

CHINO BASIN WATERMASTER



NOTICE OF MEETING

Thursday, May 26, 2016

11:00 a.m. – Watermaster Board Meeting

LUNCH WILL BE SERVED

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

CHINO BASIN WATERMASTER

Thursday, May 26, 2016

11:00 a.m. – Watermaster Board Meeting

AGENDA

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – May 26, 2016

WITH

Mr. Steve Elie – Chair

Mr. James Curatalo – 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 March 24, 2016 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2016 *(Page 5)*
2. Watermaster VISA Check Detail for the month of February 2016 *(Page 19)*
3. Combining Schedule for the Period July 1, 2015 through February 29, 2016 *(Page 23)*
4. Treasurer's Report of Financial Affairs for the Period February 1, 2016 through February 29, 2016 *(Page 27)*
5. Budget vs. Actual Report for the Period July 1, 2015 through February 29, 2016 *(Page 31)*
6. Cash Disbursements for the month of March 2016 *(Page 49)*
7. Watermaster VISA Check Detail for the month of March 2016 *(Page 63)*
8. Combining Schedule for the Period July 1, 2015 through March 31, 2016 *(Page 67)*
9. Treasurer's Report of Financial Affairs for the Period March 1, 2016 through March 31, 2016 *(Page 71)*
10. Budget vs. Actual Report for the Period July 1, 2015 through March 31, 2016 *(Page 75)*

C. WATER TRANSACTIONS

1. Notice of Sale or Transfer – The purchase of 1,200.000 acre-feet of water from Santa Ana River Water Company (SARWCo) by Jurupa Community Services District (JCSD). This purchase is made from SARWCo's Annual Production Right / Operating Safe Yield first, then any additional from storage. In addition, JCSD will purchase 99.000 acre-feet of water from SARWCo's excess carryover account. Date of application: March 15, 2016. *(Page 93)*

2. Notice of Sale or Transfer - The purchase of 1000.000 acre-feet of water from San Antonio Water Company by the City of Upland. This purchase is made from San Antonio Water Company's Annual Production Right/Operating Safe Yield first, then any additional from storage. The City of Upland is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: January 22, 2016. (Page 103)

D. FINANCING PLAN FOR THE 2013 AMENDMENT TO THE 2010 RMPU (Page 113)

Approve the Financing Plan for the 2013 RMPU.

E. MASTER RECHARGE FACILITIES FINANCING AGREEMENT BETWEEN CHINO BASIN REGIONAL FINANCING AUTHORITY, INLAND EMPIRE UTILITIES AGENCY, AND CHINO BASIN WATERMASTER (Page 125)

Approve the Master Recharge Facilities Financing Agreement and authorize the General Manager to execute the Agreement subject to non-substantive changes as needed.

F. PROPOSITION 1 – GROUNDWATER GRANT (Page 151)

Adopt Resolution No. 2016-04, authorizing the Chino Basin Regional Financing Authority to submit a grant application for a Proposition 1 Groundwater Grant for Chino Basin Improvements and the Groundwater Cleanup Project.

G. PROPOSITION 1 – STORMWATER GRANT (Page 157)

Adopt Resolution No. 2016-05, authorizing the Chino Basin Regional Financing Authority to submit a grant application for a Proposition 1 Stormwater Grant for the implementation of the Wineville Basin, Jurupa Basin, RP-3 Basin Improvements, and Pumping and Conveyance System Project.

H. CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM (Page 161)

Adopt Resolution No. 2016-06, authorizing the Inland Empire Utilities Agency to apply, through the Chino Basin Regional Financing Authority, for State Revolving Fund Loan for the preliminary planning and design costs of 2013 RMPU projects.

I. REVENUE PLEDGE TO STATE REVOLVING FUND FINANCING (Page 165)

Adopt Resolution No. 2016-07, dedicating net revenues from Debt Service assessments to payment of Watermaster's share of the State Revolving Fund and/or Water Recycling Funding Program financing.

J. FIRST AMENDMENT TO THE MASTER COST SHARING AGREEMENT BETWEEN CHINO BASIN WATERMASTER AND INLAND EMPIRE UTILITIES AGENCY (Page 169)

Approve the first amendment to the agreement made to the Master Cost Sharing Agreement between CBWM and IEUA and authorize the General Manager to execute the Agreement.

II. BUSINESS ITEMS

A. BUDGET AMENDMENT FORM A-16-04-01 (Page 185)

Adopt the Budget Amendment Form (A-16-04-01) for FY 2015/16 in the amount of \$250,000 for the increased cost associated with the Safe Yield Redetermination and Reset, as presented.

B. WATERMASTER FISCAL YEAR 2016/17 PROPOSED BUDGET (Page 189)

Adopt the proposed FY 2016/17 Budget as presented.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. June 10, 2016 Hearing
2. Amended Notice of Related Case No. CIVDS1601994
3. CalPERS Appeal Hearing

B. ENGINEER REPORT

1. Adaptive Management Plan for the Prado Basin Habitat Sustainability Program
2. Ground-Level Monitoring Committee Update

C. CFO REPORT

1. Fiscal Year 2015/16 Second Assessment

D. GM REPORT

1. RMPU Grant Funding – CBWM Letter
2. SGMA Update
3. Replenishment Water
4. Other

IV. INFORMATION

1. Cash Disbursements for April 2016 (*Page 205*)
2. RMPU Status Report (*Page 215*)
3. Ground Level Monitoring Report (*Page 219*)
4. Update on South Archibald and Chino Airport Plumes (*Page 222*)

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

1. GM Performance Evaluation

VIII. FUTURE MEETINGS AT WATERMASTER

- | | | | |
|---------|-----|------------|---|
| 5/23/16 | Mon | 9:00 a.m. | Groundwater Recharge Coordinating Committee (GRCC at CBWCD) |
| 5/26/16 | Thu | 11:00 a.m. | Watermaster Board |
| 6/07/16 | Tue | 10:00 a.m. | Fiscal Year 2015/16 Assessment Package Workshop |
| 6/09/16 | Thu | 9:00 a.m. | Appropriative Pool Meeting |
| 6/09/16 | Thu | 11:00 a.m. | Non-Agricultural Pool Meeting |
| 6/09/16 | Thu | 1:30 p.m. | Agricultural Pool Meeting |
| 6/16/16 | Thu | 8:00 a.m. | Appropriative Pool Strategic Planning (Confidential Session Only) |
| 6/16/16 | Thu | 9:00 a.m. | Advisory Committee Meeting |
| 6/16/16 | Thu | 9:30 a.m. | Recharge Investigations and Projects Committee (RIPCom) |
| 6/23/16 | Thu | 11:00 a.m. | Watermaster Board |

ADJOURNMENT

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BEEN LEFT
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FOR PAGINATION

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting held on March 24, 2016

DRAFT MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

March 24, 2016

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on March 24, 2016.

WATERMASTER BOARD MEMBERS PRESENT

Steve Elie, Chair

James Curatalo, Vice-Chair

David DeJesus for Bob Kuhn

Paul Hofer

Geoffrey Vanden Heuvel

Jim Bowman

Bob Bowcock

Tom Thomas

Don Galleano

Inland Empire Utilities Agency

Cucamonga Valley Water District

Three Valleys Municipal Water District

Agricultural Pool – Crops

Agricultural Pool – Dairy

City of Ontario

Calmat Company (Vulcan Materials Co.)

City of Upland

Western Municipal Water District

WATERMASTER BOARD MEMBER ABSENT

Bob Kuhn, Secretary/Treasurer

Three Valleys Municipal Water District

WATERMASTER STAFF PRESENT

Peter Kavounas

Joseph Joswiak

Anna Truong

General Manager

Chief Financial Officer

Recording Secretary

WATERMASTER CONSULTANTS PRESENT

Scott Slater

Brad Herrema

Mark Wildermuth

Andy Malone

Brownstein Hyatt Farber Schreck, LLP

Brownstein Hyatt Farber Schreck, LLP

Wildermuth Environmental, Inc.

Wildermuth Environmental, Inc.

OTHERS PRESENT

Pete Hall

Tracy Egoscue

Justin Scott-Coe

Terry Catlin

Dave Crosley

Scott Burton

Jeff Pierson

Ryan Shaw

Sheri Rojo

Darron Poulsen

Ken Jeske

Eunice Ulloa

John Bosler

Rick Rees

Chad Blais

Ron Craig

Art Kidman

Teri Layton

State of California – CIM

Egoscue Law Group

Monte Vista Water District

Inland Empire Utilities Agency

City of Chino

City of Ontario

Agricultural Pool – Crops

City of Ontario

Fontana Water Company

City of Pomona

California Steel Industries

Chino Basin Water Conservation District

Cucamonga Valley Water District

AMEC

City of Norco

City of Chino Hills

Kidman Law, LLP

San Antonio Water Company

Craig Miller
Manny Martinez

Western Municipal Water District
Monte Vista Water District

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

(0:00:31) Chair Elie stated that the Engineer Report on MZ3 Water Levels would be reordered to follow the Consent Calendar.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board Meeting held February 25, 2016

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2016
2. Watermaster VISA Check Detail for the month of January 2016
3. Combining Schedule for the Period July 1, 2015 through January 31, 2016
4. Treasurer's Report of Financial Affairs for the Period January 1, 2016 through January 31, 2016
5. Budget vs. Actual Report for the Period July 1, 2015 through January 31, 2016

C. OBMP SEMI-ANNUAL STATUS REPORTS 2013-2 AND 2014-1

Adopt the Semi-Annual OBMP Status Reports 2013-2 and 2014-1, along with filing a copy with the Court, subject to any necessary non-substantive changes.

D. SAN ANTONIO WATER COMPANY – APPLICATION FOR RECHARGE

Notice of Application for Recharge – On January 22, 2016, San Antonio Water Company submitted an Application for Recharge for up to 200,000 acre-feet to be recharged into Montclair 2, 3, and 4, and Brooks recharge basins.

E. EXHIBIT "G" PHYSICAL SOLUTION TRANSFERS

1) Find that Auto Club Speedway (California Speedway Corporation), California Steel Industries, and NRG California South LP are in compliance with the Restated Judgment, Exhibit "G" ¶9(g), authorizing 2015-2016 Exhibit "G" Physical Solution Transfers, 2) Approve levy of assessments and subsequent payments for same.

F. PERSONNEL POLICY – ADOPTION OF THE REVISED VACATION POLICY TO INCLUDE A VACATION BUY-BACK PROVISION, POLICY 3.5.2

Approve the Adoption of the Vacation Buy-Back Policy 3.5.2 as Part of the Current Chino Basin Watermaster Employee Manual.

(0:00:50)

Motion by Mr. Tom Thomas, seconded by Mr. Jim Bowman, and carried unanimously

Moved to approve Consent Calendar as presented

II. BUSINESS ITEMS

A. SUPPORT FOR CHINO BASIN BOUNDARY MODIFICATION REQUEST SUBMITTED PURSUANT TO THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)

(0:11:35) Mr. Kavounas gave a report.

(0:14:38)

*Motion by Mr. Geoffrey Vanden Heuvel, seconded by Mr. Tom Thomas, and carried unanimously
Moved to adopt Resolution 2016-03, expressing support for the request to modify the Chino Basin Boundaries in Bulletin 118, made by Western MWD, Inland Empire Utilities Agency, and Three Valleys MWD, as presented*

B. APPROVAL OF THE CHINO BASIN WATERMASTER SUBMITTAL OF ANNUAL REPORTING REQUIREMENTS FOR ADJUDICATED BASINS PURSUANT TO THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)

(0:14:58) Mr. Kavounas gave a report. A discussion ensued.

(0:36:36)

*Motion by Vice-Chair Curatalo, seconded by Mr. Jim Bowman, and carried unanimously
Moved to approve the submittal and authorize the filing subject to the establishment of an ad hoc committee consisting of Chair, Vice-Chair, and Secretary/Treasurer, which will take input from the Chairs of the three Pools, and their legal counsel, in an effort to evaluate the language that was stricken in the Ag Pool motion and to consider the potential for revised language, and to come to a resolution under paragraph E of the report by April 1, 2016, as presented*

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. February 26, 2016 Hearing
2. April 8, 2016 Hearing
3. 36th Annual Report (Fiscal Year 2012/13)

(0:36:54) Mr. Slater gave a report. A discussion ensued.

B. CFO REPORT

1. Fiscal Year 2016/17 Budget Schedule

(0:40:48) Mr. Joswiak gave a report.

C. ENGINEERING REPORT

1. MZ3 Water Levels (Follow-Up on Director Galleano's Request)

This item was reordered to follow the Consent Calendar.

(0:01:07) Mr. Malone gave a presentation. A discussion ensued.

D. GM REPORT

- 1. Appropriative Pool Voting on Advisory Committee
- 2. SGMA Update
- 3. Business Plan Update
- 4. East Declez Project Status
- 5. Other

(0:42:28) Mr. Kavounas gave a report and added an item on the second interim assessments indicating that it will need to be issued in June 2016 regardless of the outcome of the May 6, 2016 Court hearing. He also mentioned that the April 26, 2016 Board Workshop has been cancelled. A discussion ensued.

IV. INFORMATION

- 1. Cash Disbursements for February 2016

V. BOARD MEMBER COMMENTS

(0:47:02) Mr. Galleano inquired about the East Declez Basin project and related land acquisition. A discussion ensued.

VI. OTHER BUSINESS

(0:48:15) Chair Elie commented on the new process for Board member stipends starting in April 2016. A discussion ensued.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

None

ADJOURNMENT

Chair Elie adjourned the Watermaster Board meeting at 11:51 a.m.

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: May 26, 2016
TO: Board Members
SUBJECT: Cash Disbursement Report - Financial Report B1 (February 29, 2016)

SUMMARY

Issue: Record of Cash Disbursements for the month of February 29, 2016.

Recommendation: Receive and file Cash Disbursements for February 29, 2016 as presented.

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

Future Consideration

Watermaster Board: May 26, 2016; Receive and File (Normal Course of Business)

ACTIONS:

April 14, 2016 – Appropriative Pool – Unanimously approved
April 14, 2016 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
April 14, 2016 – Agricultural Pool – Unanimously approved
April 21, 2016 – Advisory Committee – Meeting cancelled
April 28, 2016 – Watermaster Board – Meeting cancelled
May 19, 2016 – Advisory Committee – Unanimously approved
May 26, 2016 – 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 February 2016 were \$415,514.01.

The most significant expenditures during the month were to Wildermuth Environmental, Inc. in the amount of \$152,144.67 (check number 19201 dated February 4, 2016); and Brownstein Hyatt Farber Schreck in the amount of \$74,705.43 (check number 19199 dated February 4, 2016).

ATTACHMENTS

1. Financial Report - B1

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
February 2016

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	02/04/2016	19187	CHARTER COMMUNICATIONS	8245100651455350	1012 · Bank of America Gen'l Ckg	
Bill	02/01/2016	8245100651455350		2/06/16-3/05/16	6053 · Internet Expense	64.99
TOTAL						<u>64.99</u>
Bill Pmt -Check	02/04/2016	19188	CHEF DAVE'S CAFE & CATERING	5891	1012 · Bank of America Gen'l Ckg	
Bill	01/28/2016	5891		Lunch for 1/28/16 Watermaster Board meeting	6312 · Meeting Expenses	639.80
TOTAL						<u>639.80</u>
Bill Pmt -Check	02/04/2016	19189	EMPOWER LAB		1012 · Bank of America Gen'l Ckg	
Bill	12/11/2015	121115		Debrief w/Anna Danni, Joe	6013 · Human Resources Services	450.00
Bill	01/07/2016	10716		CVI group workshop	6013 · Human Resources Services	1,500.00
TOTAL						<u>1,950.00</u>
Bill Pmt -Check	02/04/2016	19190	OFFICE TEAM	44919306	1012 · Bank of America Gen'l Ckg	
Bill	01/28/2016	44919306		Week ending 1/22/16	6017.2 · Office Specialist Services	1,170.33
TOTAL						<u>1,170.33</u>
P7 Bill Pmt -Check	02/04/2016	19191	PARK PLACE COMPUTER SOLUTIONS, INC.	508	1012 · Bank of America Gen'l Ckg	
Bill	01/31/2016	508		IT Consulting Services - January 2016	6052.1 · Park Place Comp Solutn	1,650.00
TOTAL						<u>1,650.00</u>
Bill Pmt -Check	02/04/2016	19192	PETTY CASH	2561-2573	1012 · Bank of America Gen'l Ckg	
Bill	02/01/2016	2561-2573		Purchase supplies for Board meetings	6312 · Meeting Expenses	36.50
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	65.17
				Purchase supplies for field work	6151 · Small Tools & Equipment	26.99
				Mileage reimbursement for seminar	6192 · Seminars - General	37.80
				PK travel reimbursement	6191 · Conferences - General	38.26
				PK and A.Truong mtgs w/Appropriators	8312 · Meeting Expenses	80.92
				Purchase supplies for staff meeting	6141.1 · Meeting Supplies	15.99
TOTAL						<u>301.63</u>
Bill Pmt -Check	02/04/2016	19193	PRINTING RESOURCES	62854	1012 · Bank of America Gen'l Ckg	
Bill	01/28/2016	62854		Name plates-Thomas, Curatalo, Board Clerk	6031.7 · Other Office Supplies	92.02
TOTAL						<u>92.02</u>
Bill Pmt -Check	02/04/2016	19194	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
Bill	02/01/2016	1394905143		Annual Unfunded Accrued Liability	60180 · Employers PERS Expense	3,077.00
TOTAL						<u>3,077.00</u>

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
February 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	02/04/2016	19195	PURCHASE POWER	8000909000168851	1012 · Bank of America Gen'l Ckg	
Bill	01/28/2016	8000-9090-0016-8851		Charges	6042 · Postage - General	2.17
TOTAL						<u>2.17</u>
Bill Pmt -Check	02/04/2016	19196	RR FRANCHISING, INC.	17178	1012 · Bank of America Gen'l Ckg	
Bill	02/01/2016	17178		Monthly service charge for February 2016	6024 · Building Repair & Maintenance	740.00
TOTAL						<u>740.00</u>
Bill Pmt -Check	02/04/2016	19197	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	01/28/2016	00-101789-0001		Vision Insurance - February 2016	60182.2 · Dental & Vision Ins	85.60
TOTAL						<u>85.60</u>
Bill Pmt -Check	02/04/2016	19198	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
Bill	02/01/2016	08-k2 213849		Disposal Service - February 2016	6024 · Building Repair & Maintenance	111.57
TOTAL						<u>111.57</u>
Bill Pmt -Check	02/04/2016	19199	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	12/31/2015	625989		625989	6078 · BHFS Legal - Miscellaneous	27,762.30
Bill	12/31/2015	625990		625989	6907.42 · Safe Yield Recalculation	228.80
Bill	12/31/2015	625990		Alvarez-CalPERS	6073 · BHFS Legal - Personnel Matters	2,257.20
Bill	12/31/2015	625991		Personnel	6073 · BHFS Legal - Personnel Matters	1,723.95
Bill	12/31/2015	625991		625991	8375 · BHFS Legal - Appropriative Pool	76.50
Bill	12/31/2015	625992		625992	8475 · BHFS Legal - Agricultural Pool	76.50
Bill	12/31/2015	625993		625993	8575 · BHFS Legal - Non-Ag Pool	76.50
Bill	12/31/2015	625994		625994	6071 · BHFS Legal - Court Coordination	267.75
Bill	12/31/2015	625995		625995	6907.39 · Recharge Master Plan	339.75
Bill	12/31/2015	625996		625996	6907.41 · Prado Basin Habitat Sustain	3,828.15
Bill	12/31/2015	625997		625997	6907.42 · Safe Yield Recalculation	38,025.90
Bill	12/31/2015	625997		Expenses	6907.42 · Safe Yield Recalculation	44.13
TOTAL						<u>74,705.43</u>
Bill Pmt -Check	02/04/2016	19200	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
Bill	12/31/2015	L0243889		L0243889	7103.5 · Grdwtr Qual-Lab Svcs	1,476.00
Bill	12/31/2015	L0243891		L0243891	7103.5 · Grdwtr Qual-Lab Svcs	1,386.00
Bill	12/31/2015	L0243893		L0243893	7103.5 · Grdwtr Qual-Lab Svcs	2,014.00
Bill	12/31/2015	L0243894		L0243894	7103.5 · Grdwtr Qual-Lab Svcs	483.00
Bill	12/31/2015	L0243896		L0243896	7103.5 · Grdwtr Qual-Lab Svcs	1,386.00
Bill	12/31/2015	L0245660		L0245660	7108.41 · Hydraulic Control - PBHSP	2,732.00
Bill	12/31/2015	L0245766		L0245766	7108.41 · Hydraulic Control - PBHSP	2,732.00
Bill	12/31/2015	L0246665		L0246665	7108.41 · Hydraulic Control - PBHSP	2,732.00

TOTAL

TOTAL

TOTAL

TOTAL

TOTAL

88

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
February 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	12/31/2015	L0246666		L0246666	7108.41 · Hydraulic Control - PBHSP	3,988.00
TOTAL						18,929.00
Bill Pmt -Check	02/04/2016	19201	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
Bill	12/31/2015	2015380		2015380	6906.32 · OBMP-Other General Meetings	4,790.48
Bill	12/31/2015	2015381		2015381	6906.74 · OBMP-Mat'l Phy. Injury Requests	1,460.00
Bill	12/31/2015	2015382		2015382	6906.71 · OBMP-Data Req.-CBWM Staff	14,215.10
Bill	12/31/2015	2015383		2015383	6906.72 · OBMP-Data Req.-Non CBWM Staff	538.25
Bill	12/31/2015	2015384		2015384	6906.23 · SGMA Reporting Requirements	1,415.50
Bill	12/31/2015	2015385		2015385	6906 · OBMP Engineering Services	2,033.75
Bill	12/31/2015	2015386		2015386	6906.1 · OBMP-Watermaster Model Update	48,323.50
Bill	12/31/2015	2015387		2015387	7103.3 · Grdwtr Qual-Engineering	2,130.93
Bill	12/31/2015	2015388		2015388	7104.3 · Grdwtr Level-Engineering	6,972.65
Bill	12/31/2015	2015389		2015389	7107.2 · Grd Level-Engineering	1,779.35
Bill	12/31/2015	2015390		2015390	7108.32 · HCMP - Adaptive Mgmt Plan	1,330.00
Bill	12/31/2015	2015391		2015391	7108.31 · Hydraulic Control - PBHSP	27,362.61
Bill	12/31/2015	2015392		2015392	7202.2 · Engineering Svc	2,868.75
Bill	12/31/2015	2015393		2015393	7402 · PE4-Engineering	536.25
Bill	12/31/2015	2015394		2015394	7402.10 · PE4 - MZ1 Pomona Project	17,983.05
Bill	12/31/2015	2015395		2015395	7502 · PE6&7-Engineering	3,868.50
Bill	12/31/2015	2015396		2015396	7602 · PE8&9-Engineering	14,536.00
TOTAL						152,144.67
Bill Pmt -Check	02/05/2016	ACH 020516	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	01/30/2016	02/05/2016	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 01/17/16-01/30/16	2000 · Accounts Payable	6,437.65
TOTAL						6,437.65
Bill Pmt -Check	02/12/2016	19202	ACWA JOINT POWERS INSURANCE AUTHORITY	0394835	1012 · Bank of America Gen'l Ckg	
Bill	02/08/2016	0394835		Prepayment - March 2016	1409 · Prepaid Life, BAD&D & LTD	135.13
				February 2016	60191 · Life & Disab.Ins Benefits	130.91
TOTAL						266.04
Bill Pmt -Check	02/12/2016	19203	BOWCOCK, ROBERT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/28/2016	1/28 Board Mtg		1/28/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	02/12/2016	19204	BOWMAN, JIM	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/28/2016	1/28 Board Mtg		1/28/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
February 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	02/12/2016	19205	CORELOGIC INFORMATION SOLUTIONS	81662009	1012 · Bank of America Gen'l Ckg	
Bill	01/31/2016	81662009		81662009	7103.7 · Grdwtr Qual-Computer Svc	62.50
				81662009	7101.4 · Prod Monitor-Computer	62.50
TOTAL						125.00
Bill	02/12/2016	19206	COSTCO WHOLESale	7003-7309-1000-2744	1012 · Bank of America Gen'l Ckg	
Bill	01/29/2016	7003-7309-1000-2744		Miscellaneous office supplies	6031.7 · Other Office Supplies	78.15
TOTAL						78.15
Bill	02/12/2016	19207	CURATALO, JAMES	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/28/2016	1/28 Board Mtg		1/28/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill	02/12/2016	19208	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/14/2016	1/14 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/14/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill	02/12/2016	19209	DE HAAN, HENRY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/14/2016	1/14 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/14/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill	02/12/2016	19210	ELIE, STEVEN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/04/2016	1/04 Admin Mtg		1/04/16 Administrative meeting w/PK	6311 · Board Member Compensation	125.00
Bill	01/21/2016	1/21 Personnel Comm		1/21/16 Personnel Committee Meeting	6311 · Board Member Compensation	125.00
Bill	01/28/2016	1/28 Board Mtg		1/28/16 Board Mtg	6311 · Board Member Compensation	125.00
TOTAL						375.00
Bill	02/12/2016	19211	FEENSTRA, BOB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/06/2016	1/06 Mtg w/PK		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/06/16 Ag Pool business meeting w/Kavounas	8470 · Ag Meeting Attend -Special	100.00
Bill	01/14/2016	1/14 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/14/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	01/21/2016	1/21 Personnel Comm		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/21/16 Personnel Committee meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	01/28/2016	1/28 Board Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/28/16 Board Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						500.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
February 2016

Financial Report - B1

<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	02/12/2016	19212	HALL, PETE*	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/14/2016	1/14 Appro Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/14/16 Appropriative Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	01/14/2016	1/14 Non Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/14/16 Non Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	01/14/2016	1/14 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/14/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	01/21/2016	1/21 RIPCom Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/21/16 RIPCom Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	01/28/2016	1/28 Board Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/28/16 Board Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						<u>625.00</u>
Bill Pmt -Check	02/12/2016	19213	HUITSING, JOHN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/14/2016	1/14 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/14/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						<u>125.00</u>
Bill Pmt -Check	02/12/2016	19214	IPSWITCH, INC.	2015-166810	1012 · Bank of America Gen'l Ckg	
Bill	02/08/2016	2015-166810		1 year support for FTP Server	6055 · Computer Hardware	257.00
TOTAL						<u>257.00</u>
Bill Pmt -Check	02/12/2016	19215	OFFICE TEAM	44979135	1012 · Bank of America Gen'l Ckg	
Bill	01/29/2016	44979135		Week ending 1/29/16	6017.2 · Office Specialist Services	1,108.00
TOTAL						<u>1,108.00</u>
Bill Pmt -Check	02/12/2016	19216	PAYCHEX	2016012800	1012 · Bank of America Gen'l Ckg	
Bill	01/31/2016	2016012800		January 2016	6012 · Payroll Services	507.61
TOTAL						<u>507.61</u>
Bill Pmt -Check	02/12/2016	19217	PIERSON, JEFFREY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/14/2016	1/14 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/14/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	01/28/2016	1/28 Board Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/28/16 Board meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						<u>250.00</u>
Bill Pmt -Check	02/12/2016	19218	PREMIERE GLOBAL SERVICES	20342573	1012 · Bank of America Gen'l Ckg	
Bill	01/31/2016	20342573		WM coordination call on 1/04	6909.1 · OBMP Meetings	30.48

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
February 2016

Type	Date	Num	Name	Memo	Account	Paid Amount	
				Board call w/Elie, Kavounas, Slater on 1/04	6312 · Meeting Expenses	10.57	
				WM coordination call on 1/11	6909.1 · OBMP Meetings	26.48	
				Safe Yield Reset call on 1/12	6906.73 · OBMP-Safe Yield Recalculation	29.49	
				Pool mtgs check call on 1/13	8512 · Meeting Expense	6.18	
				Pool mtgs check call on 1/13	8412 · Meeting Expenses	6.18	
				Pool mtgs check call on 1/13	8312 · Meeting Expenses	6.18	
				Non-Ag Pool mtg call on 1/14	8512 · Meeting Expense	36.62	
				WM coordination call on 1/18	6909.1 · OBMP Meetings	21.49	
				WM coordination call on 1/18	6909.1 · OBMP Meetings	6.14	
				WM coordination call on 1/18	6909.1 · OBMP Meetings	6.15	
				Volume Vote call on 1/19	6909.1 · OBMP Meetings	21.71	
				WM coordination call on 1/25	6909.1 · OBMP Meetings	27.14	
				Fee - Confidential	6022 · Telephone	49.00	
				Fee - General	6022 · Telephone	49.00	
				Service fee	6022 · Telephone	8.22	
TOTAL						<u>341.03</u>	
P12	Bill Pmt -Check	02/12/2016	19219	SANTA ANA RIVER WATER COMPANY	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	01/21/2016	1/21 Personnel Comm		1/21/16 Personnel Committee Meeting - Rodriguez	6311 · Board Member Compensation	125.00
TOTAL						<u>125.00</u>	
	Bill Pmt -Check	02/12/2016	19220	THOMAS, THOMAS R.	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	01/28/2016	1/28 Board Mtg		1/28/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>125.00</u>	
	Bill Pmt -Check	02/12/2016	19221	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
	Bill	01/29/2016	7076-2245-3035-5049		Fuel - January 2016	6175 · Vehicle Fuel	186.01
TOTAL						<u>186.01</u>	
	Bill Pmt -Check	02/12/2016	19222	VANDEN HEUVEL, GEOFFREY	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	01/28/2016	1/28 Board Mtg		1/28/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>125.00</u>	
	Bill Pmt -Check	02/12/2016	19223	VANDEN HEUVEL, ROB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	01/14/2016	1/14 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
					1/14/16 Ag Pool meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						<u>125.00</u>	
	Bill Pmt -Check	02/12/2016	19224	WESTERN MUNICIPAL WATER DISTRICT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	01/28/2016	1/28 Board Mtg		1/28/16 Board Meeting - Galleano	6311 · Board Member Compensation	125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
February 2016

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						125.00
Bill Pmt -Check	02/12/2016	19225	HOGAN LOVELLS	2961520	1012 · Bank of America Gen'l Ckg	
Bill	01/31/2016	2961520		Non-Ag Pool Legal Services - December 2015	8567 · Non-Ag Legal Service	4,346.55
TOTAL						4,346.55
General Journal	02/13/2016	02/13/2016	Payroll and Taxes for 01/31/16-02/13/16	Payroll and Taxes for 01/31/16-02/13/16	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 01/31/16-02/13/16	1012 · Bank of America Gen'l Ckg	23,382.95
				Payroll Taxes for 01/31/16-02/13/16	1012 · Bank of America Gen'l Ckg	8,975.64
				Checks for 01/31/16-02/13/16	1014 · Bank of America P/R Ckg	983.27
			ICMA-RC	457(f) Employee Deductions for 01/31/16-02/13/16	1012 · Bank of America Gen'l Ckg	3,874.52
			ICMA-RC	401(a) Employee Deductions for 01/31/16-02/13/16	1012 · Bank of America Gen'l Ckg	1,200.05
TOTAL						38,416.43
Check	02/16/2016	02/16/2016	Service Charge	Service Charge	1012 · Bank of America Gen'l Ckg	
				Service Charge	6039.1 · Banking Service Charges	418.90
TOTAL						418.90
P13 Bill Pmt -Check	02/19/2016	ACH 021916	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	02/13/2016	02/13/2016	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 01/31/16-02/13/16	2000 · Accounts Payable	6,470.32
TOTAL						6,470.32
Bill Pmt -Check	02/23/2016	19226	BOWMAN, JIM	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/13/2016	1/13 Admin Mtg		1/13/16 Administrative Meeting w/PK	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	02/23/2016	19227	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	02/08/2016	1394905143		1394905143	60182.1 · Medical Insurance	10,370.88
TOTAL						10,370.88
Bill Pmt -Check	02/23/2016	19228	CLEAN TECH SERVICES	5278	1012 · Bank of America Gen'l Ckg	
Bill	02/17/2016	5278		Window cleaning, hard water spot removal	6024 · Building Repair & Maintenance	426.00
TOTAL						426.00
Bill Pmt -Check	02/23/2016	19229	CUCAMONGA VALLEY WATER DISTRICT	Lease due March 1, 2016	1012 · Bank of America Gen'l Ckg	
Bill	02/16/2016			Lease due March 1, 2016	1422 · Prepaid Rent	6,371.16
TOTAL						6,371.16
Bill Pmt -Check	02/23/2016	19230	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/21/2016	1/21 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
February 2016

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
				1/21/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	02/23/2016	19231	EGOSCUE LAW GROUP	11143	1012 · Bank of America Gen'l Ckg	
Bill	01/31/2016	11143		Ag Pool Legal Services - January 2016	8467 · Ag Legal & Technical Services	41,732.50
TOTAL						41,732.50
Bill Pmt -Check	02/23/2016	19232	ELIE, STEVEN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/21/2016	1/21 Advisory Comm		1/21/16 Advisory Committee Meeting	6311 · Board Member Compensation	125.00
Bill	01/26/2016	1/26 Admin Mtg		1/26/2016 Administrative Meeting w/PK	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	02/23/2016	19233	FEENSTRA, BOB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/21/2016	1/21 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/21/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
P14 Bill Pmt -Check	02/23/2016	19234	GALAXY AUDIO VISUAL	1206	1012 · Bank of America Gen'l Ckg	
Bill	02/08/2016	1206		Board room handheld microphones	6055 · Computer Hardware	2,547.77
TOTAL						2,547.77
Bill Pmt -Check	02/23/2016	19235	HALL, PETE*	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/21/2016	1/21 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/21/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	02/23/2016	19236	KAVOUNAS, PETER	Travel Expense Reimbursement	1012 · Bank of America Gen'l Ckg	
Bill	02/16/2016			Travel-GRA SGMA Event-Davis, CA	6171.1 · GM - Reimbursement	467.64
				Meals-GRA SGMA Event-Davis, CA	6191 · Conferences - General	32.66
TOTAL						500.30
Bill Pmt -Check	02/23/2016	19237	KUHN, BOB	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/14/2016	1/14 Appro Pool Mtg		1/14/16 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	01/18/2016	1/18 Admin Mtg		1/18/16 Administrative Meeting w/PK	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	02/23/2016	19238	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	
Bill	02/17/2016	0111802		Employee deductions - February 2016	60194 · Other Employee Insurance	51.80
TOTAL						51.80

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
February 2016

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	02/23/2016	19239	OFFICE DEPOT		1012 · Bank of America Gen'l Ckg	
Bill	02/06/2016	822785957001		Miscellaneous office supplies	6031.7 · Other Office Supplies	35.29
Bill	02/08/2016	822785294001		Miscellaneous office supplies	6031.7 · Other Office Supplies	21.14
Bill	02/08/2016	822785956001		Miscellaneous office supplies	6031.7 · Other Office Supplies	12.93
TOTAL						69.36
Bill Pmt -Check	02/23/2016	19240	PIERSON, JEFFREY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/21/2016	1/21 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/21/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	01/21/2016	1/21 RIPCom Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/21/16 RIPCom meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	02/23/2016	19241	PITNEY BOWES CREDIT CORPORATION	6684246	1012 · Bank of America Gen'l Ckg	
Bill	02/17/2016	6684246		Postage meter lease	6044 · Postage Meter Lease	402.85
TOTAL						402.85
Bill Pmt -Check	02/23/2016	19242	PRINTING RESOURCES	62891	1012 · Bank of America Gen'l Ckg	
Bill	02/09/2016	62891		Business cards - A. Truong, R. Zapien	6031.7 · Other Office Supplies	151.71
TOTAL						151.71
Bill Pmt -Check	02/23/2016	19243	RON SHELLEY'S AUTOMOTIVE		1012 · Bank of America Gen'l Ckg	
Bill	02/11/2016	7951		Maintenance for F-150	6177 · Vehicle Repairs & Maintenance	193.91
Bill	02/16/2016	7986		Maintenance for 2001 Dakota	6177 · Vehicle Repairs & Maintenance	68.35
TOTAL						262.26
Bill Pmt -Check	02/23/2016	19244	STAPLES BUSINESS ADVANTAGE	8037946377	1012 · Bank of America Gen'l Ckg	
Bill	02/06/2016	8037946377		Miscellaneous office supplies	6031.7 · Other Office Supplies	127.00
TOTAL						127.00
Bill Pmt -Check	02/23/2016	19245	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	02/16/2016				60182.4 · Retiree Medical	23.62
TOTAL						23.62
Bill Pmt -Check	02/23/2016	19246	THOMAS, THOMAS R.	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/26/2016	1/26 Admin Mtg		1/26/16 Administrative Meeting w/PK	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	02/23/2016	19247	VANDEN HEUVEL, ROB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/19/2016	1/19 Call Vol Vote		Ag Pool Member Compensation	8411 · Compensation	25.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
February 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
				1/19/16 Conference Call re Volume Votes	8470 · Ag Meeting Attend -Special	100.00
Bill	01/21/2016	1/21 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00
				1/21/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	02/23/2016	19248	VERIZON	012519128144592510	1012 · Bank of America Gen'l Ckg	
Bill	02/17/2016	012519128144592510		012519128144592510	6022 · Telephone	132.09
TOTAL						132.09
Bill Pmt -Check	02/23/2016	19249	VERIZON WIRELESS	9759944834	1012 · Bank of America Gen'l Ckg	
Bill	02/16/2016	9759944834		9759944834	6022 · Telephone	390.37
TOTAL						390.37
Bill Pmt -Check	02/24/2016	19250	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	01/31/2016	XXXX-XXXX-XXXX-9341		Purchase book "Scaling Up" for GM	6031.7 · Other Office Supplies	19.04
				Purchase USB wall charger/plug for CFO phone	6031.7 · Other Office Supplies	12.41
				Purchase USB cable for CFO phone	6031.7 · Other Office Supplies	8.63
				Purchase data cable for CFO phone	6031.7 · Other Office Supplies	6.95
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	95.91
				Purchase copy paper	6031.1 · Copy Paper	127.96
				Purchase shirts w/logo for new field staff	6154 · Uniforms	306.06
				Send legal docs to Stradling Yocca Carlson Rauth	6042 · Postage - General	54.98
				Purchase vehicle batteries for WM trucks	6177 · Vehicle Repairs & Maintenance	283.47
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	60.96
				Purchase copy paper	6031.1 · Copy Paper	159.95
				Mail legal filings-from 2/1/16 to board, pool chairs	6042 · Postage - General	147.95
				Purchase Adobe Acrobat upgrade software	6054 · Computer Software	199.00
				Service call: check/adjust boardroom microphones	6024 · Building Repair & Maintenance	250.00
				License for FTP server support & implementation	6054 · Computer Software	1,330.00
				Service call: reset voltage controller in boardroom	6024 · Building Repair & Maintenance	250.00
				PK breakfast for meeting in Sacramento	6191 · Conferences - General	7.90
				Airport parking-PK-attend meeting in Sacramento	6191 · Conferences - General	18.00
				Deposit hold-2/17/16 Vistage Mtg. hosted by PK	6191 · Conferences - General	175.00
				PK meeting w/Ontario - J. Bowman, S. Burton	6312 · Meeting Expenses	59.25
				PK meeting w/B. Kuhn, D. DeJesus	6312 · Meeting Expenses	25.80
				PK meeting w/J. Grindstaff IEUA	8312 · Meeting Expenses	31.16
				Lunch for management between meetings	6141.3 · Admin Meetings	65.08
				PK meeting w/Upland - T. Thomas, R. Hoerning	6312 · Meeting Expenses	51.79
				Photographer-new Board members, Pool Chairs	6147 · Other Admin Expenses	350.00
				Lunch for management for court filing coordination	6141.3 · Admin Meetings	25.88

P16

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
February 2016

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
				PK meeting w/B. DiPrimio	6909.1 · OBMP Meetings	25.47
				Reg.-Nakano, Yoo-2/17/2016 AGWA-AGWT Conf.	6193.2 · Conference - Registration Fee	420.00
				Reg.-Zapien-2/17/2016 AGWA-AGWT Conference	6193.2 · Conference - Registration Fee	195.00
				Final payment-2/17/16 Vistage mtg. hosted by PK	6191 · Conferences - General	634.18
TOTAL						<u>5,397.78</u>
Bill Pmt -Check	02/24/2016	19251	GREAT AMERICA LEASING CORP.	18306494	1012 · Bank of America Gen'l Ckg	
Bill	02/23/2016	18306494		Invoice	6043.1 · Ricoh Lease Fee	3,285.29
TOTAL						<u>3,285.29</u>
Bill Pmt -Check	02/24/2016	19252	PRINTING RESOURCES	62890	1012 · Bank of America Gen'l Ckg	
Bill	02/15/2016	62890		Name badge: A. Truong w/new title	6031.7 · Other Office Supplies	46.22
TOTAL						<u>46.22</u>
Bill Pmt -Check	02/24/2016	19253	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	02/23/2016	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	741.75
TOTAL						<u>741.75</u>
P17						
Bill Pmt -Check	02/24/2016	19254	STAPLES BUSINESS ADVANTAGE	8038039289	1012 · Bank of America Gen'l Ckg	
Bill	02/23/2016	8038039289		Miscellaneous office supplies	6031.7 · Other Office Supplies	72.58
TOTAL						<u>72.58</u>
Bill Pmt -Check	02/24/2016	19255	STATE COMPENSATION INSURANCE FUND	1970970-15	1012 · Bank of America Gen'l Ckg	
Bill	03/01/2016	1970970-15		1970970-15	60183 · Worker's Comp Insurance	961.58
TOTAL						<u>961.58</u>
Bill Pmt -Check	02/24/2016	19256	UNITED HEALTHCARE	039900535	1012 · Bank of America Gen'l Ckg	
Bill	02/23/2016	0039900535		Dental Insurance - March 2016	60182.2 · Dental & Vision Ins	833.15
TOTAL						<u>833.15</u>
Bill Pmt -Check	02/24/2016	19257	VANDEN HEUVEL, GEOFFREY	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	01/14/2016	1/14 Ag Pool Mtg		1/14/2016 Ag Pool Annual Meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>125.00</u>
Bill Pmt -Check	02/24/2016	19258	VERIZON	642013270-00001	1012 · Bank of America Gen'l Ckg	
Bill	02/23/2016	642073270-00001		642013270-00001	7103.7 · Grdwtr Qual-Computer Svc	100.04
TOTAL						<u>100.04</u>
General Journal	02/27/2016	02/27/2016	Payroll and Taxes for 02/14/16-02/27/16	Payroll and Taxes for 02/14/16-02/27/16	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 02/14/16-02/27/16	1012 · Bank of America Gen'l Ckg	19,956.47

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
February 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
				Payroll Checks for 02/14/16 - 02/27/16	1012 · Bank of America Gen'l Ckg	15,830.28
				Payroll Taxes for 02/14/16-02/27/16	1012 · Bank of America Gen'l Ckg	14,602.44
			ICMA-RC	457(f) Employee Deductions for 02/14/16-02/27/16	1012 · Bank of America Gen'l Ckg	3,934.20
			ICMA-RC	401(a) Employee Deductions for 02/14/16-02/27/16	1012 · Bank of America Gen'l Ckg	1,228.88
TOTAL						<u>55,552.27</u>
General Journal	02/29/2016	02/29/2016	Wage Works FSA Direct Debits - Feb. 2016	Wage Works FSA Direct Debits - Feb. 2016	1012 · Bank of America Gen'l Ckg	
				Wage Works FSA Direct Debits - Feb. 2016	1012 · Bank of America Gen'l Ckg	81.50
				Wage Works FSA Direct Debits - Feb. 2016	1012 · Bank of America Gen'l Ckg	692.14
				Wage Works FSA Direct Debits - Feb. 2016	1012 · Bank of America Gen'l Ckg	692.14
TOTAL						<u>1,465.78</u>
					Total Disbursements:	<u><u>451,514.01</u></u>

P18



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 26, 2016
TO: Board Members
SUBJECT: VISA Check Detail Report - Financial Report B2 (February 29, 2016)

SUMMARY

Issue: Record of VISA credit card payment disbursed for the month of February 29, 2016.

Recommendation: Receive and file VISA Check Detail Report for February 29, 2016 as presented.

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

Future Consideration

Watermaster Board: May 26, 2016; Receive and File (Normal Course of Business)

ACTIONS:

April 14, 2016 – Appropriative Pool – Unanimously approved
April 14, 2016 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
April 14, 2016 – Agricultural Pool – Unanimously approved
April 21, 2016 – Advisory Committee – Meeting cancelled
April 28, 2016 – Watermaster Board – Meeting cancelled
May 19, 2016 – Advisory Committee – Unanimously approved
May 26, 2016 – Watermaster Board –

BACKGROUND

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

DISCUSSION

The total cash disbursement during the month of February 2016 was \$5,397.78. The payment was processed by check number 19250 dated February 24, 2016. The monthly charges for February 2016 of \$5,397.78 were for routine and customary expenditures and properly documented with receipts.

ATTACHMENTS

1. Financial Report - B2

CHINO BASIN WATERMASTER
VISA Check Detail Report
February 2016

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	02/24/2016	19250	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	01/31/2016	XXXX-XXXX-XXXX-9341		Purchase book "Scaling Up" for GM	6031.7 · Other Office Supplies	19.04
				Purchase USB wall charger/plug for CFO phone	6031.7 · Other Office Supplies	12.41
				Purchase USB cable for CFO phone	6031.7 · Other Office Supplies	8.63
				Purchase data cable for CFO phone	6031.7 · Other Office Supplies	6.95
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	95.91
				Purchase copy paper	6031.1 · Copy Paper	127.96
				Purchase shirts w/logo for new field staff	6154 · Uniforms	306.06
				Send legal docs to Stradling Yocca Carlson Rauth	6042 · Postage - General	54.98
				Purchase vehicle batteries for WM trucks	6177 · Vehicle Repairs & Maintenance	283.47
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	60.96
				Purchase copy paper	6031.1 · Copy Paper	159.95
				Mail legal filings-from 2/1/16 to board, pool chairs	6042 · Postage - General	147.95
				Purchase Adobe Acrobat upgrade software	6054 · Computer Software	199.00
				Service call: check/adjust boardroom microphones	6024 · Building Repair & Maintenance	250.00
				License for FTP server support & implementation	6054 · Computer Software	1,330.00
				Service call: reset voltage controller in boardroom	6024 · Building Repair & Maintenance	250.00
				PK breakfast for meeting in Sacramento	6191 · Conferences - General	7.90
				Airport parking-PK-attend meeting in Sacramento	6191 · Conferences - General	18.00
				Deposit hold-2/17/16 Vistage Mtg. hosted by PK	6191 · Conferences - General	175.00
				PK meeting w/Ontario - J. Bowman, S. Burton	6312 · Meeting Expenses	59.25
				PK meeting w/B. Kuhn, D. DeJesus	6312 · Meeting Expenses	25.80
				PK meeting w/J. Grindstaff IEUA	8312 · Meeting Expenses	31.16
				Lunch for management between meetings	6141.3 · Admin Meetings	65.08
				PK meeting w/Upland - T. Thomas, R. Hoerning	6312 · Meeting Expenses	51.79
				Photographer-new Board members, Pool Chairs	6147 · Other Admin Expenses	350.00
				Lunch for management for court filing coordination	6141.3 · Admin Meetings	25.88
				PK meeting w/B. DiPrimio	6909.1 · OBMP Meetings	25.47
				Reg.-Nakano, Yoo-2/17/2016 AGWA-AGWT Conf.	6193.2 · Conference - Registration Fee	420.00
				Reg.-Zapfen-2/17/2016 AGWA-AGWT Conference	6193.2 · Conference - Registration Fee	195.00
				Final payment-2/17/16 Vistage mtg. hosted by PK	6191 · Conferences - General	634.18
					Total Disbursements:	<u>5,397.78</u>

P21

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CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 26, 2016
TO: Board Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2015 through February 29, 2016 - Financial Report B3 (February 29, 2016)

SUMMARY

Issue: Record of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2015 through February 29, 2016.

Recommendation: Receive and file Combining Schedule of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2015 through February 29, 2016 as presented.

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

Future Consideration

Watermaster Board: May 26, 2016; Receive and File (Normal Course of Business)

ACTIONS:

April 14, 2016 – Appropriative Pool – Unanimously approved
April 14, 2016 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
April 14, 2016 – Agricultural Pool – Unanimously approved
April 21, 2016 – Advisory Committee – Meeting cancelled
April 28, 2016 – Watermaster Board – Meeting cancelled
May 19, 2016 – Advisory Committee – Unanimously approved
May 26, 2016 – Watermaster Board –

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Net Assets for the period July 1, 2015 through February 29, 2016 is provided to keep all members apprised of the FY 2015/16 cumulative Watermaster revenues, expenditures and changes in net assets for the period listed.

DISCUSSION

The Combining Schedule of Revenue, Expenses and Changes in Net Assets 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 NET ASSETS
 FOR THE PERIOD JULY 1, 2015 THROUGH FEBRUARY 29, 2016

Financial Report - B3

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUNDWATER OPERATIONS		LAIF VALUE ADJ.	GASB 68 BEG. NET POSITION	GRAND TOTALS	AMENDED BUDGET 2015-2016
			APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS				
Administrative Revenues:											
Administrative Assessments			3,569,781		151,739					3,721,520	8,934,215
Interest Revenue			9,201	837	60					10,098	22,050
Mutual Agency Project Revenue	157,349									157,349	157,941
Miscellaneous Income										-	0
Total Revenues	157,349	-	3,578,982	837	151,800	-	-	-	-	3,888,968	9,114,206
Administrative & Project Expenditures:											
Watermaster Administration	920,567									920,567	1,227,268
Watermaster Board-Advisory Committee	104,871									104,871	222,418
Ag Pool Misc. Expense - Ag Fund										-	400
Pool Administration			32,814	263,399	69,404					365,617	595,933
Optimum Basin Mgmt Administration		1,300,289								1,300,289	1,473,093
OBMP Project Costs		1,377,620								1,377,620	3,525,355
Debt Service		304,376								304,376	460,200
Basin Recharge Improvements		386,128								386,128	3,472,477
Mutual Agency Project Costs										-	10,000
Total Administrative/OBMP Expenses	1,025,438	3,368,412	32,814	263,399	69,404	-	-	-	-	4,759,468	10,987,144
Net Administrative/OBMP Expenses	(868,089)	(3,368,412)									
Allocate Net Admin Expenses To Pools	868,089		628,491	211,068	28,530					-	-
Allocate Net OBMP Expenses To Pools		2,677,909	1,938,789	651,109	88,010					-	-
Allocate Debt Service to App Pool			304,376							-	-
Allocate Basin Recharge to App Pool		386,128	386,128							-	-
Agricultural Expense Transfer*			1,125,576	(1,125,576)						-	-
Total Expenses			4,416,174	-	185,944	-	-	-	-	4,759,468	10,987,144
Net Administrative Income			(837,192)	837	(34,145)	-	-	-	-	(870,499)	(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						2,403				2,403	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)			-	-	-	2,403	-	-	-	2,403	0
Net Transfers To/(From) Reserves		(868,096)	(837,192)	837	(34,145)	2,403	-	-	-	(868,096)	(1,872,938)
Net Assets, July 1, 2015			6,346,620	481,130	69,774	1,388,080	158,251	3,446	(740,195)	7,707,106	
Net Assets, End of Period			5,509,428	481,968	35,629	1,390,482	158,251	3,446	(740,195)	6,839,009	6,839,009
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: May 26, 2016

TO: Board Members

SUBJECT: Treasurer's Report of Financial Affairs for the Period February 1, 2016 through February 29, 2016 - Financial Report B4 (February 29, 2016)

SUMMARY

Issue: Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of February 1, 2016 through February 29, 2016.

Recommendation: Receive and file Treasurer's Report of Financial Affairs for the Period February 1, 2016 through February 29, 2016 as presented.

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

Future Consideration

Watermaster Board: May 26, 2016; Receive and File (Normal Course of Business)

ACTIONS:

April 14, 2016 – Appropriative Pool – Unanimously approved
April 14, 2016 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
April 14, 2016 – Agricultural Pool – Unanimously approved
April 21, 2016 – Advisory Committee – Meeting cancelled
April 28, 2016 – Watermaster Board – Meeting cancelled
May 19, 2016 – Advisory Committee – Unanimously approved
May 26, 2016 – Watermaster Board –

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period February 1, 2016 through February 29, 2016 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
FEBRUARY 1, 2016 THROUGH FEBRUARY 29, 2016**

Financial Report - B4

DEPOSITORIES:

Cash on Hand - Petty Cash		\$	500
Bank of America			
Governmental Checking-Demand Deposits	\$	109,244	
Zero Balance Account - Payroll	\$	-	109,244
Local Agency Investment Fund - Sacramento			8,463,927
TOTAL CASH IN BANKS AND ON HAND	2/29/2016		\$ 8,573,671
TOTAL CASH IN BANKS AND ON HAND	1/31/2016		9,025,181
PERIOD INCREASE (DECREASE)			\$ (451,510)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable		\$	(7,385)
Assessments Receivable			-
Prepaid Expenses, Deposits & Other Current Assets			1,381
(Decrease)/Increase in Liabilities: Accounts Payable			40,846
Accrued Payroll, Payroll Taxes & Other Current Liabilities			-
Long Term Liabilities			749
Transfer to/(from) Reserves			(487,101)
PERIOD INCREASE (DECREASE)			\$ (451,510)

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 1/31/2016	\$ 500	\$ 35,754	\$ -	\$ 8,988,927	\$ 9,025,181
Deposits	-	525,004	-	-	525,004
Transfers	-	98,302	(73,371)	(525,000)	(500,069)
Withdrawals/Checks	-	(549,816)	73,371	-	(476,445)
Balances as of 2/29/2016	\$ 500	\$ 109,244	\$ -	\$ 8,463,927	\$ 8,573,671
PERIOD INCREASE OR (DECREASE)	\$ -	\$ 73,490	\$ -	\$ (525,000)	\$ (451,510)

P29

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
FEBRUARY 1, 2016 THROUGH FEBRUARY 29, 2016**

Financial Report - B4

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
2/1/2016	Withdrawal		\$ (525,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ (525,000)	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 0.37% was the effective yield rate at the Quarter ended December 31, 2015.

**INVESTMENT STATUS
February 29, 2016**

<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	\$ 8,463,927			
TOTAL INVESTMENTS	\$ 8,463,927			

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

P30



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 26, 2016
TO: Board Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2015 through February 29, 2016 -
Financial Report B5 (February 29, 2016)

SUMMARY

Issue: Record of revenues and expenses of Watermaster for the Period of July 1, 2015 through February 29, 2016.

Recommendation: Receive and file Budget vs. Actual Report for the Period July 1, 2015 through February 29, 2016 as presented.

