

CHINO BASIN WATERMASTER



NOTICE OF MEETING

Thursday, August 25, 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, August 25, 2016

11:00 a.m. – Watermaster Board Meeting

AGENDA

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – August 25, 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. Approve Minutes of the Watermaster Board Meeting held July 28, 2016 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2016 *(Page 5)*
2. Watermaster VISA Check Detail for the month of June 2016 *(Page 19)*
3. Combining Schedule for the Period July 1, 2015 through June 30, 2016 *(Page 23)*
4. Treasurer's Report of Financial Affairs for the Period June 1, 2016 through June 30, 2016 *(Page 27)*
5. Budget vs. Actual Report for the Period July 1, 2015 through June 30, 2016 *(Page 31)*

C. GENERAL MANAGER CONTRACT AMENDMENT *(Page 53)*

Approve the Amendment #2 as written, authorize the Board Chair to execute on behalf of the Board, and approve the Pay Schedule effective July 1, 2016 as attached.

D. OBMP SEMI-ANNUAL STATUS REPORTS 2014-2 AND 2015-1 *(Page 73)*

Adopt the Semi-Annual OBMP Status Reports 2014-2 and 2015-1, along with filing a copy with the Court, subject to any necessary non-substantive changes.

E. WATER TRANSACTIONS

1. Notice of Sale or Transfer - The purchase of 725,000 acre-feet of water from West End Consolidated Water Company by the City of Upland. This purchase is made from West End Consolidated Water Company's Excess Carryover Account, effective for the Fiscal Year 2015-2016. The City of Upland is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of application: June 6, 2016. *(Page 98)*
2. Notice of Sale or Transfer - The purchase of 67,941 acre-feet of water from West End Consolidated Water Company by Golden State Water Company. This purchase is made from West End Consolidated Water Company's Excess Carryover Account, effective for the Fiscal Year 2015-2016. Golden State Water Company is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of application: June 6, 2016. *(Page 108)*
3. Notice of Sale or Transfer - The purchase of 6,500 acre-feet of water from The Nicholson Trust by Fontana Water Company. This purchase is made from The Nicholson Trust's Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool), effective for the Fiscal Year 2015-2016. Date of application: June 10, 2016. *(Page 118)*

II. BUSINESS ITEMS**A. BUDGET TRANSFER FORM T-16-06-01** *(Page 127)*

Approve Budget Transfer Form T-16-06-01 for FY 2015/16 as presented.

B. PRADO BASIN HABITAT SUSTAINABILITY PROGRAM COST-SHARING AGREEMENT AMENDMENT *(Page 135)*

Approve the amendment to the Prado Basin Habitat Sustainability Program cost-sharing agreement with IEUA, subject to any necessary non-substantive changes, and authorize the General Manager to execute the amendment on behalf of Watermaster.

C. ADAPTIVE MANAGEMENT PLAN FOR THE PRADO BASIN HABITAT SUSTAINABILITY PROGRAM *(Page 147)*

Adopt the Adaptive Management Plan for the Prado Basin Habitat Sustainability Program, subject to any necessary non-substantive changes and direct staff to bring annual reports and future recommendations to the Pool and Advisory Committees in draft form before they are finalized.

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

1. Alvarez CalPERS Appeal

B. ENGINEER REPORT

1. Model Update and Required Demonstrations
2. RMPU Projects Support
3. Compliance with SB 88
4. Watermaster 38th Annual Report

C. CFO REPORT

1. Desalter Replenishment Obligation Update

D. GM REPORT

1. Supplemental Water Recharge Procedure
2. Replenishment Water Order With IEUA
3. Water Activity Reports
4. Water Quality Sampling
5. September 13, 2016 CBWM Committees and Board Roles and Responsibilities Workshop
6. Other

IV. INFORMATION

1. Cash Disbursements for July 2016 (*Page 155*)

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

VIII. FUTURE MEETINGS AT WATERMASTER

- 8/25/16 Thu 11:00 a.m. Watermaster Board
- 9/08/16 Thu 9:00 a.m. Appropriative Pool Meeting
- 9/08/16 Thu 11:00 a.m. Non-Agricultural Pool Meeting
- 9/08/16 Thu 1:30 p.m. Agricultural Pool Meeting
- 9/13/16 Tue 8:30 a.m. CBWM Committees and Board Roles Workshop (at Frontier Project – CVWD)
- 9/15/16 Thu 8:00 a.m. Appropriative Pool Strategic Planning (Confidential Session Only)
- 9/15/16 Thu 9:00 a.m. Advisory Committee Meeting
- 9/15/16 Thu 9:30 a.m. Recharge Investigations and Projects Committee (RIPCom)
- 9/22/16 Thu 11:00 a.m. Watermaster Board

ADJOURNMENT

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting held on July 28, 2016

DRAFT MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

July 28, 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 July 28, 2016.

WATERMASTER BOARD MEMBERS PRESENT

Steve Elie, Chair	Inland Empire Utilities Agency
James Curatalo, Vice-Chair	Cucamonga Valley Water District
Bob Kuhn, Secretary/Treasurer	Three Valleys Municipal Water District
Bob Bowcock	Calmat Company (Vulcan Materials Co.)
Geoffrey Vanden Heuvel	Agricultural Pool – Dairy
Paul Hofer	Agricultural Pool – Crops
Jim Bowman	City of Ontario
Tom Thomas	City of Upland
Don Galleano	Western Municipal Water District

WATERMASTER STAFF PRESENT

Peter Kavounas	General Manager
Joseph Joswiak	Chief Financial Officer
Anna Truong	Recording Secretary

WATERMASTER CONSULTANTS PRESENT

Mark Wildermuth	Wildermuth Environmental, Inc.
Andy Malone	Wildermuth Environmental, Inc.
Scott Slater	Brownstein Hyatt Farber Schreck, LLP

OTHERS PRESENT

Rosemary Hoerning	City of Upland
Bob Feenstra	Agricultural Pool – Dairy
Darron Poulsen	City of Pomona
Jeff Pierson	Agricultural Pool – Crops
Sheri Rojo	Fontana Water Company
Tracy Egoscue	Egoscue Law Group
Cris Fealy	Fontana Water Company
Eric Tarango	Fontana Union Water Company
Eunice Ulloa	Chino Basin Water Conservation District
Robert Tock	Jurupa Community Services District
Teri Layton	San Antonio Water Company
Ron Craig	City of Chino Hills
Terry Catlin	Inland Empire Utilities Agency
John Rossi	Western Municipal Water District
Bob Stockton	Western Municipal Water District
Dave Crosley	City of Chino
Curtis Paxton	Chino Basin Desalter Authority
Ben Lewis	Golden State Water Company
David De Jesus	Three Valleys Municipal Water District
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Manny Martinez	Monte Vista Water District
Justin Scott-Coe	Monte Vista Water District

Dennis Mejia
Jo Lynne Russo-Pereyra

City of Ontario
Cucamonga Valley Water District

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

(0:00:34) Mr. John Rossi introduced Mr. Bob Stockton as Western Municipal Water District's new alternate on the Watermaster Board.

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

1. Approve Minutes of the Watermaster Board Meeting held June 23, 2016

B. FINANCIAL REPORTS

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

C. WATER TRANSACTIONS

1. Notice of Sale or Transfer – The purchase of 2500.000 acre-feet of water from the City of Pomona by Cucamonga Valley Water District. This purchase is made from the City of Pomona's excess carryover account. Date of application: April 28, 2016.
2. Notice of Sale or Transfer – The purchase of 4000.000 acre-feet of water from the City of Chino by Fontana Water Company. This purchase is made from the City of Chino's excess carryover account. Date of application: May 3, 2016.
3. Notice of Sale or Transfer – The purchase of 6000.000 acre-feet of water from the City of Chino by Fontana Water Company. This purchase is made from the City of Chino's excess carryover account. Date of application: May 3, 2016.
4. Notice of Sale or Transfer – The purchase of 3500.000 acre-feet of water from the City of Ontario by Fontana Water Company. This purchase is made from the City of Ontario's excess carryover account. Date of application: May 3, 2016.
5. Notice of Sale or Transfer – The purchase of 1000.000 acre-feet of water from the City of Upland by Fontana Water Company. This purchase is made from the City of Upland's excess carryover account. Date of application: May 3, 2016.

(0:01:02)

Motion by Mr. Tom Thomas, seconded by Mr. Bob Kuhn, and passed by unanimous vote

Moved to approve Consent Calendar as presented

II. BUSINESS ITEMS

NONE

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. September 23, 2016 Hearing

(0:01:20) Mr. Slater gave a report.

B. ENGINEER REPORT

1. Procedure for Supplemental Water Recharge
2. RMPU Projects Support
3. Proposition 1 – Stormwater Grant Application Support
4. Assistance on Self-Certification Applications
5. 2016 Groundwater Elevation Data for California Statewide Groundwater Elevation Monitoring (CASGEM) Program
6. CY 2015 Permittee Progress Report on Stormwater Recharge to State Board

(0:02:15) Mr. Malone gave a report. A discussion ensued.

C. CFO REPORT

1. Assessment Invoicing
2. Desalter Replenishment Obligation
3. Exhibit "G" Water Transactions
4. RTS Charge

(0:10:09) Mr. Joswiak gave a report. A discussion ensued.

D. GM REPORT

1. Stored Water Accounts – Account Balances
2. SGMA Basin Boundary Modification Update
3. Non-Agricultural Pool Volume Vote
4. Appropriative Pool Update on Watermaster Business Operations
5. Other

(0:15:35) Mr. Kavounas gave a report and handed over to Mr. Poulsen to give a presentation on the Appropriative Pool Update on Watermaster Business Operations.

(0:23:05) Mr. Galleano left the meeting and Mr. Stockton took his place.

(0:23:13) Mr. Poulsen gave a presentation. A discussion ensued.

IV. INFORMATION

1. Cash Disbursements for June 2016
2. RMPU Status Report
3. Ground Level Monitoring Status Report
4. South Archibald and Chino Airport Plumes Status Report

V. BOARD MEMBER COMMENTS

(0:45:45) Mr. Vanden Heuvel asked for information showing the Desalter Replenishment Obligation if the Safe Yield Reset Agreement is not approved by the Court. Mr. Kavounas replied that the table is posted to Watermaster's website and staff would be happy to email it to the Board.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Elie called for a confidential session at 11:47 a.m. to discuss the GM Performance Evaluation. Confidential session concluded at 12:23 p.m. with the following reportable action:

(0:47:23)

Motion by Chair Elie, seconded by Mr. Tom Thomas, and passed by unanimous vote

Moved to amend the General Manager's contract with a 3% salary increase effective July 1, 2016 and to authorize the Chair to sign the contract on behalf of the Board.

ADJOURNMENT

Chair Elie adjourned the Watermaster Board meeting at 12:25 p.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: August 25, 2016
TO: Board Members
SUBJECT: Cash Disbursement Report - Financial Report B1 (June 30, 2016)

SUMMARY

Issue: Record of Cash Disbursements for the month of June 30, 2016.

Recommendation: Receive and file Cash Disbursements for June 30, 2016 as presented.

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

Future Consideration

Watermaster Board: August 25, 2016; Receive and File (Normal Course of Business)

ACTIONS:

August 11, 2016 – Appropriative Pool – Unanimously approved
August 11, 2016 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
August 11, 2016 – Agricultural Pool – Unanimously approved
August 18, 2016 – Advisory Committee – Unanimously approved
August 25, 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 June 2016 were \$3,328,401.81.

The most significant expenditures during the month were to Inland Empire Utilities Agency in the amounts of \$164,980.61, \$38,407.15, \$24,389.12 and \$46,586.06 (check number 19469 dated June 15, 2016, check number 19481 dated June 15, 2016, check number 19493 dated June 22, 2016, and check number 19494 dated June 22, 2016); Wildermuth Environmental, Inc. in the amount of \$142,258.89 (check number 19483 dated June 20, 2016); Brownstein Hyatt Farber Schreck in the amount of \$124,881.19 (check number 19482 dated June 20, 2016); Auto Club Speedway in the amount of \$508,000.00 (check number 19495 dated June 23, 2016); CSI in the amount of \$1,270,000.00 (check number 19496 dated June 23, 2016); and NRG California South LLP in the amount of \$762,000.00 (check number 19497 dated June 23, 2016).

The checks issued to Auto Club Speedway, CSI and NRG California South LP totaling \$2,540,000.00 were for the sale and payment of Exhibit "G" water sales.

ATTACHMENTS

1. Financial Report - B1

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2016

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/01/2016	ACH 0601201	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	05/21/2016	05/21/2016	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 05/08/16-05/21/16	2000 · Accounts Payable	5,343.90
TOTAL						<u>5,343.90</u>
General Journal	06/04/2016	06/04/2016	Payroll and Taxes for 05/22/16-06/04/16	Payroll and Taxes for 05/22/16-06/04/16	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 05/22/16-06/04/16	1012 · Bank of America Gen'l Ckg	19,648.08
				Payroll Taxes for 05/22/16-06/04/16	1012 · Bank of America Gen'l Ckg	14,436.65
				Payroll Checks for 05/22/16-06/04/16	1012 · Bank of America Gen'l Ckg	5,864.93
			ICMA-RC	457(b) Employee Deductions for 05/22/16-06/04/16	1012 · Bank of America Gen'l Ckg	3,639.27
			ICMA-RC	401(a) Employee Deductions for 05/22/16-06/04/16	1012 · Bank of America Gen'l Ckg	945.28
TOTAL						<u>44,534.21</u>
Bill Pmt -Check	06/07/2016	19430	APPLIED COMPUTER TECHNOLOGIES	2683	1012 · Bank of America Gen'l Ckg	
Bill	05/30/2016	2683		Database Consulting - May 2016	6052.2 · Applied Computer Technol	4,069.00
TOTAL						<u>4,069.00</u>
Bill Pmt -Check	06/07/2016	19431	BOWCOCK, ROBERT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	04/15/2016	4/15 Mtg w/PK		4/15/16 Meeting w/PK	6311 · Board Member Compensation	125.00
Bill	05/19/2016	5/19 RIPCom Mtg		5/19/16 RIPCom Meeting	6311 · Board Member Compensation	125.00
Bill	05/26/2016	5/26 Board Mtg		5/26/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>375.00</u>
Bill Pmt -Check	06/07/2016	19432	BOWMAN, JIM	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/26/2016	5/26 Board Mtg		5/26/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>125.00</u>
Bill Pmt -Check	06/07/2016	19433	CHEF DAVE'S CAFE & CATERING	6114	1012 · Bank of America Gen'l Ckg	
Bill	05/26/2016	6114		Lunch for 5/26/16 Watermaster Board meeting	6312 · Meeting Expenses	536.00
TOTAL						<u>536.00</u>
Bill Pmt -Check	06/07/2016	19434	CURATALO, JAMES	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/24/2016	5/24 Admin Mtg		5/24/16 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	05/26/2016	5/26 Board Mtg		5/26/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>250.00</u>
Bill Pmt -Check	06/07/2016	19435	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/12/2016	5/12 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				5/12/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						<u>125.00</u>

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/07/2016	19436	ELIE, STEVEN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/24/2016	5/24 Brd Agenda Mtg		5/24/16 Chair/Vice Chair Board Agenda Meeting	6311 · Board Member Compensation	125.00
Bill	05/26/2016	5/26 Board Mtg		5/26/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	06/07/2016	19437	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
Bill	05/02/2016	L0262468		L0262468	7108.4 · Hydraulic Control-Lab Svcs	1,592.00
Bill	05/02/2016	L0261229		L02621229	7108.4 · Hydraulic Control-Lab Svcs	440.00
TOTAL						2,032.00
Bill Pmt -Check	06/07/2016	19438	FEENSTRA, BOB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/12/2016	5/12 Ag Pool Mtg		5/12/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	05/26/2016	5/26 Board Mtg		5/26/16 Board meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						250.00
Bill Pmt -Check	06/07/2016	19439	GRAINGER		1012 · Bank of America Gen'l Ckg	
Bill	05/19/2016	9116771909		Supplies for equipment repair	7104.6 · Grdwtr Level-Supplies	25.10
Bill	05/19/2016	9116771891		Supplies for equipment repair	7104.6 · Grdwtr Level-Supplies	73.98
TOTAL						99.08
Bill Pmt -Check	06/07/2016	19440	GREAT AMERICA LEASING CORP.	18758586	1012 · Bank of America Gen'l Ckg	
Bill	05/16/2016	18758586		Monthly lease invoice	6043.1 · Ricoh Lease Fee	3,285.30
TOTAL						3,285.30
Bill Pmt -Check	06/07/2016	19441	HUITSING, JOHN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/12/2016	5/12 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				5/12/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	06/07/2016	19442	LEVEL 3 COMMUNICATIONS	44060579	1012 · Bank of America Gen'l Ckg	
Bill	05/17/2016	44060579		5/17/16-6/16/16	6053 · Internet Expense	1,087.54
TOTAL						1,087.54
Bill Pmt -Check	06/07/2016	19443	MIJAC ALARM	388810	1012 · Bank of America Gen'l Ckg	
Bill	06/01/2016	388810		Fire monitoring 6/01/16-8/31/16	6026 · Security Services	411.00
				Opening and closing reports 6/01/16-8/31/16	6026 · Security Services	54.00
				Annex-opening & closing reports 6/01/16-8/31/16	6026 · Security Services	45.00
				Commercial monitoring 6/01/16-8/31/16	6026 · Security Services	147.00
TOTAL						657.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2016

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/07/2016	19444	PIERSON, JEFFREY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/12/2016	5/12 Ag Pool Mtg		5/12/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	05/19/2016	5/19 RIPCom Mtg		5/19/16 RIPCom Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	05/19/2016	5/19 Advisory Comm		5/19/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	05/26/2016	5/26 Board Mtg		5/26/16 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						500.00
Bill Pmt -Check	06/07/2016	19445	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
Bill	06/06/2016	1394905143		Unfunded Accrued Liability as of the June 30, 2013	60180 · Employers PERS Expense	3,077.00
TOTAL						3,077.00
Bill Pmt -Check	06/07/2016	19446	RAUCH COMMUNICATION CONSULTANTS, LLC	May-1606	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2016	May-1606		Progress billing for work thru April 30, 2016	6061.3 · Rauch	8,516.25
TOTAL						8,516.25
Bill Pmt -Check	06/07/2016	19447	READY REFRESH BY NESTLE	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2016	0023230253		Office Water Bottle - May 2016	6031.7 · Other Office Supplies	102.43
TOTAL						102.43
Bill Pmt -Check	06/07/2016	19448	RR FRANCHISING, INC.	22971	1012 · Bank of America Gen'l Ckg	
Bill	06/01/2016	22971		Monthly service charge for June 2016	6024 · Building Repair & Maintenance	740.00
TOTAL						740.00
Bill Pmt -Check	06/07/2016	19449	STAPLES BUSINESS ADVANTAGE	8039305428	1012 · Bank of America Gen'l Ckg	
Bill	05/16/2016	8039305428		Miscellaneous office supplies	6031.7 · Other Office Supplies	56.48
				Toner	6031.7 · Other Office Supplies	244.98
TOTAL						301.46
Bill Pmt -Check	06/07/2016	19450	STATE COMPENSATION INSURANCE FUND	1970970-15	1012 · Bank of America Gen'l Ckg	
Bill	05/26/2016	1970970-15		1970970-15	60183 · Worker's Comp Insurance	961.58
TOTAL						961.58
Bill Pmt -Check	06/07/2016	19451	THOMAS, THOMAS R.	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/26/2016	5/26 Board Mtg		5/26/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	06/07/2016	19452	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2016	7076224530355049		May 2016	6175 · Vehicle Fuel	58.03
TOTAL						58.03

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/07/2016	19453	UNITED HEALTHCARE	0040596724	1012 · Bank of America Gen'l Ckg	
Bill	05/24/2016	0040596724		Dental Insurance Premium - June 2016	60182.2 · Dental & Vision Ins	572.39
TOTAL						572.39
Bill Pmt -Check	06/07/2016	19454	VANDEN HEUVEL, GEOFFREY	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/26/2016	5/26 Board Mtg		5/26/16 Board meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	06/07/2016	19455	VANDEN HEUVEL, ROB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/12/2016	5/12 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				5/12/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	06/07/2016	19456	VERIZON WIRELESS	9765345377	1012 · Bank of America Gen'l Ckg	
Bill	05/12/2016	9765345377		9765345377	7103.7 · Grdwtr Qual-Computer Svc	100.04
TOTAL						100.04
P10 Bill Pmt -Check	06/07/2016	19457	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	05/18/2016	001017890001		Vision Insurance Premium - June 2016	60182.2 · Dental & Vision Ins	73.46
TOTAL						73.46
Bill Pmt -Check	06/07/2016	19458	WEST POINT MEDICALCENTER	GRE133135	1012 · Bank of America Gen'l Ckg	
Bill	05/25/2016	GRE133135		GRE133135	6016 · New Employee Search Costs	110.00
TOTAL						110.00
Bill Pmt -Check	06/07/2016	19459	WESTERN MUNICIPAL WATER DISTRICT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/26/2016	5/26 Board Mtg		5/26/16 Board Meeting - Don Galleano attendance	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	06/07/2016	19460	YSI INCORPORATED	646706	1012 · Bank of America Gen'l Ckg	
Bill	05/27/2016	646706		Conductivity calibrator solution for water quality	7103.6 · Grdwtr Qual-Supplies	170.19
TOTAL						170.19
Bill Pmt -Check	06/07/2016	19461	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
Bill	06/01/2016	08-k2 213849		Disposal Service - June 2016	6024 · Building Repair & Maintenance	111.57
TOTAL						111.57
Bill Pmt -Check	06/09/2016	ACH 0609201	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	06/04/2016	06/04/2016	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 05/22/16-06/04/16	2000 · Accounts Payable	5,556.41

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2016

Financial Report - B1

TOTAL	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
							5,556.41
	Check	06/15/2016	06/15/2016	Service Charge	Service Charge	1012 · Bank of America Gen'l Ckg	
					Service Charge	6039.1 · Banking Service Charges	412.16
TOTAL							412.16
	Bill Pmt -Check	06/15/2016	19462	ACWA JOINT POWERS INSURANCE AUTHORITY	0419244	1012 · Bank of America Gen'l Ckg	
	Bill	06/02/2016	0419244		Prepayment - July 2016	1409 · Prepaid Life, BAD&D & LTD	137.43
					June 2016	60191 · Life & Disab.Ins Benefits	131.97
TOTAL							269.40
	Bill Pmt -Check	06/15/2016	19463	CHARTER COMMUNICATIONS	8245100651455350	1012 · Bank of America Gen'l Ckg	
	Bill	06/06/2016	8245100651455350		6/06/16-7/05/16	6053 · Internet Expense	64.99
TOTAL							64.99
	Bill Pmt -Check	06/15/2016	19464	CORELOGIC INFORMATION SOLUTIONS	81699622	1012 · Bank of America Gen'l Ckg	
	Bill	05/31/2016	81699622		81699622	7103.7 · Grdwtr Qual-Computer Svc	62.50
					81699622	7101.4 · Prod Monitor-Computer	62.50
TOTAL							125.00
	Bill Pmt -Check	06/15/2016	19465	EGOSCUE LAW GROUP	11284	1012 · Bank of America Gen'l Ckg	
	Bill	05/31/2016	11284		Ag Pool Legal Services - May 2016	8467 · Ag Legal & Technical Services	11,175.00
TOTAL							11,175.00
	Bill Pmt -Check	06/15/2016	19466	FRONTIER COMMUNICATIONS	909-484-3890-050914-5	1012 · Bank of America Gen'l Ckg	
	Bill	06/14/2016	90948438900509145		909-484-3890-050914-5	6022 · Telephone	136.63
TOTAL							136.63
	Bill Pmt -Check	06/15/2016	19467	GRAINGER	9122545859	1012 · Bank of America Gen'l Ckg	
	Bill	05/27/2016	9122545859		Chemical buffer solution for water quality	7103.6 · Grdwtr Qual-Supplies	366.91
TOTAL							366.91
	Bill Pmt -Check	06/15/2016	19468	HOGAN LOVELLS	2988350	1012 · Bank of America Gen'l Ckg	
	Bill	05/31/2016	2988350		Non-Ag Pool Legal Services - April 2016	8567 · Non-Ag Legal Service	3,748.50
TOTAL							3,748.50
	Bill Pmt -Check	06/15/2016	19469	INLAND EMPIRE UTILITIES AGENCY	1800002794	1012 · Bank of America Gen'l Ckg	
	Bill	06/14/2016	1800002794		Communication Upgrades project invoice #2	7690.62 · SCADA Comm. Upgrades (TO #3)	164,980.61
TOTAL							164,980.61

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2016

Type	Date	Num	Name	Memo	Account	Paid Amount	
Bill Pmt -Check	06/15/2016	19470	KUHN, BOB	Board Member Compensation	1012 · Bank of America Gen'l Ckg		
Bill	05/02/2016	5/02 JPIA Conference		5/02/16 JPIA Spring Conference	6311 · Board Member Compensation	125.00	
Bill	05/19/2016	5/19 Advisory Comm		5/19/16 Advisory Committee Meeting	6311 · Board Member Compensation	125.00	
Bill	05/24/2016	5/24 Admin Mtg		5/24/16 Administrative Meeting	6311 · Board Member Compensation	125.00	
Bill	05/26/2016	5/26 Board Mtg		5/26/16 Board Meeting	6311 · Board Member Compensation	125.00	
TOTAL						500.00	
Bill Pmt -Check	06/15/2016	19471	MIJAC ALARM	389947	1012 · Bank of America Gen'l Ckg		
Bill	06/09/2016	389947		Repair - alarm system fixed	6026 · Security Services	95.00	
TOTAL						95.00	
Bill Pmt -Check	06/15/2016	19472	MINDSHIFT	0220193	1012 · Bank of America Gen'l Ckg		
Bill	06/09/2016	0220193		IT Managed Services	6052.4 · mindSHIFT Technologies, Inc.	3,770.00	
TOTAL						3,770.00	
Bill Pmt -Check	06/15/2016	19473	PAYCHEX	2016052600	1012 · Bank of America Gen'l Ckg		
Bill	05/31/2016	2016052600		May 2016	6012 · Payroll Services	376.14	
TOTAL						376.14	
P1 2	Bill Pmt -Check	06/15/2016	19474	PETTY CASH	2574-2591	1012 · Bank of America Gen'l Ckg	
	Bill	06/13/2016	2574-2591	Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	134.33	
				Travel reimbursement for CalPERS Hearing	6073 · BHFS Legal - Personnel Matters	58.91	
				Purchase supplies for Administrative meetings	6141.3 · Admin Meetings	163.78	
				Proctor fee for A. Truong exam	6192 · Seminars - General	14.94	
				Purchase supplies for water quality monitoring	7101.1 · Prod Monitor-WM Staff	55.26	
				Parking for J. Nakano to attend RWQCB mtg	6909.1 · OBMP Meetings	2.99	
				Purchase supplies for water level monitoring	7104.6 · Grdwtr Level-Supplies	3.81	
TOTAL						434.02	
	Bill Pmt -Check	06/15/2016	19475	PREMIERE GLOBAL SERVICES	21234825	1012 · Bank of America Gen'l Ckg	
	Bill	05/26/2016	21234825	Budget discussion call on 5/054	6909.1 · OBMP Meetings	36.00	
				Call on 5/06	6909.1 · OBMP Meetings	43.39	
				Pool mtgs check call on 5/11	8512 · Meeting Expense	9.63	
				Pool mtgs check call on 5/11	8312 · Meeting Expenses	9.64	
				Pool mtgs check call on 5/11	8412 · Meeting Expenses	9.64	
				Non-Ag Pool meeting call on 5/12	8512 · Meeting Expense	22.56	
				WM coordination call on 5/16	6909.1 · OBMP Meetings	6.13	
				Confidential Appropriative Pool call on 5/19	8312 · Meeting Expenses	29.54	
				Board agenda call on 5/24	6312 · Meeting Expenses	6.12	
				Fee - Confidential	6022 · Telephone	49.00	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 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>
				Fee - General	6022 · Telephone	49.00
				Fee - Service	6022 · Telephone	6.06
TOTAL						<u>276.71</u>
Bill Pmt -Check	06/15/2016	19476	PURCHASE POWER	8000909000168851	1012 · Bank of America Gen'l Ckg	
Bill	06/06/2016	8000909000168851		Postage refill	6042 · Postage - General	3,025.00
TOTAL						<u>3,025.00</u>
Bill Pmt -Check	06/15/2016	19477	SANTA ANA WATERSHED PROJECT AUTHORIT	9244	1012 · Bank of America Gen'l Ckg	
Bill	06/09/2016	9244		FY 2016-17 Middle Santa Ana River TMDL TForce	8471 · Ag Pool Expense	9,059.00
TOTAL						<u>9,059.00</u>
Bill Pmt -Check	06/15/2016	19478	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2016	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	596.00
TOTAL						<u>596.00</u>
Bill Pmt -Check	06/15/2016	19479	UNITED PARCEL SERVICE	2x81x0	1012 · Bank of America Gen'l Ckg	
Bill	05/26/2016	2x81x0		Package to D. Maurizio	6042 · Postage - General	35.84
TOTAL						<u>35.84</u>
Bill Pmt -Check	06/15/2016	19480	VERIZON WIRELESS	9766511303	1012 · Bank of America Gen'l Ckg	
Bill	06/13/2016	9766511303		9766511303	6022 · Telephone	213.01
TOTAL						<u>213.01</u>
Bill Pmt -Check	06/15/2016	19481	INLAND EMPIRE UTILITIES AGENCY	1800002796	1012 · Bank of America Gen'l Ckg	
Bill	06/14/2016	1800002796		GWR SCADA System Upgrade Project invoice #2	7690.61 · GWR SCADA Upgrades (TO #4)	38,407.15
TOTAL						<u>38,407.15</u>
General Journal	06/18/2016	06/18/2016	Payroll and Taxes for 06/05/16-06/18/16	Payroll and Taxes for 06/05/16-06/18/16	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 06/05/16-06/18/16	1012 · Bank of America Gen'l Ckg	25,341.75
				Payroll Taxes for 06/05/16-06/18/16	1012 · Bank of America Gen'l Ckg	10,335.38
				Payroll Checks for 06/05/16-06/18/16	1012 · Bank of America Gen'l Ckg	4,436.74
			ICMA-RC	457(b) Employee Deductions for 06/05/16-06/18/16	1012 · Bank of America Gen'l Ckg	3,639.27
			ICMA-RC	401(a) Employee Deductions for 06/05/16-06/18/16	1012 · Bank of America Gen'l Ckg	1,013.06
TOTAL						<u>44,766.20</u>
Bill Pmt -Check	06/20/2016	19482	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	04/30/2016	640149		640149	6078 · BHFS Legal - Miscellaneous	5,694.75
				Expenses	8375 · BHFS Legal - Appropriative Pool	11.77
				Expenses	8475 · BHFS Legal - Agricultural Pool	11.77

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2016

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
				Expenses	8575 · BHFS Legal - Non-Ag Pool	11.77
				Expenses	6078 · BHFS Legal - Miscellaneous	70.62
Bill	04/30/2016	640148		CalPERS-Alvarez	6073 · BHFS Legal - Personnel Matters	43,943.40
				Expenses	6073 · BHFS Legal - Personnel Matters	1,083.39
				Expenses	6073 · BHFS Legal - Personnel Matters	228.79
				Personnel-Variou	6073 · BHFS Legal - Personnel Matters	26,678.25
Bill	04/30/2016	640147		640147	6907.34 · Santa Ana River Water Rights	2,079.00
Bill	04/30/2016	640146		640146	6275 · BHFS Legal - Advisory Committee	114.75
Bill	04/30/2016	640145		640145	8375 · BHFS Legal - Appropriative Pool	994.50
Bill	04/30/2016	640144		640144	8475 · BHFS Legal - Agricultural Pool	994.50
Bill	04/30/2016	640142		640142	6071 · BHFS Legal - Court Coordination	7,321.05
Bill	04/30/2016	640143		640143	8575 · BHFS Legal - Non-Ag Pool	994.50
Bill	04/30/2016	640141		640141	6907.39 · Recharge Master Plan	4,201.38
Bill	04/30/2016	640140		640140	6907.41 · Prado Basin Habitat Sustain	1,212.30
Bill	04/30/2016	640139		640139	6907.42 · Safe Yield Recalculation	26,187.75
Bill	04/30/2016	640138		640138	6907.44 · SGMA Compliance	3,046.95
TOTAL						124,881.19

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Bill Pmt -Check	06/20/2016	19483	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
Bill	05/31/2016	2016168		2016168	6906.31 · OBMP-Pool, Adv. Board Mtgs	6,041.46
Bill	05/31/2016	2016169		2016169	6906.32 · OBMP-Other General Meetings	215.00
Bill	05/31/2016	2016170		2016170	6906.74 · OBMP-Mat'l Phy. Injury Requests	1,336.25
Bill	05/31/2016	2016171		2016171	6910.11 · WEI Support-Grant Funding-RMPU	16,320.75
Bill	05/31/2016	2016172		2016172	6906.71 · OBMP-Data Req.-CBWM Staff	16,122.41
Bill	05/31/2016	2016173		2016173	6906.72 · OBMP-Data Req.-Non CBWM Staff	1,738.17
Bill	05/31/2016	2016174		2016174	6906 · OBMP Engineering Services	2,416.25
Bill	05/31/2016	2016175		2016175	6906.1 · OBMP-Watermaster Model Update	17,044.00
Bill	05/31/2016	2016176		2016176	7103.3 · Grdwtr Qual-Engineering	1,860.00
Bill	05/31/2016	2016177		2016177	7104.3 · Grdwtr Level-Engineering	13,274.47
Bill	05/31/2016	2016178		2016178	7107.2 · Grd Level-Engineering	967.48
				Parsons Brinckerhoff, Inc.	7107.6 · Grd Level-Contract Svcs	10,400.33
				Zumasys	7107.6 · Grd Level-Contract Svcs	289.00
Bill	05/31/2016	2016179		2016179	7108.3 · Hydraulic Control-Engineering	387.50
Bill	05/31/2016	2016180		2016180	7108.32 · HCMP - Adaptive Mgmt Plan	3,408.75
Bill	05/31/2016	2016181		2016181	7108.31 · Hydraulic Control - PBHSP	8,526.25
Bill	05/31/2016	2016182		2016182	7109.3 · Recharge & Well - Engineering	1,111.50
Bill	05/31/2016	2016183		2016183	7202.2 · Engineering Svc	3,195.71
Bill	05/31/2016	2016184		2016184	7402 · PE4-Engineering	14,748.75
Bill	05/31/2016	2016185		2016185	7402.10 · PE4 - Northwest MZ1 Area Proj.	19,268.61
Bill	05/31/2016	2016186		2016186	6910.13 · IEUA-San Sevaine Imp. Proj.	3,586.25

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2016

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						142,258.89
Bill Pmt -Check	06/22/2016	ACH 062216	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	06/18/2016	06/18/2016	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 06/05/16-06/18/16	2000 · Accounts Payable	5,556.41
TOTAL						5,556.41
Bill Pmt -Check	06/22/2016	19484	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2016	XXXX-XXXX-XXXX-9341		Purchase software for A. Truong computer	6054 · Computer Software	55.99
				Overnight check	6022 · Telephone	22.84
				Purchase printer for IT use	6055 · Computer Hardware	63.62
				Return fee for sign holders	6031.7 · Other Office Supplies	26.74
				Purchase USB printer cord for printer	6031.7 · Other Office Supplies	26.50
				Hotel-PK to attend 2016 ACWA Spring Conference	6191 · Conferences - General	813.61
				Lunch for 5/12 pre-Ag Pool meeting	8412 · Meeting Expenses	57.92
				PK meeting w/FWC - J. Swift, C. Feely	8312 · Meeting Expenses	63.38
				Purchase sign holders (returned for above credit)	6031.7 · Other Office Supplies	44.25
				Lunch for 5/19/16 Administrative meeting	6141.3 · Admin Meetings	228.02
				Purchase correct sign holders	6031.7 · Other Office Supplies	43.07
				Early bird checkin-flight-PK-CA Water Law Conf.	6191 · Conferences - General	29.46
				Flight-PK-CA Water Law & Policy Conference	6191 · Conferences - General	223.40
				Flowers for Koopman funeral from Watermaster	6141.1 · Meeting Supplies	111.34
				Flowers for Koopman funeral-on behalf of Ag Pool	8412 · Meeting Expenses	114.51
TOTAL						1,924.65
Bill Pmt -Check	06/22/2016	19485	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	06/15/2016	1394905143		1394905143	60182.1 · Medical Insurance	8,017.14
TOTAL						8,017.14
Bill Pmt -Check	06/22/2016	19486	CUCAMONGA VALLEY WATER DISTRICT	Lease due July 1, 2016	1012 · Bank of America Gen'l Ckg	
Bill	06/15/2016			Lease due July 1, 2016	1422 · Prepaid Rent	6,371.16
TOTAL						6,371.16
Bill Pmt -Check	06/22/2016	19487	GREAT AMERICA LEASING CORP.	18917213	1012 · Bank of America Gen'l Ckg	
Bill	06/20/2016	18917213		Invoice	6043.1 · Ricoh Lease Fee	3,640.11
TOTAL						3,640.11
Bill Pmt -Check	06/22/2016	19488	JOHN J. SCHATZ	Legal Services	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2016			Approp. Pool Legal Services - Jul. 2015-May 2016	8367 · Legal Service	55,286.00
TOTAL						55,286.00

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/22/2016	19489	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	
Bill	06/20/2016	0111802		Employee deductions - June 2016	60194 · Other Employee Insurance	79.70
TOTAL						79.70
Bill Pmt -Check	06/22/2016	19490	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	06/20/2016	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	623.81
TOTAL						623.81
Bill Pmt -Check	06/22/2016	19491	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2016				60182.4 · Retiree Medical	23.62
TOTAL						23.62
Bill Pmt -Check	06/22/2016	19492	VERIZON WIRELESS	97669879754	1012 · Bank of America Gen'l Ckg	
Bill	06/20/2016	9766989754		97669879754	7103.7 · Grdwtr Qual-Computer Svc	100.06
TOTAL						100.06
Bill Pmt -Check	06/22/2016	19493	INLAND EMPIRE UTILITIES AGENCY	1800002797	1012 · Bank of America Gen'l Ckg	
Bill	06/16/2016	1800002797		Upper Santa Ana River Habitat Conservation - #1	7690.7 · Upper SantaAnaRiver HCP (TO #7)	24,389.12
TOTAL						24,389.12
Bill Pmt -Check	06/22/2016	19494	INLAND EMPIRE UTILITIES AGENCY	1800002795	1012 · Bank of America Gen'l Ckg	
Bill	06/16/2016	1800002795		CB-20 Noise Mitigation Project - invoice #2	7690.5 · CB20 Turnout Noise Abatement	46,586.06
TOTAL						46,586.06
Bill Pmt -Check	06/23/2016	19495	AUTO CLUB SPEEDWAY	Exhibit G Water	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2016	Exhibit G Water		Exhibit G Water Payment to Seller	5107 · Exhibit "G" Non-Ag Pool Water	508,000.00
TOTAL						508,000.00
Bill Pmt -Check	06/23/2016	19496	CSI	Exhibit G Water	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2016			Exhibit G Water Payment to Seller	5107 · Exhibit "G" Non-Ag Pool Water	1,270,000.00
TOTAL						1,270,000.00
Bill Pmt -Check	06/23/2016	19497	NRG CALIFORNIA SOUTH LLP	Exhibit G Water	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2016	Exhibit G Water		Exhibit G Water Payment to Seller	5107 · Exhibit "G" Non-Ag Pool Water	762,000.00
TOTAL						762,000.00
General Journal	06/30/2016	06/30/20106	Wage Works FSA Direct Debits - June 2016	Wage Works FSA Direct Debits - June 2016	1012 · Bank of America Gen'l Ckg	
				Wage Works FSA Direct Debits - June 2016	1012 · Bank of America Gen'l Ckg	577.14
				Wage Works FSA Direct Debits - June 2016	1012 · Bank of America Gen'l Ckg	577.14
				Wage Works FSA Direct Debits - June 2016	1012 · Bank of America Gen'l Ckg	81.50

CHINO BASIN WATERMASTER
 Cash Disbursements For The Month of
 June 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						1,235.78
					Total Disbursements:	<u>3,328,401.81</u>

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CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: August 25, 2016
TO: Board Members
SUBJECT: VISA Check Detail Report - Financial Report B2 (June 30, 2016)

SUMMARY

Issue: Record of VISA credit card payment disbursed for the month of June 30, 2016.

