottoli represented the Delta Counties Coalition, another anti-tunnel organization, and spoke about the same issues his Coalition has consistently highlighted, and advocated using Proposition 1 funds for the following:

- Focus on water system operational improvements to existing facilities.
- Increase storage.
- Improve levees.
- Promote regional self-reliance and reduce reliance on the Delta.
- Preserve and protect the Delta economy.

Craig Wilson followed Supervisor Nottoli. The former Delta Watermaster spent most of his time outlining his plan for an alternative diversion point. He believes that a diversion on the west side of the Delta, near Sherman Island, is a better location to the current and proposed intakes. He favors this location because it allows the water to flow through the delta before it is diverted south. He proposes a treatment polishing facility to treat the water that will have picked up salts and other contaminants moving through the Delta. Finally, he envisions a gate system below the confluence of the Sacramento and San Joaquin rivers to protect from any sort of significant saltwater intrusion events.

Dr. Jeffrey Michael from the University of the Pacific was the hearing's last panelist and he focused on the economics. He testified the California WaterFix is completely unfeasible and noted that there was no way for it to get built without significant state/taxpayer funds.

There was well-coordinated public comment from other anti-tunnel representatives, and a few questions from members. It is important to note again that the panel was decidedly biased against the tunnels and that there was no representation from the administration or any other pro-tunnel interest. There was no action taken at the hearing and no further hearings scheduled.

### ***South Coast NOx Program Update***

The evolution of the South Coast Air Quality Management District's (SCAQMD) plan to update and tighten emissions reduction requirements under its NOx trading program continues. Industry claims the new update would impose massive economic costs, while advocates say the program should be made even more stringent. The recent "preliminary draft staff report" calls for a total reduction of 14 tons per day (TPD) in two phases. Four TPD by 2016 and then the final ten TPD in equal amounts in 2018 and 2022.

Affected industry coalitions are urging the district to significantly lower the level of emissions reductions charging that the 14 TPD is unworkable and does not reflect best available retrofit control technology (BARCT) and would be so expensive that the program could become dysfunctional and small and medium sized businesses would face significant cost impacts that could lead to cutback and closure.

Environmentalists are urging district officials to tighten the pending proposal to achieve the same emission reductions as traditional command-and-control regulations and that only a more stringent NOx reduction will achieve this standard by requiring the necessary equipment to be installed.

### ***CEC approves new standards for showerheads***

The California Energy Commission (CEC) has approved new standards for showerheads, a move expected to save 2.4 billion gallons of water in the first year. The program is a two tiered standard with Tier One requiring on and after July 1, 2016, all fixed and handheld showerheads manufactured or offered for sale in California to have a maximum flow rate of two gallons per minute. The Tier Two standard, set for showerheads manufactured on or after July 1, 2018, decreases the maximum flow rate to 1.8 gallons per minute. The combined standard, the most stringent in the country, is expected to save as much as 38 billion gallons of water per year after full stock turnover in 2028. Additionally, the CEC notes that the standard will save 202 million

therms of natural gas, save 1.3 GW of electricity; and produce \$702 million in annual savings for consumers.

### ***SGIP program review requested at CPUC***

Several State Legislators and environmental groups are pressing the CPUC to revise the Proposed Decision (PD) for the Self Generation Incentive Program (SGIP) at the CPUC.

SGIP provides rebates for small distributed energy system facilities installed on the customer's side of the meter, such as fuel cells and energy storage systems. The program provides subsidies for up to 50 percent of a project cost for the installation of distributed generation technologies no greater than 3 megawatts.

The \$415 million ratepayer funded SGIP program was reauthorized by the Legislature last year and included new eligibility requirements. Some groups believe that the PD sets allowable GHG levels higher than a modern gas plant, allowing millions of SGIP subsidies to flow to carbon-intensive distributed resources. The legislators who weighed in also generally agree the PD seems to maintain the eligibility for existing technologies operating on 100 percent conventional natural gas, noting that the proposed rules will do nothing to promote the state's longer climate and energy goals.

### ***Legislative Update***

The Legislature has returned from their month-long Summer Recess to immediately begin working in their respective Appropriations Committees until the August 28 deadline for all bills to be on the floor. They will then have until September 11 to pass bills off the floor for the Governor's signature.

The final three weeks of the session could see some last minute efforts on some big policy issues including a public goods charge for water, cleanup of the water district consolidation measure passed with the budget and allocation of up to \$2.2 billion in Cap and Trade proceeds.

Cleanup of the water agency consolidation language is running into disagreement between the proponents, Senators Wolk and Hertzberg, who want the legislation to only include small cleanup measures and the Administration which is interested in putting in more significant policy changes, though the specific policy measures have not yet been outlined yet.

Finally, after several months of work in budget sub committees on the proceeds from the Cap and Trade auctions would be allocated, the expenditures were not ultimately included with budget passage in June. However, in order to spend the funds this fiscal year, legislators must act to appropriate the funds before the session gavels closed on September 11. How the money will be spent remains unclear since a legislative proposal has not yet surfaced. It is likely safe to assume that there will be some funding for energy efficiency in the water sector, as that remains a popular policy program within the Administration.