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

Future Consideration

Watermaster Board: May 26, 2016; Receive and File (Normal Course of Business)

ACTIONS:

April 14, 2016 – Appropriative Pool – Unanimously approved
April 14, 2016 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
April 14, 2016 – Agricultural Pool – Unanimously approved
April 21, 2016 – Advisory Committee – Meeting cancelled
April 28, 2016 – Watermaster Board – Meeting cancelled
May 19, 2016 – Advisory Committee – Unanimously approved
May 26, 2016 – Watermaster Board –

BACKGROUND

A Budget vs. Actual Report for the period July 1, 2015 through February 29, 2016 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 – FEBRUARY 2016

Year-To-Date (YTD) for the eight months ending February 29, 2016, all but six categories were at or below the projected budget. The categories over budget were Watermaster Legal Services expenses (6070's) which were over budget by \$38,808 or 26.6% as a result of increased miscellaneous legal expenses, additional personnel related expenses, and the unanticipated CCG Motion related legal expenses not budgeted for FY 2015/16; Training, Conferences and Seminars expenses (6190's) which were over budget by \$343 or 1.9% as a result of a membership in Vistage which provides leadership training and development which was not part of the original budget for FY 2015/16; Agricultural Legal Services expenses (8467) which were over budget by \$80,086 or 58.6% as a result of ongoing Safe Yield Redetermination and Reset efforts; Agricultural Pool Meeting Attendance expenses (8470's) which were over budget by \$5,425 or 36.7% as a result of the Agricultural Pool's Special Meetings which were not anticipated when the FY 2015/16 budget was developed; OBMP expenses (6900's) were over budget by \$246,042 or 24.7% as a result of engineering and legal services supporting the ongoing Safe Yield Redetermination and Reset efforts; and Production Monitoring expenses (7101's) which were over budget by \$16,621 or 43.9% 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, several of the above listed categories might level out over time and be within the budget levels.

Overall, the Watermaster (YTD) Actual Expenses were \$3,584,268 or 43.0% below the (YTD) Budgeted Expenses of \$8,343,735.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

July 2015:

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 – FEBRUARY 2016

As of February 29, 2016, the total (YTD) Watermaster salary expenses were \$52,369 or 5.0% below the (YTD) budgeted amount of \$1,051,585. The overall staffing budget was developed with a staffing level of

nine Full-Time Equivalents (FTE's), and staffing is currently at eight Full-Time Equivalents (FTE's).

Watermaster started the recruitment process for the Water Resources professional position on March 16, 2016. It is expected that the recruitment process could take between two to three months before a new hire would start.

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 February 29, 2016. 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 - Feb '16 Actual	Jul '15 - Feb '16 Budget	\$ Over Budget	% of Budget	FY 2015/16 Annual Budget
WM Salary Expense					
6011 · WM Staff Salaries	575,979.14	568,105.00	7,874.14	101.39%	848,891.00
6017 · Temporary Services	0.00	14,000.00	-14,000.00	0.0%	21,000.00
6017.2 · Office Specialist Services	7,385.46	0.00	7,385.46	100.0%	0.00
6201 · Advisory Committee - WM Staff Salaries	10,855.14	14,906.00	-4,050.86	72.82%	22,274.00
6301 · Watermaster Board - WM Staff Salaries	20,223.84	24,680.00	-4,456.16	81.94%	36,879.00
8301 · Appropriative Pool - WM Staff Salaries	20,879.87	19,889.00	990.87	104.98%	29,719.00
8401 · Agricultural Pool - WM Staff Salaries	14,014.83	17,460.00	-3,445.17	80.27%	26,090.00
8501 · Non-Agricultural Pool - WM Staff Salaries	12,310.64	10,422.00	1,888.64	118.12%	15,574.00
6901 · OBMP - WM Staff Salaries	89,966.64	83,459.00	6,507.64	107.8%	124,709.00
7101.1 · Production Monitor - WM Staff Salaries	53,962.44	37,341.00	16,621.44	144.51%	55,797.00
7102.1 · In-line Meter - WM Staff Salaries	3,610.98	6,166.00	-2,555.02	58.56%	9,212.00
7103.1 · Grdwater Quality - WM Staff Salaries	5,078.10	36,481.00	-31,402.90	13.92%	54,511.00
7104.1 · Grdwater Level - WM Staff Salaries	40,843.95	28,407.00	12,436.95	143.78%	42,447.00
7108.1 · Hydraulic Control - WM Staff Salaries	0.00	1,649.00	-1,649.00	0.0%	2,464.00
7108.11 · Prado Basin - WM Staff Salaries	3,587.65	5,558.00	-1,970.35	64.55%	8,305.00
7201 · Comp Recharge - WM Staff Salaries	36,859.08	29,619.00	7,240.08	124.44%	44,259.00
7301 · PE3&5 - WM Staff Salaries	0.00	9,966.00	-9,966.00	0.0%	14,892.00
7401 · PE4 - WM Staff Salaries	129.67	6,052.00	-5,922.33	2.14%	9,042.00
7501.1 · PE 6&7 - WM Staff Salaries (Plume)	0.00	4,512.00	-4,512.00	0.0%	6,743.00
7501 · PE6&7 - WM Staff Salaries	0.00	2,934.00	-2,934.00	0.0%	4,383.00
7601 · PE8&9 - WM Staff Salaries	0.00	8,185.00	-8,185.00	0.0%	12,231.00
Subtotal WM Staff Costs	895,687.43	929,791.00	-34,103.57	96.33%	1,389,422.00
60185 · Vacation	55,708.17	48,319.00	7,389.17	115.29%	72,479.00
60186 · Sick Leave	8,546.66	30,937.00	-22,390.34	27.63%	46,405.00
60187 · Holidays	39,273.50	42,538.00	-3,264.50	92.33%	46,405.00
Subtotal WM Paid Leaves	103,528.33	121,794.00	-18,265.67	85.0%	165,289.00
Total WM Salary Costs	999,215.76	1,051,585.00	-52,369.24	95.02%	1,554,711.00

PREVIOUSLY REPORTED ACTIONS (Descending Order)

January 2016:

Watermaster completed the recruiting process for the position of Field Operations Specialist which became vacant as of August 27, 2015. Rick Zapien started on Monday, January 4, 2016.

On September 16, 2015, Office Specialist/Receptionist was placed on Pregnancy Disability Leave (PDL) by her physician. Based upon the PDL leave and concurrently running FMLA leave, the employee was scheduled, and did return on Monday, February 22, 2016. During her absence, Watermaster utilized a temporary employee to perform the duties and responsibilities.

LEGAL SERVICES

BROWNSTEIN HYATT FARBER SCHRECK EXPENSES

CURRENT MONTH – FEBRUARY 2016

As of February 29, 2016, 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 \$238,118 or 37.7% above the (YTD) budgeted amount of \$632,176. 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.

WATERMASTER ADMINISTRATIVE LEGAL SERVICES:

Overall, the Watermaster Administrative Legal Services expense (6070's), as of February 29, 2016, was \$38,808 or 26.6% above the budgeted amount of \$146,165. 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 \$9,941 or 36.4%; Annotated Judgment (6072) under budget by \$26,766 or 100.0%; Interagency Issues (6074) under budget by \$20,400 or 100.0%; and the Party Status Maintenance (6077) under budget by \$18,674 or 97.6%. 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 \$20,507 or 70.7%; Miscellaneous (6078) over budget by \$91,002 or 386.2%; 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 December 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 (OAH Case No. 2014080757) was scheduled for November 16-18, 2015 at the Glendale CalPERS Regional Office. On September 28, 2015 the attorney for Mr. Alvarez (Mr. Jensen), at the suggestion of Mr. Kennedy, requested a short continuance of the OAH hearing because CalPERS has scheduled a full Board hearing on the claims of one of Mr. Jensen's clients for April 14, 2016 which is right in the middle of the three-day hearing scheduled for Mr. Alvarez's

case. On October 9, 2015, an Order Granting Continuance; Notice of New Hearing Dates was provided by the State of California, Department of General Services, Office of Administrative Hearings. The administrative hearing was rescheduled for January 4-6, 2016 at the Glendale CalPERS Regional Office. On October 14, 2015 a Notice of Case Reassignment was received from the CalPERS providing notice that OAH Case No. 2014080757 has been reassigned from attorney Wesley Kennedy to Preet Kaur, Staff Attorney. On November 20, 2015, a Request for Continuance was issued from CalPERS to reschedule the hearing to either the period of April 4 through April 6, 2016 or April 11 through April 15, 2016. On December 11, 2015, an Order Granting Continuance; Notice of New Hearing Dates was issued from the State of California, Department of General Services, Office of Administrative Hearings to reschedule the hearing to April 11-13, 2016.

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 February 29, 2016 was \$58,114 or 39.8% below the budgeted amount of \$145,844. 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. The Watermaster parties agreed that during the month of December 2015, the three Pools, the Advisory Committee and the Watermaster Board meetings would not be held, adding additional cost savings to this category.

OBMP LEGAL SERVICES:

The OBMP legal expenses (accounts 6907.31 through 6907.90) were above the budget for the month. As of February 29, 2016 the category of OBMP legal expenses were \$257,424 or 75.7% above the budgeted amount of \$340,167. The majority of expenses within this OBMP category were under budget (Y-T-D), however, the BHFS Safe Yield Redetermination and Reset legal expenses (6907.42) continue to increase and exceed the monthly budget. As of February 29, 2016, the Safe Yield Redetermination and Reset legal expenses were \$445,730 or 431.5% above the budgeted amount of \$103,300. It should be noted that the 12-month annual legal budget for the Safe Yield Redetermination and Reset category was approved at an amount of \$103,300 and anticipated to be allocated within the first six months of the 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. The Mid-Year Review presentation during the February 2016 meetings discussed the anticipated over budget of the Safe Yield Redetermination and Reset category. The presentation suggested that in the next few months a Budget Amendment would be proposed to add additional budget to this category and the funding would come from the FY 2015/16 OBMP Budget Reserves. The OBMP Budget Reserve amount is calculated at 15% of the OBMP Approved Budget which is \$715,363 ($\$4,769,087 \times 15\% = \$715,363$) for FY 2015/16.

The table listed below summarizes the Brownstein Hyatt Farber Schreck (BHFS) expenses as of February 29, 2016 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 - Feb '16 Actual	Jul '15 - Feb '16 Budget	\$ Over Budget	% of Budget	FY 2015/16 Annual Budget
6070 · Watermaster Legal Services					
6071 · BHFS Legal - Court Coordination	17,358.86	27,300.00	-9,941.14	63.59%	40,950.00
6072 · BHFS Legal - Annotated Judgment	0.00	26,766.00	-26,766.00	0.0%	40,150.00
6073 · BHFS Legal - Personnel Matters	49,506.93	29,000.00	20,506.93	170.71%	80,700.00
6074 · BHFS Legal - Interagency Issues	0.00	20,400.00	-20,400.00	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	459.00	19,133.00	-18,674.00	2.4%	28,700.00
6078 · BHFS Legal - Miscellaneous (Note 1)	114,568.33	23,566.00	91,002.33	486.16%	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	184,972.94	146,165.00	38,807.94	126.55%	256,450.00
6275 · BHFS Legal - Advisory Committee	11,025.05	13,600.00	-2,574.95	81.07%	20,400.00
6375 · BHFS Legal - Board Meeting	43,024.01	71,044.00	-28,019.99	60.56%	106,565.00
8375 · BHFS Legal - Appropriative Pool	11,475.86	20,400.00	-8,924.14	56.25%	30,600.00
8475 · BHFS Legal - Agricultural Pool	10,853.64	20,400.00	-9,546.36	53.2%	30,600.00
8575 · BHFS Legal - Non-Ag Pool	11,351.76	20,400.00	-9,048.24	55.65%	30,600.00
Total BHFS Legal Services	87,730.32	145,844.00	-58,113.68	60.15%	218,765.00
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	16,333.33	-16,333.33	0.0%	24,500.00
6907.32 · Chino Airport Plume	0.00	16,333.33	-16,333.33	0.0%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	32,600.00	-32,600.00	0.0%	48,900.00
6907.34 · Santa Ana River Water Rights	2,517.85	16,866.67	-14,348.82	14.93%	25,300.00
6907.36 · Santa Ana River Habitat	964.80	13,133.33	-12,168.53	7.35%	19,700.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	9,566.67	-9,566.67	0.0%	14,350.00
6907.39 · Recharge Master Plan	8,042.80	45,400.00	-37,357.20	17.72%	68,100.00
6907.40 · Storage Agreements	535.50	57,400.00	-56,864.50	0.93%	86,100.00
6907.41 · Prado Basin Habitat Sustainability	5,704.65	9,566.67	-3,862.02	59.63%	14,350.00
6907.42 · Safe Yield Recalculation	549,029.54	103,300.00	445,729.54	531.49%	103,300.00
6907.44 · SGMA Compliance	30,795.20	0.00	30,795.20	100.0%	0.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	19,666.67	-19,666.67	0.0%	29,500.00
Total 6907 · WM Legal Counsel	597,590.34	340,166.67	257,423.67	175.68%	458,600.00
Total Brownstein, Hyatt, Farber, Schreck Costs	870,293.60	632,175.67	238,117.93	137.67%	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; (12) Review and draft documents for basin boundary regulations; and (13) Miscellaneous legal research on current and pending issues.

OBMP ENGINEERING SERVICES AND LEGAL COSTS

CURRENT MONTH – FEBRUARY 2016

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 eight month period ending February 29, 2016, the actual expenses of \$1,243,329 were above the budgeted amount of \$997,287 by \$246,043 or 24.7%. For a detailed discussion, the following is provided.

For February 29, 2016, the accounts 6901-6903 (Optimum Basin Mgmt Program) section was above the Year-To-Date (YTD) budget by \$6,167 or 6.4%. 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 \$6,508 or 7.8%. 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 February 29, 2016.

For February 29, 2016, the accounts 6906 (Optimum Basin Mgmt Program Engineering Services) section was below the Year-To-Date (YTD) budget by \$11,679 or 2.1%. 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 February 2016, there were no expenses charged to the OBMP-Safe Yield Redetermination and Reset expenses. As of the Year-To-Date (YTD), this account was over budget by \$91,685 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 \$476,525 while some other line item activities were below the budget by \$219,101. Above the budget line items were the Safe Yield Redetermination and Reset of \$445,730; and the SGMA Compliance of \$30,795. Please note the SGMA Compliance is a new GL account created in January 2016 to capture these costs. The individual legal projects/activities that were below budget for the Year-To-Date (YTD) period were the Archibald South Plume of \$16,333; the Chino Airport Plume of \$16,333; the Desalter/Hydraulic Control of \$32,600; the Santa Ana River Water Rights of \$14,349; the Santa Ana River Habitat of \$12,169; the Regional Water Quality Control Board of \$9,567; the Recharge Master Plan of \$37,357; Storage Agreements of \$56,864; the Prado Basin Habitat Sustainability of \$3,862; and the WM Unanticipated of \$19,667. For the eight months ended February 29, 2016, the overall cumulative (YTD) budget was \$340,167 and the actual (BHFS) legal expenses totaled \$597,590 which resulted in an over budget variance of \$257,424 or 75.7%.

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 Mid-Year Review presentation during the February 2016 meetings discussed the anticipated over budget of the Safe Yield Redetermination and Reset category. The presentation suggested that in the next few months a Budget Amendment would be proposed to add additional budget to this category and the funding would come from the FY 2015/16 OBMP Budget Reserves. The OBMP Budget Reserve amount is calculated at 15% of the OBMP Approved Budget which is \$715,363 ($\$4,769,087 \times 15\% = \$715,363$) for FY 2015/16.

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 February 29, 2016 this category of expenses was \$5,869 or 65.2% below the budgeted amount of \$9,000.

The Integrated Resource Plan expenses (6910's) and the Preparation of a Compliance Demonstration for Stormwater Recharge expenses (6910's) are billed directly to IEUA on the following month once the payment has been issued to Wildermuth Environmental, Inc. per the contract. As of February 29, 2016 this category of expenses was fully invoiced to IEUA in the amount of \$58,123.

Overall, the Optimum Basin Management Program (OBMP) category was \$1,243,329 compared to a (YTD) budget of \$997,287 for an over budget of \$246,042 or 24.7% as of February 29, 2016.

The table listed below summarizes the Optimum Basin Management Program (OBMP) expenses as of February 29, 2016 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 - Feb '16 Actual	Jul '15 - Feb '16 Budget	\$ Over Budget	% of Budget	FY 2015/16 Annual Budget
6900 · Optimum Basin Mgmt Plan					
6901 · WM Staff Salaries	89,966.64	83,459.00	6,507.64	107.8%	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	102,125.64	95,959.00	6,166.64	106.43%	137,209.00
6906 · OBMP Engineering Services					
6906.1 · OBMP - Watermaster Model Update	202,071.80	248,302.22	-46,230.42	81.38%	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	15,593.75	16,269.32	-675.57	95.85%	24,404.00
6906.23 · SGMA Reporting Requirements	9,269.95	11,594.68	-2,324.73	79.95%	17,392.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	48,862.32	58,439.33	-9,577.01	83.61%	87,659.00
6906.32 · OBMP - Other General Meetings	15,142.60	21,918.00	-6,775.40	69.09%	32,877.00
6906.33 · OBMP - App. Pool Issue Resolution	0.00	36,642.67	-36,642.67	0.0%	54,964.00
6906.71 · OBMP - Data Requests - CBWM Staff	121,016.08	42,709.33	78,306.75	283.35%	64,064.00
6906.72 · OBMP - Data Requests - Non CBWM	7,706.75	25,472.00	-17,765.25	30.26%	38,208.00
6906.73 · OBMP - Safe Yield Recalculation	91,684.60	0.00	91,684.60	100.0%	0.00
6906.74 · OBMP - Mat'l Phy. Injury Requests	4,785.41	73,533.33	-68,747.92	6.51%	110,300.00
6906 · OBMP Engineering Services - Other	24,348.50	17,280.00	7,068.50	140.91%	25,920.00
Total 6906 · OBMP Engineering Services	540,481.76	552,160.88	-11,679.12	97.89%	735,128.00
6907 · OBMP Legal Fees					
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	16,333.33	-16,333.33	0.0%	24,500.00
6907.32 · Chino Airport Plume	0.00	16,333.33	-16,333.33	0.0%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	32,600.00	-32,600.00	0.0%	48,900.00
6907.34 · Santa Ana River Water Rights	2,517.85	16,866.67	-14,348.82	14.93%	25,300.00
6907.36 · Santa Ana River Habitat	964.80	13,133.33	-12,168.53	7.35%	19,700.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	9,566.67	-9,566.67	0.0%	14,350.00
6907.39 · Recharge Master Plan	8,042.80	45,400.00	-37,357.20	17.72%	68,100.00
6907.40 · Storage Agreements	535.50	57,400.00	-56,864.50	0.93%	86,100.00
6907.41 · Prado Basin Habitat Sustainability	5,704.65	9,566.67	-3,862.02	59.63%	14,350.00
6907.42 · Safe Yield Recalculation	549,029.54	103,300.00	445,729.54	531.49%	103,300.00
6907.44 · SGMA Compliance	30,795.20	0.00	30,795.20	100.0%	0.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	19,666.67	-19,666.67	0.0%	29,500.00
Total 6907 · WM Legal Counsel	597,590.34	340,166.67	257,423.67	175.68%	458,600.00
Total 6907 · OBMP Legal Fees	597,590.34	340,166.67	257,423.67	175.68%	458,600.00
6909 · OBMP Other Expenses					
6909.1 · OBMP Meetings	1,816.27	1,000.00	816.27	181.63%	1,500.00
6909.3 · Other OBMP Expenses	1,315.00	1,333.33	-18.33	98.63%	2,000.00
6909.6 · OBMP Expenses - Miscellaneous	0.00	6,666.67	-6,666.67	0.0%	10,000.00
Total 6909 · OBMP Other Expenses	3,131.27	9,000.00	-5,868.73	34.79%	13,500.00
6910 · Integrated Resource Plan					
6910.1 · IRP Groundwater Modeling - WEI	58,122.75	0.00	58,122.75	100.0%	0.00
6910.15 · IRP Groundwater Modeling - IEUA	-58,122.75	0.00	-58,122.75	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	1,243,329.01	997,286.55	246,042.46	124.67%	1,344,437.00

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

CURRENT MONTH – FEBRUARY 2016

As of February 29, 2016, the total (YTD) Engineering Services expenses were \$561,260 or 28.9% below the (YTD) budget amount of \$1,940,458. The OBMP Implementation Projects (consolidated accounts

7100's – 7700's) were all (Under) budget as of February 29, 2016.

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

The Third quarter ECAC report is scheduled to be issued in mid-May 2016 for the period January 2016 through March 2016. Watermaster does not plan to present any Budget Transfers or Budget Amendments at this time.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

February 2015:

The Second quarter ECAC report was provided as part of the FY 2015/16 Mid-Year Review during the February 2016 meetings. The ECAC report for the period ending December 31, 2015 showed a projected under budget of \$19,870. Watermaster does not plan to present any Budget Transfers or Budget Amendments at this time.

November 2015:

The First quarter ECAC report for the current fiscal year has been provided for the period ending September 30, 2015 and showed a projected over budget of \$30,411. The Second quarter ECAC report is scheduled to be issued in mid-February 2016 for the period July 2015 through December 2015.

July 2015:

The breakdown of the total FY 2015/16 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 February 29, 2016. 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 - Feb '16	Jul '15 - Feb '16	\$ Over Budget	% of Budget	FY 2015/16
	Actual	Budget			Annual Budget
6906 · OBMP Engineering Services - Other	24,348.50	17,280.00	7,068.50	140.91%	25,920.00
6906.1 · OBMP - Watermaster Model Update	202,071.80	248,302.22	-46,230.42	81.38%	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	15,593.75	16,269.32	-675.57	95.85%	24,404.00
6906.23 · SGMA Reporting Requirements	9,269.95	11,594.68	-2,324.73	79.95%	17,392.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	48,862.32	58,439.33	-9,577.01	83.61%	87,659.00
6906.32 · OBMP - Other General Meetings	15,142.60	21,918.00	-6,775.40	69.09%	32,877.00
6906.33 · OBMP - App. Pool Issue Resolution	0.00	36,642.67	-36,642.67	0.0%	54,964.00
6906.71 · OBMP - Data Requests - CBWM Staff	121,016.08	42,709.33	78,306.75	283.35%	64,064.00
6906.72 · OBMP - Data Requests - Non CBWM	7,706.75	25,472.00	-17,765.25	30.26%	38,208.00
6906.73 · OBMP - Safe Yield Recalculation	91,684.60	0.00	91,684.60	100.0%	0.00
6906.74 · OBMP - Mat'l Physical Injury Requests	4,785.41	73,533.33	-68,747.92	6.51%	110,300.00
7103.3 · Grdwtr Qual-Engineering	76,223.59	80,344.00	-4,120.41	94.87%	120,516.00
7103.5 · Grdwtr Qual-Lab Svcs	48,037.00	26,136.67	21,900.33	183.79%	39,205.00
7104.3 · Grdwtr Level-Engineering	118,794.94	117,620.00	1,174.94	101.0%	176,430.00
7104.8 · Grdwtr Level-Contracted Services	0.00	6,666.67	-6,666.67	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equipment	0.00	5,250.00	-5,250.00	0.0%	7,000.00
7107.2 · Grd Level-Engineering	35,287.77	40,835.67	-5,547.90	86.41%	56,347.00
7107.3 · Grd Level-SAR Imagery	29,000.00	63,750.00	-34,750.00	45.49%	85,000.00
7107.6 · Grd Level-Contract Svcs	23,542.58	112,296.00	-88,753.42	20.97%	151,059.00
7107.8 · Grd Level-Capital Equipment	0.00	3,733.33	-3,733.33	0.0%	5,600.00
7108.3 · Hydraulic Control-Engineering	17,325.20	33,312.00	-15,986.80	52.01%	49,968.00
7108.31 · Hydraulic Control-PBHSP	83,785.16	90,139.67	-6,354.51	92.95%	129,146.00
7108.32 · Hydraulic Control-Adaptive Mgmt Plan	49,974.47	43,176.00	6,798.47	115.75%	43,176.00
7108.4 · Hydraulic Control-Lab Svcs	6,496.00	16,720.67	-10,224.67	38.85%	25,081.00
7108.41 · Hydraulic Control-PBHSP	22,930.00	44,726.00	-21,796.00	51.27%	49,096.00
7108.6 · Hydraulic Control-Outside Professionals	0.00	60,000.00	-60,000.00	0.0%	90,000.00
7108.7 · Hydraulic Control-Prado Basin Habitat	4,428.00	0.00	4,428.00	100.0%	0.00
7109.3 · Recharge & Well - Engineering	10,003.00	13,244.67	-3,241.67	0.0%	19,867.00
7202.2 · Comp Recharge-Engineering Services	59,317.47	106,336.00	-47,018.53	55.78%	159,504.00
7303 · PE3&5-Engineering - Other	0.00	15,589.33	-15,589.33	0.0%	23,384.00
7402 · PE4-Engineering	13,032.45	56,472.00	-43,439.55	23.08%	84,708.00
7402.10 · PE4-MZ1 Pomona Project	196,192.88	337,503.33	-141,310.45	58.13%	506,255.00
7403 · PE4-Contract Svcs	4,800.00	13,333.33	-8,533.33	36.0%	20,000.00
7502 · PE6&7-Engineering	25,009.75	58,226.67	-33,216.92	42.95%	81,840.00
7602 · PE8&9-Engineering	14,536.00	42,885.33	-28,349.33	33.9%	64,328.00
Total Engineering Services Costs	1,379,198.02	1,940,458.22	-561,260.20	71.08%	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 February 29, 2016:

	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 - Feb. 2016	\$ 4,428.00	\$ (2,214.00)	\$ -	\$ 2,214.00	30.00	\$ 3,587.65
Totals	\$ 356,377.56	\$ (178,188.78)	\$ 6,750.01	\$ 184,938.79	172.00	\$ 18,697.23
	7108.7	7108.71, 7108.72	7108.75			7108.11

OTHER INCOME AND EXPENSE

There were no other significant items to report within the category of Other Income and Expenses for the month ending February 29, 2016.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

July 2015:

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.

"CARRY OVER" FUNDING

CURRENT MONTH – FEBRUARY 2016

As of February 29, 2016, the total (YTD) amount remaining of the "Carried Over" funding is \$1,476,243.40 (\$1,872,937.85 - \$396,694.45 = \$1,476,243.40). The following details are provided:

"Carried Over" Expenses At June 30, 2015

			GL Account		
Printing - Annual Report	\$ 5,000.00	A	6045	FY 2014/15	ADM
Rauch Communication Consultants - Annual Report	\$ 15,000.00	B	6061.3	FY 2014/15	ADM
Ground Level Monitoring - Engineering	\$ 9,813.00	C	7107.2 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	7108.32 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 Sevaire 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)

Rauch Communication Consultants - Annual Report	\$ (15,000.00)	B	6061.3	FY 2014/15	ADM
Hydraulic Control Monitoring Lab Services - PBHSP	\$ (9,820.00)	G	7108.41 ²	FY 2014/15	ENG
Hydraulic Control Monitoring - Adaptive Mgmt Plan	\$ (33,000.00)	H	7108.32 ³	FY 2014/15	ENG
San Sevaire Recharge Improvement Project (TO #8)	\$ (111,118.08)	M	7690.4	FY 2014/15	PROJ
CB20 Turnout Noise Abatement Project	\$ (25,207.74)	N	7690.5	FY 2014/15	PROJ
GWR SCADA Upgrades (TO #4)	\$ (56,514.47)	O	7690.61	FY 2014/15	PROJ
SCADA Communication Upgrades (TO #3)	\$ (97,034.16)	P	7690.62	FY 2014/15	PROJ
Lower Day Basin RMPU (TO #2)	\$ (49,000.00)	R	7690.8	FY 2014/15	PROJ
Updated Balance as of February 29, 2016	\$ 1,476,243.40				

¹ Long-Term Pumping Test

³ Adaptive Management Plan

² Prado Basin Habitat Sustainability Program monitoring program

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 February 29, 2016. 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 June 30, 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 2015/16

Auditors from the audit firm of Fedak & Brown, LLP were onsite at the Watermaster offices on March 28, 2016. This was the start of the interim field work for the period of July 1, 2015 through January 31, 2016. The final field work for the period of February 1, 2016 through June 30, 2016 is planned for August 2016, with the Annual Financial and Audit Reports presented to the Watermaster Board at the November 17, 2016 Board meeting. The Annual Financial and Audit Reports for FY 2015/16 will be posted to the Watermaster website in December 2016.

FY 2014/15

Auditors from the audit firm of Fedak & Brown LLP were onsite at the Watermaster offices on August 10 and August 11, 2015. 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. On November 19, 2015, the Senior Manager of Fedak & Brown, LLP presented the Annual Financial and Audit Reports to the Watermaster Board. The Annual Financial and Audit Reports for FY 2014/15 were posted to the Watermaster website on November 23, 2015.

FY 2015/16 EXHIBIT "G" NON-AGRICULTURAL POOL SALE OF WATER

Pursuant to Exhibit "G" of the Restated Judgment, members of the Overlying (Non-Agricultural) Pool may annually transfer water to members of the Appropriative Pool through a Watermaster clearinghouse process. Watermaster purchases water from the Overlying (Non-Agricultural) Pool members, which Watermaster then transfers to the members of the Appropriative Pool based on the prescribed process. Members of the Appropriative Pool purchasing water through the process must complete their payments to Watermaster by June 30 of the fiscal year. Watermaster has determined that California Steel Industries, Inc. (CSI), California Speedway Corporation (Auto Club Speedway), and NRG CA South, LP are in compliance with Restated Judgment, Exhibit "G" ¶9(g), authorizing 2015-2016 Exhibit "G" Physical Solution Transfers.

The invoices to the eleven Appropriators who purchased Exhibit "G" water from the Non-Agricultural Pool were issued on March 25, 2016 totaling \$2,540,000. Once Watermaster has received all of the payments from the Appropriators and those payments have cleared the bank, Watermaster will issue payment to California Steel Industries, Inc. (CSI) in the amount of \$1,270,000 (2,500,000 AF x \$508.00 = \$1,270,000); California Speedway Corporation (Auto Club Speedway) in the amount of \$508,000 (1,000,000 AF x \$508.00 = \$508,000); and NRG CA South, LP in the amount of \$762,000 (1,500,000 AF x \$508.00 = \$762,000).

ASSESSMENT INVOICING

CURRENT MONTH – FEBRUARY 2016

No Assessment activity for the month to report.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

February 2015:

As discussed during the FY 2015/16 Mid-Year Review during the February 2016 meetings, if the Safe Yield Redetermination and Reset is resolved and completed during the April 8, 2016 court hearing, the FY 2015/16 Assessment Package (Production Year FY 2014/15) could be completed and presented in the June or July 2016 timeframe. If the Assessment invoices were then issued in July 2016, payment would be due to Watermaster in August 2016. As presented during the FY 2015/16 Mid-Year Review, Watermaster projects the current cash flow could sustain Watermaster until late September 2016.

December 2015:

Due to the Safe Yield Reset process this year, and the effects that it had on the Assessment Package, production of the Assessment Package was delayed. The Assessment Package will not be produced until the Court has considered the Safe Yield Reset Agreement, which is expected in a few months. However, Watermaster cannot wait until that time to collect assessments, as the funds will be needed sooner than that in order to keep Watermaster operational.

On November 19, 2015 the Watermaster Board approved staff's recommendation for collection of an interim partial assessment based upon fifty percent of last year's Appropriative Pool Admin and OBMP assessments, including those paid on behalf of the Agricultural Pool, in addition to fifty percent of last year's Recharge Debt and Recharge Improvement assessments, and to collect fifty percent of last year's Non-Ag Pool Admin and OBMP assessments. The balance, accounting for the interim assessment, would be collected when the Assessment Package is produced, following consideration of the Safe Yield Reset Agreement by the Court. Note that if a Party has an amount due of less than \$500 (including special assessments), collection was deferred until the final assessment invoice later in the fiscal year.

Included as part of the interim assessment invoicing, the Non-Agricultural Pool had a Special Assessment of \$60,000 as approved during a Confidential Session on November 12, 2015. The \$60,000 was

allocated to the Non-Agricultural Pool members based upon the tentative actual production numbers from 2014/15 and will be adjusted once all Water Activity Reports (WARs) have been received.

The Watermaster staff issued and emailed the "interim" Assessment invoices on Thursday, November 19, 2015. The Assessment invoices were due 30 days from invoice date, on or before Monday, December 21, 2015. New for this payment cycle is the ability for parties to pay their invoice either by check or by wire transfer.

All "interim" Assessment invoice payments have been received.

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				8/12th (67%) of the Total Budget				100% of the Total Budget			
	For The Month of February 2016				Year-To-Date as of February 29, 2016				Fiscal Year End as of June 30, 2016			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
Income												
4010 · Local Agency Subsidies	0.00	0.00	0.00	0.0%	157,349.47	157,941.00	-591.53	99.63%	157,941.00	157,941.00	0.00	100.0%
4110 · Admin Asmnts-Approp Pool	0.00	0.00	0.00	0.0%	3,569,781.01	8,637,418.00	-5,067,636.99	41.33%	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%	151,739.47	296,797.00	-145,057.53	51.13%	296,797.00	296,797.00	0.00	100.0%
4700 · Non Operating Revenues	0.00	0.00	0.00	0.0%	10,098.46	11,025.00	-926.54	91.6%	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	0.00	0.00	0.00	0.0%	3,888,968.41	9,103,181.00	-5,214,212.59	42.72%	9,114,206.00	9,114,206.00	0.00	100.0%
Gross Profit	0.00	0.00	0.00	0.0%	3,888,968.41	9,103,181.00	-5,214,212.59	42.72%	9,114,206.00	9,114,206.00	0.00	100.0%
Expense												
6010 · Admin. Salary/Benefit Costs	88,534.98	67,775.00	20,759.98	130.63%	586,826.75	588,709.00	-1,882.25	99.68%	877,531.46	880,591.00	-3,059.54	99.65%
6020 · Office Building Expense	8,521.18	8,690.00	-168.82	98.06%	68,142.07	73,979.00	-5,836.93	92.11%	105,814.08	110,381.00	-4,566.92	95.86%
6030 · Office Supplies & Equip.	3,149.45	2,630.00	519.45	119.75%	17,408.36	21,540.00	-4,131.64	80.82%	30,638.84	32,560.00	-1,921.16	94.1%
6040 · Postage & Printing Costs	4,229.17	4,803.00	-573.83	88.05%	31,420.14	42,921.00	-11,500.86	73.21%	59,445.16	60,032.00	-586.84	99.02%
6050 · Information Services	11,849.68	9,820.00	2,029.68	120.67%	77,399.85	90,310.00	-12,910.15	85.71%	129,001.54	131,840.00	-2,838.46	97.85%
6060 · Contract Services	1,275.00	7,500.00	-6,225.00	17.0%	24,215.75	55,600.00	-31,384.25	43.55%	54,381.50	55,600.00	-1,218.50	97.81%
6070 · Watermaster Legal Services	34,432.20	16,146.00	18,286.20	213.26%	184,972.94	146,165.00	38,807.94	126.55%	267,114.14	256,450.00	10,664.14	104.16%
6080 · Insurance	0.00	0.00	0.00	0.0%	26,083.25	26,776.00	-692.75	97.41%	27,583.25	27,916.00	-332.75	98.81%
6110 · Dues and Subscriptions	231.92	0.00	231.92	100.0%	18,710.72	20,085.00	-1,374.28	93.16%	20,842.60	21,335.00	-492.40	97.69%
6140 · WM Admin Expenses	15.99	375.00	-359.01	4.26%	1,407.28	1,800.00	-392.72	78.18%	2,400.66	2,700.00	-299.34	88.91%
6150 · Field Supplies	26.99	500.00	-473.01	5.4%	685.58	1,450.00	-764.42	47.28%	1,117.20	1,450.00	-332.80	77.05%
6170 · Travel & Transportation	2,350.45	1,725.00	625.45	136.26%	14,698.04	16,390.00	-1,691.96	89.68%	22,456.22	25,320.00	-2,863.78	88.69%
6190 · Training, Conferences, Seminars	1,891.27	4,258.00	-2,366.73	44.42%	18,485.16	18,142.00	343.16	101.89%	27,640.06	22,400.00	5,240.06	123.39%
6200 · Advisory Comm - WM Board	2,393.52	3,496.00	-1,102.48	68.47%	21,918.80	29,173.00	-7,254.20	75.13%	34,104.56	43,674.00	-9,569.44	78.09%
6300 · Watermaster Board Expenses	11,305.32	14,659.00	-3,353.68	77.12%	83,101.95	119,257.00	-36,155.05	69.68%	137,526.70	178,744.00	-41,217.30	76.94%
8300 · Appr PI-WM & Pool Admin	4,509.94	11,149.00	-6,639.06	40.45%	32,825.80	90,789.00	-57,963.20	36.16%	122,696.88	136,069.00	-13,372.12	90.17%
8400 · Agri Pool-WM & Pool Admin	3,710.15	4,807.00	-1,096.85	77.18%	26,433.62	39,860.00	-13,426.38	66.32%	47,492.78	59,690.00	-12,197.22	79.57%
8467 · Ag Legal & Technical Services	9,092.50	17,083.00	-7,990.50	53.23%	216,752.50	136,667.00	80,085.50	158.6%	331,855.00	205,000.00	126,855.00	161.88%
8470 · Ag Meeting Attend -Special	1,400.00	1,850.00	-450.00	75.68%	20,225.00	14,800.00	5,425.00	136.66%	33,250.00	22,200.00	11,050.00	149.78%
8471 · Ag Pool Expense	0.00	0.00	0.00	0.0%	0.00	32,500.00	-32,500.00	0.0%	30,000.00	65,000.00	-35,000.00	46.15%
8485 · Ag Pool - Misc. Exp. - Ag Fund	0.00	100.00	-100.00	0.0%	0.00	300.00	-300.00	0.0%	100.00	400.00	-300.00	25.0%
8500 · Non-Ag PI-WM & Pool Admin	13,810.91	8,898.00	4,912.91	155.21%	69,415.59	72,022.00	-2,606.41	96.38%	97,727.24	107,974.00	-10,246.76	90.51%
9400 · Depreciation Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	5,500.00	0.00	5,500.00	100.0%
9500 · Allocated G&A Expenditures	-16,238.63	-33,442.00	17,203.37	48.56%	-150,073.81	-267,538.00	117,464.19	56.09%	-229,474.56	-401,307.00	171,832.44	57.18%
6900 · Optimum Basin Mgmt Plan	155,258.33	109,346.45	45,911.88	141.99%	1,243,329.01	997,286.55	246,042.46	124.67%	1,614,587.02	1,344,437.00	270,150.02	120.09%
6950 · Mutual Agency Projects	0.00	0.00	0.00	0.0%	0.00	10,000.00	-10,000.00	0.0%	0.00	10,000.00	-10,000.00	0.0%
9501 · G&A Expenses Allocated-OBMP	6,892.05	10,721.33	-3,829.28	64.28%	56,959.66	85,770.67	-28,811.01	66.41%	92,931.12	128,656.00	-35,724.88	72.23%
7101 · Production Monitoring	4,066.48	4,354.50	-288.02	93.39%	54,462.44	37,841.00	16,621.44	143.92%	78,696.28	56,547.00	22,149.28	139.17%
7102 · In-line Meter Installation	902.75	5,531.92	-4,629.17	16.32%	5,026.30	44,749.33	-39,723.03	11.23%	33,247.10	67,087.00	-33,839.90	49.56%
7103 · Grdwtr Quality Monitoring	4,335.72	18,012.24	-13,676.52	24.07%	130,604.10	147,035.01	-16,430.91	88.83%	251,627.78	220,342.00	31,285.78	114.2%
7104 · Gdwtr Level Monitoring	17,513.30	19,030.00	-1,516.70	92.03%	161,255.73	165,277.00	-4,021.27	97.57%	235,510.64	247,627.00	-12,116.36	95.11%
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	27,347.01	14,035.25	13,311.76	194.85%	87,830.35	249,900.99	-162,070.64	35.15%	247,192.28	327,291.99	-80,099.71	75.53%

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

	1/12th (8.33%) of the Total Budget				8/12th (67%) of the Total Budget				100% of the Total Budget			
	For The Month of February 2016				Year-To-Date as of February 29, 2016				Fiscal Year End as of June 30, 2016			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
7108 · Hydraulic Control Monitoring	8,977.25	25,428.16	-16,450.91	35.3%	188,526.48	295,281.34	-106,754.86	63.85%	374,344.70	397,236.00	-22,891.30	94.24%
7109 · Recharge & Well Monitoring Prog	6,293.25	1,655.58	4,637.67	380.12%	10,003.00	13,244.67	-3,241.67	75.53%	12,419.50	19,867.00	-7,447.50	62.51%
7200 · PE2- Comp Recharge Pgm	26,828.54	16,863.67	9,964.87	159.09%	391,432.73	812,098.19	-420,665.46	48.2%	1,010,552.00	1,078,549.86	-67,997.86	93.7%
7300 · PE3&5-Water Supply/Desalte	0.00	3,678.00	-3,678.00	0.0%	0.00	30,222.00	-30,222.00	0.0%	0.00	45,276.00	-45,276.00	0.0%
7400 · PE4- Mgmt Plan	32,421.17	51,817.92	-19,396.75	62.57%	215,765.83	415,027.33	-199,261.50	51.99%	565,215.04	622,505.00	-57,289.96	90.8%
7500 · PE6&7-CoopEfforts/SaltMgmt	426.25	6,759.33	-6,333.08	6.31%	25,009.75	65,672.67	-40,662.92	38.08%	71,609.50	92,966.00	-21,356.50	77.03%
7600 · PE8&9-StorageMgmt/Conj Use	0.00	6,330.84	-6,330.84	0.0%	14,589.18	51,303.66	-36,714.48	28.44%	49,178.36	76,909.00	-27,730.64	63.94%
7690 · Recharge Improvement Debt Pymt	0.00	0.00	0.00	0.0%	690,503.45	3,369,227.00	-2,678,723.55	20.49%	2,786,006.90	3,932,677.00	-1,146,670.10	70.84%
7700 · Inactive Well Protection Prgm	0.00	41.67	-41.67	0.0%	0.00	333.33	-333.33	0.0%	0.00	500.00	-500.00	0.0%
9502 · G&A Expenses Allocated-Projects	9,346.58	22,720.92	-13,374.34	41.14%	93,114.15	181,767.33	-88,653.18	51.23%	136,543.44	272,651.00	-136,107.56	50.08%
Total Expense	487,100.67	469,149.78	17,950.89	103.83%	4,759,467.50	8,343,735.07	-3,584,267.57	57.04%	9,796,406.97	10,987,143.85	-1,190,736.88	89.16%
Net Ordinary Income	-487,100.67	-469,149.78	-17,950.89	103.83%	-870,499.09	759,445.93	-1,629,945.02	-114.62%	-682,200.97	-1,872,937.85	1,190,736.88	36.42%
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%	2,402.77	0.00	2,402.77	100.0%	4,800.00	0.00	4,800.00	100.0%
4226 · LAIF Fair Market Value	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4250 · Groundwater Sales	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Other Income	0.00	0.00	0.00	0.0%	2,402.77	0.00	2,402.77	100.0%	4,800.00	0.00	4,800.00	100.0%
Other Expense												
5010 · Groundwater Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5100 · Other Water Purchases	0.00	0.00	0.00	0.0%	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%	2,402.77	0.00	2,402.77	100.0%	4,800.00	0.00	4,800.00	100.0%
Net Income	-487,100.67	-469,149.78	-17,950.89	103.83%	-868,096.32	759,445.93	-1,627,542.25	-114.31%	-677,400.97	-1,872,937.85	1,195,536.88	36.17%

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



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 26, 2016
TO: Board Members
SUBJECT: Cash Disbursement Report - Financial Report B1 (March 31, 2016)

SUMMARY

Issue: Record of Cash Disbursements for the month of March 31, 2016.

Recommendation: Receive and file Cash Disbursements for March 31, 2016 as presented.

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

Future Consideration

Watermaster Board: May 26, 2016; Receive and File (Normal Course of Business)

ACTIONS:

May 12, 2016 – Appropriative Pool – Unanimously approved
May 12, 2016 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
May 12, 2016 – Agricultural Pool – Unanimously approved
May 19, 2016 – Advisory Committee – Unanimously approved
May 26, 2016 – 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 March 2016 were \$742,949.82.

The most significant expenditures during the month were to Wildermuth Environmental, Inc. in the amounts of \$225,923.16 and \$206,801.57 (check number 19275 dated March 8, 2016 and check number 19303 dated March 29, 2016); and Brownstein Hyatt Farber Schreck in the amount of \$149,987.69 (check number 19278 dated March 9, 2016).

ATTACHMENTS

1. Financial Report - B1

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	03/04/2016	ACH 030416	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	02/25/2016	16/02/08	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 02/14/16 - 02/25/16	2000 · Accounts Payable	1,125.49
General Journal	02/27/2016	16/02/06	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 02/14/16-02/27/16	2000 · Accounts Payable	5,435.76
TOTAL						<u>6,561.25</u>
Bill Pmt -Check	03/08/2016	19259	ADVANCED OFFICE SMART OFFICE SOLUTION: AR606359		1012 · Bank of America Gen'l Ckg	
Bill	02/24/2016	AR606359		Staples for color copier - acct. # 28019	6031.7 · Other Office Supplies	81.48
TOTAL						<u>81.48</u>
Bill Pmt -Check	03/08/2016	19260	APPLIED COMPUTER TECHNOLOGIES	2662	1012 · Bank of America Gen'l Ckg	
Bill	02/28/2016	2662		Database Consulting - February 2016	6052.2 · Applied Computer Technol	4,069.00
TOTAL						<u>4,069.00</u>
Bill Pmt -Check	03/08/2016	19261	CHARTER COMMUNICATIONS	8245100651455350	1012 · Bank of America Gen'l Ckg	
Bill	03/03/2016	8245100651455350		3/06/16-4/05/16	6053 · Internet Expense	64.99
TOTAL						<u>64.99</u>
P51 Bill Pmt -Check	03/08/2016	19262	EGOSCUE LAW GROUP	11178	1012 · Bank of America Gen'l Ckg	
Bill	02/28/2016	11178		Ag Pool Legal Services - February 2016	8467 · Ag Legal & Technical Services	9,092.50
TOTAL						<u>9,092.50</u>
Bill Pmt -Check	03/08/2016	19263	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
Bill	02/25/2016	L0251704		L0251704	7108.4 · Hydraulic Control-Lab Svcs	440.00
Bill	02/25/2016	L0250377		L0250377	7108.4 · Hydraulic Control-Lab Svcs	1,592.00
TOTAL						<u>2,032.00</u>
Bill Pmt -Check	03/08/2016	19264	LEVEL 3 COMMUNICATIONS	42280355	1012 · Bank of America Gen'l Ckg	
Bill	02/23/2016	42280355		2/17/16-3/16/16	6053 · Internet Expense	1,335.58
TOTAL						<u>1,335.58</u>
Bill Pmt -Check	03/08/2016	19265	MIJAC ALARM	385090	1012 · Bank of America Gen'l Ckg	
Bill	03/01/2016	385090		Fire monitoring 3/01/16-5/31/16	6026 · Security Services	411.00
				Opening/closing reports 3/01/16-5/31/16	6026 · Security Services	54.00
				Annex - opening/closing reports 3/01/16-5/31/16	6026 · Security Services	45.00
				Commercial monitoring 3/01/16-5/31/16	6026 · Security Services	147.00
TOTAL						<u>657.00</u>
Bill Pmt -Check	03/08/2016	19266	PARK PLACE COMPUTER SOLUTIONS, INC.	509	1012 · Bank of America Gen'l Ckg	
Bill	02/29/2016	509		IT Consulting Services - February 1-29, 2016	6052.1 · Park Place Comp Solutn	3,000.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

Financial Report - B1

TOTAL	Type	Date	Num	Name	Memo	Account	Paid Amount
							3,000.00
	Bill Pmt -Check	03/08/2016	19267	PREMIERE GLOBAL SERVICES	20549353	1012 · Bank of America Gen'l Ckg	
	Bill	02/28/2016	20549353		WM coordination call on 2/01	6909.1 · OBMP Meetings	24.10
					Appropriative Pool agenda prep call on 2/02	8312 · Meeting Expenses	6.17
					Ag Pool agenda prep call on 2/02	8412 · Meeting Expenses	6.18
					Non-Ag Pool agenda prep call on 2/02	8512 · Meeting Expense	6.18
					Appropriative Pool agenda call on 2/03	8312 · Meeting Expenses	7.11
					SGMA discussion call on 2/03	6906.23 · SGMA Reporting Requirements	22.36
					Appropriative Pool meeting check call on 2/10	8312 · Meeting Expenses	10.26
					Ag Pool meeting check call on 2/10	8412 · Meeting Expenses	10.26
					Non-Ag Pool meeting check call on 2/10	8512 · Meeting Expense	10.27
					Non-Ag Pool meeting call on 2/11	8512 · Meeting Expense	60.10
					Annual Report kickoff call on 2/12	6909.1 · OBMP Meetings	41.91
					WM coordination call on 5/15	6909.1 · OBMP Meetings	40.93
					Approp. Pool confidential meeting call on 2/18	8312 · Meeting Expenses	6.14
					WM Coordination call on 2/19	6909.1 · OBMP Meetings	14.48
					SGMA compliance call on 2/22	6906.23 · SGMA Reporting Requirements	9.60
					WM coordination call on 2/22	6909.1 · OBMP Meetings	12.30
					SGMA compliance call on 2/24	6906.23 · SGMA Reporting Requirements	10.70
					SGMA compliance call on 2/24	6906.23 · SGMA Reporting Requirements	18.18
					WM coordination call on 2/26	6909.1 · OBMP Meetings	25.41
					Fee - Confidential	6022 · Telephone	49.00
					Fee - General	6022 · Telephone	49.00
					Service fee	6022 · Telephone	11.99
							<u>452.63</u>
							452.63
	Bill Pmt -Check	03/08/2016	19268	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
	Bill	03/02/2016	1394905143		Annual Unfunderd Accrued Liability	60180 · Employers PERS Expense	3,077.00
							<u>3,077.00</u>
							3,077.00
	Bill Pmt -Check	03/08/2016	19269	PURCHASE POWER	8000909000168851	1012 · Bank of America Gen'l Ckg	
	Bill	02/28/2016	8000909000168851		Tape strips and ink cartridges	6042 · Postage - General	541.03
							<u>541.03</u>
							541.03
	Bill Pmt -Check	03/08/2016	19270	RAUCH COMMUNICATION CONSULTANTS, LLC Feb-1604		1012 · Bank of America Gen'l Ckg	
	Bill	02/28/2016	Feb-1604		Annual Report work through January 31, 2016	6061.3 · Rauch	1,275.00
							<u>1,275.00</u>
							1,275.00
	Bill Pmt -Check	03/08/2016	19271	READY REFRESH BY NESTLE	0023230253	1012 · Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	02/29/2016	0023230253		Office Water Bottle - February 2016	6031.7 · Other Office Supplies	80.88
TOTAL						80.88
Bill Pmt -Check	03/08/2016	19272	RR FRANCHISING, INC.	18639	1012 · Bank of America Gen'l Ckg	
Bill	03/01/2016	18639		Monthly service charge for March 2016	6024 · Building Repair & Maintenance	740.00
TOTAL						740.00
Bill Pmt -Check	03/08/2016	19273	SAN BERNARDINO COUNTY - DEPT. AIRPORTS	Lease No. CNO-1843	1012 · Bank of America Gen'l Ckg	
Bill	03/01/2016	Lease No. CNO-1843		Annual rental payment for extensometer site	7107.9 · Grd Level-Other	1,596.00
TOTAL						1,596.00
Bill Pmt -Check	03/08/2016	19274	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	02/23/2016	001017890001		Vision Insurance Premium - March 2016	60182.2 · Dental & Vision Ins	85.60
TOTAL						85.60
Bill Pmt -Check	03/08/2016	19275	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
Bill	01/31/2016	2016003		2016003	6906.31 · OBMP-Pool, Adv. Board Mtgs	5,109.54
Bill	01/31/2016	2016004		2016004	6906.32 · OBMP-Other General Meetings	1,105.00
Bill	01/31/2016	2016005		2016005	6906.74 · OBMP-Mat'l Phy. Injury Requests	41.25
Bill	01/31/2016	2016006		2016006	6906.71 · OBMP-Data Req.-CBWM Staff	26,404.43
Bill	01/31/2016	2016007		2016007	6906.23 · SGMA Reporting Requirements	1,812.00
Bill	01/31/2016	2016008		2016008	6906 · OBMP Engineering Services	1,538.00
Bill	01/31/2016	2016009		2016009	6906.1 · OBMP-Watermaster Model Update	27,280.50
Bill	01/31/2016	2016010		2016010	7103.3 · Grdwtr Qual-Engineering	271.25
Bill	01/31/2016	2016011		2016011	7104.3 · Grdwtr Level-Engineering	16,617.13
Bill	01/31/2016	2016012		Neva Ridge	7107.3 · Grd Level-SAR Imagery	17,000.00
Bill	01/31/2016	2016013		Michael Carpenter	7107.6 · Grd Level-Contract Svcs	1,400.00
				2016013	7107.2 · Grd Level-Engineering	5,987.20
Bill	01/31/2016	2016014		2016014	7108.3 · Hydraulic Control-Engineering	669.95
Bill	01/31/2016	2016015		2016015	7108.3 · Hydraulic Control-Engineering	1,211.16
Bill	01/31/2016	2016016		2016016	7108.3 · Hydraulic Control-Engineering	310.00
Bill	01/31/2016	2016017		2016017	7108.32 · HCMP - Adaptive Mgmt Plan	5,752.50
Bill	01/31/2016	2016018		2016018	7108.31 · Hydraulic Control - PBHSP	21,803.60
Bill	01/31/2016	2016019		2016019	7202.2 · Engineering Svc	8,467.46
Bill	01/31/2016	2016020		2016020	7402 · PE4-Engineering	2,628.75
				Michael Carpenter	7403 · PE4-Contract Svcs	4,800.00
Bill	01/31/2016	2016021		2016021	7402.10 · PE4 - MZ1 Pomona Project	43,178.72
Bill	01/31/2016	2016022		2016022	7502 · PE6&7-Engineering	1,278.75
Bill	01/31/2016	2016023		2016023	6906.73 · OBMP-Safe Yield Recalculation	12,262.22
Bill	01/31/2016	2016024		2016024	6910.1 · IRP Groundwater Modeling - WEI	18,993.75