Recommendation: Receive and file VISA Check Detail Report for June 30, 2016 as presented.

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

Future Consideration

Watermaster Board: August 25, 2016; Receive and File (Normal Course of Business)

ACTIONS:

August 11, 2016 – Appropriative Pool – Unanimously approved
August 11, 2016 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
August 11, 2016 – Agricultural Pool – Unanimously approved
August 18, 2016 – Advisory Committee – Unanimously approved
August 25, 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 June 2016 was \$1,924.65. The payment was processed by check number 19484 dated June 22, 2016. The monthly charges for June 2016 of \$1,924.65 were for routine and customary expenditures and properly documented with receipts.

ATTACHMENTS

1. Financial Report - B2

CHINO BASIN WATERMASTER
VISA Check Detail Report
June 2016

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/22/2016	19484	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2016	XXXX-XXXX-XXXX-9341		Purchase software for A. Truong computer	6054 · Computer Software	55.99
				Overnight check	6022 · Telephone	22.84
				Purchase printer for IT use	6055 · Computer Hardware	63.62
				Return fee for sign holders	6031.7 · Other Office Supplies	26.74
				Purchase USB printer cord for printer	6031.7 · Other Office Supplies	26.50
				Hotel-PK to attend 2016 ACWA Spring Conference	6191 · Conferences - General	813.61
				Lunch for 5/12 pre-Ag Pool meeting	8412 · Meeting Expenses	57.92
				PK meeting w/FWC - J. Swift, C. Feely	8312 · Meeting Expenses	63.38
				Purchase sign holders (returned for above credit)	6031.7 · Other Office Supplies	44.25
				Lunch for 5/19/16 Administrative meeting	6141.3 · Admin Meetings	228.02
				Purchase correct sign holders	6031.7 · Other Office Supplies	43.07
				Early bird checkin-flight-PK-CA Water Law Conf.	6191 · Conferences - General	29.46
				Flight-PK-CA Water Law & Policy Conference	6191 · Conferences - General	223.40
				Flowers for Koopman funeral from Watermaster	6141.1 · Meeting Supplies	111.34
				Flowers for Koopman funeral-on behalf of Ag Pool	8412 · Meeting Expenses	114.51
					Total Disbursements:	<u>1,924.65</u>

TOTAL

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CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: August 25, 2016
TO: Board Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2015 through June 30, 2016 - Financial Report B3 (June 30, 2016)

SUMMARY

Issue: Record of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2015 through June 30, 2016.

Recommendation: Receive and file Combining Schedule of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2015 through June 30, 2016 as presented.

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

Future Consideration

Watermaster Board: August 25, 2016; Receive and File (Normal Course of Business)

ACTIONS:

August 11, 2016 – Appropriative Pool – Unanimously approved
August 11, 2016 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
August 11, 2016 – Agricultural Pool – Unanimously approved
August 18, 2016 – Advisory Committee – Unanimously approved
August 25, 2016 – Watermaster Board –

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Net Assets for the period July 1, 2015 through June 30, 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 JUNE 30, 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			8,874,750		309,364					9,184,115	9,184,215
Interest Revenue			23,426	2,046	164					25,636	22,050
Mutual Agency Project Revenue	157,349									157,349	157,941
Miscellaneous Income										-	0
Total Revenues	157,349	-	8,898,176	2,046	309,528	-	-	-	-	9,367,100	9,364,206
Administrative & Project Expenditures:											
Watermaster Administration	1,515,585									1,515,585	1,347,768
Watermaster Board-Advisory Committee	144,320									144,320	166,918
Ag Pool Misc. Expense - Ag Fund										-	400
Pool Administration			109,504	341,451	95,741					546,696	567,433
Optimum Basin Mgmt Administration		1,741,442								1,741,442	1,831,093
OBMP Project Costs		2,218,629								2,218,629	3,380,855
Debt Service		304,376								304,376	460,200
Basin Recharge Improvements		1,281,333								1,281,333	3,472,477
Mutual Agency Project Costs										-	10,000
Total Administrative/OBMP Expenses	1,659,906	5,545,780	109,504	341,451	95,741	-	-	-	-	7,752,382	11,237,144
Net Administrative/OBMP Expenses	(1,502,556)	(5,545,780)									
Allocate Net Admin Expenses To Pools			1,080,492	366,391	55,674					-	-
Allocate Net OBMP Expenses To Pools		3,960,071	2,847,697	965,643	146,731					-	-
Allocate Debt Service to App Pool			304,376	304,376						-	-
Allocate Basin Recharge to App Pool		1,281,333	1,281,333							-	-
Agricultural Expense Transfer*			1,673,485	(1,673,485)						-	-
Total Expenses			7,296,886	-	298,146	-	-	-	-	7,752,382	11,237,144
Net Administrative Income			1,601,290	2,046	11,382	-	-	-	-	1,614,718	(1,872,938)
Other Income/(Expense)											
Replenishment Water Assessments						1,070,692				1,070,692	0
Non-Ag Stored Water Purchases										-	0
Exhibit "G" Non-Ag Pool Water			2,540,000							2,540,000	0
Interest Revenue						6,285				6,285	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										-	0
LAIF - Fair Market Value Adjustment								(138)		(138)	0
Other Post-Employment Benefits (OPEB)										-	0
Refund-Excess Reserves			(87,128)		(3,182)					(90,310)	0
Refund-Recharge Debt			(345,914)							(345,914)	0
Net Other Income/(Expense)			(433,042)	-	(3,182)	1,076,977		(138)		640,615	0
Net Transfers To/(From) Reserves		2,255,333	1,168,248	2,046	8,200	1,076,977		(138)		2,255,333	(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			7,514,868	483,176	77,974	2,465,056	158,251	3,308	(740,195)	9,962,439	9,962,439
14/15 Assessable Production			84,107,515	28,520,530	4,333,753					116,961,798	
14/15 Production Percentages			71.910%	24.384%	3.705%					100.000%	

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

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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: August 25, 2016
TO: Board Members
SUBJECT: Treasurer's Report of Financial Affairs for the Period June 1, 2016 through June 30, 2016
- Financial Report B4 (June 30, 2016)

SUMMARY

Issue: Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of June 1, 2016 through June 30, 2016.

Recommendation: Receive and file Treasurer's Report of Financial Affairs for the Period June 1, 2016 through June 30, 2016 as presented.

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

Future Consideration

Watermaster Board: August 25, 2016; Receive and File (Normal Course of Business)

ACTIONS:

August 11, 2016 – Appropriative Pool – Unanimously approved
August 11, 2016 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
August 11, 2016 – Agricultural Pool – Unanimously approved
August 18, 2016 – Advisory Committee – Unanimously approved
August 25, 2016 – Watermaster Board –

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period June 1, 2016 through June 30, 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
JUNE 1, 2016 THROUGH JUNE 30, 2016**

Financial Report - B4

DEPOSITORIES:

Cash on Hand - Petty Cash			\$	500
Bank of America				
Governmental Checking-Demand Deposits	\$	521,412		
Zero Balance Account - Payroll	\$	-		521,412
Local Agency Investment Fund - Sacramento				5,328,596
TOTAL CASH IN BANKS AND ON HAND				\$ 5,850,508
TOTAL CASH IN BANKS AND ON HAND	6/30/2016			\$ 5,850,508
	5/31/2016			7,441,585
PERIOD INCREASE (DECREASE)				\$ (1,591,076)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:				
Accounts Receivable			\$	(38,168)
Assessments Receivable				(4,359,599)
Prepaid Expenses, Deposits & Other Current Assets				(19,902)
(Decrease)/Increase in Liabilities:				
Accounts Payable				(1,957,708)
Accrued Payroll, Payroll Taxes & Other Current Liabilities				(17,441)
Long Term Liabilities				1,842
Transfer to/(from) Reserves				4,799,899
PERIOD INCREASE (DECREASE)				\$ (1,591,076)

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 5/31/2016	\$ 500	\$ 617,350	\$ -	\$ 6,823,734	\$ 7,441,585
Deposits	-	3,232,463	-	-	3,232,463
Transfers	-	(98,532)	(71,190)	(1,495,000)	(1,664,722)
Withdrawals/Checks	-	(3,229,870)	71,190	(138)	(3,158,818)
Balances as of 6/30/2016	\$ 500	\$ 521,412	\$ -	\$ 5,328,596	\$ 5,850,508
PERIOD INCREASE OR (DECREASE)	\$ -	\$ (95,938)	\$ -	\$ (1,495,138)	\$ (1,591,076)

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JUNE 1, 2016 THROUGH JUNE 30, 2016**

Financial Report - B4

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
6/23/2016	Withdrawal		\$ (545,000)				
6/27/2016	Withdrawal		\$ (950,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ (1,495,000)	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 0.55% was the effective yield rate at the Quarter ended June 30, 2016.

**INVESTMENT STATUS
June 30, 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	\$ 5,328,596			
TOTAL INVESTMENTS	\$ 5,328,596			

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

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

Respectfully submitted,



Joseph S. Joswiak
Chief Financial Officer
Chino Basin Watermaster



CHINO BASIN WATERMASTER

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: August 25, 2016
TO: Board Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2015 through June 30, 2016 -
Financial Report B5 (June 30, 2016)

SUMMARY

Issue: Record of revenues and expenses of Watermaster for the Period of July 1, 2015 through June 30, 2016.

Recommendation: Receive and file Budget vs. Actual Report for the Period July 1, 2015 through June 30, 2016 as presented.

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

Future Consideration

Watermaster Board: August 25, 2016; Receive and File (Normal Course of Business)

ACTIONS:

August 11, 2016 – Appropriative Pool – Unanimously approved
August 11, 2016 – Non-Agricultural Pool – Moved unanimously to receive and file, without approval
August 11, 2016 – Agricultural Pool – Unanimously approved
August 18, 2016 – Advisory Committee – Unanimously approved
August 25, 2016 – Watermaster Board –

BACKGROUND

A Budget vs. Actual Report for the period July 1, 2015 through June 30, 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 – JUNE 2016

During the August 2016 meetings, Budget Transfer Form (T-16-06-01) was submitted as a Business Item for approval. Since the FY 2015/16 year-end financials required several budget adjustments/budget transfers, Budget Transfer Form (T-16-06-01) was incorporated into the financial reports as of June 30, 2016. The Budget Transfer Form (T-16-06-01) is a “net zero” document, which means the budget reductions of \$327,700 and budget additions of \$327,700 within the general ledger accounts are equal. There is no change to the overall budget as a result of Budget Transfer Form (T-16-06-01) and no new funds or assessments are required. The effective date of the Budget Transfer Form (T-16-06-01) will be June 30, 2016 and all adjustment will be recorded within the June accounting period.

The general ledger accounts increased by Budget Transfer Form (T-16-06-01) were the Brownstein Hyatt Farber Schreck legal costs associated with the Safe Yield Recalculation efforts (6907.42) in the amount of \$33,000; the Brownstein Hyatt Farber Schreck legal costs associated with Personnel Matters (6073) in the amount of \$110,500; Watermaster Staff costs associated with Administration expenses (6011) in the amount of \$10,000; Watermaster Staffing costs associated with Production Monitoring (7101.1) in the amount of \$17,000; Engineering Services costs associated with the OBMP-Safe Yield Recalculation expenses (6906.73) in the amount of \$85,000; Agricultural Pool Legal Services expenses (8467) in the amount of \$63,000; Agricultural Pool Meeting Attendance expenses (8470) in the amount of \$4,000; and Watermaster Staff Training expenses (6193) in the amount of \$5,200; $(\$33,000 + \$110,500 + \$10,000 + \$17,000 + \$85,000 + \$63,000 + \$4,000 + \$5,200 = \$327,700)$.

The budget reductions in the amount of \$327,700 were from the following areas of the FY 2015/16 expense budget: Brownstein Hyatt Farber Schreck overall budget savings within the Pools, Advisory, and Board Meetings categories of \$96,000; Watermaster Staffing salaries budget was reallocated by \$27,000; Watermaster Administrative Membership Dues of \$2,300 and Miscellaneous Office Supplies of \$2,900 were adjusted; Wildermuth Environmental, Inc. overall budget savings of \$144,500; and the Agricultural Pool Special Fund was not fully spent and had \$55,000 to reallocate; $(\$96,000 + \$27,000 + \$2,300 + \$2,900 + \$144,500 + \$55,000 = \$327,700)$.

As mentioned above, the final Budget Transfer Form (T-16-06-01) was incorporated/presented as part of the June 30, 2016 financial reports. Year-To-Date (YTD) for the twelve months ending June 30, 2016, all but one category was at or below the projected budget as a result of the Budget Transfer Form (T-16-06-01). The one category above budget was the Depreciation Expenses (9400's) over budget by \$5,061 or 100%. The Depreciation Expense (9400's) is booked at year-end as part of the financial reporting closing entries. Historically, Watermaster has not budgeted for the depreciation expense at year-end because this expense is not a “cash” transaction (an expense paid to a vendor or entity), but an accounting adjustment to the balance sheet and the income statement.

The Approved Amended Budget for FY 2015/16 of \$11,237,144 (which includes the additional “Carry Over” funding of \$1,872,938) was NOT increased with the Budget Transfer Form (T-16-06-01). Overall, the Watermaster (YTD) Actual Expenses were \$3,484,762 or 31.0% below the (YTD) Budgeted Expenses of \$11,237,144.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

May 2016:

It is anticipated that a Budget Transfer Form will be submitted in August 2016 for approval by the Pools, Advisory Committee, and Watermaster Board as part of the fiscal year-end closing for the accounting period ending June 30, 2016. The Budget Transfer Form will reallocate line items within the FY 2015/16 budget which are under budget, to the six categories listed above which are over budget. Also at fiscal year-end closing, the depreciation expense for the year will be recorded to the financials, along with the reconciliation of the vacation, sick, and admin leave accrued balances by employee which will be adjusted as an increase/decrease to the accrual balances and the correct ending balances recorded on the Balance Sheet as a Current Liability.

April 2016:

Budget Amendment Form (A-16-04-01) was approved by the Board on May 26, 2016 in the amount of \$250,000 as a result of ongoing Safe Yield Redetermination and Reset expenses. With the April 8, 2016 court date being moved several times and the latest date is scheduled for June 24, 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.

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 – JUNE 2016

As of June 30, 2016, the total (YTD) Watermaster salary expenses were \$64,997 or 4.2% below the (YTD) budgeted amount of \$1,554,711. 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).

During the August 2016 meetings, Budget Transfer Form (T-16-06-01) was submitted as a Business Item for approval. With regards to the FY 2015/16 budget, Budget Transfer Form (T-16-06-01) reallocated \$27,000 within the salaries budget between two accounts as follows: \$10,000 from Watermaster Staff-OBMP account (6901) to Watermaster Staff-Administration account (6011); and \$17,000 from Watermaster Staff-Groundwater Quality Monitoring account (7103.1) to Watermaster Staff-Production Monitoring account (7101.1). The overall salaries budget of \$1,554,711 remained the same.

At fiscal year-end, the vacation, sick, and admin leave accrued balances by employee were adjusted as decrease to the accrual balances and the correct ending balances have been recorded on the Balance Sheet as a Current Liability. For fiscal year-end as of June 30, 2016 the general journal adjustment amount to reconcile the accruals was \$29,720. This is a standard accounting journal entry that is completed each fiscal year. These year-end journal entries increased the Watermaster Salary category in account 60185.2 and decreased the accounts 60185.3 and 60186.1 as of June 30, 2016.

Watermaster is currently in the process of filling one vacant position. Watermaster started the recruitment process for the Water Resources Professional position on March 16, 2016. After several candidates completed the interview process during the month of May, it was determined that a new recruitment process should begin. An updated recruitment advertisement was submitted to Brown & Caldwell and Water District Jobs on June 27, 2016. A group of new candidates have been selected and scheduled for interviews near the end of August 2016. It is anticipated that the recruitment process could take an additional 30-60 days to complete the selection process, background verification, and hire the Water Resources Professional.

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 June 30, 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 - Jun '16 Actual	Jul '15 - Jun '16 Budget	\$ Over Budget	% of Budget	FY 2015/16 Annual Budget
WM Salary Expense					
6011 · WM Staff Salaries	871,433.52	848,891.00	22,542.52	102.66%	848,891.00
6011.4 · 457(f) NQDC Plan	18,995.95	0.00	18,995.95	100.0%	0.00
6015 · Miscellaneous Payments	30,122.83	0.00	30,122.83	100.0%	0.00
6017 · Temporary Services	0.00	21,000.00	-21,000.00	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	15,924.47	22,274.00	-6,349.53	71.49%	22,274.00
6301 · Watermaster Board - WM Staff Salaries	27,539.00	36,879.00	-9,340.00	74.67%	36,879.00
8301 · Appropriative Pool - WM Staff Salaries	34,666.14	29,719.00	4,947.14	116.65%	29,719.00
8401 · Agricultural Pool - WM Staff Salaries	20,399.64	26,090.00	-5,690.36	78.19%	26,090.00
8501 · Non-Agricultural Pool - WM Staff Salaries	17,719.27	15,574.00	2,145.27	113.78%	15,574.00
6901 · OBMP - WM Staff Salaries	100,956.52	124,709.00	-23,752.48	80.95%	124,709.00
7101.1 · Production Monitor - WM Staff Salaries	72,426.28	55,797.00	16,629.28	129.8%	55,797.00
7102.1 · In-line Meter - WM Staff Salaries	4,913.02	9,212.00	-4,298.98	53.33%	9,212.00
7103.1 · Grdwater Quality - WM Staff Salaries	10,070.73	54,511.00	-44,440.27	18.48%	54,511.00
7104.1 · Grdwater Level - WM Staff Salaries	57,684.18	42,447.00	15,237.18	135.9%	42,447.00
7108.1 · Hydraulic Control - WM Staff Salaries	0.00	2,464.00	-2,464.00	0.0%	2,464.00
7108.11 · Prado Basin - WM Staff Salaries	3,587.65	8,305.00	-4,717.35	43.2%	8,305.00
7201 · Comp Recharge - WM Staff Salaries	63,895.77	44,259.00	19,636.77	144.37%	44,259.00
7301 · PE3&5 - WM Staff Salaries	0.00	14,892.00	-14,892.00	0.0%	14,892.00
7401 · PE4 - WM Staff Salaries	0.00	9,042.00	-9,042.00	0.0%	9,042.00
7501.1 · PE 6&7 - WM Staff Salaries (Plume)	0.00	6,743.00	-6,743.00	0.0%	6,743.00
7501 · PE6&7 - WM Staff Salaries	0.00	4,383.00	-4,383.00	0.0%	4,383.00
7601 · PE8&9 - WM Staff Salaries	0.00	12,231.00	-12,231.00	0.0%	12,231.00
Subtotal WM Staff Costs	1,357,720.43	1,389,422.00	-31,701.57	97.72%	1,389,422.00
60185 · Vacation	100,294.64	72,479.00	27,815.64	138.38%	72,479.00
60185.2 · Comp Time Accrual Adjustment	4,999.55	0.00	4,999.55	100.0%	0.00
60185.3 · Vacation Accrual Adjustment	-18,867.71	0.00	-18,867.71	100.0%	0.00
60186 · Sick Leave	18,492.78	46,405.00	-27,912.22	39.85%	46,405.00
60186.1 · Sick Leave Accrual Adjustment	-15,851.54	0.00	-15,851.54	100.0%	0.00
60187 · Holidays	42,925.52	46,405.00	-3,479.48	92.5%	46,405.00
Subtotal WM Paid Leaves	131,993.24	165,289.00	-33,295.76	79.86%	165,289.00
Total WM Salary Costs	1,489,713.67	1,554,711.00	-64,997.33	95.82%	1,554,711.00

PREVIOUSLY REPORTED ACTIONS (Descending Order)

April 2016:

The Office Specialist/Receptionist vacant position has been filled effective May 23, 2016 with an Administrative Assistant. A former temporary employee who had been filling in during an absence is returning as a new full time employee.

March 2016:

Watermaster is currently in the process of filling 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.

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 – JUNE 2016

Budget Transfer Form (T-16-06-01) adjusted the "Amended" BHFS legal budget from \$1,183,815 to \$1,231,315 an overall increase of \$47,500 or 41.1%. As of June 30, 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 \$4,126 or 0.3% below the (YTD) budgeted amount of \$1,231,315.

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 total legal services budget was developed by multiplying the number of hours that would be required to complete the specific tasks by the hourly rate. The "Approved" budget amount was adopted for the amount of \$933,815. Budget Amendment Form (A-16-04-01) in the amount of \$250,000 was approved by Watermaster Board on May 26, 2016. The amount of \$250,000 was funded by the Assessment invoicing issued on June 23, 2016.

During the August 2016 meetings, Budget Transfer Form (T-16-06-01) was submitted as a Business Item for approval. With regards to the FY 2015/16 budget, Budget Transfer Form (T-16-06-01) reallocated \$96,000 within the BHFS Legal Services budget between various BHFS legal accounts, and \$47,500 was reallocated from the Engineering Services budget to the BHFS Legal Services budget. The amount of \$96,000 was reallocated to the BHFS Legal-Personnel Matters account (6073) from the following BHFS accounts: \$6,300 from BHFS Legal-Advisory Committee account (6275); \$49,200 from BHFS Legal-Board Meetings account (6375); \$14,000 from BHFS Legal-Appropriative Pool account (8375); \$14,500 from BHFS Legal-Agricultural Pool account (8475); and \$12,000 from BHFS Legal-Non-Agricultural Pool account (8575). The amount of \$47,500 was reallocated from the Engineering Services budget to the following BHFS Legal Services accounts: \$47,500 from Hydraulic Control-Outside Professionals account (7108.6) to BHFS Legal-Safe Yield Recalculation account (6907.42) in the amount of \$33,000; and BHFS Legal-Personnel Matters account (6073) in the amount of \$14,500 (\$33,000 + \$14,500 = \$47,500).

WATERMASTER ADMINISTRATIVE LEGAL SERVICES:

Overall, the Watermaster Administrative Legal Services expense (6070's), as of June 30, 2016, was \$286 or 0.0% below the budgeted amount of \$366,950. 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 \$6,724 or 16.4%; Annotated Judgment (6072) under budget by \$40,150 or 100.0%; Personnel Matters (6073) under budget by \$8,409 or 4.4%; Interagency Issues (6074) under budget by \$30,600 or 100.0%; and the Party Status Maintenance (6077) under budget by \$28,241 or 98.4%. The specific items within the Administrative Legal Services expenses (6070's) which were over budget were the Miscellaneous Category expenses (6078) over budget by \$110,758 or 131.3%; 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 August 11, 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 was scheduled for issuance by the Administrative Judge in July 2016. On June 9, 2016 a request by the CalPERS attorney to extend the deadlines for filing the opening and response briefs was submitted to the Administrative Law Judge. On June 13, 2016 the request was granted and the order now states the opening briefs shall be filed and served no later than July 11, 2016. The response briefs were filed and served no later than August 8, 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 June 30, 2016 was \$2,958 or 2.4% below the budgeted amount of \$122,765. 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. During the month of April 2016, the Watermaster parties agreed that the Advisory Committee and the Board meeting would not be held, adding additional cost savings to this category. The Watermaster parties had also agreed that during the month of December 2015, the three Pools, the Advisory Committee and the Watermaster Board meetings would not be held, adding cost savings to this category.

OBMP LEGAL SERVICES:

The OBMP legal expenses (accounts 6907.31 through 6907.90) were below the budget for the month. As of June 30, 2016 the category of OBMP legal expenses were \$882 or 0.1% below the budgeted amount of \$741,600. The majority of expenses within this OBMP category were under budget (YTD), however, the BHFS Safe Yield Redetermination and Reset legal expenses (6907.42) continue to increase and exceed the monthly budget. As of June 30, 2016, the Safe Yield Redetermination and Reset legal expenses were \$257,659 or 66.7% above the budgeted amount of \$386,300. It should be noted that the 12-month annual legal budget for the Safe Yield Redetermination and Reset category was originally 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.

Budget Amendment Form (A-16-04-01) in the amount of \$250,000 was approved by Watermaster Board on May 26, 2016. The amount of \$250,000 was funded by the Assessment invoicing issued on June 23, 2016. Budget Transfer Form (T-16-06-01) added an addition budget amount of \$47,500 to the legal services budget, bringing the FY 2015/16 total legal services budget to \$1,231,315 (\$933,815 + \$250,000 + \$47,500 = \$1,231,315).

The table listed below summarizes the Brownstein Hyatt Farber Schreck (BHFS) expenses as of June 30, 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 - Jun '16 Actual	Jul '15 - Jun '16 Budget	\$ Over Budget	% of Budget	FY 2015/16 Annual Budget
6070 · Watermaster Legal Services					
6071 · BHFS Legal - Court Coordination	34,226.21	40,950.00	-6,723.79	83.58%	40,950.00
6072 · BHFS Legal - Annotated Judgment	0.00	40,150.00	-40,150.00	0.0%	40,150.00
6073 · BHFS Legal - Personnel Matters	182,790.62	191,200.00	-8,409.38	95.6%	191,200.00
6074 · BHFS Legal - Interagency Issues	0.00	30,600.00	-30,600.00	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	28,700.00	-28,241.00	1.6%	28,700.00
6078 · BHFS Legal - Miscellaneous (Note 1)	146,107.97	35,350.00	110,757.97	413.32%	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	366,663.62	366,950.00	-286.38	99.92%	366,950.00
6275 · BHFS Legal - Advisory Committee	13,926.17	14,100.00	-173.83	98.77%	14,100.00
6375 · BHFS Legal - Board Meeting	57,105.72	57,365.00	-259.28	99.55%	57,365.00
8375 · BHFS Legal - Appropriative Pool	16,507.21	16,600.00	-92.79	99.44%	16,600.00
8475 · BHFS Legal - Agricultural Pool	15,884.99	16,100.00	-215.01	98.67%	16,100.00
8575 · BHFS Legal - Non-Ag Pool	16,383.11	18,600.00	-2,216.89	88.08%	18,600.00
Total BHFS Legal Services	119,807.20	122,765.00	-2,957.80	97.59%	122,765.00
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	24,500.00	-24,500.00	0.0%	24,500.00
6907.32 · Chino Airport Plume	0.00	24,500.00	-24,500.00	0.0%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	48,900.00	-48,900.00	0.0%	48,900.00
6907.34 · Santa Ana River Water Rights	5,851.00	25,300.00	-19,449.00	23.13%	25,300.00
6907.36 · Santa Ana River Habitat	964.80	19,700.00	-18,735.20	4.9%	19,700.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	14,350.00	-14,350.00	0.0%	14,350.00
6907.39 · Recharge Master Plan	19,704.28	68,100.00	-48,395.72	28.93%	68,100.00
6907.40 · Storage Agreements	535.50	86,100.00	-85,564.50	0.62%	86,100.00
6907.41 · Prado Basin Habitat Sustainability	11,038.50	14,350.00	-3,311.50	76.92%	14,350.00
6907.42 · Safe Yield Recalculation	643,958.81	386,300.00	257,658.81	166.7%	386,300.00
6907.44 · SGMA Compliance	58,665.05	0.00	58,665.05	100.0%	0.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	29,500.00	-29,500.00	0.0%	29,500.00
Total 6907 · WM Legal Counsel	740,717.94	741,600.00	-882.06	99.88%	741,600.00
Total Brownstein, Hyatt, Farber, Schreck Costs	1,227,188.76	1,231,315.00	-4,126.24	99.67%	1,231,315.00

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, replenishment obligations, 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 nine 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 – JUNE 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 twelve month period ending June 30, 2016, the actual expenses of \$1,677,524 were below the budgeted amount of \$1,702,437 by \$24,913 or 1.5%. For a detailed discussion, the following is provided.

During the August 2016 meetings, Budget Transfer Form (T-16-06-01) was submitted as a Business Item for approval. With regards to the FY 2015/16 budget, Budget Transfer Form (T-16-06-01) reallocated \$108,000 within the FY 2015/16 Amended budget to the OBMP Engineering Services and Legal Costs section as follows: \$30,500 from Hydraulic Control-Outside Professionals account (7108.6) to OBMP-Safe Yield Recalculation account (6906.73); \$54,500 from Comprehensive Recharge-Engineering Services account (7202.2) to OBMP-Safe Yield Recalculation account (6906.73); \$33,000 from Hydraulic Control-Outside Professionals to BHFS Legal-Safe Yield Recalculation account (6907.42); and \$10,000 from Watermaster Staff Salaries-OBMP account (6901) to Watermaster Staff Salaries-Administration account (6011). ($\$30,500 + \$54,500 + \$33,000 - \$10,000 = \$108,000$).

For June 30, 2016, the accounts 6901-6903 (Optimum Basin Mgmt Program) section was below the Year-To-Date (YTD) budget by \$14,093 or 11.1%. 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 less time on specific OBMP related areas and more time on administrative related tasks. As a result, Watermaster staff allocated less actual time to the OBMP project as budgeted, which resulted in an under budget variance of \$13,752 or 12.0%. 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 June 30, 2016.

For June 30, 2016, the accounts 6906 (Optimum Basin Mgmt Program Engineering Services) section was below the Year-To-Date (YTD) budget by \$34 or 0.0%. For FY 2015/16, the OBMP-Safe Yield Redetermination and Reset expenses (6906.73) did not have a budget amount authorized, however, Budget Transfer Form (T-16-06-01) reallocated an amount of \$85,000 to this category. For the month of June 2016, there were expenses of \$0 charged to the OBMP-Safe Yield Redetermination and Reset expenses. As of the Year-To-Date (YTD), this account was over budget by \$12,575 or 14.8%. The OBMP-Appropriative Pool Issue Resolution and the OBMP-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. The OBMP-Data Requests-CBWM Staff account (6906.71) was over budget by \$157,053 or 245.2% and is a large factor as to why this expense category was not under budget by a larger amount.

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 \$316,324 while some other line item activities were below the budget by \$317,206. Above the budget line items were the Safe Yield Redetermination and Reset of \$257,659; and the SGMA Compliance of \$58,665. 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 \$24,500; the Chino Airport Plume of \$24,500; the Desalter/Hydraulic Control of \$48,900; the Santa Ana River Water Rights of \$19,449; the Santa Ana River Habitat of \$18,735; the Regional Water Quality Control Board of \$14,350; the Recharge Master Plan of \$48,396; Storage Agreements of \$85,565; the Prado Basin Habitat Sustainability of \$3,311; and the WM Unanticipated of \$29,500. For the twelve months ended June 30, 2016, the overall cumulative (YTD) budget was \$741,600 and the actual (BHFS) legal expenses totaled \$740,718 which resulted in an under budget variance of \$882 or 0.1%.

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. Budget Amendment Form (A-16-04-01) in the amount of \$250,000 was approved by Watermaster Board on May 26, 2016. The amount of \$250,000 was funded by the Assessment invoicing issued on June 23, 2016. Budget Transfer Form (T-16-06-01) added an addition budget amount of \$33,000 to this category, bringing the FY 2015/16 total Safe Yield Redetermination and Reset budget to \$386,300 ($\$103,300 + \$250,000 + \$33,000 = \$386,300$).

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 June 30, 2016 this category of expenses was \$9,903 or 73.4% below the budgeted amount of \$13,500.

The WEI Support for IEUA 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 June 30, 2016 this category of expenses was fully invoiced to IEUA in the amount of \$145,907.

Overall, the Optimum Basin Management Program (OBMP) category was \$1,677,524 compared to a (YTD) budget of \$1,702,437 for an over budget of \$24,913 or 1.5% as of June 30, 2016.