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Bill/ Author	Subject	Status	Description	IEUA Position	Notes
AB 143 Stone (R)	Diamond Valley Reservoir: recreational use.	2-Year Bill	Would exempt prohibition recreational activity in which there is bodily contact with water by any participant in the Diamond Valley Reservoir.	Oppose	Bill was made a two-year bill.
SB 75 Budget Committee	Emergency Drought Appropriations	Held in Assembly	Emergency Drought Expenditures	Support	The Emergency Drought bills were passed in separate vehicles, ABs 91 & 92, contained the same language as SB 75
AB 888 Bloom (D)	Plastic Microbeads	Senate Floor	Would prohibit, on and after January 1, 2020, a person, as defined, from selling or offering for promotional purposes in this state a personal care product containing plastic microbeads that are used to exfoliate or cleanse in a rinse-off product	Support	
SB 385- Hueso (D)	Hexavalent Chromium	Governor's Desk	Would authorize, until January 1, 2020, the State Water Resources Control Board, at the request of a public water system that prepares and submits a compliance plan to the state board, to grant a period of time to achieve compliance with the primary drinking water standard for hexavalent chromium by approving the compliance plan	Support	ACWA Sponsored
SB 471- Pavley (D)	Water Energy Nexus	Appropriations Suspense	Would include reduction of greenhouse gas emissions associated with water treatment among the investments that are eligible for funding from the Greenhouse Gas Reduction Fund. The bill would also make legislative findings and declarations, and a statement of legislative intent, with regard to the nexus between water and energy and water and reduction of greenhouse gas emissions.	Support	

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Comprehensive Government Relations

## MEMORANDUM

**To:** Joe Grindstaff and Kathy Besser, IEUA

**From:** Letitia White, Jean Denton, and Drew Tatum

**Date:** August 28, 2015

**Re:** August Monthly Legislative Update

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### *Congress Takes Recess, Many Issues Remain for the Fall*

Congress was in recess for the month of August. Lawmakers spent the month traveling their respective states and districts, and many used the opportunity to vacation with their families. Both chambers are slated to return on Tuesday, September 8<sup>th</sup> for what is shaping up to be a busy fall. A visit from Pope Francis late in September further complicates the schedule, with the House scheduled to be in session for 12 days and the Senate for up to 17. The biggest priority during the month will be completing a funding measure to ensure the government remains open after September 30<sup>th</sup>—the end of the Federal fiscal year.

There have been internal discussions by the House Appropriations Committee on advancing a continuing resolution for two to three months while Congress works with the White House to come up with a full-year spending plan. Republican Leaders have indicated they would like to repeat what happened last year when Congress returned from the August recess and passed a CR within 9 days. This year that could be particularly challenging. Conservatives have indicated that in light of recent videos released concerning Planned Parenthood's practices, they will insist that any appropriations measure block funding for the organization. Additionally, a controversial amendment regarding the display of the Confederate flag could unravel leaders' plans, as it did with the Interior Appropriations bill in the House earlier this year. Both House Speaker John Boehner (R-OH) and Senate Majority Leader Mitch McConnell (R-KY) have indicated they do not want to see a government shutdown, but they might end up needing Democratic votes if they hope to advance a "clean" continuing resolution in September.

In punting spending issues until later in the year, Congress will be adding pressure on themselves to come up with a grand bargain to solve a number of issues that will resurface before the New Year. Those issues include:

- Tax extenders: Several tax breaks that Congress typically renews on an annual basis expired at the end of 2014. They are likely to address those before the end of the year and make them retroactive to the beginning of the tax year.
- Debt ceiling: The Treasury Department has indicated its options will expire in mid-November or early-December, at which point the US will default on its debt if Congress doesn't raise or suspend the debt ceiling again.

## *Innovative Federal Strategies LLC*

- Transportation authorization/funding: Congress again passed a three month extension at the end of July, pushing the authorization and funding to October 29<sup>th</sup>. The Senate passed a bipartisan 6-year bill with only 3-years of funding. The House did not act on the Senate bill, insisting it might craft its own long term plan.
- Export-Import Bank: The White House told Congress it expects a reauthorization of the Ex-Im Bank to be attached to legislation that comes to President Obama's desk. That did not happen with the transportation extension, and now the White House has indicated it would like it to be attached to the continuing resolution.
- Potential use of reconciliation: In passing a budget resolution for the first time in many years, Congress now has the ability to use a process called reconciliation to fast track and require a lower vote threshold in the Senate of particular legislation. Leaders have not indicated how or when they plan to bring up a potential repeal of the Affordable Care Act or substantial changes to healthcare, but time could be devoted this fall amid an already packed schedule.

The biggest issue this fall is expected to be a year-long or multi-year appropriations deal. Republicans have marked up bills that mostly adhere to the Budget Control Act, which contains caps for federal spending. The White House has indicated that it will not sign any appropriations measure into law that adhere to the 2011 law. At this point, we expect a deal will be negotiated and passed by the time Congress leaves in December. Congress has identified several new revenue sources as it has looked at transportation funding, and some Members of Congress have indicated they'd like to see those revenue sources spread among a fix for transportation programs and to offset raising the caps on defense and discretionary spending in a manner similar to the Ryan-Murray 2-year spending deal reached in 2013. With the clock ticking, it will be an interesting fall, further stressed by the 2016 Presidential campaign.

### ***Courts Block EPA Clean Water Rule***

Late Thursday a federal judge in North Dakota issued a temporary order blocking the implementation of the administration's controversial rule defining the "waters of the United States". Judge Ralph Erickson of the District Court for the District of North Dakota issued a preliminary injunction after finding that the 13 states suing the administration met the necessary conditions. The Court found that they would likely be harmed if action wasn't taken to block the order while the underlying lawsuit is argued and decided. The decision throws up a roadblock for the Environmental Protection Agency and the Army Corps of Engineers who released a second iteration of the rule earlier this year before publishing it in the Federal Register—a requirement before enforcement can begin. The rule was published on June 29<sup>th</sup>, and was set to take effect on August 28<sup>th</sup>.