P53

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						225,923.16
Bill Pmt -Check	03/08/2016	19276	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
Bill	03/01/2016	08-k2 213849		Disposal Service - March 2016	6024 · Building Repair & Maintenance	111.57
TOTAL						111.57
Bill Pmt -Check	03/09/2016	19277	MAURIZIO, DANIELLE		1012 · Bank of America Gen'l Ckg	
Bill	03/08/2016			UPS reimbursement - Returned laptop	6042 · Postage - General	12.00
TOTAL						12.00
Bill Pmt -Check	03/09/2016	19278	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	01/31/2016	629374		629374	6907.44 · SGMA Compliance	3,368.70
Bill	01/31/2016	629375		629375	6907.42 · Safe Yield Recalculation	117,403.65
				Expenses	6907.42 · Safe Yield Recalculation	108.25
Bill	01/31/2016	629376		629376	6907.39 · Recharge Master Plan	1,962.90
Bill	01/31/2016	629377		629377	6071 · BHFS Legal - Court Coordination	1,359.45
				Expenses	6071 · BHFS Legal - Court Coordination	35.31
Bill	01/31/2016	629378		629378	8575 · BHFS Legal - Non-Ag Pool	1,568.25
Bill	01/31/2016	629379		629379	8475 · BHFS Legal - Agricultural Pool	1,568.25
Bill	01/31/2016	629380		629380	8375 · BHFS Legal - Appropriative Pool	1,568.25
Bill	01/31/2016	629381		629381	6375 · BHFS Legal - Board Meeting	4,017.60
				Expenses	6375 · BHFS Legal - Board Meeting	35.31
Bill	01/31/2016	629382		629382	6275 · BHFS Legal - Advisory Committee	1,185.75
				Expenses	6275 · BHFS Legal - Advisory Committee	35.31
Bill	01/31/2016	629383		629383	6907.36 · Santa Ana River Habitat	181.80
Bill	01/31/2016	629384		Personnel	6073 · BHFS Legal - Personnel Matters	7,866.00
				Contracts	6073 · BHFS Legal - Personnel Matters	729.00
				Alvarez-CalPERS	6073 · BHFS Legal - Personnel Matters	20.70
				Expenses	6073 · BHFS Legal - Personnel Matters	11.06
Bill	01/31/2016	629385		629385	6078 · BHFS Legal - Miscellaneous	6,763.95
				Expenses	6078 · BHFS Legal - Miscellaneous	198.20
TOTAL						149,987.69
Bill Pmt -Check	03/10/2016	19279	ACWA JOINT POWERS INSURANCE AUTHORITY	0399884	1012 · Bank of America Gen'l Ckg	
Bill	02/29/2016	0399884		Prepayment - April 2016	1409 · Prepaid Life, BAD&D & LTD	70.87
				March 2016	60191 · Life & Disab.Ins Benefits	106.38
TOTAL						177.25
Bill Pmt -Check	03/10/2016	19280	CORELOGIC INFORMATION SOLUTIONS	81665734	1012 · Bank of America Gen'l Ckg	
Bill	02/29/2016	81665734		81665734	7103.7 · Grdwtr Qual-Computer Svc	62.50

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
				81665734	7101.4 · Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	03/10/2016	19281	DIRECTV	019447404	1012 · Bank of America Gen'l Ckg	
Bill	03/07/2016	019447404		Final bill - service cancelled	6031.7 · Other Office Supplies	32.07
TOTAL						32.07
Bill Pmt -Check	03/10/2016	19282	MINDSHIFT	0212674	1012 · Bank of America Gen'l Ckg	
Bill	03/07/2016	0212674		Installation charge	6052.4 · mindSHIFT Technologies, Inc.	3,770.00
				Prorated monthly service 2/19/16-2/29/16	6052.4 · mindSHIFT Technologies, Inc.	1,432.60
TOTAL						5,202.60
Bill Pmt -Check	03/10/2016	19283	PAYCHEX	2016022500	1012 · Bank of America Gen'l Ckg	
Bill	02/29/2016	2016022500		February 2016	6012 · Payroll Services	456.19
TOTAL						456.19
Bill Pmt -Check	03/10/2016	19284	STAPLES BUSINESS ADVANTAGE	8038241336	1012 · Bank of America Gen'l Ckg	
Bill	02/27/2016	8038241336		Miscellaneous office supplies	6031.7 · Other Office Supplies	270.74
TOTAL						270.74
Bill Pmt -Check	03/10/2016	19285	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
Bill	02/27/2016	7076224530355049		February 2016	6175 · Vehicle Fuel	105.07
TOTAL						105.07
General Journal	03/12/2016	03/12/2016	Payroll and Taxes for 02/28/16-03/12/16	Payroll and Taxes for 02/28/16-03/12/16	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 02/28/16-03/12/16	1012 · Bank of America Gen'l Ckg	20,263.89
				Payroll Taxes for 02/28/16-03/12/16	1012 · Bank of America Gen'l Ckg	6,741.49
			ICMA-RC	457(f) Employee Deductions for 02/28/16-03/12/16	1012 · Bank of America Gen'l Ckg	3,390.52
			ICMA-RC	401(a) Employee Deductions for 02/28/16-03/12/16	1012 · Bank of America Gen'l Ckg	974.11
TOTAL						31,370.01
Check	03/15/2016	03/15/2016	Service Charge	Service Charge	1012 · Bank of America Gen'l Ckg	
				Service Charge	6039.1 · Banking Service Charges	408.09
TOTAL						408.09
Bill Pmt -Check	03/16/2016	ACH 031616	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	03/12/2016	16/03/03	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 02/28/16-03/12/16	2000 · Accounts Payable	5,524.82
TOTAL						5,524.82
Bill Pmt -Check	03/16/2016	19286	BOWCOCK, ROBERT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	02/25/2016	2/25 Board Mtg		2/25/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	03/16/2016	19287	BOWMAN, JIM	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	02/25/2016	2/25 Board Mtg		2/25/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	03/16/2016	19288	CURATALO, JAMES	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	02/08/2016	2/08 Admin Mtg		2/08/16 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	02/22/2016	2/22 Board Agenda		2/22/16 Board Agenda Preview Meeting	6311 · Board Member Compensation	125.00
Bill	02/25/2016	2/25 Board Mtg		2/25/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	03/16/2016	19289	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	02/18/2016	2/18 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00
				2/18/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
P56						
Bill Pmt -Check	03/16/2016	19290	ELIE, STEVEN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	02/18/2016	2/18 Admin Mtg		2/18/16 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	02/22/2016	2/22 Board Agenda		2/22/16 Board Agenda Preview Meeting	6311 · Board Member Compensation	125.00
Bill	02/24/2016	2/24 Admin Mtg		2/24/16 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	02/25/2016	2/25 Board Mtg		2/25/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	03/16/2016	19291	FEENSTRA, BOB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	02/11/2016	2/11 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				2/11/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	02/25/2016	2/25 Board Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				2/25/16 Board Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	03/16/2016	19292	HALL, PETE*	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	02/11/2016	2/11 Appro Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				2/11/16 Appropriative Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	02/11/2016	2/11 Non Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				2/11/16 Non Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	02/11/2016	2/11 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				2/11/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	02/18/2016	2/18 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
				2/18/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	02/18/2016	2/18 RIPCom Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				2/18/16 RIPCom Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	02/25/2016	2/25 Board Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				2/25/16 Board Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						750.00
Bill Pmt -Check	03/16/2016	19293	HOGAN LOVELLS	2967036	1012 · Bank of America Gen'l Ckg	
Bill	02/29/2016	2967036		Non-Ag Pool Legal Services - January 2016	8567 · Non-Ag Legal Service	10,346.59
TOTAL						10,346.59
Bill Pmt -Check	03/16/2016	19294	HUITSING, JOHN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	02/11/2016	2/11 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				2/11/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	03/16/2016	19295	KUHN, BOB	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	02/05/2016	2/05 Admin Mtg		2/05/16 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	02/11/2016	2/11 Appro Pool Mtg		2/11/16 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	02/25/2016	2/25 Board Mtg		2/25/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	03/16/2016	19296	PIERSON, JEFFREY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	02/11/2016	2/11 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				2/11/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	02/25/2016	2/25 Board Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				2/25/16 Board Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	03/16/2016	19297	R&D PEST SERVICES	0199446	1012 · Bank of America Gen'l Ckg	
Bill	03/10/2016	0199446		Pest control-ant and fleas	6024 · Building Repair & Maintenance	100.00
TOTAL						100.00
Bill Pmt -Check	03/16/2016	19298	THOMAS, THOMAS R.	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	02/25/2016	2/25 Board Mtg		2/25/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	03/16/2016	19299	VANDEN HEUVEL, GEOFFREY	6311	1012 · Bank of America Gen'l Ckg	
Bill	02/11/2016	2/11 Ag Pool mtg		2/11/16 Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	02/25/2016	2/25 Board Mtg		2/25/16 Board Meeting	6311 · Board Member Compensation	125.00

P57

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						250.00
Bill Pmt -Check	03/16/2016	19300	VANDEN HEUVEL, ROB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	02/11/2016	2/11 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				2/11/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	02/18/2016	2/18 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00
				2/18/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	03/25/2016	19301	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	02/29/2016	XXXX-XXXX-XXXX-9341		Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	286.06
				Purchase windshield wipers for field vehicles	6177 · Vehicle Repairs & Maintenance	115.48
				Purchase miscellaneous office supplies/toner	6031.7 · Other Office Supplies	474.24
				Purchase styrofoam coolers for HR use	6031.7 · Other Office Supplies	18.34
				Purchase door stoppers for office doors	6031.7 · Other Office Supplies	15.95
				Purchase software for office	6054 · Computer Software	177.00
				Purchase backup power supply for workstation	6055 · Computer Hardware	132.78
				Purchase backup power supply for workstation	6055 · Computer Hardware	132.78
				Purchase backup power supply for workstation	6055 · Computer Hardware	132.78
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	44.41
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	271.07
				Purchase lunch bag/cooler for HR use	6031.7 · Other Office Supplies	16.14
				Purchase outdoor antenna for office	6031.7 · Other Office Supplies	97.19
				Purchase wall bracket for tv for lunchroom	6031.7 · Other Office Supplies	34.99
				Hotel-PK-Feb. 7-8, 2016 GRA/SGMA-Sacramento	6191 · Conferences - General	383.54
				Purchase tv for office	6031.7 · Other Office Supplies	399.59
				Purchase key tags for keys for well locks	7104.6 · Grdwtr Level-Supplies	29.97
				Hotel fee for 2/17/16 Vistage Event	6191 · Conferences - General	102.82
				Purchase Amazon Prime Membership-office use	6111 · Membership Dues	106.92
				PK-meeting w/counsel-Court hearing on 2/26/16	6909.1 · OBMP Meetings	30.92
				Renew PK membership in GRA	6111 · Membership Dues	125.00
TOTAL						3,127.97
Bill Pmt -Check	03/29/2016	19302	FOOTHILL AUTO BODY	36252	1012 · Bank of America Gen'l Ckg	
Bill	03/29/2016	36252		Repair Expedition bumper	6177 · Vehicle Repairs & Maintenance	1,116.43
TOTAL						1,116.43
Bill Pmt -Check	03/29/2016	19303	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
Bill	02/29/2016	2016051		2016051	6906.31 · OBMP-Pool, Adv. Board Mtgs	6,678.29
Bill	02/29/2016	2016052		2016052	6906.32 · OBMP-Other General Meetings	2,884.98

P58

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	02/29/2016	2016053		2016053	6906.74 · OBMP-Mat'l Phy. Injury Requests	3,284.16
Bill	02/29/2016	2016054		2016054	6906.71 · OBMP-Data Req.-CBWM Staff	36,699.55
Bill	02/29/2016	2016055		2016055	6906.23 · SGMA Reporting Requirements	5,372.86
Bill	02/29/2016	2016056		2016056	6906 · OBMP Engineering Services	2,370.75
Bill	02/29/2016	2016057		2016057	6906.1 · OBMP-Watermaster Model Update	30,064.00
Bill	02/29/2016	2016058		2016058	7103.3 · Grdwtr Qual-Engineering	4,103.75
Bill	02/29/2016	2016059		2016059	7104.3 · Grdwtr Level-Engineering	13,996.15
Bill	02/29/2016	2016060		2016060	7107.2 · Grd Level-Engineering	1,528.75
Bill	02/29/2016	2016061		2016061	7107.2 · Grd Level-Engineering	4,075.18
				Parsons Brinckerhoff, Inc.	7107.6 · Grd Level-Contract Svcs	21,743.08
Bill	02/29/2016	2016062		2016062	7108.3 · Hydraulic Control-Engineering	178.75
Bill	02/29/2016	2016063		20196063	7108.3 · Hydraulic Control-Engineering	193.75
Bill	02/29/2016	2016064		2016064	7108.3 · Hydraulic Control-Engineering	3,979.00
Bill	02/29/2016	2016065		2016065	7108.32 · HCMP - Adaptive Mgmt Plan	957.50
Bill	02/29/2016	2016066		2016066	7108.31 · Hydraulic Control - PBHSP	1,636.25
Bill	02/29/2016	2016067		2016067	7109.3 · Recharge & Well - Engineering	6,293.25
Bill	02/29/2016	2016068		2016068	7202.2 · Engineering Svc	20,529.15
Bill	02/29/2016	2016069		2016069	7402 · PE4-Engineering	4,684.95
Bill	02/29/2016	2016070		2016070	7402.10 · PE4 - MZ1 Pomona Project	27,736.22
Bill	02/29/2016	2016071		2016071	7502 · PE6&7-Engineering	426.25
Bill	02/29/2016	2016072		2016072	6910.1 · IRP Groundwater Modeling - WEI	7,385.00
TOTAL						<u>206,801.57</u>
Bill Pmt -Check	03/30/2016	19304	BUSINESS TELECOMMUNICATION SYSTEMS IN 10541		1012 · Bank of America Gen'l Ckg	
Bill	03/25/2016	10541		Phone for filing room-vault area	6022 · Telephone	370.32
TOTAL						<u>370.32</u>
Bill Pmt -Check	03/30/2016	19305	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	03/16/2016	1394905143		1394905143	60182.1 · Medical Insurance	8,384.05
TOTAL						<u>8,384.05</u>
Bill Pmt -Check	03/30/2016	19306	CUCAMONGA VALLEY WATER DISTRICT	Lease due April 1, 2016	1012 · Bank of America Gen'l Ckg	
Bill	03/16/2016			Lease due April 1, 2016	1422 · Prepaid Rent	6,371.16
TOTAL						<u>6,371.16</u>
Bill Pmt -Check	03/30/2016	19307	GREAT AMERICA LEASING CORP.	18458778	1012 · Bank of America Gen'l Ckg	
Bill	03/25/2016	18458778		Invoice	6043.1 · Ricoh Lease Fee	3,285.31
TOTAL						<u>3,285.31</u>
Bill Pmt -Check	03/30/2016	19308	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	

P59

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	03/25/2016	0111802		Employee deductions - March 2016	60194 · Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	03/30/2016	19309	LEVEL 3 COMMUNICATIONS	42869646	1012 · Bank of America Gen'l Ckg	
Bill	03/25/2016	42869646		3/17/16-4/16/16	6053 · Internet Expense	1,086.23
TOTAL						1,086.23
Bill Pmt -Check	03/30/2016	19310	MINDSHIFT	0212690	1012 · Bank of America Gen'l Ckg	
Bill	03/14/2016	0212690		IT Services - March 2016 monthly services	6052.4 · mindSHIFT Technologies, Inc.	3,770.00
TOTAL						3,770.00
Bill Pmt -Check	03/30/2016	19311	SANDERS, LAURA		1012 · Bank of America Gen'l Ckg	
Bill	03/28/2016	2/26/16 Transcript		Transcript for 2/26/16 Court Hearing	6046 · Legal Publications/Services	204.00
TOTAL						204.00
Bill Pmt -Check	03/30/2016	19312	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	03/25/2016	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	618.93
TOTAL						618.93
Bill Pmt -Check	03/30/2016	19313	STAPLES BUSINESS ADVANTAGE	8038340955	1012 · Bank of America Gen'l Ckg	
Bill	02/29/2016	8038340955		Miscellaneous office supplies	6031.7 · Other Office Supplies	107.43
TOTAL						107.43
Bill Pmt -Check	03/30/2016	19314	STATE COMPENSATION INSURANCE FUND	1970970-15	1012 · Bank of America Gen'l Ckg	
Bill	03/25/2016	1970970-15		1970970-15	60183 · Worker's Comp Insurance	961.58
TOTAL						961.58
Bill Pmt -Check	03/30/2016	19315	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016				60182.4 · Retiree Medical	23.62
TOTAL						23.62
Bill Pmt -Check	03/30/2016	19316	UNITED HEALTHCARE	0040150896	1012 · Bank of America Gen'l Ckg	
Bill	03/25/2016	0040150896		Dental Insurance Premium - April 2016	60182.2 · Dental & Vision Ins	764.54
TOTAL						764.54
Bill Pmt -Check	03/30/2016	19317	VERIZON	012519128144592510	1012 · Bank of America Gen'l Ckg	
Bill	03/25/2016	012519128144592510		012519128144592510	6022 · Telephone	137.72
TOTAL						137.72
Bill Pmt -Check	03/30/2016	19318	VERIZON WIRELESS	9762055779	1012 · Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>	
Bill	03/25/2016	9762055779		9762055779	7103.7 · Grdwtr Qual-Computer Svc	100.06	
TOTAL						100.06	
Bill Pmt -Check	03/30/2016	19319	VERIZON WIRELESS	9761576819	1012 · Bank of America Gen'l Ckg		
Bill	03/14/2016	9761576819		9761576819	6022 · Telephone	274.58	
TOTAL						274.58	
General Journal	03/31/2016	03/31/2016	Payroll and Taxes for 03/13/16-03/26/16	Payroll and Taxes for 03/13/16-03/26/16	1012 · Bank of America Gen'l Ckg		
				Direct Deposit for 03/13/16-03/26/16	1012 · Bank of America Gen'l Ckg	20,392.69	
				Payroll Taxes for 03/13/16-03/26/16	1012 · Bank of America Gen'l Ckg	6,799.81	
			ICMA-RC	457(f) Employee Deductions for 03/13/16-03/26/16	1012 · Bank of America Gen'l Ckg	3,390.52	
			ICMA-RC	401(a) Employee Deductions for 03/13/16-03/26/16	1012 · Bank of America Gen'l Ckg	974.11	
TOTAL						31,557.13	
Bill Pmt -Check	03/31/2016	ACH 033116	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg		
General Journal	03/31/2016	16/03/06	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 03/13/16-03/26/16	2000 · Accounts Payable	5,524.82	
TOTAL						5,524.82	
P 6 1	General Journal	03/31/2016	03/31/2016	Wage Works FSA Direct Debits - Mar. 2016	Wage Works FSA Direct Debits - Mar. 2016	1012 · Bank of America Gen'l Ckg	
					Wage Works FSA Direct Debits - Mar. 2016	1012 · Bank of America Gen'l Ckg	115.00
					Wage Works FSA Direct Debits - Mar. 2016	1012 · Bank of America Gen'l Ckg	577.14
					Wage Works FSA Direct Debits - Mar. 2016	1012 · Bank of America Gen'l Ckg	-1,560.00
					Wage Works FSA Direct Debits - Mar. 2016	1012 · Bank of America Gen'l Ckg	577.14
					Wage Works FSA Direct Debits - Mar. 2016	1012 · Bank of America Gen'l Ckg	81.50
TOTAL						-209.22	
					Total Disbursements:	742,949.82	

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CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 26, 2016
TO: Board Members
SUBJECT: VISA Check Detail Report - Financial Report B2 (March 31, 2016)

SUMMARY

Issue: Record of VISA credit card payment disbursed for the month of March 31, 2016.

Recommendation: Receive and file VISA Check Detail Report for March 31, 2016 as presented.

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

Future Consideration

Watermaster Board: May 26, 2016; Receive and File (Normal Course of Business)

ACTIONS:

May 12, 2016 – Appropriative Pool – Unanimously approved
May 12, 2016 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
May 12, 2016 – Agricultural Pool – Unanimously approved
May 19, 2016 – Advisory Committee – Unanimously approved
May 26, 2016 – Watermaster Board –

BACKGROUND

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

DISCUSSION

The total cash disbursement during the month of March 2016 was \$3,127.97. The payment was processed by check number 19301 dated March 25, 2016. The monthly charges for March 2016 of \$3,127.97 were for routine and customary expenditures and properly documented with receipts.

ATTACHMENTS

1. Financial Report - B2

CHINO BASIN WATERMASTER
 VISA Check Detail Report
 March 2016

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	03/25/2016	19301	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	02/29/2016	XXXX-XXXX-XXXX-9341		Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	286.06
				Purchase windshield wipers for field vehicles	6177 · Vehicle Repairs & Maintenance	115.48
				Purchase miscellaneous office supplies/toner	6031.7 · Other Office Supplies	474.24
				Purchase styrofoam coolers for HR use	6031.7 · Other Office Supplies	18.34
				Purchase door stoppers for office doors	6031.7 · Other Office Supplies	15.95
				Purchase software for office	6054 · Computer Software	177.00
				Purchase backup power supply for workstation	6055 · Computer Hardware	132.78
				Purchase backup power supply for workstation	6055 · Computer Hardware	132.78
				Purchase backup power supply for workstation	6055 · Computer Hardware	132.78
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	44.41
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	271.07
				Purchase lunch bag/cooler for HR use	6031.7 · Other Office Supplies	16.14
				Purchase outdoor antenna for office	6031.7 · Other Office Supplies	97.19
				Purchase wall bracket for tv for lunchroom	6031.7 · Other Office Supplies	34.99
				Hotel-PK-Feb. 7-8, 2016 GRA/SGMA-Sacramento	6191 · Conferences - General	383.54
				Purchase tv for office	6031.7 · Other Office Supplies	399.59
				Purchase key tags for keys for well locks	7104.6 · Grdwtr Level-Supplies	29.97
				Hotel fee for 2/17/16 Vistage Event	6191 · Conferences - General	102.82
				Purchase Amazon Prime Membership-office use	6111 · Membership Dues	106.92
				PK-meeting w/counsel-Court hearing on 2/26/16	6909.1 · OBMP Meetings	30.92
				Renew PK membership in GRA	6111 · Membership Dues	125.00
				Total Disbursements:		<u>3,127.97</u>

P 6 5

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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: May 26, 2016
TO: Board Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2015 through March 31, 2016 - Financial Report B3 (March 31, 2016)

SUMMARY

Issue: Record of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2015 through March 31, 2016.

Recommendation: Receive and file Combining Schedule of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2015 through March 31, 2016 as presented.

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

Future Consideration

Watermaster Board: May 26, 2016; Receive and File (Normal Course of Business)

ACTIONS:

May 12, 2016 – Appropriative Pool – Unanimously approved
May 12, 2016 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
May 12, 2016 – Agricultural Pool – Unanimously approved
May 19, 2016 – Advisory Committee – Unanimously approved
May 26, 2016 – Watermaster Board –

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Net Assets for the period July 1, 2015 through March 31, 2016 is provided to keep all members apprised of the FY 2015/16 cumulative Watermaster revenues, expenditures and changes in net assets for the period listed.

DISCUSSION

The Combining Schedule of Revenue, Expenses and Changes in Net Assets 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 NET ASSETS
 FOR THE PERIOD JULY 1, 2015 THROUGH MARCH 31, 2016

Financial Report - B3

P 69

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUNDWATER OPERATIONS		LAIF VALUE ADJ.	GASB 68 BEG. NET POSITION	GRAND TOTALS	AMENDED BUDGET 2015-2016
			APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS				
Administrative Revenues:											
Administrative Assessments			3,569,781		151,739					3,721,520	8,934,215
Interest Revenue			16,606	1,384	120					18,110	22,050
Mutual Agency Project Revenue	157,349									157,349	157,941
Miscellaneous Income										-	0
Total Revenues	157,349	-	3,586,387	1,384	151,859	-	-	-	-	3,896,980	9,114,206
Administrative & Project Expenditures:											
Watermaster Administration	1,050,492									1,050,492	1,227,268
Watermaster Board-Advisory Committee	118,827									118,827	222,418
Ag Pool Misc. Expense - Ag Fund										-	400
Pool Administration			93,445	288,263	75,898					457,607	595,933
Optimum Basin Mgmt Administration		1,500,375								1,500,375	1,473,093
OBMP Project Costs		1,798,450								1,798,450	3,525,355
Debt Service		304,376								304,376	460,200
Basin Recharge Improvements		386,128								386,128	3,472,477
Mutual Agency Project Costs										-	10,000
Total Administrative/OBMP Expenses	1,169,318	3,989,328	93,445	288,263	75,898	-	-	-	-	5,616,254	10,987,144
Net Administrative/OBMP Expenses	(1,011,969)	(3,989,328)									
Allocate Net Admin Expenses To Pools			732,659	246,051	33,259					-	
Allocate Net OBMP Expenses To Pools		3,298,825	2,388,329	802,079	108,417					-	
Allocate Debt Service to App Pool		304,376	304,376							-	
Allocate Basin Recharge to App Pool		386,128	386,128							-	
Agricultural Expense Transfer*			1,336,393	(1,336,393)						-	
Total Expenses			5,241,330	-	217,574	-	-	-	-	5,616,254	10,987,144
Net Administrative Income			(1,654,943)	1,384	(65,715)	-	-	-	-	(1,719,274)	(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						4,198				4,198	0
MWD Water Purchases										-	0
Non-Ag Stored Water Purchases										-	0
Exhibit "G" Non-Ag Pool Water			2,540,000							2,540,000	0
MWD Water Purchases										-	0
Groundwater Replenishment			(2,540,000)							(2,540,000)	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)			-	-	-	4,198	-	-	-	4,198	0
Net Transfers To/(From) Reserves		(1,715,076)	(1,654,943)	1,384	(65,715)	4,198	-	-	-	(1,715,076)	(1,872,938)
Net Assets, July 1, 2015			6,346,620	481,130	69,774	1,388,080	158,251	3,446	(740,195)	7,707,106	
Net Assets, End of Period			4,691,677	482,514	4,059	1,392,278	158,251	3,446	(740,195)	5,992,030	5,992,030
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: May 26, 2016
TO: Board Members
SUBJECT: Treasurer's Report of Financial Affairs for the Period March 1, 2016 through March 31, 2016 - Financial Report B4 (March 31, 2016)

SUMMARY

Issue: Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of March 1, 2016 through March 31, 2016.

Recommendation: Receive and file Treasurer's Report of Financial Affairs for the Period March 1, 2016 through March 31, 2016 as presented.

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

Future Consideration

Watermaster Board: May 26, 2016; Receive and File (Normal Course of Business)

ACTIONS:

May 12, 2016 – Appropriative Pool – unanimously approved
May 12, 2016 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
May 12, 2016 – Agricultural Pool – Unanimously approved
May 19, 2016 – Advisory Committee – Unanimously approved
May 26, 2016 – Watermaster Board –

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period March 1, 2016 through March 31, 2016 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
MARCH 1, 2016 THROUGH MARCH 31, 2016**

Financial Report - B4

DEPOSITORIES:

Cash on Hand - Petty Cash			\$	500
Bank of America				
Governmental Checking-Demand Deposits	\$	468,018		
Zero Balance Account - Payroll	\$	-		468,018
Local Agency Investment Fund - Sacramento				7,388,927
TOTAL CASH IN BANKS AND ON HAND				\$ 7,857,446
TOTAL CASH IN BANKS AND ON HAND				8,573,671
				\$ (716,225)

PERIOD INCREASE (DECREASE)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable			\$	(6,614)
Assessments Receivable				(2,540,000)
Prepaid Expenses, Deposits & Other Current Assets				1,300
(Decrease)/Increase in Liabilities: Accounts Payable				2,603,813
Accrued Payroll, Payroll Taxes & Other Current Liabilities				70,597
Long Term Liabilities				1,659
Transfer to/(from) Reserves				(846,979)
PERIOD INCREASE (DECREASE)				\$ (716,225)

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 2/29/2016	\$ 500	\$ 109,244	\$ -	\$ 8,463,927	\$ 8,573,671
Deposits	-	1,103,285	-	-	1,103,285
Transfers	-	(118,790)	(89,893)	(1,075,000)	(1,283,683)
Withdrawals/Checks	-	(625,720)	89,893	-	(535,827)
Balances as of 3/31/2016	\$ 500	\$ 468,018	\$ -	\$ 7,388,927	\$ 7,857,446
PERIOD INCREASE OR (DECREASE)	\$ -	\$ 358,775	\$ -	\$ (1,075,000)	\$ (716,225)

P73

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
MARCH 1, 2016 THROUGH MARCH 31, 2016**

Financial Report - B4

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
3/11/2016	Withdrawal		\$ (575,000)				
3/30/2016	Withdrawal		\$ (500,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ (1,075,000)	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 0.46% was the effective yield rate at the Quarter ended March 31, 2016.

**INVESTMENT STATUS
March 31, 2016**

<u>Financial Institution</u>	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 7,388,927			
TOTAL INVESTMENTS	\$ 7,388,927			

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

P74



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 26, 2016
TO: Board Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2015 through March 31, 2016 -
Financial Report B5 (March 31, 2016)

SUMMARY

Issue: Record of revenues and expenses of Watermaster for the Period of July 1, 2015 through March 31, 2016.

Recommendation: Receive and file Budget vs. Actual Report for the Period July 1, 2015 through March 31, 2016 as presented.

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

Future Consideration

Watermaster Board: May 26, 2016; Receive and File (Normal Course of Business)

ACTIONS:

May 12, 2016 – Appropriative Pool – Unanimously approved
May 12, 2016 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
May 12, 2016 – Agricultural Pool – Unanimously approved
May 19, 2016 – Advisory Committee – Unanimously approved
May 26, 2016 – Watermaster Board –

BACKGROUND

A Budget vs. Actual Report for the period July 1, 2015 through March 31, 2016 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 – MARCH 2016

Year-To-Date (YTD) for the nine months ending March 31, 2016, all but six categories were at or below the projected budget. The categories over budget were Watermaster Legal Services expenses (6070's) which were over budget by \$45,821 or 27.6% as a result of increased miscellaneous legal expenses, additional personnel related expenses, and the unanticipated CCG Motion related legal expenses not budgeted for FY 2015/16; Training, Conferences and Seminars expenses (6190's) which were over budget by \$2,338 or 12.9% as a result of a membership in Vistage which provides leadership training and development which was not part of the original budget for FY 2015/16; Agricultural Legal Services expenses (8467) which were over budget by \$82,170 or 53.4% as a result of ongoing Safe Yield Redetermination and Reset efforts; Agricultural Pool Meeting Attendance expenses (8470's) which were over budget by \$5,950 or 35.7% as a result of the Agricultural Pool's Special Meetings which were not anticipated when the FY 2015/16 budget was developed; OBMP expenses (6900's) were over budget by \$333,259 or 30.1% as a result of engineering and legal services supporting the ongoing Safe Yield Redetermination and Reset efforts; and Production Monitoring expenses (7101's) which were over budget by \$16,326 or 38.5% 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, several of the above listed categories might level out over time and be within the budget levels.

Overall, the Watermaster (YTD) Actual Expenses were \$3,415,280 or 37.8% below the (YTD) Budgeted Expenses of \$9,031,534.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

July 2015:

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 – MARCH 2016

As of March 31, 2016, the total (YTD) Watermaster salary expenses were \$55,395 or 4.7% below the (YTD) budgeted amount of \$1,173,768. The overall staffing budget was developed with a staffing level of nine Full-Time Equivalents (FTE's), and staffing is currently at eight Full-Time Equivalents (FTE's).

Watermaster is currently in the process of filing two vacant positions. One position is the Office Specialist/Receptionist position which became vacant on April 6, 2016 with the resignation of the current employee, and the other position is the Water Resources professional. The Office Specialist/Receptionist position is being covered by a temporary employee until a suitable full time employee can be recruited and hired. Watermaster anticipates a new administrative professional could be hired within the next 4 to 6 weeks. Watermaster started the recruitment process for the Water Resources professional position on March 16, 2016. It is expected that the recruitment process could take between two to three months before a new hire to fill the Water Resources professional position would start.

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 March 31, 2016. Please be advised that the "\$ Over Budget" and the "% of Budget" columns are a comparison of the (YTD) Actual to the (YTD) Budget, not the 12-month Annual Budget. The 12-month Annual Budget column is presented only to provide the data in a full and complete format. The following details are provided:

	<u>Jul '15 - Mar '16</u> <u>Actual</u>	<u>Jul '15 - Mar '16</u> <u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>FY 2015/16</u> <u>Annual Budget</u>
WM Salary Expense					
6011 · WM Staff Salaries	660,642.53	636,669.00	23,973.53	103.77%	848,891.00
6017· Temporary Services	0.00	15,750.00	-15,750.00	0.0%	21,000.00
6017.2 · Office Specialist Services	7,385.46	0.00	7,385.46	100.0%	0.00
6201 · Advisory Committee - WM Staff Salaries	11,969.45	16,705.00	-4,735.55	71.65%	22,274.00
6301 · Watermaster Board - WM Staff Salaries	21,759.93	27,659.00	-5,899.07	78.67%	36,879.00
8301 · Appropriative Pool - WM Staff Salaries	24,056.20	22,289.00	1,767.20	107.93%	29,719.00
8401 · Agricultural Pool - WM Staff Salaries	15,532.33	19,567.00	-4,034.67	79.38%	26,090.00
8501 · Non-Agricultural Pool - WM Staff Salaries	13,574.14	11,680.00	1,894.14	116.22%	15,574.00
6901 · OBMP - WM Staff Salaries	94,773.12	93,532.00	1,241.12	101.33%	124,709.00
7101.1 · Production Monitor - WM Staff Salaries	58,173.84	41,848.00	16,325.84	139.01%	55,797.00
7102.1 · In-line Meter - WM Staff Salaries	4,322.76	6,910.00	-2,587.24	62.56%	9,212.00
7103.1 · Grdwater Quality - WM Staff Salaries	5,841.59	40,884.00	-35,042.41	14.29%	54,511.00
7104.1 · Grdwater Level - WM Staff Salaries	43,884.84	31,835.00	12,049.84	137.85%	42,447.00
7108.1 · Hydraulic Control - WM Staff Salaries	0.00	1,848.00	-1,848.00	0.0%	2,464.00
7108.11 · Prado Basin - WM Staff Salaries	3,587.65	6,228.00	-2,640.35	57.61%	8,305.00
7201 · Comp Recharge - WM Staff Salaries	44,268.35	33,194.00	11,074.35	133.36%	44,259.00
7301 · PE3&5 - WM Staff Salaries	0.00	11,169.00	-11,169.00	0.0%	14,892.00
7401 · PE4 - WM Staff Salaries	129.67	6,782.00	-6,652.33	1.91%	9,042.00
7501.1 · PE 6&7 - WM Staff Salaries (Plume)	0.00	5,057.00	-5,057.00	0.0%	6,743.00
7501 · PE6&7 - WM Staff Salaries	0.00	3,288.00	-3,288.00	0.0%	4,383.00
7601 · PE8&9 - WM Staff Salaries	0.00	9,173.00	-9,173.00	0.0%	12,231.00
Subtotal WM Staff Costs	<u>1,009,901.86</u>	<u>1,042,067.00</u>	<u>-32,165.14</u>	<u>96.91%</u>	<u>1,389,422.00</u>
60185 · Vacation	59,950.76	54,359.00	5,591.76	110.29%	72,479.00
60186 · Sick Leave	9,246.49	34,804.00	-25,557.51	26.57%	46,405.00
60187 · Holidays	39,273.50	42,538.00	-3,264.50	92.33%	46,405.00
Subtotal WM Paid Leaves	<u>108,470.75</u>	<u>131,701.00</u>	<u>-23,230.25</u>	<u>82.36%</u>	<u>165,289.00</u>
Total WM Salary Costs	<u>1,118,372.61</u>	<u>1,173,768.00</u>	<u>-55,395.39</u>	<u>95.28%</u>	<u>1,554,711.00</u>

PREVIOUSLY REPORTED ACTIONS (Descending Order)

February 2016:

Watermaster started the recruitment process for the Water Resources professional position on March 16, 2016. It is expected that the recruitment process could take between two to three months before a new hire would start.

January 2016:

Watermaster completed the recruiting process for the position of Field Operations Specialist which became vacant as of August 27, 2015. Rick Zapien started on Monday, January 4, 2016.

On September 16, 2015, Office Specialist/Receptionist was placed on Pregnancy Disability Leave (PDL) by her physician. Based upon the PDL leave and concurrently running FMLA leave, the employee was scheduled, and did return on Monday, February 22, 2016. During her absence, Watermaster utilized a temporary employee to perform the duties and responsibilities.

LEGAL SERVICES

BROWNSTEIN HYATT FARBER SCHRECK EXPENSES

CURRENT MONTH – MARCH 2016

As of March 31, 2016, 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 \$280,184 or 40.1% above the (YTD) budgeted amount of \$699,662. 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.

Budget Amendment Form (A-16-04-01) in the amount of \$250,000 is part of the Business Items this month. The amount of \$250,000 will be funded by the OBMP Budget Reserve as discussed in the following paragraph.

The Mid-Year Review presentation during the February 2016 meetings discussed the anticipated over budget of the Safe Yield Redetermination and Reset category. The presentation suggested that in the next few months a Budget Amendment would be proposed to add additional budget to this category and the funding would come from the FY 2015/16 OBMP Budget Reserves. The OBMP Budget Reserve amount is calculated at 15% of the OBMP Approved Budget which is \$715,363 ($\$4,769,087 \times 15\% = \$715,363$) for FY 2015/16.

WATERMASTER ADMINISTRATIVE LEGAL SERVICES:

Overall, the Watermaster Administrative Legal Services expense (6070's), as of March 31, 2016, was \$45,821 or 27.6% above the budgeted amount of \$165,812. 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 \$12,068 or 39.3%; Annotated Judgment (6072) under budget by \$30,112 or 100.0%; Interagency Issues (6074) under budget by \$22,950 or 100.0%; and the Party Status Maintenance (6077) under budget by \$21,066 or 97.9%. 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 \$32,633 or 96.0%; Miscellaneous (6078) over budget by \$96,303 or 363.2%; 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 December 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 (OAH Case No. 2014080757) was scheduled for November 16-18, 2015 at the Glendale CalPERS Regional Office. On September 28, 2015 the attorney for Mr. Alvarez (Mr. Jensen), at the suggestion of Mr. Kennedy, requested a short continuance of the OAH hearing because CalPERS has scheduled a full Board hearing on the claims of one of Mr. Jensen's clients for May 12, 2016 which is right in the middle of the three-day hearing scheduled for Mr. Alvarez's case. On October 9, 2015, an Order Granting Continuance; Notice of New Hearing Dates was provided by the State of California, Department of General Services, Office of Administrative Hearings. The administrative hearing was rescheduled for January 4-6, 2016 at the Glendale CalPERS Regional Office. On October 14, 2015 a Notice of Case Reassignment was received from the CalPERS providing notice that OAH Case No. 2014080757 has been reassigned from attorney Wesley Kennedy to Preet Kaur, Staff Attorney. On November 20, 2015, a Request for Continuance was issued from CalPERS to reschedule the hearing to either the period of April 4 through April 6, 2016 or April 11 through April 15, 2016. On December 11, 2015, an Order Granting Continuance; Notice of New Hearing Dates was issued from the State of California, Department of General Services, Office of Administrative Hearings to reschedule the hearing to April 11-13, 2016. The Administrative Hearing was held on April 11-13, 2016 at the Glendale CalPERS Regional Office. A ruling is scheduled for issuance by the Administrative Judge in July 2016.

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 March 31, 2016 was \$65,135 or 39.7% below the budgeted amount of \$164,075. 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. The Watermaster parties agreed that during the month of December 2015, the three Pools, the Advisory Committee and the Watermaster Board meetings would not be held, adding additional cost savings to this category.

OBMP LEGAL SERVICES:

The OBMP legal expenses (accounts 6907.31 through 6907.90) were above the budget for the month. As of March 31, 2016 the category of OBMP legal expenses were \$299,498 or 81.0% above the budgeted amount of \$369,775. The majority of expenses within this OBMP category were under budget (Y-T-D), however, the BHFS Safe Yield Redetermination and Reset legal expenses (6907.42) continue to increase and exceed the monthly budget. As of March 31, 2016, the Safe Yield Redetermination and Reset legal expenses were \$495,703 or 479.9% above the budgeted amount of \$103,300. It should be noted that the 12-month annual legal budget for the Safe Yield Redetermination and Reset category was approved at an amount of \$103,300 and anticipated to be allocated within the first six months of the 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.

A Budget Amendment Form (A-16-04-01) in the amount of \$250,000 is part of the Business Items this month. The amount of \$250,000 will be funded by the OBMP Budget Reserve.

The table listed below summarizes the Brownstein Hyatt Farber Schreck (BHFS) expenses as of March 31, 2016 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 - Mar '16 Actual	Jul '15 - Mar '16 Budget	\$ Over Budget	% of Budget	FY 2015/16 Annual Budget
6070 · Watermaster Legal Services					
6071 · BHFS Legal - Court Coordination	18,645.41	30,713.00	-12,067.59	60.71%	40,950.00
6072 · BHFS Legal - Annotated Judgment	0.00	30,112.00	-30,112.00	0.0%	40,150.00
6073 · BHFS Legal - Personnel Matters	66,633.13	34,000.00	32,633.13	195.98%	80,700.00
6074 · BHFS Legal - Interagency Issues	0.00	22,950.00	-22,950.00	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	459.00	21,525.00	-21,066.00	2.13%	28,700.00
6078 · BHFS Legal - Miscellaneous (Note 1)	122,815.48	26,512.00	96,303.48	463.25%	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	211,632.84	165,812.00	45,820.84	127.63%	256,450.00
6275 · BHFS Legal - Advisory Committee	11,940.11	15,300.00	-3,359.89	78.04%	20,400.00
6375 · BHFS Legal - Board Meeting	49,805.72	79,925.00	-30,119.28	62.32%	106,565.00
8375 · BHFS Legal - Appropriative Pool	12,646.90	22,950.00	-10,303.10	55.11%	30,600.00
8475 · BHFS Legal - Agricultural Pool	12,024.68	22,950.00	-10,925.32	52.4%	30,600.00
8575 · BHFS Legal - Non-Ag Pool	12,522.80	22,950.00	-10,427.20	54.57%	30,600.00
Total BHFS Legal Services	98,940.21	164,075.00	-65,134.79	60.3%	218,765.00
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	18,375.00	-18,375.00	0.0%	24,500.00
6907.32 · Chino Airport Plume	0.00	18,375.00	-18,375.00	0.0%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	36,675.00	-36,675.00	0.0%	48,900.00
6907.34 · Santa Ana River Water Rights	3,053.35	18,975.00	-15,921.65	16.09%	25,300.00
6907.36 · Santa Ana River Habitat	964.80	14,775.00	-13,810.20	6.53%	19,700.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	10,762.50	-10,762.50	0.0%	14,350.00
6907.39 · Recharge Master Plan	9,764.05	51,075.00	-41,310.95	19.12%	68,100.00
6907.40 · Storage Agreements	535.50	64,575.00	-64,039.50	0.83%	86,100.00
6907.41 · Prado Basin Habitat Sustainability	6,240.15	10,762.50	-4,522.35	57.98%	14,350.00
6907.42 · Safe Yield Recalculation	599,002.64	103,300.00	495,702.64	579.87%	103,300.00
6907.44 · SGMA Compliance	49,712.75	0.00	49,712.75	100.0%	0.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	22,125.00	-22,125.00	0.0%	29,500.00
Total 6907 · WM Legal Counsel	669,273.24	369,775.00	299,498.24	181.0%	458,600.00
Total Brownstein, Hyatt, Farber, Schreck Costs	979,846.29	699,662.00	280,184.29	140.05%	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; (12) Review and draft documents for basin boundary regulations; and (13) Miscellaneous legal research on current and pending issues.

OBMP ENGINEERING SERVICES AND LEGAL COSTS

CURRENT MONTH – MARCH 2016

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 nine month period ending March 31, 2016, the actual expenses of \$1,440,372 were above the budgeted amount of \$1,107,113 by \$333,259 or 30.1%. For a detailed discussion, the following is provided.

For March 31, 2016, the accounts 6901-6903 (Optimum Basin Mgmt Program) section was above the Year-To-Date (YTD) budget by \$900 or 0.8%. 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 \$1,241 or 1.3%. 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 March 31, 2016.

For March 31, 2016, the accounts 6906 (Optimum Basin Mgmt Program Engineering Services) section was above the Year-To-Date (YTD) budget by \$39,776 or 6.4%. 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 March 2016, there were expenses of \$5,891 charged to the OBMP-Safe Yield Redetermination and Reset expenses. As of the Year-To-Date (YTD), this account was over budget by \$97,575 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 \$545,416 while some other line item activities were below the budget by \$245,918. Above the budget line items were the Safe Yield Redetermination and Reset of \$495,703; and the SGMA Compliance of \$49,713. Please note the SGMA Compliance is a new GL account created in January 2016 to capture these costs. The individual legal projects/activities that were below budget for the Year-To-Date (YTD) period were the Archibald South Plume of \$18,375; the Chino Airport Plume of \$18,375; the Desalter/Hydraulic Control of \$36,675; the Santa Ana River Water Rights of \$15,922; the Santa Ana River Habitat of \$13,810; the Regional Water Quality Control Board of \$10,763; the Recharge Master Plan of \$41,311; Storage Agreements of \$64,040; the Prado Basin Habitat Sustainability of \$4,522; and the WM Unanticipated of \$21,125. For the nine months ended March 31, 2016, the overall cumulative (YTD) budget was \$369,775 and the actual (BHFS) legal expenses totaled \$669,273 which resulted in an over budget variance of \$299,498 or 81.0%.

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 Mid-Year Review presentation during the February 2016 meetings discussed the anticipated over budget of the Safe Yield Redetermination and Reset category. This month, a Budget Amendment Form (A-16-04-01) is being proposed to add additional budget of \$250,000 to this category and the funding would come from the FY 2015/16 OBMP Budget Reserves. The OBMP Budget Reserve amount is calculated at 15% of the OBMP Approved Budget which is \$715,363 ($\$4,769,087 \times 15\% = \$715,363$) for FY 2015/16.

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 March 31, 2016 this category of expenses was \$6,915 or 68.3% below the budgeted amount of \$10,125.

The Integrated Resource Plan expenses (6910's); the Preparation of a Compliance Demonstration for Stormwater Recharge expenses (6910's); as needed Support for Obtaining Grant Funding of RMPU Projects expenses (6910's); and Ground Water Velocity Field for the San Sevaine Improvement Project expenses (6910's) are billed directly to IEUA on the following month once the payment has been issued to Wildermuth Environmental, Inc. per the agreement. As of March 31, 2016 this category of expenses was fully invoiced to IEUA in the amount of \$81,655

Overall, the Optimum Basin Management Program (OBMP) category was \$1,440,372 compared to a (YTD) budget of \$1,107,113 for an over budget of \$333,259 or 30.1% as of March 31, 2016.

The table listed below summarizes the Optimum Basin Management Program (OBMP) expenses as of March 31, 2016 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 - Mar '16 Actual	Jul '15 - Mar '16 Budget	\$ Over Budget	% of Budget	FY 2015/16 Annual Budget
6900 · Optimum Basin Mgmt Plan					
6901 · WM Staff Salaries	94,773.12	93,532.00	1,241.12	101.33%	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	106,932.12	106,032.00	900.12	100.85%	137,209.00
6906 · OBMP Engineering Services					
6906.1 · OBMP - Watermaster Model Update	250,406.55	279,340.00	-28,933.45	89.64%	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	15,593.75	18,302.99	-2,709.24	85.2%	24,404.00
6906.23 · SGMA Reporting Requirements	19,729.38	13,044.01	6,685.37	151.25%	17,392.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	56,113.11	65,744.25	-9,631.14	85.35%	87,659.00
6906.32 · OBMP - Other General Meetings	20,515.60	24,657.75	-4,142.15	83.2%	32,877.00
6906.33 · OBMP - App. Pool Issue Resolution	0.00	41,223.00	-41,223.00	0.0%	54,964.00
6906.71 · OBMP - Data Requests - CBWM Staff	154,286.60	48,048.00	106,238.60	321.11%	64,064.00
6906.72 · OBMP - Data Requests - Non CBWM	8,094.25	28,656.00	-20,561.75	28.25%	38,208.00
6906.73 · OBMP - Safe Yield Recalculation	97,575.33	0.00	97,575.33	100.0%	0.00
6906.74 · OBMP - Mat'l Phy. Injury Requests	5,324.16	82,725.00	-77,400.84	6.44%	110,300.00
6906 · OBMP Engineering Services - Other	33,318.25	19,440.00	13,878.25	171.39%	25,920.00
Total 6906 · OBMP Engineering Services	660,956.98	621,181.00	39,775.98	106.4%	735,128.00
6907 · OBMP Legal Fees					
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	18,375.00	-18,375.00	0.0%	24,500.00
6907.32 · Chino Airport Plume	0.00	18,375.00	-18,375.00	0.0%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	36,675.00	-36,675.00	0.0%	48,900.00
6907.34 · Santa Ana River Water Rights	3,053.35	18,975.00	-15,921.65	16.09%	25,300.00
6907.36 · Santa Ana River Habitat	964.80	14,775.00	-13,810.20	6.53%	19,700.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	10,762.50	-10,762.50	0.0%	14,350.00
6907.39 · Recharge Master Plan	9,764.05	51,075.00	-41,310.95	19.12%	68,100.00
6907.40 · Storage Agreements	535.50	64,575.00	-64,039.50	0.83%	86,100.00
6907.41 · Prado Basin Habitat Sustainability	6,240.15	10,762.50	-4,522.35	57.98%	14,350.00
6907.42 · Safe Yield Recalculation	599,002.64	103,300.00	495,702.64	579.87%	103,300.00
6907.44 · SGMA Compliance	49,712.75	0.00	49,712.75	100.0%	0.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	22,125.00	-22,125.00	0.0%	29,500.00
Total 6907 · WM Legal Counsel	669,273.24	369,775.00	299,498.24	181.0%	458,600.00
Total 6907 · OBMP Legal Fees	669,273.24	369,775.00	299,498.24	181.0%	458,600.00
6909 · OBMP Other Expenses					
6909.1 · OBMP Meetings	1,894.55	1,125.00	769.55	168.4%	1,500.00
6909.3 · Other OBMP Expenses	1,315.00	1,500.00	-185.00	87.67%	2,000.00
6909.6 · OBMP Expenses - Miscellaneous	0.00	7,500.00	-7,500.00	0.0%	10,000.00
Total 6909 · OBMP Other Expenses	3,209.55	10,125.00	-6,915.45	31.7%	13,500.00
6910 · Integrated Resource Plan					
6910.10 · IRP Groundwater Modeling - WEI	33,814.00	0.00	33,814.00	100.0%	0.00
6910.11 · WEI Support-Grant Funding-RMPU	11,961.25	0.00	11,961.25	100.0%	0.00
6910.12 · WEI Support-Stormwater Recharge	35,495.75	0.00	35,495.75	100.0%	0.00
6910.13 · IEUA-San Sevaime Improvement Project	384.00	0.00	384.00	100.0%	0.00
6910.15 · IRP Groundwater Modeling - IEUA	-81,655.00	0.00	-81,655.00	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	1,440,371.89	1,107,113.00	333,258.89	130.1%	1,344,437.00

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

CURRENT MONTH – MARCH 2016

As of March 31, 2016, the total (YTD) Engineering Services expenses were \$467,143 or 21.7% below the (YTD) budget amount of \$2,156,032. The OBMP Implementation Projects (consolidated accounts 7100's – 7700's) were all (Under) budget as of March 31, 2016.

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

The Third quarter ECAC report is scheduled to be issued in mid-May 2016 for the period January 2016 through March 2016. Watermaster does not plan to present any Budget Transfers or Budget Amendments regarding the Engineering Services at this time.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

February 2015:

The Second quarter ECAC report was provided as part of the FY 2015/16 Mid-Year Review during the February 2016 meetings. The ECAC report for the period ending December 31, 2015 showed a projected under budget of \$19,870. Watermaster does not plan to present any Budget Transfers or Budget Amendments at this time.

November 2015:

The First quarter ECAC report for the current fiscal year has been provided for the period ending September 30, 2015 and showed a projected over budget of \$30,411. The Second quarter ECAC report is scheduled to be issued in mid-February 2016 for the period July 2015 through December 2015.

July 2015:

The breakdown of the total FY 2015/16 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 March 31, 2016. 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 - Mar '16	Jul '15 - Mar '16			FY 2015/16
	Actual	Budget	\$ Over Budget	% of Budget	Annual Budget
6906 · OBMP Engineering Services - Other	33,318.25	19,440.00	13,878.25	171.39%	25,920.00
6906.1 · OBMP - Watermaster Model Update	250,406.55	279,340.00	-28,933.45	89.64%	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	15,593.75	18,302.99	-2,709.24	85.2%	24,404.00
6906.23 · SGMA Reporting Requirements	19,729.38	13,044.01	6,685.37	151.25%	17,392.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	56,113.11	65,744.25	-9,631.14	85.35%	87,659.00
6906.32 · OBMP - Other General Meetings	20,515.60	24,657.75	-4,142.15	83.2%	32,877.00
6906.33 · OBMP - App. Pool Issue Resolution	0.00	41,223.00	-41,223.00	0.0%	54,964.00
6906.71 · OBMP - Data Requests - CBWM Staff	154,286.60	48,048.00	106,238.60	321.11%	64,064.00
6906.72 · OBMP - Data Requests - Non CBWM	8,094.25	28,656.00	-20,561.75	28.25%	38,208.00
6906.73 · OBMP - Safe Yield Recalculation	97,575.33	0.00	97,575.33	100.0%	0.00
6906.74 · OBMP - Mat'l Physical Injury Requests	5,324.16	82,725.00	-77,400.84	6.44%	110,300.00
7103.3 · Grdwtr Qual-Engineering	82,314.84	90,387.00	-8,072.16	91.07%	120,516.00
7103.5 · Grdwtr Qual-Lab Svcs	48,037.00	29,403.75	18,633.25	163.37%	39,205.00
7104.3 · Grdwtr Level-Engineering	127,468.03	132,322.50	-4,854.47	96.33%	176,430.00
7104.8 · Grdwtr Level-Contracted Services	0.00	7,500.00	-7,500.00	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equipment	0.00	5,250.00	-5,250.00	0.0%	7,000.00
7107.2 · Grd Level-Engineering	37,515.69	44,713.50	-7,197.81	83.9%	56,347.00
7107.3 · Grd Level-SAR Imagery	29,000.00	63,750.00	-34,750.00	45.49%	85,000.00
7107.6 · Grd Level-Contract Svcs	106,221.78	121,986.75	-15,764.97	87.08%	151,059.00
7107.8 · Grd Level-Capital Equipment	0.00	4,200.00	-4,200.00	0.0%	5,600.00
7108.3 · Hydraulic Control-Engineering	29,512.70	37,476.00	-7,963.30	78.75%	49,968.00
7108.31 · Hydraulic Control-PBHSP	89,210.95	99,891.25	-10,680.30	89.31%	129,146.00
7108.32 · Hydraulic Control-Adaptive Mgmt Plan	52,153.22	43,176.00	8,977.22	120.79%	43,176.00
7108.4 · Hydraulic Control-Lab Svcs	6,496.00	18,810.75	-12,314.75	34.53%	25,081.00
7108.41 · Hydraulic Control-PBHSP	34,534.00	45,818.50	-11,284.50	75.37%	49,096.00
7108.6 · Hydraulic Control-Outside Professionals	0.00	67,500.00	-67,500.00	0.0%	90,000.00
7108.7 · Hydraulic Control-Prado Basin Habitat	4,428.00	0.00	4,428.00	100.0%	0.00
7109.3 · Recharge & Well - Engineering	10,196.75	14,900.25	-4,703.50	0.0%	19,867.00
7202.2 · Comp Recharge-Engineering Services	69,867.84	119,628.00	-49,760.16	58.4%	159,504.00
7303 · PE3&5-Engineering - Other	0.00	17,538.00	-17,538.00	0.0%	23,384.00
7402 · PE4-Engineering	39,131.88	63,531.00	-24,399.12	61.6%	84,708.00
7402.10 · PE4-MZ1 Pomona Project	211,296.84	379,691.25	-168,394.41	55.65%	506,255.00
7403 · PE4-Contract Svcs	11,000.00	15,000.00	-4,000.00	73.33%	20,000.00
7502 · PE6&7-Engineering	25,009.75	64,130.00	-39,120.25	39.0%	81,840.00
7602 · PE8&9-Engineering	14,536.00	48,246.00	-33,710.00	30.13%	64,328.00
Total Engineering Services Costs	1,688,888.25	2,156,031.50	-467,143.25	78.33%	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 March 31, 2016:

	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 - Mar. 2016	\$ 4,428.00	\$ (2,214.00)	\$ -	\$ 2,214.00	30.00	\$ 3,587.65
Totals	\$ 356,377.56	\$ (178,188.78)	\$ 6,750.01	\$ 184,938.79	172.00	\$ 18,697.23
	7108.7	7108.71, 7108.72	7108.75			7108.11

OTHER INCOME AND EXPENSE

There were no other significant items to report within the category of Other Income and Expenses for the month ending March 31, 2016.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

July 2015:

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.