The table listed below summarizes the Optimum Basin Management Program (OBMP) expenses as of June 30, 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 - Jun '16 Actual	Jul '15 - Jun '16 Budget	\$ Over Budget	% of Budget	FY 2015/16 Annual Budget
6900 - Optimum Basin Mgmt Plan					
6901 - WM Staff Salaries	100,956.52	114,709.00	-13,752.48	88.01%	114,709.00
6903 - OBMP SAWPA Group	12,159.00	12,500.00	-341.00	97.27%	12,500.00
Total 6901-6903 - OBMP WM Staff/SAWPA	113,115.52	127,209.00	-14,093.48	88.92%	127,209.00
6906 - OBMP Engineering Services					
6906.1 - OBMP - Watermaster Model Update	307,714.30	279,340.00	28,374.30	110.16%	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	24,404.00	-8,810.25	63.9%	24,404.00
6906.23 - SGMA Reporting Requirements	20,046.58	17,392.00	2,654.58	115.26%	17,392.00
6906.31 - OBMP - Pool, Advisory, Board Mtgs.	69,311.61	87,659.00	-18,347.39	79.07%	87,659.00
6906.32 - OBMP - Other General Meetings	21,915.60	32,877.00	-10,961.40	66.66%	32,877.00
6906.33 - OBMP - App. Pool Issue Resolution	0.00	54,964.00	-54,964.00	0.0%	54,964.00
6906.71 - OBMP - Data Requests - CBWM Staff	221,117.16	64,064.00	157,053.16	345.15%	64,064.00
6906.72 - OBMP - Data Requests - Non CBWM	19,019.47	38,208.00	-19,188.53	49.78%	38,208.00
6906.73 - OBMP - Safe Yield Recalculation	97,575.33	85,000.00	12,575.33	114.8%	85,000.00
6906.74 - OBMP - Mat'l Phy. Injury Requests	8,409.16	110,300.00	-101,890.84	7.62%	110,300.00
6906 - OBMP Engineering Services - Other	39,390.75	25,920.00	13,470.75	151.97%	25,920.00
Total 6906 - OBMP Engineering Services	820,093.71	820,128.00	-34.29	100.0%	820,128.00
6907 - OBMP Legal Fees					
6907.3 - WM Legal Counsel					
6907.31 - Archibald South Plume	0.00	24,500.00	-24,500.00	0.0%	24,500.00
6907.32 - Chino Airport Plume	0.00	24,500.00	-24,500.00	0.0%	24,500.00
6907.33 - Desalter/Hydraulic Control	0.00	48,900.00	-48,900.00	0.0%	48,900.00
6907.34 - Santa Ana River Water Rights	5,851.00	25,300.00	-19,449.00	23.13%	25,300.00
6907.36 - Santa Ana River Habitat	964.80	19,700.00	-18,735.20	4.9%	19,700.00
6907.38 - Reg. Water Quality Cntrl Board	0.00	14,350.00	-14,350.00	0.0%	14,350.00
6907.39 - Recharge Master Plan	19,704.28	68,100.00	-48,395.72	28.93%	68,100.00
6907.40 - Storage Agreements	535.50	86,100.00	-85,564.50	0.62%	86,100.00
6907.41 - Prado Basin Habitat Sustainability	11,038.50	14,350.00	-3,311.50	76.92%	14,350.00
6907.42 - Safe Yield Recalculation	643,958.81	386,300.00	257,658.81	166.7%	386,300.00
6907.44 - SGMA Compliance	58,665.05	0.00	58,665.05	100.0%	0.00
6907.90 - WM Legal Counsel - Unanticipated	0.00	29,500.00	-29,500.00	0.0%	29,500.00
Total 6907 - WM Legal Counsel	740,717.94	741,600.00	-882.06	99.88%	741,600.00
Total 6907 - OBMP Legal Fees	740,717.94	741,600.00	-882.06	99.88%	741,600.00
6909 - OBMP Other Expenses					
6909.1 - OBMP Meetings	2,282.23	1,500.00	782.23	152.15%	1,500.00
6909.3 - Other OBMP Expenses	1,315.00	2,000.00	-685.00	65.75%	2,000.00
6909.6 - OBMP Expenses - Miscellaneous	0.00	10,000.00	-10,000.00	0.0%	10,000.00
Total 6909 - OBMP Other Expenses	3,597.23	13,500.00	-9,902.77	26.65%	13,500.00
6910 - WEI Support for IEUA					
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	63,365.37	0.00	63,365.37	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 Sevaine Improvement Project	13,231.50	0.00	13,231.50	100.0%	0.00
6910.15 - IRP Groundwater Modeling - IEUA	-145,906.62	0.00	-145,906.62	100.0%	0.00
Total 6910 - WEI Support for IEUA	0.00	0.00	0.00	0.0%	0.00
Total 6900 - Optimum Basin Mgmt Plan	1,677,524.40	1,702,437.00	-24,912.60	98.54%	1,702,437.00

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

CURRENT MONTH – JUNE 2016

As of June 30, 2016, the total (YTD) Engineering Services expenses were \$510,120 or 19.18% below the (YTD) budget amount of \$2,673,138. The OBMP Implementation Projects (consolidated accounts 7100's – 7700's) were all (Under) budget as of June 30, 2016.

During the August 2016 meetings, Budget Transfer Form (T-16-06-01) was submitted as a Business Item for approval. With regards to the FY 2015/16 Engineering Services budget, Budget Transfer Form (T-16-

06-01) reduced and reallocated \$59,500 ($\$90,000 + \$54,500 - \$85,000 = \$59,500$) from the FY 2015/16 Engineering Services budget to other areas as follows: \$90,000 from Hydraulic Control-Outside Professionals account (7108.6) to Agricultural Pool Legal Services account (8467) in the amount of \$8,000; Agricultural Pool Meeting Attendance account (8470) in the amount of \$4,000; BHFS Legal-Safe Yield Recalculation account (6907.42) in the amount of \$33,000; OBMP-Safe Yield Recalculation account (6906.73) in the amount of \$30,500; and BHFS Legal-Personnel Matters in the amount of \$14,500 ($\$8,000 + \$4,000 + \$33,000 + \$30,500 + \$14,500 = \$90,000$). \$54,500 was adjusted from the Comprehensive Recharge-Engineering Services account (7202.2) to the OBMP-Safe Yield Recalculation account (6906.73). The amount of \$85,000 was reallocated as follows: \$30,500 to the OBMP-Safe Yield Recalculation account (6906.73) and \$54,500 to the OBMP-Safe Yield Recalculation account (6906.73) for a total of \$85,000 ($\$30,500 + \$54,500 = \$85,000$).

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 final year-end report as of June 30, 2016 showed the total Engineering Services expenses under budget by \$510,120 and of that balance, \$59,500 would be reallocated as part of the Budget Transfer Form (T-16-06-01) and \$326,577 would be "Carried-Over" into the FY 2016/17 budget.

The Carry-Over amount of \$326,577 from FY 2015/16 to the FY 2016/17 budget are provided as follows:

1. The ongoing Adaptive Management Plan for the Prado Basin Habitat Sustainability Program in connection with the vegetation monitoring database in HydroDaVE (account 7108.31 in the amount of \$12,072). This work was originally scoped for FY 2015/16 but was not performed because the Adaptive Management Plan was not finalized and adopted by Watermaster in FY 2015/16.
2. Preparation of the Final PBHSP Adaptive Management Plan and the 2016 PBHSP Annual Report (account 7108.32 in the amount of \$50,000). The Adaptive Management Plan for the PBHSP was not finalized during FY 2015/16 and as a result, the initial Annual Report was not completed. The scope for preparing the 2016 Annual Report in FY 2016/17 was based on the assumption that the initial 2015 Annual Report of the PBHSP would have already been completed.
3. The finalization of the 2015 Annual Report of the Ground-Level Monitoring Committee (account 7402 in the amount of \$7,000). The Annual Report has been delayed primarily because the InSAR and ground-level survey data were delivered in March, which delayed the report and completion. The report will be finalized in FY 2016/17.
4. Three separate subtasks for the effort to develop a Subsistence Management Plan for the Northwest MZ-1 Area which is a 5-6 year effort (account 7402.1 in the amount of \$257,505) which will be performed in sequential phases. Some of the early phases of the work have been delayed for various reasons (e.g. delays in initiation of the monitoring program because of difficulties in coordination with well owners). These delays push some of the work that was expected to be completed in FY 2015/16 to FY 2016/17, including subtasks associated with setup and initiation of the monitoring program, siting of extensometers, modeling, and reporting.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

May 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. It is anticipated that a Budget Transfer Form will be submitted in August 2016 for approval by the Pools, Advisory Committee, and

Watermaster Board as part of the fiscal year-end closing for the accounting period ending June 30, 2016. The Budget Transfer Form will reallocate line items within the FY 2015/16 budget which are under budget, and allocate funding to the engineering services categories that are over budget at fiscal year-end.

April 2016:

The Third quarter ECAC report has been issued during May 2016 for the period January 2016 through March 2016. The ECAC report shows an estimated budget savings of approximately \$227,423 which includes the "Carry-Over" funding amounts of \$136,696 from the prior year. It is expected that at fiscal year-end June 30, 2016 there will be "Carry-Over" funding from FY 2015/16 into FY 2016/17 for ongoing engineering services projects that are overlapping in fiscal years.

February 2016:

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 June 30, 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 - Jun '16	Jul '15 - Jun '16	\$ Over Budget	% of Budget	FY 2015/16
	Actual	Budget			Annual Budget
6906 · OBMP Engineering Services - Other	39,390.75	25,920.00	13,470.75	151.97%	25,920.00
6906.1 · OBMP - Watermaster Model Update	307,714.30	279,340.00	28,374.30	110.16%	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	24,404.00	-8,810.25	63.9%	24,404.00
6906.23 · SGMA Reporting Requirements	20,046.58	17,392.00	2,654.58	115.26%	17,392.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	69,311.61	87,659.00	-18,347.39	79.07%	87,659.00
6906.32 · OBMP - Other General Meetings	21,915.60	32,877.00	-10,961.40	66.66%	32,877.00
6906.33 · OBMP - App. Pool Issue Resolution	0.00	54,964.00	-54,964.00	0.0%	54,964.00
6906.71 · OBMP - Data Requests - CBWM Staff	221,117.16	64,064.00	157,053.16	345.15%	64,064.00
6906.72 · OBMP - Data Requests - Non CBWM	19,019.47	38,208.00	-19,188.53	49.78%	38,208.00
6906.73 · OBMP - Safe Yield Recalculation	97,575.33	85,000.00	12,575.33	114.8%	85,000.00
6906.74 · OBMP - Mat'l Physical Injury Requests	8,409.16	110,300.00	-101,890.84	7.62%	110,300.00
7103.3 · Grdwtr Qual-Engineering	98,074.09	120,516.00	-22,441.91	81.38%	120,516.00
7103.5 · Grdwtr Qual-Lab Svcs	48,037.00	39,205.00	8,832.00	122.53%	39,205.00
7104.3 · Grdwtr Level-Engineering	180,832.10	176,430.00	4,402.10	102.5%	176,430.00
7104.8 · Grdwtr Level-Contracted Services	0.00	10,000.00	-10,000.00	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equipment	0.00	7,000.00	-7,000.00	0.0%	7,000.00
7107.2 · Grd Level-Engineering	50,361.55	56,347.00	-5,985.45	89.38%	56,347.00
7107.3 · Grd Level-SAR Imagery	29,000.00	85,000.00	-56,000.00	34.12%	85,000.00
7107.6 · Grd Level-Contract Svcs	163,518.92	151,059.00	12,459.92	108.25%	151,059.00
7107.8 · Grd Level-Capital Equipment	0.00	5,600.00	-5,600.00	0.0%	5,600.00
7108.3 · Hydraulic Control-Engineering	46,340.59	49,968.00	-3,627.41	92.74%	49,968.00
7108.31 · Hydraulic Control-PBHSP	125,459.52	129,146.00	-3,686.48	97.15%	129,146.00
7108.32 · Hydraulic Control-Adaptive Mgmt Plan	64,253.95	43,176.00	21,077.95	148.82%	43,176.00
7108.4 · Hydraulic Control-Lab Svcs	8,528.00	25,081.00	-16,553.00	34.0%	25,081.00
7108.41 · Hydraulic Control-PBHSP	45,838.00	49,096.00	-3,258.00	93.36%	49,096.00
7108.6 · Hydraulic Control-Outside Professionals	0.00	0.00	0.00	0.0%	0.00
7108.7 · Hydraulic Control-Prado Basin Habitat	4,428.00	0.00	4,428.00	100.0%	0.00
7109.3 · Recharge & Well - Engineering	15,098.25	19,867.00	-4,768.75	0.0%	19,867.00
7202.2 · Comp Recharge-Engineering Services	88,443.74	105,004.00	-16,560.26	84.23%	105,004.00
7303 · PE3&5-Engineering - Other	0.00	23,384.00	-23,384.00	0.0%	23,384.00
7402 · PE4-Engineering	74,020.63	84,708.00	-10,687.37	87.38%	84,708.00
7402.10 · PE4-MZ1 Pomona Project	248,749.56	506,255.00	-257,505.44	49.14%	506,255.00
7403 · PE4-Contract Svcs	11,000.00	20,000.00	-9,000.00	55.0%	20,000.00
7502 · PE6&7-Engineering	26,404.75	81,840.00	-55,435.25	32.26%	81,840.00
7602 · PE8&9-Engineering	14,536.00	64,328.00	-49,792.00	22.6%	64,328.00
Total Engineering Services Costs	2,163,018.36	2,673,138.00	-510,119.64	80.92%	2,673,138.00 *

* 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.
 Budget Transfer Form (T-16-06-01) reduced Engineering Budget by \$59,500: \$85,000 (6906.73); -\$90,000 (7108.6); and -\$54,500 (7202.2).
 \$2,732,638 + \$85,000 - \$90,000 - \$54,500 = \$2,673,138.

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 June 30, 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 - Jun. 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

Since June 30, 2016 was the fiscal year-end, there are a number of year-end closing general journals that must be entered into the accounting system. The following closing entries were booked to the financial statements and balance sheet:

1. Recording of Budget Transfer Form (T-16-06-01).
2. Recording of the year-end reconciliation of accruals to actual for vacation, sick and administrative/comp leave for all active Watermaster employees.
3. Recording the accrued payroll expense as of June 30, 2016.
4. Recording of FY 2015/16 depreciation expense.
5. Recording of the quarterly LAIF interest earned as of June 30, 2016 but not received from LAIF until July 15, 2016.
6. Recording the Fair Market Value adjustment as of June 30, 2016 for the cash balances invested at LAIF.
7. Recording the Nonqualified Deferred Compensation expenses as of June 30, 2016.

There were no other significant items to report within the category of Other Income and Expenses for the month ending June 30, 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 – JUNE 2016

As of June 30, 2016, the total (YTD) amount remaining of the "Carried Over" funding is \$653,265.31 (\$1,872,937.85 - \$1,219,672.54 = \$653,265.31). 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
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
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
PE 6&7 - Engineering Services	\$ (11,000.00)	K	7502 ⁴	FY 2014/15	ENG
San Sevaine Recharge Improvement Project (TO #8)	\$ (241,316.69)	M	7690.4	FY 2014/15	PROJ
CB20 Turnout Noise Abatement Project	\$ (79,140.20)	N	7690.5	FY 2014/15	PROJ
GWR SCADA Upgrades (TO #4)	\$ (103,856.53)	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)	\$ (42,163.12)	Q	7690.7	FY 2014/15	PROJ
Lower Day Basin RMPU (TO #2)	\$ (49,000.00)	R	7690.8	FY 2014/15	PROJ
Updated Balance as of May 31, 2016	\$ 653,265.31				

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 August 18, 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. As of June 30, 2016 Watermaster received all of the payments from the Appropriators and those payments had cleared the bank. Watermaster issued 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 – JUNE 2016

The Watermaster Board approved the FY 2015-2016 Assessment Package (Production Year 2014-2015) at the June 23, 2016 meeting. Watermaster staff created and emailed the Assessment invoices on Thursday, June 23, 2016. The Assessment invoices were due 30 days from invoice date, with payments received by Watermaster on or before close of business on Monday, July 25, 2016. As in prior years, payments could be made by either check or wire transfer. As of July 25, 2016 all payments had been received and deposited, with no late payments.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

May 2016:

Due to the Safe Yield Reset process this year, and the effects that it had on the Assessment Package, production of the FY 2015-2016 Assessment Package was initially delayed. On November 19, 2015, the Watermaster Board approved the collection of an interim partial assessment which collected fifty percent of last year's (FY 2014-2015) 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.

The Watermaster Board approved the FY 2015-2016 Assessment Package (Production Year 2014-2015) at the June 23, 2016 meeting. Watermaster staff created and emailed the Assessment invoices on Thursday, June 23, 2016. The Assessment invoices were due 30 days from invoice date, with payments

received by Watermaster on or before close of business on Monday, July 25, 2016. As in prior years, payments could be made by either check or wire transfer.

This 2nd Assessment invoicing included the standard Assessment amounts per the Assessment Package, along with any Special Assessments and the "Excess Cash Reserve" refund credits. The Appropriative Pool had a Special Assessment of \$75,000 as approved during the budgeting process. The \$75,000 was allocated to the Appropriative Pool members based upon a prorated formula of 50% OSY and 50% Physical Production from 2014-2015. 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 a prorated formula of Actual Production from 2014-2015. The Excess Cash Reserve Refunds were \$87,128 to the Appropriative Pool members and \$3,182 to the Non-Agricultural Pool members. The Excess Cash Reserve Funds for Recharge Debt Service Payments were \$345,914 to only the Appropriative Pool members. The Excess Cash Reserve Refunds of \$87,128 and \$3,182 were applied as credits on the June 23, 2016 Assessment invoices and allocated based upon last year's percentage of assessments paid. The Excess Cash Reserve Refunds for Recharge Debt Service Payment of \$345,914 (only to the Appropriative Pool members) was based upon the OSY percentages, which is the same formula used as the basis of payments for this category. Finally, the payments made on the initial Assessment invoicing dated November 19, 2015 were credited against the June 23, 2016 invoices in full.

April 2016:

With the Safe Yield Redetermination and Reset court hearing date changed to June 24, 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, due no later than July 25, 2016.

February 2016:

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

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

	1/12th (8.33%) of the Total Budget				12/12th (100%) of the Total Budget				100% of the Total Budget			
	For The Month of June 2016				Year-To-Date as of June 30, 2016				Fiscal Year End as of June 30, 2016			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget
Income												
4010 · Local Agency Subsidies	0.00	0.00	0.00	0.0%	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	5,304,969.43	0.00	5,304,969.43	100.0%	8,874,750.44	8,887,418.00	-12,667.56	99.86%	8,874,750.44	8,887,418.00	-12,667.56	99.86%
4120 · Admin Asmnts-Non-Agri Pool	157,624.65	0.00	157,624.65	100.0%	309,364.12	296,797.00	12,567.12	104.23%	309,364.12	296,797.00	12,567.12	104.23%
4700 · Non Operating Revenues	7,525.72	5,513.00	2,012.72	136.51%	25,635.79	22,050.00	3,585.79	116.26%	25,635.79	22,050.00	3,585.79	116.26%
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	5,470,119.80	5,513.00	5,464,606.80	99,222.2%	9,367,099.82	9,364,206.00	2,893.82	100.03%	9,367,099.82	9,364,206.00	2,893.82	100.03%
Gross Profit	5,470,119.80	5,513.00	5,464,606.80	99,222.2%	9,367,099.82	9,364,206.00	2,893.82	100.03%	9,367,099.82	9,364,206.00	2,893.82	100.03%
Expense												
6010 · Admin. Salary/Benefit Costs	81,178.22	80,586.00	592.22	100.74%	890,465.44	890,591.00	-125.56	99.99%	890,465.44	890,591.00	-125.56	99.99%
6020 · Office Building Expense	8,787.83	8,690.00	97.83	101.13%	102,831.01	110,381.00	-7,549.99	93.16%	102,831.01	110,381.00	-7,549.99	93.16%
6030 · Office Supplies & Equip.	1,404.45	-270.00	1,674.45	-520.17%	24,744.13	29,660.00	-4,915.87	83.43%	24,744.13	29,660.00	-4,915.87	83.43%
6040 · Postage & Printing Costs	6,782.75	5,753.00	1,029.75	117.9%	53,104.67	60,032.00	-6,927.33	88.46%	53,104.67	60,032.00	-6,927.33	88.46%
6050 · Information Services	8,523.51	9,820.00	-1,296.49	86.8%	126,712.30	131,840.00	-5,127.70	96.11%	126,712.30	131,840.00	-5,127.70	96.11%
6060 · Contract Services	9,767.50	0.00	9,767.50	100.0%	50,662.87	55,600.00	-4,937.13	91.12%	50,662.87	55,600.00	-4,937.13	91.12%
6070 · Watermaster Legal Services	26,984.53	126,646.00	-99,661.47	21.31%	366,663.62	366,950.00	-286.38	99.92%	366,663.62	366,950.00	-286.38	99.92%
6080 · Insurance	1,252.82	1,140.00	112.82	109.9%	27,336.07	27,916.00	-579.93	97.92%	27,336.07	27,916.00	-579.93	97.92%
6110 · Dues and Subscriptions	0.00	-1,800.00	1,800.00	0.0%	19,016.72	19,035.00	-18.28	99.9%	19,016.72	19,035.00	-18.28	99.9%
6140 · WM Admin Expenses	203.35	375.00	-171.65	54.23%	2,091.64	2,700.00	-608.36	77.47%	2,091.64	2,700.00	-608.36	77.47%
6150 · Field Supplies	86.41	0.00	86.41	100.0%	914.52	1,450.00	-535.48	63.07%	914.52	1,450.00	-535.48	63.07%
6170 · Travel & Transportation	1,697.80	2,600.00	-902.20	65.3%	20,879.48	25,320.00	-4,440.52	82.46%	20,879.48	25,320.00	-4,440.52	82.46%
6190 · Training, Conferences, Seminars	2,313.76	6,775.00	-4,461.24	34.15%	27,588.96	27,600.00	-11.04	99.96%	27,588.96	27,600.00	-11.04	99.96%
6200 · Advisory Comm - WM Board	3,072.64	-2,718.00	5,790.64	-113.05%	29,889.25	37,374.00	-7,484.75	79.97%	29,889.25	37,374.00	-7,484.75	79.97%
6300 · Watermaster Board Expenses	11,320.11	-34,399.00	45,719.11	-32.91%	114,431.19	129,544.00	-15,112.81	88.33%	114,431.19	129,544.00	-15,112.81	88.33%
8300 · Appr PI-WM & Pool Admin	6,006.42	-2,737.00	8,743.42	-219.45%	109,503.75	122,069.00	-12,565.25	89.71%	109,503.75	122,069.00	-12,565.25	89.71%
8400 · Agri Pool-WM & Pool Admin	2,548.88	-9,593.00	12,141.88	-26.57%	39,182.46	45,190.00	-6,007.54	86.71%	39,182.46	45,190.00	-6,007.54	86.71%
8467 · Ag Legal & Technical Services	6,572.50	80,083.00	-73,510.50	8.21%	267,435.00	268,000.00	-565.00	99.79%	267,435.00	268,000.00	-565.00	99.79%
8470 · Ag Meeting Attend -Special	1,375.00	5,850.00	-4,475.00	23.5%	25,775.00	26,200.00	-425.00	98.38%	25,775.00	26,200.00	-425.00	98.38%
8471 · Ag Pool Expense	9,059.00	-38,750.00	47,809.00	-23.38%	9,059.00	10,000.00	-941.00	90.59%	9,059.00	10,000.00	-941.00	90.59%
8485 · Ag Pool - Misc. Exp. - Ag Fund	0.00	0.00	0.00	0.0%	0.00	400.00	-400.00	0.0%	0.00	400.00	-400.00	0.0%
8500 · Non-Ag PI-WM & Pool Admin	9,190.27	-3,042.00	12,232.27	-302.11%	95,741.24	95,974.00	-232.76	99.76%	95,741.24	95,974.00	-232.76	99.76%
9400 · Depreciation Expense	5,060.79	0.00	5,060.79	100.0%	5,060.79	0.00	5,060.79	100.0%	5,060.79	0.00	5,060.79	100.0%
9500 · Allocated G&A Expenditures	-11,884.19	-33,443.00	21,558.81	35.54%	-202,487.15	-401,307.00	198,819.85	50.46%	-202,487.15	-401,307.00	198,819.85	50.46%
6900 · Optimum Basin Mgmt Plan	61,387.60	186,788.67	-125,401.07	32.87%	1,677,524.40	1,702,437.00	-24,912.60	98.54%	1,677,524.40	1,702,437.00	-24,912.60	98.54%
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	862.98	10,721.33	-9,858.35	8.05%	63,917.57	128,656.00	-64,738.43	49.68%	63,917.57	128,656.00	-64,738.43	49.68%
7101 · Production Monitoring	6,165.76	21,569.50	-15,403.74	28.59%	73,176.28	73,547.00	-370.72	99.5%	73,176.28	73,547.00	-370.72	99.5%
7102 · In-line Meter Installation	12,155.53	5,566.92	6,588.61	218.35%	17,928.34	67,087.00	-49,158.66	26.72%	17,928.34	67,087.00	-49,158.66	26.72%
7103 · Grdwtr Quality Monitoring	16,059.51	1,222.24	14,837.27	1,313.94%	158,943.86	203,342.00	-44,398.14	78.17%	158,943.86	203,342.00	-44,398.14	78.17%
7104 · Gdwtr Level Monitoring	34,273.67	21,443.00	12,830.67	159.84%	246,707.75	247,627.00	-919.25	99.63%	246,707.75	247,627.00	-919.25	99.63%
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	8,399.48	14,035.25	-5,635.77	59.85%	247,822.14	327,291.99	-79,469.85	75.72%	247,822.14	327,291.99	-79,469.85	75.72%

	1/12th (8.33%) of the Total Budget				12/12th (100%) of the Total Budget				100% of the Total Budget			
	For The Month of June 2016				Year-To-Date as of June 30, 2016				Fiscal Year End as of June 30, 2016			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget
7108 · Hydraulic Control Monitoring	34,402.17	-64,531.84	98,934.01	-53.31%	298,435.71	307,236.00	-8,800.29	97.14%	298,435.71	307,236.00	-8,800.29	97.14%
7109 · Recharge & Well Monitoring Prog	0.00	1,655.58	-1,655.58	0.0%	15,098.25	19,867.00	-4,768.75	76.0%	15,098.25	19,867.00	-4,768.75	76.0%
7200 · PE2- Comp Recharge Pgm	18,769.84	-37,466.33	56,236.17	-50.1%	645,572.56	1,024,049.86	-378,477.30	63.04%	645,572.56	1,024,049.86	-378,477.30	63.04%
7300 · PE3&5-Water Supply/Desalte	0.00	3,735.00	-3,735.00	0.0%	0.00	45,276.00	-45,276.00	0.0%	0.00	45,276.00	-45,276.00	0.0%
7400 · PE4- Mgmt Plan	16,087.79	51,851.92	-35,764.13	31.03%	335,381.02	622,505.00	-287,123.98	53.88%	335,381.02	622,505.00	-287,123.98	53.88%
7500 · PE6&7-CoopEfforts/SaltMgmt	542.50	6,802.33	-6,259.83	7.98%	26,404.75	92,966.00	-66,561.25	28.4%	26,404.75	92,966.00	-66,561.25	28.4%
7600 · PE8&9-StorageMgmt/Conj Use	0.00	6,377.84	-6,377.84	0.0%	14,589.18	76,909.00	-62,319.82	18.97%	14,589.18	76,909.00	-62,319.82	18.97%
7690 · Recharge Improvement Debt Pymt	895,204.95	563,450.00	331,754.95	158.88%	1,585,708.40	3,932,677.00	-2,346,968.60	40.32%	1,585,708.40	3,932,677.00	-2,346,968.60	40.32%
7700 · Inactive Well Protection Prgm	0.00	41.67	-41.67	0.0%	0.00	500.00	-500.00	0.0%	0.00	500.00	-500.00	0.0%
9502 · G&A Expenses Allocated-Projects	11,021.21	22,720.92	-11,699.71	48.51%	138,569.58	272,651.00	-134,081.42	50.82%	138,569.58	272,651.00	-134,081.42	50.82%
Total Expense	1,306,637.34	1,017,550.00	289,087.34	128.41%	7,752,381.75	11,237,143.85	-3,484,762.10	68.99%	7,752,381.75	11,237,143.85	-3,484,762.10	68.99%
Net Ordinary Income	4,163,482.46	-1,012,037.00	5,175,519.46	-411.4%	1,614,718.07	-1,872,937.85	3,487,655.92	-86.21%	1,614,718.07	-1,872,937.85	3,487,655.92	-86.21%
Other Income												
4210 · Approp Pool-Replenishment	1,051,308.97	0.00	1,051,308.97	100.0%	1,051,308.97	0.00	1,051,308.97	100.0%	1,051,308.97	0.00	1,051,308.97	100.0%
4220 · Non-Ag Pool-Replenishment	19,383.24	0.00	19,383.24	100.0%	19,383.24	0.00	19,383.24	100.0%	19,383.24	0.00	19,383.24	100.0%
4225 · Interest Income	2,086.41	0.00	2,086.41	100.0%	6,284.53	0.00	6,284.53	100.0%	6,284.53	0.00	6,284.53	100.0%
4226 · LAIF Fair Market Value	-137.87	0.00	-137.87	100.0%	-137.87	0.00	-137.87	100.0%	-137.87	0.00	-137.87	100.0%
4500 · Groundwater Sales	0.00	0.00	0.00	0.0%	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	1,072,640.75	0.00	1,072,640.75	100.0%	3,616,838.87	0.00	3,616,838.87	100.0%	3,616,838.87	0.00	3,616,838.87	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%	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.	87,128.00	0.00	87,128.00	100.0%	87,128.00	0.00	87,128.00	100.0%	87,128.00	0.00	87,128.00	100.0%
9997 · Refund-Excess Reserves-NonAg	3,182.00	0.00	3,182.00	100.0%	3,182.00	0.00	3,182.00	100.0%	3,182.00	0.00	3,182.00	100.0%
9998 · Refund-Recharge Debt-Approp.	345,914.00	0.00	345,914.00	100.0%	345,914.00	0.00	345,914.00	100.0%	345,914.00	0.00	345,914.00	100.0%
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	436,224.00	0.00	436,224.00	100.0%	2,976,224.00	0.00	2,976,224.00	100.0%	2,976,224.00	0.00	2,976,224.00	100.0%
Net Other Income	636,416.75	0.00	636,416.75	100.0%	640,614.87	0.00	640,614.87	100.0%	640,614.87	0.00	640,614.87	100.0%
Net Income	4,799,899.21	-1,012,037.00	5,811,936.21	-474.28%	2,255,332.94	-1,872,937.85	4,128,270.79	-120.42%	2,255,332.94	-1,872,937.85	4,128,270.79	-120.42%

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

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. GENERAL MANAGER CONTRACT AMENDMENT



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: August 25, 2016
TO: Board Members
SUBJECT: General Manager Employment Contract Amendment #2 (Consent Calendar Item I.C.)

SUMMARY

Issue: During its July 28, 2016 meeting, the Watermaster Board approved a change to the terms of the General Manager's employment and gave direction to Legal Counsel to prepare a written amendment reflecting the change.

Recommendation: Approve the Amendment #2 as written, authorize the Board Chair to execute on behalf of the Board, and approve the Pay Schedule effective July 1, 2016 as attached.

Financial Impact: The change to the General Manager's contract has been included in the Approved FY 2016/17 budget.

Future Consideration

Watermaster Board: August 25, 2016; Approval [Within WM Duties and Powers]

ACTIONS:

August 25, 2016 – Watermaster Board –

BACKGROUND

The General Manager's employment terms are described in the June 30, 2014 Employment Agreement (Attachment 1) and may be modified from time to time by agreement among the General Manager and the Watermaster Board.

DISCUSSION

During its July 28, 2016 meeting, the Watermaster Board unanimously voted to approve an increase in the General Manager's base salary by 3%; and directed Legal Counsel to prepare a contract amendment reflecting this change.

The proposed amendment is attached (Attachment 2) for the Board's consideration.

The Pay Schedule (Attachment 3) is being updated in accordance with CalPERs regulations.

ATTACHMENTS

1. General Manager's Employment Agreement, dated June 30, 2014 and Amendment #1, dated July 23, 2015
2. Proposed Amendment #2 to Employment Agreement
3. Pay Schedule Effective July 1, 2016 (Amended August 25, 2016)

AMENDMENT NUMBER 1
TO
EMPLOYMENT AGREEMENT

GENERAL MANAGER

THIS AMENDMENT NUMBER 1 (this "Amendment") is executed and entered into as of July 23, 2015, by and between Chino Basin Watermaster ("Watermaster") and Peter Kavounas ("Executive"). Capitalized terms used in this Amendment, but not defined herein, shall have the meanings given to them in the Agreement.

RECITALS

WHEREAS, Watermaster and Executive entered into an Employment Agreement, effective as of June 30, 2014 (the "Agreement"); and

WHEREAS, by its terms, the Agreement expires on June 30, 2017; and

WHEREAS, Section 2(a) of the Agreement expressly allows for the Employment Term to be extended by mutual agreement of Watermaster and Executive; and

WHEREAS, Section 13(f) of the Agreement provides that the terms of the Agreement may be amended upon the mutual written agreement of Watermaster and Executive; and

WHEREAS, Watermaster desires to continue to employ Executive as its General Manager but wishes to amend certain terms of the Agreement; and

WHEREAS, Executive desires to continue to serve as General Manager of Watermaster, and agrees to Watermaster's proposed amendments to the Agreement;

NOW, THEREFORE, in consideration of the mutual terms, covenants, and conditions stated in this Amendment, Watermaster and Executive hereby agree to amend the Agreement as follows:

AMENDMENT

1. The introductory paragraph of Section 2, "Term of Employment," of the Agreement is hereby amended in its entirety to read as follows:

2. **Term of Employment:** The term of employment pursuant to this Agreement will commence on July 1, 2014, and will continue thereafter for four (4) years, unless earlier terminated pursuant to Section 9 below (the "Employment Term"). The Employment Term may be extended by mutual agreement of the parties.

Sections 2.a. and 2.b. of the Agreement shall remain unchanged.

2. Section 5.h. of the Agreement is hereby amended in its entirety to read as follows:

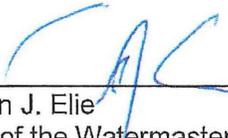
- h. **Nonqualified Deferred Compensation Plan.** The Watermaster agrees to establish and maintain, subject to applicable laws, a nonqualified deferred compensation plan (the "NQDC Plan") through which Executive, and possibly other eligible employees, may defer compensation and may

receive allocations of employer contributions. On June 30, 2015, the Watermaster made an employer contribution of four thousand seven hundred fifty dollars and twenty-seven cents (\$4,750.27) to the NQDC Plan for the benefit of Executive for the 12 consecutive month period from July 1, 2014 to June 30, 2015. For each of Watermaster's regular payroll periods beginning on and after July 1, 2015 during the remainder of the Employment Term, the Watermaster agrees to make an employer contribution to the NQDC Plan for the benefit of Executive equal to eight percent (8%) of Executive's salary (the sum of Executive's Base Salary and any COLA pursuant to section 5.a. and any CalPERS increase pursuant to section 5.g.) paid during that payroll period plus incentive compensation paid to Executive during that payroll period; *provided, however*, that Executive is employed by the Watermaster on the payday of that payroll period. For the avoidance of doubt, the Watermaster will have no obligation to make, and Executive shall forfeit all rights to, contributions to the NQDC Plan for any payroll period with its payday occurring after Executive's termination from employment with the Watermaster, or the remainder of the Employment Term after Executive's termination from employment with the Watermaster. Any contributions made to the NQDC Plan shall be subject to the terms and conditions of the NQDC Plan, including but not limited to the substantial risk of forfeiture provisions in addition to the time and form of payment provisions.

3. Except as amended above, each and every provision of the Agreement, as it may have been previously amended, shall remain in full force and effect without change or modification.
4. Any inconsistent provision of the Agreement, as it previously may have been amended (including but not limited to cross-references) shall be read to be consistent with this Amendment and its purposes.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

CHINO BASIN WATERMASTER



By: Steven J. Elie
Chairman of the Watermaster Board

EXECUTIVE



Peter Kavounas

EMPLOYMENT AGREEMENT

GENERAL MANAGER

This Employment Agreement ("Agreement") is effective as of June 30, 2014 (the "Effective Date"), by and between Chino Basin Watermaster (the "Watermaster") and Peter Kavounas ("Executive") with reference to the following facts and intentions:

WHEREAS, the Watermaster has been employing Executive as its General Manager ("GM") pursuant to an Employment Agreement dated as of September 4, 2012, as amended by letter dated January 3, 2013 and an Employment Agreement dated as of August 22, 2013 (together, the "Original Employment Agreements"); and

WHEREAS, the Watermaster desires to continue to employ Executive as its GM on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions stated in this Agreement, the Watermaster and Executive hereby agree as follows:

1. **Employment:** The Watermaster hereby employs Executive, and Executive hereby accepts employment with, the Watermaster as GM. During the Employment Term (as hereinafter defined), Executive will have the title, status, and duties of GM, an exempt position, and will report directly to the Watermaster Board of Directors ("Board").
2. **Term of Employment:** The term of employment pursuant to this Agreement will commence on July 1, 2014, and will continue thereafter for three (3) years, unless earlier terminated pursuant to Section 9 below (the "Initial Employment Term" and, together with any extensions, the "Employment Term"). The Employment Term may be extended by mutual agreement of the parties.
 - a. **General:** As GM, Executive serves at the pleasure of the Board. Subject to the provisions of Section 9 below, although the Watermaster may choose to terminate Executive's employment for cause, the Watermaster is not required to have cause to terminate this Agreement or Executive's employment. No one other than the Board has the authority to alter this arrangement or to make any agreement contrary to the terms of this Section. Furthermore, any such agreement or arrangement must be in writing and must be signed by the Chairman of the Board.
 - b. **Annual Review:** The Board shall arrange for an annual review of Executive's work performance, using such forms and procedures as the Board determines appropriate.
3. **Scope of Duties:** During the Employment Term:
 - a. Subject to the control and direction of the Board, the GM provides day-to-day leadership for the Watermaster and is directly responsible to the Board on all matters pertaining to the administration and operations of the Chino Groundwater Basin ("Basin") under the provisions of the 1978 basin

adjudication Judgment and the Optimum Basin Management Program. The GM is responsible for overseeing the operating budget and the other employees of the Watermaster. The GM must keep the Board, through the Advisory Committee process, apprised of all applicable federal, state, regional and local policies regulating Watermaster activities. (Collectively, these duties are referred to as the "Services".)