Arguing that the judge's ruling only impacts the 13<sup>th</sup> states that requested the injunction, the Obama administration has indicated it will largely enforce the regulation as initially planned. In a statement shortly after the ruling, the EPA was defiant and said that the injunction only applies in the thirteen states that filed for it: Alaska, Arizona, Arkansas, Colorado, Idaho, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota and Wyoming. Melissa Harrison, an EPA spokeswoman, said "In all other respects, the rule is effective on August 28<sup>th</sup>." This is simply the next step in what is expected to be a long battle over executive regulations. There are currently 10 lawsuits pending, representing 29 states and business interests.

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### ***Outlook for September***

September is shaping up to be a busy month, with most legislative attention expected to be focused on passing a continuing resolution to fund the government past September 30<sup>th</sup>. Additionally, we may see action on California or West-wide Drought legislation at the committee level in the Senate.

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Date: September 16, 2015

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (9/9/15)

From: P. Joseph Grindstaff  
General Manager

Submitted by: Kathy Besser  
Manager of External Affairs

Subject: Public Outreach and Communication

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### **RECOMMENDATION**

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

### **BACKGROUND**

#### September 2015

- September 23, Chino Day at the LA County Fair, 1101 W. McKinley Avenue, Pomona, 9:00 a.m.-1:00 p.m.
- September 24, Blood Drive, IEUA HQB Event Room, 10:00 a.m. – 2:00 p.m.

#### October

- October 17, Landscape and Water Conservation Fair, Chino Basin Water Conservation District, 4594 San Bernardino Street, Montclair, 9:00 a.m.-2:00 p.m.
- October 27, WEWAC Project WET Workshop, IEUA HQB Event Room, 8:00 a.m. - 3:00 p.m.
- Date TBD, IEUA Leadership Breakfast, IEUA HQB Event Room, 7:30 a.m. – 9:00 a.m.

#### November

- November 4, Blood Drive, IEUA HQB Event Room, 10:00 a.m. – 2:00 p.m.

#### Outreach/Education - Civic Publications Newspaper Campaign

- IEUA staff worked with Civic Publications to develop a summer 2015 water-saving campaign. This campaign focuses on changing habits and water savings and will include display ads, two targeted email campaigns and print media. All digital media will link to the IEUA micro-site with water-saving tips and rebate information.

### Media and Outreach

- Staff placed a Kick the Habit ad in the Chino Champion that ran on August 22.
- IEUA staff has renewed contracts with *La Opinion* and *Fontana Herald* for fiscal year 2015/16. Outreach campaigns will feature *Kick the Habit* advertisements and banner displays, as well as promoting upcoming events.
- IEUA staff held the second Drought Task Force meeting with member agencies on July 28 to finalize the development of an outreach plan to implement a logo and tagline for consistent drought messaging across the region. Consultants Tripepi Smith & Associates presented campaign logos they developed to the member agency reps and it was unanimous to go with *Kick the Habit*. Drought Task Force meetings will be held every other month, with the next meeting scheduled for late September.
- Staff has renewed a 12 month signage display contract with Big League Dreams located in Chino Hills. Tripepi Smith & Associates are working on the artwork for signage to update the current Save Our Water display.

### Education and Outreach Updates

- Water Discovery Program: 195 professors and/or teachers, Girl Scout troop members, elementary and high school students have taken part in the park field trip from July 1, 2015 through August 31, 2015. Additionally, Water Discovery Field Trips for school year 2015/16 are being scheduled. The Busing Mini-Grant program will be ending in December 2015. Only schools within IEUA's service area will qualify for busing after December 2015.
- Staff is working on updating school contacts and sending out education brochures to all schools within IEUA's service area to begin promotion of IEUA's education programs for school year 2015/16.
- Staff sent out the Summer edition of the E-Basin on August 18, 2015, featuring the latest drought news, water-saving tips and rebates, and upcoming events.
- IEUA staff is working in cooperation with Chino Basin Water Conservation District and member agency representatives to plan the Landscape Water Conservation Fair held annually in October. The Water Conservation Fair will be held Saturday, October 17. IEUA has been awarded MWD's Community Partnering Program grant for an additional \$2,000 funding for outreach and materials.
- Staff worked with the Water Resources Analyst II and graphic design consultants to create a tagline and logo to use for landscape signage, billboards and magnets. Signs have been made available online to members of the community to print and display in their yards.
- IEUA is working on updating various facility illustrations and brochures. The educational component for these brochures is being updated in order for visitors and stakeholders to have a simple yet detailed visual of each IEUA facility and process. Since July 1, 2015, staff has updated brochures for Regional Plant No. 5, as well as the educational brochure; and the Chino Creek Wetlands and Educational Park brochure have gone to printing.
- Staff is currently working on scheduling the Summer Water Association Leadership Breakfast. Colonel Kirk Gibbs, U.S. Army Corps of Engineers, who took command of

the Los Angeles District Office on August 1, has accepted to be the keynote speaker. Date is TBD.

- Staff, in cooperation with our member agencies, is working on recruiting three teams for MWD's 2016 Solar Cup Competition to be held May 13-16, 2016. Schools that have expressed interest to participate thus far: Los Osos High School (Rancho Cucamonga), Chino High School (Chino) and Henry J. Kaiser High School (Fontana). Team names and contacts are due to MWD by September 25, 2015.
- Staff has GIES site inspection visits set up for September for program year 2015/16 participants. A garden dedication has been scheduled for Cypress Elementary in Fontana for February 25, 2016.

### **PRIOR BOARD ACTION**

None.

### **IMPACT ON BUDGET**

The above-mentioned activities are budgeted in the FY 2015/16 Administrative Service Fund, External Affairs Services budget.