"CARRY OVER" FUNDING

CURRENT MONTH – MARCH 2016

As of March 31, 2016, the total (YTD) amount remaining of the "Carried Over" funding is \$1,471,243.40 (\$1,872,937.85 - \$401,694.45 = \$1,471,243.40). The following details are provided:

"Carried Over" Expenses At June 30, 2015

			GL Account		
Printing - Annual Report	\$ 5,000.00	A	6045	FY 2014/15	ADM
Rauch Communication Consultants - Annual Report	\$ 15,000.00	B	6061.3	FY 2014/15	ADM
Ground Level Monitoring - Engineering	\$ 9,813.00	C	7107.2 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 2013/14	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	7108.32 ³	FY 2014/15	ENG
Jurupa Pumping Station (TO #5)	\$ 37,981.33	I	7209.1	FY 2013/14	PROJ
Wineville Basin Proof of Concept (TO #6)	\$ 35,397.53	J	7209.2	FY 2013/14	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 2013/14	PROJ
San Sevaine Recharge Improvement Project (TO #8)	\$ 300,000.00	M	7690.4	FY 2013/14	PROJ
San Sevaine Recharge Improvement Project (TO #8)	\$ 175,000.00	M	7690.4	FY 2014/15	PROJ
CB20 Turnout Noise Abatement Project	\$ 58,193.00	N	7690.5	FY 2011/12	PROJ
CB20 Turnout Noise Abatement Project	\$ 21,807.00	N	7690.5	FY 2013/14	PROJ
GWR SCADA Upgrades (TO #4)	\$ 45,700.00	O	7690.61	FY 2013/14	PROJ
GWR SCADA Upgrades (TO #4)	\$ 337,500.00	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)

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
Hydraulic Control Monitoring Lab Services - PBHSP	\$ (9,820.00)	G	7108.41 ²	FY 2014/15	ENG
Hydraulic Control Monitoring - Adaptive Mgmt Plan	\$ (33,000.00)	H	7108.32 ³	FY 2014/15	ENG
San Sevaine Recharge Improvement Project (TO #8)	\$ (111,118.08)	M	7690.4	FY 2014/15	PROJ
CB20 Turnout Noise Abatement Project	\$ (25,207.74)	N	7690.5	FY 2014/15	PROJ
GWR SCADA Upgrades (TO #4)	\$ (56,514.47)	O	7690.61	FY 2014/15	PROJ
SCADA Communication Upgrades (TO #3)	\$ (97,034.16)	P	7690.62	FY 2014/15	PROJ
Lower Day Basin RMPU (TO #2)	\$ (49,000.00)	R	7690.8	FY 2014/15	PROJ
Updated Balance as of February 29, 2016	\$ 1,471,243.40				

¹ Long-Term Pumping Test

³ Adaptive Management Plan

² Prado Basin Habitat Sustainability Program monitoring program

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 1, 2016. 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 June 30, 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 2015/16

Auditors from the audit firm of Fedak & Brown, LLP were onsite at the Watermaster offices on March 28, 2016. This was the start of the interim field work for the period of July 1, 2015 through January 31, 2016. The final field work for the period of February 1, 2016 through June 30, 2016 is planned for August 2016, with the Annual Financial and Audit Reports presented to the Watermaster Board at the November 17, 2016 Board meeting. The Annual Financial and Audit Reports for FY 2015/16 will be posted to the Watermaster website in December 2016.

FY 2014/15

Auditors from the audit firm of Fedak & Brown LLP were onsite at the Watermaster offices on August 10 and August 11, 2015. 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. On November 19, 2015, the Senior Manager of Fedak & Brown, LLP presented the Annual Financial and Audit Reports to the Watermaster Board. The Annual Financial and Audit Reports for FY 2014/15 were posted to the Watermaster website on November 23, 2015.

FY 2015/16 EXHIBIT "G" NON-AGRICULTURAL POOL SALE OF WATER

Pursuant to Exhibit "G" of the Restated Judgment, members of the Overlying (Non-Agricultural) Pool may annually transfer water to members of the Appropriative Pool through a Watermaster clearinghouse process. Watermaster purchases water from the Overlying (Non-Agricultural) Pool members, which Watermaster then transfers to the members of the Appropriative Pool based on the prescribed process. Members of the Appropriative Pool purchasing water through the process must complete their payments to Watermaster by June 30 of the fiscal year. Watermaster has determined that California Steel Industries, Inc. (CSI), California Speedway Corporation (Auto Club Speedway), and NRG CA South, LP are in compliance with Restated Judgment, Exhibit "G" ¶9(g), authorizing 2015-2016 Exhibit "G" Physical Solution Transfers.

The invoices to the eleven Appropriators who purchased Exhibit "G" water from the Non-Agricultural Pool were issued on March 25, 2016 totaling \$2,540,000. Once Watermaster has received all of the payments from the Appropriators and those payments have cleared the bank, Watermaster will issue payment to California Steel Industries, Inc. (CSI) in the amount of \$1,270,000 (2,500,000 AF x \$508.00 = \$1,270,000); California Speedway Corporation (Auto Club Speedway) in the amount of \$508,000 (1,000,000 AF x \$508.00 = \$508,000); and NRG CA South, LP in the amount of \$762,000 (1,500,000 AF x \$508.00 = \$762,000).

ASSESSMENT INVOICING

CURRENT MONTH – MARCH 2016

With the Safe Yield Redetermination and Reset court hearing date changed from May 6, 2016 to June 10, 2016, Watermaster will be issuing the FY 2015/16 Assessment Package (Production Year FY 2014/15) during the month of June 2016. If the Assessment Package is approved at the Watermaster Board meeting scheduled for June 23, 2016 the assessment invoices would be emailed to the parties on the same day. Payment would be due to Watermaster 30 days from the invoice date of June 23, 2016.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

February 2015:

As discussed during the FY 2015/16 Mid-Year Review during the February 2016 meetings, if the Safe Yield Redetermination and Reset is resolved and completed during the April 8, 2016 court hearing, the FY 2015/16 Assessment Package (Production Year FY 2014/15) could be completed and presented in the June or July 2016 timeframe. If the Assessment invoices were then issued in July 2016, payment would be due to Watermaster in August 2016. As presented during the FY 2015/16 Mid-Year Review, Watermaster projects the current cash flow could sustain Watermaster until late September 2016.

December 2015:

Due to the Safe Yield Reset process this year, and the effects that it had on the Assessment Package, production of the Assessment Package was delayed. The Assessment Package will not be produced until the Court has considered the Safe Yield Reset Agreement, which is expected in a few months. However, Watermaster cannot wait until that time to collect assessments, as the funds will be needed sooner than that in order to keep Watermaster operational.

On November 19, 2015 the Watermaster Board approved staff's recommendation for collection of an interim partial assessment based upon fifty percent of last year's Appropriative Pool Admin and OBMP assessments, including those paid on behalf of the Agricultural Pool, in addition to fifty percent of last

year's Recharge Debt and Recharge Improvement assessments, and to collect fifty percent of last year's Non-Ag Pool Admin and OBMP assessments. The balance, accounting for the interim assessment, would be collected when the Assessment Package is produced, following consideration of the Safe Yield Reset Agreement by the Court. Note that if a Party has an amount due of less than \$500 (including special assessments), collection was deferred until the final assessment invoice later in the fiscal year.

Included as part of the interim assessment invoicing, the Non-Agricultural Pool had a Special Assessment of \$60,000 as approved during a Confidential Session on November 12, 2015. The \$60,000 was allocated to the Non-Agricultural Pool members based upon the tentative actual production numbers from 2014/15 and will be adjusted once all Water Activity Reports (WARs) have been received.

The Watermaster staff issued and emailed the "interim" Assessment invoices on Thursday, November 19, 2015. The Assessment invoices were due 30 days from invoice date, on or before Monday, December 21, 2015. New for this payment cycle is the ability for parties to pay their invoice either by check or by wire transfer.

All "interim" Assessment invoice payments have been received.

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				9/12th (75%) of the Total Budget				100% of the Total Budget			
	For The Month of March 2016				Year-To-Date as of March 31, 2016				Fiscal Year End as of June 30, 2016			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
Income												
4010 · Local Agency Subsidies	0.00	0.00	0.00	0.0%	157,349.47	157,941.00	-591.53	99.63%	157,349.47	157,941.00	-591.53	99.63%
4110 · Admin Asmnts-Approp Pool	0.00	0.00	0.00	0.0%	3,569,781.01	8,637,418.00	-5,067,636.99	41.33%	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%	151,739.47	296,797.00	-145,057.53	51.13%	296,797.00	296,797.00	0.00	100.0%
4700 · Non Operating Revenues	8,011.61	5,512.00	2,499.61	145.35%	18,110.07	16,537.00	1,573.07	109.51%	24,146.00	22,050.00	2,096.00	109.51%
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	8,011.61	5,512.00	2,499.61	145.35%	3,896,980.02	9,108,693.00	-5,211,712.98	42.78%	9,115,710.47	9,114,206.00	1,504.47	100.02%
Gross Profit	8,011.61	5,512.00	2,499.61	145.35%	3,896,980.02	9,108,693.00	-5,211,712.98	42.78%	9,115,710.47	9,114,206.00	1,504.47	100.02%
Expense												
6010 · Admin. Salary/Benefit Costs	71,441.86	73,134.00	-1,692.14	97.69%	658,268.61	661,843.00	-3,574.39	99.46%	877,531.46	880,591.00	-3,059.54	99.65%
6020 · Office Building Expense	9,922.89	9,590.00	332.89	103.47%	78,064.96	83,569.00	-5,504.04	93.41%	105,814.08	110,381.00	-4,566.92	95.86%
6030 · Office Supplies & Equip.	1,907.32	3,130.00	-1,222.68	60.94%	19,315.68	24,670.00	-5,354.32	78.3%	30,638.84	32,560.00	-1,921.16	94.1%
6040 · Postage & Printing Costs	7,739.36	3,953.00	3,786.36	195.78%	39,159.50	46,874.00	-7,714.50	83.54%	59,445.16	60,032.00	-586.84	99.02%
6050 · Information Services	16,516.67	12,320.00	4,196.67	134.06%	93,916.52	102,630.00	-8,713.48	91.51%	129,001.54	131,840.00	-2,838.46	97.85%
6060 · Contract Services	6,357.00	0.00	6,357.00	100.0%	30,572.75	55,600.00	-25,027.25	54.99%	54,381.50	55,600.00	-1,218.50	97.81%
6070 · Watermaster Legal Services	26,659.90	19,647.00	7,012.90	135.7%	211,632.84	165,812.00	45,820.84	127.63%	267,114.14	256,450.00	10,664.14	104.16%
6080 · Insurance	0.00	0.00	0.00	0.0%	26,083.25	26,776.00	-692.75	97.41%	27,583.25	27,916.00	-332.75	98.81%
6110 · Dues and Subscriptions	306.00	500.00	-194.00	61.2%	19,016.72	20,585.00	-1,568.28	92.38%	20,842.60	21,335.00	-492.40	97.69%
6140 · WM Admin Expenses	0.00	375.00	-375.00	0.0%	1,407.28	2,175.00	-767.72	64.7%	2,400.66	2,700.00	-299.34	88.91%
6150 · Field Supplies	142.53	0.00	142.53	100.0%	828.11	1,450.00	-621.89	57.11%	1,117.20	1,450.00	-332.80	77.05%
6170 · Travel & Transportation	2,498.74	2,850.00	-351.26	87.68%	17,196.78	19,240.00	-2,043.22	89.38%	22,456.22	25,320.00	-2,863.78	88.69%
6190 · Training, Conferences, Seminars	1,995.00	0.00	1,995.00	100.0%	20,480.16	18,142.00	2,338.16	112.89%	27,640.06	22,400.00	5,240.06	123.39%
6200 · Advisory Comm - WM Board	2,029.37	3,582.00	-1,552.63	56.66%	23,948.17	32,755.00	-8,806.83	73.11%	34,104.56	43,674.00	-9,569.44	78.09%
6300 · Watermaster Board Expenses	11,776.79	14,802.00	-3,025.21	79.56%	94,878.74	134,059.00	-39,180.26	70.77%	137,526.70	178,744.00	-41,217.30	76.94%
8300 · Appr PI-WM & Pool Admin	60,619.67	11,262.00	49,357.67	538.27%	93,445.47	102,051.00	-8,605.53	91.57%	122,696.88	136,069.00	-13,372.12	90.17%
8400 · Agri Pool-WM & Pool Admin	3,309.60	4,907.00	-1,597.40	67.45%	29,743.22	44,767.00	-15,023.78	66.44%	47,492.78	59,690.00	-12,197.22	79.57%
8467 · Ag Legal & Technical Services	19,167.50	17,083.00	2,084.50	112.2%	235,920.00	153,750.00	82,170.00	153.44%	331,855.00	205,000.00	126,855.00	161.88%
8470 · Ag Meeting Attend -Special	2,375.00	1,850.00	525.00	128.38%	22,600.00	16,650.00	5,950.00	135.74%	33,250.00	22,200.00	11,050.00	149.78%
8471 · Ag Pool Expense	0.00	16,250.00	-16,250.00	0.0%	0.00	48,750.00	-48,750.00	0.0%	30,000.00	65,000.00	-35,000.00	46.15%
8485 · Ag Pool - Misc. Exp. - Ag Fund	0.00	0.00	0.00	0.0%	0.00	300.00	-300.00	0.0%	100.00	400.00	-300.00	25.0%
8500 · Non-Ag PI-WM & Pool Admin	6,482.64	8,958.00	-2,475.36	72.37%	75,898.23	80,980.00	-5,081.77	93.73%	97,727.24	107,974.00	-10,246.76	90.51%
9400 · Depreciation Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	5,500.00	0.00	5,500.00	100.0%
9500 · Allocated G&A Expenditures	-15,377.83	-33,442.00	18,064.17	45.98%	-165,451.64	-300,980.00	135,528.36	54.97%	-229,474.56	-401,307.00	171,832.44	57.18%
6900 · Optimum Basin Mgmt Plan	197,042.88	109,826.45	87,216.43	179.41%	1,440,371.89	1,107,113.00	333,258.89	130.1%	1,614,587.02	1,344,437.00	270,150.02	120.09%
6950 · Mutual Agency Projects	0.00	0.00	0.00	0.0%	0.00	10,000.00	-10,000.00	0.0%	0.00	10,000.00	-10,000.00	0.0%
9501 · G&A Expenses Allocated-OBMP	3,043.07	10,721.33	-7,678.26	28.38%	60,002.73	96,492.00	-36,489.27	62.18%	92,931.12	128,656.00	-35,724.88	72.23%
7101 · Production Monitoring	4,273.90	4,569.50	-295.60	93.53%	58,736.34	42,410.50	16,325.84	138.5%	78,696.28	56,547.00	22,149.28	139.17%
7102 · In-line Meter Installation	711.78	5,566.92	-4,855.14	12.79%	5,738.08	50,316.25	-44,578.17	11.4%	33,247.10	67,087.00	-33,839.90	49.56%
7103 · Grdwtr Quality Monitoring	7,017.30	18,222.24	-11,204.94	38.51%	137,621.40	165,257.25	-27,635.85	83.28%	251,627.78	220,342.00	31,285.78	114.2%
7104 · Gdwtr Level Monitoring	11,713.98	20,443.00	-8,729.02	57.3%	172,969.71	185,720.00	-12,750.29	93.14%	235,510.64	247,627.00	-12,116.36	95.11%
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	89,848.79	14,035.25	75,813.54	640.17%	177,679.14	263,936.24	-86,257.10	67.32%	247,192.28	327,291.99	-80,099.71	75.53%

	1/12th (8.33%) of the Total Budget				9/12th (75%) of the Total Budget				100% of the Total Budget			
	For The Month of March 2016				Year-To-Date as of March 31, 2016				Fiscal Year End as of June 30, 2016			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
7108 · Hydraulic Control Monitoring	31,396.04	25,467.16	5,928.88	123.28%	219,922.52	320,748.50	-100,825.98	68.57%	374,344.70	397,236.00	-22,891.30	94.24%
7109 · Recharge & Well Monitoring Prog	193.75	1,655.58	-1,461.83	11.7%	10,196.75	14,900.25	-4,703.50	68.43%	12,419.50	19,867.00	-7,447.50	62.51%
7200 · PE2- Comp Recharge Pgm	215,936.51	215,010.67	925.84	100.43%	607,369.24	1,027,108.86	-419,739.62	59.13%	1,010,552.00	1,078,549.86	-67,997.86	93.7%
7300 · PE3&5-Water Supply/Desalte	0.00	3,735.00	-3,735.00	0.0%	0.00	33,957.00	-33,957.00	0.0%	0.00	45,276.00	-45,276.00	0.0%
7400 · PE4- Mgmt Plan	47,403.39	51,851.92	-4,448.53	91.42%	263,169.22	466,879.25	-203,710.03	56.37%	565,215.04	622,505.00	-57,289.96	90.8%
7500 · PE6&7-CoopEfforts/SaltMgmt	0.00	6,802.33	-6,802.33	0.0%	25,009.75	72,475.00	-47,465.25	34.51%	71,609.50	92,966.00	-21,356.50	77.03%
7600 · PE8&9-StorageMgmt/Conj Use	0.00	6,377.84	-6,377.84	0.0%	14,589.18	57,681.50	-43,092.32	25.29%	49,178.36	76,909.00	-27,730.64	63.94%
7690 · Recharge Improvement Debt Pymt	0.00	0.00	0.00	0.0%	690,503.45	3,369,227.00	-2,678,723.55	20.49%	2,786,006.90	3,932,677.00	-1,146,670.10	70.84%
7700 · Inactive Well Protection Prgm	0.00	41.67	-41.67	0.0%	0.00	375.00	-375.00	0.0%	0.00	500.00	-500.00	0.0%
9502 · G&A Expenses Allocated-Projects	12,334.76	22,720.92	-10,386.16	54.29%	105,448.91	204,488.25	-99,039.34	51.57%	136,543.44	272,651.00	-136,107.56	50.08%
Total Expense	856,786.16	687,798.78	168,987.38	124.57%	5,616,253.66	9,031,533.85	-3,415,280.19	62.19%	9,796,406.97	10,987,143.85	-1,190,736.88	89.16%
Net Ordinary Income	-848,774.55	-682,286.78	-166,487.77	124.4%	-1,719,273.64	77,159.15	-1,796,432.79	-2,228.22%	-680,696.50	-1,872,937.85	1,192,241.35	36.34%
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	1,795.35	0.00	1,795.35	100.0%	4,198.12	0.00	4,198.12	100.0%	5,597.00	0.00	5,597.00	100.0%
4226 · LAIF Fair Market Value	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
6600 · Groundwater Sales	2,540,000.00	0.00	2,540,000.00	100.0%	2,540,000.00	0.00	2,540,000.00	100.0%	2,540,000.00	0.00	2,540,000.00	100.0%
Total Other Income	2,541,795.35	0.00	2,541,795.35	100.0%	2,544,198.12	0.00	2,544,198.12	100.0%	2,545,597.00	0.00	2,545,597.00	100.0%
Other Expense												
5010 · Groundwater Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5100 · Other Water Purchases	2,540,000.00	0.00	2,540,000.00	100.0%	2,540,000.00	0.00	2,540,000.00	100.0%	2,540,000.00	0.00	2,540,000.00	100.0%
9200 · Interest Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
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	2,540,000.00	0.00	2,540,000.00	100.0%	2,540,000.00	0.00	2,540,000.00	100.0%	2,540,000.00	0.00	2,540,000.00	100.0%
Net Other Income	1,795.35	0.00	1,795.35	100.0%	4,198.12	0.00	4,198.12	100.0%	5,597.00	0.00	5,597.00	100.0%
Net Income	-846,979.20	-682,286.78	-164,692.42	124.14%	-1,715,075.52	77,159.15	-1,792,234.67	-2,222.78%	-675,099.50	-1,872,937.85	1,197,838.35	36.05%

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

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTIONS

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 7, 2016

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.

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: April 7, 2016

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).

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **March 15, 2016**

Date of this Notice: **April 7, 2016**

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

- Notice of Sale or Transfer – The purchase of **1,200.000** acre-feet of water from Santa Ana River Water Company (SARWCo) by Jurupa Community Services District (JCSD). This purchase is made from SARWCo’s Annual Production Right / Operating Safe Yield first, then any additional from storage. In addition, JCSD will purchase **99.000** acre-feet of water from SARWCo’s excess carryover account.

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

Appropriative Pool: April 14, 2016

Non-Agricultural Pool: April 14, 2016

Agricultural Pool: April 14, 2016

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

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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: April 7, 2016
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 **1,200.000** acre-feet of water from Santa Ana River Water Company (SARWCo) by Jurupa Community Services District (JCSD). This purchase is made from SARWCo's Annual Production Right / Operating Safe Yield first, then any additional from storage. In addition, JCSD will purchase **99.000** acre-feet of water from SARWCo's excess carryover account.

Recommendation –

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

Fiscal Impact –

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

Background

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

Where there is no material physical injury, Watermaster must approve the transaction. Where the request for Watermaster approval is submitted by a party to the Judgment, there is a rebuttable presumption that

most of the transactions do not result in Material Physical Injury to a party to the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).

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

- Notice of Sale or Transfer – The purchase of **1,200.000** acre-feet of water from Santa Ana River Water Company (SARWCo) by Jurupa Community Services District (JCSD). This purchase is made from SARWCo's Annual Production Right / Operating Safe Yield first, then any additional from storage. In addition, JCSD will purchase **99.000** acre-feet of water from SARWCo's excess carryover account.

Notice of the water transaction identified above was mailed on April 7, 2016 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 2015 - 2016

DATE REQUESTED: March 15, 2016 AMOUNT REQUESTED: 1299,000 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
<u>Santa Ana River Water Company</u> Name of Party	<u>Jurupa Community Services District</u> Name of Party
<u>10530 54th Street</u> Street Address	<u>11201 Harrel Street</u> Street Address
<u>Jurupa Valley</u> <u>CA</u> <u>91752</u> City State Zip Code	<u>Jurupa Valley</u> <u>CA</u> <u>91752</u> City State Zip Code
<u>951-685-6503</u> Telephone	<u>951-685-7434</u> Telephone
<u>951-685-1978</u> Facsimile	<u>951-685-1153</u> Facsimile

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

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 1200,000 Annual Production Right, 99,000 from Excess Carry Over (ECO)

WATER IS TO BE TRANSFERRED TO:

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

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

Is the Buyer an 85/15 Party? Yes No

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

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

<u>Varied</u>	<u>One Production Year</u>
Projected Rate of Recapture	Projected Duration of Recapture

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

Pumping

PLACE OF USE OF WATER TO BE RECAPTURED:

JCSD service area

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

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

Wells that do not exceed the MCL for nitrates are used to blend with other wells in District; Other treatment via Ion Exchange

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

Water levels range from 150-300 feet.

MATERIAL PHYSICAL INJURY

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

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

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

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

Yes

No



Seller / Transferor Representative Signature

J. Arnold Rodriguez

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Todd M. Corbin

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 7, 2016

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.

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: April 7, 2016

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).

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: January 22, 2016 Date of this notice: April 7, 2016

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

- Notice of Sale or Transfer – The purchase of 1000.000 acre-feet of water from San Antonio Water Company by the City of Upland. This purchase is made from San Antonio Water Company's Annual Production Right/Operating Safe Yield first, then any additional from storage. The City of Upland is utilizing this transaction to produce its San Antonio Water Company shares.

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

Appropriative Pool: April 14, 2016

Non-Agricultural Pool: April 14, 2016

Agricultural Pool: April 14, 2016

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

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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: April 7, 2016
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 1000.000 acre-feet of water from San Antonio Water Company by the City of Upland. This purchase is made from San Antonio Water Company's Annual Production Right / Operating Safe Yield first, then any additional from storage. The City of Upland is utilizing this transaction to produce its San Antonio Water Company shares.

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 1000.000 acre-feet of water from San Antonio Water Company by the City of Upland. This purchase is made from San Antonio Water Company's Annual Production Right / Operating Safe Yield first, then any additional from storage. The City of Upland is utilizing this transaction to produce its San Antonio Water Company shares

Notice of the water transaction identified above was mailed on April 7, 2016 along with the materials submitted by the requestors.

DISCUSSION

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

The 85/15 rule does not apply for this water transaction because the City of Upland is utilizing this transaction to produce its San Antonio Water Company shares.

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

FISCAL YEAR 2015-2016

DATE REQUESTED: January 22, 2016

AMOUNT REQUESTED: 1,000 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):			TRANSFER TO (BUYER / TRANSFEREE):		
San Antonio Water Company			City of Upland		
Name of Party			Name of Party		
139 N. Euclid Avenue			460 N. Euclid Avenue		
Street Address			Street Address		
Upland	CA	91786	Upland	CA	91786
City	State	Zip Code	City	State	Zip Code
(909)982-4107			(909)931-4100		
Telephone			Telephone		
(909)920-3047			(909)291-2974		
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 Transfer undelivered entitlement

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

700-1000 gpm
 Projected Rate of Recapture _____ Projected Duration of Recapture _____

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

PLACE OF USE OF WATER TO BE RECAPTURED:
Regular production WELLS

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

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

NITRATE ~ 56ppm & DBCP - 0.35 ppb

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

STATIC WATER LEVEL ~ 550 to 600 foot bgs

MATERIAL PHYSICAL INJURY

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

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

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

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

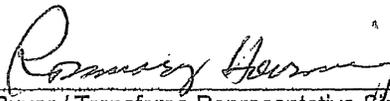
ADDITIONAL INFORMATION ATTACHED

Yes No



Seller / Transferor Representative Signature
Charles Moorrees

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature
ROSEMARY HOERNSDYG

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

D. FINANCING PLAN FOR THE 2013 AMENDMENT TO THE 2010 RMPU



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: May 26, 2016
TO: Board Members
SUBJECT: Financing Plan for the 2013 Amendment to the 2010 Recharge Master Plan Update

SUMMARY

Issue: A financing plan must be developed as required by the 2013 Amendment to the 2010 Recharge Master Plan update (2013 RMPU).

Recommendation: Approve the Financing Plan for the 2013 RMPU.

Financial Impact: None. The purpose of the financing plan is to define the IEUA/CBWM cost shares, identify funding sources and outline the allocation of cost and benefit among the Appropriators.

Future Consideration

Watermaster Board: May 26, 2016; Approval (Advisory Committee Approval required)

ACTIONS:

May 12, 2016 – Appropriative Pool – Unanimously recommended to the Advisory Committee to approve the Financing Plan for the 2013 RMPU.

May 12, 2016 – Non-Agricultural Pool – Unanimously approved recommendation as presented and directed Pool representatives to recommend Advisory Committee approval of the Financing Plan for the 2013 RMPU subject to changes which they deem appropriate.

May 12, 2016 – Agricultural Pool – Unanimously recommended to the Advisory Committee to approve the Financing Plan for the 2013 RMPU.

May 19, 2016 – Advisory Committee – Unanimously approved the Financing Plan for the 2013 RMPU.

BACKGROUND

Section 8.4.3 of the 2013 Amendment to the 2010 Recharge Master Plan Update (2013 RMPU), which was approved on November 12, 2013, required that a detailed financing plan would be developed in a process running parallel to the development and implementation agreements in years 2014 and 2015. The 2013 RMPU listed seven elements for the financing plan to address:

- Identify the IEUA and Watermaster cost share. Watermaster and the IEUA will determine each party's cost share based on the Peace II Agreement and on the benefit to the parties. This will be negotiated and memorialized in an agreement as identified in the Implementation Plan above
- Once the scope of the Montclair Basins project is defined, the IEUA and Watermaster will request that the CBWCD consider contributing funding to recharge improvements at the Montclair Basins.
- Identify grant-funding share. The IEUA, Watermaster, and the Appropriators will combine their efforts to secure grant funding and low-interest financing from the State Water Resources Control Board, the DWR, and others.
- Allocation of cost and benefit among the Appropriators. Watermaster assumes that capital cost and New Yield will be allocated to the Appropriator parties based on their share of Operating Safe Yield and future operation and maintenance expenses will be production based per Peace II Section 8.1. Any change in allocation method would first require a negotiation process among the Appropriative Pool parties.
- Finance the construction of recharge improvements. The IEUA, the TVMWD, the WMWD, and potentially certain Appropriator parties will use their revenue structure and other means (municipal bonds, pay-as-you-go, etc.) to construct the recommended yield enhancement projects.
- Apply pay-as-you-go for all the soft costs through completion of the final design. The soft costs were distributed between IEUA and Watermaster by the proportion of the total capital cost of the recommended projects to IEUA's portion of the cost shared projects (about six percent).
- All costs associated with the development of implementing agreements, preliminary design, proof-of-concept, completion of the CEQA process, and final design are considered part of the project capital cost and will be paid for through the Watermaster assessment process pursuant to the Peace II Agreement unless a new Appropriative Pool New Yield and Cost Allocation agreement is reached. In the case that such an agreement is reached, an assessment reconciliation will be done consistent with the new agreement.

The Draft Financing Plan for the 2013 Recharge Master Plan addresses all of these elements. It was presented at the March 17, 2016 RIPCom meeting and once again at the April 14, 2016 Appropriative Pool meeting. The draft was revised and reviewed again at the April 21, 2016 RIPCom meeting.

DISCUSSION

The Financing Plan introduces the possibility of debt financing, therefore if it is approved, the prior financing agreement between Watermaster and the Chino Basin Regional Financing Authority will need to be amended to incorporate the 2013 RMPU projects. Necessary amendments to the *Master Agreement Between Chino Basin Watermaster and Inland Empire Utilities Agency Regarding the Management of Collaborative Recharge Projects* and the *Master Recharge Facilities Financing Agreement* are presented as separate agenda items in the May 26, 2016 agenda (items I.E and I.J).

Staff recommends approval of the Financing Plan for the 2013 RMPU.

There will not be any fiscal impacts to the budget. The purpose of the financing plan is to define the IEUA/CBWM cost shares, identify funding sources and outline the allocation of cost and benefit among the Appropriators.

ATTACHMENTS

1. Financing Plan for the 2013 Recharge Master Plan Update

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**FINANCING PLAN
FOR THE
2013 RECHARGE MASTER PLAN UPDATE**

MAY 2016

As part of the 2013 Recharge Master Plan Update (RMPU), a financing plan is to be developed for the yield enhancement projects. The purpose of the financing plan is to define the IEUA/CBWM cost shares, identify funding sources and outline the allocation of cost and benefit among the Appropriators. The following sections are from the RMPU. Each section includes an outline of the proposed approach/methodologies used to develop the financing plan and will be finalized following input and consensus from the RMPU Steering Committee.

Identify the IEUA and Watermaster cost share. Watermaster and the IEUA will determine each party's cost share based on the Peace II Agreement and on the benefit to the parties. This will be negotiated and memorialized in an agreement as identified in the Implementation Plan above.

The cost share is consistent with the RMPU and the Peace II Agreement. Stormwater and imported water exclusive projects will be funded 100% by CBWM. Projects that do or can receive recycled water will be cost shared 50%/50% by CBWM and IEUA. Prior to moving forward with capital design or construction, IEUA and CBWM will enter into a specific Task Order.

Once the scope of the Montclair Basins project is defined, the IEUA and Watermaster will request that the CBWCD consider contributing funding to recharge improvements at the Montclair Basins.

Chino Basin Water Conservation District (CBWCD) has asked to wait until the preliminary design is completed before they commit to any funding contribution to the recharge improvement. CBWCD wanted to base their decision on a detailed design approach and an engineer's estimate instead of the current planning-level scope and cost. The preliminary design recommendation for Montclair Basin is scheduled to be complete in August 2016. At that time, CBWCD will provide a response to cost sharing of capital improvements at Montclair Basins.

Identify grant-funding share. The IEUA, Watermaster, and the Appropriators will combine their efforts to secure grant funding and low-interest financing from the State Water Resources Control Board, the DWR, and others.

Grant, loan and/or bond financing benefits and/or liabilities will be applied to all parties consistent with the IEUA/CBWM pro-rata methodology indicated in prior section.

Grant Opportunities: IEUA has identified several grant funding opportunities for the RMPU projects. Fundamental to formal grant submission and approval is the local commitment to proceed with projects as planned. Following commitment during the Chino Basin Facilities Improvement Project (CBFIP), IEUA/CBWM were successful in grant funding nearly 50% of the \$65M in capital projects constructed (\$36M in grants were received). In preparation for CBWM approval of the proposed RMPU projects, IEUA has initiated efforts to secure funding through the following grant programs:

1. Proposition 84 (State) – \$1,500,000 was received for the San Sevaine and Lower Day RMPU projects. These funds have already been approved and resulted in the acceleration of these projects within specific Task Order Nos. 2 & 8.
2. USBR (Federal) – \$750,000 was received for the San Sevaine and Lower Day RMPU projects. These funds have already been approved and resulted in the acceleration of these projects within specific Task Order Nos. 2 & 8.
3. Proposition 1 (State) – Water Recycling – An application was submitted in December 2015 for the San Sevaine Basin project. If awarded, it will provide approximately \$2.6 million in grants and \$4.9 million in SRF loans. Together with item 1 above, the San Sevaine Basin project will be fully funded by federal, state grants and low interest loans.
4. Proposition 1 (State) – Stormwater Grant (Round 1) – During round 1 of this program, \$80M will be made available to applicants. A pre-application was submitted in April 2016 for funding through this program. The final grant application is due in July 2016. The first round of this grant will provide up to a maximum of \$10M in grant funding per agency, with a minimum of a 50% local match. Special consideration is made for multi-benefit projects. This program requires that a Storm Water Resources Plan be completed by the applicant prior to submission – IEUA has been working with WEI (at the request of CBWM) to complete the Plan. The Plan is scheduled to be adopted by the SAWPA Board by May 2016. This program will be highly competitive with limited funding. Successful applicants will be notified in late 2016.
5. Proposition 1 (State) – Stormwater Grant (Round 2) – During round 2 of this program, \$80M will be made available to applicants. The final guidelines for the second round of this grant will be released in 2017. Special consideration is made for multi-benefit projects. This program will be even more highly competitive than the first round as more potential applicants may have completed their Storm Water Resources Plan by then. Successful applicants will be notified in late 2018.
6. Proposition 1 (State) – Groundwater Quality Grant – This program is designed to support the cleanup of human and natural contaminated groundwater. This program is scheduled to fund up to \$900M in projects in multiple rounds, with a minimum of a 50% local match. In addition, this program is tied to the Drinking Water SRF program to assist in funding remaining local match. Special consideration is made for groundwater contamination cleanup with multi-benefit projects. Pre-applications for this program are being accepted, with final applications being due in mid-2016 (within 1-month following the release of program guidelines). This program will be highly competitive and complete applications should be submitted as early as possible.

It is important to note that duplication of State grants is not permitted. In the event that we are successful getting two State grants, we will need to ensure that neither of the limits for State funding are exceeded; if this is the case, we will need to prioritize grant opportunities to accept.

Low Interest Loan Opportunities: The State Water Resource Control Board offers low interest loan opportunities for public agencies through the State Revolving Fund (SRF). There are several opportunities that IEUA/CBWM could pursue to provide low interest SRF funding for the RMPU projects. It is important to note that if SRF loan(s) are used to fund these projects, IEUA intends to use the Chino Basin Regional Financing Authority (CBRFA) to issue this debt. The CBRFA is governed by the IEUA Board of Directors, but enables IEUA to track and issue debt separately from IEUA capital project debt.

1. SRF Planning Loan – IEUA submitted a pre-application in March 2016 for a planning loan for the remaining RMPU design work. It is anticipated that approximately \$5,000,000 may be needed to fund all remaining “soft costs”. If successful in attaining this loan, all remaining soft costs will be funded through the loan and will not result in any special assessments or assessment adjustments. Repayment would not be

triggered until after the completion of corresponding efforts (5-year repayment period) and can be rolled into SRF construction loan (if received). Interest rates for these loans are currently at 1.6%-1.8% (30-year).

2. SRF Construction Loan – It is anticipated that IEUA will submit several SRF loan packages for the RMPU projects. To maximize the potential of receiving some matching principle forgiveness (grant), loan packages should be sized at approximately \$25,000,000. Dependent upon the status of the RMPU project list approval, loan packages should start to be submitted to the State in mid-2016. Interest rates for these loans are currently at 1.6%-1.8% (30-year). SRF loans can be applied through either of the following state programs:

- a. Drinking Water SRF Program – typical for drinking water projects (stormwater also qualifies) at standard low interest rate. Term for DWSRF is typically 20-year.
- b. Clean Water SRF Program – typical for wastewater projects (wastewater treatment, recycled water and potentially groundwater recharge with stormwater may qualify for this program at standard low interest rate with the potential of principle forgiveness (IEUA has secured an average of 20% principle forgiveness [grant] for last several CWSRF loans). Term for CWSRF is typically 30-year.

To put the value of the SRF program in perspective, the following table shows the relative benefits of both the SRF loan and grant programs vs. funding through a bond (assumed at 5% consistent with the RMPU and to provide a projected conservative upper range to borrow costs). Assuming a total program cost of \$30M (value used as a maximum funding bookend example for CBWM funded portion), it is expected that the region would save over \$20M in financing costs over 30-years by just using the SRF program at current rates. Alternatively, it is expected that the region would save over \$36M in financing costs in 30-years based on estimated grant and SRF loan opportunities.

Table 1 – Funding Alternative Payment Schedule (dollars in 1,000's)

\$30M Bond					\$30M SRF Loan					\$12M Grant & \$18M SRF Loan				
Bond Fee	\$ 30,000	5.00%	30 years		Loan Grant	30,000	1.80%	30 years		Loan Grant	18,000	1.80%	30 years	
	\$ 500				0					12,000				
Project Cost	\$ 50,000				Project Cost	30,000				Project Cost	30,000			
Years	Principal Outstanding	Interest Payment	Principal Payment	Total Payment	Years	Principal Outstanding	Interest Payment	Principal Payment	Total Payment	Years	Principal Outstanding	Interest Payment	Principal Payment	Total Payment
1	\$ 30,500	\$ 1,525	\$ 459	\$ 1,984	1	\$ 30,000	\$ 540	\$ 763	\$ 1,303	1	\$ 18,000	\$ 324	\$ 458	\$ 782
2	\$ 30,041	\$ 1,502	\$ 482	\$ 1,984	2	\$ 29,237	\$ 526	\$ 777	\$ 1,303	2	\$ 17,542	\$ 316	\$ 466	\$ 782
3	\$ 29,559	\$ 1,478	\$ 506	\$ 1,984	3	\$ 28,460	\$ 512	\$ 791	\$ 1,303	3	\$ 17,076	\$ 307	\$ 474	\$ 782
4	\$ 29,053	\$ 1,453	\$ 531	\$ 1,984	4	\$ 27,670	\$ 498	\$ 805	\$ 1,303	4	\$ 16,602	\$ 299	\$ 483	\$ 782
5	\$ 28,521	\$ 1,426	\$ 558	\$ 1,984	5	\$ 26,865	\$ 484	\$ 819	\$ 1,303	5	\$ 16,119	\$ 290	\$ 492	\$ 782
6	\$ 27,963	\$ 1,398	\$ 586	\$ 1,984	6	\$ 26,045	\$ 469	\$ 834	\$ 1,303	6	\$ 15,627	\$ 281	\$ 500	\$ 782
7	\$ 27,377	\$ 1,369	\$ 615	\$ 1,984	7	\$ 25,211	\$ 454	\$ 849	\$ 1,303	7	\$ 15,127	\$ 272	\$ 509	\$ 782
8	\$ 26,762	\$ 1,338	\$ 646	\$ 1,984	8	\$ 24,362	\$ 439	\$ 864	\$ 1,303	8	\$ 14,617	\$ 263	\$ 519	\$ 782
9	\$ 26,116	\$ 1,306	\$ 678	\$ 1,984	9	\$ 23,498	\$ 423	\$ 880	\$ 1,303	9	\$ 14,099	\$ 254	\$ 528	\$ 782
10	\$ 25,438	\$ 1,272	\$ 712	\$ 1,984	10	\$ 22,618	\$ 407	\$ 896	\$ 1,303	10	\$ 13,571	\$ 244	\$ 537	\$ 782
11	\$ 24,726	\$ 1,236	\$ 748	\$ 1,984	11	\$ 21,722	\$ 391	\$ 912	\$ 1,303	11	\$ 13,033	\$ 235	\$ 547	\$ 782
12	\$ 23,978	\$ 1,199	\$ 785	\$ 1,984	12	\$ 20,810	\$ 375	\$ 928	\$ 1,303	12	\$ 12,486	\$ 225	\$ 557	\$ 782
13	\$ 23,193	\$ 1,160	\$ 824	\$ 1,984	13	\$ 19,882	\$ 358	\$ 945	\$ 1,303	13	\$ 11,929	\$ 215	\$ 567	\$ 782
14	\$ 22,369	\$ 1,118	\$ 866	\$ 1,984	14	\$ 18,937	\$ 341	\$ 962	\$ 1,303	14	\$ 11,362	\$ 205	\$ 577	\$ 782
15	\$ 21,503	\$ 1,075	\$ 909	\$ 1,984	15	\$ 17,975	\$ 324	\$ 979	\$ 1,303	15	\$ 10,785	\$ 194	\$ 588	\$ 782
16	\$ 20,594	\$ 1,030	\$ 954	\$ 1,984	16	\$ 16,995	\$ 306	\$ 997	\$ 1,303	16	\$ 10,197	\$ 184	\$ 598	\$ 782
17	\$ 19,640	\$ 982	\$ 1,002	\$ 1,984	17	\$ 15,998	\$ 288	\$ 1,015	\$ 1,303	17	\$ 9,599	\$ 173	\$ 609	\$ 782
18	\$ 18,637	\$ 932	\$ 1,052	\$ 1,984	18	\$ 14,983	\$ 270	\$ 1,033	\$ 1,303	18	\$ 8,990	\$ 162	\$ 620	\$ 782
19	\$ 17,585	\$ 879	\$ 1,105	\$ 1,984	19	\$ 13,950	\$ 251	\$ 1,052	\$ 1,303	19	\$ 8,370	\$ 151	\$ 631	\$ 782
20	\$ 16,480	\$ 824	\$ 1,160	\$ 1,984	20	\$ 12,898	\$ 232	\$ 1,071	\$ 1,303	20	\$ 7,739	\$ 139	\$ 642	\$ 782
21	\$ 15,320	\$ 766	\$ 1,218	\$ 1,984	21	\$ 11,827	\$ 213	\$ 1,090	\$ 1,303	21	\$ 7,096	\$ 128	\$ 654	\$ 782
22	\$ 14,102	\$ 705	\$ 1,279	\$ 1,984	22	\$ 10,737	\$ 193	\$ 1,110	\$ 1,303	22	\$ 6,442	\$ 116	\$ 666	\$ 782
23	\$ 12,823	\$ 641	\$ 1,343	\$ 1,984	23	\$ 9,627	\$ 173	\$ 1,130	\$ 1,303	23	\$ 5,776	\$ 104	\$ 678	\$ 782
24	\$ 11,481	\$ 574	\$ 1,410	\$ 1,984	24	\$ 8,498	\$ 153	\$ 1,150	\$ 1,303	24	\$ 5,099	\$ 92	\$ 690	\$ 782
25	\$ 10,071	\$ 504	\$ 1,481	\$ 1,984	25	\$ 7,348	\$ 132	\$ 1,171	\$ 1,303	25	\$ 4,409	\$ 79	\$ 702	\$ 782
26	\$ 8,590	\$ 429	\$ 1,555	\$ 1,984	26	\$ 6,177	\$ 111	\$ 1,192	\$ 1,303	26	\$ 3,706	\$ 67	\$ 715	\$ 782
27	\$ 7,035	\$ 352	\$ 1,632	\$ 1,984	27	\$ 4,985	\$ 90	\$ 1,213	\$ 1,303	27	\$ 2,991	\$ 54	\$ 728	\$ 782
28	\$ 5,403	\$ 270	\$ 1,714	\$ 1,984	28	\$ 3,772	\$ 68	\$ 1,235	\$ 1,303	28	\$ 2,263	\$ 41	\$ 741	\$ 782
29	\$ 3,689	\$ 184	\$ 1,800	\$ 1,984	29	\$ 2,537	\$ 46	\$ 1,257	\$ 1,303	29	\$ 1,522	\$ 27	\$ 754	\$ 782
30	\$ 1,890	\$ 94	\$ 1,890	\$ 1,984	30	\$ 1,280	\$ 23	\$ 1,280	\$ 1,303	30	\$ 768	\$ 14	\$ 768	\$ 782
TOTAL		\$ 29,022	\$ 30,500	\$ 59,522	TOTAL		\$ 9,088	\$ 30,000	\$ 39,088	TOTAL		\$ 5,453	\$ 18,000	\$ 23,453
Amount Saved Compared to Bond				\$ -					\$ 20,434					

Bond Financing: As part of the original CBFIP, bonds were used to finance the non-grant covered costs. It is anticipated that fixed rate bonds or alternative borrowing would cost the parties approximately 5% interest. Bond financing may also be sensitive to the amount of funding needed (i.e. bonds less than \$20M may not be of interest to the market) and how the borrowing is backstopped (i.e. financing agreements between parties).

The debt issued in 2002 to finance the CBFIP was issued as variable rate revenue bonds. These bonds were refinanced in 2008 (2008B Variable Revenue Demand Obligation). Interest rates are set weekly and are backed by a letter of credit (LOC) facility provider. The remaining outstanding principal balance is \$15M. As favorable as the interest rates have been recently (averaged 0.15% over last 6 years – not adjusted for LOC or additional management costs), there is inherent risk in a rising market or economic downturn. In the fall of 2008, the interest rates jumped to as high as 12% (maximum amount) when the bonds failed to be remarketed.

Chino Basin Regional Financing Authority (CBRFA): In 1993, IEUA developed the CBRFA as an entity that could be used to finance projects that have benefits outside of just IEUA. The Board of Directors for the CBRFA is the IEUA Board. The CBRFA can effectively be used to fund projects that benefit the entire Chino Basin, without impacting the debt of IEUA. In 2002, the CBRFA was used to finance the CBFIP. Variable rate bonds were secured to fund more than \$20M in CBFIP costs (non-grant portion). CBWM debt associated with this repayment is made on an annual basis in accordance with the Master Recharge Facilities Financing Agreement. It is intended that all debt and grants for the RMPU projects will be applied for through the CBRFA. Doing so would require both IEUA and CBWM to pledge revenues to the CBRFA. A 2016 Financing Agreement is being developed for consideration by IEUA, CBWM and CBRFA for adoption.

Proposed Approach: The proposed approach will involve several actions, with built in redundancies. IEUA's plan will prioritize the funding of projects through SRF programs with maximization of grant funding. Actions from IEUA, CBWM and/or CBRFA Boards are required for each of these items. Action is tied to commitments to make future debt payments and/or commitment toward application project. Proposed actions will be completed as follows:

1. SRF Planning Loan – cover all remaining soft costs into loan such that parties will not fund these costs until construction is complete. The following action items are planned:
 - a. IEUA Action
 - i. File application (**April 20, 2016**)
 - ii. Approve the 2016 Financing Agreement (**May 18, 2016**)
 - iii. Adopt Resolutions (**May 18, 2016**)
 - b. CBWM Action
 - i. Approve the 2016 Financing Agreement (**May 19, 2016**)
 - ii. Adopt Resolutions (**May 19, 2016**)
 - c. CBRFA Action
 - i. Approve the 2016 Financing Agreements (**May 18, 2016**)
 - ii. Adopt Resolutions (**May 18, 2016**)
 - iii. File Resolutions to State Water Board (**May 2016**)
2. USBR Drought Resiliency Implementation Grant – submit application to fund up to \$300K for drought project implementation. This will be helpful to use for purpose of attaining State funds (i.e. Proposition 1). This would be applied to the 23a RMPU Project (i.e. Wineville to Jurupa to RP-3). This project has an anticipated project cost of approximately \$21M and has both stormwater and recycled water benefits (3,166 AFY and 2,905 AFY, respectively). The following action items are planned:
 - a. IEUA Action

- i. File application (**April 11, 2016**)
 - ii. Adopt Resolution (**April 20, 2016**)
3. Proposition 1 Stormwater Grant Round 1 – submit application to fund up to 50% of the cost (up to maximum of \$10M) of multi-benefit stormwater related projects. It is proposed that IEUA will submit for the 23a RMPU Project. The following action items are planned:
 - a. IEUA Action
 - i. File pre-application (**April 15, 2016**)
 - ii. Adopt Resolutions (**May 18, 2016**)
 - iii. File application and associated Resolutions to State Water Board (**June 2016**)
 - b. CBWM Action
 - i. Adopt Resolutions (**May 19, 2016**)
4. CWSRF – submit application to fund all of RMPU projects, TCE Plume Cleanup project and remaining/planned CDA wells/infrastructure. This application will be used to fund all remaining projects and will include nearly all the requirements needed to file for the Proposition 1 GWQ Grant (see item no. 5 below). The following action items are planned:
 - a. IEUA Action
 - i. Adopt Resolutions (**July 20, 2016**)
 - b. CBWM Action
 - i. Adopt Resolutions (**July 21, 2016**)
 - c. CDA Action
 - i. Adopt Resolutions (**July 2016**)
 - d. CBRFA Action
 - i. File application and associated Resolutions to State Water Board (**July 2016**)
5. Proposition 1 Groundwater Quality Grant – submit application to fund all of RMPU projects, TCE Plume Cleanup project and remaining/planned CDA wells/infrastructure. It is anticipated that this request will be approximately \$75M in projects (depending on success of prior actions) and would be eligible for up to 50% grant funding through Proposition 1 and Drinking Water SRF for non-grant portion. The following action items are planned:
 - a. IEUA Action
 - i. Filed pre-application in November 2015 via CBRFA without RMPU projects
 - ii. Amend the pre-application to include RMPU and CDA projects (**April 2016**)
 - iii. Adopt Resolutions (**May 18, 2016**)
 - iv. Approval of Programmatic Environmental Impact Report (includes 2013 RMPU projects) (**November 16, 2016**)
 - b. CBWM Action
 - i. Adopt Resolutions (**May 19, 2016**)
 - c. CBRFA Action
 - i. File application and associated Resolutions to State Water Board (**by June 2016**)

In the event that grants and SRF are not successful, debt options would be developed for IEUA and CBWM consideration prior to proceeding with and debt issuance. It is expected that parties will know success of various applications by early/mid 2017. Since most RMPU construction is not scheduled to be started until early 2018, time will remain to pursue favorable debt service.

Allocation of cost and benefit among the Appropriators. Watermaster assumes that capital cost and New Yield will be allocated to the Appropriator parties based on their share of Operating Safe Yield and future operation and maintenance expenses will be production based per Peace II Section 8.1. Any change in allocation method would first require a negotiation process among the Appropriative Pool parties.

The existing allocation of capital costs on the basis of OSY are as shown in Table 2. The cost distribution (%OSY) may change if an Appropriative Pool New Yield and Cost Allocation Agreement is adopted.

Table 2 – OSY by Party

Party	Share of OSY	% Share of OSY
Arrowhead Mtn Spring Water Co	-	0.00%
Chino Hills, City Of	2,111.422	3.85%
Chino, City Of	4,033.857	7.36%
Cucamonga Valley Water District	3,619.454	6.60%
Desalter Authority	-	0.00%
Fontana Union Water Company	6,391.736	11.66%
Fontana Water Company	1.000	0.00%
Fontana, City Of	-	0.00%
Golden State Water Company	411.476	0.75%
Jurupa Community Services District	2,061.118	3.76%
Marygold Mutual Water Company	655.317	1.20%
Monte Vista Irrigation Company	676.759	1.23%
Monte Vista Water District	4,823.954	8.80%
Niagara Bottling, LLC	-	0.00%
Nicholson Trust	4.000	0.01%
Norco, City Of	201.545	0.37%
Ontario, City Of	11,373.816	20.74%
Pomona, City Of	11,215.852	20.45%
San Antonio Water Company	1,506.888	2.75%
San Bernardino County Shtg Prk	-	0.00%
Santa Ana River Water Company	1,301.374	2.37%
Upland, City Of	2,852.401	5.20%
West End Consolidated Water Company	947.714	1.73%
West Valley Water District	644.317	1.18%
Totals	54,834.000	100.00%

Based on the different alternatives outlined in Table 1, it is expected that financing would be applied to OSY as shown in Table 3.

Table 3 – Debt Impact Based on OSY

Financing Mechanism	Project Debt (Example from Table 1)	Annual Debt Payment (\$/Yr)	Annual Payment per %OSY (\$/%OSY)	Annual Payment per %OSY per \$1M Capital
Bond Financing	\$ 30,500,000	\$ 1,984,069	\$ 19,841	\$ 397
SRF only	\$ 30,000,000	\$ 1,302,943	\$ 13,029	\$ 261
SRF with Grant	\$ 18,000,000	\$ 781,766	\$ 7,818	\$ 156

Finance the construction of recharge improvements. The IEUA, the TVMWD, the WMWD, and potentially certain Appropriator parties will use their revenue structure and other means (municipal bonds, pay-as-you-go, etc.) to construct the recommended yield enhancement projects.

As indicated prior, IEUA's primary intent is to get funding through the SRF program through the use of the CBRFA. In the event that any of the CBWM parties elect to fund their portion of 2013 RMPU projects through PAYGO, they are able to do so. It should be noted that many of the grant opportunities are tied to the SRF funding program; therefore, if a party elects to not participate with financing that is tied to grant benefit, their portion of the grant benefit would be correspondingly forfeited. If SRF funding is unsuccessful, parties will be advised of options for bond financing to review prior to making a commitment for use of bond financing or PAYGO. Notice to CBWM/IEUA on desire to use PAYGO shall be made in writing prior to CBWM Board action of any proposed funding action (i.e. SRF resolution, bond filing, etc.).

Apply pay-as-you-go for all the soft costs through completion of the final design. The soft costs were distributed between IEUA and Watermaster by the proportion of the total capital cost of the recommended projects to IEUA's portion of the cost shared projects (about six percent).

