

CHINO BASIN WATERMASTER



NOTICE OF MEETING

Thursday, September 24, 2015

11:00 a.m. – Watermaster Board Meeting

LUNCH WILL BE SERVED

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

CHINO BASIN WATERMASTER

Thursday, September 24, 2015

11:00 a.m. – Watermaster Board Meeting

AGENDA

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – September 24, 2015

WITH

Mr. Steve Elie – Chair

Mr. Paul Hofer – Vice-Chair

At The Offices Of

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Watermaster Board Meeting held August 27, 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)*

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 60)*

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. CHINO BASIN SAFE YIELD REDETERMINATION AND RESET

Adopt Resolution 2015-06. (*Staff letter will be distributed separately*)

B. EXHIBIT "G" PHYSICAL SOLUTION TRANSFER RATE SUBSTITUTION (*Page 69*)

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. DWR Draft Basin Boundary Revision Regulations (*Page 83*)

B. ENGINEER REPORT

None

C. CFO REPORT

None

D. GM REPORT

1. City of Ontario TCE Plume Update
2. Other

IV. INFORMATION

1. Cash Disbursements for August 2015 (*Page 89*)

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

VIII. FUTURE MEETINGS AT WATERMASTER

9/24/15	Thu	11:00 a.m.	Watermaster Board
10/8/15	Thu	9:00 a.m.	Appropriative Pool
10/8/15	Thu	11:00 a.m.	Non-Agricultural Pool
10/8/15	Thu	1:30 p.m.	Agricultural Pool
10/15/15	Thu	9:00 a.m.	Advisory Committee
10/15/15	Thu	9:30 a.m.	Recharge Investigations and Projects Committee (RIPCom)
10/22/15	Thu	11:00 a.m.	Watermaster Board

ADJOURNMENT

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting held on August 27, 2015

DRAFT MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
August 27, 2015

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on August 27, 2015.

WATERMASTER BOARD MEMBERS PRESENT

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

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

WATERMASTER STAFF PRESENT

Peter Kavounas
Danielle Maurizio
Joseph Joswiak
Anna Truong

General Manager
Assistant General Manager
Chief Financial Officer
Recording Secretary

WATERMASTER CONSULTANTS PRESENT

Scott Slater
Brad Herrema
Andy Malone

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

OTHERS PRESENT

Pete Hall
David DeJesus
Dave Crosley
Tracy Egoscue
Scott Burton
Eunice Ulloa
Josh Swift
Cris Fealy
Curtis Paxton
Todd Corbin
Jeff Pierson
Bob Feenstra
Brian Geye
Ryan Shaw
Ron Craig
Teri Layton
Ken Jeske
Steve Kennedy
John Bosler
Sheri Rojo
Manny Martinez

State of California – CIM
Three Valleys Municipal Water District
City of Chino
Egoscue Law Group
City of Ontario
Chino Basin Water Conservation District
Fontana Water Company
Fontana Union Water Company
Chino Basin Desalter Authority
Jurupa Community Services District
Agricultural Pool – Crops
Agricultural Pool – Dairy
Auto Club Speedway
City of Ontario
City of Chino Hills
San Antonio Water Company
California Steel Industries (CSI)
Brunick, McElhaney, Beckett, Dolen & Kennedy
Cucamonga Valley Water District
Fontana Water Company
Monte Vista Water District

Rosemary Hoerning
Gil Aldaco

City of Upland
City of Chino

CALL TO ORDER

Chair Elie called the Watermaster Board meeting to order at 11:00 a.m.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

None

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board Meeting held July 23, 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.

D. RESOLUTION 2015-05

Approve Resolution 2015-05 supporting the nomination of Kathy Tiegs as the Association of California Water Agencies 2016-2017 President

E. 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)

(0:00:37)

*Motion by Mr. Jim Bowman, seconded by Mr. Geoff Vanden Heuvel, and carried unanimously
Moved to approve Consent Calendar as presented*

II. BUSINESS ITEMS

A. CHINO BASIN SAFE YIELD REDETERMINATION AND RESET

(0:00:58) Mr. Kavounas introduced the item and handed off to Mr. Slater.

(0:01:07) Mr. Slater gave a report. A discussion ensued.

(0:08:48)

*Motion by Mr. Geoff Vanden Heuvel, seconded by Mr. Bob Kuhn, and carried unanimously
Moved to Direct Legal Counsel and staff to seek advice and counsel from the Committees, and to return to the Board in September so that it may take action in order to file with the Court by the planned date of October 1, 2015 as presented*

B. BUDGET TRANSFER FORM T-15-06-01

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

(0:09:16) Mr. Joswiak gave a report.

(0:10:17)

*Motion by Mr. Geoff Vanden Heuvel, seconded by Mr. Mark Kinsey, and carried unanimously
Moved to approve Business Item II.B. as presented*

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

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

(0:10:35) Mr. Slater gave a report on Item III.A.1. A discussion ensued.

(0:15:39) Mr. Herrema gave a report on Item II.A.2. Discussion ensued.

(0:30:52)

*Motion by Mr. Geoff Vanden Heuvel, seconded by Mr. Don Galleano, and carried unanimously
Moved to approve comments to DWR with regard Item III.A.2. as proposed by staff and legal counsel*

B. ENGINEER REPORT

None

C. CFO REPORT

None

D. GM REPORT

- 1. City of Ontario Overlying (Non-Agricultural) Pool Proposed Water Right Use and Proposed Methodology
- 2. Process Improvement for Submittal of Documents to Watermaster
- 3. Assessment Package Timing
- 4. Water Activity Reports
- 5. Other

(0:31:23) Mr. Kavounas gave a report.

IV. INFORMATION

- 1. Cash Disbursements for July 2015

V. BOARD MEMBER COMMENTS

(0:35:28) Mr. Vanden Heuvel echoed Chair Elie’s sentiment regarding the Safe Yield Reset process mentioning that it is an extremely challenging task, and getting the process to where it is today is a tribute to everyone’s hard work.

(0:36:26) Mr. Bowcock announced the Vulcan Pit test date and invited any interested parties to attend.

(0:36:48) Chair Elie commented on the Board governance structure and mentioned that he will be appointing an ad hoc committee consisting of a representative from each of the Pool Committees and each of the three MWDs to receive comments and input. He asked those interested in participating on the ad hoc committee to contact him.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

None

ADJOURNMENT

Chair Elie adjourned the Watermaster Board meeting at 11:39 a.m. in memory of Cindy Rodriguez and offered condolences to Director Rodriguez on behalf of the Watermaster family.

Secretary: _____

Approved: _____

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 24, 2015
TO: Board 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

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 – Unanimously approved
September 17, 2015 – Advisory Committee – Unanimously approved
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						36,538.37
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						128,057.24
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						256.77
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						3,319.00
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						161.78
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						125.00
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						125.00
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						3,077.00
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						44.99
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						456.20
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						373.91
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						375.00
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						110.98

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>
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

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
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
TOTAL						1,125.00
Bill Pmt -Check	07/08/2015	18748	HUITSING, JOHN		1012 · Bank of America Gen'l Ckg	
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
TOTAL						250.00
Bill Pmt -Check	07/08/2015	18749	INLAND EMPIRE UTILITIES AGENCY		1012 · Bank of America Gen'l Ckg	
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
TOTAL						792,678.37
Bill Pmt -Check	07/08/2015	18750	JOHN J. SCHATZ		1012 · Bank of America Gen'l Ckg	
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
TOTAL						87,644.00
Bill Pmt -Check	07/08/2015	18751	KOOPMAN, GENE		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
TOTAL						250.00
Bill Pmt -Check	07/08/2015	18752	KUHN, BOB	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/25/2015	6/25 Admin Mtg		6/25/15 Administrative Meeting w/PK	6311 · Board Member Compensation	125.00

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Cash Disbursements For The Month of
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TOTAL	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
	Bill Pmt -Check	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
P11	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

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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
TOTAL						886.54
Bill Pmt -Check	07/08/2015	18759	SANTA ANA RIVER WATER COMPANY	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						125.00
Bill Pmt -Check	07/08/2015	18760	STAPLES BUSINESS ADVANTAGE	8034888828	1012 · Bank of America Gen'l Ckg	
Bill	06/20/2015	8034888828		Miscellaneous office supplies	6031.7 · Other Office Supplies	98.33
TOTAL						98.33
Bill Pmt -Check	07/08/2015	18761	STATE COMPENSATION INSURANCE FUND	1970970-14	1012 · Bank of America Gen'l Ckg	
Bill	07/01/2015	1970970-15		Revision of the required deposit premium	60183 · Worker's Comp Insurance	662.74
TOTAL						662.74
Bill Pmt -Check	07/08/2015	18762	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2015	7076224530355049		Fuel Costs - June 2015	6175 · Vehicle Fuel	242.18
TOTAL						242.18
Bill Pmt -Check	07/08/2015	18763	VANDEN HEUVEL, GEOFFREY	6311	1012 · Bank of America Gen'l Ckg	
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
TOTAL						250.00
Bill Pmt -Check	07/08/2015	18764	VANDEN HEUVEL, ROB		1012 · Bank of America Gen'l Ckg	
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
TOTAL						375.00

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Cash Disbursements For The Month of
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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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	<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

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Cash Disbursements For The Month of
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TOTAL	Type	Date	Num	Name	Memo	Account	Paid Amount
							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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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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	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
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
	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
P19	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 · Grdwtr 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
					Total Disbursements:	<u>1,536,891.04</u>

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CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 24, 2015
TO: Board 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

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 – Unanimously approved
September 17, 2015 – Advisory Committee – Unanimously approved
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
				Total Disbursements:		<u>5,227.82</u>

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 24, 2015
TO: Board 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

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 – Unanimously approved
September 17, 2015 – Advisory Committee – Unanimously approved
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			
Administrative Revenues:									
Administrative Assessments		-		-				-	8,934,215
Interest Revenue		-	-	-				-	22,050
Mutual Agency Project Revenue	157,349							157,349	157,941
Miscellaneous Income								-	0
Total Revenues	157,349	-	-	-	-	-	-	157,349	9,114,206
Administrative & Project Expenditures:									
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
Total Administrative/OBMP Expenses	134,548	969,666	4,947	45,087	3,578	-	-	1,157,826	10,987,144
Net Administrative/OBMP Expenses	22,802	(969,666)							
Allocate Net Admin Expenses To Pools	<u>(22,802)</u>		(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)				-	
Net Total Expenses			980,904	-	19,573	-	-	1,157,826	10,987,144
Net Administrative Income			(980,904)	-	(19,573)	-	-	(1,000,477)	(1,872,938)
Other Income/(Expense)									
Replenishment Water Assessments						-		-	0
Non-Ag Stored Water Purchases								-	0
Exhibit "G" Non-Ag Pool Water			-					-	0
Interest Revenue						-		-	0
MWD Water Purchases								-	0
Non-Ag Stored Water Purchases								-	0
Exhibit "G" Non-Ag Pool Water			-					-	0
MWD Water Purchases								-	0
Groundwater Replenishment								-	0
LAIF - Fair Market Value Adjustment							-	-	0
Other Post-Employment Benefits (OPEB)								-	0
Refund-Excess Reserves								-	0
Refund-Recharge Debt								-	0
Net Other Income/(Expense)			-	-	-	-	-	-	0
Net Transfers To/(From) Reserves		(1,000,477)	(980,904)	-	(19,573)	-	-	(1,000,477)	(1,872,938)
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
13/14 Assessable Production			100,165,551	33,638,883	4,546,972				138,351,406
13/14 Production Percentages			72.399%	24.314%	3.287%				100.000%

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

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CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 24, 2015
TO: Board 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

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 – Unanimously approved
September 17, 2015 – Advisory Committee – Unanimously approved
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
TOTAL CASH IN BANKS AND ON HAND		7/31/2015	\$	8,122,530
TOTAL CASH IN BANKS AND ON HAND		6/30/2015		9,649,337
PERIOD INCREASE (DECREASE)				\$ (1,526,807)

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)
PERIOD INCREASE (DECREASE)				\$ (1,526,807)

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
PERIOD INCREASE OR (DECREASE)	\$ -	\$ (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				
TOTAL INVESTMENT TRANSACTIONS			\$ (1,142,592)	-			

* 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			
TOTAL INVESTMENTS	\$ 8,026,426			

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 24, 2015
TO: Board 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

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 – Unanimously approved
September 17, 2015 – Advisory Committee – Unanimously approved
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
WM Salary Expense					
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
Subtotal WM Staff Costs	108,445.35	117,541.00	-9,095.65	92.26%	1,389,422.00
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
Subtotal WM Paid Leaves	18,970.16	13,774.00	5,196.16	137.72%	165,289.00
Total WM Salary Costs	127,415.51	131,315.00	-3,899.49	97.03%	1,554,711.00

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
6070 · Watermaster Legal Services					
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
Total 6070 · Watermaster Legal Services	18,293.02	16,144.00	2,149.02	113.31%	256,450.00
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
Total BHFS Legal Services	13,267.07	18,231.00	-4,963.93	72.77%	218,765.00
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 Brownstein, Hyatt, Farber, Schreck Costs	102,826.63	81,200.00	21,626.63	126.63%	933,815.00

Note 1: The types of legal activities that have been charged against the "Miscellaneous" legal category account 6078 are as follows: (1) Correspondence and discussions with Watermaster staff regarding current issues/topics; (2) Correspondence with Watermaster staff regarding special projects (assessment package, annual report, audit report, business plan, etc.); (3) Brownstein's status review of ongoing Watermaster projects and issues; (4) Brownstein's update of the outstanding issues list; (5) Coordination of ongoing Watermaster projects; (6) Review of draft documents; (7) Review 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
Total Engineering Services Costs	160,223.89	374,102.60	-213,878.71	42.83%	2,732,638.00 *

* 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	\$ -	\$ -	\$ -	\$ -	-	\$ -
Totals	\$ 351,949.56	\$ (175,974.78)	\$ 6,750.01	\$ 182,724.79	142.00	\$ 15,109.58
	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

			<u>GL Account</u>		
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 ¹	FY 2014/15	ENG
Ground Level - Contracted Services	\$ 34,770.00	D	7107.6 ¹	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 ²	FY 2014/15	ENG
Hydraulic Control Monitoring Lab Services - PBHSP	\$ 35,986.00	G	7108.41 ²	FY 2014/15	ENG
Hydraulic Control Monitoring - Adaptive Mgmt Plan	\$ 33,000.00	H	7108.7 ³	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 ⁴	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
Total Balance, June 30, 2015	\$ 1,872,937.85				

"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

¹ Long-Term Pumping Test

² Prado Basin Habitat Sustainability Program monitoring program

³ Adaptive Management Plan

⁴ 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 Sevaine 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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CHINO BASIN WATERMASTER
Budget vs. Actual
Current Month, Year-To-Date and Fiscal Year-End

	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
Income												
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%
Total Income	157,349.47	157,941.00	-591.53	99.63%	157,349.47	157,941.00	-591.53	99.63%	9,114,206.00	9,114,206.00	0.00	100.0%
Gross Profit	157,349.47	157,941.00	-591.53	99.63%	157,349.47	157,941.00	-591.53	99.63%	9,114,206.00	9,114,206.00	0.00	100.0%
Expense												
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%

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

	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%
Total Expense	1,157,826.17	3,119,317.61	-1,961,491.44	37.12%	1,157,826.17	3,119,317.61	-1,961,491.44	37.12%	10,987,143.85	10,987,143.85	0.00	100.0%
Net Ordinary Income	-1,000,476.70	-2,961,376.61	1,960,899.91	33.78%	-1,000,476.70	-2,961,376.61	1,960,899.91	33.78%	-1,872,937.85	-1,872,937.85	0.00	100.0%
Other Income												
4210 · Approp Pool-Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4220 · Non-Ag Pool-Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4225 · Interest Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4226 · LAIF Fair Market Value	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4600 · Groundwater Sales	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Other Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Other Expense												
5010 · Groundwater Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5100 · Other Water Purchases	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9200 · Interest Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
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%
Total Other Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Net Other Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Net Income	-1,000,476.70	-2,961,376.61	1,960,899.91	33.78%	-1,000,476.70	-2,961,376.61	1,960,899.91	33.78%	-1,872,937.85	-1,872,937.85	0.00	100.0%

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

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. OBMP SEMI-ANNUAL STATUS REPORT 2013-1



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 24, 2015
TO: Board 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: 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

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]

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 – Recommend that the Advisory Committee 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.