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# IEUA WATER FORUM

## AUGUST 2015



### Local Initiatives for Drought Response

- SAWPA's grant for drought assistance on water rate structures is in full stride. Six agencies have sent letters of intent to pursue allocation-based rates, including Chino and Chino Hills.
- SAWPA has completed aerial mapping of the entire watershed. The next step will be to hire a vendor to calculate landscape square footage for all residential parcels.
- IEUA's "drought targeting" vendor OmniEarth has agreements in place with five agencies and is working to finish agency by agency dashboards that will target over-water use customers. This service will assist each of the agencies to outreach to those customers who can most help agencies meet State drought savings targets.
- El Nino is in the news. National Weather Service data shows since 1950 there have been 23 El Nino events. Of those, 18 produced weak or moderate rains, three produced average rains, and only two produced heavy rains. The NWS message is, don't count on El Nino ending the drought and to keep up with conservation efforts.

### WUE Programs Snapshot

- As of August 20, 2015, IEUA's service area has approximately \$1.5 million in turf removal rebate funding requests on MWD's "Wait List" that will be reviewed by MWD Staff for possible funding in Mid-October 2015.
- As of July 28, 2015, IEUA staff began residential and commercial turf removal inspections to ensure compliance with MWD and IEUA's program conditions. To date, 73 inspections have been completed and 53 applications approved to be paid. IEUA staff is working with member agencies to resolve customer condition issues.
- Garden-In-Every School Program—FY 2014-2015, two schools were completed in the Fontana and Chino Hills service areas. One school in the Chino service area is still in-progress due to the summer break and will be completed in September. FY 2015-2016, the Agency received seven school applications for participation, four schools were selected to install new gardens and two schools were awarded \$1,000 mini-grants to support existing gardens in schools that had not previously participated in the program.

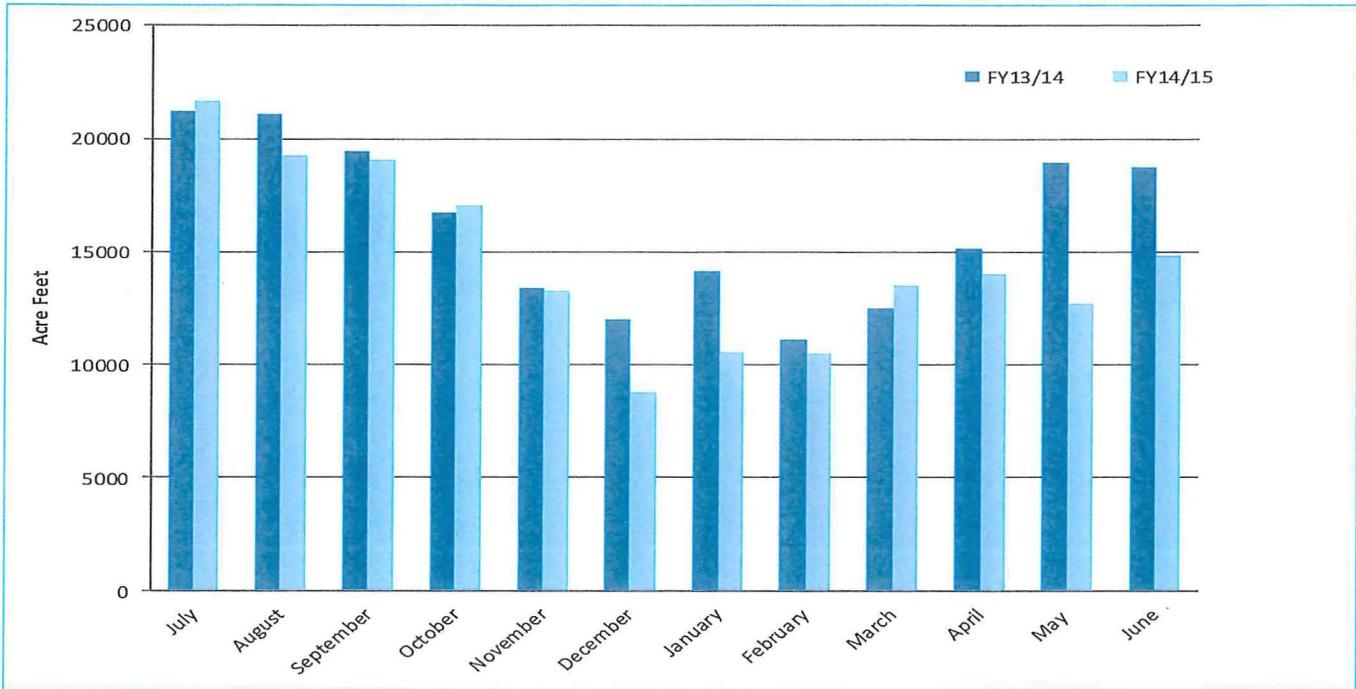
### Regional Fees & Rates

- Following six months of discussion with stakeholders within the region, the Inland Empires Utilities Agency (IEUA) Board of Directors adopted Ordinance No. 103 and Resolution No. 2015-5-6 establishing a water connection fee for all new and upsized water meter connections within the IEUA service area.
- The collection of this fee by IEUA begins on January 1, 2016.
- The water connection fee has been established by IEUA in order to proportionally recover the costs to create regional water supplies that are available to meet the demands of future development.
- IEUA is currently meeting with all Agencies to discuss the process to ensure a smooth implementation when collection of this fee begins in January.
- The DWR Model Water Efficient Landscape Ordinance revisions have been adopted. The California Water Commission voted July 15, 2015, and implementation is December 31, 2015.