As indicated prior, IEUA has submitted a planning SRF loan application. Although this will not fund past soft costs, if secured, it will fund all remaining RMPU soft costs (estimated to be approximately \$5M). If this planning loan is attained, debt will not be due until 1) after the completion of construction, or 2) after the completion of the design (if construction is not pursued). Please note that property acquisition is not an eligible cost for the planning SRF loan program. If IEUA is unsuccessful in attaining this loan, the remaining soft costs will be funded through CBWM as PAYGO consistent with costs to date.

All costs associated with the development of implementing agreements, preliminary design, proof-of-concept, completion of the CEQA process, and final design are considered part of the project capital cost and will be paid for through the Watermaster assessment process pursuant to the Peace II Agreement unless a new Appropriative Pool New Yield and Cost Allocation agreement is reached. In the case that such an agreement is reached, an assessment reconciliation will be done consistent with the new agreement.

Several of these costs will be eligible under the SRF planning loan if attained.

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

- E. MASTER RECHARGE FACILITIES FINANCING AGREEMENT
BETWEEN CHINO BASIN REGIONAL FINANCING AUTHORITY,
INLAND EMPIRE UTILITIES AGENCY, AND CHINO BASIN
WATERMASTER**



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 26, 2016

TO: Board Members

SUBJECT: Master Recharge Facilities Financing Agreement between Chino Basin Regional Financing Authority, Inland Empire Utilities Agency, and Chino Basin Watermaster

SUMMARY

Issue: The existing financing agreement between the Chino Basin Regional Financing Authority and Watermaster must be re-written in a manner that is compatible with the Financing Plan for the 2013 Amendment to the 2010 Recharge Master Plan Update.

Recommendation: Approve the Master Recharge Facilities Financing Agreement and authorize the General Manager to execute the Agreement subject to non-substantive changes as needed.

Financial Impact: None.

Future Consideration

Watermaster Board: May 26, 2016; Approval (Advisory Committee Approval required)

ACTIONS:

May 12, 2016 – Appropriative Pool – Unanimously recommended to Advisory Committee to approve the Master Recharge Facilities Financing Agreement.

May 12, 2016 – Non-Agricultural Pool – Unanimously approved recommendation as presented and directed Pool representatives to recommend Advisory Committee approval of the Master Recharge Facilities Financing Agreement, subject to changes which they deem appropriate.

May 12, 2016 – Agricultural Pool – Unanimously recommended to Advisory Committee to approve the Master Recharge Facilities Financing Agreement.

May 19, 2016 – Advisory Committee – Unanimously approved the Master Recharge Facilities Financing Agreement

BACKGROUND

The Inland Empire Utilities Agency (IEUA) developed the Chino Basin Regional Financing Authority (CBRFA) in 1993 as an entity that could be used to finance projects that have benefits beyond itself. The CBRFA can be used to fund projects that benefit the entire Chino Basin without impacting the debt burden of IEUA.

The CBRFA and Chino Basin Watermaster (CBWM) entered into a Recharge Facilities Financing Agreement in 2002 to pay for the bond debt issued for the Chino Basin Facilities Improvement Project. The purpose of the agreement was for the CBRFA to provide the financing for ongoing recharge improvement projects as well as to provide a framework for the ownership and operation of such projects.

DISCUSSION

Section 8.4.3 of the 2013 Amendment to the 2010 Recharge Master Plan Update (2013 RMPU), which was approved on November 12, 2013, required that a detailed financing plan would be developed in a process running parallel to the development and implementation agreements in years 2014 and 2015.

In the Financing Plan for the 2013 RMPU (Financing Plan), it is intended that debt and grants associated with all the 2013 Recharge Master Plan projects would be obtained through the CBRFA. IEUA and CBWM have made edits to the 2002 agreement to reflect the scope of projects and payment methods outlined in the Financing Plan. The Master Recharge Facilities Financing Agreement (Attachment 1) needs to be approved by the Board.

There are no financial impacts to the budget.

ATTACHMENTS

1. Proposed Master Recharge Facilities Financing Agreement

Stradling Yocca Carlson & Rauth
Draft of 5/6/16

MASTER RECHARGE FACILITIES FINANCING AGREEMENT

Dated as of June 1, 2016

By and Among

CHINO BASIN REGIONAL FINANCING AUTHORITY,

INLAND EMPIRE UTILITIES AGENCY

and

CHINO BASIN WATERMASTER

DRAFT

TABLE OF CONTENTS

	<i>Page</i>
Section 1. <u>Definitions</u>	2
Section 2. <u>Purpose; Financing and Construction</u>	3
Section 3. <u>Recharge Facilities</u>	4
Section 4. <u>No IEUA or Authority Responsibility for Recharge Water</u>	4
Section 5. <u>Rates and Charges</u>	4
Section 6. <u>Annual Capital Budget and Billing Statement</u>	6
Section 7. <u>Obligation in the Event of Default</u>	6
Section 8. <u>Covenants of Watermaster</u>	7
Section 9. <u>Covenants of IEUA and the Authority</u>	8
Section 10. <u>Term</u>	9
Section 11. <u>Assignment</u>	9
Section 12. <u>Amendments</u>	9
Section 13. <u>Miscellaneous</u>	10
EXHIBITS	
Exhibit A Form of Opinion of Watermaster Counsel.....	A-1
Exhibit B Form of Opinion of Authority Special Counsel.....	B-1

DRAFT

MASTER RECHARGE FACILITIES FINANCING AGREEMENT

This Agreement, dated as of June 1, 2016, by and among the Chino Basin Regional Financing Authority (the "Authority"), a joint exercise of powers agency duly organized and existing pursuant to Article 1, Chapter 5, Division 7, Title 1 of the Government Code (the "Joint Powers Act"), commencing with Section 6500, Inland Empire Utilities Agency ("IEUA"), a municipal water district duly organized and existing pursuant to Division 20 of the Water Code and the Chino Basin Watermaster ("Watermaster"), created pursuant to the terms of the Judgment (as defined below).

WITNESSETH:

WHEREAS, the Authority and Watermaster previously entered into a Recharge Facilities Financing Agreement, dated as of May 1, 2002 (the "2002 Agreement") to provide for the payment to the Authority by Watermaster of an operating fee that will be of sufficient amount to pay the remaining one-half of the debt service of the bonds issued by the Authority to fund the local share of certain recharge facilities improvements described in the 2002 Agreement and in the Peace Agreement referenced to below;

WHEREAS, Watermaster has been ordered to implement the Peace Agreement Chino Basin, dated June 29, 2000 (the "Peace Agreement"), attached to which as Exhibit B is the Optimum Basin Management Program Implementation Plan ("OBMP Implementation Plan");

WHEREAS, IEUA and Watermaster share responsibility for meeting certain monitoring and reporting requirements detailed in the Basin Plan amendment approved by the Santa Ana Regional Water Quality Control Board ("RWQCB") in 2004 (RS-2004-0001, RS-2012-0002);

WHEREAS, IEUA and Watermaster have made commitments to the RWQCB to obtain Maximum Benefit Groundwater Quality Objectives;

WHEREAS, IEUA and Watermaster are co-permittees for the Recycled Water Groundwater Recharge Program and share responsibility for meeting certain monitoring and reporting requirements of the RWQCB, Santa Ana Region Order No. RS-2007-0039 ("Order") and the Monitoring and Reporting Program (M&RP) No. RS-2007-0039;

WHEREAS, pursuant to Court's order approving the Peace II Agreement, and the Memorandum of Understanding Cooperative Efforts for Monitoring Programs, between IEUA and Watermaster Bright Line Approach, dated December 17, 2008 (the "Bright Line Agreement") IEUA and Watermaster are to jointly develop and approve updates to the Recharge Master Plan to address how the Basin will be contemporaneously managed to secure and maintain hydraulic control and subsequently operated at a new equilibrium at the conclusion of the period of re-operation. The Recharge Master Plan, as updated, is to reflect an appropriate schedule for planning, design, and physical improvements as may be required to provide reasonable assurance that following the full beneficial use of groundwater withdrawn in accordance with the Basin Re-Operation and authorized controlled overdraft, sufficient replenishment capability exists to meet the reasonable projections of desalter replenishment obligations.

WHEREAS, IEUA and Watermaster have entered in the Master Cost Sharing Agreement, dated as of July 24, 2014 (the "Master Agreement").

WHEREAS, the Authority, IEUA and Watermaster desire to enter into this Master Recharge Facilities Financing Agreement to facilitate the financing of additional recharge projects from time-to-time;

NOW THEREFORE, the parties hereto do agree as follows:

Section 1. Definitions.

The following terms shall, for all purposes of this Agreement have the following meanings:

“Agreement” shall mean this Master Recharge Facilities Financing Agreement, dated as of June 1, 2016 by and among the Authority, IEUA and Watermaster as the same may be amended and supplemented from time-to-time in accordance with the terms hereof.

“Authority” shall have the meaning assigned thereto in the preamble hereto.

“Authority Debt” means bonds, notes, loans from the State of California or a department or agency thereof or other evidences of indebtedness issued by or on behalf of the Authority to finance or refinance a Project.

“Agency Fiscal Year” means the twelve month period commencing on July 1 of each calendar year and ending on the following June 30 or such other twelve month period which may be designated by the Agency as its fiscal year.

“Bright Line Agreement” shall have the meaning assigned thereto in the preamble hereto.

“Debt Resolution” means the resolution or resolutions providing for the issuance of Authority Debt and the terms thereof, and any indenture or trust agreement related thereto.

“Debt Service” means, as of the date of calculation and with respect to Authority Debt, an amount equal to the sum of (i) interest payable during such Agency Fiscal Year on Authority Debt, except to the extent that such interest is to be paid from capitalized interest, (ii) that portion of principal of Authority Debt payable during such Agency Fiscal Year, (iii) amounts necessary to replenish any reserve fund created pursuant to a Debt Resolution, and (iv) all letters of credit, remarketing and other financing costs payable on a periodic basis. Such interest, principal and financing costs for Authority Debt shall be calculated on the assumption that no Authority Debt outstanding at the date of calculation will cease to be outstanding except by reason of the payment of principal on the due date thereof;

provided further that, as to any such Authority Debt bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall be one hundred ten percent (110%) of the greater of (a) the daily average interest rate on such Authority Debt during the twelve (12) calendar months preceding the date of calculation (or the portion of the then current Agency Fiscal Year that such Authority Debt have borne interest) or (b) the most recent effective interest rate on such Authority Debt prior to the date of calculation; and

provided further that, as to any such Authority Debt or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Authority Debt or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Authority Debt for which such debt service reserve fund was established and in each preceding Agency Fiscal Year until such amount is exhausted.

“Fixed Project Costs” means the capital costs of all Projects, including (i) Debt Service on Authority Debt to fund Projects, (ii) reserves for repair and replacement and improvement to Projects and (iii) reserves for payment of Debt Service on such Authority Debt.

“IEUA” or “Agency” shall mean the Inland Empire Utilities Agency, including any successor thereto.

“Independent Certified Public Accountant” means any firm of certified public accountants appointed by Watermaster, the Authority or IEUA, as the case may be, and each of whom is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

“Joint Powers Agreement” means the Joint Exercise of Powers Agreement creating the Chino Basin Regional Financing Authority, as such agreement may be amended or supplemented from time to time.

“Judgment” means: Judgment No. RCV 51010 (previously No. 164327) of the Superior Court of the State of California for the County of San Bernardino, dated January 27, 1978, in the action *Chino Basin Municipal Water District v. City of Chino, et al.*, and any subsequent amendments thereto.

“Master Agreement” shall have the meaning ascribed thereto in the preamble hereto.

“OBMP Assessment” shall have the meaning ascribed thereto in Section 1(cc) of the Peace Agreement.

“Peace Agreement” shall have the meaning ascribed thereto in the preamble hereto.

“Peace II Agreement” shall have the meaning ascribed thereto in the preamble hereto.

“Project” means recharge facilities improvements which may be agreed to be undertaken by IEUA and Watermaster from time-to-time and set forth in an Annex attached to this Agreement and which are the subject of cost sharing under the Master Agreement. The parties acknowledge that portions of a Project may be revised from time-to-time without amendment to this Agreement.

“Trustee” means the entity or entities designated by the Authority pursuant to any Debt Resolution to administer any funds or accounts required by such Debt Resolution or otherwise.

“Watermaster” shall have the meaning assigned thereto in the preamble hereto.

Section 2. Purpose; Financing and Construction.

The purpose of this Agreement is for the Authority to provide for the financing from time-to-time of the Fixed Project Costs of Projects and to provide a framework for the ownership and operation of Projects.

Unless otherwise expressly provided in an Annex attached hereto with respect to a specific Project, all Projects shall be owned by IEUA. All other aspects of such Projects, including the obtaining of all necessary authority and rights, consents and approvals, and the performance of all things necessary and convenient therefor, subject to compliance with all necessary federal and state laws, including but not limited to the California Environmental Quality Act (“CEQA”), and all other agreements relating thereto, shall be provided for by separate agreements, including but not limited to the Peace II Agreement and the Master Agreement (including any Task Order issued under the Master Agreement).

Section 3. Recharge Facilities.

Pursuant to the terms of this Agreement, IEUA shall provide to Watermaster, and Watermaster shall utilize, the Projects for recharge purposes in accordance with the Judgement, Section 5.1 of the Peace Agreement and Program Element 2 of Exhibit B thereto, and Section VIII of the Peace II Agreement. Subject to Watermaster’s payment obligations hereunder, the Authority agrees to use its best efforts to finance each Project pursuant to this Agreement. The obligation of IEUA to provide a Project to Watermaster shall be contingent on the Authority’s ability to finance such Project as described above. Unless otherwise expressly provided in an Annex attached hereto, or expressly provided in a Task Order under the Master Agreement, with respect to a specific Project, Watermaster shall be responsible for the operation of each Project, including the payment of operation and maintenance costs with respect to the Project consistent with the Bright Line Agreement and Section VIII of the Peace II Agreement. The Authority shall have no responsibility to operate or maintain or pay any operation and maintenance costs with respect to any Project. Nothing contained in this Agreement shall create any additional obligations of IEUA to operate or maintain or pay any operation and maintenance costs with respect to any Projects.

Section 4. No IEUA or Authority Responsibility for Recharge Water.

Neither the Authority nor any of its officers or agents shall be liable for the control, carriage, handling, use, disposal, or distribution of recharge water; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal or distribution of such recharge water and including attorneys fees and other costs of defense in connection therewith. Watermaster and IEUA shall indemnify and hold harmless the Authority and its officers, agents, and employees from any such damages or claims of damages.

Section 5. Rates and Charges.

(a) Establishment of Rates and Charges. IEUA, as agent for the Authority, shall fix charges to Watermaster under this Agreement equal to the amounts anticipated by IEUA to be needed by the Authority to pay Watermaster’s share of Fixed Project Costs for each Project as set forth in the respective Annex to this Agreement.

(b) Insufficiency of Funds. Watermaster acknowledges that the Fixed Project Costs will vary from time-to-time and within any Agency Fiscal Year. If funds collected by the Agency in any Agency Fiscal Year are insufficient to pay Fixed Project Costs of a Project in such Agency Fiscal Year, the Agency shall promptly notify Watermaster of such insufficiency and Watermaster shall pay to the Agency, as agent for the Authority, an amount equal to Watermaster’s portion of such insufficiency. The obligation of Watermaster to pay the Watermaster share of Fixed Project Costs of

each Project shall commence upon execution of the respective Annex to this Agreement and continue to exist and be honored by Watermaster whether or not a Project is implemented (which provision may be characterized as an obligation to pay Watermaster's portion of the costs on a take-or-pay basis whether or not a Project is completed or is operable).

(c) Source of Payments. The obligation of Watermaster to make payments under this Agreement is a general obligation of Watermaster. Watermaster shall make payments under this Agreement solely as an operation fee (as determined in accordance with generally accepted accounting principles). Watermaster shall make such payments on a parity with other operation and maintenance expenses of Watermaster and prior to any payments other than operation and maintenance expenses of Watermaster. Nothing herein shall be construed as prohibiting Watermaster from using any other funds and revenues for purposes of satisfying any provisions of this Agreement.

(d) Obligation Is Not Subject To Reduction. Watermaster shall make payments under this Agreement whether or not a Project is completed, operable, operated or retired and notwithstanding the suspension, interruption, interference, reduction or curtailment of operation of a Project in whole or in part for any reason whatsoever. Such payments are not subject to any reduction, whether offset or otherwise, and are not conditioned upon performance by IEUA or the Authority under this Agreement or any other agreement.

(e) Allocation of Costs and Expenses.

(i) Adjustments. As agent of the Authority, IEUA shall update the values and amounts of Fixed Project Costs for all Projects under this Agreement on a annual basis, in order that the charges to Watermaster may accurately reflect increases or decreases from Agency Fiscal Year to Agency Fiscal Year in Watermaster's share of Fixed Project Costs for each Project. In addition, each such determination shall include an adjustment to be paid or received by Watermaster for succeeding Agency Fiscal Years which shall account for the differences, if any, between projections of Fixed Project Costs used by the Agency in determining the amounts of said Fixed Project Costs for all preceding Agency Fiscal Years and actual Fixed Project Costs allocable to Watermaster during such Agency Fiscal Years.

(ii) Interest Earnings. Interest earnings on all amounts paid by Watermaster under this Agreement shall be credited to Watermaster through the budgeting process.

(f) Time and Method of Payment.

(i) Statement of Charges. IEUA, as agent for the Authority shall furnish Watermaster with a written statement of the estimated Fixed Project Costs for all Projects for the next succeeding Agency Fiscal Year on or prior to June 1 of each Agency Fiscal Year. Such written statements shall take into account applicable credits received by the Authority or IEUA, as agent for the Authority, and estimated investment earnings on moneys related to such Projects held by the Authority or IEUA as agent of the Authority.

(ii) Fixed Project Costs. Watermaster shall pay to IEUA, as agent for the Authority, on or before July 15 of each Agency Fiscal Year, an amount equal to Watermaster's share of the Fixed Project Costs as set forth in the statement of charges described in clause (i) above for each Project for such Agency Fiscal Year.

(iii) Contest of Accuracy of Charges. If Watermaster questions or disputes the correctness of any billing statement, it shall pay the amount claimed when due and shall, within thirty (30) days of the completion and delivery of the later of IEUA's or the Authority's annual audit, request an explanation from IEUA and the Authority. If the bill is determined to be incorrect, IEUA, as agent for the Authority, will adjust the bill to Watermaster in the next Agency Fiscal Year, including an adjustment equal to the interest actually earned by the Authority on its general reserves during such period. If IEUA, as agent for the Authority, and Watermaster fail to agree on the correctness of a bill within thirty (30) days after Watermaster has requested an explanation, the parties shall promptly submit the dispute to arbitration under Section 1280 et seq. of the Code of Civil Procedure.

Section 6. Annual Capital Budget and Billing Statement.

IEUA will promptly prepare and approve a capital budget for the period from July 1, 2016 through June 30, 2017 after execution and delivery of this Agreement. Thereafter, IEUA will prepare a preliminary annual capital budget for each applicable Agency Fiscal Year for credits, costs and expenses relating to the Projects. IEUA shall submit a draft of such budget to Watermaster on or prior to each April 1 for review and comment. IEUA staff shall use its best efforts to resolve any questions or concerns of Watermaster during such review. The Board of Directors of IEUA will adopt a final annual capital budget for the applicable Agency Fiscal Year on or before June 1 of each Agency Fiscal Year. IEUA shall supply a copy of said final annual capital budget to Watermaster and the Authority on or before June 15 of each Agency Fiscal Year. Any amendment to the final annual capital budget shall be submitted to Watermaster for review and comment at least 30 days prior to action thereon by the Agency Board of Directors.

Section 7. Obligation in the Event of Default.

(a) Written Demand. Upon failure of Watermaster to (i) make any payment in full when due under this Agreement or (ii) to perform any other obligation hereunder, the Agency, as agent for the Authority, shall make written demand upon Watermaster. If a failure described in clause (i) above is not remedied within thirty (30) days from the date of such demand or, if Authority Debt are outstanding, for such additional time as is reasonably required, in the sole discretion of the Trustee, to correct the same, such failure shall constitute a default at the expiration of such period. If a failure described in clause (ii) cannot be remedied within thirty (30) days from the date of such demand but Watermaster commences remedial action within such thirty (30) day period, then such failure shall not constitute a default hereunder. Notice of any such demand shall be provided to Watermaster by the Agency, as agent for the Authority. Upon failure of IEUA or the Authority to perform any obligation thereof hereunder, Watermaster shall make written demand upon IEUA or the Authority, as the case may be, and if said failure is not remedied within thirty (30) days from the date of such demand or, if Authority Debt are outstanding, for such additional time as is reasonably required, in the sole discretion of the Trustee, to correct the same, then such failure shall constitute a default at the expiration of such period. Notice of such demand shall be provided to Watermaster.

In addition to any default resulting from breach by IEUA or the Authority or Watermaster of any agreement, condition, covenant or term hereof, if IEUA, the Authority or Watermaster shall file any petition or institute any proceedings under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby IEUA, the Authority or Watermaster asks or seeks or prays to be adjudicated a bankrupt, or is to be

discharged from any or all of its Debt or obligations, or offers to its creditors to effect a composition or extension of time to pay its Debt, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of its Debt or for any other similar relief, or if IEUA, the Authority or Watermaster shall make a general or any assignment for the benefit of its creditors, then in each and every such case IEUA, the Authority or Watermaster, as the case may be, shall be deemed to be in default hereunder.

(b) Termination of Agreement; Continuing Obligations. Upon the failure of Watermaster to make any payment which failure constitutes a default under this Agreement and causes the Authority to be in default under any Debt Resolution, IEUA and the Authority may (in addition to the remedy provided by subsection (a) of this Section) give notice of termination of the provisions of this Agreement insofar as the same entitle Watermaster to use a Project which notice shall be effective within 30 days thereof unless such termination shall be enjoined, stayed or otherwise delayed by judicial action. Irrespective of such termination, Watermaster shall remain liable to the Authority to pay the full amount of costs allocated to Watermaster hereunder.

(c) Enforcement of Remedies. In addition to the remedies set forth in this Section, upon the occurrence of a default as described herein, the Authority, IEUA or Watermaster, as the case may be, shall be entitled to proceed to protect and enforce the rights vested in such party by this Agreement by such appropriate judicial proceeding as such party shall deem most effectual, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained herein or to enforce any other legal or equitable right vested in such party by this Agreement or by law. The provisions of this Agreement and the duties of each party hereof, their respective boards, officers or employees shall be enforceable by the other party hereto by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction, with the losing party paying all costs and attorney fees.

(d) Trustee is Third Party Beneficiary. Any Trustee for Authority Debt shall have the right, as a third party beneficiary, to initiate and maintain suit to enforce this Agreement to the extent provided in any Debt Resolution.

Section 8. Covenants of Watermaster.

(a) Amount of OBMP Assessment. Watermaster will fix, prescribe and collect an OBMP Assessment for payments due under this Agreement equal to at least 1.25 times Watermaster's share of Fixed Project Costs for all Projects under this Agreement.

(b) Budgets. On or before the first day of each Watermaster Fiscal Year, Watermaster will adopt and file with IEUA and the Authority a budget approved by the governing body of Watermaster, including therein in the estimated payment obligations under this Agreement payable to IEUA or the Authority. Any budget may be amended at any time during any Watermaster Fiscal Year and such amended budget shall be filed by Watermaster with the IEUA and Authority.

(c) Accounting Records and Financial Statements.

(i) Watermaster will keep appropriate accounting records with respect to the OBMP Assessments, which records shall be available for inspection by IEUA and the Authority and the Trustee at reasonable hours and under reasonable conditions.

(ii) Watermaster will prepare and file with IEUA and the Authority annually within two hundred ten (210) days after the close of each Watermaster Fiscal Year (commencing with Watermaster Fiscal Year ending June 30, 2016) financial statements of Watermaster for the preceding Watermaster Fiscal Year prepared in accordance with generally accepted accounting principles, together with a report of an Independent Certified Public Accountant thereon. Watermaster will promptly furnish a copy of such report to IEUA and the Authority and to the Trustee.

(d) Protection of Security and Rights of IEUA and the Authority. Watermaster will preserve and protect the rights of IEUA and the Authority and the Trustee to the obligations of Watermaster hereunder and will warrant and defend such rights against all claims and demands of all persons.

(e) Payment of Taxes and Compliance with Governmental Regulations. Watermaster will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the OBMP Assessments when the same shall become due. Watermaster will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the OBMP Assessments, but Watermaster shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

(f) Further Assurances. Watermaster will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to effect the financing and refinancing of the Projects and to allow IEUA and the Authority to comply with reporting obligations, to assure IEUA and the Authority of Watermaster's intention to perform hereunder and for the better assuring and confirming unto IEUA, the Authority and the Trustee of the rights and benefits provided to them herein.

(g) Maintenance of Tax-Exempt Status of Authority Debt. Notwithstanding any other provision of this Agreement, Watermaster shall not take any action or omit to take any action, directly or indirectly, in any manner, which would result in any of the Authority Debt being treated as an obligation not described in Section 103(a) of the Internal Revenue Code of 1986, as amended, by reason of classification of such Authority Debt as a "private activity bond" within the meaning of Section 141 of said Code or for any other reason.

Section 9. Covenants of IEUA and the Authority.

(a) Accounting Records and Financial Statements.

(i) IEUA, as agent of the Authority will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to each Project, which records shall be available for inspection, copying and audit by Watermaster and its accountants, attorneys and agents at reasonable hours and under reasonable conditions.

(ii) The Authority will prepare annually within two hundred ten (210) days after the close of each Agency Fiscal Year (commencing with the Agency Fiscal Year ending June 30, 2016) financial statements of the Authority for the preceding Agency Fiscal Year prepared in accordance with generally accepted accounting principles, together with a report

of an Independent Certified Public Accountant thereof. The Authority will promptly furnish a copy of such report to IEUA, the Watermaster and to the Trustee.

(b) Compliance with Law. IEUA and the Authority shall comply with all local, state and federal laws applicable to the Projects.

(c) Use of Funds for Projects. IEUA and the Authority shall not allow the portion of the proceeds of Authority Debt allocated to a Project to be used for any purpose other than to pay for costs associated with financing or refinancing such Project. Surplus proceeds of the portion of the Authority Debt allocated to a Project not needed to pay costs associated with such Project shall be applied to redeem Authority Debt unless otherwise agreed to in writing by IEUA and Watermaster.

Section 10. Term.

(a) No provision of this Agreement shall take effect until (i) this Agreement has been duly executed and delivered by Watermaster to IEUA and the Authority together with an opinion of Brownstein Hyatt Farber Schreck, counsel to Watermaster, in substantially the form attached hereto as Exhibit A (ii) this Agreement has been duly executed and delivered by the Authority to IEUA and the Watermaster with an opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Special Counsel to the Authority, in substantially the form attached hereto as Exhibit B, and (iii) this Agreement has been duly executed and delivered by IEUA to the Watermaster and the Authority with an opinion of general counsel to IEUA in substantially the form attached hereto as Exhibit C.

(b) The term of this Agreement shall continue until the final maturity of all Authority Debt. The parties hereto agree to negotiate in good faith to amend this Agreement on or prior to such date to extend the term hereof and to include terms and conditions as are mutually agreeable to the parties.

Section 11. Assignment.

The Authority may pledge and assign to any Trustee for Authority Debt, all or any portion of the payments received under this Agreement from Watermaster and the Authority's other rights and interests under this Agreement. Such pledge and assignment by the Authority shall be made effective for such time as the Authority shall determine and provide that the Trustee shall have the power to enforce this Agreement in the event of a default by the Authority under a Debt Resolution. Watermaster may assign its rights or obligations under this Agreement only with the written consent of the Authority.

Section 12. Amendments.

Except as otherwise provided in this Agreement, on and after the date Authority Debt are issued and so long as any Authority Debt are outstanding in accordance with the applicable Debt Resolution, Section 6, 8, 9, 11 and 12 and this Section of this Agreement shall not be amended, modified or otherwise changed or rescinded by agreement of the parties without the consent of each Trustee for Authority Debt whose consent is required under the applicable Debt Resolution. This Agreement may only be otherwise amended, modified, changed or rescinded in writing by each of the parties hereto.

The Authority agrees not to grant to the owners of Authority Debt as individuals any rights relating to the amendment, modification or change of this Agreement.

Notwithstanding the foregoing, the sections of this Agreement set forth in the first paragraph of this Section may be amended without the consent of each Trustee for Authority Debt for any of the following purposes:

(a) to add to the agreements, conditions, covenants and terms contained herein required to be observed or performed by the Authority, IEUA or Watermaster other agreements, conditions, covenants and terms hereafter to be observed or performed by the Authority, IEUA or Watermaster, or to surrender any right reserved herein to or conferred herein on the Authority, IEUA or Watermaster, and which in either case shall not adversely affect the interests of the owners of any Authority Debt;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which IEUA, the Authority or Watermaster may deem desirable or necessary and not inconsistent herewith, and which shall not materially adversely affect the interests of the owners of any Authority Debt;

(c) to make any modifications or changes necessary or appropriate in the opinion of a firm of nationally recognized standing in the field of law relating to municipal bonds to preserve or protect the exclusion from gross income of interest on the Authority Debt for federal income tax purposes;

(d) to make any modifications or changes to this Agreement in order to enable the execution and delivery of Authority Debt on a parity with any Authority Debt previously issued and to make any modifications or changes necessary or appropriate in connection with the execution and delivery of Authority Debt;

(e) to make any other modification or change to the provisions of this Agreement which does not materially adversely affect the interests of the owners of any Authority Debt;

(f) to make changes to the definition of "Project."

Section 13. Miscellaneous.

(a) Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed a part of this Agreement.

(b) Partial Invalidity. If any one or more of the covenants or agreements provided in this Agreement to be performed should be determined to be invalid or contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

(c) Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

(d) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

(e) Notices. Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by Federal Express or another reputable commercial overnight courier that guarantees next day delivery and provides a receipt, or (d) by telefacsimile or telecopy, and such notices shall be addressed as follows:

If to Watermaster: Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, California 91730
Attention: General Manager

With a copy to: Brownstein Hyatt Farber Schreck
1020 State Street
Santa Barbara, CA 93101

If to IEUA: Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, California 91708
Attention: Chief Executive Officer

With a copy to: Jean Cihigoyenette
Cihigoyenette, Grossberg & Clouse
Palmbrook Corporate Center
3602 Inland Empire Blvd., Suite C315
Ontario, CA 91764

If to Authority: Chino Basin Regional Financing Authority
c/o Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, California 91708
Attention: Executive Director

With a copy to: Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Douglas S. Brown

or to such other address as either party may from time to time specify in writing to the other party. Any notice shall be deemed delivered when actually delivered, if such delivery is in person, upon deposit with the U.S. Postal Service, if such delivery is by certified mail, upon deposit with the overnight courier service, if such delivery is by an overnight courier service, and upon transmission, if such delivery is by telefacsimile or telecopy.

(f) Relationship To Other Agreements. In the event that the terms of this Agreement and any other agreement between the parties, including but not limited to the Master Agreement, conflict, the terms of this Agreement shall control.

(g) Merger of Prior Agreements. This Agreement and the exhibits hereto constitute the entire agreement between the parties and supersede all prior agreements and understandings between the parties relating to the subject matter hereof. This Agreement is intended to implement, and should be interpreted consistent with, the Peace Agreement.

(h) Time of the Essence. Time is of the essence in the performance of this Agreement.

DRAFT

IN WITNESS WHEREOF Watermaster has executed this Agreement with the approval of its governing body, and each of IEUA and the Authority have executed this Agreement in accordance with the authorization of their Boards of Directors.

CHINO BASIN REGIONAL FINANCING
AUTHORITY

By: _____
President

CHINO BASIN WATERMASTER

By: _____
General Manager

INLAND EMPIRE UTILITIES AGENCY

By: _____
President

DRAFT

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EXHIBIT A

[This opinion shall be delivered upon execution of the Agreement]

_____, 2016

Chino Basin Regional Financing Authority
c/o Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, California 91708

Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, California 91708

Ladies and Gentlemen:

We are acting as general counsel to the Chino Basin Watermaster (“Watermaster”) in connection with the execution and delivery of the Master Recharge Facilities Financing Agreement, dated as of April 1, 2016 (the “Agreement”), among the Chino Basin Regional Financing Authority (the “Authority”), Inland Empire Utilities Agency (the “Agency”) and Watermaster. As such counsel we have examined and are familiar with (i) documents relating to the existence, organization and operation of Watermaster provided to us by Watermaster, (ii) certifications by officers of Watermaster, (iii) all necessary documentation of Watermaster relating to the authorization, execution and delivery of the Agreement, and (iv) an executed counterpart of the Agreement. Terms used herein and not otherwise defined have the respective meanings set forth in the Agreement.

Based upon the foregoing and such examination of law and such other information, papers and documents as we deem necessary or advisable to enable us to render this opinion, including the Constitution and laws of the State of California, together with the resolutions, ordinances and public proceedings of Watermaster, we are of the opinion that:

1. Watermaster is a court-appointed entity, duly created, organized and existing under the laws of the State of California and duly qualified to undertake a water recharge program within its boundaries.

2. Watermaster has legal right, power and authority to enter into the Agreement and to carry out and consummate all transactions reasonably contemplated thereby, and Watermaster has complied with the provisions of applicable law relating to such transactions.

3. The Agreement has been duly authorized, executed and delivered by Watermaster, is in full force and effect as to Watermaster in accordance with its terms and, subject to the qualifications set forth in the second to the last paragraph hereof, and assuming that the Authority and the Agency each has all requisite power and authority, and has taken all necessary action, to authorize, execute and deliver such Agreement, the Agreement constitutes the valid and binding obligation of Watermaster .

4. The obligations of Watermaster to make payments under the Agreement as a general obligation of Watermaster as provided in Section 5 of the Agreement is a valid, legal and binding obligation of Watermaster enforceable in accordance with its terms.

5. No approval, consent or authorization of any governmental or public agency, authority or person is required for the execution and delivery by Watermaster of the Agreement.

6. The authorization, execution and delivery of the Agreement and compliance with the provisions thereof will not conflict with or constitute a breach of, or default under, any instrument relating to the organization, existence or operation of Watermaster, any commitment, agreement or other instrument to which Watermaster is a party or by which it or its property is bound or affected, or any ruling, regulation, ordinance, judgment, order or decree to which Watermaster (or any of its officers in their respective capacities as such) is subject or any provision of the laws of the State of California relating to Watermaster and its affairs.

7. There is no action, suit, proceeding, inquiry or investigation at law or in equity, or before any court, public board or body, pending or, to our knowledge, threatened against or affecting Watermaster or any entity affiliated with Watermaster or any of its officers in their respective capacities as such, which questions the powers of Watermaster referred to in paragraph 2 above or the validity of the proceedings taken by Watermaster in connection with the authorization, execution or delivery of the Agreement, or wherein any unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Agreement, or which would adversely affect the validity or enforceability of the Agreement.

The opinion expressed in paragraphs 3 and 4 above are qualified to the extent that the enforceability of the Agreement may be limited by any applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public agencies in the State of California and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

This opinion is rendered only with respect to the laws of the State of California and the United States of America and is addressed only to the Chino Basin Regional Financing Authority and the Inland Empire Utilities Agency. No other person is entitled to rely on this opinion, nor may you rely on it in connection with any transactions other than those described herein.

Very truly yours,

EXHIBIT B

[This opinion shall be delivered upon execution of the Agreement]

_____, 2016

Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, California 91708

Chino Basin Watermaster
8632 Archibald Avenue, Suite 109
Rancho Cucamonga, California 91730

Ladies and Gentlemen:

We are acting as special counsel to the Chino Basin Regional Financing Authority (the "Authority") in connection with the execution and delivery of the Master Recharge Facilities Financing Agreement, dated as of April 1, 2016 (the "Agreement"), among the Authority, Inland Empire Utilities Agency (the "Agency") and the Chino Basin Watermaster ("Watermaster"). As special counsel we have examined and are familiar with (i) documents relating to the existence, organization and operation of the Authority provided to us by the Authority, (ii) certifications by officers of the Authority, (iii) all necessary documentation of the Authority relating to the authorization, execution and delivery of the Agreement, and (iv) an executed counterpart of the Agreement. Terms used herein and not otherwise defined have the respective meanings set forth in the Agreement.

Based upon the foregoing and such examination of law and such other information, papers and documents as we deem necessary or advisable to enable us to render this opinion, including the Constitution and laws of the State of California, together with the resolutions, ordinances and public proceedings of the Authority, we are of the opinion that:

1. The Authority is a joint exercise of powers agency duly created, organized and existing under the laws of the State of California.
2. The Authority has legal right, power and authority to enter into the Agreement and to carry out and consummate all transactions reasonably contemplated thereby, and the Authority has complied with the provisions of applicable law relating to such transactions.
3. The Agreement has been duly authorized, executed and delivered by the Authority, is in full force and effect as to the Authority in accordance with its terms and, subject to the qualifications set forth in the second to the last paragraph hereof, and assuming that Watermaster and the Agency each has all requisite power and authority, and has taken all necessary action, to authorize, execute and deliver such Agreement, the Agreement constitutes the valid and binding obligation of the Authority.

4. No approval, consent or authorization of any governmental or public agency, authority or person is required for the execution and delivery by the Authority of the Agreement.

5. The authorization, execution and delivery of the Agreement and compliance with the provisions thereof will not conflict with or constitute a breach of, or default under, any instrument relating to the organization, existence or operation of the Authority, any commitment, agreement or other instrument to which the Authority is a party or by which it or its property is bound or affected, or, to the best of our knowledge, any ruling, regulation, ordinance, judgment, order or decree to which the Authority (or any of its officers in their respective capacities as such) is subject or any provision of the laws of the State of California relating to the Authority and its affairs.

6. There is no action, suit, proceeding, inquiry or investigation at law or in equity, or before any court, public board or body, pending or, to our knowledge, threatened against or affecting the Authority or any of its officers in their respective capacities as such, which questions the powers of the Authority referred to in paragraph 2 above or the validity of the proceedings taken by the Authority in connection with the authorization, execution or delivery of the Agreement, or wherein any unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Agreement, or which, in any way, would adversely affect the validity or enforceability of the Agreement.

The opinion expressed in paragraph 3 above is qualified to the extent that the enforceability of the Agreement may be limited by any applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public agencies in the State of California and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

This opinion is rendered only with respect to the laws of the State of California and the United States of America and is addressed only to the Agency and Watermaster. No other person is entitled to rely on this opinion, nor may you rely on it in connection with any transactions other than those described herein.

Respectfully submitted,

EXHIBIT C

[This opinion shall be delivered upon execution of the Agreement]

_____, 2016

Chino Basin Regional Financing Authority
c/o Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, California 91708

Chino Basin Watermaster
8632 Archibald Avenue, Suite 109
Rancho Cucamonga, California 91730

Ladies and Gentlemen:

We are acting as general counsel to the Inland Empire Utilities Agency (the "Agency") in connection with the execution and delivery of the Master Recharge Facilities Financing Agreement, dated as of April 1, 2016 (the "Agreement"), among the Agency, the Chino Basin Regional Financing Authority (the "Authority") and the Chino Basin Watermaster ("Watermaster"). As special counsel we have examined and are familiar with (i) documents relating to the existence, organization and operation of the Agency provided to us by the Agency, (ii) certifications by officers of the Agency, (iii) all necessary documentation of the Agency relating to the authorization, execution and delivery of the Agreement, and (iv) an executed counterpart of the Agreement. Terms used herein and not otherwise defined have the respective meanings set forth in the Agreement.

Based upon the foregoing and such examination of law and such other information, papers and documents as we deem necessary or advisable to enable us to render this opinion, including the Constitution and laws of the State of California, together with the resolutions, ordinances and public proceedings of the Agency, we are of the opinion that:

1. The Agency is a municipal water district duly created, organized and existing under the laws of the State of California.
2. The Agency has legal right, power and authority to enter into the Agreement and to carry out and consummate all transactions reasonably contemplated thereby, and the Agency has complied with the provisions of applicable law relating to such transactions.
3. The Agreement has been duly authorized, executed and delivered by the Agency, is in full force and effect as to the Agency in accordance with its terms and, subject to the qualifications set forth in the second to the last paragraph hereof, and assuming that the Authority and the Watermaster has all requisite power and authority, and has taken all necessary action, to authorize, execute and deliver such Agreement, the Agreement constitutes the valid and binding obligation of the Agency.
4. No approval, consent or authorization of any governmental or public agency, authority or person is required for the execution and delivery by the Agency of the Agreement.

5. The authorization, execution and delivery of the Agreement and compliance with the provisions thereof will not conflict with or constitute a breach of, or default under, any instrument relating to the organization, existence or operation of the Agency, any commitment, agreement or other instrument to which the Agency is a party or by which it or its property is bound or affected, or, to the best of our knowledge, any ruling, regulation, ordinance, judgment, order or decree to which the Agency (or any of its officers in their respective capacities as such) is subject or any provision of the laws of the State of California relating to the Agency and its affairs.

6. There is no action, suit, proceeding, inquiry or investigation at law or in equity, or before any court, public board or body, pending or, to our knowledge, threatened against or affecting the Agency or any of its officers in their respective capacities as such, which questions the powers of the Agency referred to in paragraph 2 above or the validity of the proceedings taken by the Agency in connection with the authorization, execution or delivery of the Agreement, or wherein any unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Agreement, or which, in any way, would adversely affect the validity or enforceability of the Agreement.

The opinion expressed in paragraph 3 above is qualified to the extent that the enforceability of the Agreement may be limited by any applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public agencies in the State of California and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

This opinion is rendered only with respect to the laws of the State of California and the United States of America and is addressed only to the Authority and Watermaster. No other person is entitled to rely on this opinion, nor may you rely on it in connection with any transactions other than those described herein.

Respectfully submitted,

DRAFT

ANNEX A-1

[Attach Annexes from time-to-time listing recharge facility improvements in the form set forth below:]

ANNEX A-1

RMPU Project	Benefits (AFY)		Cost Share (%)		Total Project Budget	Potential Funding	
	RW	SW	CBMW	IEUA		Grants	Loans
San Sevaine Basin Improvement Project	4,100	642	50%	50%	\$6,460,000	\$3,540,000	\$2,920,000
Lower Day Basin		789	100%		\$2,480,000	\$1,125,000	\$1,355,000
Total	4,100	1,431	-	-	\$8,940,000	\$1,128,540	\$4,275,000

Insert other provisions varying or supplementing the terms of the Master Recharge Facilities Financing Agreement:

Approved by:

CHINO BASIN WATERMASTER

INLAND EMPIRE UTILITIES AGENCY

By: _____
General Manager

By: _____
General Manager

ANNEX A-2

RMPU Project	Benefits (AFY)		Cost Share (%)		Total Project Budget	Potential Funding	
	RW	SW	CBMW	IEUA		Grants	Loans
CSI Storm Water Basin	-	81	100%	-	\$440,000	\$-	\$440,000
Wineville PS to Jurupa, Jurupa PS to RP3 Basin and RP3 Improvements	2,905	3,166	91%	9%	\$21,310,000	\$5,300,000	\$16,010,000
Declez Basin	-	241	100%	-	\$4,070,000	\$2,035,000	\$2,035,000
Victoria Basin	120	43	50%	50%	\$150,000	\$-	\$150,000
Turner Basin	-	66	100%	-	\$890,000	\$-	\$890,000
Ely Basin	-	221	100%	-	\$3,200,000	\$-	\$3,200,000
Montclair Basin	-	248	100%	-	\$1,440,000	\$-	\$1,440,000
Total	3,025	4,066	-	-	\$31,500,000	\$7,335,000	\$24,165,000

Insert other provisions varying or supplementing the terms of the Master Recharge Facilities Financing Agreement:

Approved by:

CHINO BASIN WATERMASTER

INLAND EMPIRE UTILITIES AGENCY

By: _____
General Manager

By: _____
General Manager

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

F. PROPOSITION 1 – GROUNDWATER GRANT



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: May 26, 2016
TO: Board Members
SUBJECT: Proposition 1 Groundwater Grant

SUMMARY

Issue: Secure Grant Funding for Projects included in the 2013 Amendment to the 2010 Recharge Master Plan Update.

Recommendation: Adopt Resolution No. 2016-04, authorizing the Chino Basin Regional Financing Authority to submit a grant application for a Proposition 1 Groundwater Grant for Chino Basin Improvements and the Groundwater Cleanup Project.

Financial Impact: None

Future Consideration

Watermaster Board: May 26, 2016; Adoption (on Advisory Committee recommendation)

ACTIONS:

May 12, 2016 – Appropriative Pool – Unanimously recommended to Advisory Committee to recommend to the Watermaster Board adoption of Resolution No. 2016-04, authorizing the Chino Basin Regional Financing Authority to submit a grant application for a Proposition 1 Groundwater Grant for Chino Basin Improvements and the Groundwater Cleanup Project.

May 12, 2016 – Non-Agricultural Pool – Unanimously approved recommendation as presented and directed Pool representatives to recommend to the Advisory Committee to recommend Watermaster Board adoption of Resolution No. 2016-04, authorizing the Chino Basin Regional Financing Authority to submit a grant application for a Proposition 1 Groundwater Grant for Chino Basin Improvements and the Groundwater Cleanup Project, subject to changes which they deem appropriate.

May 12, 2016 – Agricultural Pool – Unanimously recommended to Advisory Committee to recommend to the Watermaster Board adoption of Resolution No. 2016-04, authorizing the Chino Basin Regional Financing Authority to submit a grant application for a Proposition 1 Groundwater Grant for Chino Basin Improvements and the Groundwater Cleanup Project.

May 19, 2016 – Advisory Committee – Unanimously recommended Board adoption of Resolution No. 2016-04, authorizing the Chino Basin Regional Financing Authority to submit a grant application for a Proposition 1 Groundwater Grant for Chino Basin Improvements and the Groundwater Cleanup Project.

BACKGROUND

In section 8.4.3 of the 2013 Amendment to the 2010 Recharge Master Plan Update (2013 RMPU), an element in developing the financing plan is to identify grant-funding. It states: "The IEUA, Watermaster, and the Appropriators will combine their effort to secure grant funding and low-interest financing from the State Water Resources Control Board, the DWR, and others."

As part of the Financing Plan for the 2013 RMPU, Item I.D of the May 26, 2016 agenda, IEUA has identified many sources of grants and loans for the 2013 RMPU projects, some of which have already been obtained for the Lower Day and San Sevaine projects.

DISCUSSION

The Proposition 1 Groundwater Grant Program offers \$900 million for grants and loans funding projects that prevent or clean-up the contamination of groundwater that serves or has served as a source of drinking water. Eligible projects must prevent the spread of contamination in an aquifer, accelerate the cleanup of process and protect drinking water source and provide clean water to disadvantaged communities.

The Chino Basin Improvements and Groundwater Cleanup Project consist of groundwater recharge and groundwater clean-up benefits, and will address the legacy trichloroethylene (TCE) plume in the Chino Basin. It consists of new wells, de-carbonators, pipelines, pump stations and recharge basin improvements with a total estimated project cost of \$66 million. The application is seeking \$32 million in grant funding under the Groundwater Grant Program. The application will be submitted via the Chino Basin Regional Financing Authority. The table below shows the project cost and benefit allocations:

Chino Basin Improvements and Groundwater Cleanup Project Funding Plan										
Project	Benefits (AFY)			Cost Share (%)			Total Project Cost	Potential Funding		
	RW	SW	DW	CBWM	IEUA	CDA		Grants	SRF Loan	Planning Loan
CSI Storm Water Basin	-	81		100%	-	-	\$ 440,000	\$ 220,000	\$ 162,427	\$ 57,573
Wineville PS to Jurupa, Jurupa PS to RP3 Basin and RP3 Improvements	2,905	3,166		91%	9%		\$ 21,310,000	\$10,000,000	\$ 8,521,628	\$ 2,788,372
Declaz Basin	-	241		100%	-	-	\$ 4,070,000	\$ 2,035,000	\$ 1,502,448	\$ 532,552
Victoria Basin	120	43		50%	50%		\$ 150,000	\$ 75,000	\$ 55,373	\$ 19,627
San Sevaine Basin Improvement Project	4,100	642		50%	50%		\$ 6,460,000	\$ 3,230,000	\$ 2,384,721	\$ 845,279
Lower Day Basin		789		100%			\$ 2,480,000	\$ 1,240,000	\$ 915,497	\$ 324,503
Turner Basin	-	66		100%	-	-	\$ 890,000	\$ 445,000	\$ 328,545	\$ 116,455
Ely Basin	-	221		100%	-	-	\$ 3,200,000	\$ 1,600,000	\$ 1,181,286	\$ 418,714
Montclair Basin	-	248		100%	-	-	\$ 1,440,000	\$ 720,000	\$ 531,579	\$ 188,421
Subtotal RMPU Project	7,125	5,497					\$ 40,440,000	\$19,565,000	\$15,583,504	\$ 5,291,496
TCE Cleanup - Wells, Pipeline, Pump Station & De-Carbonators			8,520		40%	60%	\$ 25,230,705	\$12,615,353	\$12,615,353	
Subtotal Cleanup Project			8,520	-	-	-	\$ 25,230,705	\$12,615,353	\$12,615,353	
Total	7,125	5,497	8,520	-	-	-	\$ 65,670,705	\$32,180,353	\$28,198,856	\$ 5,291,496

Staff recommends adoption of Resolution No. 2016-04 (Attachment 1) as presented.

There is no financial impact to the budget.

ATTACHMENTS

1. Resolution No. 2016-04

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RESOLUTION NO. 2016-04

RESOLUTION OF THE CHINO BASIN WATERMASTER,
SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING ITS
INTENTION TO APPLY FOR A PROPOSITION 1 GROUNDWATER
GRANT FOR THE CHINO BASIN IMPROVEMENTS AND
GROUNDWATER CLEAN-UP PROJECT

BE IT RESOLVED, by the Chino Basin Watermaster (Watermaster) that the Chino Basin Regional Financing Authority (the Authority) is hereby authorized to apply for a Financial Assistance Application for a Proposition 1 Groundwater Grant from the State Water Resources Control Board for the implementation of the Chino Basin Improvements and Groundwater Clean-up Project (Application) on Watermaster's behalf; and

BE IT RESOLVED that the Inland Empire Utilities Agency (IEUA) General Manager, or in his absence, his designees, is authorized to sign and file, on behalf of the Watermaster, through the Authority, the Application; and

BE IT RESOLVED, that the IEUA's General Manager, or in his absence, his designees, is authorized to represent the Watermaster through the Authority in carrying out the Authority's responsibilities under the grant agreement, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto, certifying disbursement requests on behalf of the Authority /Watermaster and assisting with compliance with applicable state and federal laws.

ADOPTED by the Watermaster Board on this 26th day of May 2016

APPROVED:

By: _____
Chair, Watermaster Board

ATTEST:

By: _____
Board Secretary/Treasurer
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Bob Kuhn, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-04, 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

Watermaster Secretary

Date: _____

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

G. PROPOSITION 1 – STORMWATER GRANT



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: May 26, 2016
TO: Board Members
SUBJECT: Proposition 1 Stormwater Grant

SUMMARY

Issue: Secure Grant Funding for Projects included in the 2013 Amendment to the 2010 Recharge Master Plan Update.

Recommendation: Adopt Resolution No. 2016-05, authorizing the Chino Basin Regional Financing Authority to submit a grant application for a Proposition 1 Stormwater Grant for the implementation of the Wineville Basin, Jurupa Basin, RP-3 Basin Improvements, and Pumping and Conveyance System Project.

Financial Impact: None

Future Consideration

Watermaster Board: May 26, 2016; Adoption (On Advisory Committee recommendation)

ACTIONS:

May 12, 2016 – Appropriative Pool – Unanimously recommended to Advisory Committee to recommend Board adoption of Resolution No. 2016-05, authorizing the Chino Basin Regional Financing Authority to submit a grant application for a Proposition 1 Stormwater Grant for the implementation of the Wineville Basin, Jurupa Basin, RP-3 Basin Improvements, and Pumping and Conveyance System Project.

May 12, 2016 – Non-Agricultural Pool – Unanimously approved recommendation as presented and directed Pool representatives to recommend Advisory Committee to recommend Board adoption of Resolution No. 2016-05, authorizing the Chino Basin Regional Financing Authority to submit a grant application for a Proposition 1 Stormwater Grant for the implementation of the Wineville Basin, Jurupa Basin, RP-3 Basin Improvements, and Pumping and Conveyance System Project, subject to changes which they deem appropriate.

May 12, 2016 – Agricultural Pool - Unanimously recommended to Advisory Committee to recommend Board adoption of Resolution No. 2016-05, authorizing the Chino Basin Regional Financing Authority to submit a grant application for a Proposition 1 Stormwater Grant for the implementation of the Wineville Basin, Jurupa Basin, RP-3 Basin Improvements, and Pumping and Conveyance System Project.

May 19, 2016 – Advisory Committee – Unanimously recommended Board adoption of Resolution No. 2016-05, authorizing the Chino Basin Regional Financing Authority to submit a grant application for a Proposition 1 Stormwater Grant for the implementation of the Wineville Basin, Jurupa Basin, RP-3 Basin Improvements, and Pumping and Conveyance System Project.

BACKGROUND

In section 8.4.3 of the 2013 Amendment to the 2010 Recharge Master Plan Update (2013 RMPU), an element in developing the financing plan is to identify grant-funding. It states: “The IEUA, Watermaster, and the Appropriators will combine their effort to secure grant funding and low-interest financing from the State Water Resources Control Board, the DWR, and others.”

As part of the Financing Plan for the 2013 RMPU, Item I.D of the May 26, 2016 agenda, IEUA has identified many sources of grants and loans for the 2013 RMPU projects, some of which have already been obtained for the Lower Day and San Sevaine projects.

DISCUSSION

The Stormwater Grant Program offers \$160 million in grant funding during two rounds. This grant is for projects that can provide multiple benefits to a region by addressing water supply, water quality, flood management, environmental issues, and community issues through storm water runoff capture and groundwater recharge.

The Wineville, Jurupa and RP-3 Basin Improvements Project provides both recycled water and stormwater recharge benefits. It consists of groundwater recharge improvements, pipelines, pump stations and new recharge basins with a total project cost of approximately \$21.3 million. The application is seeking \$10 million under the Stormwater Grant Program. The application will be submitted via the Chino Basin Regional Financing Authority. The table below shows the estimated project cost and benefit allocations:

Project	Benefits (AFY)			Cost Share (%)			Total Project Cost	Potential Funding		
	RW	SW	DW	CBMW	IEUA	CDA		Grants	SRF Loan	Planning Loan
Wineville PS to Jurupa, Jurupa PS to RP3 Basin and RP3 Improvements	2,905	3,166		91%	9%		\$ 21,310,000	\$10,000,000	\$ 8,521,628	\$ 2,788,372

Staff recommends adoption of Resolution No. 2016-05 (Attachment 1) as presented.

There is no financial impact to the budget.