- b. Executive will devote his full time and best efforts, talents, knowledge and experience to performing the Services. However, Executive may, and is in fact encouraged to, devote reasonable time to activities involving professional, educational, and similar types of activities, speaking engagements and membership on other boards for the purposes of raising the profile of Executive and the Watermaster locally, regionally and nationally, provided such activities do not interfere in any material way with the business of the Watermaster. Notwithstanding the foregoing, Executive may not serve on the board of directors of another organization without the Board's written consent, which consent may not be unreasonably withheld by the Board.
 - c. Executive will perform his duties diligently and competently and shall act in compliance with all applicable laws and in conformity with the Watermaster's written and oral policies and within the limits, budgets and business plans set by the Board. Executive will at all times during the Employment Term strictly adhere to and obey all of the rules and regulations in effect from time to time relating to the conduct of executives of the Watermaster. Executive shall not engage in consulting work or any trade or business for his own account or for on or behalf of any other person, firm or company that competes, conflicts or interferes with the performance of his duties hereunder in any material way.
4. **Hours of Work:** Executive's hours of work will vary depending on the Services to be performed and the time and effort necessary to competently perform the Services. As general guidance, normal work hours will begin at 8:00 a.m. Monday through Friday.
 5. **Compensation and Benefits:** During the Employment Term, the Watermaster shall provide to Executive, and Executive shall accept from the Watermaster as full compensation for Executive's services hereunder, compensation and benefits as set forth below. The compensation set forth below is full payment for the Services, and Executive shall receive no additional compensation for extraordinary services unless otherwise authorized in writing. The Watermaster has no obligation to provide any employee benefit programs whether or not provided for in this Agreement.
 - a. **Base Salary:** The Watermaster shall pay Executive an annual Base Salary of Two Hundred Twenty-Nine Thousand Seven Hundred Ninety Dollars and Eight Cents (\$229,790.08) per annum, less applicable

withholdings. Additionally, consistent with its policy, Watermaster will pay both the employer and Executive's employee contributions to the California Public Employees Retirement System ("CalPERS") as further described in section 5.g, below. The Board, or such committee of the Board as is responsible for setting the compensation of Watermaster employees, may review Executive's performance and Base Salary, and determine whether to adjust Executive's Base Salary on a prospective basis. Executive also shall be entitled to receive such Cost of Living Adjustments ("COLAs") as may be approved from year to year by the Board. The Watermaster shall pay Executive's Base Salary according to the applicable payroll practices in effect for all Watermaster employees.

- b. **Incentive Compensation:** On an annual basis, at the time of Executive's annual performance review, the Board will consider whether to provide Executive additional compensation in the form of incentive pay to recognize and encourage superior work performance by Executive, which additional compensation is in the sole discretion of the Board and subject to the terms and conditions imposed by the Board. The time and form of payment of any such incentive compensation shall be set forth in and made in accordance with the documentation relating to such incentive compensation.
- c. **Insurance:** Following any required waiting period and subject to the terms thereof, the Watermaster shall provide Executive medical, dental, vision, and related insurance benefits in the total amount and manner as provided other similarly-situated Watermaster employees.
- d. **Vacation:** Executive will earn twenty days (*i.e.*, 160 hours) of vacation per year, accrued pro rata on each bi-weekly paycheck. Unused vacation time may carry over to the following year, provided however, that at no time shall Executive accrue more than forty days (*i.e.*, 320 hours) total of vacation time. Once Executive reaches the maximum accrual, no further accrual will be allowed unless and until Executive utilizes accrued vacation such that his balance drops below the maximum accrual.
- e. **Administrative Leave and Floating Holidays:** Executive shall be allowed 40 hours per year of administrative leave ("Administrative Leave") accrued pro rata on each bi-weekly paycheck, to be used at Executive's discretion. Administrative Leave is in addition to the above-referenced vacation. Pursuant to Watermaster's employee policy, Executive is also provided 16 hours (two days) per year of floating holiday time. Unused Administrative Leave and floating holiday time may carry over to the following year, provided however, that at no time shall Executive accrue more than 112 hours total of Administrative Leave and floating holiday time. Once Executive reaches the maximum accrual, no further accrual will be allowed unless and until Executive utilizes accrued Administrative

Leave or floating holiday time such that his balance drops below the maximum accrual.

f. Sick Leave: Executive shall be allowed sick leave in accordance with Watermaster policy and as provided to other similarly-situated Watermaster employees.

g. CalPERS: In order to comply with the Public Employees' Pension Reform Act of 2013 ("PEPRA"), Executive has been or shall be enrolled in the 2.5% @ 55 Public Employees Retirement System and shall be subject to such terms and conditions as the Watermaster may contract for with CalPERS or may otherwise impose, including the following:

(i) From July 1, 2014 through June 30, 2015, Executive will contribute an additional three percent (3%) of the CalPERS Retirement contribution, bringing the contribution rate being paid by Executive to six percent (6%). To assist in the drop in "take home" pay, an increase in base compensation of two-and-one-half percent (2.5%) will be provided effective July 1, 2014. During this period, Executive shall receive one additional floating Holiday day to be used to offset the vacation needed to cover time off when the Watermaster office is closed between the Christmas and New Year holidays.

(ii) Effective July 1, 2015, Executive will contribute an additional two percent (2%) of the CalPERS Retirement contribution, bringing the contribution rate being paid by Executive to eight percent (8%). To assist in the drop in "take home" pay, an increase of in base compensation of one-and-one-half percent (1.5%) will be provided effective July 1, 2015.

h. Nonqualified Deferred Compensation Plan. The Watermaster agrees to establish and maintain, subject to applicable laws, a nonqualified deferred compensation plan (the "NQDC Plan") through which Executive, and possibly other eligible employees, may defer compensation and may receive allocations of employer contributions. For each 12 consecutive month period during the Initial Term, the Watermaster agrees to make an employer contribution to the NQDC Plan for the benefit of Executive in an amount equal to two percent (2%) of Executive's salary (the sum of executive's Base Salary and any COLA pursuant to section 5.a. and any CalPERS increase pursuant to section 5.g.) plus incentive compensation paid during that 12 month period, provided that Executive is employed on the last day of that 12 month period (i.e., June 30, 2015, June 30, 2016 and June 30, 2017). Any employer contribution made to the NQDC Plan shall be subject to the terms and conditions of the NQDC Plan, including

but not limited to the substantial risk of forfeiture provisions in addition to the time and form of payment provisions.

- i. Notwithstanding the provisions of this Agreement, the Watermaster fully reserves the right, in its sole discretion, to amend, modify or terminate any and/or all employee benefit plans or programs at any time and from time to time and the Watermaster will be under no obligation to institute or continue the existence of any employee benefit plan or program.
6. **Personnel Policies:** Except as otherwise provided herein, Executive shall be subject to the personnel policies of the Watermaster, and any amendments or revisions thereto, including but not limited to those relating to sick leave, holidays, retirement and leaves of absence. In the event of a conflict between this Agreement and the personnel policies of the Watermaster, this Agreement shall control.
 7. **Vehicle Use:** Executive acknowledges that he will utilize his personal vehicle in connection with the performance of the Services. The Watermaster shall provide Executive with a monthly car allowance in the amount of \$600, prorated for partial months of service. The Watermaster shall account for this in an appropriate manner for tax purposes. Executive shall procure and maintain in full force and effect during his employment with the Watermaster automobile liability insurance covering all personal vehicles that are operated by Executive in connection with the performance of the Services in a reasonable amount acceptable to the Watermaster. Executive shall provide the Watermaster with a certificate of insurance evidencing the above coverage and listing the Watermaster as an additional insured under the insurance policy(ies). Such vehicle insurance policy or policies shall provide thirty days' advance written notice to the Watermaster of any change or cancellation of such insurance. Executive shall operate any vehicle used in connection with the Services in a safe manner, and shall maintain a valid California automobile driver's license during the term of this Agreement. Failure to maintain the insurance coverage or driver's license required under this Section shall constitute a material breach of this Agreement.
 8. **Reimbursable Expenses:** Expenses incurred by Executive in the performance of the Services, including mileage expense at the standard then-applicable Internal Revenue Service rate, shall be reimbursed to Executive by the Watermaster, but these shall be limited to those reasonable and necessary for the performance of Executive's duties under this Agreement, and shall be submitted for approval and reimbursement to the Board upon such forms and with receipts and other evidence as may be reasonably required by the Board.
 9. **Termination:** This Agreement may be terminated effective immediately, with or without cause, upon written notice by the Watermaster to Executive. Executive's rights upon termination are as follows:

- a. **Termination without Cause:** In the event Executive's employment is terminated without cause, if Executive executes a general release of known and unknown claims in favor of the Watermaster in a form acceptable to the Watermaster (as provided below), the Watermaster:
- i. will pay Executive (in addition to accrued compensation, accrued unused vacation time and Administrative Leave time, and reimbursement of expenses incurred through the termination date) severance pay in the amount of six (6) months of his then-current base compensation, less applicable withholdings, to be paid in a single lump sum cash payment on the 53rd day after termination of Executive's employment (the "Severance Pay"), and
 - ii. shall reimburse Executive for applicable COBRA premiums covering Executive's insurance described in Section 5(c), for a period of up to six (6) months, upon receipt of evidence from Executive that he has procured timely and paid for such COBRA coverage (the "COBRA Reimbursement Period").

The Severance Pay and the COBRA reimbursement referred to above are referred to collectively herein as the "Severance Compensation."

Executive's right to the Severance Compensation is subject to (i) Executive providing to the Watermaster a valid, irrevocable release signed by Executive no later than the 53rd day after termination of Executive's employment and (ii) Executive being in compliance with the terms of the release agreement. In the event that the Watermaster has not received a valid, irrevocable release signed by Executive on or before the 53rd day after termination of Executive's employment or Executive is not in compliance with the terms of the release agreement, Executive shall forfeit and have no right to receive, and the Watermaster shall have no obligation to pay, the Severance Compensation or any portion thereof.

Executive understands that the COBRA Reimbursement Period runs concurrently with and does not extend the period of COBRA continuation coverage for which he and any of his dependents who are Qualified Beneficiaries (as defined in 26 U.S.C. section 4980B(g)(1) and 29 U.S.C. section 1167(3)) otherwise may be eligible. At the end of the COBRA Reimbursement Period, Executive and each of his Qualified Beneficiaries shall be eligible to continue to purchase COBRA continuation coverage at the full, unreduced premium rate applicable to COBRA continuation coverage for the remainder of the applicable COBRA continuation coverage period; provided, however, the required premiums are timely paid.

- b. **Termination for Cause:** In the event Executive's employment is terminated for cause as defined herein, Executive shall be entitled to receive only accrued compensation, payout of accrued unused vacation

time and Administrative Leave, and reimbursement of expenses incurred through the date of termination, and shall not be entitled to any Severance Compensation or further salary or benefits. For purposes of this Agreement, cause for termination includes, without limitation, the following: Executive's death or inability to perform the Services due to disability; theft or attempted theft; material dishonesty or breach of fiduciary duty to the Watermaster; willful or persistent material breach of duties; breach of this Agreement or material breach of Watermaster policies and procedures; engaging in discrimination or harassment of employees or any third party while on Watermaster premises, business or time; conduct that threatens public health or safety, or threatens to do immediate or substantial harm to the Watermaster's business or reputation; conviction of a felony or crime of fraud or moral turpitude; and unauthorized absence for more than three consecutive days. The Watermaster's exercise of its right to terminate under this Section shall be without prejudice to any other remedy to which the Watermaster may be entitled at law, in equity, or under this Agreement.

10. Covenant to Deliver Records, Property and Information. All documents, memoranda, notes, information and other tangible or intangible property (including all copies and electronic or digital files thereof) relating in any way to the Services and the Watermaster's business (including but not limited to Confidential Information) that Executive conceives, generates, obtains or compiles, or that are made available to Executive during the Employment Term, are and will remain the exclusive property of the Watermaster. Executive agrees to return all such information, including all copies, summaries, compilations, reproductions, and computer data records thereof, as well as all tangible property of the Watermaster, including computers, thumb drives, memory sticks, jump drives, external hard drives, disks, and other external storage devices, to the Watermaster immediately upon the termination of this Agreement or at such earlier time as the Watermaster may request. Executive also agrees to certify in the form that the Watermaster requests the permanent and complete removal of all such information from Executive's personal electronic devices and personal accounts, including but not limited to hard drives on personal computers, external hard drives, BlackBerries, SmartPhones, cell phones, voicemail, file storing accounts and personal email accounts, upon termination of employment or at such earlier time as the Watermaster may request. The requirements of this Section shall survive termination of this Agreement for any reason.

11. Conflict of Interest: Executive represents and warrants to the Watermaster that he presently has no interest, and covenants that he will not acquire any interests, direct or indirect, financial or otherwise, that would conflict in any manner or interfere with the performance of the Services. Executive shall comply with the Watermaster's Conflict of Interest policy, as it may be updated from time to time.

12. Tax Consequences; Code Section 409A:

- a. Executive understands and agrees that he is solely responsible for any and all taxes due as a result of any compensation, including Severance Compensation, provided hereunder. The Watermaster has provided no tax advice to Executive in connection with this Agreement and/or any other compensation or benefits being provided to Executive, and Executive is hereby advised to seek tax advice from his own tax advisors regarding this Agreement and compensation payments and benefits that may be provided hereunder. Executive is specifically advised to consult with his tax advisors regarding the application of the provisions of Section 409A of the Internal Revenue Code of 1986, as it may be amended from time to time ("Section 409A"). In no event shall the Watermaster be liable for any additional tax, interest, or penalties that may be imposed upon Executive as a result of Section 409A, or any damages for failing to comply with Section 409A, nor shall the Watermaster have any obligation with respect to any tax obligation of Executive as a result of or attributable to this Agreement or the compensation and benefits contemplated hereunder.
- b. The compensation and benefits contemplated hereunder are intended to be exempt from the requirements of Section 409A, and this Agreement shall be construed and administered in accordance with such intent.
- c. In the event the Watermaster determines that any compensation or benefit payable hereunder may be subject to the requirements of Section 409A, the Watermaster (without any obligation to do so or obligation to indemnify Executive for any failure to do so) may adopt, without the consent of Executive, such amendments to this Agreement or take any other actions that the Watermaster in its sole discretion determines are necessary or appropriate for such compensation or benefit to either (a) be exempt from the requirements of Section 409A or (b) comply with the requirements of Section 409A.
- d. Whenever a payment under this Agreement specifies a payment period, the actual date of payment within such specified period shall be within the sole discretion of the Watermaster, and Executive shall have no right (directly or indirectly) to determine the year in which such payment is made. In the event a payment period straddles two consecutive calendar years, the payment shall be made in the later of such calendar years.
- e. No compensation or benefit that is subject to the requirements of Section 409A and that is payable upon Executive's termination of employment shall be paid unless Executive's termination of employment constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h).

- f. All expenses or other reimbursements paid pursuant to this Agreement that are taxable income to Executive shall in no event be paid later than the end of the calendar year next following the calendar year in which Executive incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to payment or reimbursement or in-kind benefits shall not be subject to liquidation or exchange for any other benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that the foregoing clause (ii) shall not be violated by any lifetime and other annual limits provided under the Watermaster's health plans and (iii) such payments shall be made on or before the last day of the taxable year following the taxable year in which the expense occurred.

13. General Provisions:

- a. **Notices:** All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if personally served, or on the first day after mailing if mailed by FedEx or a similar overnight delivery service, or on the second day after mailing if mailed by first-class mail, registered or certified, return receipt requested, postage prepaid and properly addressed as follows:

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

With Copy to: Brownstein Hyatt Farber Schreck, LLP
1020 State Street
Santa Barbara, CA 93101
Attn: Scott S. Slater

Executive: Peter Kavounas
26507 Mistletoe Court
Valencia, CA 91355

Either party may change its address for the purpose of this paragraph by giving the other party written notice of the new address in the above manner.

- b. **Waiver:** No waiver of a provision of this Agreement shall constitute a waiver of any other provision, whether or not similar. No waiver shall

constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

- c. **Construction of Terms:** All parts of this Agreement shall in all cases be construed according to their plain meaning and shall not be construed in favor or against either of the parties. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, the remainder of this Agreement shall remain in full force and effect and shall not be affected, impaired or invalidated hereby. In the event of such invalidity, voidness or unenforceability, the parties hereto agree to enter into supplemental agreements to effectuate the intent of the parties and the purposes of this Agreement.
- d. **Severability.** If any term, provision, covenant, paragraph, or condition of this Agreement is held to be invalid, illegal, or unenforceable by any court or arbitrator of competent jurisdiction, as to such jurisdiction that provision shall be limited (“blue-penciled”) or eliminated to the minimum extent necessary so this Agreement shall otherwise remain enforceable in full force and effect. To the extent such provision cannot be so modified, the offending provision shall, as to such jurisdiction, be deemed severable from the remainder of this Agreement, and the remaining provisions contained in this Agreement shall be construed to preserve to the maximum permissible extent the intent and purposes of this Agreement.
- e. **Controlling Law; Venue:** This Agreement shall be construed in accordance with, and be governed by, the laws of the State of California, with venue proper only in San Bernardino County, State of California.
- f. **Entire Agreement and Amendment:** In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and supersedes all prior agreements between the parties, written or oral, express or implied, expressly including the Original Employment Agreement. There have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. 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 their future right to claim, contest or assert that this Agreement was modified, cancelled, superseded or changed by any oral agreement, course or conduct, waiver or estoppel.

- g. **Counterpart Copies:** This Agreement may be signed in counterpart copies, each of which shall represent an original document, and all of which shall constitute a single document.
- h. **Assistance of Counsel:** Executive expressly acknowledges that he had the opportunity to consult with counsel of his own choosing in connection with the negotiation and drafting of the terms of this Agreement, and that he, in fact, consulted with an attorney and negotiated the terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

CHINO BASIN WATERMASTER



By: Robert Craig
Chairman of the Watermaster Board

EXECUTIVE



Peter Kavounas

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AMENDMENT NUMBER 2
TO
EMPLOYMENT AGREEMENT
GENERAL MANAGER

THIS AMENDMENT NUMBER 2 (this “Amendment”) is executed and entered into as of August __, 2016, by and between Chino Basin Watermaster (“Watermaster”) and Peter Kavounas (“Executive”). Capitalized terms used in this Amendment, but not defined herein, shall have the meanings given to them in the Employment Agreement.

RECITALS

WHEREAS, Watermaster and Executive entered into an Employment Agreement, effective as of June 30, 2014 (the “Agreement”); and

WHEREAS, Watermaster and Executive executed a first amendment to the Agreement effective as of July 23, 2015; and

WHEREAS, Section 5(a) of the Agreement provides that the Watermaster Board of Directors (“Board”) may review Executive’s performance and base salary and determine whether to prospectively adjust Executive’s base salary; and

WHEREAS, Section 13(f) of the Agreement provides that the terms of the Agreement may be amended upon the mutual written agreement of Watermaster and Executive; and

WHEREAS, Watermaster desires to continue to employ Executive as its General Manager but wishes to amend certain terms of the Agreement; and

WHEREAS, Executive desires to continue to serve as General Manager of Watermaster, and agrees to Watermaster’s proposed amendments to the Agreement;

NOW, THEREFORE, in consideration of the mutual terms, covenants, and conditions stated in this Amendment, Watermaster and Executive hereby agree to amend the Agreement as follows:

AMENDMENT

1. Section 5.a. of the Agreement is hereby amended in its entirety to read as follows:
 - a. **Base Salary:** Effective July 1, 2016, the Watermaster shall pay Executive an annual Base Salary of Two Hundred Fifty-Nine Thousand Sixty-Seven Dollars and Sixty-Four Cents (\$259,067.64) per annum, less applicable withholdings. The Board, or such committee of the Board as is responsible for setting the compensation of Watermaster employees, may review Executive’s performance and Base Salary, and determine whether to adjust Executive’s Base Salary on a prospective basis. Executive also shall be entitled to receive such Cost of Living

Adjustments (“COLAs”) as may be approved from year to year by the Board. The Watermaster shall pay Executive’s Base Salary according to the applicable payroll practices in effect for all Watermaster employees.

2. Except as amended above, each and every provision of the Agreement, as it may have been previously amended, shall remain in full force and effect without change or modification.

3. Any inconsistent provision of the Agreement, as it previously may have been amended (including but not limited to cross-references) shall be read to be consistent with this Amendment and its purposes.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

CHINO BASIN WATERMASTER

By:
Chairman of the Watermaster Board

EXECUTIVE

By:
Peter Kavounas

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ATTACHMENT 3

CHINO BASIN WATERMASTER										Effective Date: July 1, 2016						
PAY SCHEDULE										Approved by Board:						
Revision Date: August 25, 2016																
POSITION	TYPE									MONTHLY						
										LOW	MEDIAN					HIGH
General Manager	1									\$16,915.52	\$17,761.30	\$18,649.37	\$19,581.83	\$20,560.93	\$21,588.97	\$22,500.00
Compliance, Reporting, & Special Projects Director	1									\$11,727.84	\$12,314.24	\$12,929.95	\$13,576.45	\$14,255.27	\$14,968.03	\$15,716.43
Chief Financial Officer	1									\$10,786.80	\$11,326.14	\$11,892.45	\$12,487.07	\$13,111.43	\$13,767.00	\$14,455.35
										HOURLY						
										MONTHLY						
		STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	
Sr. Environmental Engineer	3	\$47.56	\$49.93	\$52.43	\$55.05	\$57.80	\$60.69	\$63.73	\$8,242.96	\$8,655.11	\$9,087.86	\$9,542.26	\$10,019.37	\$10,520.34	\$11,046.35	
Water Resources Sr. Associate	3	\$36.23	\$38.04	\$39.95	\$41.94	\$44.04	\$46.24	\$48.56	\$6,280.35	\$6,594.36	\$6,924.08	\$7,270.29	\$7,633.80	\$8,015.49	\$8,416.26	
Water Resources Associate	3	\$27.93	\$29.33	\$30.80	\$32.34	\$33.95	\$35.65	\$37.44	\$4,842.00	\$5,084.10	\$5,338.30	\$5,605.22	\$5,885.48	\$6,179.75	\$6,488.74	
Sr. Field Operations Specialist	3	\$25.84	\$27.13	\$28.49	\$29.91	\$31.41	\$32.98	\$34.63	\$4,478.91	\$4,702.86	\$4,938.00	\$5,184.90	\$5,444.15	\$5,716.36	\$6,002.17	
Field Operations Specialist	3	\$21.96	\$23.06	\$24.22	\$25.43	\$26.70	\$28.03	\$29.43	\$3,807.07	\$3,997.43	\$4,197.30	\$4,407.16	\$4,627.52	\$4,858.90	\$5,101.84	
Executive Services Director / Board Clerk	3	\$45.81	\$48.10	\$50.50	\$53.03	\$55.68	\$58.46	\$61.38	\$7,939.66	\$8,336.64	\$8,753.47	\$9,191.15	\$9,650.70	\$10,133.24	\$10,639.90	
Sr. Accountant	3	\$29.32	\$30.79	\$32.33	\$33.94	\$35.64	\$37.42	\$39.29	\$5,082.30	\$5,336.41	\$5,603.23	\$5,883.40	\$6,177.56	\$6,486.44	\$6,810.77	
Accountant	3	\$24.92	\$26.17	\$27.48	\$28.85	\$30.29	\$31.81	\$33.40	\$4,319.95	\$4,535.95	\$4,762.75	\$5,000.88	\$5,250.93	\$5,513.48	\$5,789.15	
Administrative Assistant	3	\$21.88	\$22.97	\$24.12	\$25.32	\$26.59	\$27.92	\$29.32	\$3,791.94	\$3,981.54	\$4,180.62	\$4,389.65	\$4,609.13	\$4,839.59	\$5,081.56	
Office Specialist/Receptionist	3	\$18.61	\$19.54	\$20.52	\$21.54	\$22.62	\$23.75	\$24.94	\$3,225.73	\$3,387.01	\$3,556.37	\$3,734.18	\$3,920.89	\$4,116.94	\$4,322.78	
Classifications:																
Type 1: Exempt - Executive Management																
Type 2: Exempt - Mid-Management/Supervisor																
Type 3: Non-Exempt (Operations)																
Type 3: Non-Exempt (Administration)																

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

D. OBMP SEMI-ANNUAL STATUS REPORTS 2014-2 AND 2015-1



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: August 25, 2016
TO: Board Members
SUBJECT: Semi-Annual Optimum Basin Management Program Status Reports 2014-2 and 2015-1
(Consent Calendar Item I.D.)

SUMMARY

Issue: Watermaster produces the Semi-Annual Optimum Basin Management Program (OBMP) Status Reports. The reports for the period July to December 2014 and January to June 2015 have been drafted.

Recommendation: Adopt the Semi-Annual OBMP Status Report 2014-2 and 2015-1, along with filing a copy with the Court, subject to any necessary non-substantive changes.

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

Future Consideration

Watermaster Board: August 25, 2016 – Adopt the Semi-Annual OBMP Status Reports 2014-2 and 2015-1, along with filing a copy with the Court, subject to any necessary non-substantive changes [Discretionary Function]

ACTIONS:

Appropriative Pool: August 11, 2016 – Unanimously recommended Advisory Committee to recommend to the Board to adopt Semi-Annual OBMP Status Reports 2014-2 and 2015-1, along with filing a copy with the Court, subject to any necessary non-substantive changes.

Non-Agricultural Pool: August 11, 2016 – Unanimously directed representatives to support at Advisory Committee and to recommend Board adoption of Semi-Annual OBMP Status Reports 2014-2 and 2015-1, along with filing a copy with the Court, subject to any necessary non-substantive changes, and subject to any changes they deem necessary.

Agricultural Pool: August 11, 2016 – Unanimously recommended to the Advisory Committee to recommend to the Board to adopt Semi-Annual OBMP Status Reports 2014-2 and 2015-1 with the change to 2014-2 as noted, along with filing a copy with the Court, subject to any necessary non-substantive changes.

August 18, 2016 – Advisory Committee – Unanimously recommended Board adoption, along with filing a copy with the Court, subject to any necessary non-substantive changes.

August 25, 2016 – Watermaster Board –

BACKGROUND

Semi-Annual OBMP Status Report 2014-2 covers the period from July to December 2014; Semi-Annual OBMP Status Report 2015-1 covers the period from January to June 2015. The reports describe work conducted, and the current status of the nine Program Elements of the Optimum Basin Management Program during the six-month period.

DISCUSSION

At the Agricultural Pool meeting on August 11, 2016, the State of California requested that reference to the California Institution for Men (CIM) is removed from page 10, under "Other Water Quality Issues" of Semi-Annual Report 2014-2. The State indicated that the Regional Water Quality Control Board discontinued the monitoring requirement and issued a "no further action" letter. The CIM reference has since been removed.

Semi-Annual OBMP Status Reports 2014-2 and 2015-1 have been drafted with the edit as noted above. Once adopted by the Board, the Semi-Annual OBMP Status Reports will be filed with the Court.

ATTACHMENTS

1. Semi-Annual Optimum Basin Management Program Status Report 2014-2
2. Semi-Annual Optimum Basin Management Program Status Reports 2015-1

Optimum Basin Management Program

Staff Status Report 2014-2: July to December 2014



CHINO BASIN WATERMASTER

Optimum Basin Management Program

Highlighted Activities

- As a requirement of Mitigation Measure 4.4-3 from the Peace II Subsequent Environmental Impact Report (SEIR), Watermaster, Inland Empire Utilities Agency (IEUA) and Orange County Water District (OCWD) continued to develop a Prado Basin Habitat Sustainability Program (PBHSP). Included within this program will be the Prado Basin Habitat Sustainability Adaptive Management Plan, the installation of 17 monitoring wells at nine separate sites, and vegetation monitoring. During this reporting period, property acquisition and permitting continued.
- Pursuant to the October 2013 Court Order authorizing Watermaster and IEUA to implement the 2013 Amendment to the 2010 Recharge Master Plan Update (2013 RMPU), Watermaster and IEUA have begun implementation. During the reporting period, Watermaster and IEUA continued a process to develop agreements to construct the storm and supplemental water recharge projects listed in Table 8-2c of the 2013 RMPU report, prioritize the construction of these projects relative to the availability of grant funding, and to plan subsequent implementation. Watermaster and IEUA meet monthly to review progress and advance implementation.
- Watermaster and IEUA continued work on the Turner Basins/Guasti Park Recharge Expansion Project in Management Zone (MZ) 2. After completion in 2015, the expansion project is projected to recharge an additional 300 acre-feet of storm runoff annually.
- During the reporting period, approximately 5,235 acre-feet of stormwater, 4,781 acre-feet of recycled water, and no imported water were recharged in the Chino Basin.
- Development and planning continues between the Chino Desalter Authority (CDA) and Watermaster to expand the Chino Desalters to an ultimate production capacity of 40,000 acre-feet per year. Equipping of two wells in the Chino Creek Well Field (CCWF), wells I-20 and I-21, was initiated and the wells are planned to begin producing in 2015. Three additional wells are being planned for construction to provide raw water to the Chino I Desalter; these wells are required to meet the maximum-benefit commitment to produce a total 40,000 acre-feet per year from the combined desalter well fields. The location of two of the wells has been determined, and the location for a third well is still being evaluated. Property acquisition for the two known well sites is in progress.
- Pursuant to the MZ-1 Subsidence Management Plan (MZ-1 Plan), Watermaster's subsidence management plan, if data from existing monitoring efforts in the locations called Areas of Subsidence Concern indicate the potential for adverse impacts due to subsidence, Watermaster will revise the MZ-1 Plan. During this reporting period, Watermaster prepared an outline for the update to the MZ-1 Plan and a draft Work Plan to Develop the Subsidence Management Plan for the Northwest MZ-1 Area, which was identified as an area of concern in the 2013 Annual Report of the Land Subsidence Committee (LSC).
- Watermaster began its evaluation of the Safe Yield in 2013. During this reporting period, Watermaster staff developed estimates of the Safe Yield based on present and future expected cultural conditions and reported on this work at the July Watermaster process meetings; and presented this information in great detail at a special September 16, 2014 Watermaster Board workshop. Based on the work by Watermaster staff, and discussions following the September 2014 Board workshop and at the Advisory Committee's recommendation, the Watermaster Board advised the parties to enter into a facilitated process to develop an agreement to implement the recalculated Safe Yield.

Important Court Hearings and Orders

- JULY 14, 2014 -
NOTICE OF RULING RE OVERLYING (NON-AGRICULTURAL) POOL COMMITTEE'S MOTION REGARDING AMENDMENT TO THE JUDGMENT RELATING TO QUORUM AND VOTING OF THE NON-AGRICULTURAL (OVERLYING) POOL COMMITTEE
- AUGUST 25, 2014 -
NOTICE OF RULING RE AMENDMENTS TO JUDGMENT AND RULES AND REGULATIONS REGARDING COMPENSATION OF WATERMASTER BOARD MEMBERS
- DECEMBER 12, 2014 -
ORDER ON COURT APPROVAL OF TEMPORARY SUBSTITUTE RATE FOR PHYSICAL SOLUTION TRANSFERS UNDER EXHIBIT "G" TO THE JUDGMENT

Optimum Basin Management Program

Program Element 1: Develop and Implement a Comprehensive Monitoring Program

Groundwater Level Monitoring

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

The current groundwater-level monitoring program is comprised of about 1,000 wells. At about 900 of these wells, water levels are measured by well owners, which include municipal water agencies, the California Department of Toxic Substances Control (DTSC), the Counties, and various private consulting firms. Watermaster collects these water level data at least semi-annually. At the remaining 200 wells, water levels are measured by Watermaster staff using manual methods once per month or by using pressure transducers that record data once every 15 minutes. These wells are mainly Agricultural Pool wells or dedicated monitoring wells located south of the 60 freeway.

Groundwater Quality Monitoring

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

1. An Annual Key-Well Water-Quality Monitoring Program consisting of 110 wells, which are mostly privately-owned agricultural wells in the southern portion of Chino Basin that are otherwise not included in an established sampling program. Twenty of these wells are sampled every year, and the remaining wells are sampled once every three years. The wells sampled annually are for the continuous monitoring of areas of concern associated with the southern edge of the South Archibald Plume, the southern region of the Chino Airport Plume, and the Kaiser Steel Mill Plume, and includes two multi-port MZ-3 monitoring wells.
2. Annual sampling at nine HCMP multi-port monitoring wells strategically placed between the Chino Desalter well fields and the Santa Ana River. Results of the annual sampling are used to analyze the effect of desalter pumping over time on hydraulic control, by comparing water quality of the native groundwater and the Santa Ana River.
3. Quarterly sampling at four near-river wells to characterize the interaction between the Santa Ana River and nearby groundwater. These shallow monitoring wells along the Santa Ana River consist of two former US Geological Survey (USGS) National Water Quality Assessment Program wells (Archibald 1 and Archibald 2), and two wells (Well 9 and Well 11) owned by the Santa Ana River Water Company.
4. A cooperative basin-wide data-collection effort known as the Chino Basin Data Collection program, which relies on municipal producers and other government agencies to supply groundwater-quality data on a cooperative basis. These sources include the Appropriators, DTSC, Regional Water Quality Control Board (RWQCB), USGS, the Counties, and other cooperators.



Water Quality Sampling

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

Optimum Basin Management Program

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

Groundwater Production Monitoring

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

Surface Water Monitoring

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



Inline Water Flow Meter

Surface Water Monitoring in the Santa Ana River. Watermaster measures selected water quality parameters quarterly at two sites along the Santa Ana River (Santa Ana River at River Road and Santa Ana River at Etiwanda). Along with data collected at four near-river wells, these data are used to characterize the interaction between the Santa Ana River and nearby groundwater.

Hydraulic Control

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

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

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

In December 2013, Watermaster and IEUA submitted an updated *Maximum Benefit Monitoring Program Work Plan and Proposed Schedule for Achieving Hydraulic Control* to the RWQCB. The updated Work Plan states that Watermaster and IEUA will recalibrate the Chino Basin groundwater model every five years and use the model to estimate groundwater discharge from Chino-North to the Santa Ana River (i.e. annual underflow past the CCWF) and determine whether hydraulic control has been achieved. The new Work Plan was adopted by the RWQCB in April 2014.

Optimum Basin Management Program

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

In January 2014, in a letter to IEUA and Watermaster, the RWQCB confirmed that the model results indicated that hydraulic control would be achieved under the projected range of CCWF pumping. The RWQCB also requested that by May 31, 2014, IEUA and Watermaster submit a plan and schedule to increase desalter production capacity from 32,000 to 40,000 acre-feet per year. IEUA and Watermaster submitted the plan and schedule to the RWQCB on May 30, 2014 to install three new wells—one well location being provisional. In June 2014, the RWQCB accepted the plan, but requested that the final well locations be submitted to the RWQCB by June 30, 2015.

During this reporting period, Watermaster measured 486 manual water levels at 81 private wells throughout the Chino Basin, conducted downloads at about a 100 wells containing pressure transducers, and collected 29 groundwater-quality samples and four surface-water quality samples.

Prado Basin Habitat Sustainability Monitoring Program

A requirement of Mitigation Measure 4.4-3 from the Peace II SEIR is for Watermaster, IEUA and OCWD to develop an Adaptive Management Plan for the PBHSP. The objective of this plan is to ensure that the riparian habitat in Prado Basin is not adversely impacted by drawdown associated with the implementation of the Peace II activities. Sixteen monitoring wells at nine sites will be constructed as part of the monitoring program for the PBHSP. An Adaptive Management Plan will be developed which will describe an initial monitoring program and a process to modify the monitoring program and/or implement mitigation strategies, as necessary. During this reporting period, the PBHSP Committee continued to oversee the property acquisition and permitting for the monitoring wells, the Cone Penetration Testing at the nine well sites, the analysis of test results to assist with monitoring well design, and the preparation of the draft Adaptive Management Plan.

Chino Basin Groundwater Recharge Program

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

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

Monitoring Activities. Watermaster and IEUA collect weekly water quality samples from recharge basins that are actively recharging recycled water and from lysimeters installed within those recharge basins. During this reporting period, approximately 204 recharge basin and lysimeter samples were collected and 28 recycled water samples were collected for alternative monitoring plans that include the application of a correction factor for soil-aquifer treatment determined from each recharge basin's start-up period. Monitoring wells located down-gradient of the recharge basins were sampled quarterly at a minimum; however, some monitoring wells were sampled more frequently during the reporting period for a total of 98 samples.