September 17, 2015 – Advisory Committee – 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

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 has been reviewed by the Appropriative and Non-Agricultural Pools on September 10, 2015, and by the Agricultural Pool on September 15, 2015. The Advisory Committee reviewed the report, along with minor changes recommended by Pools, and is recommending adoption of the report.

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 HydroDaVESM. 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

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

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 Sevaine, 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.

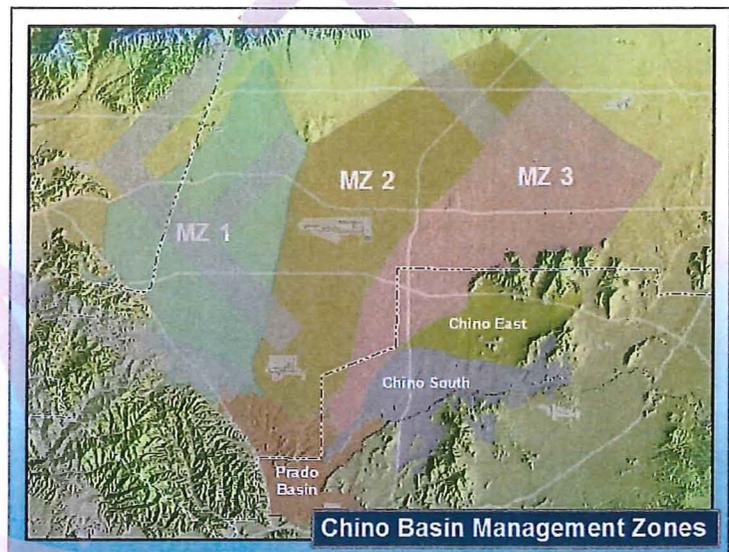
Optimum Basin Management Program

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.

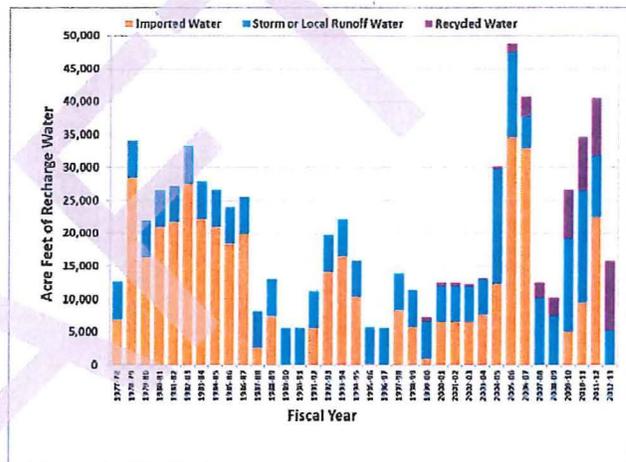
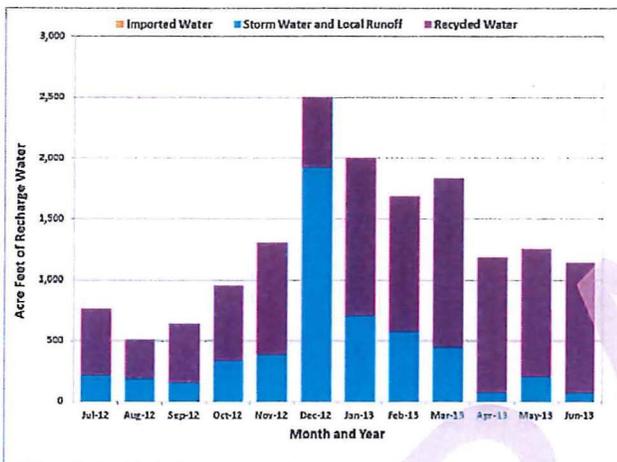
Watermaster and IEUA continued work on the Turner Basins/Guasti Park Recharge Expansion Project in MZ-2. Following completion, anticipated in 2015, the expansion project is projected to recharge an addition 300 AF of storm runoff annually. Watermaster and IEUA planned the Wineville Basin proof-of-concept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

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

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

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

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
<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. CHINO BASIN SAFE YIELD REDETERMINATION AND RESET



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 24, 2015
TO: Board Members
SUBJECT: Chino Basin Safe Yield Redetermination and Reset

SUMMARY

Issue: A binding Agreement regarding the Safe Yield Reset is complete and the parties thereto have requested that Watermaster endorse the Agreement and move the Court recommending its approval.

Recommendation: Adopt Resolution 2015-06, endorsing the 2015 Safe Yield Reset Agreement ("Agreement"), and direct Legal Counsel to prepare and file moving papers recommending the Agreement with the Court.

Financial Impact: It is possible that some of the commitments in the Agreement would result in additional expenses in the future. As with all other Watermaster work, the effort will be estimated and presented for approval at the time of future budget adoption.

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Future Consideration

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

ACTIONS:

March 11, 2014 – Watermaster Board – Passed by majority vote to direct Watermaster legal counsel to prepare a status report with the Court informing it of the process underway to accomplish the required recalculation of the Basin's Safe Yield, for consideration by the Board

April 8, 2014 – Watermaster Board – Passed by majority vote to approve the status report to the Court on the Safe Yield recalculation with changes as reported by Mr. Kavounas

July 10, 2014 – Appropriative Pool – Reported out of confidential session: Vice-Chair Burton indicated that the Pool would like to make more progress on the Safe Yield recalculation process and would like Watermaster to hold special meetings every two weeks on the first and third Thursday from 10 a.m. to 12 p.m. or immediately following the Advisory Committee meeting starting on August 7, 2014. This meeting will require that the Joint Projects meeting would need to shift to a new time.

September 25, 2014 – Watermaster Board – Unanimously moved to agenda for the October 23, 2014 Watermaster Board meeting to discuss submitting to the Court a Safe Yield number of 135,000 AF and process the same through the Pools, Advisory and Board meetings in November 2014.

October 9, 2014 – Appropriative Pool – Reported out of confidential session: 1. In light of Watermaster's proposal today, the Pool wishes to cancel the Safe Yield Recalculation and Related Matters meeting next Thursday, and in its place, the Pool would like to hold a special meeting next Thursday, October 16, 2014 at 10:00 a.m. to discuss the Safe Yield Recalculation and reset. 2. The Pool will provide Watermaster with a Safe Yield reset proposal prior to the October 23, 2014 Board meeting.

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

October 23, 2014 – Watermaster Board – Passed by majority vote to approve setting the Safe Yield at 130,000 AFY with an effective date of 2010/2011 using the 2001–2010 base period consistent with the Rules and Regulations, and for staff to prepare a report with its recommendations to be presented at next Pools, Advisory Committee and Board meetings for a vote.

November 13, 2014 – Appropriative Pool – The following was reported after Confidential Session: The Appropriative Pool withdraws its Safe Yield Reset proposal. The AP recommends the AC to direct CBWM to revise the draft motion, with assistance from the parties and pools' counsels, into a progress report that provides the bases for the different Safe Yield Reset options that have been developed, with a suggested schedule for resolution. Such progress report would be subject to approval through the Watermaster committee advisory process. The AP directs the AP Chair and LC immediately to approach the Agricultural Pool to seek resolution of the competing approaches, and bring such resolution to the AC.

November 13, 2014 – Non-Agricultural Pool – The following was reported after Confidential Session: The Non-Agricultural Pool does not support either the Watermaster Board-directed pleading or the Appropriative Pool proposal. The Non-Agricultural Pool does support the April 30, 2015 deadline as a timeframe by which the parties can find a middle ground.

November 13, 2014 – Agricultural Pool – Voted unanimously to support the pleading prepared by staff, with modifications that were presented by Watermaster's Legal Counsel

November 20, 2014 – Advisory Committee – Passed by 94% volume vote to approve the following: Instead of filing a motion or status report to the Court at this time, Watermaster shall immediately start a facilitated process to identify and resolve all issues related to the successful completion of the Safe Yield reset by April 1, 2015 for Pool, Advisory and Board action in May 2015. The Safe Yield shall be filed to the Court no later than May 29, 2015, Watermaster shall start a mediation selection process and the mediator shall be selected no later than December 12, 2014. In the event the Parties cannot reach an agreement on the Safe Yield reset, Watermaster shall implement the reset consistent with the agreements and that process would start in April 2015 and will go through Pool, Advisory and Board approval to be submitted to the Court in May 2015. The City of Chino and San Antonio Water Company voted against.

November 25, 2014 – Watermaster Board – Unanimously moved to adopt the Advisory Committee's recommendation with clarifications as shown herein: moved to approve that no motion or status report shall be filed with the Court yet; Watermaster Parties shall immediately start a facilitated process to identify and resolve all issues related to the successful completion of the Safe Yield reset by April 1, 2015 for Pools, Advisory and Board action in May 2015. The Safe Yield shall be filed with the Court no later than May 29, 2015. The Parties shall start a mediation selection process and select a mediator by 5pm December 11, 2014 through the Advisory Committee; there will be a Watermaster Board meeting on December 12, 2014 to either ratify the Advisory Committee selection or, in case the Advisory Committee is unable to agree on a mediator, to select a mediator for this process. In the event the Parties cannot reach an agreement on the Safe Yield reset, Watermaster shall implement the reset consistent with the agreements and that process would start in April 2015 and go through Pools, Advisory and Board for discussion in April so it can go to the Board for action in May 2015.

December 11, 2014 – Special Appropriative Pool – The following was reported after Confidential Session by unanimous vote of the Pool: Consistent with its December 9, 2014 letter, the Appropriative Pool reaffirms the selection of Scott Slater as the facilitator of the Safe Yield process. The Appropriative Pool requests Watermaster to initiate the process by gathering the goals and objectives from Parties so that we can begin the facilitated process meetings in January 2015. The Appropriative Pool will work collaboratively with the overlying pools to identify one or more potential mediators, if necessary, by the end of January 2015.

December 11, 2014 – Special Agricultural Pool – The following was reported after Confidential Session: Consistent with the direction given by the Watermaster Board in the November 2014 meeting, the Agricultural Pool recommends Scott Slater to act as mediator in the Safe Yield Recalculation process.

December 11, 2014 – Special Advisory Committee – Pass by 75% volume vote to approve the following: Consistent with the Appropriative Pool's December 9, 2014 letter, the Advisory Committee supports the selection of Scott Slater as the facilitator of the Safe Yield process. The Advisory Committee requests Watermaster to initiate the process by gathering the goals and objectives from Parties so that we can begin the facilitated process meetings in January 2015. The Pools will work collaboratively to identify one or more potential mediators, if necessary, by the end of January 2015. The Agricultural Pool and Non-Agricultural voted against.

December 12, 2014 – Special Watermaster Board – Unanimously moved to select the Advisory Committee's nomination of Scott Slater as the mediator for the Safe Yield recalculation process.

January 8, 2015 – Appropriative Pool – Reported out of confidential session: The AP is going to form an ad hoc committee to assist in the the Safe Yield Recalculation and Reset process and members are as follows: Rosemary Hoerning, Darron Poulsen, Todd Corbin, and Ron Craig. Chair Hoerning further reported that direction was given to the AP's legal counsel.

January 22, 2015 – Special Appropriative Pool – Report out of confidential session: The Appropriative Pool took action authorizing its legal counsel to make a statement at the January 22, 2015 annual Watermaster Board meeting that it will communicate with the Agricultural Pool regarding the draft non-disclosure agreement while the Appropriative Pool continues to diligently internally work towards resolving the issues.

January 29, 2015 – Watermaster Board – Unanimously moved to approve the Safe Yield Recalculation and Reset Facilitation and Non-Disclosure Agreement and to authorize Watermaster's Chair and Legal Counsel to sign the agreement.

March 12, 2015 – Appropriative Pool – Report out of closed session: The Appropriative Pool took action to increase its Legal Services budget to \$140,000 and that the cost sharing associated with the entire budget would be based on 50% production and 50% OSY.

March 26, 2015 – Watermaster Board – Unanimously moved to suspend the April 1, 2015 deadline referenced in the November 2014 Board motion until the April 2015 Board meeting; and for the Board to have a special meeting, open to all stakeholders, during the second week of April 2015 with a time and date that is to be determined.

April 28, 2015 – Watermaster Board – Recommend by majority vote to approve an extension to the May 28, 2015 Board meeting where there will be a substantial consensus on a set of key principles for publication at the May 2015 Board meeting.

May 28, 2015 – Watermaster Board – Moved to direct staff and counsel to prepare a status report to the Court for consideration by the Board at its regular meeting on June 25, 2015. Direct staff and counsel to commence coordinating drafting of a binding agreement based on FANDA Key Principles unless either the Agricultural or Non-Agricultural Pool express concerns with the Principles by close of business on June 12, 2015. If necessary, the Board will convene a special meeting on June 16, 2015 to evaluate concerns and take appropriate action.