### Integrated Resources Plan

- On August 5<sup>th</sup> the Agency held a joint Policy and Board workshop to provide a briefing on IRP process, goals and lessons learned from the demand and supply evaluations.
- On August 26<sup>th</sup> the Agency held a supply portfolio development workshop with guest presenters from RAND Corp. At this workshop each member agency had the ability to select the project categories that they would like to include in a regional supply portfolio. A group analysis of the common interests in the types of projects selected, portfolio themes and why selected was discussed prior to concluding the workshop. In general, interest in pursuing groundwater, additional supplemental water recharge and increasing water use efficiency were some of the common themes.
- The Agency will continue the supply portfolio discussions through September and will schedule individual meetings with our member agencies.

## Regional Water Use



## MWD Dashboard

- MWD-IRP:** MWD is in the process of updating its 2010 Integrated Resources Plan (IRP) and has been conducting technical workshops to discuss both imported water and local supply forecasts. Initial results indicate that if no IRP actions are taken, there is a 20% likelihood of being in a shortage allocation by 2030 and further increases to 60% by 2040. Schedule for completion is set for October.
- MWD Water Supply Allocation Plan (WSAP):** Reminder that effective July 1, 2015 through June 30, 2016, reduced Tier 1 allocations will be as follows. Purchases of water in excess of the amounts below will result in an Allocation Surcharge from MWD. Cumulative sales is through end of July 2015.

**CVWD:** 26,569 AF (Cumulative sales of 1,022.3 AF, 4% of WSAP Allocation)  
**WFA:** 27,406 AF (Cumulative sales of 1,311.6, 5% of WSAP Allocation)  
**FWC:** 7,293 AF (Cumulative sales of 993.4 AF, 14% of WSAP Allocation)

- Imported Water Delivery Snapshot:** Fiscal Year 2015/16 sales are approximately 50% lower compared to last Fiscal Year. Total Fiscal Year sales to date is 3,327.3 AF



## Calendar of Upcoming Meetings & Events

Tuesday, September 1 3:00 pm—4:30 pm IEUA	Joint Technical Committee & Water Manager's Meeting	Recycled Water Use and Principles
Wednesday, September 23 12:00 pm—1:30 pm IEUA	Joint Technical Committee & Water Manager's Meeting	Integrated Resources Plan Update
Wednesday, November 4 10:00 am—12:00 pm IEUA	IEUA Board Workshop	Integrated Resources Plan

# CHINO BASIN WATERMASTER

## IV. INFORMATION

1. Cash Disbursements for August 2015

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**August 2015**

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/07/2015	08/07/2015	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	07/31/2015	07/31/2015	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 07/19/15-08/01/15	2000 · Accounts Payable	6,515.12
TOTAL						<u>6,515.12</u>
Bill Pmt -Check	08/11/2015	18820	ACWA JOINT POWERS INSURANCE AUTHORITY	0364791	1012 · Bank of America Gen'l Ckg	
Bill	08/06/2015	0364791		Prepayment - September 2015 August 2015	1409 · Prepaid Life, BAD&D & LTD 60191 · Life & Disab.Ins Benefits	128.39 <u>128.38</u>
TOTAL						<u>256.77</u>
Bill Pmt -Check	08/11/2015	18821	APPLIED COMPUTER TECHNOLOGIES	2606	1012 · Bank of America Gen'l Ckg	
Bill	07/30/2015	2606		Database Consulting Services - July 2015	6052.2 · Applied Computer Technol	4,069.00 <u>4,069.00</u>
TOTAL						<u>4,069.00</u>
Bill Pmt -Check	08/11/2015	18822	BOWCOCK, ROBERT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/16/2015	7/16 Advisory Comm		7/16/15 Advisory Committee Meeting	6311 · Board Member Compensation	125.00
Bill	07/23/2015	7/23 Board Mtg		7/23/15 Board Meeting	6311 · Board Member Compensation	125.00 <u>125.00</u>
TOTAL						<u>250.00</u>
Bill Pmt -Check	08/11/2015	18823	BOWMAN, JIM	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/23/2015	7/23 Board Mtg		7/23/15 Board Meeting	6311 · Board Member Compensation	125.00 <u>125.00</u>
TOTAL						<u>125.00</u>
Bill Pmt -Check	08/11/2015	18824	CHARTER COMMUNICATIONS	8245100651455350	1012 · Bank of America Gen'l Ckg	
Bill	08/04/2015	8245100651455350		8245100651455350	6053 · Internet Expense	64.99 <u>64.99</u>
TOTAL						<u>64.99</u>
Bill Pmt -Check	08/11/2015	18825	DE BOOM, NATHAN		1012 · Bank of America Gen'l Ckg	
Bill	07/09/2015	7/09 Ag Pool Mtg		7/09/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/16/2015	7/16 Special Ag Mtg		7/16/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/29/2015	7/29 Special Ag Mtg		7/29/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00 <u>125.00</u>
TOTAL						<u>375.00</u>
Bill Pmt -Check	08/11/2015	18826	DE HAAN, HENRY		1012 · Bank of America Gen'l Ckg	
Bill	07/16/2015	7/16 Special Ag Mtg		Ag Pool Member Compensation 7/16/15 Special Ag Pool Meeting	8411 · Compensation 8470 · Ag Meeting Attend -Special	25.00 100.00
Bill	07/22/2015	7/22 Special Ag Mtg		Ag Pool Member Compensation 7/22/15 Special Ag Pool Meeting	8411 · Compensation 8470 · Ag Meeting Attend -Special	25.00 100.00
Bill	07/29/2015	7/29 Special Ag Mtg		Ag Pool Member Compensation 7/29/15 Special Ag Pool Meeting	8411 · Compensation 8470 · Ag Meeting Attend -Special	25.00 <u>100.00</u>