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

- 2Q-2014 Quarterly Report, submitted to the RWQCB – August 2014
- 3Q-2014 Quarterly Report, submitted to the RWQCB – November 2014



Lower Day Basin

Optimum Basin Management Program

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

Land Surface Monitoring

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

- Continuing the scope and frequency of monitoring within the so-called Managed Area (southwest MZ-1) that was conducted during the period when the MZ-1 Plan was being developed.
- Expanding the monitoring of the aquifer system and land subsidence into other areas of MZ-1 and Chino Basin where the data indicate concern for future subsidence and ground fissuring.
- Monitoring of horizontal strain across the historical zone of ground fissuring.
- Evaluating the potential contribution of groundwater production in northern MZ-1 on conditions in southern MZ-1.
- Conducting additional testing and monitoring to refine the MZ-1 Guidance Criteria.
- Developing alternative pumping plans for the MZ-1 producers that are impacted by the MZ-1 Plan.
- Constructing and testing a lower-cost cable extensometer facility at Ayala Park.
- Evaluating and comparing ground-level surveying and Interferometric Synthetic Aperture Radar (InSAR), and recommending future monitoring protocols for both techniques.
- Conducting an aquifer storage recovery (ASR) feasibility study at a City of Chino Hills production well within the MZ-1 Managed Area (Well 16).
- Providing for recovery of groundwater levels in the MZ-1 Managed Area.

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

- The continuation of high-resolution water-level monitoring at wells within the Managed Area and across much of the western portion of Chino Basin. All monitoring equipment is inspected at least quarterly and is repaired and/or replaced as necessary. The data collected were checked and analyzed to assess the functionality of the monitoring equipment and for compliance with MZ-1 Plan.
- The continuation of monitoring and maintenance at the extensometer facilities at the Ayala Park, Chino Creek, and Daniels sites. The Daniels Horizontal Extensometer was repaired following flooding at the site.
- The collection of InSAR data from radar satellites during the reporting period, which will be analyzed for ground motion in early 2015.
- Assisting the City of Chino Hills in required quarterly reporting for its Department of Water Resources grant to support the ASR pilot test.

Program Element 2: Develop and Implement a Comprehensive Recharge Program

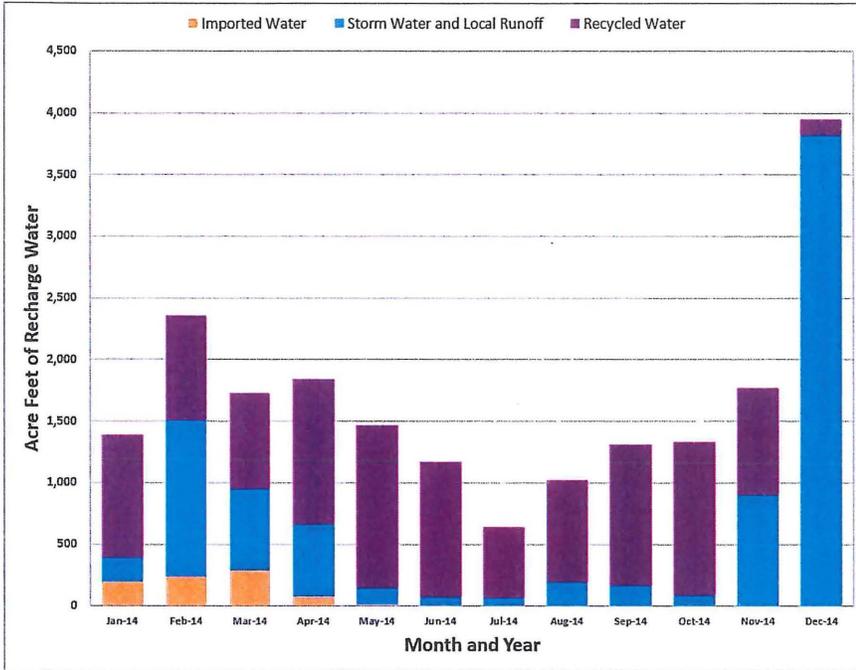
The average stormwater recharge of the Chino Basin Facilities Improvement Program facilities is approximately 13,000 acre-feet per year, the supplemental “wet”¹ water recharge capacity is approximately 60,600 acre-feet per year, and the in-lieu supplemental water recharge capacity ranges from 25,000 to 40,000 acre-feet per year. There is also a demonstrated well injection capacity of 5,600 acre-feet per year. Current total supplemental water recharge capacity ranges from 91,200 to 106,200 acre-feet per year which is greater than projected supplemental water recharge capacity required by Watermaster.

¹The modifier “wet” means actual physical water is being recharged in spreading basins as opposed to the dedication of water from storage or in-lieu recharge.

Optimum Basin Management Program

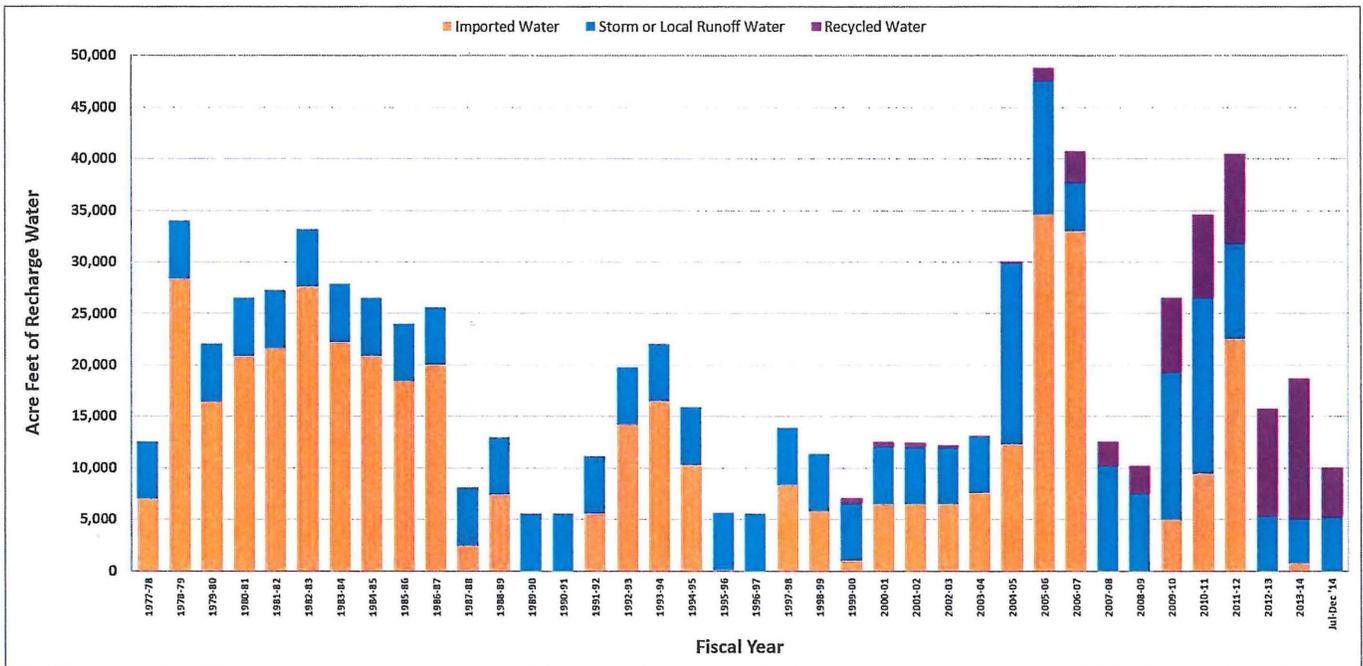
Program Element 2: Develop and Implement a Comprehensive Recharge Program (Continued)

Stormwater recharge during this reporting period was approximately 5,235 acre-feet. Recycled water recharge during this reporting period was approximately 4,781 acre-feet. No imported water was recharged during this reporting period. The IEUA and Watermaster recharge permit was amended in fiscal year 2009/10 to allow for underflow dilution and extended the dilution period from a running 60 months to a running 120 months. The significance of this permit amendment was to reduce the amount of imported and storm waters required for dilution. IEUA projects that dilution requirements will likely be met through 2019/20, even if no imported water were available for dilution.



The total amount of supplemental water recharged in MZ-1 since the Peace II Agreement through June 30, 2014 was approximately 44,446 acre-feet, which is slightly less than the 45,500 acre-feet required by June 30, 2014 (annual requirement of 6,500 acre-feet): the shortfall of 1,054 acre-feet was recharged in MZ-1 during the first half of fiscal year 2014/15. The amount of supplemental water recharged into MZ-1 during the reporting period was approximately 511 acre-feet.

Watermaster and IEUA continued work on the Turner Basins/Guasti Park Recharge Expansion Project in MZ-2. Following completion, anticipated in 2015, the expansion project is projected to recharge an additional 300 acre-feet of storm runoff annually. Watermaster and IEUA meet monthly on the Turner Basins/Guasti Park, Wineville Basin and other projects that are currently in a phase of design and construction.



Optimum Basin Management Program

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

Pursuant to the October 2013 Court Order authorizing Watermaster and IEUA to implement the 2013 RMPU, Watermaster and IEUA have begun implementation of the 2013 RMPU. During the reporting period, Watermaster and IEUA continued a process to develop agreements to construct the storm and supplemental water recharge projects listed in Table 8-2c of the 2013 RMPU, prioritize the construction of these projects relative to the availability of grant funding, and to plan subsequent implementation. Watermaster and IEUA meet monthly to review progress and advance implementation.

During the reporting period, Watermaster and IEUA continued to develop a series of projects outside of the 2013 RMPU effort that will increase stormwater and supplemental water recharge and have jointly agreed to fund these projects. Watermaster and IEUA staffs meet monthly to implement and monitor the progress of these projects. Watermaster's share of the cost of these projects was included in the budget adopted by Watermaster for fiscal year 2014/15.

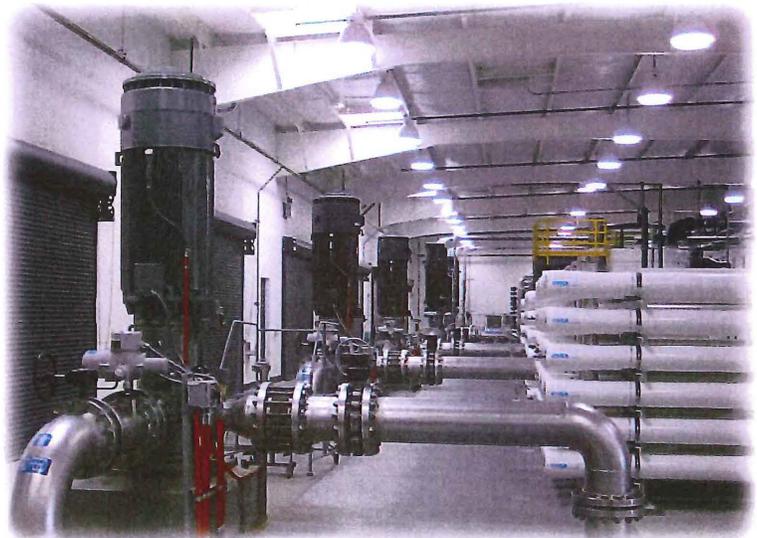
Watermaster continued work on the 2013 RMPU and is in the process of finalizing agreements with IEUA on their joint projects. The Recharge Master Plan Update Steering Committee continues to meet quarterly on the progress of implementing the 2013 RMPU Projects.

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

Program Element 5: Develop and Implement Regional Supplemental Water Program

The Chino I Desalter Expansion and the Chino II Desalter facilities were completed in February 2006. As currently configured, the Chino I Desalter produces about 13,500 acre-feet per year (12.1 million gallons per day [MGD]) of groundwater at 15 wells (I-1 through I-15) that is treated through air stripping (VOC removal), ion exchange (nitrate removal), and/or reverse osmosis (for nitrate and TDS removal). The Chino II Desalter produces about 15,800 acre-feet per year (14.1 MGD) of groundwater at eight wells (II-1 through II-4 and II-6 through II-9) that is treated through ion exchange and/or reverse osmosis.

Development and planning continues between the CDA and Watermaster to expand the production and treatment capacity of the Chino Desalters by about 10,500 acre-feet per year (9.5 MGD). More than \$70 million in grant funds have been secured toward this expansion. The most recent expansion project completed includes the construction of five wells for the new CCWF (wells I-16, I-17, I-18, I-20 and I-21), which were required to meet the hydraulic control commitment associated with maximum benefit, and will provide additional raw water to the Chino I Desalter. Construction of the raw water pipelines from Wells I-16, I-17 and I-18 is complete, and production at wells I-16 and I-17 began in mid-2014. Well I-18 is currently not planned for operation due to high VOC concentrations. A nine-month pilot test for a treatment system for removal of TCE, 1,2,3-trichloropropane, and nitrate is planned through mid-2015. Equipping of wells I-20 and I-21, and subsequently production, is planned to begin in late-2015. Three additional wells are being planned for construction to provide raw water to the Chino I Desalter; these wells are required



Chino II Desalter Facility

to meet the maximum-benefit commitment to produce a total 40,000 acre-feet per year from the combined desalter well fields. This amount was determined in the OBMP Phase I report as the production necessary to maintain hydraulic control. Watermaster and the IEUA coordinated with CDA to develop a plan to achieve the 40,000 acre-feet per year of desalter production and submitted a preliminary plan to the RWQCB on May 30, 2014. The location of two of the wells has been determined, and the location for a third well is still being evaluated. Property acquisition for the two known well sites is in progress.

Optimum Basin Management Program

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

MZ-1 Management Plan

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

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

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

During this reporting period, Watermaster continued implementation of the MZ-1 Plan. Water levels at the PA-7 piezometer stayed above the Guidance Level during the reporting period, and very little, if any, permanent compaction was recorded at the Ayala Park Extensometer. The ongoing monitoring program called for by the MZ-1 Plan continued to be implemented.

Pursuant to the MZ-1 Plan, Watermaster staff and consultants prepared the final 2013 Annual Report of the LSC. In addition, the MZ-1 Plan states that if data from existing monitoring efforts in the so-called Areas of Subsidence Concern indicate the potential for adverse impacts due to subsidence, Watermaster will revise the MZ-1 Plan pursuant to the process outlined in Section 3 of the MZ-1 Plan. During this reporting period, Watermaster prepared an outline for the update to the MZ-1 Plan and a draft Work Plan to Develop the Subsidence Management Plan for the Northwest MZ-1 Area.

The LSC met in July, September, October, and December 2014. The following was discussed at these meetings:

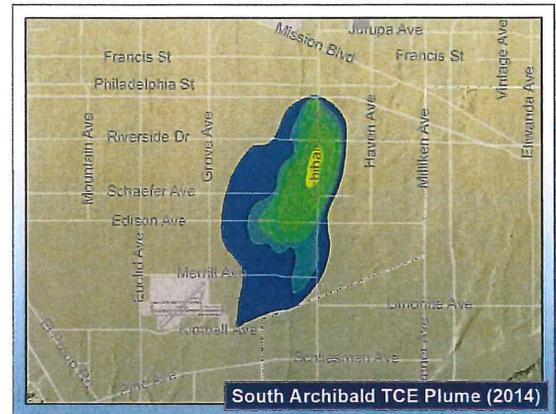
- The 2013 Annual Report of the LSC was reviewed, and was forwarded to the Pools for review.
- Watermaster staff and consultants provided an update on the ongoing monitoring and testing program in the Areas of Subsidence Concern.
- Watermaster staff and consultants provided a draft outline for an update to the current Subsidence Management Plan (MZ-1 Plan) for review by the LSC.
- Watermaster staff and consultants provided a “straw-man” process to develop the subsidence management plan for the Northwest MZ-1 Area.
- Watermaster staff and consultants provided exhibits from the draft work plan to develop the subsidence management plan for the Northwest MZ-1 Area.
- Watermaster approved a budget amendment of \$100,000 to finalize the work plan for the Northwest MZ-1 Area and to update the Chino Basin Subsidence Management Plan.

Optimum Basin Management Program

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

South Archibald Plume

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



In 2012, an additional draft CAO was issued by the RWQCB jointly to the City of Ontario, the City of Upland, and IEUA for the operation of the treatment plant currently known as RP-1, and associated disposal areas where wastewater from the previously identified PRPs that may have contained TCE was treated and discharged. In part, the draft CAOs require the parties to “supply uninterrupted replacement water service...to all residences south of Riverside Drive that are served by private domestic wells at which TCE has been detected at concentrations at or exceeding 5 µg/L...” and to report this information to the RWQCB. In addition, the parties are to “prepare and submit [a] ...feasibility study” and “prepare, submit and implement the Remedial Action Plan” to mitigate the “effects of the TCE groundwater plume.”

Upon the direction of the RWQCB, sampling at residential taps in the affected area has been conducted approximately every two years (2007-2008, 2009, 2011, 2013-2014). Several parties recently conducted additional sampling at private water supply wells in the area of the plume, and submitted the results of this sampling to the RWQCB in October 2013 and May 2014. With the completion of this work, all wells in the area of the plume have been sampled at least once. Alternative water systems (tanks) have been installed at residences in the area where well water contains TCE at or above 80% of the MCL for TCE. Residents who declined tank system are being provided bottled water. Watermaster also routinely samples for water quality at private wells in the area, and uses data obtained from this monitoring to delineate the plume.

The RWQCB has indicated that many of the potential responsible parties issued Draft CAOs will work together to prepare a remedial action feasibility study. Discussions among those parties are ongoing to resolve details about how to proceed with that work. Many of the parties are also pursuing various grant funding opportunities to develop a remediation strategy that is long-term, regional, and mutually beneficial to the Chino Basin. This includes the existing applications submitted to the United States Bureau of Reclamation.

Chino Airport

The County of San Bernardino, Department of Airports is working under RWQCB CAO No. R8-2008-0064, which requires the County to define the lateral and vertical extent of the plume and prepare a remedial action plan. Beginning in 2007, Tetra Tech, the consultant to the County, conducted several off-site plume characterization studies to delineate the areal and vertical extent of the plume. Since 2003, the County has conducted quarterly monitoring events at their monitoring wells. Conclusions from this monitoring program can be found in reports posted on the RWQCB's GeoTracker website. In November 2014, Tetra Tech submitted the *Semiannual Groundwater Monitoring Report, Winter and Spring 2014, Chino Airport Groundwater Assessment, San Bernardino County, California*.

Watermaster has also collected samples from dedicated monitoring wells and private wells in and around the Chino Airport plume area. Watermaster has also used its calibrated groundwater model to estimate cleanup times and contaminant concentrations in the CCWF. This work will be updated, given new information about the extent of contamination, subsurface hydrogeology, well performance, and the need for habitat sustainability in the Prado Basin.

Optimum Basin Management Program

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

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

In October 2013, the RWQCB approved a Work Plan for Tetra Tech to conduct field work for additional characterization of contamination in soil and groundwater associated with the Chino Airport. On September 18, 2014 the results of all the site characterization activities performed to date per the Work Plan were presented to the RWQCB. Following the meeting, an Addendum to the Work Plan was submitted, which outlined the plan to install several multi-port groundwater monitoring wells and perform additional depth-discrete groundwater sampling at the VAP borings. In December 2014, a remedial investigation report was submitted to the RWQCB describing the results of the soil investigation activities performed at the Airport during 2013 and 2014 per the Work Plan. A report describing the results of the groundwater investigations performed in 2014 per the Work Plan, the installation and sampling of all groundwater monitoring wells per the 2014 Work Plan Addendum, and the current plume characterization, is due to the RWQCB by April 30, 2015.

Other Water Quality Issues

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

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

Groundwater storage is important to the Chino Basin. Watermaster has committed to investigate the technical and management implications of Local Storage Agreements, improve related policies and procedures, and then revisit all pending Local Storage Agreement applications.

The existing Watermaster/IEUA/MWDSC/Three Valleys Municipal Water District (TVMWD) Dry-Year Yield (DYY) program continued during the reporting period. By April 30, 2011, all DYY program construction projects and a full "put" and "take" cycle had been completed, leaving the storage account with a zero balance. During the reporting period no water was stored or withdrawn from storage in the DYY Program.

Safe Yield Redetermination

The Basin's Safe Yield was initially set by the Judgment at 140,000 acre-feet per year. The Safe Yield was based in part on the hydrology of the period 1965 through 1974. Pursuant to the Judgment, the Chino Basin Safe Yield is to be re-determined periodically, but provides that the Safe Yield would not be reexamined for at least ten years from 1978. The Safe Yield has not been reevaluated since the time of the Judgment. Pursuant to the OBMP Implementation Plan and Watermaster's Rules and Regulations, in year 2010/11 and every ten years thereafter, Watermaster is to compute the Safe Yield based in part on the information obtained in the prior ten-year period and reset the Safe Yield for the next ten-year period.

In 2011, Watermaster authorized Watermaster staff to compile the data necessary to recalculate Safe Yield and update its computer model of the Basin and based on the information developed from the data and the model to recalculate the Safe Yield. The model calibration was completed in 2012, and evaluation of the Safe Yield began in 2013. This effort continues. During this reporting period, Watermaster staff developed estimates of the Safe Yield based on present and future expected cultural conditions and reported on this work at the July Watermaster process meetings; and presented this information in great detail at a special September 16, 2014 Watermaster Board workshop. Based on the work by Watermaster staff, and discussions following the September 2014 Board workshop and at the recommendation of the Advisory Committee, the Watermaster Board advised the parties to enter into a facilitated process to develop an agreement to implement the recalculated Safe Yield.

Optimum Basin Management Program

Staff Status Report 2015-1: January to June 2015



CHINO BASIN WATERMASTER

Optimum Basin Management Program

Highlighted Activities

- As a requirement of Mitigation Measure 4.4-3 from the Peace II Subsequent Environmental Impact Report (SEIR), Watermaster, Inland Empire Utilities Agency (IEUA) and Orange County Water District (OCWD) continued to develop a Prado Basin Habitat Sustainability Program (PBHSP). Included within this program is the development of a Prado Basin Habitat Sustainability Adaptive Management Plan, the installation of 16 monitoring wells at nine sites, and vegetative monitoring. During this reporting period, property acquisition, permitting, and site evaluation for biological and anthropological resources was completed and the 16 monitoring wells were designed, constructed and developed. Additionally, a draft report documenting the well construction was prepared.
- Pursuant to the October 2013 Court Order authorizing Watermaster and IEUA to implement the 2013 Amendment to the 2010 Recharge Master Plan Update (2013 RMPU), Watermaster and IEUA have begun implementation. During the reporting period, Watermaster and IEUA continued a process to develop agreements to construct the storm and supplemental water recharge projects listed in Table 8-2c of the 2013 RMPU report, prioritize the construction of these projects relative to the availability of grant funding, and to plan subsequent implementation. In April, 2015, the Steering Committee and the IEUA/CBWM Joint Recharge Improvement Projects committee were combined to create the Recharge Investigations and Projects committee (RIPCom). The RIPCom meets monthly on the progress of implementing the 2013 RMPU Projects and other recharge-related projects.
- Watermaster and IEUA completed work on the Turner Basins/Guasti Park Recharge Expansion Project in Management Zone (MZ) 2 in February 2015. The expansion project is projected to recharge an additional 300 acre-feet of storm runoff annually.
- During the reporting period, approximately 2,761 acre-feet of stormwater, 6,059 acre-feet of recycled water, and no imported water were recharged in the Chino Basin.
- Development and planning continues between the Chino Desalter Authority (CDA) and Watermaster to expand the Chino Desalters to an ultimate production capacity of 40,000 acre-feet per year. Equipping of two wells in the Chino Creek Well Field (CCWF), wells I-20 and I-21, was initiated and the wells are planned to begin producing in 2015. Three additional wells are being planned for construction to provide raw water to the Chino I Desalter; these wells are required to meet the maximum-benefit commitment to produce a total 40,000 acre-feet per year from the combined desalter well fields. On June 30, 2015 the IEUA and Watermaster submitted a final plan and schedule for the construction and operation of the three new desalter wells. During this reporting period, construction began on two of the three wells; the location of the third well is still being evaluated.
- Pursuant to the MZ-1 Subsidence Management Plan (MZ-1 Plan), Watermaster's subsidence management plan, if data from existing monitoring efforts in the locations called Areas of Subsidence Concern indicate the potential for adverse impacts due to subsidence, Watermaster will revise the MZ-1 Plan. During this reporting period, Watermaster updated the MZ-1 Plan, now named to Chino Basin Subsidence Management Plan to incorporate the Work Plan to Develop the Subsidence Management Plan for the Northwest MZ-1 Area.
- Watermaster began its evaluation of the Safe Yield in 2013. Based on work performed by Watermaster staff, and discussions following a September 2014 Board workshop, the Watermaster Board directed the parties to enter into a facilitated process to develop an agreement to implement the recalculated Safe Yield. During this reporting period Watermaster parties met intensively in a facilitated process to develop an agreement regarding the implementation of the recalculated Safe Yield. Key principles of agreement were articulated during this reporting period, and drafting of the agreement continues into the next reporting period.

Important Court Hearings and Orders

(THERE WERE NO HEARINGS OR ORDERS DURING THIS REPORTING PERIOD)

Optimum Basin Management Program

Program Element 1: Develop and Implement a Comprehensive Monitoring Program

Groundwater Level Monitoring

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

The current groundwater-level monitoring program is comprised of about 1,180 wells. At about 950 of these wells, water levels are measured by well owners, which include municipal water agencies, the California Department of Toxic Substances Control (DTSC), the Counties, and various private consulting firms. Watermaster collects these water level data at least semi-annually. At the remaining 230 wells, water levels are measured by Watermaster staff using manual methods once per month or by using pressure transducers that record data once every 15 minutes. These wells are mainly Agricultural Pool wells or dedicated monitoring wells located south of the 60 freeway.



Monitoring Well with a Transducer

Groundwater Quality Monitoring

Watermaster initiated a comprehensive groundwater-quality monitoring program as part of the implementation of the OBMP. The monitoring program has been refined over time to satisfy the evolving needs of the Watermaster and IEUA, such as new regulatory requirements, and improved data coverage. The groundwater-quality monitoring program consists of the following four components:

1. An Annual Key-Well Water-Quality Monitoring Program consisting of about 110 wells, which are mostly privately-owned agricultural wells in the southern portion of Chino Basin that are otherwise not included in an established sampling program. Twenty of these wells are sampled every year, and the remaining wells are sampled once every three years. The wells sampled annually are for the continuous monitoring of areas of concern associated with the southern edge of the South Archibald Plume, the southern region of the Chino Airport Plume, and the Kaiser Steel Mill Plume, and includes two multi-port MZ-3 monitoring wells.
2. Annual sampling at nine HCMP multi-port monitoring wells strategically placed between the Chino Desalter well fields and the Santa Ana River. Results of the annual sampling are used to analyze the effect of desalter pumping over time on hydraulic control, by comparing water quality of the native groundwater and the Santa Ana River.
3. Quarterly sampling at four near-river wells to characterize the interaction between the Santa Ana River and nearby groundwater. These shallow monitoring wells along the Santa Ana River consist of two former US Geological Survey (USGS) National Water Quality Assessment Program wells (Archibald 1 and Archibald 2), and two wells (Well 9 and Well 11) owned by the Santa Ana River Water Company.
4. A cooperative basin-wide data-collection effort known as the Chino Basin Data Collection program, which relies on municipal producers and other government agencies to supply groundwater-quality data on a cooperative basis. These sources include the Chino Basin Appropriators, DTSC, Regional Water Quality Control Board (Regional Board), the USGS, the Counties, and other cooperators.

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

Optimum Basin Management Program

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

Groundwater Production Monitoring

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

Surface Water Monitoring

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

Surface Water Monitoring in the Santa Ana River. Watermaster measures selected water quality parameters quarterly at two sites along the Santa Ana River (Santa Ana River at River Road and Santa Ana River at Etiwanda). Along with data collected at four near-river wells, these data are used to characterize the interaction between the Santa Ana River and nearby groundwater.

Hydraulic Control

In January 2004, the Regional Board amended the Basin Plan to incorporate an updated total dissolved solids (TDS) and nitrogen (N) management plan. The Basin Plan amendment includes both "antidegradation" and "maximum benefit" objectives for TDS and nitrate-N for the Chino-North and Cucamonga groundwater management zones. The maximum benefit objectives allow for the reuse and recharge of recycled water, and imported water recharge without mitigation; these are an integral part of the OBMP. The application of the maximum-benefit objectives is contingent on Watermaster and the IEUA's implementation of specific projects and requirements termed the maximum-benefit commitments.

One of the main maximum-benefit commitments is to achieve and maintain "hydraulic control" of the Chino Basin so that downstream beneficial uses of the Santa Ana River are protected. Hydraulic control is defined by the Basin Plan as the elimination of groundwater discharge from the Chino-North groundwater management zone (Chino-North) to the Santa Ana River or its reduction to a de minimus level. In October 2011, the Regional Board indicated that groundwater discharge from the Chino-North to the Prado Basin surface water management zone in an amount less than 1,000 acre-feet per year would be considered de minimus by the Regional Board.

Two of the maximum-benefit commitments are to implement Surface Water Monitoring Program and Groundwater Monitoring Program. On April 15, 2005, the Regional Board adopted resolution R8-2005-0064, thus approving a Surface Water Monitoring Program and Groundwater Monitoring Program. These monitoring programs were conducted until 2012, when the Basin Plan was amended to remove all references to the specific monitoring locations and sampling frequencies required for groundwater and surface water monitoring, thus allowing the program to be modified over time, with approval of the Executive Officer of the Regional Board. The Basin Plan amendment was approved by the Regional Board on February 12, 2012 and by the State Office of Administrative Law on December 6, 2012. This amendment was adopted based on demonstrations made by Watermaster and the IEUA showing that the surface water monitoring program, as included in the Basin Plan, was not meaningfully adding to the body of evidence required to demonstrate hydraulic control. In the place of specific monitoring requirements, the Basin Plan required that Watermaster and the IEUA submit for approval by the Executive Officer a new surface water monitoring program work plan by February 25, 2012 and a new groundwater monitoring program work plan by December 31, 2013. In February 2012, Watermaster and the IEUA submitted, and the Regional Board approved, a new surface water monitoring program that reduced the 2005 monitoring program from bi-weekly surface water quality measurements at 17 sites and direct discharge measurements at six sites, to quarterly surface water quality sampling at two sites. The new work plan including these changes was adopted by the Regional Board in March 2012.

In December 2013, Watermaster and the IEUA submitted an updated *Maximum Benefit Monitoring Program Work Plan and Proposed Schedule for Achieving Hydraulic Control* to the Regional Board. The updated Work Plan states that Watermaster and the IEUA will recalibrate the Chino Basin groundwater model every five years and use the model to estimate groundwater discharge from Chino-North to the Santa Ana River (i.e. annual underflow past the CCWF) and determine whether hydraulic control has been achieved. The new Maximum Benefit Monitoring Program Work Plan was adopted by the Regional Board in April 2014.

Optimum Basin Management Program

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

In January 2014, in a letter to the IEUA and Watermaster, the Regional Board confirmed that the model results indicated that hydraulic control would be achieved under the projected range of CCWF pumping. The Regional Board also requested that the IEUA and Watermaster submit a plan and schedule to increase desalter production capacity from 32,000 to 40,000 acre-feet per year by May 31, 2014. The IEUA and Watermaster submitted the plan and schedule to the Regional Board on May 30, 2014 to install three new desalter wells—with the location of one well being provisional. On June 30, 2015 the IEUA and Watermaster submitted a final plan and schedule for the construction and operation of the three new desalter wells including the final well locations.

During this reporting period, Watermaster measured 508 manual water levels at 80 private wells throughout the Chino Basin, conducted two quarterly downloads at about a 100 wells containing pressure transducers, and collected 46 groundwater-quality samples, and four surface-water quality samples. This includes groundwater quality sampling and transducer measured water levels at the newly constructed PBHSP monitoring wells. Watermaster and the IEUA submitted the 2014 Maximum Benefit Annual Report to the Regional Board on April 15, 2015.

Prado Basin Habitat Sustainability Monitoring Program

A requirement of Mitigation Measure 4.4-3 from the Peace II SEIR is for Watermaster, IEUA, and OCWD to develop an Adaptive Management Plan for the PBHSP. The objective of this plan is to ensure that the riparian habitat in Prado Basin is not adversely impacted by drawdown associated with the implementation of the Peace II activities. Sixteen monitoring wells at nine sites will be constructed as part of the monitoring program for the PBHSP. An Adaptive Management Plan will be developed which will describe an initial monitoring program and a process to modify the monitoring program and/or implement mitigation strategies, as necessary. During this reporting period, the PBHSP Committee:

- Was responsible for the following work to construct groundwater monitoring facilities adjacent to the Prado Basin riparian habitat:
 - continued property acquisition and permitting for the monitoring wells,
 - monitored the nine monitoring facility sites for biological and anthropological resources before and during well drilling and construction activities,
 - drilled pilot boreholes at nine sites to collect lithology samples from each site,
 - designed 16 monitoring wells based on the results of Cone Penetration Tests (CPTs) previously conducted at the sites, pilot hole drilling, and regional hydrogeologic information,
 - constructed and developed 16 monitoring wells, and
 - prepared the draft report Results of Drilling and Construction of the PBHSP Monitoring Wells to document the methods and results of the CPTs, borehole drilling and well construction and development.
- Reviewed and revised the draft Adaptive Management Plan.



PBHSP PB-4 Well Drilling

Chino Basin Groundwater Recharge Program

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

Recharge Activities. Ongoing recycled water recharge occurred in the Brooks, Turner, Victoria, Ely, Hickory, RP-3, and Banana Basins this reporting period. Stormwater was recharged at 15 recharge basins across all management zones of the Chino Basin during this reporting period. No imported water was recharged this reporting period.

Optimum Basin Management Program

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

Monitoring Activities. Watermaster and IEUA collect weekly water quality samples from recharge basins that are actively recharging recycled water and from lysimeters installed within those recharge basins. During this reporting period, approximately 157 recharge basin and lysimeter samples were collected and 26 recycled water samples were collected for alternative monitoring plans that include the application of a correction factor for soil-aquifer treatment determined from each recharge basin's start-up period. Monitoring wells located down-gradient of the recharge basins were sampled quarterly at a minimum; however, some monitoring wells were sampled more frequently during the reporting period for a total of 95 samples.

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

- 4Q-2014 Quarterly Report, submitted to the RWQCB – February 2015
- 1Q-2015 Quarterly Report, submitted to the RWQCB – May 2015
- 2014 Annual Report, submitted to the RWQCB – May 2015

Ground-Level Monitoring

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

- Continuing the scope and frequency of monitoring within the so-called Managed Area (southwest MZ-1) that was conducted during the period when the MZ-1 Plan was being developed.
- Expanding the monitoring of the aquifer system and land subsidence into other areas of MZ-1 and Chino Basin where the data indicate concern for future subsidence and ground fissuring.
- Monitoring of horizontal strain across the historical zone of ground fissuring.
- Evaluating the potential contribution of groundwater production in northern MZ-1 on conditions in southern MZ-1.
- Conducting additional testing and monitoring to refine the MZ-1 Guidance Criteria.
- Developing alternative pumping plans for the MZ-1 producers that are impacted by the MZ-1 Plan.
- Constructing and testing a lower-cost cable extensometer facility at Ayala Park.
- Evaluating and comparing ground-level surveying and Interferometric Synthetic Aperture Radar (InSAR), and recommending future monitoring protocols for both techniques.
- Conducting an aquifer storage recovery (ASR) feasibility study at a City of Chino Hills production well within the MZ-1 Managed Area (Well 16).
- Providing for recovery of groundwater levels in the MZ-1 Managed Area.

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

- The continuation of high-resolution water-level monitoring at wells within the Managed Area and within the Areas of Subsidence Concern. All monitoring equipment is inspected at least quarterly and is repaired and/or replaced as necessary. The data collected were checked and analyzed to assess the functionality of the monitoring equipment and for compliance with MZ-1 Plan.
- The continuation of monitoring and maintenance at the extensometer facilities at the Ayala Park, Chino Creek, and Daniels sites. Specifically, the aging monitoring equipment and electronics at the Ayala Park Extensometer facility were replaced or refurbished. And, telemetry equipment was installed and activated at the Chino Creek Extensometer facility.

Optimum Basin Management Program

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

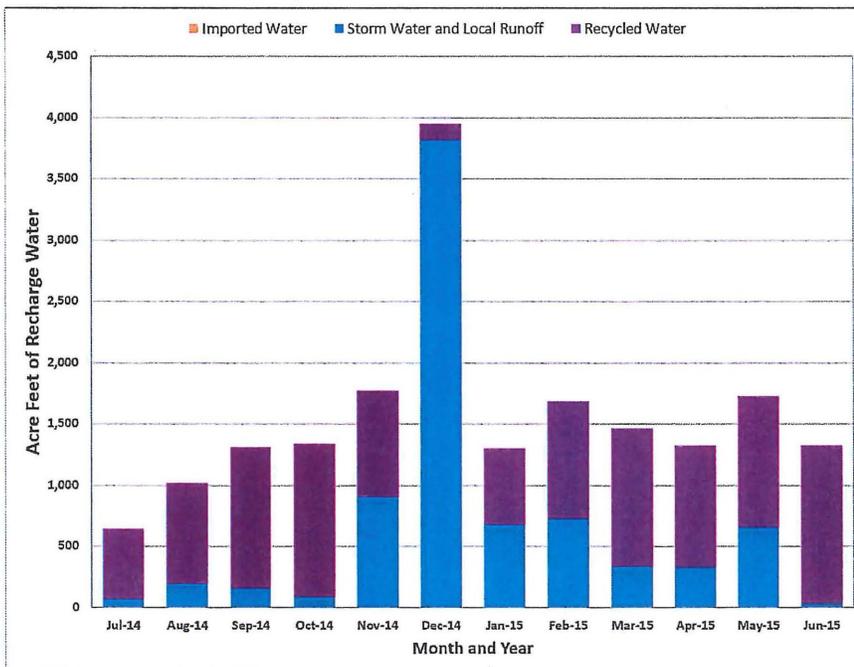
- The collection of InSAR data from radar satellites during the reporting period.
- Assisting the City of Chino Hills with the preparation of the final report for its Department of Water Resources Local Groundwater Assistance grant to support the ASR pilot test.
- The data generated from the Ground-Level Monitoring Program through March 2015 were analyzed. The data, results, and conclusions were incorporated into the draft 2014 Annual Report of the Ground-Level Monitoring Committee.