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 – Unanimously moved to approve filing the status report in substantial conformity and attach the Tech Memo as a draft with a draft stamp, allow the parties to suggest any revisions on July 9, 2015, and file the status report with the Court on July 10, 2015.

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

September 15, 2015 – Agricultural Pool – Unanimously moved to support the Advisory Committee's recommendation that the Board adopt Resolution 2015-06

September 15, 2015 – Special Non Agricultural Pool – Unanimously adopted a Non Agricultural Pool resolution regarding the 2015 Safe Yield Reset Agreement

September 17, 2015 – Special Appropriative Pool – Majority vote to recommend Board's adoption of Resolution 2015-06. City of Chino voted against the motion. Jurupa CSD and SAWCo abstained.

September 17, 2015 – Advisory Committee – Majority vote to recommend Board's adoption of Resolution 2015-06. City of Chino voted against the motion. Jurupa CSD and SAWCo abstained.

BACKGROUND

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. 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 to redetermine the Safe Yield after the first ten years of operation of the Judgment's Physical Solution.

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. Elements 8 and 9 of the OBMP Implementation Plan acknowledged the need for obtaining better production data through metering of all non-exempt 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, approved by the Court in 2001, provides for the same.

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. Thereafter, Watermaster updated its hydrologic model to undertake a long-term hydrologic assessment of Basin conditions incorporating the newly obtained Production data.

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 improve water quality, expressly reserving the question of how "Future Desalter" (additional desalting) capacity would be addressed. In 2007, the Parties to the Judgment entered into the Peace II Agreement which, among other commitments (hereinafter Peace II Measures), set forth the parties' 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. 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 Court's direction by constructing an additional 10 MGD of expanded Desalter capacity. The Chino Basin Desalter Authority and its members oversaw the expansion and the Court approved the plan in 2010. 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.

Watermaster has used the updated hydrologic model ("Updated Basin Model") and assisted the parties to reach agreement on the required Safe Yield redetermination and associated interpretation of the Peace and Peace II agreement provisions that are involved in a change of Safe Yield.

DISCUSSION

Watermaster Process

Over a four-year period ending in early 2013, the Updated Basin Model was designed, funded, constructed, and calibrated, at a cost of over \$1 million. Watermaster held the initial Safe Yield workshop in July 2013 and since then Watermaster held numerous additional workshops, multiple technical modeling review sessions specifically in regard to the Updated Basin Model and to allow opportunity for peer review. Between summer 2013 and November of 2014, Watermaster held workshops and technical modeling review sessions specifically in regard to the Updated Basin Model and Watermaster staff and consultants conducted numerous meetings with smaller subsets of interested Parties.

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 that would result from the Safe Yield being reset at less than 140,000 AFY. On July 10, 2014, the Appropriative 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;

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. In December 2014, in response to a request by the Advisory Committee, the Watermaster Board authorized Watermaster legal counsel to serve as the facilitator in the process. A Facilitation and Non-Disclosure Agreement (FANDA) was executed by a substantial number of stakeholders.

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. On May 27, 2015, all but one of the then active parties to the FANDA, representing approximately ninety (90) percent of total production rights among them, reached a non-binding agreement among their negotiating representatives 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. No binding commitment was made by any stakeholder and the discussions are protected by Evidence Code Section 1152 (Settlement Privilege) and the FANDA.

On August 27, 2015, Watermaster Counsel presented a proposed Draft 2015 Safe Yield Reset Agreement to the Board, and the Board referred the Agreement to the Pool Committees, the Advisory Committee, and the parties to the Judgment and their decision-making entities for consideration and approval.

Resolution 2015-06

The effect of the 2015 Safe Yield Reset Agreement is conditioned upon Watermaster's adoption of Resolution 2015-06. Pursuant to Resolution 2015-06, based upon the information contained in this Staff Report and the evidence that will be presented at the September 24, 2015 Board meeting, the Watermaster Board would make the following findings:

1. At the request, and with the consent, of the parties thereto, the advice and counsel of the three Pools and the Advisory Committee, the 2015 Safe Yield Reset Agreement, attached hereto as Exhibit "A", will provide more efficient administration of the Judgment through:
 - a. The reset of the Safe Yield, inclusive of a methodology that is 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 attached hereto as Exhibit "B";

- 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 Exhibit "C" hereto; and
 - e. Measures intended to 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.
2. 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, 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;
3. The reset of the Safe Yield pursuant to the 2015 Safe Yield Reset Agreement is consistent with Article X, section 2 of the California Constitution the Judgment, the Court-Approved Management Agreements, and prudent professional standards;
4. 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 thereto, the Pools and the Advisory Committee;
5. 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 Judgment, the Court-Approved Management Agreements;
6. Using methodology consistent with prudent professional standards, short term actual measured net 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.
7. During the period 2000-2014 there has been an increase of more than 200% in non-Supplemental Water storage accounts and, therefore, the Safe Storage Management, as provided for in the 2015 Safe Yield Reset Agreement, 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.
8. Using methodology consistent with prudent professional standards, it is estimated that since the early 1900s, more than 2.1 million AF was withdrawn from the Basin in excess of recharge to the Basin.
9. 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 of water in storage 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 Appropriative Pool has committed to exercise Best Efforts to prepare a Storage Management Plan within two (2) years of the

effective date of the 2015 Safe Yield Reset Agreement and no reserve quantities are under discussion; (iv) even if the Safe Storage Reserve of 130,000 AF were implemented, access to stored water therein is available for emergencies and Desalter replenishment; and (v) Watermaster has the authority under the Judgment to manage all storage within the Basin;

Based upon the evidence before it and these findings, through Resolution 2015-06, the Board would resolve that:

1. Watermaster endorses the 2015 Safe Yield Reset Agreement as consistent with Article X, section 2 of the California Constitution, the Judgment, and the Court-Approved Management Agreements.
2. Consistent with the Proposed Order, Watermaster will comply with the provisions of the 2015 Safe Yield Reset Agreement.
3. 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.
4. The Watermaster Board will transmit this Resolution 2015-06, the 2015 Safe Yield Reset Agreement, and the referenced Attachments to the Court, and, in accordance with the requests by the parties thereto, the advice and counsel of the Pools, and the Advisory Committee, Watermaster recommends that the Court approve the proposed Judgment Amendment and to further order that Watermaster proceed to further comply with the 2015 Safe Yield Reset Agreement.
5. The Watermaster Board directs Watermaster legal counsel to prepare and file a motion with the Court pursuant to paragraph 4, above.

Agreement Overview

The Agreement, generally, includes the agreements of the parties thereto in three main areas: the reset of the Basin's Safe Yield pursuant to the OBMP Implementation Plan and Rules and Regulations, the manner in which Watermaster should account for various components of the recharge to the Basin in implementing the parties' prior agreements and the Court's prior orders, and the establishment of Safe Storage Management Measures, intended to 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. As described in the Agreement, the parties' agreements in these areas are intended to address questions that have arisen concerning the interpretation and implementation of the Judgment and the further agreements and orders thereunder, and to settle the parties' disputes and compromise their claims in those areas. (Agreement, ¶ 7.1.)

Safe Yield Reset

Using the Updated Basin Model and the methodology described in the Reset Technical Memorandum (Exhibit "A" to the Agreement), the Safe Yield for the 2010/2011-2019/2020 time period identified in the OBMP Implementation Plan and Watermaster's Rules and Regulations is approximately 135,000 afy. Mr. Wildermuth's Updated Basin Model has been calibrated with a high degree of confidence, and has been peer reviewed by representatives of the parties to the Judgment. The methodology described in the Reset Technical Memorandum is consistent with the Judgment, OBMP Implementation Plan and the Court's prior orders. Specifically, the Updated Basin Model has incorporated data from the 2000/2001-2009/2010 period, along with long-term hydrology from 1921 to the date of the reset evaluation. Based on his vast experience in the field of groundwater hydrology and his many years of experience in the Chino Basin, Mr. Wildermuth believes the approach to be a prudent and reasonable professional methodology.

Paragraphs 4.2 through 4.7 of the Agreement describe with further detail, beyond that included in Elements 8 and 9 of the OBMP Implementation Plan, the manner in which subsequent Safe Yield evaluations and resets would take place. Specifically, they provide that the methodology utilized for the evaluation of the Safe Yield would be utilized for subsequent evaluations of the Safe Yield, (Agreement, ¶ 4.4), for the annual data collection and evaluation and Basin Model updates that Watermaster will undertake in order to allow its consultants to conduct necessary Safe Yield Evaluations (Agreement, ¶¶ 4.5, 4.6), and for a peer review process of this work (Agreement, ¶ 4.7). Further, the Agreement provides an agreed upon timeframe for Watermaster's initiation of the process for the necessary reset that will be effective on July 1, 2020 (Agreement, ¶ 4.2), and the parties' agreement that the Safe Yield may be reset other than on the existing decennial schedule, if, in the exercise of prudent management discretion, Watermaster recommends to the Court that a change in the Safe Yield of greater than 2.5% of the then-existing Safe Yield is necessary (Agreement, ¶ 4.3.) The parties' agreement as to these Basin protection measures provides them, having gone through an initial Safe Yield reset process, with greater certainty as to the manner in which Safe Yield evaluations and reset processes will take place in the future.

Paragraph 4.8 of the Agreement provides that, notwithstanding that the Safe Yield reset is effective as of July 1, 2010, Watermaster shall not seek to change its prior allocation of Safe Yield and Operating Safe Yield during production years 2010/11, 2011/12, 2012/13 and 2013/14. (Agreement, ¶ 4.8.) Based on the change in Safe Yield from 140,000 afy to 135,000 afy, the discrepancy in allocation for those four production years is 5,000 afy. The Basin protection measures to which the parties have agreed (Agreement, ¶¶ 6.2, 6.3) will ensure that the Basin is not harmed by extractions of this quantity of water.

Watermaster Accounting

As described above, in addition to the Judgment, the parties are party to agreements (e.g., Peace Agreement, Peace II Agreement) pursuant to which Watermaster allocates and accounts for recharge to the Basin in the manners prescribed therein. As this is the first reevaluation and reset of the Safe Yield since the entrance of the Judgment in 1978, during the process of Watermaster's presentation of the Updated Basin Model and Watermaster's consultant's evaluation of the Safe Yield, questions arose among the parties as to the manner in which the Judgment and the further agreements and the Court's orders, including in regard to the manner in which Watermaster must allocate and account for various components of the recharge to the Basin. Article 5 of the Agreement includes the parties' resolution of differing interpretations of the effect of their prior agreements.

Paragraph 5.1 of the Agreement includes the parties' agreement as to the allocation and accounting for stormwater recharge to the Basin during the term of the Peace Agreement. Specifically, the parties have confirmed Watermaster's prior allocation of stormwater recharge, and resolved among themselves the manner in which Watermaster will allocate stormwater recharge for future stormwater recharge projects – including prior to and after subsequent resets of the Safe Yield. (Agreement, ¶¶ 5.1(a), 5.1(b).) Paragraph 5.1(c) of the Agreement describes the agreement by the members of the Appropriative Pool as to how they will allocate Participation Shares in future stormwater projects, including their agreement as to how those Participation Shares may be available within the Appropriative Pool if some members of the Appropriative Pool may not wish to participate in those projects. Watermaster has no responsibility under this paragraph other than to account for stormwater recharge – a component of the Basin's Safe Yield – in the manner in which the parties have agreed.

Paragraph 5.2 of the Agreement includes the parties' agreement as to the allocation and accounting for recharge to the Basin that has been induced by the operation of the Desalters ("Desalter-Induced Recharge"). The paragraph confirms the parties' agreement to Watermaster's prior accounting for Desalter-Induced Recharge and contains their agreement as to the measurement of the quantity of Desalter-Induced Recharge that, pursuant to paragraph 7.1 of the Peace II Agreement, is allocated to offset Desalter production. The parties additionally have agreed as to the manner in which the effect of the allocation of Desalter-Induced Recharge on the allocable Safe Yield – including the availability of unproduced Overlying (Agricultural) Pool water rights for reallocation to the members of the Appropriative Pool. (See Restated Judgment, Exhibit "H", 10.), Paragraph 5.2(c) provides that the parties' agreement as to Desalter-Induced Recharge is limited to the term of the Peace II Agreement and that during any

Peace Agreement extension term, the treatment of Desalter-Induced Recharge will be subject to the negotiation of a new and separate agreement among the Parties to the Judgment.

Paragraph 5.3 of the Agreement confirms the parties' understanding that at the expiration of the Peace II Agreement, the agreements made among them through the Peace II Agreement and in connection with the Court-ordered conditions subsequent thereto, will expire. These specifically include 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, 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. The parties additionally confirm their understanding that 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.

Finally, as shown in Exhibit "C" to Resolution 2015-06, during the 2015 drafting process the parties agreed to propose an amendment of the Court-approved schedule for access to Re-operation, which is attached to Resolution 2015-06. The revised schedule would reallocate, among the original Desalters and the Desalter Expansion, the availability of Re-Operation water, to ensure that, consistent with the expectations of the Desalter parties at the time of Peace II, the total quantity of Re-Operation Water will be utilized during the term of the Peace II Agreement (by 2030). The schedule also includes an immediate Desalter offset obligation, increasing gradually until the Re-Operation water is gone, which has the effect of easing into Desalter Replenishment and avoiding the shock associated with a large initial obligation.

As a resolution of their sometimes differing interpretations, the accounting for recharge pursuant to the 2015 Safe Yield Reset Agreement is appropriate and consistent with the parties' prior agreements and the Court's prior orders, and will enable a fair, balanced and efficient administration of the Judgment and the prior agreements and orders. The amendment of the current Court-approved schedule accounting for Desalter-induced recharge and access to Re-Operation water is also appropriate and in furtherance of the Judgment, and the prior agreements and Court orders, as it ensures that the purpose of the Re-Operation water will be served and allows the parties, per their desire, to begin to fulfill their Desalter Replenishment obligation gradually, but with certainty for their water supply planning purposes.

Safe Storage Management Measures

Article 6 of the Agreement contains the parties' agreement as to storage management measures that will 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. (Agreement, ¶ 6.1)

Paragraph 6.2 establishes a Safe Storage Reserve comprising 130,000 acre-feet of the water in the non-Supplemental Water storage accounts of the members of the Appropriative Pool. Of that volume, 100,000 acre-feet may be accessed in case of emergency¹, subject to replenishment of the quantity withdrawn within three years. The remaining 30,000 acre-feet may be used for Desalter Replenishment – without replenishment of the Reserve – after 2024. The Reserve quantity is allocated among the members of the Appropriative Pool, pro rata, based on their existing storage accounts, as illustrated in Exhibit C to the Agreement. The members of the Appropriative Pool are not restricted in their transactions and withdrawals, including in having to ensure that their proportional quantities of the Reserve are resident in storage, unless and until the total quantity of qualifying water in storage reaches 150,000 acre-feet.