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**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**August 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>
TOTAL							375.00
	Bill Pmt -Check	08/11/2015	18827	DURRINGTON, GLEN	AG Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	07/09/2015	7/09 Ag Pool Mtg		7/09/15 Ag Pool Meeting	8411 · Compensation	25.00
					Ag Pool Member Compensation	8470 · Ag Meeting Attend -Special	100.00
TOTAL							125.00
	Bill Pmt -Check	08/11/2015	18828	EGOSCUE LAW GROUP	11013	1012 · Bank of America Gen'l Ckg	
	Bill	07/31/2015	11013		Ag Pool Legal Services - July 2015	8467 · Ag Legal & Technical Services	36,432.50
TOTAL							36,432.50
	Bill Pmt -Check	08/11/2015	18829	ELIE, STEVEN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	07/03/2015	7/03 Admin Mtg		7/03/15 Administrative Meeting w/PK	6311 · Board Member Compensation	125.00
	Bill	07/21/2015	7/21 Board Agenda		7/21/15 Board Agenda preview meeting	6311 · Board Member Compensation	125.00
	Bill	07/23/2015	7/23 Board Mtg		7/23/15 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL							375.00
	Bill Pmt -Check	08/11/2015	18830	EXCEL MICRO, LLC	EM35425	1012 · Bank of America Gen'l Ckg	
	Bill	08/01/2015	EM35425		Semi annual billing August 2015-January 2016	6054 · Computer Software	216.00
TOTAL							216.00
	Bill Pmt -Check	08/11/2015	18831	FEENSTRA, BOB		1012 · Bank of America Gen'l Ckg	
	Bill	07/09/2015	7/09 Ag Pool Mtg		7/09/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	07/16/2015	7/16 Special Ag Mtg		7/16/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	07/22/2015	7/22 Special Ag Mtg		7/22/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	07/23/2015	7/23 Board Mtg		7/23/15 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	07/23/2015	7/23 Special Mtg		7/23/15 Water for Property Development Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	07/29/2015	7/29 Special Ag Mtg		7/29/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL							750.00
	Bill Pmt -Check	08/11/2015	18832	HALL, PETE*		1012 · Bank of America Gen'l Ckg	
	Bill	07/09/2015	7/09 Non Ag Pool Mtg		7/09/15 Non-Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	07/09/2015	7/09 Appro Pool Mtg		7/09/15 Appropriative Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	07/09/2015	7/09 Ag Pool Mtg		7/09/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	07/16/2015	7/16 Advisory Comm		7/16/15 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	07/16/2015	7/16 RIP Com Mtg		7/16/15 RIP Com Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	07/16/2015	7/16 Special Ag Mtg		7/16/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	07/22/2015	7/22 Special Ag Mtg		7/22/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	07/23/2015	7/23 Board Mtg		7/23/15 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	07/29/2015	7/29 Special Ag Mtg		7/29/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00

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**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**August 2015**

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						1,125.00
Bill Pmt -Check	08/11/2015	18833	HUITSING, JOHN		1012 · Bank of America Gen'l Ckg	
Bill	07/09/2015	7/09 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				7/09/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	07/16/2015	7/16 Special Ag Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				7/16/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	08/11/2015	18834	KOOPMAN, GENE	Ag Pool Member Meeting Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/09/2015	7/09 Ag Pool Mtg		7/09/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						125.00
Bill Pmt -Check	08/11/2015	18835	KUHN, BOB	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/09/2015	7/09 Appro Pool Mtg		7/09/15 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	07/16/2015	7/16 Advisory Comm		7/16/15 Advisory Committee Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
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Bill Pmt -Check	08/11/2015	18836	MONTE VISTA WATER DIST	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/23/2015	7/23 Board Mtg		7/23/15 Board Meeting - Mark Kinsey attendance	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	08/11/2015	18837	PARK PLACE COMPUTER SOLUTIONS, INC.	501	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2015	501		IT Consulting Services - July 2015	6052.1 · Park Place Comp Solutn	2,550.00
TOTAL						2,550.00
Bill Pmt -Check	08/11/2015	18838	PAYCHEX	2015073000	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2015	2015073000		July 2015	6012 · Payroll Services	292.09
TOTAL						292.09
Bill Pmt -Check	08/11/2015	18839	PETTY CASH	2532-2546	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2015	2532-2546		Purchase office supplies	6031.7 · Other Office Supplies	135.23
				Travel expense reimbursements for PK	6191 · Conferences - General	129.75
				Parking expense for IAAP seminar	6192 · Training & Seminars	10.00
				Supplies for 5/19 and 8/06 Safe Yield meetings	6906.73 · OBMP-Safe Yield Recalculation	46.70
				Supplies for Appropriative Pool Meeting	8312 · Meeting Expenses	15.11
				Supplies for staff meetings	6141.3 · Admin Meetings	39.27
TOTAL						376.06
Bill Pmt -Check	08/11/2015	18840	PIERSON, JEFFREY		1012 · Bank of America Gen'l Ckg	