Program Element 2: Develop and Implement a Comprehensive Recharge Program

The average stormwater recharge of the Chino Basin Facilities Improvement Program facilities is approximately 13,000 acre-feet per year, the supplemental “wet”¹ water recharge capacity is approximately 60,600 acre-feet per year, and the in-lieu supplemental water recharge capacity ranges from 25,000 to 40,000 acre-feet per year. There is also a demonstrated well injection capacity of 5,600 acre-feet per year. Current total supplemental water recharge capacity ranges from 91,200 to 106,200 acre-feet per year which is greater than projected supplemental water recharge capacity required by Watermaster.

Stormwater recharge during this reporting period was approximately 2,761 acre-feet. Recycled water recharge during this reporting period was approximately 6,059 acre-feet. No imported water was recharged during this reporting period. The IEUA and Watermaster recharge permit was amended in fiscal year 2009/10 to allow for underflow dilution and extended the dilution period from a running 60 months to a running 120 months. The significance of this permit amendment was to reduce the amount of imported and storm waters required for dilution. IEUA projects that dilution requirements will likely be met through 2019/20, even if no imported water were available for dilution.

The total amount of supplemental water recharged in MZ-1 since the Peace II Agreement through June 30, 2015 was approximately 45,096 acre-feet, which is almost 7,000 less than the 52,000 acre-feet required by June 30, 2015 (annual requirement of 6,500 acre-feet): the shortfall of 6,904 acre-feet will be recharged in MZ-1 in subsequent years as supplemental water becomes available. The amount of supplemental water recharged into MZ-1 during the reporting period was approximately 548 acre-feet.



Watermaster and IEUA continued work on the Turner Basins/Guasti Park Recharge Expansion Project in MZ-2. The expansion project, projected to recharge an additional 300 acre-feet of storm runoff annually was completed in February, 2015. Watermaster and IEUA meet monthly on the Turner Basins/Guasti Park, Wineville Basin and other projects that are currently in a phase of design and construction.

Pursuant to the October 2013 Court Order authorizing Watermaster and IEUA to implement the 2013 RMPU, Watermaster and IEUA have begun implementation of the 2013 RMPU. During the reporting period, Watermaster and IEUA continued a process to develop agreements to construct the storm and supplemental water recharge projects listed in Table 8-2c of the 2013 RMPU report, and will prioritize the construction of these projects relative to the availability of grant funding, and to plan subsequent implementation. Watermaster and IEUA meet monthly to review progress and advance implementation.

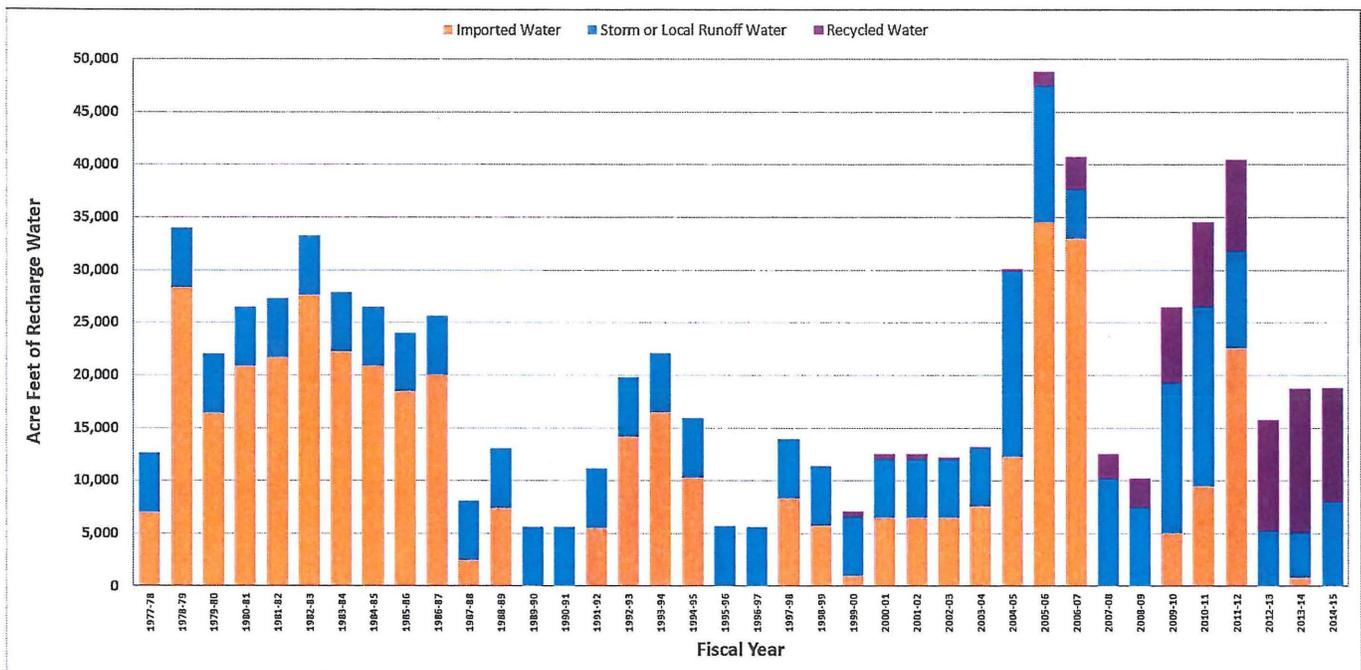
¹ The modifier “wet” means actual physical water is being recharged in spreading basins as opposed to the dedication of water from storage or in-lieu recharge.

Optimum Basin Management Program

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

During the reporting period, Watermaster and IEUA continued to develop a series of projects outside of the 2013 RMPU effort that will increase stormwater and supplemental water recharge and have jointly agreed to fund these projects. Watermaster and IEUA staff's meet monthly to implement and monitor the progress of these projects. Watermaster's share of the cost of these projects was included in the budget adopted by Watermaster for fiscal 2014/15.

Watermaster continued work on the 2013 RMPU and is in the process of finalizing agreements with IEUA on their joint projects. In April, 2015, the Steering Committee and the IEUA/CBWM Joint Recharge Improvement Projects committee were combined to create the RIP Committee. The RIP Committee meets monthly on the progress of implementing the 2013 RMPU Projects and other recharge-related projects.



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

The Chino I Desalter Expansion and the Chino II Desalter facilities were completed in February 2006. As currently configured, the Chino I Desalter produces about 13,500 acre-feet per year (12.1 million gallons per day [MGD]) of groundwater at 15 wells (I-1 through I-15) that is treated through air stripping (VOC removal), ion exchange (nitrate removal), and/or reverse osmosis (for nitrate and TDS removal). The Chino II Desalter produces about 15,800 acre-feet per year (14.1 MGD) of groundwater at eight wells (II-1 through II-4 and II-6 through II-9) that is treated through ion exchange and/or reverse osmosis.

Development and planning continues between the CDA and Watermaster to expand the production and treatment capacity of the Chino Desalters by about 10,500 acre-feet per year (9.5 MGD). More than \$70 million in grant funds have been secured toward this expansion. The most recent expansion project completed includes the construction of five wells for the new CCWF (wells I-16, I-17, I-18, I-20 and I-21), which were required to meet the hydraulic control commitment associated with maximum benefit, and will provide additional raw water to the Chino I Desalter. Construction of the raw water pipelines from Wells I-16, I-17 and I-18 is complete, and production at wells I-16 and I-17 began in mid-2014. Well I-18 is currently not planned for operation due to high VOC concentrations. A nine-month pilot test at well I-18 for the treatment of TCE, 1,2,3-trichloropropane, and nitrate is planned through mid-2015. Equipping of wells I-20 and I-21 and subsequent production is planned to begin in late-2015. Three additional wells are being planned for construction to provide raw water to the Chino I Desalter; these wells are required to meet the

Optimum Basin Management Program

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

Program Element 5: Develop and Implement Regional Supplemental Water Program (Continued)

maximum-benefit commitment to produce a total 40,000 acre-feet per year from the combined desalter well fields. This amount was determined in the OBMP Phase I report as the production necessary to maintain hydraulic control. Watermaster and the IEUA coordinated with CDA to develop a plan to achieve the 40,000 acre-feet per year of desalter production and submitted a preliminary plan to the Regional Board on May 30, 2014. The plan, which was submitted to the Regional Board on June 30, 2015, includes the construction and operation of three new wells for the Chino II Desalter. During this period, construction began on two of the new wells (II-10 and II-11) , and the location of the third well (II-12) is being evaluated.

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

MZ-1 Management Plan

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

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

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

During this reporting period, Watermaster continued implementation of the MZ-1 Plan. Water levels at the PA-7 piezometer stayed above the Guidance Level during the reporting period, and very little, if any, permanent compaction was recorded at the Ayala Park Extensometer. The ongoing monitoring program called for by the MZ-1 Plan continued to be implemented.

Pursuant to the MZ-1 Plan, Watermaster staff and consultants analyzed the data generated from the Ground-Level Monitoring Program through 2014 and the data, results, and conclusions were incorporated into the 2014 Annual Report of the Ground-Level Monitoring Committee (GLMC).

In addition, the MZ-1 Plan states that if data from existing monitoring efforts in the so-called Areas of Subsidence Concern indicate the potential for adverse impacts due to subsidence, Watermaster will revise the MZ-1 Plan pursuant to the process outlined in Section 3 of the MZ-1 Plan. During this reporting period, Watermaster prepared a draft of the update to the MZ-1 Plan, which included a name change to the Chino Basin Subsidence Management Plan and a draft Work Plan to Develop the Subsidence Management Plan for the Northwest MZ-1 Area and an appendix.



Land Subsidence Monitoring Equipment

Optimum Basin Management Program

Program Element 4: Develop and Implement a Comprehensive Groundwater Management Plan for Management Zone 1 (Continued)

The GLMC met in March, April, May and June 2015. The following was discussed at these meetings:

- The GLMC reviewed and discussed the monitoring results and developed a scope-of-work and budget for the GLMP for fiscal year 2015/16.
- The 2014 Annual Report of the GLMC was reviewed, and was forwarded to the Pools for review.
- The GLMC reviewed and discussed the draft 2015 Chino Basin Subsidence Management Plan, an update to the current Subsidence Management Plan (MZ-1 Plan).
- The GLMC reviewed and discussed the draft of the Work Plan to Prepare a Subsidence Management Plan for the Northwest MZ-1 Area.

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

South Archibald Plume

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

In 2008, the 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’s sewage systems 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). In part, the draft CAOs require the parties to “supply uninterrupted replacement water service...to all residences south of Riverside Drive that are served by private domestic wells at which TCE has been detected at concentrations at or exceeding 5 µg/L...” and to report this information to the Regional Board. In addition, the parties are to “prepare and submit [a] ...feasibility study” and “prepare, submit and implement the Remedial Action Plan” to mitigate the “effects of the TCE groundwater plume.”

Upon the Regional Board’s oversight, sampling at private residential wells and taps has been conducted approximately every two years (2007-2008, 2009, 2011, 2013-2014) by multiple parties in the region where groundwater is potentially contaminated with TCE. As of 2014, all private residences in the area of the plume have been sampled at least once. Alternative water systems (tanks) have been installed at residences in the area where well water contains TCE at or above 80% of the MCL for TCE. Residents who declined tank system are being provided bottled water. Watermaster also routinely samples for water quality at private wells in the area, and uses data obtained from this monitoring to delineate the plume.

The Regional Board has indicated that many of the potential responsible parties issued Draft CAOs will work together to prepare a remedial action feasibility study. Discussions among those parties are ongoing to resolve details about how to proceed with that work. Many of the parties are also pursuing various grant funding opportunities to develop a remediation strategy that is long-term, regional, and mutually beneficial to the Chino Basin.

Optimum Basin Management Program

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

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

The IEUA has worked closely with the Cities of Ontario and Upland, and the CDA, to develop a collaborative proposal for the construction and operation of the Chino Basin Desalter well expansion, that is mutually beneficial to meet the requirement of Watermaster and IEUA to maintain hydraulic control, and the goal of other parties to remediate groundwater contamination. On June 17, 2015, the RP-1 parties reached a Joint Facility Development (JFD) agreement with the CDA for implementation of a project designed to remediate the South Archibald Plume by utilizing Chino Basin Desalter wells and facilities. The project includes the construction and operation of three new Chino Basin Desalter wells; two wells directly southeast of the plume, and one in south-eastern region of the plume. On June 30, 2015 the Watermaster and the IEUA submitted the final plan to the Regional Board for the construction and operation of this Chino Basin Desalter well expansion.

Chino Airport

In 1990, the Regional Board issued CAO No. 90-134 to the County of San Bernardino, Department of Airports (County) to address groundwater contamination originating from the Chino Airport. During 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, and in 2008, the Regional Board issued CAO No. R8-2008-0064, which requires the County to define the lateral and vertical extent of the plume and prepare a remedial action plan. Tetra Tech, the consultant to the County, conducted several off-site plume characterization studies to delineate the areal and vertical extent of the plume, and constructed 33 offsite monitoring wells. The County has conducted quarterly monitoring events at their monitoring wells on and offsite. Conclusions from this monitoring program can be found in reports posted on the Regional Board's GeoTracker website. In April 2015, Tetra Tech submitted the *Semiannual Groundwater Monitoring Report, Summer and Fall 2014, Chino Airport Groundwater Assessment, San Bernardino County, California*.

Watermaster has also collected samples from dedicated monitoring wells and private wells in and around the Chino Airport plume area. Watermaster has also used its calibrated groundwater model to estimate cleanup times and contaminant concentrations in the CCWF. This work will be updated, given new information about the extent of contamination, subsurface hydrogeology, well performance, and the need for habitat sustainability in the Prado Basin.

On April 30, 2015 Tetra Tech and the County submitted a Remedial Investigation Report Addendum describing the results of a comprehensive groundwater investigation that occurred from 2013 through 2014, and the construction of 33 new monitoring wells in 17 locations, to provide additional characterization of groundwater contamination in the northern portion of the plume on the airport property.

Other Water Quality Issues

Watermaster continues to track monitoring programs and mitigation measures associated with other point sources in the Chino Basin, including: Alumax Aluminum Recycling, Alger Manufacturing Facility, the Former Crown Coach Facility, General Electric Test Cell and Flatiron, Former Kaiser Steel Mill, Milliken Landfill, Upland Landfill, and the Stringfellow National Priorities List sites.

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

Groundwater storage is important to the Chino Basin. Watermaster has committed to investigate the technical and management implications of Local Storage Agreements, improve related policies and procedures, and then revisit all pending Local Storage Agreement applications.

The existing Watermaster/IEUA/MWDSC/Three Valleys Municipal Water District Dry-Year Yield (DYY) program continued during the reporting period. By April 30, 2011, all DYY program construction projects and a full "put" and "take" cycle had been completed, leaving the storage account with a zero balance. During the reporting period no water was stored or withdrawn from storage in the DYY Program.

Optimum Basin Management Program

Program Element 8: Develop and Implement a Groundwater Storage Management Program; and Program Element 9: Develop and Implement a Storage and Recovery Program (Continued)

Safe Yield Redetermination

The Basin's Safe Yield was initially set by the Judgment at 140,000 acre-feet per year. The Safe Yield was based in part on the hydrology of the period 1965 through 1974. Pursuant to the Judgment, the Chino Basin Safe Yield is to be re-determined periodically, but provides that the Safe Yield would not be reexamined for at least ten years from 1978. The Safe Yield has not been reevaluated since the time of the Judgment. Pursuant to the OBMP Implementation Plan and Watermaster's Rules and Regulations, in year 2010/11 and every ten years thereafter, Watermaster is to compute the Safe Yield based in part on the information obtained in the prior ten-year period and reset the Safe Yield for the next ten-year period.

In 2011, Watermaster authorized Watermaster staff to compile the data necessary to recalculate Safe Yield and update its computer model of the Basin and based on the information developed from the data and the model to recalculate the Safe Yield. The model calibration was completed in 2012, and evaluation of the Safe Yield began in 2013. During the prior reporting period, the Watermaster Board advised the parties to enter into a facilitated process to develop an agreement to implement the recalculated Safe Yield. During this reporting period Watermaster parties met intensively in a facilitated process to develop an agreement regarding the implementation of the recalculated Safe Yield. Key principles of agreement were articulated during this reporting period, and drafting of the agreement continues into the next reporting period.



Safe Yield Recalculation Meeting

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

July 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

I. CONSENT CALENDAR

E. WATER TRANSACTIONS

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: June 6, 2016

Date of this notice: July 7, 2016

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

- Notice of Sale or Transfer – The purchase of 725.000 acre-feet of water from West End Consolidated Water Company by the City of Upland. This purchase is made from West End Consolidated Water Company’s Excess Carryover Account, effective for the Fiscal Year 2015-2016. The City of Upland is utilizing this transaction to produce its West End Consolidated Water Company shares.

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

Appropriative Pool: July 14, 2016

Non-Agricultural Pool: July 14, 2016

Agricultural Pool: July 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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: July 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).

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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: July 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 725,000 acre-feet of water from West End Consolidated Water Company by the City of Upland. This purchase is made from West End Consolidated Water Company's Excess Carryover Account, effective for the Fiscal Year 2015-2016. The City of Upland is utilizing this transaction to produce its West End Consolidated 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 725,000 acre-feet of water from West End Consolidated Water Company by the City of Upland. This purchase is made from West End Consolidated Water Company's Excess Carryover Account, effective for the Fiscal Year 2015-2016. The City of Upland is utilizing this transaction to produce its West End Consolidated Water Company shares.

Notice of the water transaction identified above was mailed on July 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 the water transaction because the City of Upland is utilizing this transaction to produce its West End Consolidated 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: June 6, 2016

AMOUNT REQUESTED: 725.0 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):			TRANSFER TO (BUYER / TRANSFEREE):		
West End Consolidated Water Company			City of Upland		
Name of Party			Name of Party		
1370 N. Benson Avenue			460 N. Euclid Avenue		
Street Address			Street Address		
Upland	CA.	91786	Upland	CA.	91786
City	State	Zip Code	City	State	Zip Code
(909) 291-2931			(909) 931-4102		
Telephone			Telephone		
Facsimile			Facsimile		

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

Yes No



Seller / Transferor Representative Signature

Rosemary Hoerning, General Manger

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Rod B. Butler, City Manager

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

July 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.

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: June 6, 2016

Date of this notice: July 7, 2016

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

- Notice of Sale or Transfer – The purchase of 67.941 acre-feet of water from West End Consolidated Water Company by Golden State Water Company. This purchase is made from West End Consolidated Water Company's Excess Carryover Account, effective for the Fiscal Year 2015-2016. Golden State Water Company is utilizing this transaction to produce its West End Consolidated Water Company shares.

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

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Non-Agricultural Pool: July 14, 2016

Agricultural Pool: July 14, 2016

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: July 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).

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CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

DATE: July 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 67.941 acre-feet of water from West End Consolidated Water Company by Golden State Water Company. This purchase is made from West End Consolidated Water Company's Excess Carryover Account, effective for the Fiscal Year 2015-2016. Golden State Water Company is utilizing this transaction to produce its West End Consolidated 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 67.941 acre-feet of water from West End Consolidated Water Company by Golden State Water Company. This purchase is made from West End Consolidated Water Company's Excess Carryover Account, effective for the Fiscal Year 2015-2016. Golden State Water Company is utilizing this transaction to produce its West End Consolidated Water Company shares.

Notice of the water transaction identified above was mailed on July 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 Golden State Water Company is utilizing this transaction to produce its West End Consolidated 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: June 6, 2016

AMOUNT REQUESTED: 67.941 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR): <u>West End Consolidated Water Company</u>			TRANSFER TO (BUYER / TRANSFEREE): <u>Golden State Water Company</u>		
Name of Party <u>1370 N. Benson Avenue</u>			Name of Party <u>630 E. Foothill Blvd. Attn: AP-R3</u>		
Street Address			Street Address		
<u>Upland</u>	<u>CA.</u>	<u>91786</u>	<u>San Dimas</u>	<u>CA.</u>	<u>91733</u>
City	State	Zip Code	City	State	Zip Code
<u>(909) 291-2931</u>			<u>(909) 934-1382</u>		
Telephone			Telephone		
Facsimile			Facsimile		

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:	
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: Margarita Well	
LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES):	

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

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

MATERIAL PHYSICAL INJURY

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

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

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

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

Yes No



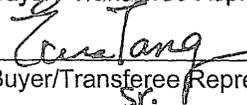
Seller / Transferor Representative Signature
Rosemary Hoerning, General Manger

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature
Patrick Scanlon, Vice President

Buyer / Transferee Representative Name (Printed)



Buyer/Transferee Representative Signature
Eva Tang, Vice President & CFO

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:

July 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.

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: June 10, 2016

Date of this notice: July 7, 2016

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

- Notice of Sale or Transfer – The purchase of 6.500 acre-feet of water from The Nicholson Trust by Fontana Water Company. This purchase is made from The Nicholson Trust's Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool), effective for the Fiscal Year 2015-2016.

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

Appropriative Pool: July 14, 2016

Non-Agricultural Pool: July 14, 2016

Agricultural Pool: July 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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: July 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).

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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: July 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 6.500 acre-feet of water from The Nicholson Trust by Fontana Water Company. This purchase is made from The Nicholson Trust's Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool), effective for the Fiscal Year 2015-2016.

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 6.500 acre-feet of water from The Nicholson Trust by Fontana Water Company. This purchase is made from The Nicholson Trust's Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool), effective for the Fiscal Year 2015-2016.

Notice of the water transaction identified above was mailed on July 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: June 10, 2016

AMOUNT REQUESTED: 6.50 Acre-Feet

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

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:	
Varies	2015-2016
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:	
Chino Basin Management Zone 3	
LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES):	
N/A	

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

Of the wells routinely pumped, current perchlorate levels range from non detect to 9.5 ppb (before treatment) and current nitrate levels (as N) range from 0.47 to 8.81 ppm as of March 2016.

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

Static Water Levels ranging from 317 bgs to 672 bgs (as of March 2016)

MATERIAL PHYSICAL INJURY

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

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

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

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

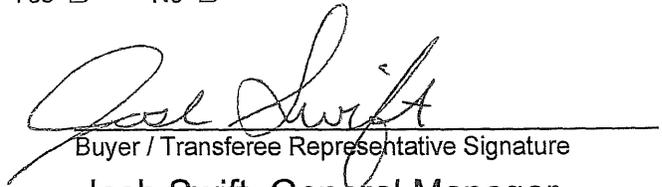
Yes No



Seller / Transferor Representative Signature

Robert H. Nicholson, Jr., Trustee

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Josh Swift, General Manager

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

A. BUDGET TRANSFER FORM T-16-06-01



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: August 25, 2016
TO: Board Members
SUBJECT: Budget Transfer Form T-16-06-01 (Business Item II.A.)

SUMMARY

Issue: Adopt Budget Transfer Form T-16-06-01 for FY 2015/16.

Recommendation: Adopt the Budget Transfer Form T-16-06-01 for FY 2015/16 as presented.

Financial Impact: No financial impact. The Budget Transfer Form T-16-06-01 is a reallocation of approved budgeted funds and does not have any financial impact on the total FY 2015/16 Amended budget of \$11,237,143.85 which includes \$1,872,937.85 of Carry-Over funding.

Future Consideration

Watermaster Board: August 25, 2016 - Adoption (Advisory Committee approval required)

ACTIONS:

August 11, 2016: Appropriative Pool – Unanimously approved

August 11, 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.

August 11, 2016: Agricultural Pool – Unanimously approved

August 18, 2016: Advisory Committee - Unanimously approved

August 25, 2016: Watermaster Board -

BACKGROUND

Utilizing the Watermaster's accounting software (Intuit 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 TRANSFERS:

With regards to the process of budget transfers, the following information is provided:

The Chino Basin Watermaster budget has four main budget categories:

- General & Administrative Expenses
- Optimum Basin Management Program Expenses
- Project Expenditures
- Other Income/Expenses

The Watermaster General Manager has authority to transfer funds within the main budget categories up to \$25,000 without Board approval. However, to allow for full transparency in the process, the Pools, Advisory Committee, and the Board will be informed of all budget transfers less than \$25,000.

Budget transfers greater than \$25,000 *within the same categories* must be formally recommended for approval by the Pools, approved by the Advisory Committee, and approved by the Board. If there are insufficient funds within same category, the Watermaster General Manager may propose a transfer from one main category to another. All budget transfers from one main category to another, regardless of the amount, require recommended approval by the Pools, approval by the Advisory Committee, and approval by the Board.

All budget transfers are processed in and recorded in the accounting system.

DISCUSSION

Budget Transfer Form T-16-06-01

The attached Budget Transfer Form T-16-06-01 is provided as documentation to clearly show which general ledger accounts are being reduced and which general ledger accounts are being increased. Budget Transfer Form T-16-06-01 is reallocating existing approved budget dollars between Watermaster accounts as needed. The Budget Transfer Form T-16-06-01 is a "net zero" document, which means the budget reductions of \$327,700 and budget additions of \$327,700 within the general ledger accounts are equal. There is no change to the overall budget as a result of Budget Transfer Form T-16-06-01 and no new funds or assessments are required. The effective date of the Budget Transfer Form T-16-06-01 will be June 30, 2016 and all adjustments will be recorded within the June accounting period.

The general ledger accounts increased by Budget Transfer Form T-16-06-01 were the Brownstein Hyatt Farber Schreck legal costs associated with the Safe Yield Recalculation efforts (6907.42) in the amount of \$33,000; the Brownstein Hyatt Farber Schreck legal costs associated with Personnel Matters (6073) in the amount of \$110,500; Watermaster Staff costs associated with Administration expenses (6011) in the amount of \$10,000; Watermaster Staffing costs associated with Production Monitoring (7101.1) in the amount of \$17,000; Engineering Services costs associated with the OBMP-Safe Yield Recalculation expenses (6906.73) in the amount of \$85,000; Agricultural Pool Legal Services expenses (8467) in the amount of \$63,000; Agricultural Pool Meeting Attendance expenses (8470) in the amount of \$4,000; and Watermaster Staff Training expenses (6193) in the amount of \$5,200; (\$33,000 + \$110,500 + \$10,000 + \$17,000 + \$85,000 + \$63,000 + \$4,000 + \$5,200 = \$327,700).

The budget reductions in the amount of \$327,700 were from the following areas of the FY 2015/16 expense budget: Brownstein Hyatt Farber Schreck overall budget savings within the Pools, Advisory, and Board Meetings categories of \$96,000; Watermaster Staffing salaries budget was reallocated by \$27,000; Watermaster Administrative Membership Dues of \$2,300 and Miscellaneous Office Supplies of \$2,900 were adjusted; Wildermuth Environmental, Inc. overall budget savings of \$144,500; and the Agricultural Pool Special Fund was not fully spent and had \$55,000 to reallocate; ($\$96,000 + \$27,000 + \$2,300 + \$2,900 + \$144,500 + \$55,000 = \$327,700$).

The Approved Amended Budget for FY 2015/16 of \$11,239,143.85 (which includes the additional "Carry Over" funding of \$1,872,937.85) was NOT increased with the Budget Transfer Form T-16-06-01.

SOURCES OF FUNDING:

BHFS Legal Services (Meeting Attendance) of \$96,000

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. With regards to the budget calculated for the BHFS staff for meeting attendance, an assumption of the number of hours and the number of meetings that would be attended on an annual basis was developed. The actual BHFS staff attendance hours and the number of meetings held on behalf of the Appropriative Pool, Non-Agricultural Pool, Agricultural Pool, Advisory Committee and Board meetings was lower than budgeted. As a result, \$96,000 of the BHFS legal services budget specifically provided for meeting attendance was available for reallocation. The Advisory Committee Meeting expenses (6275) had a budget amount of \$6,300 available for redistribution; the Board Meeting expenses (6375) has a budget amount of \$49,200 available for redistribution; the Appropriative Pool Meeting expenses (8375) has a budget amount of \$14,000 available for redistribution; the Agricultural Pool Meeting expenses (8475) has a budget amount of \$14,500 available for redistribution; and the Non-Agricultural Pool Meeting expenses (8575) has a budget amount of \$12,000 available for redistribution; ($\$6,300 + \$49,200 + \$14,000 + \$14,500 + \$12,000 = \$96,000$).

Watermaster Staff Salaries of \$27,000

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. At fiscal year-end, several categories were under budget due to lower than projected activities in those areas. One area was the OBMP section (6901) in the amount of \$10,000 and the other area was the Groundwater Quality Monitoring section (7103.1) in the amount of \$17,000. The total amount of \$27,000 was used to adjust those Watermaster staff salaried accounts that were over budget as of June 30, 2016. The total staffing budget of \$1,554,711 was not increased, just reallocated within the staffing budget individual categories.

Watermaster Administrative Expenses of \$5,200

Watermaster's Administrative expenses for Membership Dues (6111) and Miscellaneous Office Supplies (6031.7) were under budget as of June 30, 2016 by \$2,300 and \$2,900 respectively. These cost savings of \$5,200 were reallocated to the Watermaster Employee Training category (6193), which was over budget and in need of additional funding as of June 30, 2016.

Engineering Services of \$144,500

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 the approved budget at the end of the fiscal year. The final year-end report as of June 30, 2016 shows the total Engineering Services expenses under budget by \$513,365 (\$326,577 + \$186,788 = \$513,365) and of that balance, \$144,500 would be reallocated as part of the Budget Transfer Form T-16-06-01 and \$326,577 would be "Carried-Over" into the FY 2016/17 budget for ongoing Engineering Services which were originally budgeted and projected to be completed in FY 2015/16, but due to delays, will be finalized in the early portion of the next fiscal year.

Table 1
Chino Basin Watermaster: Budget Summary for Engineering Tasks for Fiscal Year 2015/16
As of June 30, 2016

Acct #	Description	Original Budget	Revised Budget	Previously Billed	June Invoices	Total Billed	Carryover to FY 2016/17	Under / (Over) Revised Budget
8906	OBMP Engineering	\$ 455,788	\$ 455,788	\$ 406,215	\$ 72,027	\$ 478,241		\$ (22,453)
8906.1	OBMP - Watermaster Model Applications	279,340	279,340	299,950	7,764	307,714		(28,374)
6906.73	OBMP-Safe Yield Recalc	-	-	95,448	-	95,448		(95,448)
7103.3	GW Quality - Engineering Services	120,516	120,516	84,679	13,098	97,776		22,740
7103.5	GW Quality - Laboratory Services	39,205	39,205	33,529	-	33,529		5,676
7104.3	GW Level - Engineering Services	176,430	176,430	150,206	16,112	166,318		10,112
7104.8	GW Level - Contract Services	10,000	10,000	-	2,672	2,672		7,329
7104.9	GW Level - Capital Services	7,000	7,000	91	11,762	11,842		(4,842)
7107.2	Ground Level - Engineering Services	46,534	56,347	43,650	2,513	46,163		10,184
7107.3	Ground Level- SAR Imagery	85,000	85,000	85,000	-	85,000		-
7107.6	Ground Level- Contract Services	116,289	151,059	101,633	5,886	107,519		43,540
7107.8	Ground Level - Capital Equipment	5,600	5,600	4,198	-	4,198		1,402
7108.3	HCMP - Engineering Services	49,968	49,968	46,341	-	46,341		3,627
7108.4	HCMP - Lab Services	25,081	25,081	23,036	-	23,036		2,045
7108.31	HCMP - Eng. Serv. - PBHSP	117,019	129,146	102,196	23,098	125,295	12,072 (1)	(8,221)
7108.32	HCMP - Adaptive Management Plan	10,176	43,176	64,254	-	64,254	50,000 (2)	(71,078)
7108.41	HCMP - Lab. Serv. - PBHSP	13,110	49,096	34,534	11,304	45,838		3,258
7108.6	HCMP - Eng. Serv. - PBHSP - Outside Pro	90,000	90,000	-	-	-		90,000
7109.3	Recharge & Well Monitoring - Engineering Serv.	19,867	19,867	15,098	-	15,098		4,769
7202.2	Comp Recharge - Engineering Services	159,504	159,504	75,796	12,648	88,444		71,060
7303	OBMP - Engineering Services - Desalters	23,384	23,384	-	-	-		23,384
7402	OBMP - Engineering Services - MZ1	84,708	84,708	68,386	9,870	78,256	7,000 (3)	(548)
7402.1	OBMP - Engineering Services - Northwest MZ1	506,255	506,255	243,032	5,718	248,750	257,505 (4)	-
7403	OBMP - Contract Services - MZ1	20,000	20,000	6,100	500	6,600		13,400
7502	OBMP - Engineering Services - WQC	70,840	81,840	25,862	543	26,405		55,435
7602	OBMP - Engineering Services - Storage	64,328	64,328	14,536	-	14,536		49,792
Totals		\$ 2,595,942	\$ 2,732,638	\$ 2,023,769	\$ 195,503	\$ 2,219,273	\$ 326,577	\$ 186,788

Note: Billed includes MWH Laboratory Invoices paid directly by Watermaster.

- (1) Carryover budget to FY2016/17 for vegetation implementation into HDX
- (2) Carryover budget to FY2016/17 to finalize the Adaptive Management Plan and 2015 Report
- (3) Carryover budget to FY2016/17 to finalize the 2015 Report
- (4) Carryover budget to FY2016/17 to complete Northwest MZ1 tasks

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Agricultural Pool Special Fund of \$55,000

The FY 2015/16 budget for the Agricultural Pool Special Fund was funded at \$65,000 and the Middle Santa Ana River Pathogen TMDL Task Force Cost Share was \$9,059 leaving an unused balance of \$55,941 which was available for reallocation.

USES OF FUNDING:

BHFS Legal Services - Personnel Matters of \$110,500

The 12-month annual legal budget for the Personnel Matters category was originally approved at \$80,700 and the BHFS budget anticipated 200 labor hours for consolidated legal staff time with regards to Personnel Matters. Over the past 12 months, Watermaster staff has been reporting that continued expenses relating to the CalPERS determination of the former CEO's salary for retirement calculation purposes might result in the need for a Budget Transfer Form. The Administrative Hearing was held on

April 11-13, 2016 at the Glendale CalPERS Regional Office. A ruling was scheduled for issuance by the Administrative Judge in July 2016. On June 9, 2016 a request by the CalPERS attorney to extend the deadlines for filing the opening and response briefs was submitted to the Administrative Law Judge. On June 13, 2016 the request was granted and the order now states the opening briefs shall be filed and served no later than July 11, 2016. The response briefs shall be filed and served no later than August 8, 2016. As a result of continuing efforts and activity, Budget Transfer Form T-16-06-01 added an additional \$110,500 to this budget category under account (6073) which brings the total budget amount for the year to \$191,200 ($\$80,700 + \$110,500 = \$191,200$).

BHFS Legal Services - Safe Yield Recalculation of \$33,000

The 12-month annual legal budget for the Safe Yield Recalculation and Reset Agreement was originally approved for FY 2015/16 at \$103,300 and the BHFS budget anticipated 230 labor hours for consolidated legal staff time with regards to this budget category. On May 26, 2016 a Budget Amendment Form A-16-04-01 was approved by the Board in the amount of \$250,000 which increased the budget category for the Safe Yield Recalculation and Reset Agreement efforts to \$353,300. Over the majority of this fiscal year, Watermaster staff has been reporting that continued expenses relating to the Safe Yield Recalculation efforts might result in the need for a Budget Transfer Form. As a result of continuing expenses, Budget Transfer Form T-16-06-01 added an additional \$33,000 to this budget category under account number (6907.42) which brings the total budget amount for the year to \$386,300 ($\$103,300 + \$250,000 + \$33,000 = \$386,300$).

The "Approved" FY 2015/16 Legal Services budget was adopted for the amount of \$933,815. Budget Amendment Form A-16-04-01 in the amount of \$250,000 was approved by Watermaster Board on May 26, 2016. The amount of \$250,000 was funded by the Assessment invoicing issued on June 23, 2016. The "Amended" Legal Services budget was again increased by an additional \$47,500 with Budget Transfer Form T-16-06-01, approved in August 2016, which brought the BHFS Legal Services budget to \$1,231,315.