¹ For the purposes of paragraph 6.2, an emergency exists upon a finding by the member of the Appropriative Pool 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.

(Agreement, ¶ 6.2(b)(ii).) Watermaster will provide notice if the balance reaches 150,000 acre-feet, and will annually report to the parties the non-Supplemental Water stored water accounts balance, as an advance reminder of the restricted access to the Safe Storage Reserve.

Using methodology consistent with prudent professional standards, Watermaster's hydrologic consultant estimates that since the early 1900s, more than 2.1 million AF was withdrawn from the Basin in excess of recharge to the Basin, and that short term actual measured net 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, thought during that time only a 23,000 AF actual depletion from storage occurred.

The volume in the stored water accounts of members of the Appropriative Pool, including Supplemental Water, is approximately 356,000 as of June 30, 2014. The volume of water, excluding Supplemental Water, is approximately at 231,000 acre-feet as of June 30, 2014. During the period 2000-2014 there was an increase of more than 200% in non-Supplemental Water storage accounts.

The Safe Storage Reserve remains in effect until the parties develop a Storage Management Plan, and the parties' ability to make applications for recharge, storage, and recovery remains unaffected. The Agreement provides that the parties will exercise Best Efforts to develop a Storage Management Plan within 24 months, and that the Plan must be approved by all three Pools.

Given the prior depletion of storage, the over-arching conditions of drought emergency now prevailing within the State, and the desire to protect against Material Physical Injury or undesirable results, the Safe Storage Management Measures, including the Safe Storage Reserve, are an appropriate mechanism to ensure withdrawals of groundwater from authorized storage accounts within the Basin are safe and sustainable. As described in the Safe Storage Management Technical Memorandum, attached to the Agreement as Exhibit E, while it is not likely that a reduction in non-supplemental stored water balance to or below 150,000 acre-feet could occur in the near term, that the Safe Storage Management Measures, which combined with Watermaster's existing authorities and obligations to manage the Basin's storage capacity, would ensure that no undesirable results or Material Physical Injury result from the withdrawal of water from storage accounts in the Basin.

As described above, and based on the technical analysis presented in the Safe Storage Management Technical Memorandum, staff believes the Board may properly find that 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 of water in storage 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 Appropriative Pool has committed to exercise Best Efforts to prepare a Storage Management Plan within two (2) years of the effective date of the 2015 Safe Yield Reset Agreement and no reserve quantities are under discussion; (iv) even if the Safe Storage Reserve of 130,000 AF were implemented, access to stored water therein is available for emergencies and Desalter replenishment; and (v) Watermaster has the authority under the Judgment to manage all storage within the Basin.

Additionally, in regard to storage, the Agreement identifies that storage losses, upon the achievement of Hydraulic Control, will be 0.07%. The current storage loss rate is 2% and Peace II contemplates that the loss rate will be lower, 1% or less, after Hydraulic Control is achieved. As part of the overall modeling associated with the reset the Safe Yield, the post-Hydraulic Control loss rate has been determined and included in the agreement. A separate Technical Memorandum (Exhibit D to the Agreement) contains the analysis and recommendation by WEI for the revised loss rate.

The City of Chino's Expressed Concerns

The City of Chino has expressed concerns regarding the Agreement, speaking at Committee and Board meetings and as filed in its responsive pleading to Watermaster's June 2015 Safe Yield Reset Status

Report. The members of the Pools and the Advisory Committee have not supported the City's requests for modification to the Key Principles or the Agreement. Watermaster is unaware of any party to the Judgment other than the City of Chino that objects to the Agreement. Evaluation of the City's previously expressed concerns is set forth below.

Procedure

The City has stated that Watermaster's participation in the preparation of the Agreement was inappropriate, because it has assumed the role of arguing on behalf of certain parties and against Chino, violating its obligation to remain neutral and not take sides on behalf of certain parties.

As the facilitator, Watermaster's counsel and staff strived to serve in a facilitation role pursuant to the request and direction of the parties to the FANDA process. Without disclosing the confidences of the facilitation, the facilitator's role was not to advocate for or against any of the provisions of the Agreement, but to assist the parties in reaching agreement and, to the extent possible, consensus. The proposed resolution is an endorsement of the Agreement as consistent with Article X, section 2 of the California Constitution, the Judgment, and the court-approved Management Agreements.

Watermaster is *not* a signatory to the court-approved management agreements (binding among the parties thereto). Watermaster administers the agreements as ordered by the Court. Watermaster accepts, acknowledges and understands that its continued administration of the agreements and the Agreement will require a further order of the Court.

Desalter-Induced Recharge

The City of Chino has stated that Watermaster should be prohibited from advancing or approving the provisions of the Agreement pertaining to Watermaster's accounting for Desalter-Induced Recharge because Watermaster could not do so while complying with its obligation to proceed consistently with the Peace Agreements. The City of Chino's position is that the Judgment, Peace Agreement, and Appropriative Pool pooling plan do not permit "Basin water" to be allocated to the Desalters, and that such water must be allocated to Appropriators.

While the accounting provisions of the Agreement are agreements among the parties as to the effect of their prior agreements, staff understands that the Agreement's treatment of Desalter-Induced Recharge to be consistent with Peace II Agreement, paragraph 7.1, which provides that for the term of Peace II, no party will ask that recharge attributable to the Desalters be allocated to the Parties as part of the producible Safe Yield, so that it may be used to offset Desalter production. The City of Chino claims are inconsistent with the positions taken by other parties as they are expressed in the court-approved management agreements.

Regulation of Withdrawals from Storage

The City of Chino has raised concerns with the Safe Storage Management Measures, as it has alleged that the Measures as prohibiting the production of 130,000 acre feet currently held in storage by the members of the Appropriative Pool, and as the City of Chino is the owner of more of that water than any other appropriator (28.3%), it will disproportionately "lose" more carry-over water than any other member of the Appropriative Pool. The City of Chino has described the effect of the Storage Reserve as "taking" its water presently held in storage and stated it its motion for reset of Safe Yield should be considered an eminent domain action.

Watermaster is not aware of any party to the Judgment that shares the City's position regarding the court-approved management agreements. Staff does not interpret the Agreement's Storage Reserve provisions as "confiscating" water in storage accounts.

In relevant part, the Judgment provides:

It is essential that said reservoir capacity utilization for storage and conjunctive use of supplemental water be undertaken only under Watermaster control and regulation, in

order to protect the integrity of both Stored Water and Basin Water in storage and the Safe Yield of Chino Basin. (Restated Judgment, ¶ 11 emphasis added.)

Thus, the use of storage capacity in the Chino Basin is subject to Watermaster regulation. Moreover, the use of storage capacity in the Basin, including excess Carryover (Non-Supplemental) requires a storage agreement with Watermaster. (Restated Judgment, ¶ 12.) The court-approved management agreements provide direction to Watermaster on the storage and recovery of water but do not constrain regulation to protect against Material Physical Injury and that are otherwise in the public interest.

Watermaster understands that the Agreement to be a request for Watermaster, consistent with the powers under the Judgment and the court-approved management agreements to maintain a reasonable portion of the quantity of water in storage, which is intended to 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 until a Storage Management Plan can be developed.

The Storage Reserve is temporary – only until a long-term Storage Management Plan is crafted and approved. Second, as described earlier in this staff report, likelihood of reaching water in reserve is very low, so effect is conditional. Third, production of water in the Safe Storage Reserve is not prohibited, but, provides certain limitations the manner in which water may be withdrawn from storage (e.g., 10/13 of each party's share of the reserve is limited in exercise such that must be replenished w/in 3 years and 3/13 is limited for Desalter offset (no need for replenishment) though after 2024. The City of Chino is not treated any differently than other Appropriators in the application of the Safe Storage Management Measures, other than that it has a larger percentage of the water in storage than any other party.

Pool and Advisory Committee Advice and Counsel

All three Pools have considered the Agreement and deliberated concerns of individual parties within the respective Pools. Concerns expressed by the Non-Agricultural Pool were considered by the Appropriative Pool and Agricultural Pool. Through a collaborative process all three Pools recommended to the Advisory Committee to recommend Board adoption of Resolution 2015-06. The Advisory Committee met on September 17, 2015 and recommended Board adoption of Resolution 2015-06, endorsing the Agreement.

Further Process

Should the Board adopt Resolution 2015-06, Watermaster legal counsel, consulting with the parties to the Agreement, would prepare and file a motion to the Court transmitting Resolution 2015-06, the 2015 Safe Yield Reset Agreement, and the referenced Attachments to the Court, and recommending that the Court approve the proposed Judgment Amendment and to further order that Watermaster proceed to further comply with the 2015 Safe Yield Reset Agreement ("Safe Yield Reset Motion"). The Court will set a hearing date and briefing schedule for its consideration of the Safe Yield Reset Motion. The parties to the Agreement would approve and authorize execution of the Agreement, with some having approved before Watermaster's filing of the Safe Yield Reset Motion and others approving after filing, but before the hearing.

ATTACHMENTS

1. Resolution 2015-06
2. Exhibit A: 2015 Safe Yield Reset Agreement, including Exhibits A-E thereto
3. Exhibit B: Proposed Order Amending Paragraph 6 of the Restated Judgment
4. Exhibit C: Amended schedule for access to Re-Operation water

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ATTACHMENT 1

**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**, 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;

[6] the October 8, 2010 Order Approving Watermaster's Compliance with Condition Subsequent Number Eight and Approving Procedures to be used to Allocated Surplus Agricultural Pool Water in the Event of a Decline in Safe Yield and

[7] 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);

4. **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

5. **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. At the request, and with the consent, of the parties thereto, the advice and counsel of the three Pools and the Advisory Committee, the 2015 Safe Yield Reset Agreement, attached hereto as Exhibit "A", will provide more efficient administration of the Judgment through:
 - a. The reset of the Safe Yield, inclusive of a methodology that is 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 attached hereto as Exhibit "B";

- 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 Exhibit "C" hereto; and
 - e. Measures intended to 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.
2. 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, 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;
 3. The reset of the Safe Yield pursuant to the 2015 Safe Yield Reset Agreement is consistent with Article X, section 2 of the California Constitution the Judgment, the Court-Approved Management Agreements, and prudent professional standards;
 4. 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 thereto, the Pools and the Advisory Committee;
 5. 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 Judgment, the Court-Approved Management Agreements;
 6. Using methodology consistent with prudent professional standards, short term actual measured net 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.
 7. During the period 2000-2014 there has been an increase of more than 200% in non-Supplemental Water storage accounts and, therefore, the Safe Storage Management, as provided for in the 2015 Safe Yield Reset Agreement, 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.
 8. Using methodology consistent with prudent professional standards, it is estimated that since the early 1900s, more than 2.1 million AF was withdrawn from the Basin in excess of recharge to the Basin.
 9. 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 of water in storage 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 Appropriative Pool has committed to exercise Best Efforts to prepare a Storage Management Plan within two (2) years of the effective date of the 2015 Safe Yield Reset Agreement and no reserve quantities are under discussion; (iv) even if the Safe Storage Reserve of 130,000 AF were implemented, access to stored water therein 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 Article X, section 2 of the California Constitution, the Judgment, and the Court-Approved Management Agreements.
2. Consistent with the Proposed Order, Watermaster will comply with the provisions of the 2015 Safe Yield Reset Agreement.
3. 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.
4. The Watermaster Board will transmit this Resolution 2015-06, the 2015 Safe Yield Reset Agreement, and the referenced Attachments to the Court, and, in accordance with the requests by the parties thereto, the advice and counsel of the Pools, and the Advisory Committee, Watermaster recommends that the Court approve the proposed Judgment Amendment and to further order that Watermaster proceed to further comply with the 2015 Safe Yield Reset Agreement.
5. The Watermaster Board directs Watermaster legal counsel to prepare and file a motion with the Court pursuant to paragraph 4, above.

APPROVED by the Advisory Committee this 17th day of September 2015.

ADOPTED by the Watermaster Board on this 24th 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, J. 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: _____

LIST OF EXHIBITS

- Exhibit "A" 2015 Safe Yield Reset Agreement, Including Exhibits A – E
- Exhibit "B" Proposed Order Amending Paragraph 6 of the Restated Judgment
- Exhibit "C" Amended schedule for access to Re-Operation water



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ATTACHMENT 2

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;

[6] the October 8, 2010 Order Approving Watermaster's Compliance with Condition Subsequent Number Eight and Approving Procedures to be used to Allocated Surplus Agricultural Pool Water in the Event of a Decline in Safe Yield and

[7] 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 Appropriate 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 2015-06 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; and
 - (iii) Amended schedule for access to Re-Operation water.
- (b) Court orders:
 - (i) Amending Paragraph 6 of the Restated Judgment, as shown in Exhibit "B" to Resolution 2015-06, 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 Exhibit "C" to Resolution 2015-06; and
 - (iii) Directing Watermaster to proceed in accordance with the terms of the Agreement on Redetermination and Reset of Safe Yield, as embodied in Resolution 2015-06.

ARTICLE 3
MUTUAL ACKNOWLEDGEMENT AND COVENANTS

3.1 Acknowledgment of Safe Yield Reset. The collective actions of Watermaster set forth in Watermaster Resolution 2015-06 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 2015-06.

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 "1" 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 Appropriative 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 Appropriative 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 Appropriative Pool may elect, in its discretion, not to participate in certain Post-2014 Stormwater Recharge Programs. In the case a member of the Appropriative 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 Appropriative 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 Appropriative Pool, and offering the other members of the Appropriative 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 Allocated 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 Water held in groundwater storage on July 1, 2015, consistent with the illustration shown in Exhibit "C," attached hereto, which utilizes existing July 1, 2014 information. Watermaster will update Exhibit "C" and distribute the final table when the quantities of non-Supplemental water held in groundwater storage on July 1, 2015 become available. For the avoidance of doubt, the Safe Storage Reserve shall not include water in the non-Supplemental Water stored water accounts of members of the Non-Agricultural Pool.
- (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 "C" 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 "E" 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 "E" 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 Appropriate 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 Appropriate 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. Pending the Court's approval of a Storage Management Plan, applications for the recharge, storage, and recovery of Supplemental Water will be administered in accordance with the Court Approved Management Agreements.