ATTACHMENTS

1. Resolution No. 2016-05

RESOLUTION NO. 2016-05

**RESOLUTION OF THE CHINO BASIN WATERMASTER,
SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING ITS
INTENTION TO APPLY FOR A PROPOSITION 1 STORMWATER
GRANT FOR THE WINEVILLE BASIN, JURUPA BASIN, RP-3 BASIN
IMPROVEMENTS AND PUMPING AND CONVEYANCE SYSTEM
PROJECT**

BE IT RESOLVED, by the Chino Basin Watermaster (Watermaster) that the Chino Basin Regional Financing Authority (the Authority) is hereby authorized to apply for a Financial Assistance Application for a Proposition 1 Stormwater Grant from the State Water Resources Control Board for the implementation of the Wineville Basin, Jurupa Basin, RP-3 Basin Improvements, and Pumping and Conveyance System Project (Application); and

BE IT RESOLVED that the Inland Empire Utilities Agency (IEUA) General Manager, or in his absence, his designees, is authorized to sign and file, on behalf of the Watermaster, through the Authority, the Application; and

BE IT RESOLVED, that the IEUA's General Manager, or in his absence, his designees, is authorized to represent the Watermaster through the Authority in carrying out the Authority's responsibilities under the grant agreement, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto, certifying disbursement requests on behalf of the Authority/Watermaster and assisting with compliance with applicable state and federal laws.

ADOPTED by the Watermaster Board on this 26th day of May 2016

APPROVED:

By: _____
Chair, Watermaster Board

ATTEST:

By: _____
Board Secretary/Treasurer
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Bob Kuhn, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-05, 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

Watermaster Secretary

Date: _____

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

H. CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM



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: May 26, 2016
TO: Board Members
SUBJECT: Clean Water State Revolving Fund Loan Program

SUMMARY

Issue: Secure low interest financing for projects included in the 2013 Amendment to the 2010 Recharge Master Plan Update (2013 RMPU).

Recommendation: Adopt Resolution No. 2016-06, authorizing the Inland Empire Utilities Agency to apply, through the Chino Basin Regional Financing Authority, for State Revolving Fund Loan for the preliminary planning and design costs of 2013 RMPU projects.

Financial Impact: None

Future Consideration

Watermaster Board: May 26, 2016; Adoption (On Advisory Committee recommendation)

ACTIONS:

May 12, 2016 – Appropriative Pool – Unanimously recommended to Advisory Committee to recommend Board adoption of Resolution No. 2016-06, authorizing the Inland Empire Utilities Agency to apply, through the Chino Basin Regional Financing Authority, for State Revolving Fund Loan for the preliminary planning and design costs of 2013 RMPU projects.

May 12, 2016 – Non-Agricultural Pool – Unanimously approved recommendation as presented and directed Pool representatives to recommend Advisory Committee to recommend Board adoption of Resolution No. 2016-06, authorizing the Inland Empire Utilities Agency to apply, through the Chino Basin Regional Financing Authority, for State Revolving Fund Loan for the preliminary planning and design costs of 2013 RMPU projects, subject to changes which they deem appropriate.

May 12, 2016 – Agricultural Pool – Unanimously recommended to Advisory Committee to recommend Board adoption of Resolution No. 2016-06, authorizing the Inland Empire Utilities Agency to apply, through the Chino Basin Regional Financing Authority, for State Revolving Fund Loan for the preliminary planning and design costs of 2013 RMPU projects.

May 19, 2016 – Advisory Committee – Recommended to Board for adoption

BACKGROUND

In section 8.4.3 of the 2013 Amendment to the 2010 Recharge Master Plan Update (2013 RMPU), an element in developing the financing plan is to identify grant-funding. It states: "The IEUA, Watermaster, and the Appropriators will combine their effort to secure grant funding and low-interest financing from the State Water Resources Control Board, the DWR, and others."

As part of the Financing Plan for the 2013 RMPU, Item I.D of the May 26, 2016 agenda, IEUA has identified many sources of grants and loans for the 2013 RMPU projects, some of which have already been obtained for the Lower Day and San Sevaine projects.

DISCUSSION

In order to support the planning and design for the RMPU Projects, CBWM and IEUA will apply for a \$5.3M Clean Water State Revolving Fund Loan from the State Water Resources Control Board. This loan application will be submitted via the Chino Basin Regional Financing Authority. If future construction activities were to go forward and additional SRF funding was secured, the planning/design loans would be merged with the construction loans and not become due until after construction activities are complete.

The SRF loan application will require a revenue pledge, which is the subject of a separate staff report and Resolution in the May 26, 2016 agenda.

Staff recommends adoption of Resolution No. 2016-06 (Attachment 1) as presented.

There is no financial impact to the budget.

ATTACHMENTS

1. Resolution No. 2016-06

RESOLUTION NO. 2016-06

**RESOLUTION OF THE CHINO BASIN WATERMASTER,
SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING ITS
INTENTION TO APPLY FOR CLEAN WATER STATE REVOLVING
FINANCIAL ASSISTANCE FUNDS FOR THE PRELIMINARY DESIGN
PLANNING FOR THE RECHARGE MASTER PLAN UPDATE**

BE IT RESOLVED, by the Chino Basin Watermaster (Watermaster) that the Inland Empire Utilities Agency (IEUA) General Manager, or in his absence, his designees, is hereby authorized and directed to sign and file, on behalf of the Watermaster, utilizing the Chino Basin Regional Financing Authority (the Authority), a Financial Assistance Application for a State Revolving Fund loan agreement from the State Water Resources Control Board for the preliminary planning design for Recharge Master Plan Update (RMPU); and

BE IT RESOLVED, that the Watermaster hereby agrees and further does authorize IEUA's General Manager, or in his absence, his designees, to provide the assurances, certifications and commitments required for the financial assistance applications, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto; and

BE IT RESOLVED, that IEUA's General Manager, or in his absence, his designees, is authorized to represent the Watermaster in carrying out the Authority's responsibilities under the loan agreement, including certifying disbursement requests on behalf of IEUA and compliance with applicable state and federal laws.

ADOPTED by the Watermaster Board on this 26th day of May 2016

APPROVED:

By: _____
Chair, Watermaster Board

ATTEST:

By: _____
Board Secretary/Treasurer
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Bob Kuhn, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-06, 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

Watermaster Secretary

Date: _____

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

I. REVENUE PLEDGE TO STATE REVOLVING FUND FINANCING



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: May 26, 2016
TO: Board Members
SUBJECT: Revenue Pledge to State Revolving Fund Financing

SUMMARY

Issue: Dedicating certain revenues for the repayment of the State Revolving Fund loan for the Planning and Design of the projects in the 2013 Amendment to the 2010 Recharge Master Plan Update.

Recommendation: Adopt Resolution No. 2016-07, dedicating net revenues from Debt Service assessments to payment of Watermaster's share of the State Revolving Fund and/or Water Recycling Funding Program financing.

Financial Impact: None

Future Consideration

Watermaster Board: May 26, 2016; Adoption (On Advisory Committee Recommendation)

ACTIONS:

May 12, 2016 – Appropriative Pool – Unanimously recommend to Advisory Committee to recommend Board adoption of Resolution No. 2016-07, dedicating net revenues from Debt Service assessments to payment of Watermaster's share of the State Revolving Fund and/or Water Recycling Funding Program financing.

May 12, 2016 – Non-Agricultural Pool – Unanimously approved recommendation as presented and directed Pool representatives to recommend Advisory Committee to recommend Board adoption of Resolution No. 2016-07, dedicating net revenues from Debt Service assessments to payment of Watermaster's share of the State Revolving Fund and/or Water Recycling Funding Program financing, subject to changes which they deem appropriate.

May 12, 2016 – Agricultural Pool – Unanimously recommend to Advisory Committee to recommend Board adoption of Resolution No. 2016-07, dedicating net revenues from Debt Service assessments to payment of Watermaster's share of the State Revolving Fund and/or Water Recycling Funding Program financing.

May 19, 2016 - Advisory Committee- Recommended Board adoption of Resolution No. 2016-07, dedicating net revenues from Debt Service assessments to payment of Watermaster's share of the State Revolving Fund and/or Water Recycling Funding Program financing.

BACKGROUND

In section 8.4.3 of the 2013 Amendment to the 2010 Recharge Master Plan Update (RMPU), an element in developing the financing plan is to identify grant-funding. It states: "The IEUA, Watermaster, and the Appropriators will combine their effort to secure grant funding and low-interest financing from the State Water Resources Control Board, the DWR, and others."

As part of the Financing Plan for the 2013 RMPU, Item I.D of the May 26, 2016 agenda, IEUA has identified many sources of grants and loans for the 2013 RMPU projects, some of which have already been obtained for the Lower Day and San Sevaine projects.

Resolution No. 2016-06, Item I.H of the May 26, 2016 agenda, establishes the intent of CBWM and IEUA to apply for Clean Water State Revolving Fund (SRF) loans assistance funds for the planning and design of 2013 RMPU projects.

DISCUSSION

Resolution No. 2016-07 resolves that CBWM dedicates funds towards the payment of those loans. Repayment terms and conditions are noted in the Master Recharge Facilities Financing Agreement. This is necessary for consideration of the SRF loan application.

Staff recommends adoption of Resolution No. 2016-07 (Attachment 1) as presented.

There is no impact to the budget.

ATTACHMENTS

1. Resolution No. 2016-07

RESOLUTION NO. 2016-07

**RESOLUTION OF THE CHINO BASIN WATERMASTER,
SAN BERNARDINO COUNTY, CALIFORNIA, DEDICATING CERTAIN
REVENUES IN CONNECTION WITH PRELIMINARY DESIGN
PLANNING FOR THE RECHARGE MASTER PLAN UPDATE (RMPU)
AND ASSOCIATED STATE REVOLVING FUND (SRF) FINANCING
FROM THE STATE WATER RESOURCES CONTROL BOARD
(SWRCB)**

WHEREAS, The State Water Resources Control Board (SWRCB) offers funding to assist local agencies to provide funding for the planning, design, and construction of water recycling projects that offset or augment state fresh water supplies; and

WHEREAS, The Chino Basin Watermaster (Watermaster) has authorized the General Manager of Inland Empire Utilities Agency* (IEUA) or in his absence, his designees, to apply for and execute the Preliminary Design Planning for RMPU State Revolving Fund (SRF) loan with the SWRCB through the Chino Basin Regional Financing Authority (CBRFA); and

WHEREAS, IEUA has applied for a SRF loan from SWRCB for the Preliminary Planning Design for RMPU on behalf of the Watermaster and the CBRFA; and

WHEREAS, the SWRCB's SRF loan program requires each recipient to establish one or more dedicated sources of revenue for repayment of the SRF loan; and

NOW THEREFORE, BE IT RESOLVED, that the Watermaster hereby dedicates and pledges net revenues from Debt Service assessments to payment of its share according to the Master Recharge Facilities Financing Agreement between the CBRFA, Watermaster and IEUA, of the Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the Design Planning for RMPU, CWSRF Project 8223-110. The Watermaster commits to collecting such revenues and maintaining such funds(s) throughout the term of such financing and until the Watermaster and has satisfied its repayment obligation thereunder, unless modification or change is approved in writing by the SWRCB. So long as the financing agreements are outstanding, the Watermaster's pledge hereunder shall constitute a lien in favor of the SWRCB on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreements are outstanding, the Watermaster commits to maintaining the funds and revenues at levels sufficient to meet there share of the obligations under the financing agreements.

ADOPTED by the Watermaster Board on this 26th day of May 2016

APPROVED:

By: _____
Chair, Watermaster Board

ATTEST:

By: _____
Board Secretary/Treasurer
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Bob Kuhn, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-07, 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

Watermaster Secretary

Date: _____

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

J. FIRST AMENDMENT TO THE MASTER COST SHARING AGREEMENT BETWEEN CHINO BASIN WATERMASTER AND INLAND EMPIRE UTILITIES AGENCY



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: May 26, 2016
TO: Board Members
SUBJECT: First Amendment to the Master Cost Sharing Agreement between Chino Basin Watermaster and Inland Empire Utilities Agency

SUMMARY

Issue: The Master Cost Sharing Agreement between Chino Basin Watermaster (CBWM) and Inland Empire Utilities Agency (IEUA) needs to be amended to be compatible with the Financing Plan for the 2013 Amendment to the 2010 Recharge Master Plan Update.

Recommendation: Approve the first amendment to the Master Cost Sharing Agreement between CBWM and IEUA, and authorize the General Manager to execute the Agreement.

Financial Impact: None.

Future Consideration

Watermaster Board: May 26, 2016; Approval (Advisory Committee Approval required)

ACTIONS:

May 12, 2016 – Appropriative Pool – Unanimously recommended to Advisory Committee to approve changes made to the Master Cost Sharing Agreement between CBWM and IEUA

May 12, 2016 – Non-Agricultural Pool – Unanimously approved recommendation as presented and directed Pool representatives to recommend Advisory to approve changes made to the Master Cost Sharing Agreement between CBWM and IEUA subject to changes which they deem appropriate.

May 12, 2016 – Agricultural Pool – Unanimously recommended to Advisory Committee to approve changes made to the Master Cost Sharing Agreement between CBWM and IEUA

May 19, 2016 – Advisory Committee – Unanimously approved the changes made to the Master Cost Sharing Agreement

BACKGROUND

Chino Basin Watermaster (CBWM) and Inland Empire Utilities Agency (IEUA) entered into the Master Cost sharing Agreement in July 2014. The purpose of the agreement was to establish a framework for the joint management and allocation of costs for certain collaborative projects within the Chino Basin.

Under this agreement projects from the 2013 Amendment to the 2010 Recharge Master Plan Update (2013 RMPU) were assigned a Task Order to help manage the scope and cost allocations. Consistent with the narrative of the 2013 RMPU, all soft costs are to be funded based on pay-as-you-go through completion of the final design.

DISCUSSION

The Financing Plan for the 2013 RMPU was considered under Item I.D and identifies opportunities for grants, loans, and other low cost financing options for the 2013 RMPU projects; the Master Recharge Facilities Financing Agreement was considered under Item I.E of the May 26, 2016 agenda, to allow the Chino Basin Regional Financing Authority to facilitate obtaining grants and low cost financing for projects. These documents require modifications to the Master Cost Sharing agreement between CBWM and IEUA.

The effect of the changes to the Master Cost Sharing Agreement is to recognize that the soft costs of projects may be financed through a loan, and that Watermaster payment to IEUA for project costs may be reimbursement for loans or bonds.

A redline form of the existing Agreement was presented to the Pools on May 12, 2016 and it was recommended to the Advisory Committee to approve the changes to the existing agreement (Attachment 1). On May 13, 2016 Staff and IEUA completed the proposed Amendment reflecting the changes to the Agreement (Attachment 2). On May 19th, 2016 the Advisory committee recommended the Watermaster Board to approve the proposed Amendment.

Staff recommends approval of the first amendment to Master Cost Sharing Agreement between CBWM and IEUA and to authorize the General Manager to execute the Agreement.

There are no financial impacts to the budget.

ATTACHMENTS

1. First Amendment to the Master Cost Sharing Agreement between CBWM and IEUA (existing Agreement in Redline Form)
2. First Amendment to the Master Cost Sharing Agreement between CBWM and IEUA

**MASTER AGREEMENT BETWEEN CHINO BASIN WATERMASTER AND INLAND EMPIRE UTILITIES
AGENCY REGARDING THE MANAGEMENT OF COLLABORATIVE RECHARGE PROJECTS**

This Master Cost Sharing Agreement (“Agreement”) is entered into as of July 24, 2014, by and between the CHINO BASIN WATERMASTER (“Watermaster”) and INLAND EMPIRE UTILITIES AGENCY (“IEUA”) (each a “Party” and collectively, the “Parties”) for the purposes of establishing a framework for the joint management and allocation of costs for certain collaborative projects within the Chino Basin.

RECITALS

A. Watermaster is an agent of the Court and serves as the Court’s special master in order to administer and enforce the provisions of the Chino Basin Watermaster Judgment, San Bernardino County Superior Court Case No. RCV 51010 (formerly Case No. SCV 164327);

B. IEUA is a regional public agency whose mission is to supply imported and recycled water; collect, treat, and dispose of wastewater; and provide other utility-related services to the communities it serves. IEUA strives to provide these services in a regionally planned, managed, and cost-effective manner;

C. Both Parties are interested in the recharge of water to the Chino Basin and have entered into prior agreements as to the development of facilities for such recharge;

D. Both Parties share responsibility for meeting certain monitoring and reporting requirements detailed in the Basin Plan amendment approved by the Santa Ana Regional Water Quality Control Board (RWQCB) in 2004 (R8-2004-0001, RS-2012-0002);

E. Both Parties have made commitments to the RWQCB to obtain Maximum Benefit Groundwater Quality Objectives;

F. The Parties are co-permittees for the Recycled Water Groundwater Recharge Program and share responsibility for meeting certain monitoring and reporting requirements of the RWQCB, Santa Ana Region Order No. RS-2007-0039 (“Order”) and the Monitoring and Reporting Program (M&RP) No. RS-2007-0039;

G. Pursuant to the Peace II Agreement, the Parties are to jointly approve updates to the Recharge Master Plan to address how the Basin will be contemporaneously managed to secure and maintain Hydraulic Control and subsequently operated at a new equilibrium at the

conclusion of the period of Re-Operation. The Recharge Master Plan, as updated, is to reflect an appropriate schedule for planning, design, and physical improvements as may be required to provide reasonable assurance that following the full beneficial use of groundwater withdrawn in accordance with the Basin Re-Operation and authorized controlled overdraft, that sufficient Replenishment capability exists to meet the reasonable projections of Desalter Replenishment obligations.

H. The Parties regularly partner to jointly manage and fund projects in furtherance of these prior commitments and obligations, with such shared costs for such projects including expenditures for design of improvements, preparation of CEQA documents, applications for construction and operation permits, awarding of construction contracts, administrative costs, construction management services, and financing related costs;

I. The Parties will separately enter into contracts for services on a project specific basis, as described in written proposals including the nature of the services to be performed, the fees and rates to be charged, the location, time schedule, financing, and any special conditions of performance and other information deemed necessary by the Parties ("Task Orders"); and

J. The Parties acknowledge that, due to their originations and structures, IEUA is better equipped to undertake certain project implementation activities, including oversight of the preparation of CEQA documents, leading project management efforts, and securing debt financing under the Recharge Facilities Financing Agreement to support project costs.

K. The Parties seek to develop a Master Agreement for joint management, cost sharing, and financing for projects in the Basin, and as individual Task Orders are approved by the Parties, such projects will be incorporated as part of the Master Agreement as individual tasks.

ARTICLE 1

PROJECT MANAGEMENT

1.1 **Approval of Task Orders.** Each Task Order shall be approved by IEUA and the Watermaster Board of Directors as an individual task in accordance with each Party's policies and procedures, with a specified "maximum allowable cost" amount for each individual Task. The costs to be borne by each Party shall not exceed the "maximum allowable cost" amount specified in each Task Order.

1.2 **Changes in Scope of Task Orders.** Should either party determine that a change in scope requiring a budget increase of any Task Order is necessary for a project, to be effective, such a change in Task Order scope must be approved by each of the Parties pursuant to the

procedures described in Section 1.1. Watermaster shall provide timely review and respond to any request for a change in project scope or any change in Task Order, to prevent unnecessary delays in the project(s) conducted pursuant to such Task Order.

1.3 **Amendment to Task Order Budgets.** If any project undertaken pursuant to a Task Order subject to this Agreement will exceed the budget allocated for such Task Order, Watermaster and IEUA shall amend the Task Order authorizing the project. Similarly, if grant funding is obtained for any project undertaken pursuant to a Task Order subject to this Agreement, Watermaster and IEUA shall amend the Task Order authorizing the project to reduce the Task Order budget accordingly. Watermaster shall reasonably and diligently process any necessary amendments of the Task Order authorizing the project to prevent unnecessary delays in projects.

1.4 **Contractor Selection.** IEUA shall retain a qualified contractor for any and all Task Orders. IEUA may, within its sole discretion, select contractors for each Task Order without the involvement and approval of the Watermaster Board.

1.5 **Monthly Progress Reports.** IEUA, pursuant to its policies and procedures, shall provide monthly progress reports to Watermaster's General Manager by the eighth calendar day of each month for each Task Order that is subject to this Master Agreement. Each monthly progress report shall include a summary of the current status of the Task Order, including reports on cost schedules and any potential for cost overruns, schedule status, and any changes or potential need for changes in the scope of the Task Order.

ARTICLE 2

COST SHARING

2.1 **Watermaster Approval.** Under no circumstances shall Watermaster be obliged to enter into any Task Order reimbursement or repayment obligation, absent approval of the Task Order by Watermaster's Board of Directors.

2.2 **Cost Sharing Allocation.** The Parties have previously agreed as to the cost sharing allocations among themselves for certain projects, including, but not limited to:

- a. Section 8.1(b) of the Peace II Agreement specifies that mutually approved capital improvements for recharge basins that do or can receive recycled water constructed pursuant to the Court-approved Recharge Master Plan, if any, will be financed through the use of third party grants and contributions if available, with any unfunded balance being apportioned fifty (50) percent each to IEUA and Watermaster.

- b. The December 17, 2008 Memorandum of Understanding: Cooperating Efforts for Monitoring Programs between the Inland Empire Utilities Agency and the Chino Basin Watermaster, referred to as the "Bright Line Agreement," defines the cost sharing arrangement for certain monitoring programs between IEUA and Watermaster.
- c. The Parties acknowledge that there are projects which will be funded one hundred (100) percent by Watermaster and managed by IEUA for Watermaster's benefit; and, Watermaster will reimburse IEUA for its project management efforts of these projects.

From and after the Effective Date of this Master Agreement, the Parties agree that they shall apportion the costs of each Task Order for projects to be completed under each Task Order, in accordance with the applicable funding allocation, as described in each Task Order.

2.3 Fiscal-Year Basis Funding. While each Task Order may include a projected budget for the project included therein over the anticipated lifespan of the project, funding for Task Orders and change orders or amendments under this Master Agreement will be made available on a fiscal-year basis. However, funding may be carried forward to complete projects that span fiscal years in order that payment may be made in a timely manner.

~~**2.3 Debt Financing.** The Parties may agree to secure new debt to finance projects approved under this Master Agreement. IEUA will seek the lowest cost financing, including but not limited to low interest State Revolving Funds (SRF) loans issued by the State Resources Control Board. The parties acknowledge that changes to the Projects and/or Project costs may occur from time-to-time. Whenever possible, IEUA will make every effort to modify debt financing accordingly.~~

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2.4 No Partnership or Joint Venture. Neither this Master Agreement, nor any Task Order or project hereunder, nor any other conduct engaged in by either Party pursuant to this Master Agreement or any Task Order hereunder shall create any partnership or joint venture between the Parties, or between each Party and any of the other Party's contractors.

2.5 Project Litigation. In the event that litigation arises in regard to any project that is the subject of a Task Order to this Agreement, which project cost is shared equally between the Parties, then said litigation costs will likewise be shared equally by the Parties. Where the project is funded entirely through Watermaster, the cost of such litigation shall be borne entirely by Watermaster.

ARTICLE 3

REIMBURSEMENT OF COSTS

3.1 **Reimbursement Schedule.** Reimbursement shall be made as follows: At the last day of each month, IEUA shall transmit to Watermaster's General Manager a single invoice, with supporting documentation, itemizing Watermaster's share of costs paid by IEUA, or debt financing, in the preceding monthly billing period that are applicable to each Task Order. Invoices for costs paid by IEUA shall be due and payable in full no later than 30 days from the date of receipt. Watermaster will exercise its best efforts to complete payment within 30 days, recognizing that Watermaster may be subject to requirement of reimbursement to IEUA for additional expenses, such as loss of interest earnings, incurred as a result of a delay in reimbursement. The loss of interest earnings will be calculated by IEUA based on the investment earning rate.

3.2 **Transmittal of Reimbursement Payments.** Remittance for all payments shall identify the applicable IEUA invoice number, and shall be made to the following:

IEUA
Accounts Receivable
P.O. Box 9020
Chino Hills, CA 91709

3.3 **Debt Financing Schedule: Reimbursement of Project costs financed with new debt will be subject to the Recharge Facilities Financing Agreement and Fixed Project Costs provisions.**

3.3 **Disputed Invoices.** If Watermaster disputes any portion of an invoice, Watermaster shall furnish prompt notice of the basis for the dispute and shall pay the undisputed portion. The due date for payment of the disputed portion shall be extended 30 days to allow the Parties to resolve the disputed issue.

3.4 **Reimbursement Limitations.** Neither Party shall be obligated to reimburse the other for any administrative time or overhead expenses incurred by the other Party that is unrelated to the Task Orders issued under this Master Agreement, however each Party is obligated to reimburse the other for capital cost and administrative time and overhead expenses as part of each Party's responsibilities as stated within each Task Order. All legal and technical consultants, contractors, or other personnel retained by either Party for work eligible for reimbursement under this Agreement shall be under contract to or employed by that individual retaining Party alone and shall look solely to that retaining Party for payment. Each individual

Party assumes absolutely no liability or obligation to the other Party's consultants, contractors, or personnel retained outside this agreement and its respective task orders.

ARTICLE 4

TERM

4.1 **Effective Date.** The effective date of this Master Agreement is June ____, 2014 ("Effective Date").

4.2 **Termination.** This Master Agreement shall be mutually terminable at any time by majority vote of either Party's Board of Directors, within each Party's sole discretion. Termination shall not relieve the terminating party from its obligations accruing prior to termination, including the payment of monies due for work performed prior to the date of termination and project settlements costs thereof, shall be paid after receipt of an invoice as provided in Article 3, above.

ARTICLE 5

INDEMNITY

5.1 **IEUA.** IEUA shall indemnify Watermaster against and hold Watermaster harmless from any and all claims, suits, losses, damages, and liability for damages of every name, kind and description, including attorneys' fees and other costs of defense incurred, brought for, or on account of, injuries to or death of any person, including, but not limited to, workers, the public, or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with IEUA's activities pursuant to this Agreement, any Task Order thereunder, regardless of the existence or degree of fault or negligence on the part of the Parties, a third-party contractor, the subcontractor(s) and employee(s) of any of these, except for the active negligence or willful misconduct of employees or agents of the Parties, or as expressly prohibited by statute. The provisions of this Section 5.1 will survive termination of this Agreement.

5.2 **Watermaster.** Watermaster shall indemnify IEUA against and hold IEUA harmless from any and all claims, suits, losses, damages, and liability for damages of every name, kind and description, including attorneys' fees and other costs of defense incurred, brought for, or on account of, injuries to or death of any person, including, but not limited to, workers, the public, or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with Watermaster's activities pursuant to this Agreement, any

Task Order thereunder, regardless of the existence or degree of fault or negligence on the part of the Parties, a third-party contractor, the subcontractor(s) and employee(s) of any of these, except for the active negligence or willful misconduct of employees or agents of the Parties, or as expressly prohibited by statute. The provisions of this Section 5.2 will survive termination of this Agreement.

ARTICLE 6

GENERAL PROVISIONS.

6.1 **Notices.** Any notice under this Agreement shall be deemed sufficient if given by one Party to the other in writing and: delivered in person; transmitted by electronic mail or facsimile (with acknowledgement of receipt provided by the receiving Party); or, by mailing the same by United States mail (postage prepaid, registered or certified, return receipt requested) or by Federal Express or other similar overnight delivery service, to the Party to whom the notice is directed at the address of such Party as follows:

If to Watermaster:

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

If to IEUA:

Inland Empire Utilities Agency
Attn: Executive Manager of Engineering/Assistant General Manager
PO Box 9020
Chino Hills, CA 9170

Any communication given by mail shall be deemed delivered two (2) business days after such mailing date, and any written communication given by overnight delivery service shall be deemed delivered one (1) business day after the dispatch date. Either Party may change its address by giving the other Party notice of its new address.

6.2 **Assignability.** The Parties may not assign all or any part of this Master Agreement or any Task Order without advance written consent of each Party's Board of Directors.

6.3 **Waiver.** No waiver by any Party of any of the provisions shall be effective unless explicitly stated in writing and executed by the Party so waiving. Except as provided in the

preceding sentence, no action taken pursuant to this Agreement, including, without limitation, any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance with any representations, warranties, covenants, or agreements contained in this Agreement, and in any documents delivered or to be delivered pursuant to this Agreement. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver.

6.4 **Headings.** The section headings contained in this Agreement are for convenience and reference only and shall not affect the meaning or interpretation of this Agreement.

6.5 **Severability.** If any term, provision, covenant or condition of this Agreement shall be or become illegal, null, void or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect, and shall not be affected, impaired or invalidated. The term, provision, covenant or condition that is so invalidated, voided or held to be unenforceable, shall be modified or changed by the Parties to the extent possible to carry out the intentions and directives set forth in this Agreement.

6.6 **Governing Law.** This Agreement shall be governed by, and interpreted in accordance with, the laws of the State of California. This Agreement shall be specifically enforceable in the Court maintaining jurisdiction over the case Chino Basin Municipal Water District v. City of Chino, San Bernardino Superior Court Case No. RCV 51010.

6.7 **Parties in Interest.** Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action against any party to this Agreement.

6.8 **Attorney Fees.** In any dispute under this agreement between the Parties, each Party shall bear its own legal costs and expenses.

6.9 **Good Faith.** The Parties agree to exercise their best efforts and utmost good faith to effectuate all the terms and conditions of this Agreement and to execute such further instruments or documents as are necessary or appropriate to effectuate all of the terms and conditions of this Agreement.

6.10 **Construction.** The provisions of this Agreement should be liberally construed to effectuate its purposes. The language of all parts of this Agreement shall be construed simply

according to its plain meaning and shall not be construed for or against either Party, as each Party has participated in the drafting of this document and had the opportunity to have their counsel review it. Whenever the context and construction so requires, all words used in the singular shall be deemed to be used in the plural, all masculine shall include the feminine and neuter, and vice versa.

6.11 **Entire Agreement.** This Agreement contains the entire understanding and agreement of the Parties, and supersedes all prior agreements and understandings, oral and written, between the Parties concerning the subject matter of this agreement. There have been no binding promises, representations, agreements, warranties or undertakings by any of the Parties, either oral or written, of any character or nature, except as stated in this Agreement. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the Parties to this Agreement and by no other means. Each Party waives its future right to claim, contest or assert that this Agreement was modified, canceled, superseded or changed by any oral agreement, course of conduct, waiver or estoppels.

6.12 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year and at the place first written above.

CHINO BASIN WATERMASTER

By _____
PETER KAVOUNAS
General Manager

INLAND EMPIRE UTILITIES AGENCY

By _____
P. JOSEPH GRINDSTAFF
General Manager

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FIRST AMENDMENT
to
MASTER AGREEMENT REGARDING THE
MANAGEMENT OF COLLABORATIVE RECHARGE PROJECTS
between
INLAND EMPIRE UTILITIES AGENCY
and
CHINO BASIN WATERMASTER

This First Amendment to Master Agreement Regarding the Management of Collaborative Recharge Projects between Inland Empire Utilities Agency and Chino Basin Watermaster is made and entered into as of this ____ day of May, 2016 by and between the Inland Empire Utilities Agency (IEUA) and the Chino Basin Watermaster (Watermaster) (each a "Party" and collectively, the "Parties").

RECITALS

A. The Master Agreement Regarding the Management of Collaborative Recharge Projects between Inland Empire Utilities Agency and Chino Basin Watermaster (the "Master Agreement") was entered into by IEUA and Watermaster, effective July 24, 2014.

B. IEUA and Watermaster, along with Chino Basin Regional Financing Authority, are entering into a Master Recharge Facilities Financing Agreement ("Master Financing Agreement") to facilitate the financing of recharge projects, including recharge projects that are managed pursuant to the Master Agreement;

C. IEUA and Watermaster wish to amend the Master Agreement to reflect that some of the recharge projects managed pursuant to the Master Agreement will be financed pursuant to the Master Financing Agreement.

NOW THEREFORE IT IS AGREED TO AMEND THE MASTER AGREEMENT AS FOLLOWS:

1. Recital H to the Master Agreement shall be amended to read:

The Parties regularly partner to jointly manage and fund projects in furtherance of these prior commitments and obligations, with such shared costs for such projects including expenditures for design of improvements, preparation of CEQA documents, applications for construction and operation permits, awarding of construction contracts, administrative costs, construction management services, and financing related costs;

2. Recital I to the Master Agreement shall be amended to read:

The Parties will separately enter into contracts for services on a project specific basis, as described in written proposals including the nature of the services to be performed, the fees and rates to be charged, the location, time schedule, financing, and any special conditions of performance and other information deemed necessary by the Parties ("Task Orders");

3. Recital J to the Master Agreement shall be amended to read:

The Parties acknowledge that, due to their originations and structures, IEUA is better equipped to undertake certain project implementation activities, including oversight of the preparation of CEQA documents, leading project management efforts, and securing debt financing under the Recharge Facilities Financing Agreement to support project costs;

4. Recital K to the Master Agreement shall be amended to read:

The Parties seek to develop a Master Agreement for joint management, cost sharing, and financing for projects in the Basin, and as individual Task Orders are approved by the Parties, such projects will be incorporated as part of the Master Agreement as individual tasks.

5. Article 2.4 of the Master Agreement shall be amended to read:

2.4 **Debt Financing.** The Parties may agree to secure new debt to finance projects approved under this Master Agreement. IEUA will seek the lowest cost financing, including but not limited to low interest State Revolving Fund (SRF) loans issued by the State Water Resources Control Board. The parties acknowledge that changes to the projects and/or project costs may occur from time to time. Whenever possible, IEUA will make every effort to modify debt financing accordingly.

6. The original Article 2.4 of the Master Agreement titled "No Partnership or Joint Venture" shall be renumbered as Article 2.5.
7. The original Article 2.5 of the Master Agreement titled "Project Litigation" shall be renumbered as Article 2.6.

8. Article 3.1 of the Master Agreement shall be amended to read:

3.1 **Reimbursement Schedule.** Reimbursement shall be made as follows: At the last day of each month, IEUA shall transmit to Watermaster's General Manager a single invoice, with supporting documentation, itemizing Watermaster's share of costs paid by IEUA, or debt financing, in the preceding

monthly billing period that are applicable to each Task Order. Invoices for costs paid by IEUA shall be due and payable in full no later than 30 days from the date of receipt. Watermaster will exercise its best efforts to complete payment within 30 days, recognizing that Watermaster may be subject to requirement of reimbursement to IEUA for additional expenses, such as loss of interest earnings, incurred as a result of a delay in reimbursement. The loss of interest earnings will be calculated by IEUA based on the investment earning rate.

9. Article 3.3 of the Master Agreement shall be amended to read:

3.3 Debt Financing Schedule. Reimbursement of project costs financed with new debt will be subject to the Recharge Facilities Financing Agreement and Fixed Project Costs provisions.

10. The original Article 3.3 of the Master Agreement titled "Disputed Invoices" shall be renumbered as Article 3.4.

11. The original Article 3.4 of the Master Agreement titled "Reimbursement Limitations" shall be renumbered as Article 3.5.

ALL OTHER PROVISIONS SHALL REMAIN UNCHANGED.

IN WITNESS WHEREOF, the parties hereby have caused this Amendment to be entered into as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:

Joseph Grindstaff
General Manager

CHINO BASIN WATERMASTER:

Peter Kavounas
General Manager

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

A. BUDGET AMENDMENT FORM A-16-04-01



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: May 26, 2016
TO: Board Members
SUBJECT: Budget Amendment Form (A-16-04-01)

SUMMARY

Issue: As a result of the ongoing Safe Yield Redetermination and Reset process, the FY 2015/16 budget for legal services from Brownstein Hyatt Farber Schreck is underfunded by an estimated \$250,000. The Watermaster FY 2015/16 "Amended" budget needs to be increased by an additional \$250,000.

Recommendation: Adopt the Budget Amendment Form (A-16-04-01) for FY 2015/16 in the amount of \$250,000 for the increased cost associated with the Safe Yield Redetermination and Reset, as presented.

Financial Impact: This action will increase the overall "Amended" FY 2015/16 budget by \$250,000 and increase the assessment calculation by the same amount. The Budget Amendment Form (A-16-04-01) will increase the Amended" FY 2015/16 Budget from \$9,114,206 to \$9,364,206 (excluding any Carry-Over funding).

Future Consideration

Watermaster Board: May 26, 2016; Adoption (Advisory Committee approval required)

ACTIONS:

May 12, 2016 – Appropriative Pool – Unanimously approved
May 12, 2016 – Non-Agricultural Pool – Unanimously approved recommendation as presented and directed the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.
May 12, 2016 – Agricultural Pool – Unanimously approved
May 19, 2016 – Advisory Committee – Unanimously approved
May 26, 2016 – Watermaster Board –

BACKGROUND

Utilizing the Watermaster's accounting software (QuickBooks Enterprise Solutions 15.0), on a continuing basis the Watermaster staff reviews the budget vs. actual reports and ensures that adequate budget and funds are maintained. Watermaster also provides monthly financial reports to keep all members apprised of the actual and projected total expenses for the current fiscal year. Watermaster also provides a process for reallocating budget to other expense categories to provide continued funding, or amending the approved budget to ensure the categories are funded properly.

Budget Amendment Policy: If there are no budgeted funds available to transfer to the line item, the GM will submit a Budget Amendment request to the Pools, Advisory Committee, and then to the Board for formal approval. The Budget Amendment should indicate the anticipated source of funding for the approved increase.

All Budget Amendments are processed in and recorded in the accounting system.

DISCUSSION

During the creation and development of the FY 2015/16 budget, Brownstein Hyatt Farber Schreck estimated the cost of the Safe Yield and Redetermination Reset by assuming the number of estimated hours needed to complete the task multiplied by the hourly rate. It should be noted that the 12-month annual legal budget for the Safe Yield Redetermination and Reset category was approved at an amount of \$103,300 and anticipated to be allocated within the first six months of the 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.

In February 2016, the Pools, Advisory Committee and Watermaster Board was provided the FY 2015/16 Mid-Year Review. During the presentation and discussion, it was reported that the legal services was projected to be over budget by approximately \$250,000. As of the closing of the March 31, 2016 financials, the overall legal services budget of \$933,815 has been depleted and additional funding is required. As discussed during the FY 2015/16 Mid-Year Review, a Budget Amendment Form would be required if the Safe Yield Redetermination and Reset expenses continued. With the April 8, 2016 court date being moved to May 6, 2016 and then again to June 10, 2016 the expenses continue.

Since the remaining FY 2015/16 Assessment invoicing is schedule for approval and distribution in June 2016, the additional funding for the \$250,000 will be added to the overall OBMP assessment amount.

FY 2015/16 Approved Budget (Excluding Carry-Over funding of \$1,872,937.85): \$9,114,206
FY 2015/16 Amended Budget (Excluding Carry-Over funding of \$1,872,937.85): \$9,364,206
FY 2015/16 Amended Budget (Including Carry-Over funding of \$1,872,937.85): \$11,237,143.85

The Chino Basin Watermaster "Original" FY 2015/16 budget of \$9,114,206 was approved by the Board on May 28, 2015. With the closing of the financial records for the fiscal year ended June 30, 2015, the "Carry Over" funding from FY 2014/15 and previous years has been calculated at \$1,872,937.85 which brings the "Amended" Budget for FY 2015/16 to \$10,987,143.85. With the approval of Budget Amendment Form (A-16-04-01), the "Amended" FY 2015/16 will become \$11,237,143.85.

ATTACHMENTS

1. Budget Amendment Form (A-16-04-01)



**CHINO BASIN WATERMASTER
BUDGET AMENDMENT FORM A-16-04-01**

To: **All Parties**

Fiscal Year 2015/16

From : Joseph S. Joswiak, CFO Date: _____

May 12, 2016

Describe reason for the budget amendment here: The Safe Yield Redetermination and Reset legal services budget with Brownstein Hyatt Farber Schreck (BHFS) was originally approved with an amount of \$103,300. As a result of the ongoing matters regarding the Safe Yield Redetermination and Reset, the overall legal services budget is expected to be over budget by approximately \$250,000 at fiscal year-end June 30, 2016. The BHFS legal services for FY 2015/16 was budgeted at \$933,815. A Budget Amendment Form is proposed to increase the total Watermaster budget from \$9,114,206 to \$9,364,206 (excluding any Carry-Over funding). Since the remaining FY 2015/16 assessment invoicing is planned for issuance in June 2016, the additional amount of \$250,000 will be added to the assessment calculation.

Expenditure Amendment				
<i>Line Item Description</i>	<i>Account Number</i>	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Amendment Amount</i>
Safe Yield Recalculation	6907.42	\$103,300	\$353,300	\$250,000
TOTAL:				\$ 250,000

Revenue Source				
<i>Line Item Description</i>	<i>Account Number</i>	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Amendment Amount</i>
OBMP Assessments	Numerous	\$8,934,214	\$9,184,214	\$250,000
TOTAL:				\$ 250,000

- Amendment Procedure**
- Staff takes amendment requests to the Pools, Advisory Committee & Board for approval.
 - The Chief Financial Officer will prepare and process the budget entry.
 - A log will be maintained by the Finance Department detailing the adjustment.
 - A fiscal year file will also be kept to hold all budget amendment forms for auditor review.

Finance Use Only

Date Board Approved _____

Entered into System By _____

Finance Log # _____

Date Posted _____

Approved By _____

Date Approved _____

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B. CBWM FY 2016/17 PROPOSED BUDGET



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: May 26, 2016
TO: Board Members
SUBJECT: Proposed Fiscal Year 2016/17 Budget

SUMMARY

Issue: Proposed FY 2016/17 Budget.

Recommendation: Adopt the Proposed FY 2016/17 Budget as presented.

Financial Impact: The FY 2016/17 Proposed Budget expenses are \$10,493,469 (excluding any Carryover Funds).

Future Consideration

Watermaster Board: May 26, 2016; Adoption (Advisory Committee Approval required)

ACTIONS:

May 12, 2016 – Appropriative Pool – Unanimously approved the proposed budget of \$10,493,469; with a request that Wildermuth come back at the next Pool committee meeting following the court's action approving the Safe Yield Agreement to discuss more in-depth the scope of work with regards to the Assessment of Cultural Conditions.

May 12, 2016 – Non-Agricultural Pool - Unanimously approved recommendation as presented and directed the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate; with a request that Wildermuth come back at the next Pool committee meeting following the Court's action approving the Safe Yield Agreement to discuss more in-depth the scope of work with regards to the Assessment of Cultural Conditions.

May 12, 2016 – Agricultural Pool – Unanimously approved

May 19, 2016 – Advisory Committee - Unanimously approved

May 26, 2016 – Watermaster Board -

BACKGROUND

To prepare a budget of anticipated expense each year, Watermaster staff conducts meetings internally and with consultants to discuss upcoming projects and anticipated work. As the budget is developed, the related budgeted expenses are continually refined. The following budget related meetings were held during the past few months:

- The Personnel Committee met on November 30, 2015 to discuss and review the current organization structure, staffing levels, compensation and benefits structure, anticipated FY 2016/17 labor costs, personnel policies and other related items.
- The Personnel Committee met on January 21, 2016 and again on March 17, 2016 to discuss ongoing staffing needs, staffing levels, organizational structure, and hiring one additional staff member.
- Peter Kavounas, Joseph Joswiak, and Anna Truong met with the Wildermuth Environmental staff at their offices on March 14, 2016 for an Engineering Services budget workshop to discuss the ongoing reporting and monitoring activities required by the judgment and other upcoming engineering activities.
- In the period of March through May 2016 Watermaster staff had had numerous meetings and discussions with staff from Wildermuth Environmental, Inc. regarding the Engineering Services budget and expected engineering activities for FY 2016/17.
- The Groundwater Recharge Coordinating Committee has met on a quarterly basis to review the anticipated costs of operations and maintenance activities, and develop the scope of activities for the upcoming FY 2016/17 budget as recommended by IEUA. The last meeting being held on February 23, 2016.
- The Ground Level Monitoring Committee met on March 21, 2016, April 4, 2016, and again May 4, 2016 to review the anticipated cost of operations and maintenance activities, most recently to specifically discuss the Daniels Horizontal Extensometer facility and modifications to the Monte Vista District's SCADA systems so it will be capable of reporting requisite groundwater production and levels.
- The Recharge Investigations and Projects Committee RIPCom (formerly IEUA/CBWM Joint Projects Committee and RMPU Steering Committee) has met every third Thursday of the month since November 2013, with the last meeting being held on April 21, 2016 to review ongoing capital projects and future years' capital expense projections.
- Watermaster staff has had numerous meetings and discussions with staff from Brownstein Hyatt Farber Schreck regarding the Legal Services budget and expected legal activities for FY 2016/17.

From all of these various committees and groups, and other input from operational staff, the Watermaster staff developed the Proposed FY 2016/17 Budget (April 18, 2016 version). This was presented to stakeholders on three separate occasions.

On Monday, April 18, 2016 at 1:30pm Watermaster conducted the Budget Distribution/Presentation meeting and discussed the Proposed FY 2016/17 Budget (April 18, 2016 version) of \$10,891,605 specifically looking at the various cost categories of Labor, Legal Services, Engineering Services, ongoing and new Recharge Improvements Projects, Recharge Basin O&M, Recharge Debt Service costs, and All Other Expenses. The methodology of how Watermaster calculates the estimated production data along with the production assessment amount by Administrative and OBMP/Projects costs was provided and explained. Attendees at the meeting were requested to email their budget related questions or comments to Joseph Joswiak before the close of business on Friday, April 22, 2016. Mr. Joswiak received numerous emails and responded with answers to the questions.

The Watermaster Budget Workshop #1 was held on Wednesday, April 27, 2016 at 9:00am. At this workshop, the Proposed Budget of \$10,891,605 for FY 2016/17 (April 18, 2016 version) was presented in detail specifically looking at the summary of drivers and how those drivers become expenses, then moving onto a detailed analysis of the various cost categories of Labor, Legal Services, Engineering Services, ongoing and new Recharge Improvements Projects, Recharge Basin O&M, Recharge Debt Service costs, and All Other Expenses. The methodology of how Watermaster calculates the estimated production data along with the production assessment amount by Administrative and OBMP/Projects costs was provided and explained. Representatives from Wildermuth Environmental, Inc., Brownstein Hyatt Farber Schreck, and IEUA were in attendance to discuss and answer any questions related to their specific areas of activities within the proposed budget. After some discussion, it was requested by the attendees at the workshop for the Watermaster staff to hold the 2nd workshop as scheduled on May 2, 2016 at 10:00am so any additional questions or concerns could be answered and addressed. The attendees at the meeting were also requested to email their budget related questions or comments to Joseph Joswiak before the close of business on Friday, April 29, 2016. Mr. Joswiak received several additional emails and responded with answers to the questions.

The Watermaster Budget Workshop #2 was held on Monday, May 2, 2016 at 10:00am. At this workshop, attendees were invited to ask detailed questions about specific items on the Proposed Budget of \$10,891,605 for FY 2016/17 (April 18, 2016 version).

During the Workshop there was discussion about the 5-Year Watermaster Budget Projection (FY 2016/17 to FY 2020/21) which was developed at the request of several Appropriative Pool members last year and distributed during the Appropriative Pool meeting on June 11, 2015. These documents were posted to the FTP site on June 11, 2015 and have been posted and available on the FTP site since then. During the meeting on June 11, 2015 as part of the CFO Report, there was a presentation on how the documents were designed and how to use the documents to estimate any individual Appropriative Pool member's future assessment payments for budgeting purposes.

When comparing the Proposed Budget of \$10,891,605 for FY 2016/17 (April 18, 2016 version), with the 5-Year Watermaster Budget Projection, the Proposed FY 2016/17 Budget was \$1,096,391 or 9.1% below the Projected FY 2016/17 Budget of \$11,987,996. When comparing the Total Assessable Production Budget amounts, the Proposed Budget for FY 2016/17 (April 18, 2016) was \$7,242,993 compared to the 5-Year Watermaster Budget Projection of \$7,463,614 or \$220,621 or 3.0% below the Projected FY 2016/17 Budget.

The 5 Year Budget Projection documents can be accessed from the Watermaster FTP site as follows:

[F:\5 Year Watermaster Budget Projection](#)

CHINO BASIN WATERMASTER
5-YEAR BUDGET PROJECTION

FOR GENERAL INFORMATION ONLY

Category Type	AMENDED BUDGET FY 2014/15	APPROVED BUDGET FY 2015/16	PROJECTED FY 2016/17	PROJECTED FY 2017/18	PROJECTED FY 2018/19	PROJECTED FY 2019/20	PROJECTED FY 2020/21
Labor/Burden ¹	\$ 1,462,145	\$ 1,533,711	\$ 1,610,397	\$ 1,690,917	\$ 1,758,554	\$ 1,828,896	\$ 1,902,052
Legal Services ²	\$ 875,515	\$ 933,815	\$ 957,160	\$ 981,089	\$ 1,005,616	\$ 1,030,756	\$ 1,056,525
Engineering Services ³	\$ 1,716,760	\$ 2,595,942	\$ 3,440,619	\$ 2,394,879	\$ 2,553,724	\$ 2,604,329	\$ 2,364,289
G&A Expenses ²	\$ 1,136,528	\$ 939,730	\$ 963,223	\$ 987,304	\$ 1,011,987	\$ 1,037,287	\$ 1,063,219
Recharge Basin O&M ⁴	\$ 791,693	\$ 791,908	\$ 811,706	\$ 831,999	\$ 852,799	\$ 874,119	\$ 917,825
Subtotal Expenses	\$ 5,982,641	\$ 6,795,106	\$ 7,783,105	\$ 6,886,188	\$ 7,182,680	\$ 7,375,387	\$ 7,303,910
Debt Service-CBFIIP ²	\$ 431,740	\$ 460,200	\$ 471,705	\$ 483,498	\$ 495,585	\$ 507,975	\$ 520,674
Recharge Capital Projects ⁵	\$ 1,291,000	\$ 1,858,900	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service-Recharge Projects ⁶	\$ -	\$ -	\$ 3,733,186	\$ 3,733,186	\$ 3,733,186	\$ 3,733,186	\$ 3,733,186
Subtotal Recharge	\$ 1,722,740	\$ 2,319,100	\$ 4,204,891	\$ 4,216,684	\$ 4,228,771	\$ 4,241,161	\$ 4,253,860
Total Expenses	\$ 7,705,381	\$ 9,114,206	\$ 11,987,996	\$ 11,102,872	\$ 11,411,451	\$ 11,616,548	\$ 11,557,770
Total Expenses	\$ 7,705,381	\$ 9,114,206	\$ 11,987,996	\$ 11,102,872	\$ 11,411,451	\$ 11,616,548	\$ 11,557,770
Less: Non-Production							
Debt Service	\$ (431,740)	\$ (460,200)	\$ (471,705)	\$ (483,498)	\$ (495,585)	\$ (507,975)	\$ (520,674)
Recharge Capital Projects	\$ (1,291,000)	\$ (1,858,900)	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service-Recharge Projects	\$ -	\$ -	\$ (3,733,186)	\$ (3,733,186)	\$ (3,733,186)	\$ (3,733,186)	\$ (3,733,186)
Appropriative Pool Legal	\$ (140,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)
Non-Ag Pool Legal	\$ (60,000)	\$ (60,000)	\$ (60,000)	\$ (60,000)	\$ (60,000)	\$ (60,000)	\$ (60,000)
Interest Income ²	\$ (25,800)	\$ (22,050)	\$ (22,601)	\$ (23,166)	\$ (23,745)	\$ (24,339)	\$ (24,947)
MWD Groundwater Storage ²	\$ (155,330)	\$ (157,941)	\$ (161,890)	\$ (165,937)	\$ (170,085)	\$ (174,337)	\$ (178,695)
Production Based Expenses	\$ 5,601,511	\$ 6,480,115	\$ 7,463,614	\$ 6,562,085	\$ 6,853,850	\$ 7,041,711	\$ 6,965,268
Actual Production AF	138,351.405	N/A	N/A	N/A	N/A	N/A	N/A
Projected Production AF		116,043.559	N/A	N/A	N/A	N/A	N/A
Estimated Production Ranges:							
Low Production Range AF			117,000	117,000	117,000	117,000	117,000
Mid Production Range AF			127,500	127,500	127,500	127,500	127,500
High Production Range AF			138,000	138,000	138,000	138,000	138,000
Actual \$/AF	\$ 40.49						
Projected \$/AF		\$ 55.84					
Estimated Low Production \$/AF			\$ 63.79	\$ 56.09	\$ 58.58	\$ 60.19	\$ 59.53
Estimated Mid Production \$/AF			\$ 58.54	\$ 51.47	\$ 53.76	\$ 55.23	\$ 54.63
Estimated High Production \$/AF			\$ 54.08	\$ 47.55	\$ 49.67	\$ 51.03	\$ 50.47

Notes:

- ¹ Assumes 5% increase annually for FY 2016/17 and FY 2017/18; 4% increase annually for FY 2018/19, FY 2019/20 and FY 2020/21
- ² Assumes 2.5% increase annually
- ³ Assumes 2.5% increase annually plus Land Subsidence Committee recommendations of \$2,605,413 for the Pomona area for the following FY 2015/16 of \$506,255; FY 2016/17 of \$1,298,690; FY 2017/18 of \$199,402; FY 2018/19 of \$303,360; and FY 2019/20 of \$297,706
- ⁴ Assumes 2.5% increase annually for FY 2016/17, FY 2017/18, FY 2018/19 and FY 2019/20; 5% increase annually for FY 2020/21
- ⁵ Recharge Capital Projects funded by Watermaster Assessments based upon Operating Safe Yield (OSY) formula
- ⁶ Recharge Capital Projects of \$57,952,000 at 5% interest with 30 year terms

Also during the May 2, 2016 meeting, members of the Appropriative Pool Budget Subcommittee mentioned that there was a worksheet that has been developed with proposed budget reductions for the FY 2016/17 budget. Watermaster staff asked if the document(s) could be forwarded for staff's review and possible inclusion into the proposed budget. On the afternoon of May 2, 2016 the worksheet was submitted to Watermaster staff.

In consideration of specific suggestions by the Appropriative Pool, Watermaster staff met with Wildermuth Engineering, Inc. staff and Brownstein Hyatt Farber Schreck staff to discuss what reductions in cost estimates could be reasonably accommodated. A conference call meeting on May 4, 2016 with the Ground Level Monitoring Committee also resulted in several reductions and one increase in the proposed monitoring budget. As a result, some adjustments have been submitted and an updated Proposed FY 2016/17 budget in the amount of \$10,493,469 is being proposed (May 12, 2016 version).

It should be noted that while the FY 2016/17 Budget (May 12, 2016 version) was lowered from the original cost estimates for the Legal Services and Engineering Services as requested the Appropriative Pool Budget Subcommittee, the original cost estimates reflected the anticipated level of effort. If during the fiscal year the budget is required to be adjusted upwards to meet the objectives and goals, a Budget Amendment, if necessary, would be presented during the fiscal year.