**CHINO BASIN WATERMASTER**  
**Cash Disbursements For The Month of**  
**August 2015**

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	07/09/2015	7/09	Ag Pool Mtg	7/09/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/16/2015	7/16	Advisory Comm	7/16/15 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/16/2015	7/16	RIP Com Mtg	7/16/15 RIP Com Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/22/2015	7/22	Special Ag Mtg	7/22/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/23/2015	7/23	Board Mtg	7/23/15 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/23/2015	7/23	Special Mtg	7/23/15 Water for Property Development Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	07/29/2015	7/29	Special Ag Mtg	7/29/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
<b>TOTAL</b>						<b>875.00</b>
<b>Bill Pmt -Check</b>	<b>08/11/2015</b>	<b>18841</b>	<b>PREMIERE GLOBAL SERVICES</b>	<b>19082434</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	08/05/2015	19082434		WM coordination call on 6/29	6909.1 · OBMP Meetings	16.48
				Pools agenda prep call on 6/30	8312 · Meeting Expenses	1.51
				Pools agenda prep call on 6/30	8412 · Meeting Expenses	1.51
				Pools agenda prep call on 6/30	8512 · Meeting Expense	1.52
				City of Ontario Non-Ag call on 7/01	8512 · Meeting Expense	16.61
				Safe Yield call on 7/02	6906.73 · OBMP-Safe Yield Recalculation	107.66
				WM coordination call on 7/06	6909.1 · OBMP Meetings	37.42
				Safe Yield call on 7/08	6906.73 · OBMP-Safe Yield Recalculation	30.72
				Non-Ag Pool Meeting call on 7/09	8512 · Meeting Expense	32.26
				Safe Yield call on 7/10	6906.73 · OBMP-Safe Yield Recalculation	139.02
				WM coordination call on 7/13	6909.1 · OBMP Meetings	24.13
				RIP Com call on 7/16	7204 · Comp Recharge-Supplies	4.60
				Ag Pool tech memo call on 7/16	8412 · Meeting Expenses	19.56
				Safe Yield call on 7/17	6906.73 · OBMP-Safe Yield Recalculation	5.16
				Safe Yield call on 7/17	6906.73 · OBMP-Safe Yield Recalculation	100.92
				WM coordination call on 7/20	6909.1 · OBMP Meetings	5.51
				Board agenda preview call on 7/21	6312 · Meeting Expenses	13.98
				Safe Yield call on 7/22	6906.73 · OBMP-Safe Yield Recalculation	6.76
				Safe Yield call on 7/24	6906.73 · OBMP-Safe Yield Recalculation	112.95
				Fee - general line	6022 · Telephone	49.00
				Fee - confidential line	6022 · Telephone	49.00
				Service fees	6022 · Telephone	23.98
<b>TOTAL</b>						<b>800.26</b>
<b>Bill Pmt -Check</b>	<b>08/11/2015</b>	<b>18842</b>	<b>PUBLIC EMPLOYEES' RETIREMENT SYSTEM</b>	<b>Payor #3493</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	08/06/2015	100000014590109		Monthly unfunded accrued liability payment	60180 · Employers PERS Expense	3,077.00
<b>TOTAL</b>						<b>3,077.00</b>
<b>Bill Pmt -Check</b>	<b>08/11/2015</b>	<b>18843</b>	<b>RR FRANCHISING, INC.</b>	<b>8391</b>	<b>1012 · Bank of America Gen'l Ckg</b>	
Bill	08/04/2015	8391		Janitorial Services	6024 · Building Repair & Maintenance	740.00

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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							740.00
	Bill Pmt -Check	08/11/2015	18844	SANTA ANA RIVER WATER COMPANY	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	07/09/2015	7/09 Appro Pool Mtg		7/09/15 Approp. Pool Mtg. - Rodriguez attendance	6311 · Board Member Compensation	125.00
	Bill	07/23/2015	7/23 Board Mtg		7/23/15 Board Meeting - Rodriguez attendance	6311 · Board Member Compensation	125.00
TOTAL							250.00
	Bill Pmt -Check	08/11/2015	18845	SOFTCHOICE	4020452	1012 · Bank of America Gen'l Ckg	
	Bill	07/01/2015	4020452		MS Exchange Server standard license	6054 · Computer Software	2,639.47
TOTAL							2,639.47
	Bill Pmt -Check	08/11/2015	18846	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
	Bill	07/31/2015	7076224530355049		July 2015	6175 · Vehicle Fuel	248.82
TOTAL							248.82
	Bill Pmt -Check	08/11/2015	18847	UNITED PARCEL SERVICE	2x81x0	1012 · Bank of America Gen'l Ckg	
	Bill	07/31/2015	2x81x0		Ship package, schedule a pickup	6042 · Postage - General	19.76
TOTAL							19.76
	Bill Pmt -Check	08/11/2015	18848	VANDEN HEUVEL, GEOFFREY	6311	1012 · Bank of America Gen'l Ckg	
	Bill	07/09/2015	7/09 Ag Pool Mtg		7/09/15 Ag Pool Meeting	6311 · Board Member Compensation	125.00
	Bill	07/23/2015	7/23 Board Mtg		7/23/15 Board Meeting	6311 · Board Member Compensation	125.00
	Bill	07/29/2015	7/29 Special Ag Mtg		7/29/15 Special Ag Pool Meeting	6311 · Board Member Compensation	125.00
TOTAL							375.00
	Bill Pmt -Check	08/11/2015	18849	VANDEN HEUVEL, ROB		1012 · Bank of America Gen'l Ckg	
	Bill	07/09/2015	7/09 Ag Pool Mtg		7/09/15 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	07/16/2015	7/16 Special Ag Mtg		7/16/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	07/22/2015	7/22 Special Ag Mtg		7/22/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	07/29/2015	7/29 Special Ag Mtg		7/29/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL							500.00
	Bill Pmt -Check	08/11/2015	18850	VERIZON	012519128144592510	1012 · Bank of America Gen'l Ckg	
	Bill	07/31/2015	012561121521714508		012519128144592510	7405 · PE4-Other Expense	191.24
TOTAL							191.24
	Bill Pmt -Check	08/11/2015	18851	WESTERN MUNICIPAL WATER DISTRICT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	07/23/2015	7/23 Board Mtg		7/23/15 Board Meeting - Galleano attendance	6311 · Board Member Compensation	125.00
TOTAL							125.00