6.4 Storage Losses. After the Effective Date and until termination of this Agreement, consistent with Exhibit "D" 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:

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. 2015-06

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Reset Technical Memorandum

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

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.”

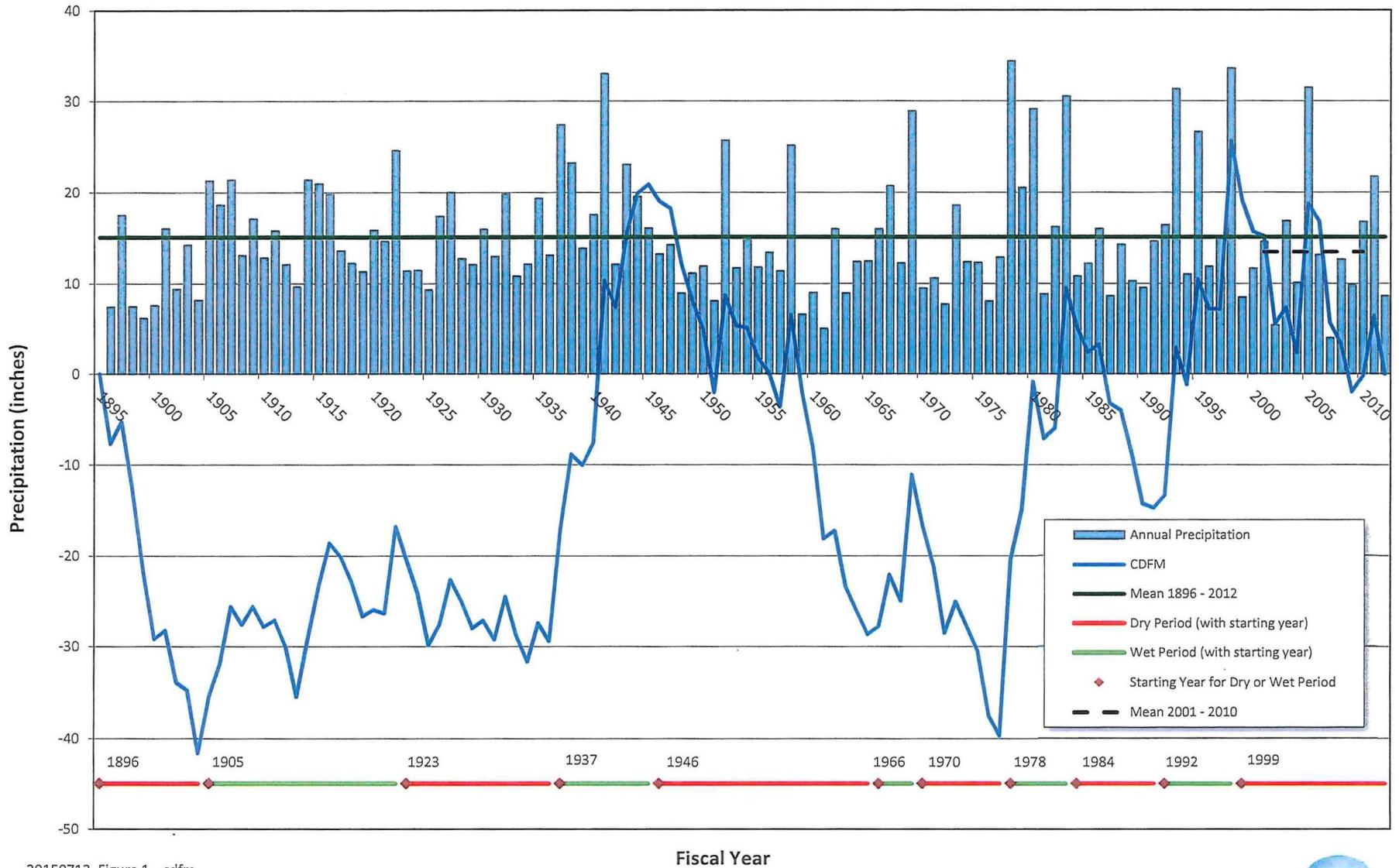
The methodology to redetermine the Safe Yield for 2010/11 and the recommended methodology for future Safe Yield evaluations is listed below. This methodology is consistent with professional custom, standard and practice, and the definition of Safe Yield in the Judgment and the Physical Solution.

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



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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

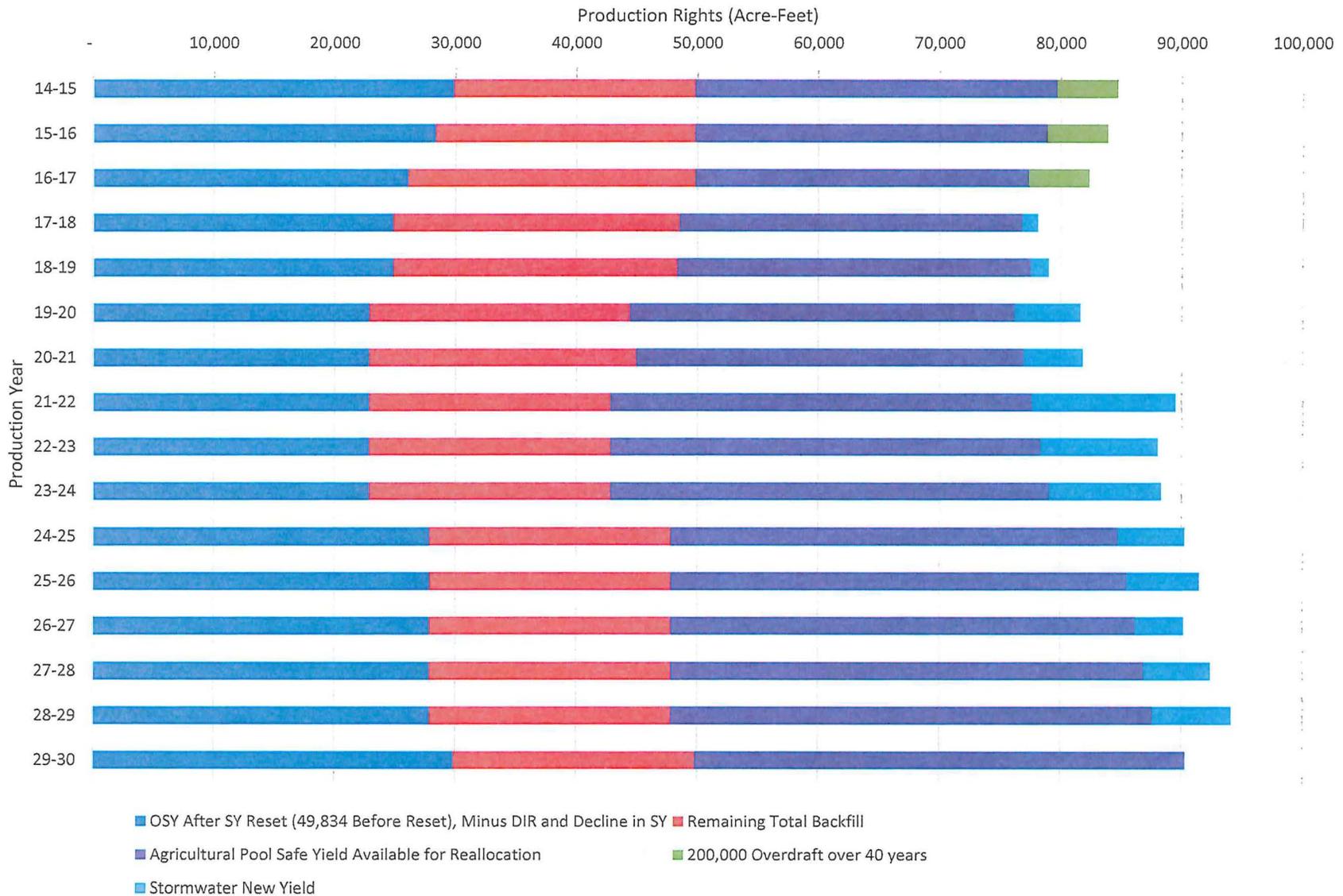
Assume build-out is at 2050, and occurs linearly. Based on 11/2014 Watermaster Staff Projections.

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
Backfill Due to Decline in Safe Yield & DRO	20,000	21,500	23,750	25,000	25,000	27,000	27,000	27,000	27,000	27,000	22,000	22,000	22,000	22,000	22,000	20,000
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
Reduction in Backfill (Stormwater Projects "As If")	-	-	-	1,300	1,500	5,400	4,900	7,000	7,000	7,000	2,000	2,000	2,000	2,000	2,000	-
Remaining Total Backfill	20,000	21,500	23,750	23,700	23,500	21,600	22,100	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
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)
Remaining Total Backfill	(20,000)	(21,500)	(23,750)	(23,700)	(23,500)	(21,600)	(22,100)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
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)
Required Ag Pool Reallocation Adjustment	(29,766)	(31,232)	(33,447)	(33,363)	(33,128)	(31,194)	(31,660)	(29,525)	(29,491)	(29,456)	(29,422)	(29,387)	(29,353)	(29,319)	(29,284)	(29,250)

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Net Ag Pool Reallocation Scenario



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Safe Yield Reset Implementation
Safe Storage Reserve Accounting Illustration¹
Excess Carryover Storage Account Ending Balances as of June 30, 2014 / July 1, 2014¹
(Per June 11, 2015 Key Principles)
(Acre-Feet)

[A] Appropriative Pool Party	[B] Excess Carryover (ECO) Balance ²	[C] ECO Percent of Total	[D]		[E]		[F] Total
			Emergency		Safe Storage Reserves		
			ECO Party 100,000 AF	Percent Applied Over 100,000 AF	Post-2024 Desalter Replenishment ECO Party 30,000 AF	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
Total	231,679.110	100.000%	100,000.000		30,000.000		130,000.000

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	
To:	Peter Kavounas, General Manager of the Chino Basin Watermaster
From:	Mark Wildermuth, Wenbin Wang
Date:	September 4, 2015
Subject:	Storage Losses After Achievement of Hydraulic Control
Job No.:	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 5G¹. 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,² 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:

¹ 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.

² 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*³ 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 theory⁴, 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 carryover⁵; 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).

³ *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

⁴ 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.

⁵ 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.

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
Totals	34,626	71%	24,656	39,768	
CCWF Sub-totals	1,350		948	1,530	

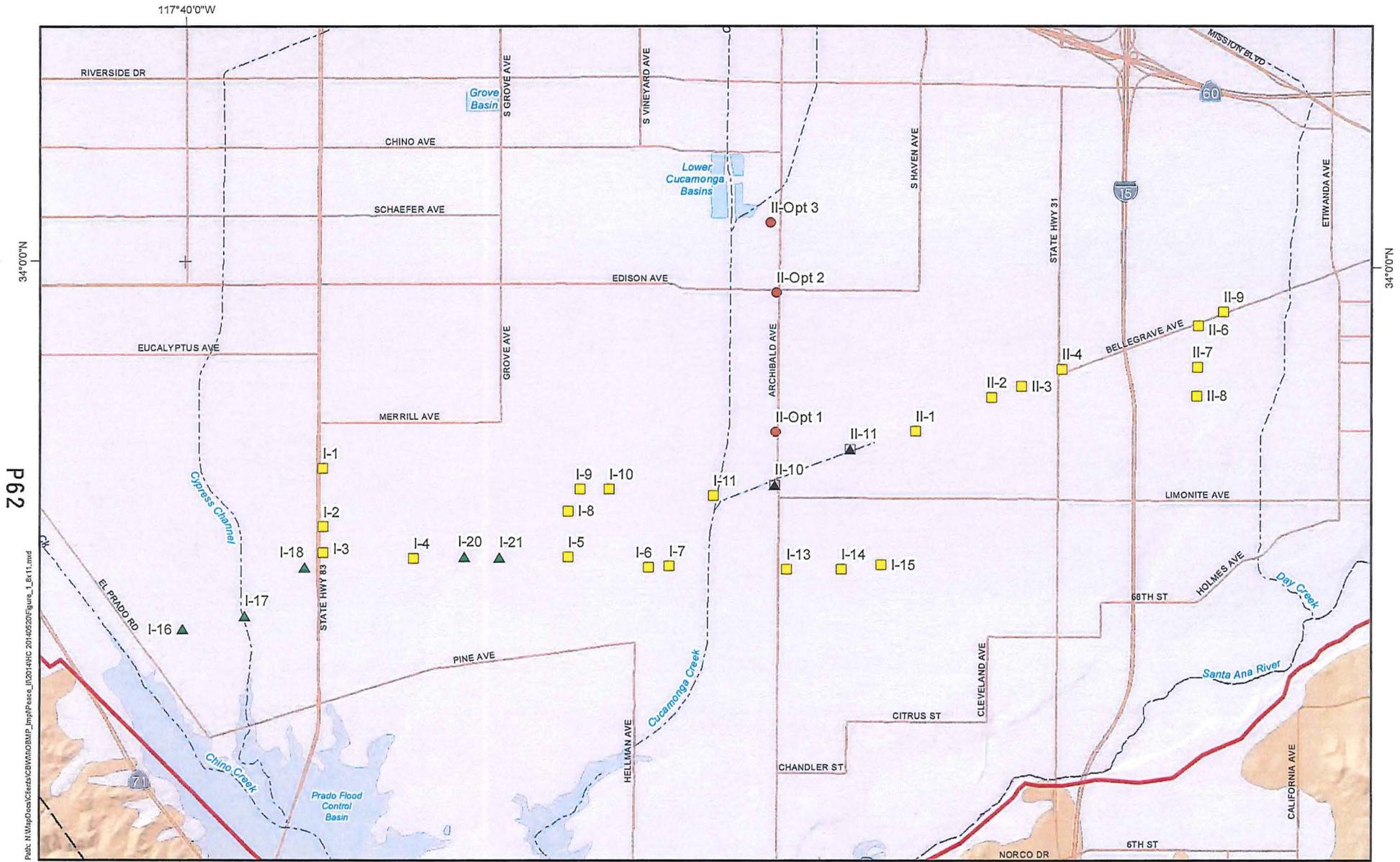


Table 2
Subsurface Discharge through the CCWF for Scenario 5G
 (afy)

Year	Per May 29, 2014 Report	July 31, 2015 Technical Memorandum ¹
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

¹ 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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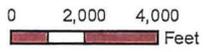
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Chino Basin Hydrologic Control and Safe Yield