As of June 30, 2015, the total (YTD) Watermaster Legal Services expenses (consolidating the three categories of Watermaster Administrative Legal Services, Pool/Advisory/Board Meeting legal expenses, and OBMP legal expenses) were \$4,126 or 0.3% below the (YTD) budgeted amount of \$1,231,315.

The table below summarizes the Year-To-Date (YTD) Actual Legal Services (BHFS-Brownstein Hyatt Farber Schreck) costs 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 data listed below includes the adjustments provided by the Budget Transfer Form T-16-06-01. The following details are provided:

	Jul '15 - Jun '16 Actual	Jul '15 - Jun '16 Budget	\$ Over Budget	% of Budget	FY 2015/16 Annual Budget
6070 · Watermaster Legal Services					
6071 · BHFS Legal - Court Coordination	34,226.21	40,950.00	-6,723.79	83.58%	40,950.00
6072 · BHFS Legal - Annotated Judgment	0.00	40,150.00	-40,150.00	0.0%	40,150.00
6073 · BHFS Legal - Personnel Matters	182,790.62	191,200.00	-8,409.38	95.6%	191,200.00
6074 · BHFS Legal - Interagency Issues	0.00	30,600.00	-30,600.00	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	28,700.00	-28,241.00	1.6%	28,700.00
6078 · BHFS Legal - Miscellaneous (Note 1)	146,107.97	35,350.00	110,757.97	413.32%	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	366,663.62	366,950.00	-286.38	99.92%	366,950.00
6275 · BHFS Legal - Advisory Committee	13,926.17	14,100.00	-173.83	98.77%	14,100.00
6375 · BHFS Legal - Board Meeting	57,105.72	57,365.00	-259.28	99.55%	57,365.00
8375 · BHFS Legal - Appropriate Pool	16,507.21	16,600.00	-92.79	99.44%	16,600.00
8475 · BHFS Legal - Agricultural Pool	15,884.99	16,100.00	-215.01	98.67%	16,100.00
8575 · BHFS Legal - Non-Ag Pool	16,383.11	18,600.00	-2,216.89	88.08%	18,600.00
Total BHFS Legal Services	119,807.20	122,765.00	-2,957.80	97.59%	122,765.00
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	24,500.00	-24,500.00	0.0%	24,500.00
6907.32 · Chino Airport Plume	0.00	24,500.00	-24,500.00	0.0%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	48,900.00	-48,900.00	0.0%	48,900.00
6907.34 · Santa Ana River Water Rights	5,851.00	25,300.00	-19,449.00	23.13%	25,300.00
6907.36 · Santa Ana River Habitat	964.80	19,700.00	-18,735.20	4.9%	19,700.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	14,350.00	-14,350.00	0.0%	14,350.00
6907.39 · Recharge Master Plan	19,704.28	68,100.00	-48,395.72	28.93%	68,100.00
6907.40 · Storage Agreements	535.50	86,100.00	-85,564.50	0.62%	86,100.00
6907.41 · Prado Basin Habitat Sustainability	11,038.50	14,350.00	-3,311.50	76.92%	14,350.00
6907.42 · Safe Yield Recalculation	643,958.81	386,300.00	257,658.81	166.7%	386,300.00
6907.44 · SGMA Compliance	58,665.05	0.00	58,665.05	100.0%	0.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	29,500.00	-29,500.00	0.0%	29,500.00
Total 6907 · WM Legal Counsel	740,717.94	741,600.00	-882.06	99.88%	741,600.00
Total Brownstein, Hyatt, Farber, Schreck Costs	1,227,188.76	1,231,315.00	-4,126.24	99.67%	1,231,315.00

Note 1: The types of legal activities that have been charged against the "Miscellaneous" legal category account 6078 are as follows: (1) Correspondence and discussions with Watermaster staff regarding current issues/topics; (2) Correspondence with Watermaster staff regarding special projects (assessment package, annual report, audit report, business plan, etc.); (3) Brownstein's status review of ongoing Watermaster projects and issues; (4) Brownstein's update of the outstanding issues list; (5) Coordination of ongoing Watermaster projects; (6) Review of draft documents; (7) Review application of 85/15 rule; (8) Review transfer documents; (9) Land Subsidence Committee reports/meetings; (10) West Venture background reviews; (11) Review process and criteria for re-appointment of the Watermaster 9 member Board; (12) Review current California issued drought regulations; (13) Review and comment on Waters of the United States rule making; and (14) Miscellaneous legal research on current and pending issues.

Watermaster Staff Salaries of \$27,000

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. At fiscal year-end, several categories were under budget due to lower than projected activities in those areas. One area was the OBMP section (6901) in the amount of \$10,000 and the other area was the Groundwater Quality Monitoring section (7103.1) in the amount of \$17,000. The total amount of \$27,000 (\$10,000 + \$17,000 = \$27,000) was redistributed to adjust the Watermaster Administration section (6011) in the amount of \$10,000 and the Production Monitoring section (7101.1) in the amount of \$17,000 which were over budget as of June 30, 2016. The original approved total staffing budget of \$1,554,711 for FY 2015/16 was not increased, the amounts were just reallocated within the staffing budget to the individual categories that required additional funding.

Engineering Services of \$85,000

When the FY 2015/16 budget was approved on May 28, 2015 by the Watermaster Board, the Engineering Services budget did not include any funding for the OBMP-Safe Yield Recalculation efforts. During the fiscal year, expenses related to the OBMP-Safe Yield Recalculation efforts were recorded under the Engineering budget within the OBMP section. The OBMP section (6906.73) was over budget by approximately \$85,000. The amount of \$85,000 was redistributed into the Safe Yield Recalculation account (6906.73).

Agricultural Pool Legal Services of \$67,000

The Agricultural Pool Administration section (8400's) was over budget in several areas of the budget for FY 2015/16. The Agricultural Pool Legal Services expenses (8467) was over budget by \$63,000 and the Agricultural Pool Meeting Attendance Compensation expenses (8470) was over budget by \$4,000. A redistribution of budget funds in the amount of \$67,000 eliminated the funding issues for these two accounts (\$63,000 + \$4,000 = \$67,000).

Watermaster Employee Training Expenses of \$5,200

Watermaster's Administrative Training expenses within category (6190's) was over budget by approximately \$5,200 and a transfer of funding from several other Administrative accounts in the amount of \$5,200 eliminated the shortfall of funding. Membership Dues (6111) and Miscellaneous Office Supplies (6031.7) were under budget as of June 30, 2016 by \$2,300 and \$2,900 respectively. These cost savings of \$5,200 were reallocated to the Watermaster Employee Training category (6193).

ATTACHMENT

1. Budget Transfer Form T-16-06-01



**CHINO BASIN WATERMASTER
BUDGET TRANSFER FORM T-16-06-01**

To: **All Parties**

From: Joseph S. Joswiak, CFO Date: August 11, 2016

Describe reason for the transfer between budget categories here: To reallocate a portion of the FY 2015/16 budget amounts which are under budget, and transfer those funds to the budget categories which are over budget at the fiscal year-end closing as of June 30, 2016. The accounts under budget are as follows: BHFS Legal Services budget for Meetings of \$96,000; Watermaster Salaries budget of \$27,000; Miscellaneous Administrative Office Expense budget of \$5,200; WEI Engineering Services budget of \$144,500; and the Ag Pool Special Project budget of \$55,000. The purpose of the budget transfers is to fund the shortfalls in the various expense categories of the FY 2015/16 budget at the close of the fiscal year as of June 30, 2016.

Budgetary account reduction

<i>Line Item Description</i>	<i>Account Number</i>		<i>Amount</i>	
BHFS Legal - Advisory Committee	6275	BHFS	\$ (6,300)	
BHFS Legal - Board Meeting	6375	BHFS	\$ (49,200)	
BHFS Legal - Appropriative Pool	8375	BHFS	\$ (14,000)	
BHFS Legal - Agricultural Pool	8475	BHFS	\$ (14,500)	
BHFS Legal - Non-Agricultural Pool	8575	BHFS	\$ (12,000)	\$ (96,000)
WM Staff Salaries - OBMP	6901	Salaries	\$ (10,000)	
WM Staff - Groundwater Quality Monitoring	7103.1	Salaries	\$ (17,000)	\$ (27,000)
Membership Dues	6111	Admin	\$ (2,300)	
Miscellaneous Office Supplies	6031.7	Admin	\$ (2,900)	\$ (5,200)
Hydraulic Control - Outside Professionals	7108.6	WEI	\$ (90,000)	
Comprehensive Recharge - Engineering Serv.	7202.2	WEI	\$ (54,500)	\$ (144,500)
Ag Pool Special Project Fund	8471	Ag Pool	\$ (55,000)	\$ (55,000)
Total Amount of Budget To Transfer "OUT"			\$ (327,700)	

Budgetary account addition

BHFS Legal - Personnel Matters	6073	BHFS	\$ 96,000	\$ 96,000
WM Staff Salaries - Administration	6011	Salaries	\$ 10,000	
WM Staff - Production Monitoring	7101.1	Salaries	\$ 17,000	\$ 27,000
WM Employee Training	6193	Admin	\$ 5,200	\$ 5,200
Agricultural Pool Legal Services	8467	Ag Pool	\$ 8,000	
Ag Meeting Attendance	8470	Ag Pool	\$ 4,000	
BHFS Legal - Safe Yield Recalculation	6907.42	BHFS	\$ 33,000	
OBMP - Safe Yield Recalculation	6906.73	WEI	\$ 30,500	
BHFS Legal - Personnel Matters	6073	BHFS	\$ 14,500	
OBMP - Safe Yield Recalculation	6906.73	WEI	\$ 54,500	\$ 144,500
Agricultural Pool Legal Services	8467	Ag Pool	\$ 55,000	\$ 55,000
Total Amount of Budget To Transfer "IN"			\$ 327,700	
Net Transfer Amount			\$ -	

Transfer Procedure

- Staff brings the transfer request to the Pools, Advisory Committee, and Board for information purposes if the transfer is under \$25,000. Transfers over \$25,000 within the same budget category must be formally recommended for approval by the Pools, approved by the Advisory Committee, and approved by the Board. Transfers between budget categories, regardless of amount, require recommended approval by the Pools, approval by the Advisory Committee, and approval by the Board.
- Once the form has been completed by the CFO, and approved by the board if required, the Chief Financial Officer will prepare and process the budget transfer in the accounting system.
- A log will be maintained by the CFO detailing the transfer.
- A fiscal year file will also be kept to hold all budget amendment forms for auditor review.

Finance Use Only

Date Board Approved _____

Finance Log # _____

Date Posted _____

Posted By _____

Approved by _____

Date approved _____

CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B. PBHSP COST-SHARING AGREEMENT AMENDMENT



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: August 25, 2016
TO: Board Members
SUBJECT: Prado Basin Habitat Sustainability Program Cost-Sharing Agreement Amendment
(Business Item. II.B.)

SUMMARY

Issue: The current Prado Basin Habitat Sustainability Program cost-sharing agreement with IEUA must be amended to increase the cost-sharing amount for program initiation start up expenses from \$600,000 to \$770,000 (\$385,000 each for Watermaster and IEUA), and to identify the cost sharing responsibility for each agency for future year monitoring expenses.

Recommendation: Approve the amendment to the Prado Basin Habitat Sustainability Program cost-sharing agreement with IEUA, subject to any necessary non-substantive changes; and authorize the General Manager to execute the amendment on behalf of Watermaster.

Financial Impact: The current year Watermaster Budget, includes the additional \$85,000 for the start up costs, and funds for Watermaster's share of the first year of monitoring and reporting. Future year budgets will include funds for necessary monitoring.

Future Consideration

Watermaster Board: August 25, 2016 - Adoption (Advisory Committee approval required)

ACTIONS:

August 11, 2016: Appropriative Pool – Recommended Advisory Committee approval by majority (601.172) volume vote.
August 11, 2016: Non-Agricultural Pool – Recommended by majority vote for representatives to support at Advisory Committee subject to changes which they deem necessary. No vote by the City of Ontario.
August 11, 2016: Agricultural Pool – Recommend Advisory Committee approval; unanimous vote
August 18, 2016: Advisory Committee – Approved by unanimous vote
August 25, 2016: Watermaster Board –

BACKGROUND

The Peace II Subsequent Environmental Impact Report (SEIR) was completed and adopted by the IEUA Board on October 6, 2010. Mitigation Measure 4.4-3, from the Peace II SEIR (Attachment 1), requires that a Prado Basin Habitat Sustainability Committee and Program be developed. Watermaster, IEUA, and OCWD staff have been working together to develop a program that will meet the requirements of the mitigation measure. Under this Program, Watermaster and IEUA are committed to perform the following tasks:

- 1) Cone Penetrometer Testing and installation of groundwater level monitoring wells;
- 2) Development of an Adaptive Management Plan;
- 3) Perform on-going vegetation surveys in the Prado Basin; and
- 4) Perform on-going photo-station surveys in the Prado Basin.

The cost sharing agreement (Attachment 2) was originally approved by Watermaster on September 27, 2012 in the amount of \$440,000 (\$220,000 each for Watermaster and IEUA). The amount was amended in August 2013 to \$600,000 (\$300,000 each for Watermaster and IEUA) to reflect a change in the consultant preparing the Adaptive Management Plan (Attachment 3).

DISCUSSION

A consultant was selected through an RFP process to prepare the Adaptive Management Plan, however IEUA and Watermaster believed the project could be most efficiently completed by engaging WEI to complete the plan. In addition, a number of issues associated with the drilling of the monitoring wells (unavailable locations requiring negotiation of new easements, nesting season limitations, etc.), increased the cost of the construction of the 16 wells. The majority of the additional costs were due to extended construction management, additional easement fees, and environmental reporting for the pre- and during construction time period. The associated increase in cost is \$170,000, changing the total amount from \$600,000 to \$770,000. Watermaster is responsible for half of this increase in cost (\$85,000). The startup tasks have been completed at this time. Watermaster and IEUA need to amend the not-to-exceed amount in the cost-sharing agreement to be able to reimburse each other and share the costs as anticipated in the Peace II SEIR mitigation measure.

This second amendment also includes a clarification of the cost sharing among Watermaster and IEUA for the future monitoring expenses. Specifically, the amendment provides the following:

- Watermaster is responsible for groundwater level, groundwater quality, and surface water monitoring;
- Watermaster and IEUA will jointly fund (50/50 share) the costs associated with vegetation monitoring, climate change, report preparation, and overall project management.

The second amendment of the cost-sharing agreement is presented as Attachment 4 to this staff report. It is anticipated that the IEUA Board will approve the same in September 2016.

Through FY 2016/17, Watermaster has budgeted approximately \$85,000 for its share of the additional startup costs; and \$391,080 for the ongoing monitoring costs. Based on the terms of the second amendment to the cost sharing agreement IEUA would reimburse Watermaster \$149,485 for its share of the ongoing monitoring costs. No budget amendment is required as a result of the proposed amendment to the cost sharing agreement.

Future year budgets will include funds to cover the ongoing monitoring costs, which are anticipated to be lower than this first year's costs.

The Appropriative, Overlying (Non-Agricultural), and Overlying (Agricultural) Committees considered the item during their August 11, 2016 meeting. The Appropriative and Overlying (Non-Agricultural) Pools recommend Advisory Committee approval by majority vote, and the Agricultural Pool recommends Advisory Committee approval by unanimous vote. The Advisory Committee reviewed the item and unanimously recommended approval during its August 18, 2016 meeting.

ATTACHMENTS

1. Mitigation Measure 4.4-3, from the Peace II SEIR
2. 2012 Cost Sharing Agreement
3. 2013 First Amendment to the Cost Sharing Agreement
4. 2016 Draft Second Amendment to the Cost Sharing Agreement

Peace II Subsequent EIR – Mitigation Measure 4.4-3

The Chino Basin Stakeholders are committed to ensuring that the Peace II Agreement actions will not significantly adversely impact the Prado Basin riparian habitat. This includes the riparian portions of Chino and Mill Creek's between the terminus of hard lined channels and Prado Basin proper. The available modeling data in the SEIR indicates that Peace II Agreement implementation will not cause significant adverse effects on the Prado Basin riparian habitat. However, the following contingency measure will be implemented to ensure that the Prado Basin riparian habitat will not incur unforeseeable significant adverse effects, due to implementation of Peace II. IEUA, Watermaster, OCWD and individual stakeholders, that choose to participate, will jointly fund and develop an adaptive management program that will include, but not be limited to: monitoring riparian habitat quality and extent; investigating and identifying essential factors to long-term sustainability of Prado Basin riparian habitat; identification of specific parameters that can be monitored to measure potential effects of Peace II Agreement implementation effects on Prado Basin; and identification of water management options to minimize the Peace II Agreement effects on Prado Basin. This adaptive management program will be prepared as a contingency to define available management actions by Prado Basin stakeholders to address unforeseeable significant adverse impacts, as well as to contribute to the long-term sustainability of the Prado Basin riparian habitat. The above effort will be implemented under the supervision of a newly-formed Prado Basin Habitat Sustainability Committee. This Committee will include representatives from all interested parties and will be convened by the Watermaster and IEUA. Annual reports will be prepared and will include recommendations for ongoing monitoring and any adaptive management actions required to mitigate any measured loss or prospective loss of riparian habitat that may be attributable to the Peace II Agreement. Prior to January 1, 2013, the Committee shall identify the performance standard(s) for determining significance of potential Peace II Agreement impacts to Prado Basin Riparian Habitat for implementation by IEUA and Watermaster. As determined by Watermaster and IEUA, significant adverse impacts to riparian habitat that are attributable to the Peace II Agreement will be mitigated.

AGREEMENT BETWEEN CHINO BASIN WATERMASTER AND INLAND EMPIRE UTILITIES AGENCY REGARDING REIMBURSEMENT OF THE PEACE II SUBSEQUENT ENVIRONMENTAL IMPACT REPORT MITIGATION MEASURE 4.4-3 (PRADO BASIN HABITAT SUSTAINABILITY PROGRAM)

WHEREAS, the Inland Empire Utilities Agency (“IEUA”) and the Chino Basin Watermaster (“Watermaster”) (each individually “Party” and collectively “the Parties”) share common goals and objectives regarding the reasonable and beneficial use of water within the Inland Empire and more specifically the Chino Basin;

WHEREAS, 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, R8-2012-0002);

WHEREAS, both Parties have made commitments to the RWQCB to obtain Maximum Benefit Groundwater Quality Objectives (Quarterly Surface Water Monitoring and Reporting, Annual Hydraulic Control Monitoring Program (HCMP) Monitoring and Reporting);

WHEREAS, 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. R8-2007-0039 (Order) and the Monitoring and Reporting Program (M&RP) No. R8-2007-0039;

WHEREAS, the Peace II Agreement section 2.2 acknowledges that IEUA has been properly designated as the Lead Agency for the purposes of completing the environmental assessment and review of the proposed project;

WHEREAS, the 2008 “Bright Line Agreement” defines the cost sharing arrangement for monitoring programs between IEUA and Watermaster;

WHEREAS, the Peace II Subsequent EIR was completed and adopted by the IEUA Board; and

WHEREAS, mitigation measure 4.4-3, from the Peace II Subsequent EIR, requires Watermaster, IEUA and OCWD to develop a Prado Basin Habitat Sustainability Program.

NOW THEREFORE IT IS AGREED THAT:

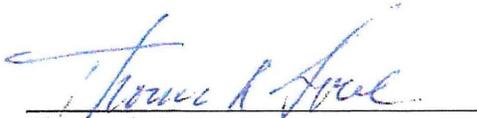
1. This agreement is effective May 1, 2012.
2. IEUA shall apply for the Department of Water Resources (DWR) Local Groundwater Assistance (LGA) Grant Program. Any funds received through the LGA Grant Program will be put towards the Prado Basin Habitat Sustainability Program (“Program”).
3. Any remaining costs will be split 50/50 between IEUA and Watermaster. IEUA and Watermaster have each budgeted not-to-exceed amounts of

\$220,000 (for a total of \$440,000) through the end of FY 2013/14, to include, but not be limited to, the following items as listed below.

- a) IEUA shall retain a qualified consultant to develop the Prado Basin Habitat Sustainability Adaptive Management Plan, as required by the Peace II Subsequent EIR mitigation measure 4.4-3.
 - b) Watermaster shall retain Wildermuth Environmental, Inc. (WEI) to perform project management tasks related to monitoring well installation, under this Program.
 - c) IEUA shall retain a qualified contractor to construct and install up to 17 monitoring wells at 9 separate sites, as required by the Peace II Subsequent EIR mitigation measure 4.4-3.
 - d) IEUA shall retain the United States Bureau of Reclamation (USBR) to perform vegetative monitoring every 3 years, as required by the Peace II Subsequent EIR mitigation measure 4.4-3.
4. Consistent with the 2008 Bright Line Agreement Section 1A, Watermaster shall be responsible for conducting and funding all groundwater level measurements from the monitoring wells installed under this Agreement.
 5. Within 45 days of the end of each fiscal year quarter, IEUA and Watermaster shall invoice each other for 50% of actual costs associated with activities identified in Section 3 of this Agreement. All invoices shall reference this Agreement and shall include consultant or contractor invoice documentation.
 6. If there are changes in the Program that cause the total costs to increase above \$220,000 contribution by each party, then both parties shall require approval from their respective Committees and Boards.

Inland Empire Utilities Agency

Chino Basin Watermaster



Thomas A. Love
General Manager



Peter Kavounas
General Manager



AMENDMENT NUMBER: 4600001511-001

AGREEMENT BETWEEN CHINO BASIN WATERMASTER AND INLAND EMPIRE UTILITIES AGENCY REGARDING REIMBURSEMENT OF THE PEACE II SUBSEQUENT ENVIRONMENTAL IMPACT REPORT MITIGATION MEASURE 4.4.3 (PRADO BASIN HABITAT SUSTAINABILITY PROGRAM)

THIS AMENDMENT NUMBER 1, to Contract Number 4600001511, between the Chino Basin Watermaster and the Inland Empire Utilities Agency shall revise the Agreement as follows:

REVISE SECTION 3, TO READ AS FOLLOWS:

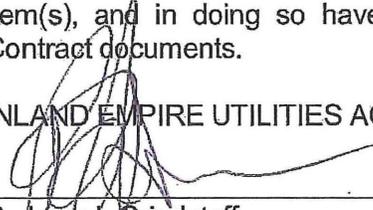
Any remaining costs will be split 50/50 between IEUA and Watermaster. IEUA and Watermaster will each contribute up to a not-to-exceed amounts of \$300,000 (for a total of \$600,000) through the end of FY 2022/23, to include, but not be limited to, the following items.

- a) IEUA shall retain a qualified consultant to develop the Prado Basin Habitat Sustainability Adaptive Management Plan, as required by the Peace II Subsequent EIR mitigation measure 4.4-3.
- b) Watermaster shall retain Wildermuth Environmental, Inc. (WEI) to perform project management tasks related to monitoring well installations, under this Program.
- c) IEUA shall retain a qualified contractor to construct and install up to 17 monitoring wells at 9 separate sites, as required by the Peace II Subsequent EIR mitigation measure 4.4-3.
- d) IEUA shall retain the United States Bureau of Reclamation (USBR) to perform vegetative monitoring every 3 years, as required by the Peace II Subsequent EIR mitigation measure 4.4-3.
- e) IEUA shall retain a qualified contractor/consultant to perform monthly or quarterly photo-monitoring, as required by the Peace II Subsequent EIR mitigation measure 4.4-3.

ALL OTHER PROVISIONS OF THIS CONTRACT REMAIN UNCHANGED.

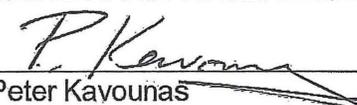
The parties hereto have mutually covenanted and agreed as per the above amendment item(s), and in doing so have caused this document to become incorporated into the Contract documents.

INLAND EMPIRE UTILITIES AGENCY:


 P. Joseph Grindstaff
 General Manager

8/20/13
 (Date)

CHINO BASIN WATERMASTER:


 Peter Kavounas
 General Manager

8/22/13
 (Date)

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IEUA Contract No.: **4600001511-002**
 Watermaster Contract No.:

AGREEMENT BETWEEN CHINO BASIN WATERMASTER AND INLAND EMPIRE UTILITIES AGENCY REGARDING REIMBURSEMENT OF THE PEACE II SUBSEQUENT ENVIRONMENTAL IMPACT REPORT MITIGATION MEASURE 4.4.3 (PRADO BASIN HABITAT SUSTAINABILITY PROGRAM)

THIS AMENDMENT NUMBER 2, to Contract Number 4600001511, between the Chino Basin Watermaster (**Watermaster**) and the Inland Empire Utilities Agency (**IEUA**) shall revise the Agreement as follows:

REVISE SECTION 3, TO READ AS FOLLOWS:

Program costs will be shared between the Watermaster and IEUA as indicated below and in Attachments A and B.

- a) Costs that are incurred to establish the Program monitoring and reporting regime (**Start Up Costs**) will be cost-shared between Watermaster and IEUA on a 50/50 basis, subject to the following limitation: Watermaster and IEUA will contribute up to a combined total of \$770,000 in **Start Up Costs**. These **Start Up Costs** are costs associated with tasks that have already completed. Refer to Attachment A and B for additional details on these costs. For the purposes of this agreement, **Start Up Costs** are defined as the costs associated with the following Program activities:
 1. Development of the Adaptive Management Plan (**AMP**); and,
 2. Installation of monitoring wells, including project management, construction, contract labor, environmental and regulatory permitting, acquisition of required easements and licenses, and contingency costs

- b) Program costs that are ongoing (**Ongoing Costs**) will be cost-shared between Watermaster and IEUA, split on a 50/50 basis, subject to the following limitation: in each fiscal year, neither Watermaster nor IEUA shall be obligated to reimburse the other for **Ongoing Costs** that exceed the amount that the reimbursing party has budgeted for **Ongoing Costs** in that fiscal year, except as agreed upon by both parties in writing or as amended during the fiscal year. The first year expense to be cost shared is approximately \$300,000, with projected future years estimated at approximately \$150,000. For the purposes of this agreement, **Ongoing Costs** are defined as the costs associated with the following Program activities:
 1. A Riparian Habitat Monitoring Program, including, but not limited to, the following sub-tasks:
 - i. Design and implement a site-specific vegetation monitoring program with the United States Bureau of Reclamation (**USBR**) and Orange County Water District, pursuant to which USBR will perform site-specific vegetation surveys.
 - ii. Manage and perform custom flight to collect a high-resolution air photo of the Prado Basin Region

- iii. Collect, check and upload historical air photos and vegetation survey data in the Prado Basin region
 - iv. Collect, check, and upload historical Landsat data in the Prado Basin region
 - 2. A Climate Monitoring Program, including, but not limited to, the following sub-task:
 - i. Collect, check, and upload climatic data on an annual basis
 - 3. Preparation of the AMP Annual Report (**Annual Report**), including, but not limited to, the following sub-tasks:
 - i. Water level monitoring, vegetation survey, photo monitoring, landsat data, climate data and analysis of the components.
 - ii. Analyze data and prepare an administrative draft of the Annual Report for Watermaster/IEUA
 - iii. Incorporate Watermaster and IEUA comments and prepare a draft Annual Report for review by the PBHSC
 - iv. Meet with PBHSC to review draft Annual Report
 - v. Incorporate PBHSC comments and finalize the Annual Report
 - 4. Annual license fees for monitoring wells
 - 5. Project management and administration activities associated with the Program undertaken by a Party's consultant, including, but not limited to, the following sub-tasks:
 - i. Ad-Hoc Meetings
 - ii. Preparation of scope and budget for the Program
 - iii. Project administration and financial reporting
 - 6. Other costs required to fulfill the requirements of Peace II Subsequent EIR mitigation measure 4.4-3
- c) Watermaster shall be responsible for the costs associated with the Groundwater Level Monitoring Program, Groundwater Quality Monitoring Program, and Surface Water Monitoring Program.
 - d) Watermaster and IEUA shall each have responsibility for its own administrative costs, excluding the tasks and expenses included under **Set-Up Costs** and **Ongoing Costs**.
 - e) Watermaster and IEUA will meet to review the cost-sharing structure under this agreement and negotiate any necessary adjustments in good faith on at least an annual basis.
 - f) The Peace II SEIR does not explicitly state a duration for the monitoring and mitigation program. It is logical to assume that the program will last until the drawdown impacts, if any, on the riparian habitat from Peace II activities are fully manifested and not predicted to worsen, and that mitigation measures, if any are required, are fully implemented. This is not a perpetual agreement. Upon the termination of the monitoring and any necessary mitigation obligations, the parties may elect to terminate the cost share agreement.

ALL OTHER PROVISIONS OF THIS CONTRACT REMAIN UNCHANGED.

The parties hereto have mutually covenanted and agreed as per the above amendment item(s), and in doing so have caused this document to become incorporated into the Contract documents.

**INLAND EMPIRE UTILITIES AGENCY:
(*A MUNICIPAL WATER DISTRICT)**

CHINO BASIN WATERMASTER:

P. Joseph Grindstaff (Date)
General Manager

Peter Kavounas (Date)
General Manager

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

C. ADAPTIVE MANAGEMENT PLAN FOR THE PBHSP



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: August 25, 2016
TO: Board Members
SUBJECT: Adaptive Management Plan for the Prado Basin Habitat Sustainability Program
(Business Item II.C.)

SUMMARY

Issue: The Adaptive Management Plan for the Prado Basin Habitat Sustainability Program needs to be adopted by the Watermaster Board to comply with the monitoring and mitigation requirements of the Peace II Subsequent Environmental Impact Report, and thereby receive the benefits of Hydraulic Control and Basin Re-Operation.

Recommendation: Adopt the Adaptive Management Plan for the Prado Basin Habitat Sustainability Program, subject to any necessary non-substantive changes and direct staff to bring annual reports and future recommendations to the Pool and Advisory Committees in draft form before they are finalized.

Financial Impact: The current year Watermaster Budget includes funding for the first year of the monitoring and reporting program pursuant to the Adaptive Management Plan. Future year budgets will include funding for the necessary monitoring.

Future Consideration

Advisory Committee: August 18, 2016 – recommend Board approval

Watermaster Board: August 25, 2016 - approval [Upon Recommendation of Advisory Committee]

ACTIONS:

Appropriative Pool: August 11, 2016 – Recommended Advisory Committee approval by majority (601.172) volume vote.

Non-Agricultural Pool: August 11, 2016 – Recommended by majority vote for representatives to support at Advisory Committee subject to changes which they deem necessary. No vote by the City of Ontario.

Agricultural Pool: August 11, 2016 – Recommended Advisory Committee to recommend Board approval; unanimous vote

Advisory Committee: August 18, 2016 – Recommended Watermaster Board adoption, provided that the monitoring, mitigation, and the nature and substance of the annual reporting, be brought back through the Pools and Advisory Committees to provide updates, and to provide an opportunity for input and direction to staff and consultants as Watermaster's representatives to the Prado Basin Habitat Sustainability Committee. Approved by majority vote; "No" votes were cast by the Cities of Chino and Ontario, Monte Vista Water District, and Monte Vista Irrigation Company.

Watermaster Board: Date –

BACKGROUND

The Prado Flood Control Basin (Prado Basin) is located in the southernmost, downgradient portion of the Chino Groundwater Basin (Chino Basin). Surface-water flow within the middle Santa Ana River (SAR) and its tributaries discharge into and through the Prado Basin behind Prado Dam, the main flood-control facility on the middle SAR. The US Army Corps of Engineers, in coordination with the Orange County Water District (OCWD), regulates releases from Prado Dam for the purposes of flood control and groundwater recharge in Orange County. The major components of discharge within the SAR and its tributaries are: runoff from precipitation, discharge of tertiary-treated effluent from wastewater treatment plants, rising groundwater, discharge of untreated imported water for groundwater recharge, and other dry-weather runoff. The SAR and its tributaries are unlined across the Prado Basin, which allows for groundwater/surface-water interaction. Groundwater in Chino Basin generally flows from the forebay regions in the north towards Prado Basin in the south. Depth to groundwater is relatively shallow in the Prado Basin area, where groundwater losses can occur via evapotranspiration by riparian vegetation and rising-groundwater outflow to the SAR and its tributaries.

The surface-water impoundments behind Prado Dam and the shallow groundwater have created within Prado Basin the largest riparian forest in southern California. The riparian forest provides critical habitat for various threatened and endangered species including the Least Bell's Vireo, Southwestern Willow Flycatcher, Yellow-Billed Cuckoo, and the Santa Ana Sucker.

To further implement the goals and objectives of the Chino Basin Optimum Basin Management Program (OBMP), the Chino Basin Watermaster executed the so-called Peace II Agreement in 2007. The two primary features of the Peace II Agreement are to provide for Re-operation and the attainment of Hydraulic Control of the Chino Basin. Hydraulic Control is defined as the reduction of groundwater discharge from the Chino-North Management Zone to the Santa Ana River to *de minimis* quantities. Hydraulic Control ensures that the water management activities in the Chino-North Management Zone will not impair the beneficial uses designated for water quality of the SAR downstream of Prado Dam. Re-operation means the increase in controlled overdraft of the Chino Basin, as defined in the Judgment, from 200,000 acre-ft over the period of 1978 through 2017 to 600,000 acre-ft through 2030. Both desalter expansion in the southwestern portion of the Chino Basin, and Re-operation (controlled overdraft over the whole of the Chino Basin), are required to achieve Hydraulic Control, which is the primary objective of the Peace II Agreement. Hydraulic Control will be achieved through expansion of the desalter program from its current approximate 30,000 acre feet per year (afy) of groundwater production to 40,000 afy, and additional groundwater extractions throughout the Basin to increase overdraft to 600,000 acre-feet (total cumulative overdraft) through 2030.

One of the potential impacts of the Peace II Agreement activities described above is the lowering of groundwater levels (drawdown) in the Prado Basin area, which may impact the riparian habitat that is dependent upon groundwater. To address the potential drawdown and its impact on the riparian habitat, the monitoring and mitigation requirements in the Peace II Subsequent Environmental Impact Report (SEIR) calls for the development and implementation of an adaptive management program for the Prado Basin habitat:

Biological Resources/Land Use & Planning—Section 4.4-3 of the Peace II SEIR

The Chino Basin Stakeholders are committed to ensuring that the Peace II Agreement actions will not significantly adversely impact the Prado Basin riparian habitat. This includes the riparian portions of Chino and Mill Creek's between the terminus of hard lined channels and Prado Basin proper.

The available modeling data in the SEIR indicates that Peace II Agreement implementation will not cause significant adverse effects on the Prado Basin riparian habitat. However, the following contingency measure will be implemented to ensure that the Prado Basin riparian habitat will not incur unforeseeable significant adverse effects, due to implementation of Peace II. IEUA,

Watermaster, OCWD and individual stakeholders, that choose to participate, will jointly fund and develop an adaptive management program that will include, but not be limited to:

- *monitoring riparian habitat quality and extent;*
- *investigating and identifying essential factors to long-term sustainability of Prado Basin riparian habitat;*
- *identification of specific parameters that can be monitored to measure potential effects of Peace II Agreement implementation effects on Prado Basin; and*
- *identification of water management options to minimize the Peace II Agreement effects on Prado Basin.*

This adaptive management program will be prepared as a contingency to define available management actions by Prado Basin stakeholders to address unforeseeable significant adverse impacts, as well as to contribute to the long-term sustainability of the Prado Basin riparian habitat.

The above effort will be implemented under the supervision of a newly-formed Prado Basin Habitat Sustainability Committee. This Committee will include representatives from all interested parties and will be convened by the Watermaster and IEUA. Annual reports will be prepared and will include recommendations for ongoing monitoring and any adaptive management actions required to mitigate any measured loss or prospective loss of riparian habitat that may be attributable to the Peace II Agreement. As determined by Watermaster and IEUA, significant adverse impacts to riparian habitat that are attributable to the Peace II Agreement will be mitigated.

Pursuant to these monitoring and mitigation requirements of the Peace II SEIR, the Inland Empire Utilities Agency (IEUA) and the Chino Basin Watermaster (Watermaster) convened the Prado Basin Habitat Sustainability Committee (PBHSC) to develop the Prado Basin Habitat Sustainability Program (PBHSP). The PBHSP is an adaptive management program to ensure that the riparian habitat in the Prado Basin will not incur unforeseeable significant adverse effects due to implementation of the Peace II Agreement. The Adaptive Management Plan (AMP) was developed to describe the PBHSP and facilitate its implementation.

IEUA contracted with a consultant to prepare the AMP. The consultant conducted several meetings with staff from IEUA, Watermaster, Watermaster's engineer (Wildermuth Environmental, Inc. [WEI]), and Orange County Water District (OCWD), and prepared a first draft the AMP. Watermaster and IEUA concluded that it would be more cost effective to finalize the draft AMP by utilizing WEI services, and thus asked WEI to complete the work, instead of the original consultant.