The changes in summary form are shown in the table listed below:

FY 2016/17 Budget - April 18, 2016:	\$10,891,605
Less Adjustments/Reductions:	
Legal Services:	\$ (109,689)
Engineering Services:	\$ (250,197)
Appropriative Pool Legal Services (8367):	\$ (25,000)
Dues & Subscriptions (6111):	\$ (3,250)
Cooperative Efforts (6950):	\$ (10,000)
Subtotal Adjustments/Reductions:	\$ (398,136)
FY 2016/17 Budget - May 12, 2016:	\$10,493,469

The FY 2016/17 Proposed Budget (May 12, 2016 version) is provided in the following formats as Attachment 1:

- FY 2016/17 Proposed Budget – Summary Format
- FY 2016/17 Proposed Budget – Detail Format
- FY 2016/17 Account Number Descriptions
- FY 2016/17 Estimated Assessment Calculation

Attachment 1: [F:\FY 2016-17 Proposed Budget](#)

The table listed below provides a comparison of the FY 2016/17 Proposed Budget (May 12, 2016 version) of \$10,493,469 with the FY 2015/16 Amended Budget of \$9,364,206. The blue arrow shows the consolidated budget expenses including all category types and expenses. This blue section totals \$10,493,469 and is the total FY 2016/17 Proposed Budget. To determine what amount will be used for the Production Based Assessments, specific costs must be eliminated from the Total Expenses of \$10,493,469. The green arrow shows the costs (which are included in the Total Expenses) but are excluded from the calculation when determining what expenses are included in the Production Based Assessment amount. After the non-production based expenses and income sources of \$3,623,613 are removed from the calculation, the remaining dollar amount (shown by the yellow arrow) of \$6,869,857 becomes the basis for the Production Based Assessment. The Proposed Assessment is then calculated as \$6,869,857 ÷ 124,492.513 AF = \$55.18 AF.

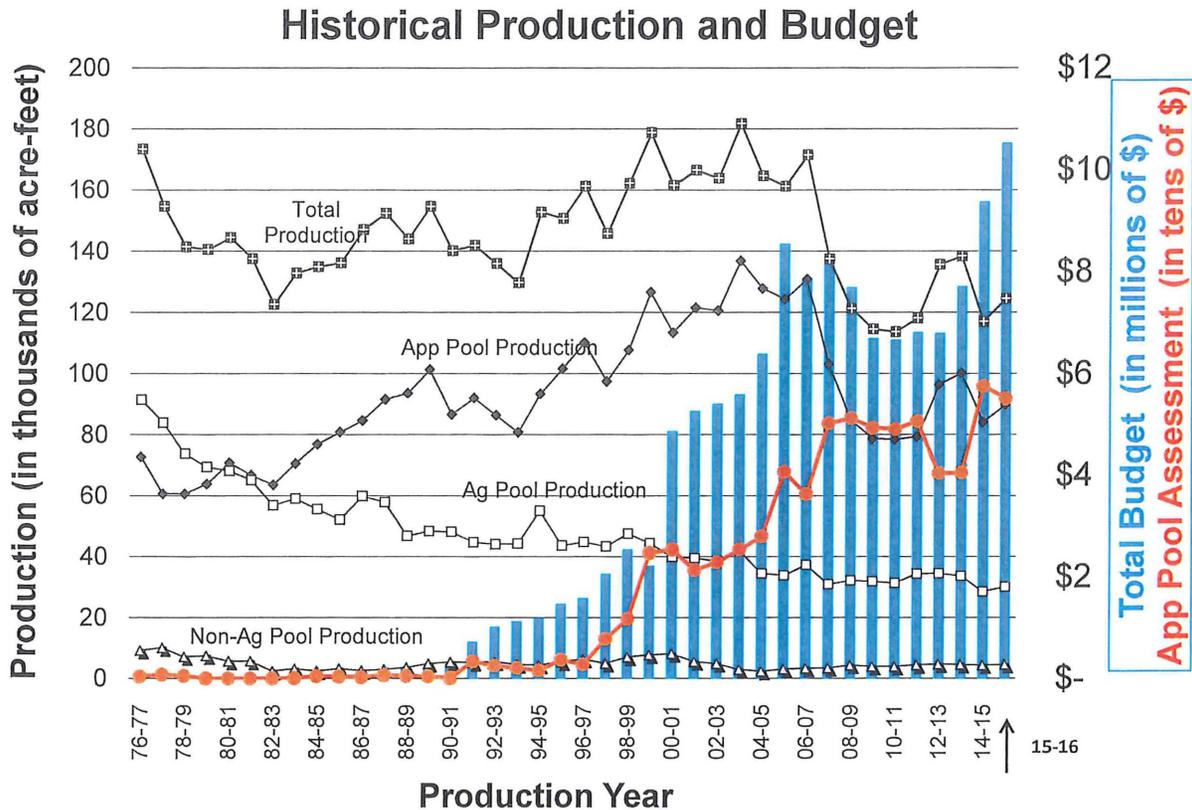
	FY 2015/16 Approved Budget	FY 2015/16 Amended Budget	FY 2016/17 Apr. 18, 2016 Budget	FY 2016/17 May 12, 2016 Budget	May 12, 2016 vs. Amended	
Total Administrative Expenses	\$ 2,026,019	\$ 2,026,019	\$ 2,103,128	\$ 2,048,786	\$ 22,767	 Basis for Total Assessments
Total General OBMP Expenses	1,483,093	1,733,093	1,997,336	1,757,519	24,426	
Total OBMP Implementation Projects	5,605,094	5,605,094	6,791,141	6,687,164	1,082,070	
Total Expenses	\$ 9,114,206	\$ 9,364,206	\$ 10,891,605	\$ 10,493,469	\$ 1,129,263	
Adjustments For Non-Production Based Assessments:						
Recharge Improvements	\$(1,858,900)	\$(1,858,900)	\$(2,869,600)	\$(2,869,600)	\$(1,010,700)	 Non-Production
Debt Service	\$ (460,200)	\$ (460,200)	\$ (465,200)	\$ (465,200)	\$ (5,000)	
Appropriative Pool - Legal Services	(75,000)	(75,000)	(75,000)	(50,000)	\$ 25,000	
Non-Agricultural Pool - Legal Services	(60,000)	(60,000)	(60,000)	(60,000)	\$ -	
Interest Income	(22,050)	(22,050)	(19,890)	(19,890)	\$ 2,160	
MWD Groundwater Storage Program	(157,938)	(157,938)	(158,923)	(158,923)	\$ (985)	
Transfer From Reserves	0	0	0	0	\$ -	
Total Adjustments	(2,634,088)	(2,634,088)	(3,648,613)	(3,623,613)	(989,525)	
Basis For Production Based Assessment	\$ 6,480,116	\$ 6,730,116	\$ 7,242,993	\$ 6,869,857	\$ 139,738	 Production Based Assessments
Total Estimated Assessable Production	116,961.798	116,961.798	124,492.513	124,492.513	7,530.715	
G&A Expenses	\$ 15.58	\$ 15.58	\$ 15.23	\$ 15.01	\$ (0.57)	
OBMP & Implementation Projects	\$ 39.82	\$ 41.96	\$ 42.95	\$ 40.17	\$ (1.79)	
Total Assessment Based Upon Production	\$ 55.40	\$ 57.54	\$ 58.18	\$ 55.18	\$ (2.36)	

The Total Assessable Production (for budget purposes) is estimated to be 124,492.513 acre-feet which is based upon the actual production numbers for the first two quarters, and projected to estimate the full year's production. The "projected" Total Assessable Production of 124,492.513 acre-feet is higher than the "actual" previous year's Total Assessable Production of 116,961.798 acre-feet by 7,530.715 acre-feet or 6.4%. Higher production results in the current year will decrease the overall assessments per acre-foot, while lower production numbers will increase the overall assessments per acre-foot. The proposed budget contains the proposed assessments of \$15.01 per acre-foot for Administration and \$40.17 per acre-foot for OBMP and Implementation Projects, for a combined total of \$55.18 per acre-foot.

Assessment Amounts	G&A Expenses	OBMP & Implementation Projects	Total Assessment
Estimated Assessment as of May 12, 2016	\$15.01	\$40.17	\$55.18
Actual Projected Assessment FY2015/16	\$15.58	\$41.96	\$57.54
Estimated Assessment vs. Actual Assessment	(\$0.57) (3.7%)	(\$1.79) (4.3%)	(\$2.36) (4.1%)

Comparing the current Proposed Assessment as of May 12, 2016 of \$55.18 to the Actual Assessment paid (to be invoiced in June 2016) of \$57.54, a variance of (\$2.36) or (4.1%) is shown. For comparison purposes only, when using last year's actual production of 116,961.798 acre-foot, the Proposed Assessment amount would be \$15.98 per acre-foot for Administration and \$42.76 per acre-foot for OBMP and Implementation Projects, for a combined total of \$58.74 per acre-foot.

The following chart (incorporated from Workshop #1 and Workshop #2 and later updated to reflect the May 12, 2016 proposed budget of \$10,493,469, details the Historical Production and Budget for Watermaster:



The purpose of the above chart is to show the historical progression of both production and the budget amounts by fiscal year. The FY 2014/15 and FY 2015/16 budget increases reveal the beginning of increased costs for Recharge Improvement Projects. The FY 2016/17 budget (not shown on this chart) continues to show a steep increase from previous years directly related to the increased Recharge Improvement Project costs.

During the distribution and both workshop meetings, staff discussed how the Watermaster budget can be segregated into five separate and distinct categories:

- Watermaster Labor and Burden
- Legal Services
- Engineering Services
- Debt Service and Recharge Improvements Projects
- Recharge Basin O&M and All Other Expenses

LABOR AND BURDEN EXPENSE

The first section of the Proposed FY 2016/17 budget relates to Watermaster Salaries and Burden. The total Salaries and Burden for FY 2016/17 are \$1,634,523 which is \$100,812 or 6.57% above the previous year's Approved Budget of \$1,533,711. The Full Time Equivalent (FTE) number of Watermaster employees for the Proposed FY 2016/17 Budget is 10.0 (FTE) which is one additional Watermaster employee as the Approved Budget for FY 2015/16.

	FY 2015/16 Approved Budget	FY 2016/17 Proposed Budget	\$ Variance Proposed vs. Amended	% Variance Proposed vs. Amended
Payroll	\$ 1,005,439	\$ 1,054,776	\$ 49,337	4.91%
Burden	\$ 528,272	\$ 579,747	\$ 51,475	9.74%
Total	\$ 1,533,711	\$ 1,634,523	\$ 100,812	6.57%
FTE's	9.0	10.0		

The following assumptions were incorporated into the FY 2016/17 Labor and Burden budget of \$1,634,523 as directed by the Personnel Committee:

- Current staffing levels based on increase from nine (9) to ten (10) FTE's
- Includes a 3.3% CPI increase, consistent with the Personnel Committee policy for the last four years
- Labor allocations for FY 2016/17 are 75% Admin, 5% OBMP and 20% Implementation Projects
- Assumes a health premium increase of 10% effective January 1, 2017

The FY 2016/17 Staffing Level Chart and Proposed Pay Schedule are located as Attachment 2 as follows:

Attachment 2: [F:\FY 2016-17 Proposed Staffing and Pay Schedule](#)

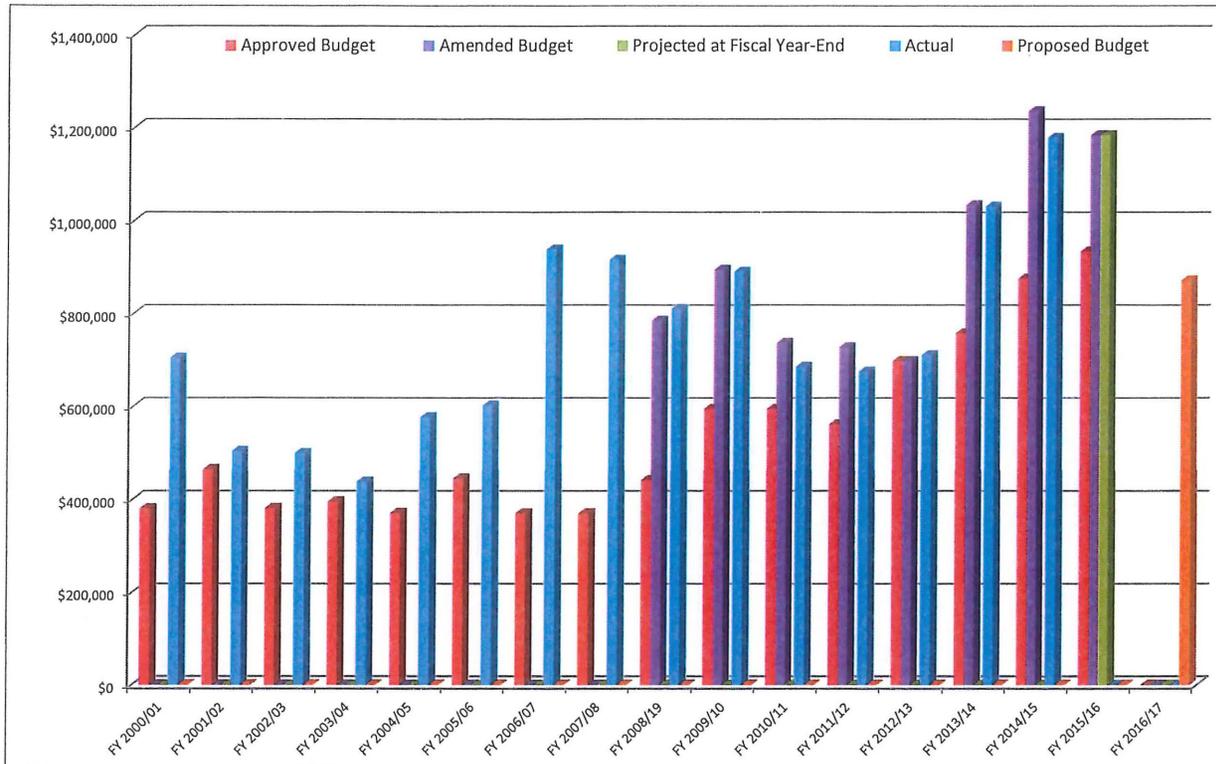
LEGAL SERVICES

The second section of the Proposed FY 2016/17 budget relates to Watermaster Legal Services. A historical chart of the last 15+ years of budgeted vs. actual Watermaster legal cost is presented below. Three of the six previous years' legal services budget had remained relatively flat, and additional unbudgeted legal expenses occurred in FY 2013/14, FY 2014/15, and FY 2015/16 which increased the budget. For FY 2015/16, the legal expenses are projected at \$1,183,815. A Budget Amendment Form is being submitted for approval during the May 2016 meetings which will increase the legal services budget from \$933,815 to \$1,183,815 for FY 2015/16.

The Proposed FY 2016/17 Brownstein Hyatt Farber Schreck budget (April 18, 2016 version) was presented during the workshops in the amount of \$981,115. After the May 2, 2016 workshop, the Legal Services budget was reduced to \$871,426 by reducing the number of anticipated meetings during the year from 12 to 11 (accounts 6275, 6375, 8375, 8475, 8575), reducing the number of Board Workshops from 2 to 1 (account 6375), reducing the number of anticipated hours in the Annotated Judgment section by 25% (account 6072), and by reducing the number of anticipated hours in the Storage Agreements process by 40% (account 6907.40).

The Proposed FY 2016/17 Budget of \$871,426 is \$312,389 or 26.4% lower than the FY 2015/16 Amended Budget of \$1,183,815. For comparison purposes, the 5-Year Average (Actual Amounts) for Legal Services total \$955,823 compared to the Proposed FY 2016/17 budget of \$871,426.

There are no new accounts or categories that have been added to the Legal Services budget for FY 2016/17.



Activities resulting in legal expenses beyond routine activities:

2000/01: Peace I and Desalter negotiations 2002/04: Relatively routine activities 2005/06: Santa Ana River water rights application, beginning of Peace II negotiations
 2007/08: Peace II especially heavy in 2007 and into 2008 2008/09: Watermaster transitioned to Judge Wade and had four informational Court hearings
 2009/10: Water Auction, Paragraph 31 Motion 2010/12: Desalter Negotiations, Paragraph 31 Motion, Archibald South Plume, Chino Airport Plume
 2012/13: Recharge Master Plan Update, CDA/Chino Airport Plume, Refresh/Recharge/Reunite 2013/14: CCG Motion, Safe Yield Recalculation, RMPU, City of Fontana Motion
 2014/15: Safe Yield Recalculation, CalPERS/Personnel Matters 2015/16: Safe Yield Recalculation, CalPERS/Personnel Matters

	FY 2011/12 June Actual	FY 2012/13 June Actual	FY 2013/14 June Actual	FY 2014/15 June Actual	FY 2015/16 Projected Actual	FY 2015/16 Amended Budget	FY 2016/17 Apr. 18, 2016 Budget	FY 2016/17 May 12, 2016 Budget	\$'s Over (Under)
6070 Watermaster Legal Services									
6071 Legal Services - Court Coordination	939	28,395	5,555	5,851	15,451	40,950	40,950	40,950	0
6072 Legal Services - Annotated/Rules & Regs	30,466	38,313	17,122	0	0	40,150	40,150	30,113	(10,037)
6073 Legal Services - Personnel Matters	57,511	50,142	109,549	147,908	81,539	80,700	35,000	35,000	(45,700)
6074 Legal Services - Interagency Issues	7,667	18,477	3,717	1,721	0	30,600	30,600	30,600	0
6075 Legal Services - Replenishment Water	42,187	0	0	0	0	0	0	0	0
6076 Legal Services - Storage Issues	16,387	6,642	0	0	15,000	0	0	0	0
6077 Legal Services - Party Status Maintenance	0	0	1,512	20,070	909	28,700	28,700	28,700	0
6078 Legal Services - Miscellaneous	69,604	64,186	101,269	122,341	158,229	35,350	35,350	35,350	0
6078.10 Refresh, Recharge, Reunite	0	38,196	0	0	0	0	0	0	0
6078.11 Safe Yield Recalculation	0	19,492	0	0	0	0	0	0	0
6078.12 CCG Motion	0	0	75,505	9,455	3,080	0	0	0	0
6078.20 Pool Issues Resolution Facilitation	0	4,055	0	0	0	0	0	0	0
Total 6070 Watermaster Legal Services	\$ 224,759	\$ 265,898	\$ 314,230	\$ 307,346	\$ 274,208	\$ 256,450	\$ 210,750	\$ 200,713	\$ (55,737)
6275 Legal Services - Advisory Committee Meeting									
6275 Legal Services - Advisory Committee Meeting	25,781	21,659	12,969	14,358	20,149	20,400	20,400	18,700	(1,700)
6375 Legal Services - Board Meeting	68,299	58,588	108,899	61,455	70,951	106,565	84,240	77,220	(29,345)
6375 Legal Services - Board Briefings/Workshops	0	0	0	0	0	0	22,325	11,163	11,163
8375 Legal Services - Approp. Pool Meeting	23,117	46,387	20,691	18,595	19,766	30,600	30,600	28,050	(2,550)
8475 Legal Services - Ag. Pool Meeting	20,763	28,171	24,194	17,877	19,144	30,600	30,600	28,050	(2,550)
8575 Legal Services - Non-Ag. Pool Meeting	26,075	31,115	37,073	19,137	19,642	30,600	30,600	28,050	(2,550)
8575.1 Legal Services - Paragraph 51 - CSI/ACM	0	10,759	0	0	0	0	0	0	0
Total Watermaster Legal Services - Meetings	\$ 164,036	\$ 196,660	\$ 203,826	\$ 131,422	\$ 149,652	\$ 218,765	\$ 218,765	\$ 191,233	\$ (27,532)
6907 OBMP - Legal									
6907.3 WM Legal Counsel	0	0	0	0	0	0	0	0	0
6907.30 Peace II - CEQA	3,365	1,071	0	0	0	0	0	0	0
6907.31 Archibald South Plume	6,642	0	0	95	0	24,500	24,500	24,500	0
6907.32 Chino Airport Plume	10,359	67,665	11,277	0	0	24,500	24,500	24,500	0
6907.33 Desalter/Hydraulic Control Issues	84,113	65,754	23,780	1,229	0	48,900	28,700	28,700	(20,200)
6907.34 Santa Ana River Water Rights	15,439	10,681	3,223	10,800	1,770	25,300	25,300	25,300	0
6907.35 Paragraph 31 Motion	112,572	20,912	0	0	0	0	0	0	0
6907.36 Santa Ana River Habitat	12,100	4,757	684	2,164	1,583	19,700	0	0	(19,700)
6907.37 Storage and Recovery, Water Auction	0	0	0	0	0	0	0	0	0
6907.38 Reg. Water Quality Control Board	0	0	63	0	0	14,350	14,350	14,350	0
6907.39 Recharge Master Plan	41,812	64,399	98,026	34,225	10,672	68,100	58,400	58,400	(11,700)
6907.40 Storage Agreements	0	12,770	4,197	0	43,585	86,100	180,300	108,180	22,080
6907.41 Prado Basin Habitat Sustainability	0	153	0	0	11,705	14,350	14,350	14,350	0
6907.42 Safe Yield Recalculation	0	0	206,810	691,014	675,640	353,300	68,600	68,600	(284,700)
6907.43 RMPU - City of Fontana Motion	0	0	164,907	63	0	0	0	0	0
6907.44 SGMA Compliance * new as of Jan. 1, 2016	0	0	0	0	15,000	0	85,100	85,100	85,100
6907.9 WM Legal Counsel - Unanticipated	0	0	0	0	0	29,500	29,500	29,500	0
Total 6907 Watermaster Legal Expenses	\$ 286,402	\$ 248,162	\$ 512,969	\$ 739,590	\$ 759,955	\$ 708,600	\$ 551,600	\$ 479,480	\$ (229,120)
TOTAL WATERMASTER LEGAL EXPENSES	\$ 675,196	\$ 710,720	\$ 1,031,025	\$ 1,178,358	\$ 1,183,815	\$ 1,183,815	\$ 981,115	\$ 871,426	\$ (312,389)
5 Year Average (Actuals)								\$ 955,823	

As with the past practice for the last five years, the Brownstein Hyatt Farber Schreck Legal Services budget has been developed using a formula of assumed hours to complete a specific tasks multiplied by the hourly rate. Brownstein Hyatt Farber Schreck hourly rates are not changing for the FY 2016/17 period. Brownstein has provided a detailed memorandum and worksheet which is provided as Attachment 3 (updated version dated May 6, 2016). These documents (previous versions dated April 18, 2016) were provided as handouts at both the Budget Distribution and Budget Workshop #1 and Budget Workshop #2 and also available on the Watermaster website under the FTP location.

Attachment 3: [FY 2016-17 Proposed Legal Services Budget](#)

ENGINEERING SERVICES

The third section of the Proposed FY 2016/17 budget relates to Watermaster Engineering Services. The Proposed FY 2016/17 Engineering Services budget (April 18, 2016 version) was presented during the workshops in the amount of \$2,991,049. After the May 2, 2016 workshop, the Engineering Services budget was adjusted to \$2,740,852 by reducing the number of anticipated hours and activities in the Material Physical Inquiry Requests (account 6906.74); reducing the number of anticipated hours and activities in the Compliance with SB 88 category (account 6906.24); reducing the number of anticipated hours and activities in the State of the Basin Report (account 6906.21); and as a direct result of the meeting held on May 4, 2016 of the Ground Level Monitoring Committee the slight increase in the MZ-1 monitoring program (account 7107) and reductions in the Northwest MZ-1 category (account 7402 and 7402.10).

The May 2, 2016 budget (updated version) of the Engineering Services budget is proposed at \$2,740,852 which is \$8,214 higher than the Amended FY 2015/16 Budget of \$2,732,638. These documents are provided as Attachments 4 and 6.

Attachment 4: [F:\FY 2016-17 Proposed Engineering Budget](#)

Attachment 6: [F:\FY 2016-17 Proposed Engineering Budget - Narrative](#)

Incorporated within the Engineering Services budget of \$2,740,852 is the Ground Level Monitoring Committee recommendations for FY 2016/17. The GLMC recommended a proposed budget of \$658,394 less anticipated "Carry-Over" funding of \$162,238 for a budget amount of \$496,156 for FY 2016/17 ($\$658,394 - \$162,238 = \$496,156$). Based on the discussions at meetings held by the Ground Level Monitoring Committee, the recommendations and associated budget are shown as Attachment 5.

Attachment 5: [F:\FY 2016-17 Ground-Level Monitoring Program & Northwest MZ1 Area Plan](#)

The following chart details the proposed Engineering Services budget for FY 2016/17 categorized by Watermaster account number. The comparison is between the FY 2016/17 Budget (May 12, 2016 version) of \$2,740,852 and the FY 2015/16 Amended Budget of \$2,732,638.

	FY 2014/15 Actual Expenditures	FY 2015/16 Approved Budget	FY 2015/16 Amended Budget	FY 2016/17 Apr. 18, 2016 Budget	FY 2016/17 May 12, 2016 Budget	\$'s Over (Under)
Engineering Services						
6066 Engineering Services	\$0	\$0	\$0	\$0	\$0	\$0
6906 OBMP - Engineering	33,736	25,920	25,920	28,560	28,560	\$2,640
6906.1 OBMP - Watermaster Model Application	34,830	279,340	279,340	176,460	176,460	(\$102,880)
6906.2 OBMP - Basin Wide Objectives	0	0	0	0	0	\$0
6906.21 OBMP - State of the Basin Report	133,085	0	0	149,332	100,000	\$100,000
6906.22 OBMP - Water Rights Compliance Reporting	24,229	24,404	24,404	25,308	25,308	\$904
6906.23 OBMP - SGMA Reporting Requirements	0	17,392	17,392	28,040	28,040	\$10,648
6906.24 OBMP - Compliance with SB 88	0	0	0	130,613	75,000	\$75,000
6906.25 OBMP - Assessment of Cultural Conditions-SYRA	0	0	0	213,740	213,740	\$213,740
6906.31 OBMP - Pool, Advisory, Board Meetings	66,541	87,659	87,659	96,114	96,114	\$8,455
6906.32 OBMP - Other General Meetings	11,846	32,877	32,877	36,045	36,045	\$3,168
6906.33 OBMP - Appropriative Pool Issue Resolution	0	54,964	54,964	0	0	(\$54,964)
6906.4 OBMP - CEQA	0	0	0	0	0	\$0
6906.70 OBMP - Misc. Data Requests	0	0	0	0	0	\$0
6906.71 OBMP - Data Requests - CBWM GM/Staff	34,696	64,064	64,064	91,156	91,156	\$27,092
6906.72 OBMP - Data Requests - Non CBWM Staff	11,460	38,208	38,208	31,348	31,348	(\$6,860)
6906.73 OBMP - Safe Yield Recalculation	222,779	0	0	0	0	\$0
6906.74 OBMP - Material Physical Injury Requests	26,848	110,300	110,300	120,524	70,000	(\$40,300)
6906.81 OBMP - Prepare the 38th and 39th Annual Reports	0	0	0	59,688	59,688	\$59,688
6906.82 OBMP - Support for the Assessment Package	0	0	0	66,000	66,000	\$66,000
7101.3 Production Monitoring - Engineering Services	0	0	0	0	0	\$0
7102.3 In-Line Meter - Engineering Services	0	0	0	0	0	\$0
7103.3 Grdwtr Quality - Engineering Services	61,914	120,516	120,516	129,555	129,555	\$9,039
7103.5 Grdwtr Quality - Laboratory Services	33,256	39,205	39,205	39,205	39,205	\$0
7104.3 Grdwtr Level - Engineering Services	140,750	176,430	176,430	192,667	192,667	\$16,237
7104.8 Grdwtr Level - Contract Services	13,787	10,000	10,000	10,000	10,000	\$0
7104.9 Grdwtr Level - Capital Equipment	(3,030)	7,000	7,000	7,000	7,000	\$0
7107.2 Ground Level - Engineering Services	75,388	46,535	77,472	44,372	52,540	(\$24,932)
7107.3 Ground Level - SAR Imagery	90,000	85,000	85,000	85,000	85,000	\$0
7107.6 Ground Level - Contract Services	98,150	116,289	129,934	100,197	100,197	(\$29,737)
7107.61 Ground Level - Chino Hills ASR	24,172	0	0	0	0	\$0
7107.7 Ground Level - Extensometer Installation	0	0	0	0	0	\$0
7107.8 Ground Level - Capital Equipment	0	5,600	5,600	3,500	3,500	(\$2,100)
7108.3 Hydraulic Control Monitoring - Engineering Services	43,421	49,968	75,049	57,607	57,607	(\$17,442)
7108.31 Hydraulic Control Monitoring - Eng. Serv. - PBHSP	6,026	117,019	129,146	276,864	276,864	\$147,718
7108.32 Hydraulic Control Monitoring - Adaptive Mgmt Plan	0	10,176	43,176	0	0	(\$43,176)
7108.4 Hydraulic Control Monitoring - Laboratory Services	25,633	25,081	25,081	25,081	25,081	\$0
7108.41 Hydraulic Control Monitoring - Lab. Serv. - PBHSP	0	13,110	24,015	49,216	49,216	\$25,201
7108.6 Hydraulic Control Monitoring - Contract Services	0	90,000	90,000	65,000	65,000	(\$25,000)
7108.7 Hydraulic Control Monitoring - Well Installation - PBH	198,138	0	0	0	0	\$0
7108.9 Hydraulic Control Monitoring - Contract Services	0	0	0	0	0	\$0
7109.3 Recharge & Well Monitoring - Engineering Services	15,437	19,867	19,867	23,318	23,318	\$3,451
7202.2 Comp Recharge - Engineering Services	138,142	159,504	159,504	161,016	161,016	\$1,512
7202.3 Comp Recharge - Implementation	42,817	0	0	0	0	\$0
7203 Comp Recharge - Contract Services	0	0	0	0	0	\$0
7303 OBMP - Engineering Services	0	23,384	23,384	9,480	9,480	(\$13,904)
7402 OBMP - Engineering Services	185,299	84,708	84,708	131,196	81,212	(\$3,496)
7403 OBMP - Contract Services	0	20,000	20,000	60,000	60,000	\$40,000
7402.10 OBMP - Northwest MZ1 Area Project	0	506,255	506,255	157,511	104,599	(\$401,656)
7502 OBMP - Engineering Services	57,372	70,840	81,840	43,440	43,440	(\$38,400)
7503 OBMP - Contract Services (Plume)	0	0	0	0	0	\$0
7504 OBMP - Contract Services	0	0	0	0	0	\$0
7602 OBMP - Engineering Services	0	64,328	64,328	66,896	66,896	\$2,568
Total Engineering Services	\$1,846,720	\$2,595,943	\$2,732,638	\$2,991,049	\$2,740,852	\$8,214

DEBT SERVICE AND RECHARGE IMPROVEMENT PROJECTS

The fourth section of the Proposed FY 2016/17 budget relates to Watermaster's Debt Service and Recharge Improvement Projects.

Debt Service:

The Proposed FY 2016/17 Debt Service budget is \$465,200. The FY 2015/16 budget for this category was \$460,200.

The Debt Service is based upon principal and interest on 2008B Variable Revenue Rate Bonds that financed the Chino Basin Improvement Recharge Facilities Project. IEUA and Watermaster share the principal and interest expenses on a 50/50 basis. For the FY 2016/17 budget, the Debt Service (account 7690.1) for Watermaster's 50% portion is budgeted with the following assumptions:

Principal payment:	\$323,750
Interest expenses:	\$102,350
Financing expenses:	<u>\$ 78,200</u>
Total Debt Service:	<u>\$465,200</u>

- The FY 2016/17 projected interest rate is 1.5%
- Any interest rate savings between the actual interest rate and the projected interest rate of 1.5% will be refunded to Watermaster after completion of the annual reconciliation (close of FY 2016/17 year).
- Watermaster does not budget for any interest rate adjustments(s) for previous years credits
- The payment for Debt Service is issued annually to IEUA in July

Recharge Improvement Projects:

The Proposed FY 2016/17 Recharge Improvement Projects budget is \$2,869,600. The FY 2015/16 budget for this category was 1,858,900.

The Recharge Investigations and Projects Committee RIPCom meets every third Thursday of the month, after the Advisory Committee meeting, and has followed this schedule since November 2013. The last meeting of the RIPCom group was held on April 21, 2016. During the RIPCom meetings, the majority of time is spent to review ongoing capital projects and discuss the future years' capital expense projections. The Recharge Improvement Projects have been detailed and discussed during the RIPCom meetings and the current fiscal year budget expenses, along with the upcoming three fiscal years so the parties have an understanding of current funding requirements and needs, and the future funding commitments. For FY 2016/17, the following four projects are budgeted as follows:

- The RMPU Amendment - Task Order #1 (7690.15) is budgeted at \$1,550,000. This is an ongoing multi-year project has been reported monthly as part of the Recharge Investigations and Projects Committee RIPCom. The budget for FY 2016/17 is an increase of \$980,250 or 172.1% from the prior year's budget of \$569,750.
- The East Declz Basin - Task Order #1-1st Amendment (7690.16) is budgeted at \$114,000. This project has been reported monthly as part of the Recharge Investigations and Projects Committee RIPCom. The budget for FY 2016/17 is an increase of \$114,000 or 100% from the prior year's budget of \$0.
- The San Sevaine Recharge Improvement Project - Task Order #8 (7690.4) is budgeted at \$1,065,600 for FY 2016/17. This is an ongoing multi-year project and has been reported monthly as part of the Recharge Investigations and Projects Committee RIPCom. The budget for FY 2016/17 is a decrease of (\$61,300) or (5.4%) from the prior year's budget of \$1,126,900.
- The Lower Day Basin RMPU Improvements - Task Order #2 (7690.8) is budgeted at \$140,000 for FY 2016/17. This is an ongoing multi-year project and has been reported monthly as part of the Recharge Investigations and Projects Committee RIPCom. The budget for FY 2016/17 is the same amount as was budgeted for in FY 2015/16.

The current budget details regarding the Recharge Improvement Projects are shown as Attachment 8.

Attachment 8: [F:\FY 2016-17 Proposed Recharge Improvement Projects Budget](#)

ALL OTHER EXPENSES

The fifth section of the Proposed FY 2016/17 budget relates to All Other Expenses, or expenses that do not fall into the other four categories. The largest component of this section is the Recharge Basin O&M expenses (account 7206). The FY 2016/17 budget is \$974,957 which is an increase of \$183,049 or 23.1% when compared to the FY 2015/16 budget of \$791,908.

The Recharge Basin O&M expenses are based upon the Agreement for Operations and Maintenance of Facilities to Implement the Chino Basin Recharge Master Plan. The Recharge O&M expenses are shared costs between IEUA and Watermaster. The pro-rata cost sharing methodology is based on the relative proportion of recycled water to the total water recharged in the basins.

The total FY 2016/17 budget for the Watermaster's portion of the shared costs for Recharge Basin O&M expenses are \$974,957. The following details are provided for the O&M costs:

- The majority of the cost increases for FY 2016/17 are increased contracted specialty repairs and slope work on Banana Basin, Declaz Basin, Ely Basins #1, #2 and #3, Hickory Basin and Jurupa Basin
- No adjustments(s) for previous years credits
- Prior year's budget: \$791,908

OPERATIONS & MAINTENANCE

OPERATIONS & MAINTENANCE	2016/17 Budget	Funding From CBWM	Funding from IEUA	
SBCFCD	\$12,000	↓		
CBWCD	2,000			
IEUA- O&M				
General Basin	600,095			
GWR Administration	454,100			
Specialty O&M	120,000			
Utilities	104,000			
General Allocation (10%)	129,220			
OPERATIONS & MAINTENANCE (Pro -rata)	\$1,421,415		\$914,957	\$506,458
West Valley Vector Control (50/50 Share)	\$120,000		\$60,000	\$60,000
TOTAL	\$1,541,415	\$974,957	\$566,458	

- Based on Agreement for Operations and Maintenance of Facilities to Implement the Chino Basin Recharge Master Plan
- Pro-rata cost sharing methodology is based on the relative proportion of recycled water to the total water recharged in the basins

Attachment 7: [F:\FY 2016-17 Proposed Recharge O&M and Debt Service](#)

The complete set of FY 2016/17 detailed documents have been uploaded to the FTP site at:
[F:\Proposed FY 2016-17 Budget\20160512 Proposed Budget](#)

During its May 12, 2016 consideration of the budget the Appropriative Pool moved, in addition to approving the budget, to receive a presentation on the proposed scope of work needed to Assess Cultural Condition changes. The Non-Agricultural Pool made the same motion. The item is included in the budget and the work would be necessary should the Court approve and order implementation of the 2015 Safe Yield Reset Agreement (2015 SYRA). The request does not require Advisory Committee approval and is not included in the recommendation to approve the budget. The scope of work for this item will be placed on the Pool Committee agendas as requested, on the Pool meeting following a Court hearing during which the 2015 SYRA is approved.

ATTACHMENTS

1. FY 2016-17 Proposed Budget [F:\FY 2016-17 Proposed Budget](#)
2. FY 2016-17 Proposed Staffing and Pay Schedule
[F:\FY 2016-17 Proposed Staffing and Pay Schedule](#)
3. FY 2016-17 Proposed Legal Services Budget_\$871,426
[F:\FY 2016-17 Proposed Legal Services Budget](#)
4. FY 2016-17 Proposed Engineering Services Budget_\$2,896,321
[F:\FY 2016-17 Proposed Engineering Budget](#)
5. FY 2016-17 Ground-Level Monitoring Program & Northwest MZ1 Area Plan_\$2,830,431
[F:\FY 2016-17 Ground-Level Monitoring Program & Northwest MZ1 Area Plan](#)
6. FY 2016-17 Proposed Engineering Budget – Narrative
[F:\FY 2016-17 Proposed Engineering Budget - Narrative](#)
7. FY 2016-17 Proposed Recharge O&M and Debt Service
[F:\FY 2016-17 Proposed Recharge O&M and Debt Service](#)
8. FY 2016-17 Proposed Recharge Improvement Projects Budget
[F:\FY 2016-17 Proposed Recharge Improvement Projects](#)

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CHINO BASIN WATERMASTER

IV. INFORMATION

1. Cash Disbursements For April 2016

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2016

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	04/07/2016	19320	APPLIED COMPUTER TECHNOLOGIES	2665	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	2665		Database Consulting Services - March 2016	6052.2 · Applied Computer Technol	3,319.00
TOTAL						3,319.00
Bill Pmt -Check	04/07/2016	19321	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	02/29/2016	633506		633506	6907.44 · SGMA Compliance	27,426.50
Bill	02/29/2016	633507		633507	6907.42 · Safe Yield Recalculation	26,284.50
Bill	02/29/2016	633508		633508	6907.39 · Recharge Master Plan	1,408.00
Bill	02/29/2016	633509		633509	6071 · BHFS Legal - Court Coordination	8,013.50
Bill	02/29/2016	633510		633510	8575 · BHFS Legal - Non-Ag Pool	1,530.00
Bill	02/29/2016	633511		633511	8475 · BHFS Legal - Agricultural Pool	1,530.00
Bill	02/29/2016	633512		633512	8375 · BHFS Legal - Appropriative Pool	1,530.00
Bill	02/29/2016	633513		633513	6375 · BHFS Legal - Board Meeting	6,570.50
Bill	02/29/2016	633514		633514	6275 · BHFS Legal - Advisory Committee	1,020.00
				Expenses	6275 · BHFS Legal - Advisory Committee	35.31
Bill	02/29/2016	633515		633515	6907.34 · Santa Ana River Water Rights	1,648.00
Bill	02/29/2016	633516		Personnel	6073 · BHFS Legal - Personnel Matters	13,405.00
				Alvarez-CalPERS	6073 · BHFS Legal - Personnel Matters	616.00
				Expenses	6073 · BHFS Legal - Personnel Matters	20.72
Bill	02/29/2016	633517		633517	6078 · BHFS Legal - Miscellaneous	12,330.00
				Expenses	6078 · BHFS Legal - Miscellaneous	11.67
				Expenses	6375 · BHFS Legal - Board Meeting	150.00
				Expenses	6078 · BHFS Legal - Miscellaneous	35.31
				Expenses	8375 · BHFS Legal - Appropriative Pool	11.77
				Expenses	8475 · BHFS Legal - Agricultural Pool	11.77
				Expenses	8575 · BHFS Legal - Non-Ag Pool	11.77
TOTAL						103,600.32
Bill Pmt -Check	04/07/2016	19322	BUSINESS TELECOMMUNICATION SYSTEMS IN 10603		1012 · Bank of America Gen'l Ckg	
Bill	04/01/2016	10603		1 year support plan - ShoreTel phone system	6054 · Computer Software	1,787.00
TOTAL						1,787.00
Bill Pmt -Check	04/07/2016	19323	CHARTER COMMUNICATIONS	8245100651455350	1012 · Bank of America Gen'l Ckg	
Bill	04/04/2016	8245100651455350		3406/16-5/05/16	6053 · Internet Expense	64.99
TOTAL						64.99
Bill Pmt -Check	04/07/2016	19324	CHEF DAVE'S CAFE & CATERING		1012 · Bank of America Gen'l Ckg	
Bill	03/30/2016	5934		Lunch for 2/25/16 Watermaster Board meeting	6312 · Meeting Expenses	769.40
Bill	03/30/2016	5989		Lunch for 3/24/16 Watermaster Board meeting	6312 · Meeting Expenses	526.40

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2016

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						1,295.80
Bill Pmt -Check	04/07/2016	19325	COSTCO WHOLESale	7003-7309-1000-2744	1012 · Bank of America Gen'l Ckg	
Bill	03/26/2016	7003730910002744		Annual membership #331700781020	6111 · Membership Dues	165.00
TOTAL						165.00
Bill Pmt -Check	04/07/2016	19326	FEDAK & BROWN LLP	Audit Services	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016			Progress billing - March 2016	6062 · Audit Services	4,632.00
TOTAL						4,632.00
Bill Pmt -Check	04/07/2016	19327	INLAND EMPIRE UTILITIES AGENCY	90017850	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	90017850		Groundwater Recharge O&M Cost Reimbursement	7206 · Comp Recharge-O&M	197,976.87
TOTAL						197,976.87
Bill Pmt -Check	04/07/2016	19328	PARK PLACE COMPUTER SOLUTIONS, INC.	510	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	510		IT Consulting Services - March, 2016	6052.1 · Park Place Comp Solutn	3,000.00
TOTAL						3,000.00
P206						
Bill Pmt -Check	04/07/2016	19329	PAYCHEX	2016033100	1012 · Bank of America Gen'l Ckg	
Bill	03/26/2016	2016033100		Payroll services - March 2016	6012 · Payroll Services	399.72
TOTAL						399.72
Bill Pmt -Check	04/07/2016	19330	PRINTING RESOURCES	62993	1012 · Bank of America Gen'l Ckg	
Bill	03/18/2016	62993		#10 self sealing envelopes w/logo	6031.7 · Other Office Supplies	244.60
TOTAL						244.60
Bill Pmt -Check	04/07/2016	19331	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
Bill	04/04/2016	1394905143		Annual Unfunded Accrued Liability	60180 · Employers PERS Expense	3,077.00
TOTAL						3,077.00
Bill Pmt -Check	04/07/2016	19332	READY REFRESH BY NESTLE	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	03/30/2016	0023230253		Office Water Bottle - March 2016	6031.7 · Other Office Supplies	98.85
TOTAL						98.85
Bill Pmt -Check	04/07/2016	19333	RR FRANCHISING, INC.	20126	1012 · Bank of America Gen'l Ckg	
Bill	04/01/2016	20126		Janitorial services - April 2016	6024 · Building Repair & Maintenance	740.00
TOTAL						740.00
Bill Pmt -Check	04/07/2016	19334	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
Bill	03/26/2016	7076224530355049		Vehicle fuel - March 2016	6175 · Vehicle Fuel	152.31

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2016

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount	
TOTAL						152.31	
Bill Pmt -Check	04/07/2016	19335	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg		
Bill	03/30/2016	001017890001		Vision insurance premium - April 2016	60182.2 · Dental & Vision Ins	85.60	
TOTAL						85.60	
Bill Pmt -Check	04/07/2016	19336	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg		
Bill	04/01/2016	08-k2 213849		Disposal service - April 2016	6024 · Building Repair & Maintenance	111.57	
TOTAL						111.57	
General Journal	04/07/2016	04/07/2016	Payroll and Taxes for 03/27/16-04/06/16	Payroll and Taxes for 03/27/16-04/06/16	1012 · Bank of America Gen'l Ckg		
				Payroll Check for 03/27/16-04/06/16	1012 · Bank of America Gen'l Ckg	1,184.88	
				Payroll Taxes for 03/27/16-04/06/16	1012 · Bank of America Gen'l Ckg	380.83	
			ICMA-RC	457(f) Employee Deduction for 03/27/16-04/06/16	1012 · Bank of America Gen'l Ckg	66.20	
			ICMA-RC	401(a) Employee Deduction for 03/27/16-04/06/16	1012 · Bank of America Gen'l Ckg	28.83	
TOTAL						1,660.74	
P207	General Journal	04/09/2016	04/09/16	Payroll and Taxes for 03/27/16-04/09/16	Payroll and Taxes for 03/27/16-04/09/16	1012 · Bank of America Gen'l Ckg	
					Direct Deposits for 03/27/16-04/09/16	1012 · Bank of America Gen'l Ckg	19,473.09
					Payroll Taxes for 03/27/16-04/09/16	1012 · Bank of America Gen'l Ckg	6,539.79
					Payroll Checks for 03/27/16-04/09/16	1012 · Bank of America Gen'l Ckg	241.43
				ICMA-RC	457(f) Employee Deduction for 03/27/16-04/09/16	1012 · Bank of America Gen'l Ckg	3,324.52
				ICMA-RC	401(a) Employee Deduction for 03/27/16-04/09/16	1012 · Bank of America Gen'l Ckg	945.28
TOTAL						30,524.11	
Bill Pmt -Check	04/15/2016	ACH 041516	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg		
General Journal	04/07/2016	04/07/2016	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 03/27/16-04/06/16	2000 · Accounts Payable	180.92	
General Journal	04/09/2016	04/07/2016	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 03/27/16-04/09/16	2000 · Accounts Payable	5,343.90	
TOTAL						5,524.82	
Bill Pmt -Check	04/21/2016	19337	MAURIZIO, DANIELLE	Expense Reimbursement	1012 · Bank of America Gen'l Ckg		
Bill	03/31/2016			Reimbursement for expenses	6016 · New Employee Search Costs	50.82	
TOTAL						50.82	
Bill Pmt -Check	04/22/2016	19338	ACWA JOINT POWERS INSURANCE AUTHORITY	0407488	1012 · Bank of America Gen'l Ckg		
Bill	04/14/2016	0407488		Prepayment - May 2016	1409 · Prepaid Life, BAD&D & LTD	202.95	
				April 2016	60191 · Life & Disab.Ins Benefits	113.63	
TOTAL						316.58	
Bill Pmt -Check	04/22/2016	19339	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg		

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2016

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	03/31/2016	XXXX-XXXX-XXXX-9341		Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	237.28
				Purchase keyboard and mouse for GM	6055 · Computer Hardware	34.66
				Purchase adapter for CFO laptop	6055 · Computer Hardware	14.69
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	593.83
				Purchase wireless mouse for GM	6055 · Computer Hardware	12.67
				Lunch for court prep meeting	6906.73 · OBMP-Safe Yield Recalculation	126.11
				Purchase wireless mouse for office	6055 · Computer Hardware	10.57
				Dessert for court prep meeting	6906.73 · OBMP-Safe Yield Recalculation	2.95
				Purchase uniform shirts for staff	6154 · Uniforms	74.32
				Place ad for open position	6016 · New Employee Search Costs	196.58
				Place ad for open position	6016 · New Employee Search Costs	293.89
				Purchase uniform shirts for staff	6154 · Uniforms	65.78
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	259.34
				Place ad for open position	6016 · New Employee Search Costs	172.01
				Reg. for PK-attend the ACWA Spring Conference	6191 · Conferences - General	683.12
				Lunch for Ag Pool Meeting prep	8412 · Meeting Expenses	100.84
				Replenish fastrak account	6174 · Public Transportation	29.49
				PK meeting w/Board member Tom Thomas	6312 · Meeting Expenses	37.54
				IAAP Membership for B. Ruiz	6111 · Membership Dues	138.59
				Copy paper	6031.1 · Copy Paper	67.92
TOTAL						3,152.18
Bill Pmt -Check	04/22/2016	19340	BOWCOCK, ROBERT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	04/22/2016	19341	BOWMAN, JIM	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	04/22/2016	19342	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	04/19/2016	1394905143		1394905143	60182.1 · Medical Insurance	8,384.05
TOTAL						8,384.05
Bill Pmt -Check	04/22/2016	19343	CORELOGIC INFORMATION SOLUTIONS	81680955	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	81680955		81680955	7103.7 · Grdwtr Qual-Computer Svc	62.50
				81680955	7101.4 · Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	04/22/2016	19344	CUCAMONGA VALLEY WATER DISTRICT	Lease due May 1, 2016	1012 · Bank of America Gen'l Ckg	

P208

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2016

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	04/18/2016			Lease due May 1, 2016	1422 · Prepaid Rent	6,371.16
TOTAL						<u>6,371.16</u>
Bill Pmt -Check	04/22/2016	19345	CURATALO, JAMES	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/17/2016	3/17 Personnel Comm		3/17/16 Personnel Committee Meeting	6311 · Board Member Compensation	125.00
Bill	03/23/2016	3/23 Admin Mtg		3/23/16 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>375.00</u>
Bill Pmt -Check	04/22/2016	19346	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/10/2016	3/10 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/10/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	03/23/2016	3/23 Special Ag Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/23/16 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						<u>250.00</u>
Bill Pmt -Check	04/22/2016	19347	DE HAAN, HENRY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/10/2016	3/10 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/10/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						<u>125.00</u>
Bill Pmt -Check	04/22/2016	19348	EGOSCUE LAW GROUP	11223	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	11223		Ag Pool Legal Services - March 2016	8467 · Ag Legal & Technical Services	19,167.50
TOTAL						<u>19,167.50</u>
Bill Pmt -Check	04/22/2016	19349	ELIE, STEVEN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/03/2016	3/03 Admin Mtg		3/03/16 Administrative Mtg	6311 · Board Member Compensation	125.00
Bill	03/17/2016	3/17 Personnel Comm		3/17/16 Personnel Committee Meeting	6311 · Board Member Compensation	125.00
Bill	03/23/2016	3/23 Admin Mtg		3/23/16 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>500.00</u>
Bill Pmt -Check	04/22/2016	19350	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	L0256985		L0256985	7108.41 · Hydraulic Control - PBHSP	2,512.00
Bill	03/31/2016	L0257559		L0257559	7108.41 · Hydraulic Control - PBHSP	3,768.00
Bill	03/31/2016	L0257122		L0257122	7108.41 · Hydraulic Control - PBHSP	3,928.00
Bill	03/31/2016	L0257127		L0257127	7108.41 · Hydraulic Control - PBHSP	1,396.00
TOTAL						<u>11,604.00</u>
Bill Pmt -Check	04/22/2016	19351	FEENSTRA, BOB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	

P209

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2016

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	03/10/2016	3/10 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/10/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	03/17/2016	3/17 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/17/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	03/17/2016	3/17 Personnel Comm		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/17/16 Personnel Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	03/23/2016	3/23 Special Ag Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/23/16 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						500.00
Bill Pmt -Check	04/22/2016	19352	GREAT AMERICA LEASING CORP.	18610686	1012 · Bank of America Gen'l Ckg	
Bill	04/19/2016	18610686		Invoice	6043.1 · Ricoh Lease Fee	3,285.30
				Usage for Color Copies	6043.2 · Ricoh Usage & Maintenance Fee	100.05
TOTAL						3,385.35
Bill Pmt -Check	04/22/2016	19353	HALL, PETE*	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/10/2016	3/10 Appro Pool Mtg		3/10/16 Appropriative Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	03/10/2016	3/10 Ag Pool Mtg		3/10/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	03/17/2016	3/17 Advisory Comm		3/17/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	03/17/2016	3/17 RIPCom Mtg		3/17/16 RIPCom Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	03/21/2016	3/21 GW Level Mtg		3/21/16 Groundwater Level Monitoring Committee	8470 · Ag Meeting Attend -Special	125.00
Bill	03/23/2016	3/23 Special Ag Mtg		3/23/16 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						875.00
Bill Pmt -Check	04/22/2016	19354	HARMONY PRESS	00-6109	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	00-6109		Printing for 36th Annual Report	6045 · Printing	4,218.75
TOTAL						4,218.75
Bill Pmt -Check	04/22/2016	19355	HOGAN LOVELLS	2972812	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	2972812		Non-Ag Pool Legal Services - February 2016	8567 · Non-Ag Legal Service	4,007.38
TOTAL						4,007.38
Bill Pmt -Check	04/22/2016	19356	HUITSING, JOHN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/10/2016	3/10 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/10/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	04/22/2016	19357	KUHN, BOB	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/11/2016	3/11 Admin Mtg		3/11/16 Administrative Meeting	6311 · Board Member Compensation	125.00

P210

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2016

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	03/17/2016	3/17 Personnel Comm		3/17/16 Personnel Committee Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	04/22/2016	19358	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	
Bill	04/19/2016	0111802		Employee deductions - April 2016	60194 · Other Employee Insurance	79.70
TOTAL						79.70
Bill Pmt -Check	04/22/2016	19359	MARK IV COMMUNICATIONS, INC.	20975	1012 · Bank of America Gen'l Ckg	
Bill	03/30/2016	20975		20975	6024 · Building Repair & Maintenance	760.64
TOTAL						760.64
Bill Pmt -Check	04/22/2016	19360	MINDSHIFT	0215815	1012 · Bank of America Gen'l Ckg	
Bill	04/01/2016	0215815		April 2016 monthly services	6052.4 · mindSHIFT Technologies, Inc.	3,770.00
TOTAL						3,770.00
Bill Pmt -Check	04/22/2016	19361	PIERSON, JEFFREY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/10/2016	3/10 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
P211	Bill	03/17/2016	3/17 Advisory Comm	3/10/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
	Bill	03/17/2016	3/17 Advisory Comm	Ag Pool Member Compensation	8411 · Compensation	25.00
	Bill	03/17/2016	3/17 RIPCom Mtg	3/17/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
	Bill	03/17/2016	3/17 RIPCom Mtg	Ag Pool Member Compensation	8411 · Compensation	25.00
	Bill	03/17/2016	3/17 RIPCom Mtg	3/17/16 RIPCom Meeting	8470 · Ag Meeting Attend -Special	100.00
	Bill	03/23/2016	3/23 Special Ag Mtg	Ag Pool Member Compensation	8411 · Compensation	25.00
	Bill	03/23/2016	3/23 Special Ag Mtg	3/23/16 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
	Bill	03/24/2016	3/24 Board Mtg	Ag Pool Member Compensation	8411 · Compensation	25.00
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						625.00
Bill Pmt -Check	04/22/2016	19362	PREMIERE GLOBAL SERVICES	20796490	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	20796490		WM coordination call on 2/29	6909.1 · OBMP Meetings	6.15
				SGMA compliance call on 2/29	6906.23 · SGMA Reporting Requirements	20.99
				Appropriative Pool agenda call on 3/02	8312 · Meeting Expenses	13.78
				SGMA compliance call on 3/03	6906.23 · SGMA Reporting Requirements	20.54
				GLMC discussion call on 3/04	6909.1 · OBMP Meetings	11.66
				UC Santa Cruz report discussion call on 3/07	6909.1 · OBMP Meetings	18.45
				WM coordination call on 3/07	6909.1 · OBMP Meetings	28.74
				Annual Report discussion call on 3/09	6909.1 · OBMP Meetings	13.28
				Pool mtgs check call on 3/09	8312 · Meeting Expenses	8.52
				Pool mtgs check call on 3/09	8412 · Meeting Expenses	8.51
				Pool mtgs check call on 3/09	8512 · Meeting Expense	8.51