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

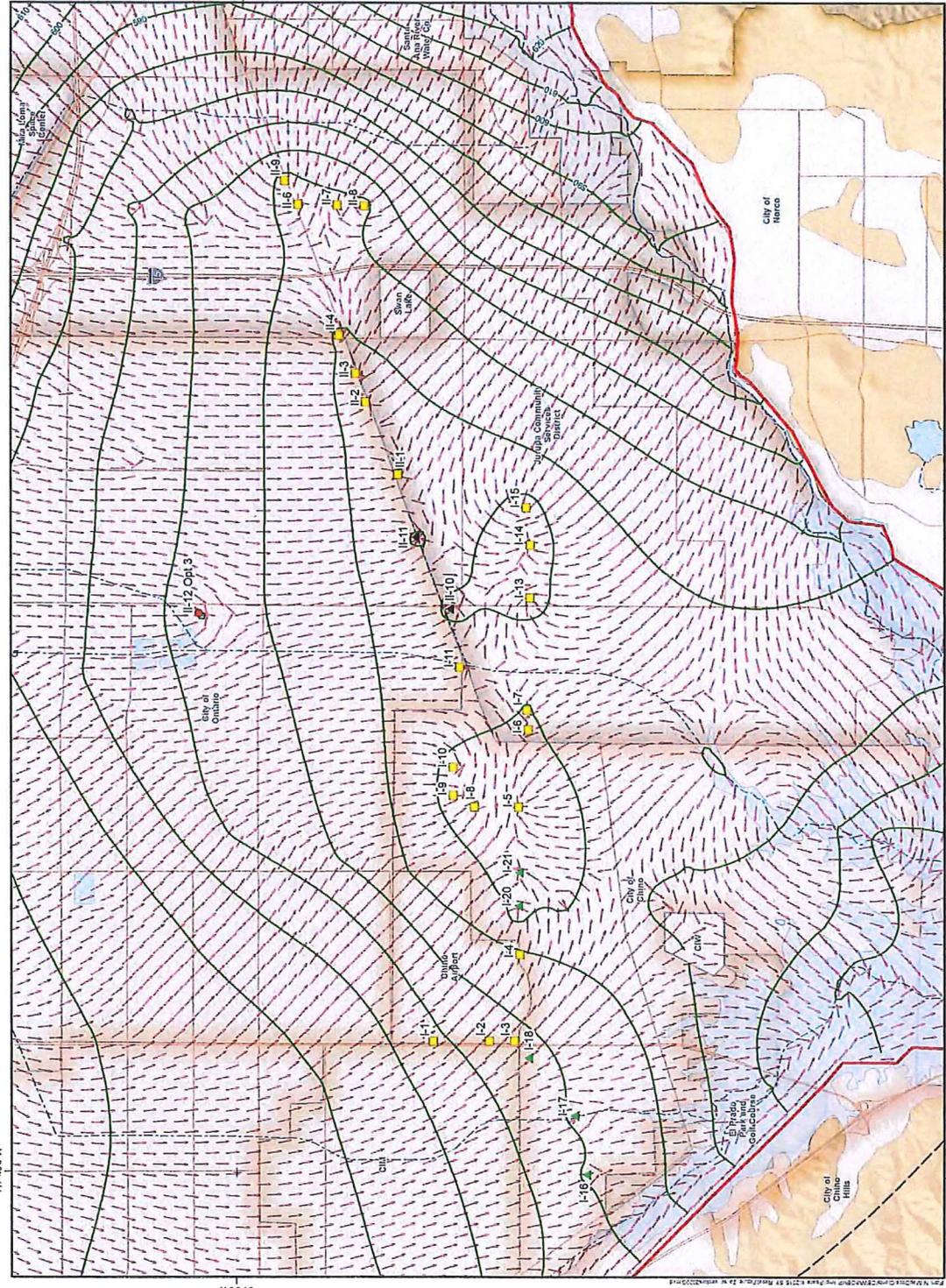
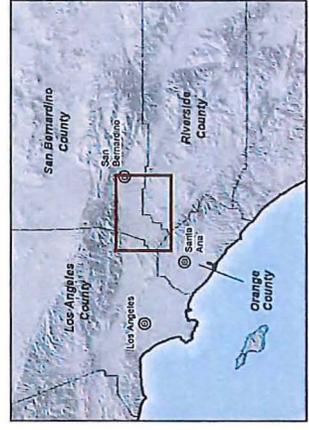
Figure 1

2020 Groundwater Flow Vectors
Model Layer 1 - Scenario 5G

2020 Groundwater Elevation Contours (Scenario 5G)
(feet above mean sea-level)

- 2020 Groundwater Flow Vectors
- 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

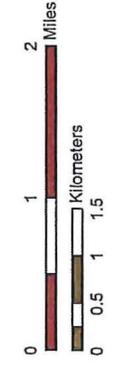
- Other Features
- Groundwater Flow Model Boundary
- Flood Control and Conservation Basins



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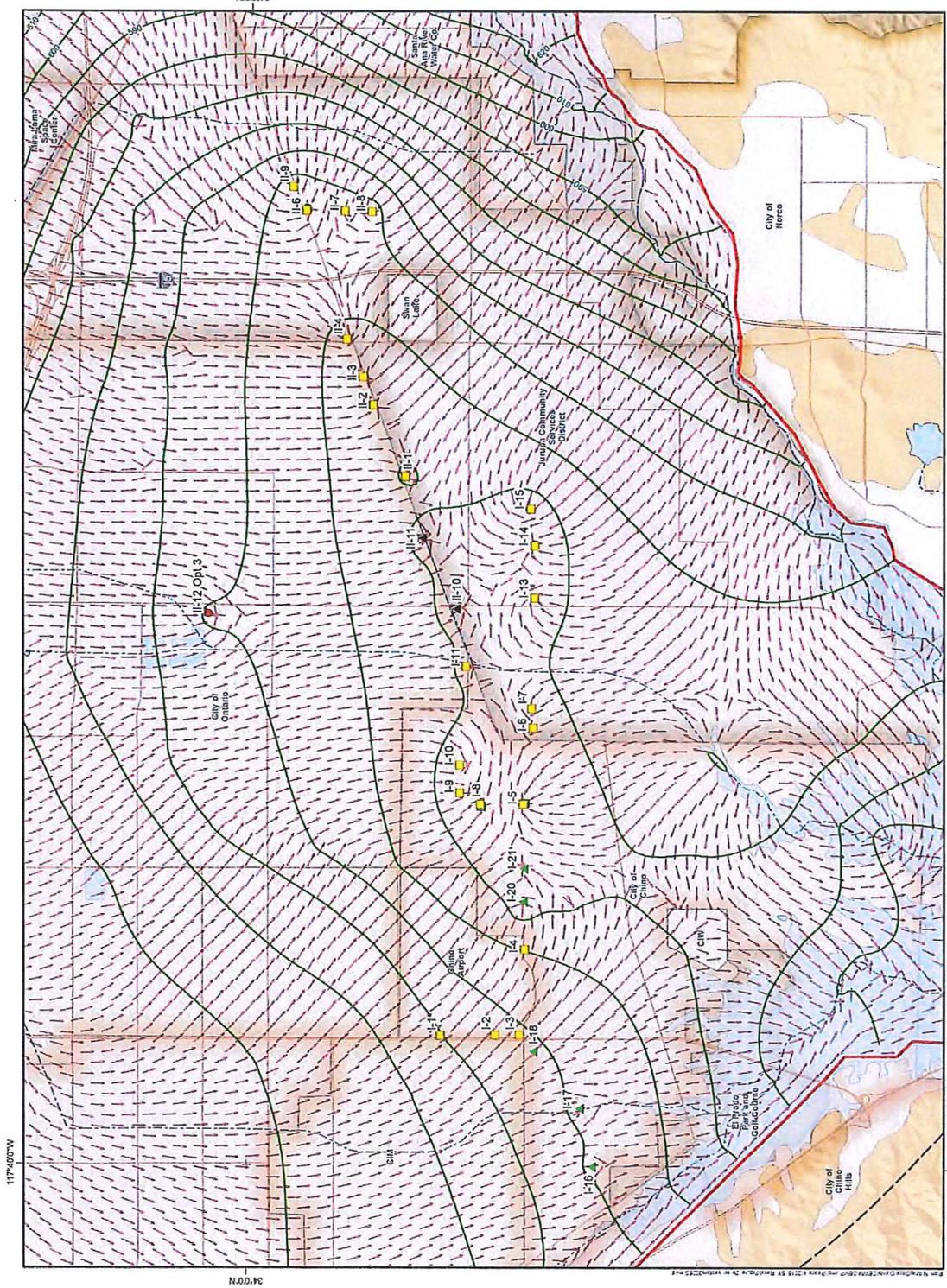
Author: LBB
Date: 8/24/2015

Chino Basin Hydraulic Control and Safe Yield



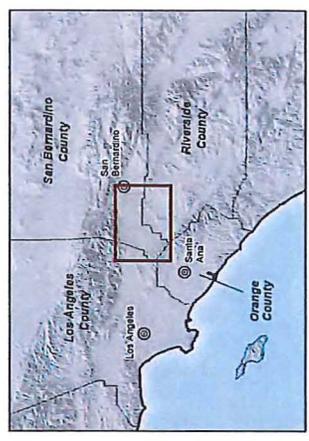
State of Hydraulic Control in 2020
Scenario 5G

Figure 2a



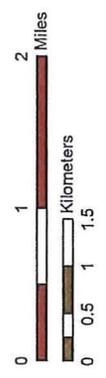
- 2025 Groundwater Flow Vectors
Model Layer 1 - Scenario 5G
- 2025 Groundwater Elevation Contours (Scenario 5G)
(feet above mean sea-level)
- Water Service Area Boundaries
- Existing Chino Desalter Wells
- New Chino Creek Well Field Wells
- Future Chino II Desalter Wells
- Location Option for Third
New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

- Other Features
- Groundwater Flow Model Boundary
- Flood Control and Conservation Basins



State of Hydraulic Control in 2025
Scenario 5G
Figure 2b

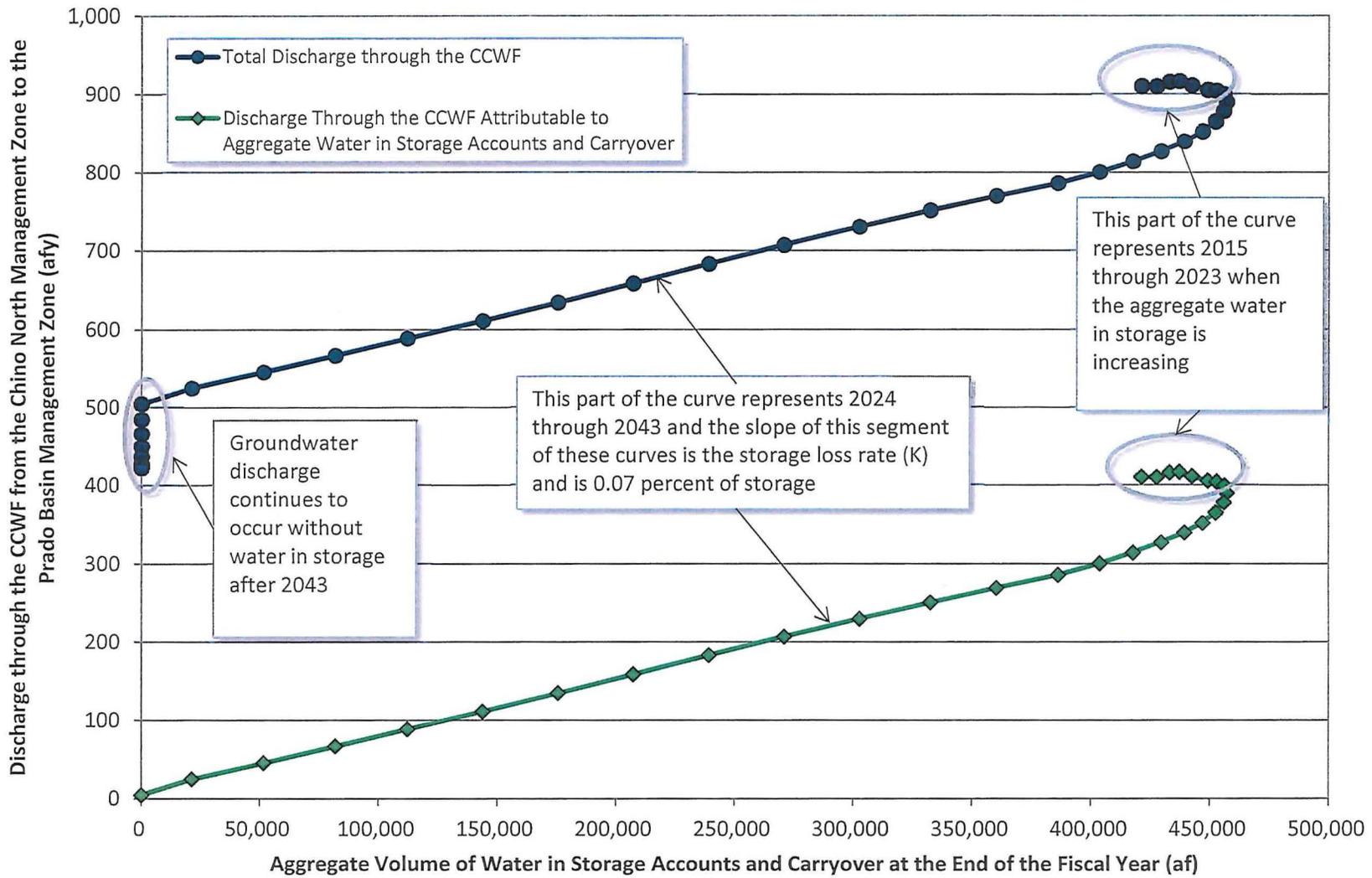
Chino Basin Hydraulic Control and Safe Yield



Author: LBB
Date: 8/24/2015



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



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Safe Storage Management Technical Memorandum	
To:	Peter Kavounas, General Manager, Chino Basin Watermaster Scott Slater, General Counsel
From:	Mark Wildermuth, Andy Malone
Date:	September 16 2015
Subject:	Evaluation of Safe Storage Management Measures as Described in the August 23, 2015 Draft 2015 Safe Yield Reset Agreement
Job No.:	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 accounts¹ 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

¹ 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*² and subsequent Watermaster monthly process meetings and numerous Safe Yield Reset workshops³.

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 carryover⁴, 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.

²

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

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

⁴ 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 Update⁵ and that replenishment and recharge operations would be conducted by Watermaster pursuant to the Judgment and Peace Agreements⁶. Planning Scenario 5A assumes:

- The planning period runs from 2012 through 2050.