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**CHINO BASIN WATERMASTER**  
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Type	Date	Num	Name	Memo	Account	Paid Amount
General Journal	08/15/2015	08/15/2015	Payroll and Taxes for 08/02/15-08/15/15	Payroll and Taxes for 08/02/15-08/15/15	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 08/02/15-08/15/15	1012 · Bank of America Gen'l Ckg	22,381.59
				Employee Garnishments for 08/02/15-08/15/15	1012 · Bank of America Gen'l Ckg	100.61
				Payroll Taxes for 08/02/15-08/15/15	1012 · Bank of America Gen'l Ckg	7,783.47
				Payroll Checks for 08/02/15-08/15/15	1012 · Bank of America Gen'l Ckg	1,523.68
			ICMA-RC	457(f) Employee Deductions for 08/02/15-08/15/15	1012 · Bank of America Gen'l Ckg	3,696.36
			ICMA-RC	401(a) Employee Deductions for 08/02/15-08/15/15	1012 · Bank of America Gen'l Ckg	1,162.69
TOTAL						<u>36,648.40</u>
Bill Pmt -Check	08/25/2015	18852	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2015	XXXX-XXXX-XXXX-9341		Registration-Joswiak-CalPERS Educational Forum	6193.2 · Conference - Registration Fee	399.00
				Airfare-Joswiak-CalPERS Educational Forum	6191 · Conferences - General	155.50
				Service awards luncheon for staff	6141.3 · Admin Meetings	228.80
				Miscellaneous office supplies	6031.7 · Other Office Supplies	351.84
				Uniforms for office staff	6154 · Uniforms	182.92
				Miscellaneous office supplies	6031.7 · Other Office Supplies	366.14
				Miscellaneous office supplies	6031.7 · Other Office Supplies	344.34
				Purchase cable for headset for Assist. GM office	6031.7 · Other Office Supplies	27.83
				PK meeting w/Marty Zvirbulis	8312 · Meeting Expenses	29.25
				Registration-PK-ACWA Fall Conference	6193.2 · Conference - Registration Fee	695.00
				Registration-PK-CUEMA Leadership Summit	6193.2 · Conference - Registration Fee	600.00
TOTAL						<u>3,380.62</u>
Bill Pmt -Check	08/25/2015	18853	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	08/19/2015	1394905143		1394905143	60182.1 · Medical Insurance	7,888.75
TOTAL						<u>7,888.75</u>
Bill Pmt -Check	08/25/2015	18854	CORELOGIC INFORMATION SOLUTIONS	81563613	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2015	81563613		81563613	7103.7 · Grdwr Qual-Computer Svc	62.50
				81563613	7101.4 · Prod Monitor-Computer	62.50
TOTAL						<u>125.00</u>
Bill Pmt -Check	08/25/2015	18855	CUCAMONGA VALLEY WATER DISTRICT	Lease due September 1, 2015	1012 · Bank of America Gen'l Ckg	
Bill	08/17/2015			Lease due September 1, 2015	1422 · Prepaid Rent	6,283.20
TOTAL						<u>6,283.20</u>
Bill Pmt -Check	08/25/2015	18856	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
Bill	07/31/2015	L0226371		L0226371	7108.4 · Hydraulic Control-Lab Svcs	1,592.00
Bill	07/31/2015	L0226372		L0226372	7108.4 · Hydraulic Control-Lab Svcs	440.00
TOTAL						<u>2,032.00</u>

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/25/2015	18857	FEDAK & BROWN LLP		1012 · Bank of America Gen'l Ckg	
Bill	07/31/2015			Progress Billing - July 2015	6062 · Audit Services	1,200.00
TOTAL						<u>1,200.00</u>
Bill Pmt -Check	08/25/2015	18858	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	
Bill	08/19/2015	0111802		Employee deductions - August 2015	60194 · Other Employee Insurance	51.80
TOTAL						<u>51.80</u>
Bill Pmt -Check	08/25/2015	18859	LEVEL 3 COMMUNICATIONS	07883752	1012 · Bank of America Gen'l Ckg	
Bill	08/19/2015	07883752		8/10/15-9/09/15	6053 · Internet Expense	1,048.04
TOTAL						<u>1,048.04</u>
Bill Pmt -Check	08/25/2015	18860	MILK PRODUCERS COUNCIL		1012 · Bank of America Gen'l Ckg	
Bill	08/17/2015			Reimburse conf. call charges-7/16, 7/22 & 7/29	8412 · Meeting Expenses	99.40
TOTAL						<u>99.40</u>
Bill Pmt -Check	08/25/2015	18861	STAPLES BUSINESS ADVANTAGE	8035433713	1012 · Bank of America Gen'l Ckg	
Bill	08/19/2015	8035433713		Miscellaneous office supplies	6031.7 · Other Office Supplies	143.07
TOTAL						<u>143.07</u>
Bill Pmt -Check	08/25/2015	18862	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2015				60182.4 · Retiree Medical	25.76
TOTAL						<u>25.76</u>
Bill Pmt -Check	08/25/2015	18863	UNITED HEALTHCARE	0038418433	1012 · Bank of America Gen'l Ckg	
Bill	08/19/2015	0038418433		Dental Insurance - September 2015	60182.2 · Dental & Vision Ins	833.15
TOTAL						<u>833.15</u>
Bill Pmt -Check	08/25/2015	18864	UNITED PARCEL SERVICE	2x81x0	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2015	2x81x0		Ship package, schedule a pickup	6042 · Postage - General	28.14
TOTAL						<u>28.14</u>
Bill Pmt -Check	08/25/2015	18865	VERIZON WIRELESS	9750102935	1012 · Bank of America Gen'l Ckg	
Bill	08/19/2015	9750102935		Monthly wireless service	6022 · Telephone	298.57
TOTAL						<u>298.57</u>
<b>Total Disbursements:</b>						<u><u>124,949.98</u></u>

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