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2016

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
				Non-Ag Pool mtg call on 3/10	8512 · Meeting Expense	26.07
				Non-Ag Pool mtg call on 3/10	8512 · Meeting Expense	6.14
				SGMA compliance call on 3/14	6906.23 · SGMA Reporting Requirements	6.14
				SGMA compliance call on 3/14	6906.23 · SGMA Reporting Requirements	11.80
				SGMA compliance call on 3/17	6906.23 · SGMA Reporting Requirements	8.23
				SGMA compliance call on 3/17	6906.23 · SGMA Reporting Requirements	6.65
				SGMA compliance call on 3/21	6906.23 · SGMA Reporting Requirements	6.13
				SGMA compliance call on 3/21	6906.23 · SGMA Reporting Requirements	25.80
				SGMA compliance call on 3/21	6906.23 · SGMA Reporting Requirements	6.15
				Ag Pool Special meeting call on 3/23	8412 · Meeting Expenses	134.95
				Fee - Confidential	6022 · Telephone	49.00
				Fee - General	6022 · Telephone	49.00
				Fee - Service	6022 · Telephone	13.90
TOTAL						509.09
Bill Pmt -Check	04/22/2016	19363	RAUCH COMMUNICATION CONSULTANTS, LLC Mar-1606		1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	Mar-1606		Finalize 36th Annual Report	6061.3 · Rauch	850.00
				Kickoff 37th Annual Report	6061.3 · Rauch	875.00
TOTAL						1,725.00
Bill Pmt -Check	04/22/2016	19364	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	04/19/2016	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	591.13
TOTAL						591.13
Bill Pmt -Check	04/22/2016	19365	STAPLES BUSINESS ADVANTAGE		1012 · Bank of America Gen'l Ckg	
Bill	04/02/2016	8038729024		Miscellaneous office supplies	6031.7 · Other Office Supplies	138.15
				Toner for printers	6031.7 · Other Office Supplies	57.23
Bill	04/09/2016	8038822283		Miscellaneous office supplies	6031.7 · Other Office Supplies	149.14
				Budget folders & inserts	6031.7 · Other Office Supplies	711.67
Bill	04/25/2016	8038615444		Miscellaneous office supplies	6031.7 · Other Office Supplies	228.45
TOTAL						1,284.64
Bill Pmt -Check	04/22/2016	19366	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2016			Retiree Medical	60182.4 · Retiree Medical	23.62
TOTAL						23.62
Bill Pmt -Check	04/22/2016	19367	THOMAS, THOMAS R.	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/18/2016	3/18 Admin Mtg		3/18/16 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2016

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	04/22/2016	19368	UNITED PARCEL SERVICE	2x81x0	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	2x81x0		Return laptop and aircard to Watermaster	6042 · Postage - General	19.30
TOTAL						19.30
Bill Pmt -Check	04/22/2016	19369	VANDEN HEUVEL, GEOFFREY	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/10/2016	3/10 Ag Pool Mtg		3/10/16 Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	03/23/2016	3/23 Special Ag Mtg		3/23/16 Special Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Mtg	6311 · Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	04/22/2016	19370	VANDEN HEUVEL, ROB	AG Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/10/2016	3/10 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/10/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	03/17/2016	3/17 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/17/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	04/22/2016	19371	VERIZON WIRELESS	9763222531	1012 · Bank of America Gen'l Ckg	
Bill	04/19/2016	9763222531		9763222531	6022 · Telephone	315.59
TOTAL						315.59
Bill Pmt -Check	04/22/2016	19372	WESTERN MUNICIPAL WATER DISTRICT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Meeting - Don Galleano attendance	6311 · Board Member Compensation	125.00
TOTAL						125.00
General Journal	04/23/2016	04/23/2016	Payroll and Taxes for 04/10/16-04/23/16	Payroll and Taxes for 04/10/16-04/23/16	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 04/10/16-04/23/16	1012 · Bank of America Gen'l Ckg	18,833.52
				Payroll Taxes for 04/10/16-04/23/16	1012 · Bank of America Gen'l Ckg	5,440.10
				Payroll Checks for 04/10/16-04/23/16	1014 · Bank of America P/R Ckg	1,075.16
			ICMA-RC	457(f) Employee Deductions for 04/10/16-04/23/16	1012 · Bank of America Gen'l Ckg	3,324.52
			ICMA-RC	401(a) Employee Deductions for 04/10/16-04/23/16	1012 · Bank of America Gen'l Ckg	945.28
TOTAL						29,618.58
Bill Pmt -Check	04/29/2016	ACH 042916	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	04/23/2016	04/23/2016	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 04/10/16-04/23/16	2000 · Accounts Payable	5,343.90
TOTAL						5,343.90
General Journal	04/30/2016	04/30/2016	Wage Works FSA Direct Debits - Apr. 2016	Wage Works FSA Direct Debits - Apr. 2016	1012 · Bank of America Gen'l Ckg	
				Wage Works FSA Direct Debits - Apr. 2016	1012 · Bank of America Gen'l Ckg	81.50

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2016

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
				Wage Works FSA Direct Debits - Apr. 2016	1012 - Bank of America Gen'l Ckg	577.14
				Wage Works FSA Direct Debits - Apr. 2016	1012 - Bank of America Gen'l Ckg	577.14
TOTAL						<u>1,235.78</u>
					Total Disbursements:	<u><u>469,395.04</u></u>

P214

CHINO BASIN WATERMASTER

IV. INFORMATION

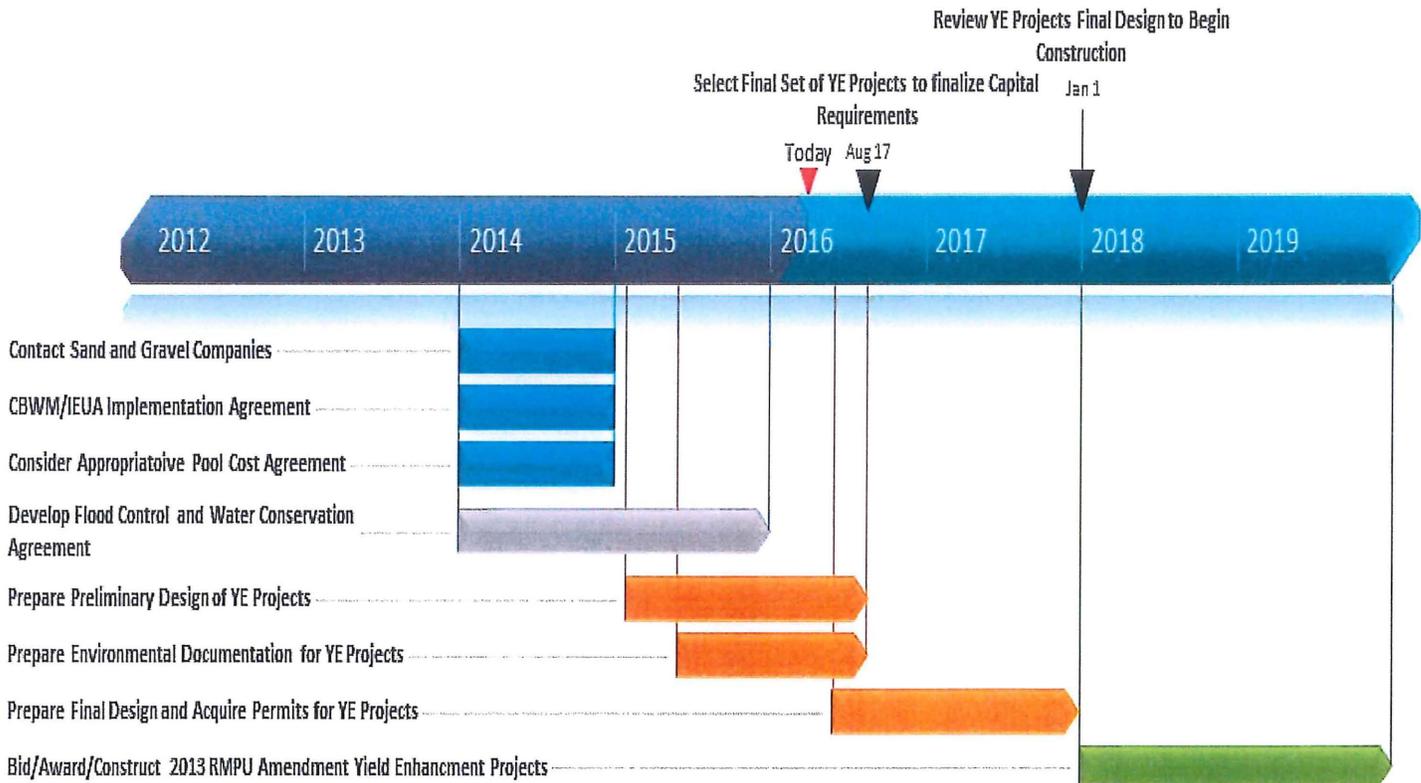
2. RMPU Status Report

2013 Amendment to 2010 RMPU Implementation

Status Report – April 2016

Schedule:

2013 Amendment to 2010 RMPU Implementation Schedule



STATUS

In April 2015, the 2013 Amendment to 2010 Recharge Master Plan update Steering Committee was merged with the IEUA/Watermaster Joint Projects Committee meeting and renamed the Recharge Investigations and Projects Committee (RIPCom), and meets monthly. This was done so that progress on all recharge projects, including prior projects, RMPU Sustainability and Yield Enhancement projects, and potential new projects could be reviewed by all Pool representatives before making a recommendation to their respective Pools. Progress on all projects is reported as a separate report attached to this RMPU Amendment Status Report.

Year 1-2014

Yield Enhancement Projects: Contact Sand and Gravel Companies

The effort to have material removed from Turner Basin is complete. To move material from other basins, it is necessary to first complete the Preliminary Design Report (PDR) to allow for an assessment of volume of material available for removal. A site-specific characterization of soils is also required. Preliminary contact with sand and gravel companies has been made and, while there is interest, there are a number of considerations to be addressed. Most companies prefer not to be tied to an IEUA/Watermaster schedule, rather they would prefer to be driven by the needs of development-related construction projects. IEUA estimates having 12 potential companies interested in dirt hauling, however, the number may fluctuate as demands and future schedules change.

Yield Enhancement Projects: Develop Watermaster and IEUA Yield Enhancement Project Implementation Agreement

This was completed, and the Master Agreement and Task Orders have been signed by both IEUA and Watermaster Boards.

Yield Enhancement Projects: Consider AP New Yield Cost Allocation Agreement

Within the Safe Yield Reset effort, it was determined that the stormwater yield from the RMPU projects will initially be part of the New Yield allocation. The cost sharing will be based on the Operating Safe Yield percentage, with an opt-out provision that would allow Fontana Water Company the first chance at that water. Section 5.1 of the 2015 Safe Yield Reset Agreement further describes the mechanisms for accounting and allocation among the Appropriate Pool Parties.

Yield Enhancement Projects: Develop Flood Control and Water Conservation Agreement

IEUA and Watermaster have met and exchanged correspondence with the San Bernardino County Flood Control District (SBCFCD) to expand the Four Party Agreement to include all facilities necessary for RMPU Implementation. IEUA, Watermaster, and SBCFCD have also met to discuss SBCFCD's anticipated permit conditions for the RMPU projects so that there would be minimal or no impact to the RMPU projects scope budget or schedule. IEUA and

Watermaster have also met with Chino Basin Water Conservation District (CBWCD) to discuss the CBWCD facilities that are involved in the RMPU Implementation. As of April, negotiations are ongoing.

Yield Enhancement Projects: Agreement with Property Owners

Contact with SBCFCD and CBWCD has been made through above-mentioned process. The Sierra Basin is no longer considered a potential project due to the City of Fontana stating that the basin is to be repurposed in the future. The Lower San Sevaine (PID 17) property was sold at auction; status is “ongoing due diligence by potential buyer” until May 2017. IEUA is working with California Steel Industries (CSI) on a wastewater issue and is discussing the potential of using that recharge basin for the project contemplated in the RMPU. CSI has expressed interest in recharging the basin with stormwater, recycled water, and other sources of supplemental water. As of April, discussions are ongoing. IEUA has come to an agreement with the property owners of the land where the proposed East Declez Basin may be built. The agreement allows IEUA to hold the site, without a loss of deposit, until May 17, 2016 while a decision is being finalized on how to proceed with the project after the initial pre-design study is completed.

Years 2 and 3 -2015 and 2016

Yield Enhancement Projects: Prepare Preliminary Design of Recommended Yield Enhancement Projects

The Preliminary Design effort has begun and is reported for each individual project as a separate report which will be posted on Watermaster’s FTP site and also accessible at this link:

[http://www.cbwm.org/FTP/Recharge%20Investigations%20and%20Projects%20Committee%20\(RIPCom\)/Project%20PDRs/](http://www.cbwm.org/FTP/Recharge%20Investigations%20and%20Projects%20Committee%20(RIPCom)/Project%20PDRs/)

As of April 2016, the most recent report posted is for the Lower Day Improvements Project.

Yield Enhancement Projects: Prepare Environmental Documentation for Yield Enhancement Projects

The required environmental documents for the San Sevaine Basin RMPU Project was completed on January 2016, through an IEUA Board adoption of a mitigated negative declaration on the proposed project. The required environmental documents for Lower Day Basin RMPU Project will have a similar find and action. The IEUA Board is scheduled to adopt the findings on April 20, 2016. The remaining RMPU projects will be addressed separately through a programmatic environmental impact report on the proposed planning level projects within the Recharge Master Plan Update document. A report is scheduled to be completed by August 2016.

Financing Plan

A draft of the 2013 RMPU Master Plan Update Financing Plan was presented to the RIPCom Committee on March 17, 2016 by IEUA. The plan is posted on Watermaster's FTP site and also accessible at this link:

[http://www.cbwm.org/FTP/Recharge%20Investigations%20and%20Projects%20Committee%20\(RIPCom\)/RMPU%20Financing%20Plan-Draft/2013%20Recharge%20Master%20Plan%20Update%20Financing%20Plan-DRAFT.pdf](http://www.cbwm.org/FTP/Recharge%20Investigations%20and%20Projects%20Committee%20(RIPCom)/RMPU%20Financing%20Plan-Draft/2013%20Recharge%20Master%20Plan%20Update%20Financing%20Plan-DRAFT.pdf)

Years 3 and 4-2016 and 2017

Prepare Final Designs and Acquire Necessary Permits for Yield Enhancement

As of April 2016, the Final Designs for the RMPU projects will be completed by the end of 2017. San Sevaine and Lower Day, projects on an accelerated schedule, will complete Final Design by May 2016 and October 2016 respectively.

Years 5 and 6- 2018 and 2019

Construct 2013 RMPU Amendment Yield Enhancement Projects

Construction of the selected RMPU projects after Final Design are anticipated to be complete by the end of 2019.

Monitoring, Reporting, and Accounting Long-Term Average Net New Stormwater Recharge

The due date for the second round of requests for Water Quality Management Plan (WQMPs), Design Reports, and As-Built drawings for new projects and projects built between Fiscal Years 2011 and 2013 passed on November 1, 2015. As of April, Watermaster is working with WEI to analyze the data received.

Sustainability Projects:

Effort is underway. JCSD is the lead on this and is working with IEUA, Ontario, MVWD, and FWC to refine sustainability project opportunities. JCSD began receiving water from the City of Ontario in April 2015 per the Ontario-Jurupa In lieu Sustainability Project Agreement. With this agreement, JCSD will receive 2,000 acre-feet of Ontario's CDA allotment of water in exchange for the purchase of an equal quantity of imported water from the WFA plant for use by the City of Ontario. JCSD is also exploring other sources of imported water beyond Metropolitan Water District to diversify its water source portfolio.

The joint Vulcan/ FWC project at the Vulcan Pit anticipated recharge in the Basin in early September 2015, however, due to some logistical issues it was delayed until December 21, 2015. In February 2016, Vulcan/FWC completed its 100 acre-foot recharge project. The exact amount recharged was 100.006 acre feet. Further recharge is not anticipated until the winter of 2017.

CHINO BASIN WATERMASTER

IV. INFORMATION

3. Ground-Level Monitoring Report

Quarterly Status Report

Ground-Level Monitoring Program

January – March 2016

This quarterly status report describes the background of the Ground-Level Monitoring Program, (GLMP), main activities of the GLMP conducted for the period January-March 2016, and the main activities planned for the period April-June 2016.

Background

Historically, the utilization of the Chino Basin has inadvertently resulted in land subsidence and ground fissuring. Pursuant the OBMP Implementation Plan, the Watermaster developed and implements the Chino Basin Subsidence Management Plan (SMP). The objective of the SMP is to minimize or abate the occurrence of land subsidence and ground fissuring.

The SMP identifies four “Areas of Subsidence Concern” and the Managed Area, within the Chino Basin. Figure 1 shows the locations and names of these Areas of Subsidence Concern. These are areas where land subsidence and ground fissuring have historically occurred or where the underlying hydrogeologic conditions makes these areas susceptible to land subsidence and ground fissuring. In the MZ-1 Managed Area, the Watermaster has conducted monitoring and testing programs, and has developed Management Criteria for the groundwater producers within the area to minimize or abate the future occurrence of land subsidence and ground fissuring. The Management Criteria consists of the following main elements:

- a list of production wells in the MZ-1 Managed Area that are subject to the SMP.
- an index water level measured in Watermaster’s PA-7 piezometer at Ayala Park. The index level is called the Guidance Level.
- a Watermaster recommendation that the well owners collectively manage their production so that the water level in the PA-7 piezometer remains above the Guidance Level.

The SMP also calls for:

1. an ongoing monitoring and reporting program to verify the protective nature of the SMP and identify new threats or occurrences of land subsidence.
2. a process to adjust the SMP to minimize or abate land subsidence and ground fissuring.

Since the initial SMP was adopted by the Watermaster in 2007, Watermaster has conducted the annual GLMP to implement the monitoring and reporting program (No. 1 above).

The main activities of the GLMP include:

- Setup and Maintenance of Monitoring Facilities
- Monitoring and Testing
- Data Analysis and Reporting
- Ground-Level Monitoring Committee (Committee) Meetings

The main results of the GLMP have been:

- Very little permanent land subsidence has occurred in the MZ-1 Managed Area, which indicates that subsidence is being successfully managed in this area.
- Land subsidence has been occurring in the Northwest MZ-1 Area. Of particular concern is



Quarterly Status Report

Ground-Level Monitoring Program

January – March 2016

that subsidence in Northwest MZ-1 has occurred differentially across the San Jose Fault—the same pattern of differential subsidence that occurred in the MZ-1 Managed Area during the time of ground fissuring.

Based on these results, the Watermaster determined that the SMP needs to be updated to include a *Subsidence Management Plan for the Northwest MZ-1 Area* with the long-term objective to minimize or abate the occurrence of the differential land subsidence. To assist in this update, the GLMP has been expanded in the Northwest MZ-1 Area. The update included the *Work Plan to Develop a Subsidence Management Plan for the Northwest MZ-1 Area* (Work Plan). The Work Plan includes eleven tasks that include investigations, construction of monitoring facilities, monitoring and testing programs, modeling, and reporting. Tasks 1 through 5 and 11 are scheduled to begin or be completed during FY 2015-16. These Tasks include:

- Task 1: Describe the Initial Hydrogeologic Conceptual Model and the Monitoring and Testing Program
- Task 2: Implement the Initial Monitoring and Testing Program
- Task 3: Develop and Evaluate the Baseline Management Alternative
- Task 4: Develop and Evaluate the Initial Subsidence-Management Alternative
- Task 5: Design and Install the Pomona Extensometer Facility
- Task 11: Meetings and Administration

Activities Performed from January - March 2016

Setup and Maintenance of Monitoring Facilities

- Monthly routine maintenance, data collection, and verification at the Ayala Park Extensometer and Chino Creek Extensometer facilities.
- Maintenance to the internet connection at the Ayala Park Extensometer facility in order to maintain the electronic data delivery to the Watermaster's Ayala Park website.
- Installed additional counter weights for the Chino Creek Extensometer facility. Additional counter-weights were installed to increase tension on the extensometer cables to reduce friction between the cables and the well casings, and provide a higher-resolution data set.
- Coordinated the removal of the Daniels Horizontal Extensometer facility at 5500 Daniels Street, Chino, CA. A new planned development at the site necessitates the removal of the facility by the end of April 2016.
- *Northwest MZ-1 Area Investigation:*
 - Installed two pressure transducers in wells owned by Golden State Water Company.

Monitoring and Testing

- Performed quarterly collection, processing, checking, and storing of piezometric and aquifer-system deformation data from the wells and extensometers shown on Figure 1.



Quarterly Status Report

Ground-Level Monitoring Program

January – March 2016

- Collected InSAR data for western Chino Basin from the German Aerospace Center's TerraSAR-X satellite.
- Conducted ground-level surveys and electronic distance measurements (EDMs) at benchmarks in the Southeast Area, the MZ-1 Managed Area, and the San Jose Fault Zone Area shown on Figure 1.
- *Long-Term Pumping Test in the MZ-1 Managed Area.* The Long-Term Pumping Test, described in the SMP, was developed by the Committee to test and refine the Guidance Level for the Managed Area. The test requires that the City of Chino Hills simultaneously pump wells CH-15B and CH-17 to cause water levels at PA-7 to decline below the Guidance Level. The recovery phase of the Long-Term Pumping Test includes groundwater injection cycles at the City of Chino Hills' well CH-16. Both CH-15B and CH-16 require physical improvements to function in the Long-Term Pumping Test. The following work was performed (or not) for the Long-Term Pumping Test during the reporting period:
 - The City of Chino Hills modified the wellhead-treatment facility at CH-15B. No significant pumping occurred at the well that resulted in water levels to decline below the Guidance Level at PA-7.
 - No construction activities were performed to connect CH-16 to a source-water pipeline for injection during the reporting period.
- *Northwest MZ-1 Area Investigation:*
 - Collected, processed and checked groundwater level data and production data from wells in the study area.
 - Developed the one-dimensional aquifer-system compaction model that will be used to estimate future land subsidence in the Northwest MZ-1 Area.
 - Began research and discussions with insurance agencies to determine the feasibility and methodology to insure against damages related to land subsidence.
 - Began development of the Initial Subsidence-Management Alternative (ISMA).

Data Analysis and Reporting

- Compiled and analyzed the data collected for the GLMP through 2015.
- Prepared text, tables, and figures for the draft *2015 Annual Report of the Ground-Level Monitoring Committee.*
- *Northwest MZ-1 Area Investigation:*
 - Prepared text, tables, and figures for the draft technical memorandum titled *Initial Hydrogeologic Conceptual Model and the Monitoring and Testing Program for the Northwest MZ-1 Area.* The technical memorandum describes the hydrogeological information that is known and required to develop a SMP for the Northwest MZ-1 Area.

Meetings of the Ground-Level Monitoring Committee

A meeting of the Committee was conducted on March 21, 2016. The meeting agenda included:



Quarterly Status Report
Ground-Level Monitoring Program
January – March 2016

- Reviewed and discussed the ground-level monitoring program:
 - Data through 2015
 - Ongoing/future data needs
 - Removal of the Daniels Horizontal Extensometer and construction of a new horizontal extensometer in the Managed Area
- Reviewed and discussed the initial conceptual model for the Northwest MZ-1 Area.
- Reviewed and discussed the proposed scope and budget for the ground-level monitoring program for fiscal year 2016-17.

Activities Planned for April - June 2016

Setup and Maintenance of Monitoring Facilities

- Perform monthly routine maintenance, data collection, and verification at the Ayala Park Extensometer and Chino Creek Extensometer facilities.
- Fabricate, install, and test additional counter weights at the Chino Creek Extensometer facility.
- Remove the Daniels Horizontal Extensometer facility and return the site to its original condition.
- *Northwest MZ-1 Area Investigation:*
 - Coordinate with the Monte Vista Water District to facilitate collection of groundwater levels and production data from wells in the study area.

Monitoring and Testing

- Perform quarterly collection, processing, checking, and storing of piezometric and aquifer-system deformation data from the wells and extensometers shown on Figure 1.
- Collect InSAR data across the western Chino Basin from the German Aerospace Center's TerraSAR-X satellite.
- *Long-Term Pumping Test in the MZ-1 Managed Area:*
 - The City of Chino Hills will test a wellhead-treatment facility at well CH-15B in an effort to pump groundwater from this well.
- *Northwest MZ-1 Area Investigation:*
 - Continue to implement the Initial Monitoring Program at wells in and around the Northwest MZ-1 Area. Pressure transducers will monitor groundwater levels in wells. Production data will be collected and will include on/off times and production rates at production wells.
 - Finalize the one-dimensional aquifer-system compaction model and use it with the Chino Basin Groundwater Model and Baseline Management Alternative to estimate



Quarterly Status Report

Ground-Level Monitoring Program

January – March 2016

future subsidence in the Northwest MZ-1 Area if the Chino Basin Parties operate without an SMP for the Northwest MZ-1 Area.

- Continue research and discussion with insurance agencies to determine the feasibility and methodology to insure against damages related to land subsidence and prepare a cost estimate for such an insurance policy.
- Continue to develop the ISMA. The assumptions (i.e., decrease in production and/or increase in wet-water recharge) will be discussed with the Committee. The results of the ISMA on subsidence in the Northwest MZ-1 Area will be finalized during FY 2016/17.

Data Analysis and Reporting

- Prepare the *2015 Annual Report of the Ground-Level Monitoring Committee*.
- *Northwest MZ-1 Area Investigation:*
 - Complete the draft technical memorandum titled *Initial Hydrogeologic Conceptual Model and the Monitoring and Testing Program for the Northwest MZ-1 Area*. The draft technical memorandum will be submitted to the Committee for review in May 2016. The final technical memorandum is scheduled to be published in June 2016.
 - Analyze data collected from the Initial Monitoring Program and prepare preliminary plan for short-term controlled pumping tests. The preliminary plans will be reviewed with the well owners and the Committee in May/June 2016.
 - Conduct siting study to identify potential site(s) for the Pomona Extensometer facility. The potential sites(s) will be reviewed with the Committee in April/May 2016.
 - Prepare a draft technical memorandum titled *Evaluation of the Baseline Management Alternative*. The draft technical memorandum will summarize aquifer conduction related to the baseline management alternative the results of the one-dimensional aquifer-system compaction model. The draft technical memorandum will be submitted to the Committee for review in June 2016.
 - The assumptions used in the ISMA will be reviewed with the Committee in May/June 2016.

Meetings of the Ground-Level Monitoring Committee

Three Committee meeting are planned during the period April through June 2016:

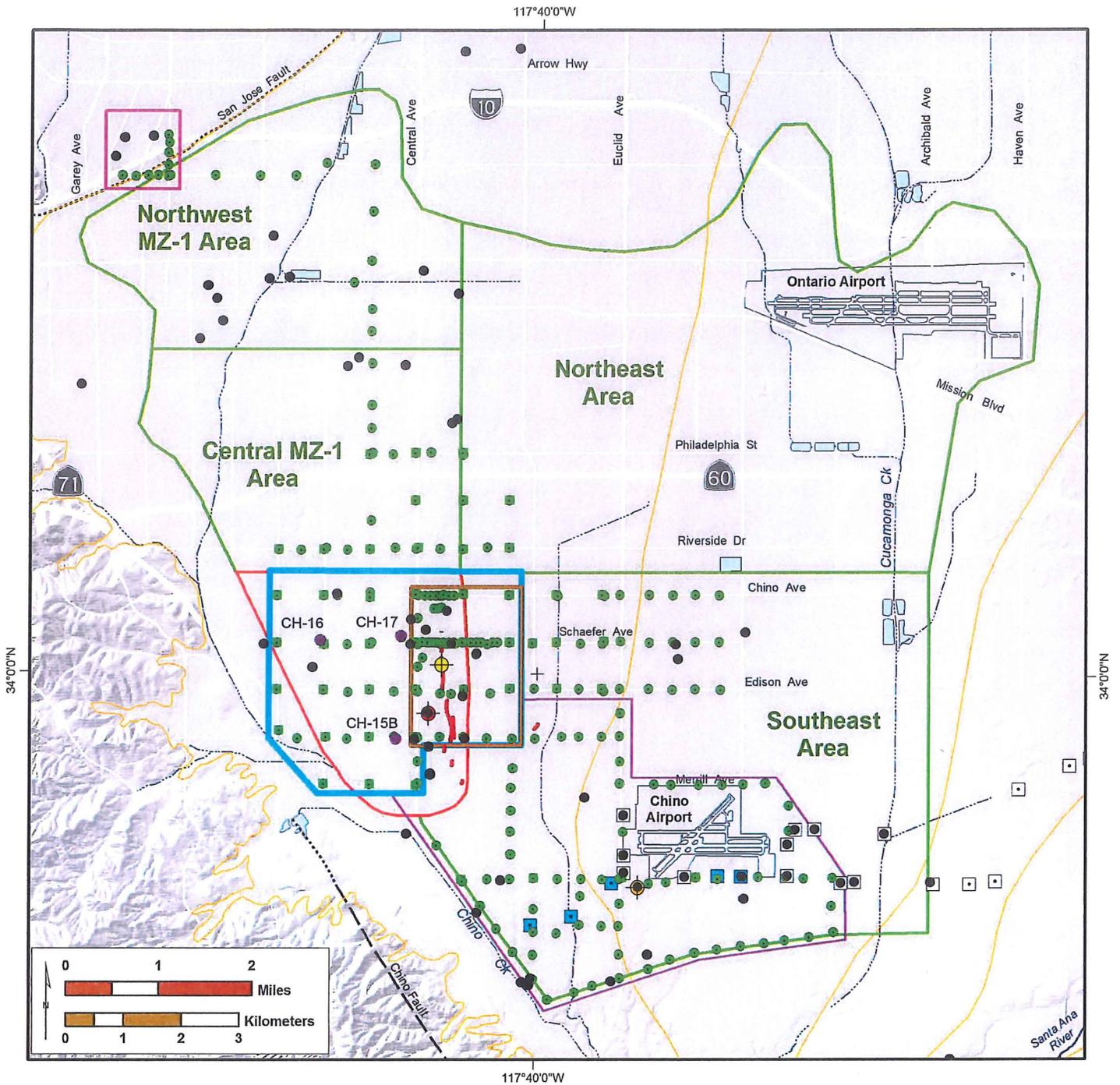
- A conference call for the Committee was held on April 4, 2016. The meeting agenda included:
 - Review and discussion of revisions to the scope and budget for the ground-level monitoring program for fiscal year 2016-17 based on recommendations from the Committee made during the meeting on March 21, 2016.
 - Distribution of updated Work Breakdown Structure and Cost Estimates and implementation schedule for the *Work Plan to Prepare a Subsidence Management Plan for the Northwest MZ-1 Area* based on current projections.



Quarterly Status Report
Ground-Level Monitoring Program
January – March 2016

- The next meeting of the Committee is planned for May 2016. The meeting agenda will include:
 - Review and discuss the draft *Initial Hydrologic Conceptual Model and Monitoring and Testing Program*.
 - Review and discuss the draft *2015 Annual Report of the Ground-Level Monitoring Committee*.
- Another meeting of the Committee is planned for June 2016. The meeting agenda will include:
 - Review and discuss data collected from the Initial Monitoring Program and the preliminary plans for short-term controlled pumping tests.
 - Review and discuss the potential site(s) for the Pomona Extensometer facility.
 - Review and discuss the results of the one-dimensional aquifer-system compaction model and the draft technical memorandum titled *Evaluation of the Baseline Management Alternative*.





Survey Benchmarks

- Benchmark Monument

Survey Areas

- Southeast Area
- Fissure Zone
- Managed Area
- San Jose Fault Zone

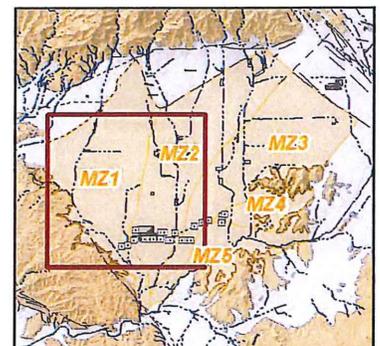
Wells and Extensometers

- Well Monitored by Pressure Transducer - Dec. 2015
- CH-15B, CH-16 & CH-17 wells
- Desalter Well
- Desalter Well - Chino Creek Well Field
- Ayala Park Extensometer
- Chino Creek Extensometer
- Daniels Horizontal Extensometer

□ MZ-1 Managed Area

□ Areas of Subsidence Concern

⌘ Historical Ground Fissures



Prepared by:



Author: TCR
 Date: 20160106
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CHINO BASIN WATERMASTER

IV. INFORMATION

4. Update on South Archibald and Chino Airport Plumes

Quarterly Status Report on the South Archibald TCE Plume – April 2016

Contaminant: The primary contaminant is Trichloroethene (TCE). The maximum contaminant level (MCL) for TCE is 5 micrograms per liter ($\mu\text{g/L}$). The maximum TCE concentration measured in a groundwater sample collected from wells within the plume during the last five years (2011 to 2015) is 90 $\mu\text{g/L}$.

Location: The plume is located in the southern Chino Basin within the City of Ontario. As delineated by the Chino Basin Watermaster (Watermaster) in 2015¹, the extent of the plume with detectable TCE concentrations is about 11,000 feet wide and 23,000 feet long, and extends from State Route 60 on the north to Bellegrave Ave. to the south, between Haven and Turner Avenues on the east, and Grove Avenue on the west. In 2014, several parties² delineated the plume area with TCE concentrations greater than or equal to 5 $\mu\text{g/L}$. Both plume delineations are shown in Exhibit 1.

Cleanup and Abatement Orders (CAOs): In 2005, the Santa Ana Regional Water Quality Control Board (Regional Board) issued six Draft CAOs to the Aerojet-General Corporation, The Boeing Company, Northrop Grumman Corporation, Lockheed Martin Corporation, General Electric Corporation and the United States Department of Defense; and in 2012 issued one Draft CAO jointly to the City of Ontario, City of Upland, and Inland Empire Utilities Agency (IEUA).

Regulatory and Monitoring History: In the mid-1980s, the Metropolitan Water District of Southern California determined that TCE was present in private wells in the southern Chino Basin as part of the work associated with the Chino Basin Storage Program. The Regional Board confirmed this with subsequent rounds of sampling.

The Regional Board issued Draft CAOs in 2005 for six different parties who were tenants on the Ontario Airport property. On a voluntary basis, four of the parties—Aerojet-General Corporation, The Boeing Company, General Electric Company, and Lockheed Martin Corporation, collectively ABGL parties, worked together, along with the U.S. Department of Defense, to investigate the source of the contamination. Part of the investigations included collecting water-quality samples from private wells and taps at residences, and the construction and sampling of four triple-nested monitoring wells. Alternative water systems were provided at private residences in the area where groundwater was contaminated with TCE.

In 2008, Regional Board staff conducted research pertaining to the likely source of the TCE contamination and identified discharges of wastewater that may have contained TCE to the RP-1 treatment plant and associated disposal areas to be a potential source. The Regional Board identified several industries, including some previously identified tenants of the Ontario Airport property, that likely used TCE solvents before and during the early-1970s, and discharged wastes to the Cities of Ontario and Upland sewage systems tributary to the RP-1 treatment plant and disposal areas. In 2012, an additional Draft CAO was issued by the Regional Board jointly to the City of Ontario, City of Upland, and the IEUA as the previous and current operators of the RP-1 treatment plant and disposal area (collectively RP-1 parties).

Under the Regional Board's oversight, sampling at private residential wells and taps has been conducted approximately every two years (2007-08, 2009, 2011 and 2013-14) by multiple parties in the region where

¹ Wildermuth Environmental, Inc. (2015). Optimum Basin Management Program – 2014 State of the Basin Report. Prepared for the Chino Basin Watermaster. June 2015.

² Erler & Kalinowski. (2014). Supplemental Data Report. Trichloroethene Plume. Central Chino Basin, Ontario, California. Prepared for Aerojet Rocketdyne, Boeing, General Electric, and Lockheed Martin. November 19, 2014.



Quarterly Status Report on the South Archibald TCE Plume – April 2016

groundwater is potentially contaminated with TCE. As of 2014, all private wells in the area of the plume have been sampled at least once since 2007. The most recent monitoring report with all this data was published in November 2014³. Alternate 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 systems are being provided bottled water.

Watermaster routinely samples private wells in the plume area for water quality. Watermaster also conducted two rounds of split sampling with ABGL parties: one in 2009 at the four multi-port ABGL monitoring wells, and one in 2011 at private residences' wells and taps. Watermaster uses data obtained from their own monitoring efforts to delineate the plume. The most recent characterization of the plume was completed by Watermaster in 2015 for the 2014 State of the Basin Report¹ (see Exhibit 1).

Recent Activity:

Settlement discussions are ongoing between many of the parties to whom Draft CAOs have been issued.

Many of the parties are pursuing various grant funding opportunities to help finance the remediation strategy. This includes applications submitted to the United States Bureau of Reclamation, which resulted in a \$3 million award to the parties. The RP-1 parties have entered into a Cost Sharing Agreement to fund the South Archibald Plume Cleanup Project

The RP-1 parties completed the Draft Feasibility Study Report for the South Archibald Plume (Feasibility Study) in July 2015⁴. The Feasibility Study establishes clean-up objectives for both domestic water supply and plume remediation, and evaluates alternatives to accomplish these objectives. A Draft Remedial Action Plan (RAP) was concurrently prepared by the RP-1 parties⁵ and published in August 2015. A public review period followed along with two community meetings convened in September 2015 to educate the public about the plume, the Feasibility Study and the RAP, and to solicit comments on these reports. A public repository of all pertinent documents is available online at <http://tceplumecleanup.com>. In November 2015 a revised Draft Feasibility Study⁶, RAP⁷, and Responses to Comments were completed to address input from the public, ABGL, and other parties.

The preferred domestic water supply alternative identified in the Feasibility Study and RAP for those residences affected by TCE contamination of groundwater associated with the plume, is a hybrid between the installation of tank systems for some residences, where water is delivered from the City of Ontario potable supply via truck deliveries, and installing temporary pipeline to connect some residences to the City of Ontario potable water system.

³ Erler & Kalinowski, Inc. (2014). Supplemental Data Report Trichloroethene Plume Central Chino Basin. Prepared for Aerojet Rocketdyne, Boeing, General Electric, and Lockheed Martin. November 19, 2014.

⁴ Dudek (2015). Draft Feasibility Study Report South Archibald Plume, Ontario, California. Prepared for City of Ontario, City of Upland, and Inland Empire Utilities Agency. July 2015.

⁵ Dudek (2015). Draft Remedial Action Plan South Archibald Plume, Ontario, California. Prepared for City of Ontario, City of Upland, and Inland Empire Utilities Agency. August 2015.

⁶ Dudek (2015). Draft Feasibility Study Report South Archibald Plume, Ontario, California. Prepared for City of Ontario, City of Upland, and Inland Empire Utilities Agency. November 2015.

⁷ Dudek (2015). Draft Remedial Action Plan South Archibald Plume, Ontario, California. Prepared for City of Ontario, City of Upland, and Inland Empire Utilities Agency. November 2015.



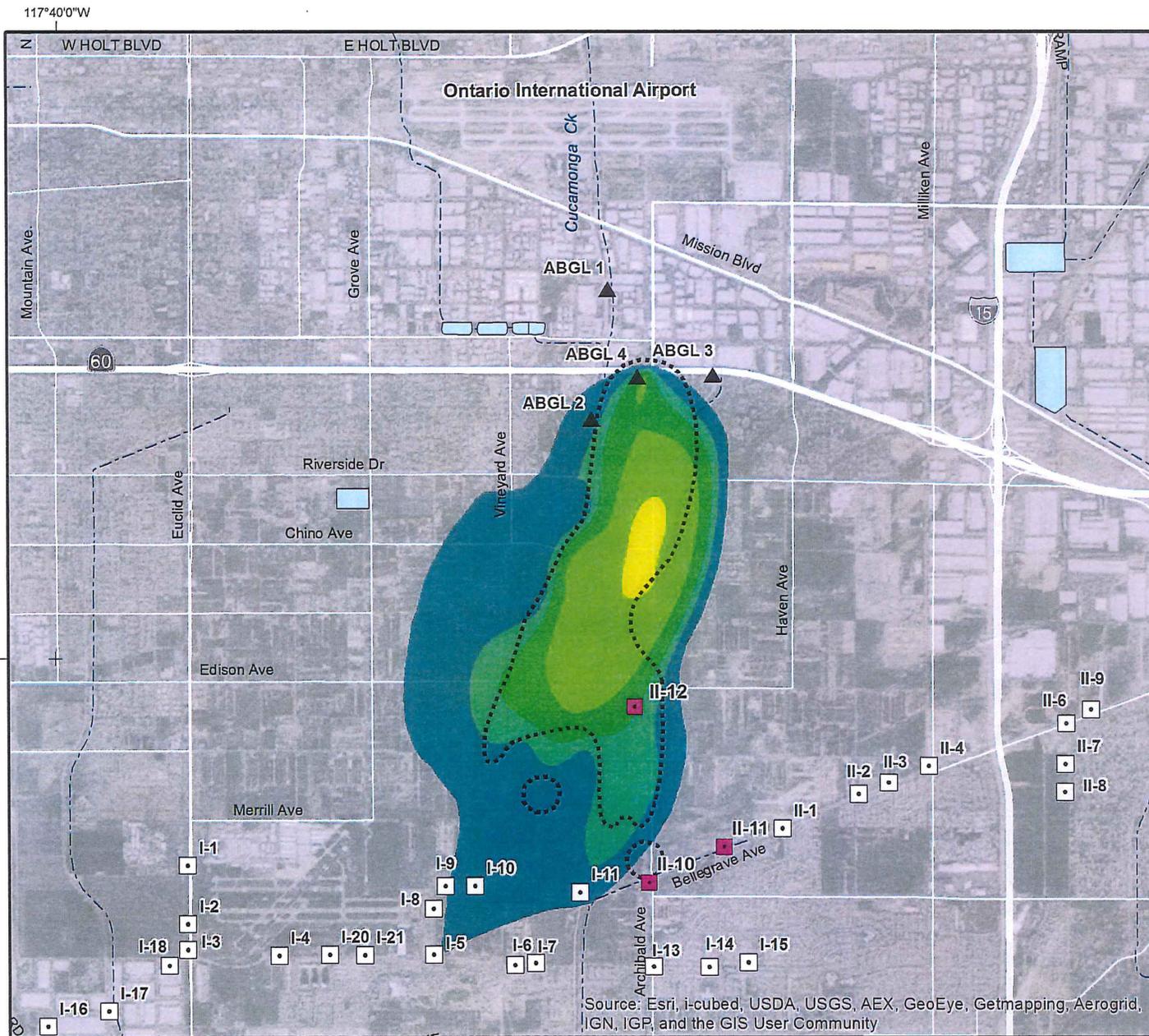
Quarterly Status Report on the South Archibald TCE Plume – April 2016

The preferred plume remediation alternative identified in the Draft Feasibility Study and RAP involves the use of existing and proposed Chino Basin Desalter Authority (CDA) production wells and facilities. The RP-1 parties and the CDA reached a Joint Facility Development Agreement⁸ for implementation of a project designed to remediate the South Archibald Plume. The proposed project includes the construction and operation of three new CDA production wells, and a dedicated pipeline to convey produced groundwater from the three new wells and existing CDA well I-11 to the Desalter II treatment facility. The Draft Feasibility Study and RAP will be finalized based on regulatory input from the Regional Board, and comments from the public and other stakeholders. The anticipated milestones for this proposed project are to obtain Regional Board approval by June 2016, commence project implementation in 2016, and initiate cleanup efforts by 2017.

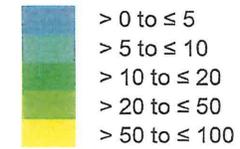
⁸ Agreement dated June 17, 2015



P230
N40°34'



Maximum TCE Concentration (µg/L)
from July 2009 to June 2014
(Delineated by Watermaster in the 2014 State
of the Basin Report)



Extent of the TCE Plume with
concentrations greater than or
equal to 5 µg/L using data collected
by ABGL during 2011 to 2014.
(Delineated in the November 2014
Supplemental Data Report)

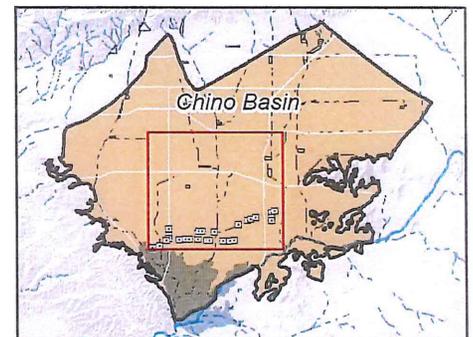
Chino Basin Desalter Authority
Production Wells:

- Existing (Constructed Between
1999 to 2012)
- New (Currently Being Constructed
and Equipped)

ABGL Monitoring Well

Streams & Flood Control
Channels

Flood Control & Conservation
Basins

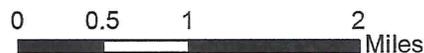


Source: Esri, i-cubed, USDA, USGS, AEX, GeoEye, Getmapping, Aerogrid,
IGN, IGP, and the GIS User Community

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CBWM Quarterly Status Report

South Archibald TCE Plume

Exhibit 1

Quarterly Status Report on the Chino Airport TCE Plume – April 2016

Contaminants: The primary contaminant is Trichloroethene (TCE). The maximum contaminant level for TCE is 5 micrograms per liter ($\mu\text{g/L}$). The maximum TCE concentration detected in a groundwater sample collected from wells within the plume area during the last five years (2011 to 2015) is 670 $\mu\text{g/L}$. Other contaminants of concern include 1,2-dichloroethane, 1,1-dichloroethene, cis-1,2-dichloroethene, and 1,2,3-trichloropropane.

Location: The Chino Airport TCE Plume is located in the southwestern portion of the Chino Basin within the City of Chino (Exhibit 1). As delineated by the Chino Basin Watermaster (Watermaster) in 2015¹, the extent of the plume with detectable TCE concentrations is about 3,500 feet wide and 12,500 feet long, extending from the Chino Airport towards the south-southwest to just below Pine Avenue.

Cleanup and Abatement Orders (CAOs): The Santa Ana Regional Water Quality Control Board (Regional Board) issued CAO No. 90-134 and CAO No. R8-2008-0064, to the County of San Bernardino Department of Airports (County).

Regulatory and Monitoring History: In 1990, the Regional Board issued CAO No. 90-134 to address groundwater contamination originating from the Chino Airport. From 1991 to 1992, 310 containers of hazardous waste were removed and 81 soil borings were drilled and sampled on the airport property. During 2003 to 2005, nine onsite monitoring wells were installed and used to collect groundwater quality samples. In 2007, the County conducted its first offsite monitoring effort, which included 22 cone penetrometer tests (CPT) and direct push borings from which water quality samples were collected. In 2008, the Regional Board issued CAO No. R8-2008-0064 requiring the County to define the lateral and vertical extent of the plume and to prepare a remedial action plan. Since From 2009 to 2012, 33 offsite monitoring wells were installed at 15 locations to characterize the extent of the contamination. From 2014 to 2015, 33 additional monitoring wells were installed at 17 locations both onsite and offsite the Airport property to help further characterize the plume extent and location. Since 2003, the County has conducted quarterly to annual monitoring at their monitoring wells. Conclusions from the monitoring program can be found in reports posted on the Regional Board's GeoTracker website². The most recent monitoring report submitted to the Regional Board was in February 2016³. The County has not yet performed any groundwater remediation activities.

The Chino Basin Watermaster (Watermaster) collects groundwater-quality samples from private wells in the plume area, and at its HCMP-4 monitoring well located in the southern portion of the plume. The Chino Basin Desalter Authority (CDA) collects groundwater-quality samples from its production wells located in the plume area. Watermaster uses data from the County, CDA, and their own sampling to perform an independent characterization of the extent and concentration of the TCE plume. The most recent characterization of the plume was completed by Watermaster in 2015 for the 2014 State of the Basin Report¹ and is shown on Exhibit 1.

¹ Wildermuth Environmental Inc. (2015). Optimum Basin Management Program - 2014 State of the Basin Report. Prepared for the Chino Basin Watermaster. June 2015.

² http://geotracker.waterboards.ca.gov/profile_report.asp?global_id=SL208634049

³ Tetra Tech (2016) Semiannual Groundwater Monitoring Report Summer and Fall 2015. Chino Airport Groundwater Assessment, San Bernardino County, California. Prepared for County of San Bernardino Department of Architecture and Engineering. February 2016.



Quarterly Status Report on the Chino Airport TCE Plume – April 2016

Recent Activity: In April 2015, the County’s hydrogeology consultant (Tetra Tech) submitted the final report⁴ of two investigation reports⁵ that describes the results of extensive soil and groundwater investigation activities performed at the Airport during 2013 and 2014. The field work was performed in accordance with a work plan approved by the Regional Board on October 28, 2013⁶ (Work Plan), and targeted several areas identified in a May 2013 site assessment report⁷ for additional characterization of the soil and groundwater contamination associated with the Chino Airport. The investigative work included: piezocone-penetrometer tests; vertical-aquifer-profiling (VAP) borings with depth-discrete groundwater sampling; soil-gas probe sampling; high-resolution soil sampling and analysis; real-time data analysis; and three-dimensional contaminant distribution modeling. At the conclusion of this field work, from September 2014 through February 2015, 33 groundwater monitoring wells were installed in 17 locations on and adjacent to the Airport property.

In July 2015, Tetra Tech and the County presented an overview to the Regional Board of recent activities, the results of the aforementioned soil and groundwater investigations, and the proposed interim remedial action plan. The County has proposed to design and construct a wellhead treatment system at existing CDA well I-18, which is located at the center of the plume. Preliminary design is underway and negotiations have been initiated with the CDA to implement this remedy. The County is working on a groundwater feasibility study and the development of a site-specific groundwater model to evaluate remedial alternatives as part of the feasibility study.

⁴ Tetra Tech (2015). Remedial Investigation Report Addendum Chino Airport San Bernardino County, California. Prepared for the County of San Bernardino, Department of Architecture and Engineering April 2015.

⁵ Tetra Tech (2014). Remedial Investigation Report Chino Airport San Bernardino County, California. Prepared for the County of San Bernardino, Department of Architecture and Engineering December 2014.

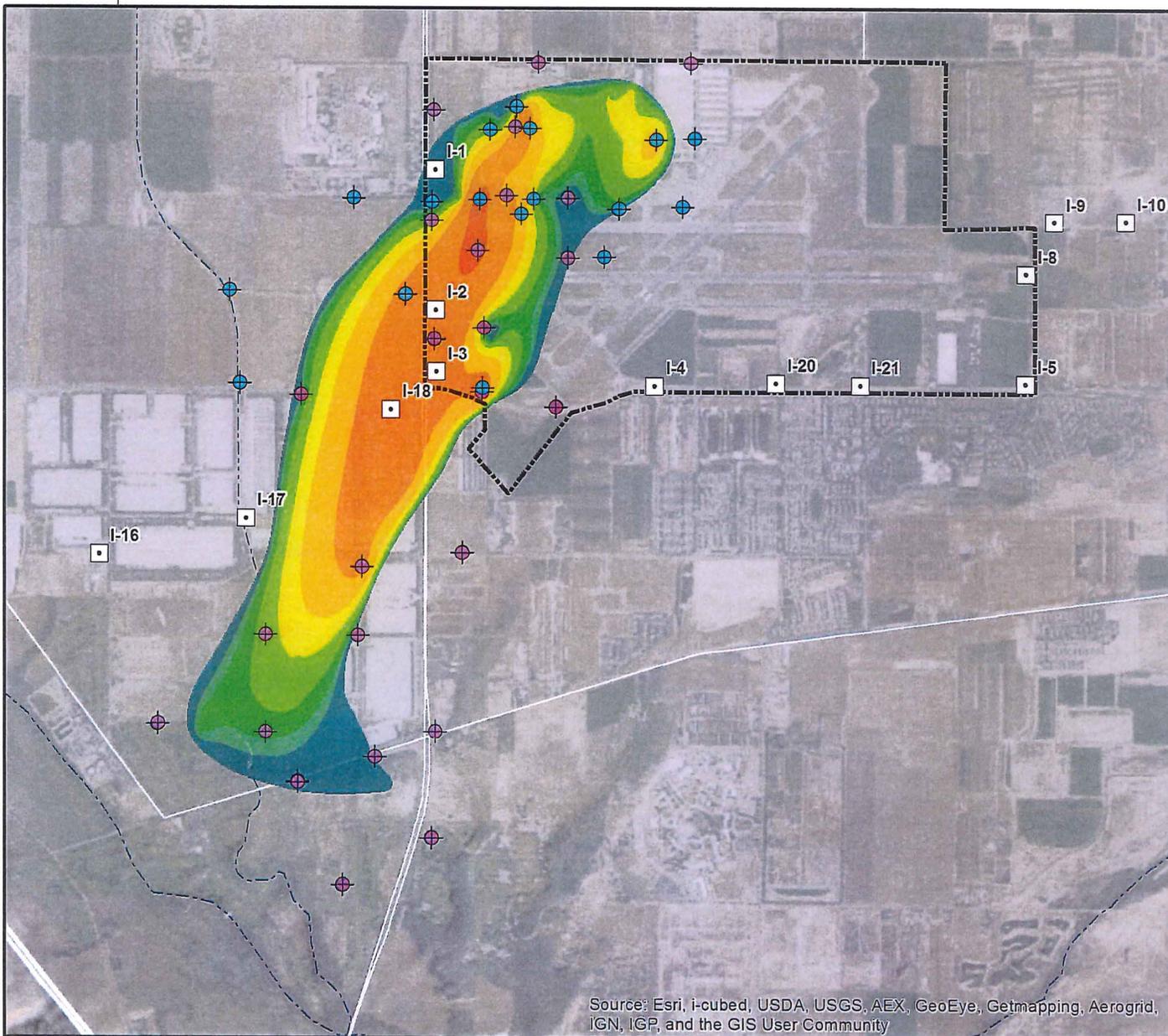
⁶ Tetra Tech. (2013). Work Plan for Additional Site Characterization. Chino Airport, San Bernardino County, California. Prepared for the County of San Bernardino, Department of Architecture and Engineering. June 2013.

⁷ Tetra Tech. (2013). Historical Site Assessment Report. Chino Airport, San Bernardino County, California. Prepared for the County of San Bernardino, Department of Architecture and Engineering. May 2013.



P233

117°40'0"W



Source: Esri, i-cubed, USDA, USGS, AEX, GeoEye, Getmapping, Aerogrid, IGN, IGP, and the GIS User Community

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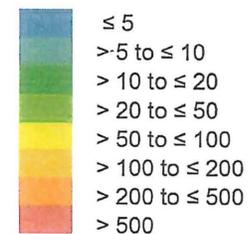
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CBWM Quarterly Status Report

Maximum TCE Concentration ($\mu\text{g/L}$)
July 2009 to June 2014
(Delineated by Watermaster in the 2014
State of the Basin Report)



Location of County of San Bernardino
Monitoring Well (some locations have
multiple wells at various depths)

- Constructed Between 2003 and 2012
- Constructed Between September 2014 and February 2015
- Chino Basin Desalter Authority Production Well
- Chino Airport Property Boundary



Chino Airport TCE Plume

Exhibit 1

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