⁵ http://www.cbwm.org/rep_engineering.htm

⁶ 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 drafted⁷). 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.

⁷ 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 af⁸ 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

⁸ Using methodology consistent with prudent professional standards, short term actual measured net 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.

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 use⁹. 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

⁹ 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 RMPU¹⁰ 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).

¹⁰ http://www.cbwm.org/rep_engineering.htm

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)

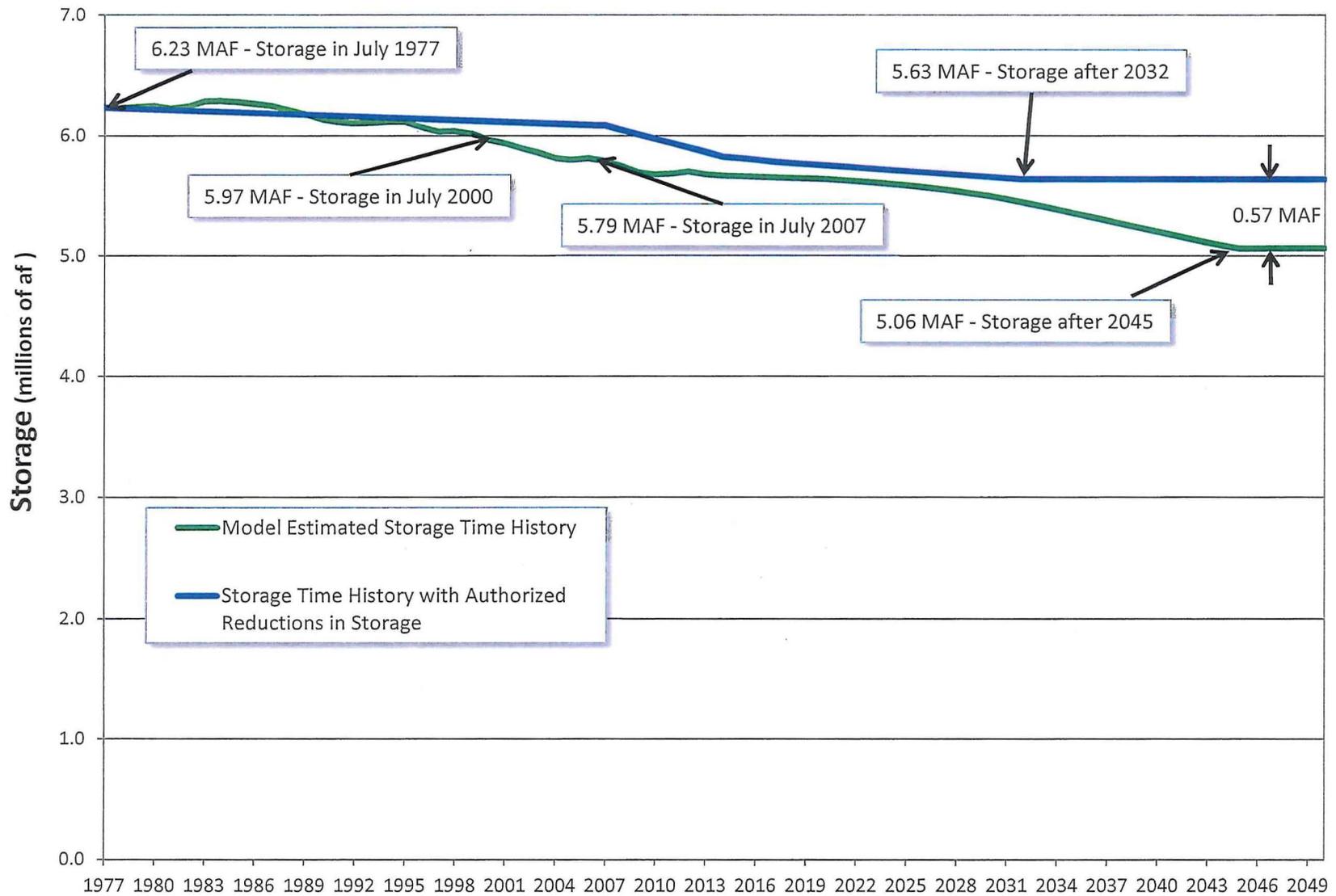
Fiscal Year	Appropriative Pool (Pool 3)				Overlying Non-Ag (Pool 2)			Total in Storage
	Carryover	Excess Carryover (ECO)	Suppl.	Total	Carryover	Local Storage	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2001	15,940	45,281	92,813	154,034	5,301	32,330	37,631	191,665
2002	13,521	42,206	87,801	143,528	5,285	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

¹ 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

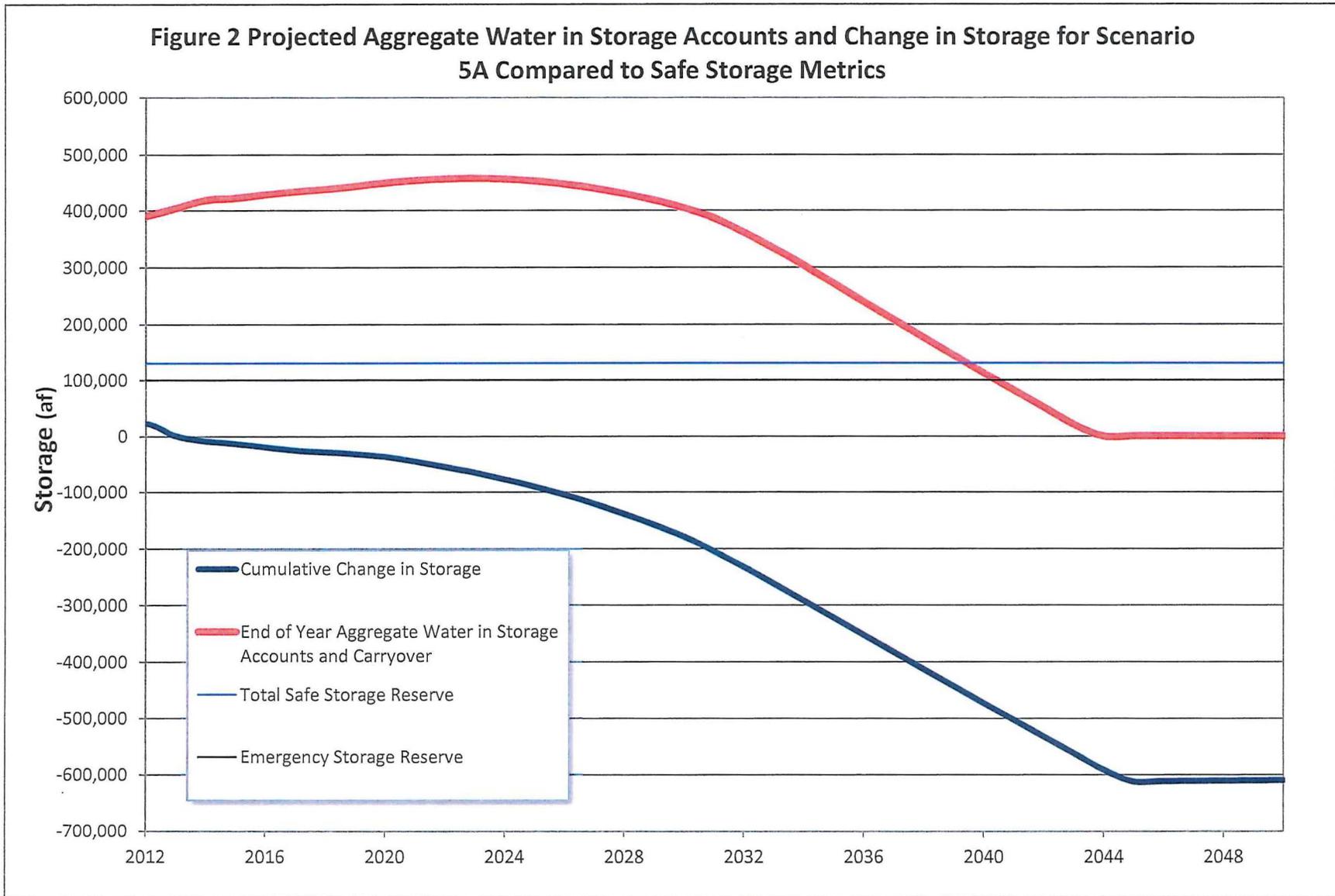
1978 through 2050

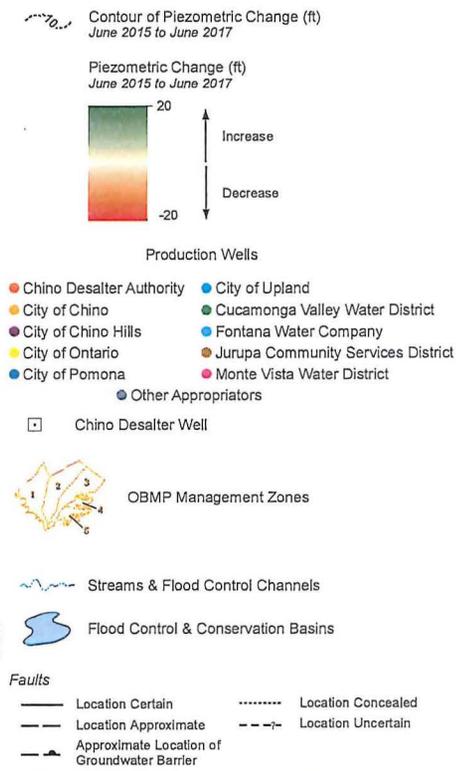
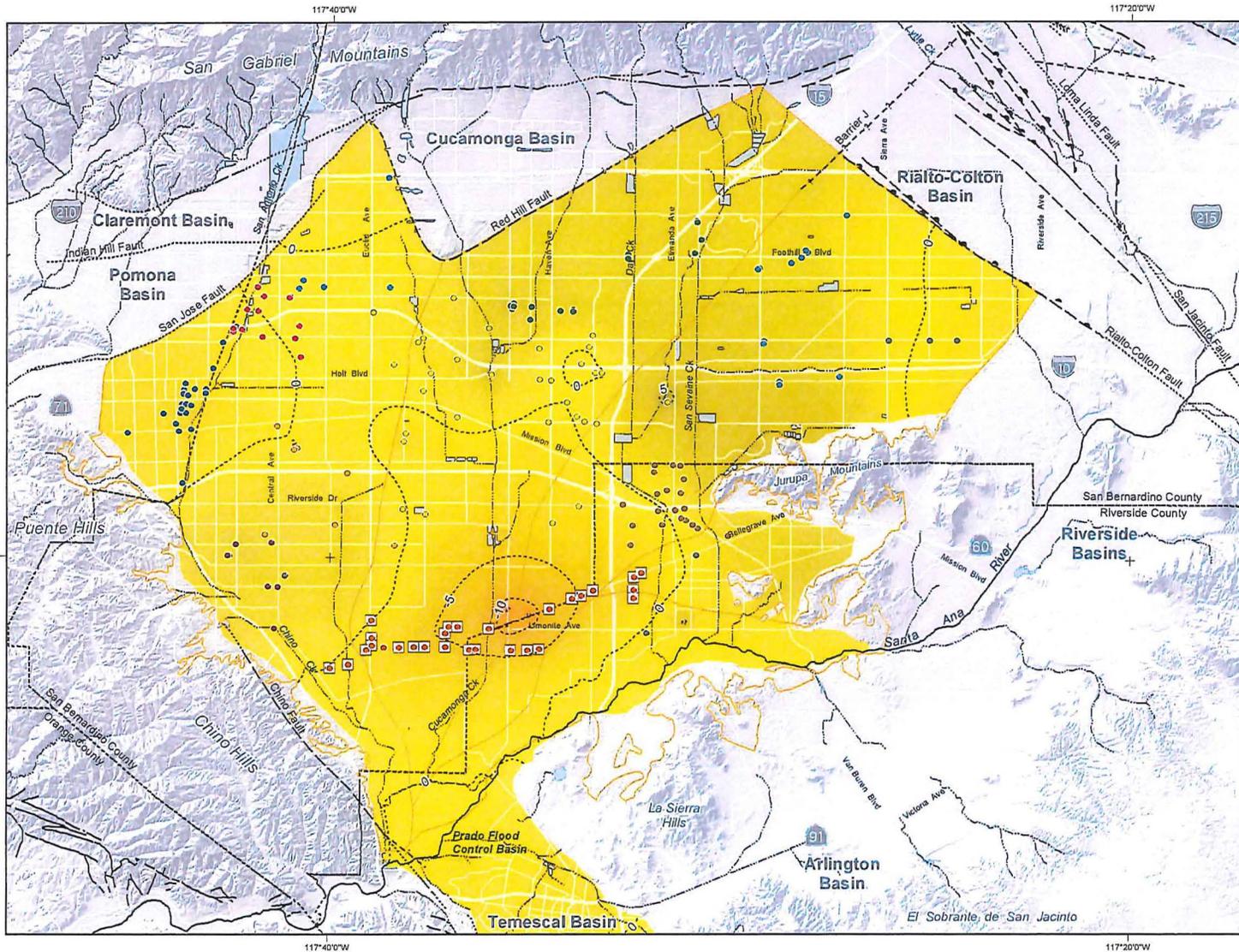


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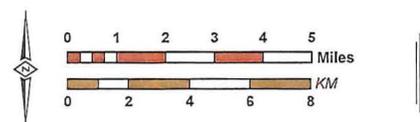


Figure 2 Projected Aggregate Water in Storage Accounts and Change in Storage for Scenario 5A Compared to Safe Storage Metrics





Produced by:
 WILDERMUTH ENVIRONMENTAL, INC.
 Author: LBB
 Date: 20150729
 File: Figure_3_change15-17L1.mxd



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

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ATTACHMENT 3

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

CHINO BASIN MUNICIPAL WATER DISTRICT,

Plaintiff,

v.

CITY OF CHINO et al.,

Defendant.

Case No. RCV 51010

Assigned for All Purposes to the
Honorable Stanford E. Reichert

**[PROPOSED] ORDER AMENDING
PARAGRAPH 6 OF THE RESTATED
JUDGMENT**

The Court having read, reviewed, and considered all pleadings filed in support and in response, if any, including the testimony presented at the [DATE] hearing, and good cause appearing therefore, the Court finds and Orders as follows:

(1) Paragraph 6 of the Restated Judgment is hereby amended to read as follows: "Safe Yield. The Safe Yield of the Basin is 135,000 acre feet per year."

(2) The effective date of the amendment to Paragraph 6 of the Restated Judgment is July 1, 2010.