IEUA maintains a contact list for PBHSC members, which includes all IEUA member agencies, Watermaster parties, OCWD, Santa Ana Watershed Project Authority, various resource agencies, non-governmental organizations, and other interested stakeholders. The contact lists were used to advertise Committee meetings; IEUA and Watermaster convened four meetings of the PBHSC to receive input and guidance on the development of the AMP:

November 27, 2012 – PBHSP Kick-Off meeting

May 14, 2013 – Chino Basin history and SEIR overview

September 3, 2013 – AMP scoping

April 28, 2016 – Presentation of the draft AMP

On April 4, 2016, a draft AMP was provided to all PBHSC members for review and comment prior to the April 28, 2016 meeting. On April 28, 2016, IEUA and Watermaster convened the public meeting at IEUA headquarters to present the draft AMP and receive feedback. A copy of the PowerPoint presentation that was given at the April 28, 2016 meeting is available at the Watermaster's FTP site:

<http://www.cbwm.org/FTP/Prado%20Basin%20Habitat%20Sustainability%20Program/>

A two-week public-review and comment period on the draft AMP followed the April 28, 2016 meeting. IEUA and Watermaster received and responded to comments from the PBHSC members, and finalized the draft AMP on August 1, 2016 (Attachment 1). The draft AMP is available at the Watermaster's FTP site:

<http://www.cbwm.org/FTP/Prado%20Basin%20Habitat%20Sustainability%20Program/>

Watermaster parties were given updates on the progress of the work on various occasions starting in January 2013, either through Engineer's Reports or General Manager's Reports.

DISCUSSION

The AMP describes a monitoring and reporting program that is designed to ensure that any measured loss or prospective loss of riparian habitat that may be attributable to the Peace II Agreement is mitigated. The AMP is organized into the following sections:

Section 1 – Background and Objectives. This section describes the historical context for the AMP and its objectives.

Section 2 – Monitoring Program for the PBHSP. This section outlines the PBHSP monitoring program, which includes the monitoring of riparian habitat, groundwater, surface water, weather, and climate. Because the PBHSP monitoring program may adjust from year to year, the detailed description of the proposed 2016 monitoring program is included as Appendix A to the AMP.

Section 3 – Predictive Groundwater Modeling. This section describes the needs and methods for predictive groundwater modeling to identify areas (if any) of prospective loss of riparian habitat due to the implementation of the Peace II Agreement.

Section 4 – Annual Reporting. This section describes the process for the annual review and analysis of the data generated from the PBHSP monitoring program and the annual reporting on results, interpretations, and recommendations.

Section 5 – Process to Revise the AMP. This section describes the process to revise the AMP in the future, if necessary.

Section 6 – Mitigation Measures. This section provides a list of potential strategies to mitigate adverse impacts to riparian habitat in Prado Basin in the event that such impacts are documented and attributed to the implementation of the Peace II Agreement. This initial AMP contains no mitigation measures, because no adverse impacts to the riparian habitat have been documented and attributed to the implementation of the Peace II Agreement.

Appendix A – 2016 Monitoring Program for the PBHSP

If adopted and implemented by IEUA and Watermaster, the AMP satisfies the monitoring and mitigation requirements of the Peace II SEIR.

The monitoring program of the AMP is envisioned to adapt and change over time as data are collected, analyzed and reported on in annual reports. IEUA and Watermaster will decide on the appropriate monitoring program annually as part of their annual budgeting process, after considering the recommendations of the PBHSC.

The planned monitoring and reporting program for FY 2016-17 is a comprehensive effort that includes the establishment of a historical baseline for the riparian habitat in Prado Basin that begins prior to the startup of the CDA well fields and ends in 2015-16. The historical baseline for the riparian habitat will be compared against all of the factors that could have affected the riparian habitat, including but not limited to, the history of groundwater levels, surface water discharge, weather, and climate.

A line-item scope of work and cost estimate for the monitoring and reporting program for FY 2016-17 was approved in Watermaster's FY2016/17 annual budget (Attachment 2). The total cost estimate is \$391,080. A Task Order to authorize the performance of the work is pending the adoption of the AMP by the Watermaster.

Watermaster staff and Engineer anticipate that future annual costs for the monitoring and reporting program will be less, primarily because the establishment of the historical baseline for the riparian habitat (a one-time effort) will be completed, and the format of the annual report will be established. The Peace II SEIR does not explicitly state a duration for the monitoring and mitigation program. It is logical to assume that the program will last until the drawdown impacts, if any, on the riparian habitat from Peace II activities are fully manifested and not predicted to worsen, and that mitigation measures, if any are required, are fully implemented.

During its August 18, 2016 meeting the Advisory Committee considered the item and voted by majority vote to recommend Board approval of Business Item II.C., the Adaptive Management Plan for the Prado Basin Habitat Sustainability Program, provided that the monitoring, mitigation, and the nature and substance of the annual reporting, be brought back through the Pools and Advisory Committees to provide updates, and to provide an opportunity for input and direction to staff and consultants as Watermaster's representatives to the Prado Basin Habitat Sustainability Committee.

The Cities of Chino and Ontario, Monte Vista Water District, and Monte Vista Irrigation Company voted against the recommendation.

The recommendation to the Board is to adopt the Prado AMP and direct staff to bring future annual reports and recommendations for monitoring to the Committees in draft form. Staff understands the desire of the Committees to be kept informed and be involved in the future annual reports and monitoring recommendations. Approval of the annual reports by the Board, as well as the budget to fund monitoring activities, requires Committee and Board approval and staff will ensure that the Committees are informed.

ATTACHMENTS

1. Adaptive Management Plan for the Prado Basin Habitat Sustainability Program (Draft)
(Click on link below to access):
[http://www.cbwm.org/FTP/Prado%20Basin%20Habitat%20Sustainability%20Program/20160811%20Adaptive%20Manage%20Plan%20for%20PBHSP%20\(Draft\)%20--%20Attachment%201.pdf](http://www.cbwm.org/FTP/Prado%20Basin%20Habitat%20Sustainability%20Program/20160811%20Adaptive%20Manage%20Plan%20for%20PBHSP%20(Draft)%20--%20Attachment%201.pdf)
2. Work Breakdown Structure, Cost Estimate, and Schedule for the PBHSP Monitoring Program FY 2016-17.

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CHINO BASIN WATERMASTER

IV. INFORMATION

1. Cash Disbursements for July 2016

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
July 2016

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
General Journal	07/02/2016	07/02/2016	Payroll and Taxes for 06/19/16-07/02/16	Payroll and Taxes for 06/19/16-07/02/16	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 06/19/16-07/02/16	1012 · Bank of America Gen'l Ckg	20,594.36
				Payroll Taxes for 06/19/16-07/02/16	1012 · Bank of America Gen'l Ckg	8,951.14
				Payroll Checks for 06/19/16-07/02/16	1012 · Bank of America Gen'l Ckg	4,436.74
			ICMA-RC	457(b) Employee Deductions for 06/19/16-07/02/16	1012 · Bank of America Gen'l Ckg	3,639.27
			ICMA-RC	401(a) Employee Deductions for 06/19/16-07/02/16	1012 · Bank of America Gen'l Ckg	1,015.20
TOTAL						38,636.71
Bill Pmt -Check	07/06/2016	ACH 070616	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	07/02/2016	07/02/2016	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 06/19/16-07/02/16	2000 · Accounts Payable	5,691.07
TOTAL						5,691.07
Bill Pmt -Check	07/11/2016	19498	ACWA JOINT POWERS INSURANCE AUTHORITY	0419244	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2016	0422846		Prepayment - August 2016 July 2016	1409 · Prepaid Life, BAD&D & LTD 60191 · Life & Disab.Ins Benefits	133.92 134.44
TOTAL						268.36
Bill Pmt -Check	07/11/2016	19499	APPLIED COMPUTER TECHNOLOGIES	VOID: 2689	1012 · Bank of America Gen'l Ckg	0.00
Bill Pmt -Check	07/11/2016	19500	CHARTER COMMUNICATIONS	8245100651455350	1012 · Bank of America Gen'l Ckg	
Bill	07/06/2016	8245100651455350		7/06/16-8/05/16	6053 · Internet Expense	64.99
TOTAL						64.99
Bill Pmt -Check	07/11/2016	19501	CHEF DAVE'S CAFE & CATERING	6168	1012 · Bank of America Gen'l Ckg	
Bill	06/23/2016	6168		Lunch for 6/23/16 Watermaster Board meeting	6312 · Meeting Expenses	456.20
TOTAL						456.20
Bill Pmt -Check	07/11/2016	19502	COMPUTER NETWORK	101178	1012 · Bank of America Gen'l Ckg	
Bill	06/21/2016	101178		CFO laptop repair - keyboard/motherboard	6055 · Computer Hardware	258.00
TOTAL						258.00
Bill Pmt -Check	07/11/2016	19503	CURATALO, JAMES	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/10/2016	6/10 Personnel Comm		6/10/16 Personnel Committee Meeting	6311 · Board Member Compensation	125.00
Bill	06/17/2016	6/17 Mtg w/AG Pool		6/17/16 Meeting w/Agricultural Pool - P. Hofer	6311 · Board Member Compensation	125.00
Bill	06/21/2016	6/21 Agenda Preview		6/21/16 Board agenda preview	6311 · Board Member Compensation	125.00
Bill	06/23/2016	6/23 Board Mtg		6/23/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	07/11/2016	19504	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	

TOTAL
55

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
July 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	06/09/2016	6/09 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				6/09/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						<u>125.00</u>
Bill Pmt -Check	07/11/2016	19505	DE HAAN, HENRY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/09/2016	6/09 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				6/09/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						<u>125.00</u>
Bill Pmt -Check	07/11/2016	19506	ELIE, STEVEN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/10/2016	6/10 Personnel Comm		6/10/16 Personnel Committee Meeting	6311 · Board Member Compensation	125.00
Bill	06/20/2016	6/20 Admin Mtg		6/20/16 Administrative Meeting w/PK	6311 · Board Member Compensation	125.00
Bill	06/21/2016	6/21 Board Agenda		6/21/16 Board agenda preview	6311 · Board Member Compensation	125.00
TOTAL						<u>375.00</u>
Bill Pmt -Check	07/11/2016	19507	FEENSTRA, BOB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/09/2016	6/09 Ag Pool Mtg		6/09/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/10/2016	6/10 Personel Comm		6/10/16 Personnel Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/16/2016	6/16 Advisory Comm		6/16/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/23/2016	6/23 Board Mtg		6/23/16 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						<u>500.00</u>
Bill Pmt -Check	07/11/2016	19508	HUITSING, JOHN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/09/2016	6/09 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				6/09/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						<u>125.00</u>
Bill Pmt -Check	07/11/2016	19509	KESSLER ALAIR INSURANCE SERVICES, INC.	640138	1012 · Bank of America Gen'l Ckg	
Bill	06/07/2016	640138		D&O for June 2016	6085 · Business Insurance Package	1,051.07
				D&O for July 2016 - May 2017	1401 · Prepaid Insurance-Pkg	11,736.93
TOTAL						<u>12,788.00</u>
Bill Pmt -Check	07/11/2016	19510	LEVEL 3 COMMUNICATIONS	VOID: 44695005	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Bill Pmt -Check	07/11/2016	19511	LOS ANGELES NEWS GROUP	900421820	1012 · Bank of America Gen'l Ckg	
Bill	07/06/2016	900421820		52 week subscription	6112 · Subscriptions/Publications	530.11
TOTAL						<u>530.11</u>
Bill Pmt -Check	07/11/2016	19512	PAYCHEX	2016063000	1012 · Bank of America Gen'l Ckg	

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
July 2016

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	06/30/2016	2016063000		June 2016	6012 · Payroll Services	307.09
TOTAL						307.09
Bill Pmt -Check	07/11/2016	19513	PIERSON, JEFFREY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/09/2016	6/09 Ag Pool Mtg		6/09/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/16/2016	6/16 Advisory Comm		6/16/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/16/2016	6/16 RIPCom Mtg		6/16/16 RIPCom Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						375.00
Bill Pmt -Check	07/11/2016	19514	PREMIERE GLOBAL SERVICES	21439074	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2016	21439074		Appropriative Pool agenda call on 6/01	8312 · Meeting Expenses	11.52
				SGMA Compliance call on 6/07	6906.23 · SGMA Reporting Requirements	25.73
				SGMA Compliance call on 6/08	6906.23 · SGMA Reporting Requirements	26.61
				Non-Ag Pool meeting call on 6/09	8512 · Meeting Expense	41.06
				Personnel Committee meeting call on 6/10	6141.3 · Admin Meetings	38.87
				Board agenda preview call on 6/21	6312 · Meeting Expenses	11.90
				Fee - Confidential	6022 · Telephone	49.00
				Fee - General	6022 · Telephone	49.00
				Fee - Service	6022 · Telephone	5.46
TOTAL						259.15
Bill Pmt -Check	07/11/2016	19515	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	VOID: Payor #3493	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Bill Pmt -Check	07/11/2016	19516	PUMP CHECK	VOID: 6449	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Bill Pmt -Check	07/11/2016	19517	RAUCH COMMUNICATION CONSULTANTS, LLC	VOID: Jun-1609	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Bill Pmt -Check	07/11/2016	19518	READY REFRESH BY NESTLE	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	06/29/2016	0023230253		Office Water Bottle - June 2016	6031.7 · Other Office Supplies	102.43
TOTAL						102.43
Bill Pmt -Check	07/11/2016	19519	RR FRANCHISING, INC.	24432	1012 · Bank of America Gen'l Ckg	
Bill	07/01/2016	24432		Monthly janitorial service - July 2016	6024 · Building Repair & Maintenance	740.00
TOTAL						740.00
Bill Pmt -Check	07/11/2016	19520	STATE COMPENSATION INSURANCE FUND	1970970-15	1012 · Bank of America Gen'l Ckg	
Bill	07/01/2016	1970970-16		1970970-15	60183 · Worker's Comp Insurance	266.01

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
July 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>
TOTAL							266.01
	Bill Pmt -Check	07/11/2016	19521	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
	Bill	06/30/2016	7076224530355049		Fuel - June 2016	6175 · Vehicle Fuel	197.80
TOTAL							197.80
	Bill Pmt -Check	07/11/2016	19522	UNITED HEALTHCARE	C0040845940	1012 · Bank of America Gen'l Ckg	
	Bill	06/29/2016	C0040845940		Dental Insurance Premium - July 2016	60182.2 · Dental & Vision Ins	816.43
TOTAL							816.43
	Bill Pmt -Check	07/11/2016	19523	VANDEN HEUVEL, GEOFFREY	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	06/23/2016	6/23 Board Mtg		6/23/16 Board meeting	6311 · Board Member Compensation	125.00
TOTAL							125.00
	Bill Pmt -Check	07/11/2016	19524	VANDEN HEUVEL, ROB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	06/09/2016	6/09 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
					6/09/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
	Bill	06/16/2016	6/16 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00
					6/16/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL							250.00
	Bill Pmt -Check	07/11/2016	19525	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
	Bill	06/20/2016	001017890001		Vision Insurance Premium - July 2016	60182.2 · Dental & Vision Ins	97.74
TOTAL							97.74
	Bill Pmt -Check	07/11/2016	19526	YSI INCORPORATED	649316	1012 · Bank of America Gen'l Ckg	
	Bill	06/20/2016	649316		PH Kit Sensor	7103.6 · Grdwtr Qual-Supplies	309.33
TOTAL							309.33
	Bill Pmt -Check	07/11/2016	19527	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
	Bill	07/06/2016	08-k2 213849		Disposal Service - July 2016	6024 · Building Repair & Maintenance	111.57
TOTAL							111.57
	Bill Pmt -Check	07/11/2016	19528	STAPLES BUSINESS ADVANTAGE	8039776766	1012 · Bank of America Gen'l Ckg	
	Bill	06/18/2016	8039776766		Miscellaneous office supplies	6031.7 · Other Office Supplies	180.05
TOTAL							180.05
	Bill Pmt -Check	07/11/2016	19529	BROWNSTEIN HYATT FARBER SCHRECK	VOID	1012 · Bank of America Gen'l Ckg	0.00
TOTAL							0.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	07/13/2016	19530	BOWMAN, JIM	VOID: Board Member Compensation	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Bill Pmt -Check	07/13/2016	19531	CORELOGIC INFORMATION SOLUTIONS	VOID:	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Bill Pmt -Check	07/13/2016	19532	GOLDEN METERS SERVICE	VOID: 783	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Bill Pmt -Check	07/13/2016	19533	KUHN, BOB	VOID: Board Member Compensation	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Bill Pmt -Check	07/13/2016	19534	PHILADELPHIA INSURANCE COMPANY	04024832101	1012 · Bank of America Gen'l Ckg	
Bill	06/23/2016	04024832101		General Liability 06/26/16 - 06/30/16	6085 · Business Insurance Package	54.95
				General Liability 07/01/16 - 06/25/17	1405 · Prepaid Ins-Bus Pkg Policy	3,954.05
				Auto Coverage 06/26/16 - 06/30/16	6085 · Business Insurance Package	66.90
				Auto Coverage 07/01/16 - 06/25/17	1405 · Prepaid Ins-Bus Pkg Policy	4,817.14
				Ultimate Cover 06/26/16 - 06/30/16	6085 · Business Insurance Package	35.65
				Ultimate Cover 07/01/16 - 06/25/17	1405 · Prepaid Ins-Bus Pkg Policy	2,564.35
				Errors and Omissions 06/26/16 - 06/30/16	6085 · Business Insurance Package	4.15
				Errors and Omissions 07/01/16 - 06/25/17	1405 · Prepaid Ins-Bus Pkg Policy	295.85
				Umbrella Liability 06/26/16 - 06/30/16	6085 · Business Insurance Package	40.10
				Umbrella Liability 07/01/16 - 06/25/17	1405 · Prepaid Ins-Bus Pkg Policy	2,884.90
TOTAL						14,718.04
Bill Pmt -Check	07/13/2016	19535	STATE COMPENSATION INSURANCE FUND	VOID: 1970970-16	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Bill Pmt -Check	07/13/2016	19536	THOMAS, THOMAS R.	VOID: Board Member Compensation	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Bill Pmt -Check	07/13/2016	19537	VANDEN HEUVEL, GEOFFREY	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2016	1/14 Ag Pool Mtg		Replace check #19257, lost in the mail	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	07/13/2016	19538	WESTERN MUNICIPAL WATER DISTRICT	VOID: Board Member Compensation	1012 · Bank of America Gen'l Ckg	0.00
TOTAL						
Check	07/15/2016	07/15/2016	Service Charge	Service Charge	1012 · Bank of America Gen'l Ckg	
				Service Charge	6039.1 · Banking Service Charges	404.54

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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						404.54
General Journal	07/16/2016	07/16/2016	Payroll and Taxes for 07/03/16-07/16/16	Payroll and Taxes for 07/03/16-07/16/16	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 07/03/16-07/16/16	1012 · Bank of America Gen'l Ckg	21,138.33
				Payroll Taxes for 07/03/16-07/16/16	1012 · Bank of America Gen'l Ckg	9,188.05
				Payroll Checks for 07/03/16-07/16/16	1012 · Bank of America Gen'l Ckg	4,436.74
			ICMA-RC	457(b) Employee Deductions for 07/03/16-07/16/16	1012 · Bank of America Gen'l Ckg	3,639.27
			ICMA-RC	401(a) Employee Deductions for 07/03/16-07/16/16	1012 · Bank of America Gen'l Ckg	1,048.26
TOTAL						39,450.65
Bill Pmt -Check	07/18/2016	19539	EGOSCUE LAW GROUP	11320	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2016	11320		Ag Pool Legal Services - June 2016	8467 · Ag Legal & Technical Services	6,572.50
TOTAL						6,572.50
Bill Pmt -Check	07/18/2016	19540	ESRI	93155103	1012 · Bank of America Gen'l Ckg	
Bill	07/13/2016	93155103		ESRI maintenance 8/19/2016 - 8/18/2017	6054 · Computer Software	1,040.00
TOTAL						1,040.00
P 160 Bill Pmt -Check	07/18/2016	19541	FRONTIER COMMUNICATIONS	909-484-3890-050914-5	1012 · Bank of America Gen'l Ckg	
Bill	07/14/2016	90948438900509145		Office high-speed fax line	6022 · Telephone	140.82
TOTAL						140.82
Bill Pmt -Check	07/18/2016	19542	INLAND EMPIRE UTILITIES AGENCY	90018421	1012 · Bank of America Gen'l Ckg	
Bill	07/11/2016	90018421		FY 2016/17 Recharge Debt Payment	7690.1 · Recharge Improvement Debt Pymts	465,200.00
TOTAL						465,200.00
Bill Pmt -Check	07/18/2016	19543	MINDSHIFT	0222397	1012 · Bank of America Gen'l Ckg	
Bill	07/12/2016	0222397		IT Managed Services	6052.4 · mindSHIFT Technologies, Inc.	3,770.00
TOTAL						3,770.00
Bill Pmt -Check	07/18/2016	19544	SANTA ANA WATERSHED PROJECT AUTHORIT 9246		1012 · Bank of America Gen'l Ckg	
Bill	07/14/2016	9246		FY 2016/17 Basin Monitoring Prgm. Task Force	6903 · OBMP SAWPA Group	18,415.00
TOTAL						18,415.00
Bill Pmt -Check	07/18/2016	19545	VERIZON WIRELESS	9768149954	1012 · Bank of America Gen'l Ckg	
Bill	07/12/2016	9768149954		9768149954	6022 · Telephone	245.84
TOTAL						245.84
Bill Pmt -Check	07/18/2016	19546	INLAND EMPIRE UTILITIES AGENCY	90018420	1012 · Bank of America Gen'l Ckg	
Bill	07/14/2016	90018420		GW Recharge O&M - FY 2016/17 1st Quarter	7206 · Comp Recharge-O&M	243,510.82

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	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
TOTAL							243,510.82
	Bill Pmt -Check	07/18/2016	19547	INLAND EMPIRE UTILITIES AGENCY	1800002839	1012 · Bank of America Gen'l Ckg	
	Bill	06/30/2016	1800002839		Lower Day Improvement Project - Invoice #2	7690.8 · Lower Day Basin RMPU (TO #2)	90,047.47
TOTAL							90,047.47
	Bill Pmt -Check	07/18/2016	19548	INLAND EMPIRE UTILITIES AGENCY	1800002838	1012 · Bank of America Gen'l Ckg	
	Bill	06/30/2016	1800002838		San Sevaine Basin Improvement Proj. - Invoice #2	7690.4 · San Sevaine Recharge (TO # 8)	130,198.61
TOTAL							130,198.61
	Bill Pmt -Check	07/18/2016	19549	INLAND EMPIRE UTILITIES AGENCY	1800002840	1012 · Bank of America Gen'l Ckg	
	Bill	06/30/2016	1800002840		RMPU Yield Enhancement Project - Invoice #1	7690.15 · RMPU Amend. Yield (TO #1)	102,480.39
TOTAL							102,480.39
	Bill Pmt -Check	07/18/2016	19550	INLAND EMPIRE UTILITIES AGENCY	1800002837	1012 · Bank of America Gen'l Ckg	
	Bill	07/01/2016	1800002837		East Declcz Basin Project - Invoice #1	7690.16 · East Declcz Basin (TO #1)	109,982.49
TOTAL							109,982.49
	Check	07/20/2016	19551	FONTANA WATER COMPANY	FY 2015/16 Assesment Refund	1012 · Bank of America Gen'l Ckg	
	Credit Memo	06/23/2016	AP16-37CR		15% Gross Replenishment Assessments	4211 · 15% Gross Assessments	207,408.53
					Cumulative Unmet Replenishmnt Obligation-(CURC	4216 · CURO Adjustment	0.04
					Refund of Excess Reserves-Assessments-Approp.	9996 · Refund-Excess Reserves-Approp.	2,302.93
					Refund of Excess Reserves-Recharge Debt Assess	9998 · Refund-Recharge Debt-Approp.	1.55
					Credit for November 19, 2015 Invoicing of 50%	4111 · Gross Administration	71,602.19
TOTAL							281,315.24
	Bill Pmt -Check	07/21/2016	ACH 072116	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
	General Journal	07/16/2016	07/16/2016	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 07/03/16-07/16/16	2000 · Accounts Payable	5,871.69
TOTAL							5,871.69
	Bill Pmt -Check	07/25/2016	19552	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
	Bill	06/30/2016	XXXX-XXXX-XXXX-9341		Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	17.89
					Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	253.90
					Send documents to D. Maurizio	6042 · Postage - General	36.31
					Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	34.74
					Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	14.97
					Send documents to D. Maurizio	6042 · Postage - General	53.98
					Purchase uniforms for office staff	6154 · Uniforms	85.89
					Place ad for open position w/Brown & Caldwell	6016 · New Employee Search Costs	198.79
					Place ad for open position w/Transittalent.com	6016 · New Employee Search Costs	173.94

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Type	Date	Num	Name	Memo	Account	Paid Amount
				Send documents to D. Maurizio	6042 · Postage - General	28.49
				Purchase IT supplies	6057 · Computer Maintenance	23.84
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	252.57
				PK meeting w/Tom Thomas	6312 · Meeting Expenses	36.08
				PK meeting w/Don Pierro	6909.1 · OBMP Meetings	45.52
				PK expense - CA Water Law & Policy Conf.	6191 · Conferences - General	20.87
				Reg.-Truong/Wilson-Communication Skills 4 Wome	6192 · Seminars - General	157.04
				PK expense - CA Water Law & Policy Conf.	6191 · Conferences - General	66.10
				PK expense - CA Water Law & Policy Conf.	6191 · Conferences - General	11.99
				PK expense - CA Water Law & Policy Conf.	6191 · Conferences - General	37.21
				PK-parking at airport-CA Water Law & Policy Conf.	6191 · Conferences - General	53.67
				PK-hotel-CA Water Law & Policy Conf.	6191 · Conferences - General	645.83
				PK meeting w/Bob Bowcock	6312 · Meeting Expenses	25.74
				Lunch for WEI meeting	6909.1 · OBMP Meetings	118.63
				PK meeting w/Steve Elie	6312 · Meeting Expenses	52.90
				PK meeting w/Bob Kuhn	6312 · Meeting Expenses	28.77
TOTAL						<u>2,475.66</u>
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Bill Pmt -Check	07/25/2016	19553	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	07/14/2016	1394905143		1394905143	60182.1 · Medical Insurance	6,311.47
TOTAL						<u>6,311.47</u>
Bill Pmt -Check	07/25/2016	19554	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
Bill	06/30/2016	L0269690		L0269690	7108.41 · Hydraulic Control - PBHSP	1,884.00
Bill	06/30/2016	L0270617		L0270617	7108.41 · Hydraulic Control - PBHSP	3,140.00
Bill	06/30/2016	L0270618		L0270618	7108.41 · Hydraulic Control - PBHSP	3,140.00
Bill	06/30/2016	L0270328		L0270328	7108.41 · Hydraulic Control - PBHSP	1,884.00
Bill	06/30/2016	L0270620		L0270620	7108.41 · Hydraulic Control - PBHSP	1,256.00
TOTAL						<u>11,304.00</u>
Bill Pmt -Check	07/25/2016	19555	JOHN J. SCHATZ	Legal Services	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2016			Appropriative Pool Legal Services - June 2016	8367 · Legal Service	2,414.00
TOTAL						<u>2,414.00</u>
Bill Pmt -Check	07/25/2016	19556	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	
Bill	07/20/2016	0111802		Employee Deductions - July 2016	60194 · Other Employee Insurance	79.70
TOTAL						<u>79.70</u>
Bill Pmt -Check	07/25/2016	19557	STAPLES BUSINESS ADVANTAGE	8040058589	1012 · Bank of America Gen'l Ckg	
Bill	07/09/2016	8040058589		Miscellaneous office supplies	6031.7 · Other Office Supplies	143.46

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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						143.46
Bill Pmt -Check	07/25/2016	19558	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
Bill	06/30/2016	2016215		2016215	6906.31 · OBMP-Pool, Adv. Board Mtgs	5,161.36
Bill	06/30/2016	2016216		2016216	6910.11 · WEI Support-Grant Funding-RMPU	26,218.76
Bill	06/30/2016	2016217		2016217	6906.71 · OBMP-Data Req.-CBWM Staff	2,367.50
				Consulting Services	6906.71 · OBMP-Data Req.-CBWM Staff	6,760.00
Bill	06/30/2016	2016218		2016218	6906.71 · OBMP-Data Req.-CBWM Staff	20,837.15
Bill	06/30/2016	2016219		2016219	6906.72 · OBMP-Data Req.-Non CBWM Staff	8,757.05
Bill	06/30/2016	2016220		2016220	6906 · OBMP Engineering Services	1,925.00
Bill	06/30/2016	2016221		2016221	6906.1 · OBMP-Watermaster Model Update	7,764.00
Bill	06/30/2016	2016222		2016222	7103.3 · Grdwtr Qual-Engineering	13,097.50
Bill	06/30/2016	2016223		2016223	7104.3 · Grdwtr Level-Engineering	30,535.37
Bill	06/30/2016	2016224		2016224	7107.2 · Grd Level-Engineering	2,513.39
				Parsons Brinckerhoff, Inc.	7107.6 · Grd Level-Contract Svcs	5,886.09
Bill	06/30/2016	2016225		2016225	7108.31 · Hydraulic Control - PBHSP	23,098.17
Bill	06/30/2016	2016226		2016226	7202.2 · Engineering Svc	12,647.72
Bill	06/30/2016	2016227		2016227	7402 · PE4-Engineering	9,870.00
				Outside Professional - Michael C. Carpenter	7402 · PE4-Engineering	500.00
Bill	06/30/2016	2016228		2016228	7402.10 · PE4 - Northwest MZ1 Area Proj.	5,717.79
Bill	06/30/2016	2016229		2016229	7502 · PE6&7-Engineering	542.50
Bill	06/30/2016	2016230		2016230	6910.13 · IEUA-San Sevaine Imp. Proj.	2,337.25
TOTAL						186,536.60
Bill Pmt -Check	07/25/2016	19559	CORELOGIC INFORMATION SOLUTIONS		1012 · Bank of America Gen'l Ckg	
Bill	06/30/2016	81708884		81708884	7103.7 · Grdwtr Qual-Computer Svc	62.50
				81708884	7101.4 · Prod Monitor-Computer	62.50
Bill	06/30/2016	81688580		81688580	7103.7 · Grdwtr Qual-Computer Svc	62.50
				81688580	7101.4 · Prod Monitor-Computer	62.50
TOTAL						250.00
Bill Pmt -Check	07/26/2016	19560	CUCAMONGA VALLEY WATER DISTRICT	Lease due August 1, 2016	1012 · Bank of America Gen'l Ckg	
Bill	07/18/2016			Lease due August 1, 2016	1422 · Prepaid Rent	6,371.16
TOTAL						6,371.16
Bill Pmt -Check	07/26/2016	19561	FEDAK & BROWN LLP	Audit Services	1012 · Bank of America Gen'l Ckg	
Bill	07/25/2016			Progress Billing - July 2016	6062 · Audit Services	1,200.00
TOTAL						1,200.00
Bill Pmt -Check	07/26/2016	19562	GREAT AMERICA LEASING CORP.	19074233	1012 · Bank of America Gen'l Ckg	

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	07/25/2016	19074233		Invoice	6043.1 · Ricoh Lease Fee	3,285.30
				Usage for Color Copies	6043.2 · Ricoh Usage & Maintenance Fee	1,098.52
TOTAL						4,383.82
Bill Pmt -Check	07/26/2016	19563	JESKE, KEN'	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2016	6/23 Board Mtg		6/23/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	07/26/2016	19564	LEVEL 3 COMMUNICATIONS	45430566	1012 · Bank of America Gen'l Ckg	
Bill	07/25/2016	45430566		7/17/16 - 8/16/16	6053 · Internet Expense	1,049.56
TOTAL						1,049.56
Bill Pmt -Check	07/26/2016	19565	MINDSHIFT	0223417	1012 · Bank of America Gen'l Ckg	
Bill	07/25/2016	0223417		Replacement of UPS system for server room	6055 · Computer Hardware	3,213.60
TOTAL						3,213.60
Bill Pmt -Check	07/26/2016	19566	PITNEY BOWES CREDIT CORPORATION	3100364847	1012 · Bank of America Gen'l Ckg	
Bill	07/25/2016	3100364847		Postage meter lease - quarterly	6044 · Postage Meter Lease	402.84
TOTAL						402.84
Bill Pmt -Check	07/26/2016	19567	R&D PEST SERVICES	0203731	1012 · Bank of America Gen'l Ckg	
Bill	07/25/2016	0203731		Pest control - ant and cockroach prevention	6024 · Building Repair & Maintenance	100.00
TOTAL						100.00
Bill Pmt -Check	07/26/2016	19568	READY REFRESH BY NESTLE	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	07/25/2016	0023230253		Office Water Bottle - July 2016	6031.7 · Other Office Supplies	53.93
TOTAL						53.93
Bill Pmt -Check	07/26/2016	19569	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	07/25/2016	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	623.81
TOTAL						623.81
Bill Pmt -Check	07/26/2016	19570	STAPLES BUSINESS ADVANTAGE	8040058589	1012 · Bank of America Gen'l Ckg	
Bill	07/16/2016	8040146821		Miscellaneous office supplies	6031.7 · Other Office Supplies	48.68
TOTAL						48.68
Bill Pmt -Check	07/26/2016	19571	STATE COMPENSATION INSURANCE FUND	1970970-16	1012 · Bank of America Gen'l Ckg	
Bill	08/01/2016	1970970-16		Premium for 7/26/16 - 8/26/16	60183 · Worker's Comp Insurance	910.00
TOTAL						910.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	07/26/2016	19572	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2016				60182.4 · Retiree Medical	23.62
TOTAL						23.62
Bill Pmt -Check	07/26/2016	19573	TRUONG, ANNA	Employee Reimbursement	1012 · Bank of America Gen'l Ckg	
Bill	07/25/2016			Reimburse for TA exam materials and costs	6192 · Seminars - General	201.59
TOTAL						201.59
Bill Pmt -Check	07/26/2016	19574	UNITED HEALTHCARE	0041114254	1012 · Bank of America Gen'l Ckg	
Bill	07/25/2016	0041114254		Dental Insurance Premium - August 2016	60182.2 · Dental & Vision Ins	755.42
TOTAL						755.42
Bill Pmt -Check	07/26/2016	19575	VERIZON WIRELESS	9768627558	1012 · Bank of America Gen'l Ckg	
Bill	07/25/2016	9768627558			7103.7 · Grdwtr Qual-Computer Svc	100.04
TOTAL						100.04
Bill Pmt -Check	07/26/2016	19576	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	07/25/2016	001017890001		Vision Insurance Premium - August 2016	60182.2 · Dental & Vision Ins	85.60
TOTAL						85.60
Bill Pmt -Check	07/26/2016	19577	STATE COMPENSATION INSURANCE FUND	1970970-15	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2016	1970970-15			60183 · Worker's Comp Insurance	788.36
TOTAL						788.36
General Journal	07/31/2016	07/31/2016	Wage Works FSA Direct Debits - July 2016	Wage Works FSA Direct Debits - July 2016	1012 · Bank of America Gen'l Ckg	
				Wage Works FSA Direct Debits - July 2016	1012 · Bank of America Gen'l Ckg	81.50
				Wage Works FSA Direct Debits - July 2016	1012 · Bank of America Gen'l Ckg	638.75
				Wage Works FSA Direct Debits - July 2016	1012 · Bank of America Gen'l Ckg	638.75
TOTAL						1,359.00
Bill Pmt -Check	07/27/2016	19578	APPLIED COMPUTER TECHNOLOGIES	2689	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2016	2689		Database Consulting Services - June 2016	6052.2 · Applied Computer Technol	3,319.00
TOTAL						3,319.00
Bill Pmt -Check	07/28/2016	19579	ONTARIO, CITY OF	Fees	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2016	180004		Encroachment permit fees, traffic control fees	7103.3 · Grdwtr Qual-Engineering	298.00
TOTAL						298.00
General Journal	07/30/2016	07/30/2016	Payroll and Taxes for 07/17/16-07/30/16	Payroll and Taxes for 07/17/16-07/30/16	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 07/17/16-07/30/16	1012 · Bank of America Gen'l Ckg	21,290.11

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Type	Date	Num	Name	Memo	Account	Paid Amount
				Payroll Taxes for 07/17/16-07/30/16	1012 · Bank of America Gen'l Ckg	9,119.50
				Payroll Checks for 07/17/16-07/30/16	1012 · Bank of America Gen'l Ckg	4,436.74
		ICMA-RC		457(b) Employee Deductions for 07/17/16-07/30/16	1012 · Bank of America Gen'l Ckg	3,639.27
		ICMA-RC		401(a) Employee Deductions for 07/17/16-07/30/16	1012 · Bank of America Gen'l Ckg	1,048.26
TOTAL						<u>39,533.88</u>
					Total Disbursements:	<u><u>1,852,531.94</u></u>

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