IT IS SO ORDERED.

Dated: _____

JUDGE OF THE SUPERIOR COURT

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ATTACHMENT 4

Safe Yield Reset Implementation
Desalter Replenishment Accounting Illustration¹
 (Per Peace II Agreement, Section 6.2 (PIIA, 6.2) and June 11, 2015 Key Principles)
 (Acre-Feet)

[A] Production Year	[B]-[D] Desalter Production			[E] Desalter (aka Kaiser) Account PIIA, 6.2(a)(i)	[F] Paragraph 31 Settlement Agreements Dedication ³ PIIA, 6.2(a)(ii)	[G] Desalter-Induced Recharge ⁴ PIIA, 6.2(a)(iii)	[H] "Leave Behind" Losses PIIA, 6.2(a)(iv)	[I] Safe Yield Contributed by Parties PIIA, 6.2(a)(v)	[J]-[L] Desalter Replenishment			[M] Non-Ag OBMP Assessment (10% Haircut) ⁷ PIIA, 6.2(b)(i)	[N] Residual Replenishment Obligation ^{5,8,9,10}
	Pre-Peace II Desalter Production ²	Peace II Desalter Expansion Production ²	Total ²						Controlled Overdraft / Re-Op, PIIA, 6.2(a)(vi)		Balance		
									Allocation to Pre-Peace II Desalters ⁵	Allocation for Peace II Desalter Expansion ⁸			
2001	7,989	0	7,989	3,995	0	0	0	0	0	0	0	0	3,995
2002	9,458	0	9,458	4,729	0	0	0	0	0	0	0	0	4,729
2003	10,439	0	10,439	5,219	0	0	0	0	0	0	0	0	5,219
2004	10,605	0	10,605	5,303	0	0	0	0	0	0	0	0	5,303
2005	9,854	0	9,854	4,927	0	0	0	0	0	0	0	0	4,927
2006	16,476	0	16,476	11,579	0	0	0	0	0	0	400,000	0	4,897
2007	26,356	0	26,356	608	4,273	0	0	0	21,475	0	378,525	0	0
2008	26,972	0	26,972	0	0	0	0	0	26,972	0	351,553	0	0
2009	32,920	0	32,920	0	0	0	0	0	61,989	0	289,564	0	-29,069
2010	28,517	0	28,517	0	0	0	0	0	28,517	0	261,047	0	0
2011	29,319	0	29,319	0	0	0	0	0	29,319	0	231,729	0	0
2012	28,379	0	28,379	0	0	0	0	0	28,379	0	203,350	0	0
2013	27,062	0	27,062	0	0	0	0	0	27,062	0	176,288	0	0
2014	29,228	0	29,228	0	0	0	0	0	1,288	25,940	149,060	0	2,000
2015	30,000	0	30,000	0	0	15,000	0	0	0	13,000	136,060	0	2,000
2016	30,000	3,000	33,000	0	0	16,500	0	0	0	14,500	121,560	0	2,000
2017	30,000	7,500	37,500	0	0	18,750	0	0	0	16,015	105,545	735	2,000
2018	30,000	10,000	40,000	0	0	20,000	0	0	0	17,265	88,280	735	2,000
2019	30,000	10,000	40,000	0	0	20,000	0	0	0	15,265	73,015	735	4,000
2020	30,000	10,000	40,000	0	0	20,000	0	0	0	15,265	57,750	735	4,000
2021	30,000	10,000	40,000	0	0	20,000	0	0	0	12,265	45,485	735	7,000
2022	30,000	10,000	40,000	0	0	20,000	0	0	0	12,265	33,220	735	7,000
2023	30,000	10,000	40,000	0	0	20,000	0	0	0	9,265	23,955	735	10,000
2024	30,000	10,000	40,000	0	0	20,000	0	0	0	9,265	14,690	735	10,000
2025	30,000	10,000	40,000	0	0	20,000	0	0	0	6,265	8,425	735	13,000
2026	30,000	10,000	40,000	0	0	20,000	0	0	0	8,425	0	735	10,840
2027	30,000	10,000	40,000	0	0	20,000	0	0	0	0	0	735	19,265
2028	30,000	10,000	40,000	0	0	20,000	0	0	0	0	0	735	19,265
2029	30,000	10,000	40,000	0	0	20,000	0	0	0	0	0	735	19,265
2030	30,000	10,000	40,000	0	0	20,000	0	0	0	0	0	735	19,265
Totals	773,573	140,500	914,073	36,360	4,273	310,250	0	0	225,000	175,000		10,290	152,899

(225,000 available) (175,000 available)

- Table format and content: WEI, Response to Condition Subsequent Number 7, November 2008.
- Future desalter production is estimated. The Peace II Desalter Expansion is expected to increase total desalter production to 40,000 acre-feet in May 2017. The table will be adjusted annually with actual production numbers.
- 3,956.877 acre-feet + 316.177 acre-feet added as Non-Ag dedicated stored water per Paragraph 31 Settlement Agreements. Per Agreements, the water is deemed to have been dedicated as of June 30, 2007.
- The desalter-induced recharge projection in the table is now shown as 50 percent of annual total desalter production for years 2015 through 2030. Desalter-induced recharge from 2001 through 2014 (187,000 acre-feet) will be deemed Safe Yield and not available to offset Desalter production.
- Six years of Desalter tracking (Production Year 2000/2001 through Production Year 2005/2006) incorrectly assumed that a significant portion of Desalter production was being offset by desalter-induced recharge. Condition Subsequent 7 included an adjustment of 29,070 AF against desalter replenishment in Production Year 2008/2009.
- The Peace I Agreement may terminate in 2030. Per this revised schedule, accelerating the Peace II Desalter expansion allocation allows for full utilization of its available 175,000 acre-feet.
- For the first 10 years following the Peace II Agreement (2006/2007 through 2015/2016), the Non-Ag "10% Haircut" water is apportioned among the specific seven members of the Appropriative Pool, per PIIA 9.2(a). In the eleventh year and in each year thereafter, it is dedicated to Watermaster to further offset desalter replenishment. However, to the extent there is no remaining desalter replenishment obligation in any year after applying the offsets set forth in 6.2(a), it will be distributed pro rata among the members of the Appropriative Pool based upon each Producer's combined total share of OSY and the previous year's actual production.
- Per the Peace II Agreement, Section 6.2(b)(ii), the residual replenishment assessment is against the Appropriative Pool, pro-rata based on each Producer's combined total share of OSY and the previous year's actual production. The obligation will follow the schedule, as shown in this illustration, of 2,000, 4,000, 7,000, 10,000, and 13,000 AF/year until the Re-Operation water is depleted, which will vary from this illustration based on true annual desalter production. Depletion of the Re-Operation water timing will affect the residual obligation shown in Column [N], and it will be adjusted accordingly.
- It was shown in the Fiscal Year 2014/15 Assessment Package that the production year 2013/14 desalter replenishment obligation could be as high as 27,940 AF. Due to the acceleration of the Peace II Desalter expansion allocation, the production year 2013/14 desalter replenishment obligation is reduced to 2,000 acre-feet.
- Table does not include the up to 30,000 acre-feet of Safe Storage Reserve water that may be available after 2024 for the exclusive purpose of Desalter replenishment.

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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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 24, 2015
TO: Board 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

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

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 – Information only; no action needed.

September 17, 2015 – Advisory Committee – Unanimously approved.

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 reinstate 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

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BRADLEY J. HERREMA (State Bar No. 228976)
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1020 State Street
3 Santa Barbara, CA 93101-2706
Telephone: 805.963.7000
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5 Attorneys for
CHINO BASIN WATERMASTER
6

7
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF SAN BERNARDINO
10

11 CHINO BASIN MUNICIPAL WATER
DISTRICT,

12 Plaintiff,

13 v.

14 CITY OF CHINO, et al.,

15 Defendant.
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

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

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

11 Dated:

BROWNSTEIN HYATT FARBER
SCHRECK, LLP

12
13
14
15 By: _____

16 SCOTT S. SLATER
17 BRADLEY J. HERREMA
18 Attorneys for
19 CHINO BASIN WATERMASTER
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1 MEMORANDUM OF POINTS AND AUTHORITIES

2
3 **I. INTRODUCTION**

4 Pursuant to Paragraph 15 of the Restated Judgment in this action, the Chino Basin
5 Watermaster (“Watermaster”) respectfully requests that the Court grant this Motion and the relief
6 herein requested, which are necessary to enforce and carry out the Chino Basin Judgment¹
7 (“Restated Judgment”). Watermaster petitions the Court to allow Watermaster to temporarily
8 deviate from the requirements of certain provisions of Exhibit “G” to the Restated Judgment, due
9 to unique circumstances for Fiscal Year 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 Appropriate
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 Appropriate Pool, in accordance with the guidelines

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

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

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

19 **III. ARGUMENT**

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

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

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

12 CHINO BASIN MUNICIPAL WATER
13 DISTRICT,

14 Plaintiff,

15 v.

16 CITY OF CHINO, et al.,

17 Defendant.

18 Case No. RCV 51010

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

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

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

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

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

28 ///

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

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

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10 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

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

7

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

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ORDER

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

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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

1. 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 – 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

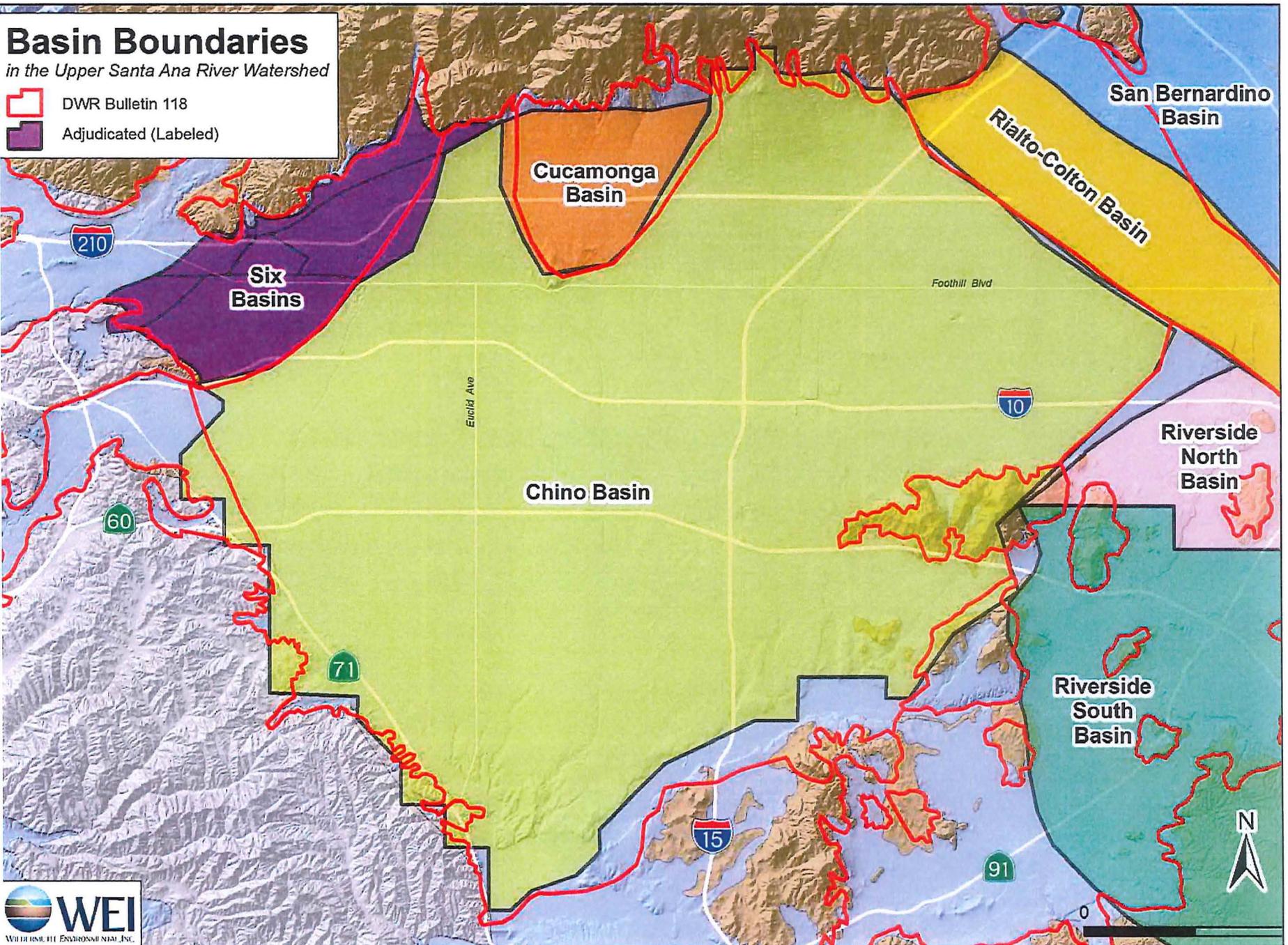
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Exhibit A

Basin Boundaries

in the Upper Santa Ana River Watershed

-  DWR Bulletin 118
-  Adjudicated (Labeled)



986





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

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

CAPT 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,



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

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

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
Bill Pmt -Check	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	1409 · Prepaid Life, BAD&D & LTD	128.39
				August 2015	60191 · Life & Disab.Ins Benefits	128.38
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
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
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
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
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
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	8411 · Compensation	25.00
				7/16/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	07/22/2015	7/22 Special Ag Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				7/22/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	07/29/2015	7/29 Special Ag Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				7/29/15 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00

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Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
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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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
P91 Bill Pmt -Check	08/11/2015	18836	MONTE VISTA WATER DIST	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
P91 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	

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<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
Bill	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
TOTAL						875.00
Bill Pmt -Check	08/11/2015	18841	PREMIERE GLOBAL SERVICES	19082434	1012 · Bank of America Gen'l Ckg	
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
TOTAL						800.26
Bill Pmt -Check	08/11/2015	18842	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
Bill	08/06/2015	10000014590109		Monthly unfunded accrued liability payment	60180 · Employers PERS Expense	3,077.00
TOTAL						3,077.00
Bill Pmt -Check	08/11/2015	18843	RR FRANCHISING, INC.	8391	1012 · Bank of America Gen'l Ckg	
Bill	08/04/2015	8391		Janitorial Services	6024 · Building Repair & Maintenance	740.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
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
P93 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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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 · Grdwtr 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						1,200.00
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						51.80
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						1,048.04
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						99.40
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						143.07
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						25.76
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						833.15
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						28.14
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						298.57
Total Disbursements:						124,949.98

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