

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, May 12, 2016

- 9:00 a.m. – Appropriative Pool Meeting
- 11:00 a.m. – Non-Agricultural Pool Meeting
- 1:30 p.m. – Agricultural Pool Meeting

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

CHINO BASIN WATERMASTER

Thursday, May 12, 2016

- 9:00 a.m. – Appropriative Pool Meeting
- 11:00 a.m. – Non-Agricultural Pool Meeting
- 1:30 p.m. – Agricultural Pool Meeting

POOL AGENDAS

**CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING**

9:00 a.m. – May 12, 2016

WITH

Mr. Darron Poulsen, Chair

Mr. Todd Corbin, Vice-Chair

At The Offices Of

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Appropriative Pool Meeting held April 14, 2016 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2016 *(Page 13)*
2. Watermaster VISA Check Detail for the month of March 2016 *(Page 27)*
3. Combining Schedule for the Period July 1, 2015 through March 31, 2016 *(Page 31)*
4. Treasurer's Report of Financial Affairs for the Period March 1, 2016 through March 31, 2016 *(Page 35)*
5. Budget vs. Actual Report for the Period July 1, 2015 through March 31, 2016 *(Page 39)*

C. FINANCING PLAN FOR THE 2013 AMENDMENT TO THE 2010 RMPU *(Page 57)*

Recommend to the Advisory Committee to approve the Financing Plan for the 2013 RMPU.

D. MASTER RECHARGE FACILITIES FINANCING AGREEMENT BETWEEN CHINO BASIN REGIONAL FINANCING AUTHORITY, INLAND EMPIRE UTILITIES AGENCY, AND CHINO BASIN WATERMASTER *(Page 69)*

Recommend to Advisory Committee to approve the Master Recharge Facilities Financing Agreement.

E. PROPOSITION 1 – GROUNDWATER GRANT *(Page 95)*

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

F. PROPOSITION 1 – STORMWATER GRANT *(Page 101)*

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

G. CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM *(Page 105)*

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

H. REVENUE PLEDGE TO STATE REVOLVING FUND FINANCING *(Page 109)*

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

I. FIRST AMENDMENT TO THE MASTER COST SHARING AGREEMENT BETWEEN CHINO BASIN WATERMASTER AND INLAND EMPIRE UTILITIES AGENCY *(Page 113)*

Recommend to Advisory Committee to approve changes made to the Master Cost Sharing Agreement between CBWM and IEUA.

II. BUSINESS ITEMS

A. BUDGET AMENDMENT FORM A-16-04-01 *(Page 125)*

Recommend Advisory Committee approval of Budget Amendment Form (A-16-04-01) for FY 2015/16 in the amount of \$250,000 as presented.

B. WATERMASTER FISCAL YEAR 2016/17 PROPOSED BUDGET

Staff report will be issued separately.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

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

B. ENGINEER REPORT

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

C. CFO REPORT

1. Fiscal Year 2015/16 Second Assessment

D. GM REPORT

1. RMPU Grant Funding – CBWM Letter
2. Other

IV. INFORMATION

1. Cash Disbursements for April 2016 *(Page 131)*
2. Recharge Investigations and Projects Committee (RIPCom) *(Page 141)*

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

1. Appropriative Pool Strategic Planning Discussion

VIII. FUTURE MEETINGS AT WATERMASTER

5/12/16	Thu	9:00 a.m.	Appropriative Pool
5/12/16	Thu	11:00 a.m.	Non-Agricultural Pool
5/12/16	Thu	1:30 p.m.	Agricultural Pool
5/19/16	Thu	8:00 a.m.	Appropriative Pool Strategic Planning (Confidential Session Only)
5/19/16	Thu	9:00 a.m.	Advisory Committee
5/19/16	Thu	9:30 a.m.	Recharge Investigations and Projects Committee (RIPCom)
5/26/16	Thu	11:00 a.m.	Watermaster Board

ADJOURNMENT

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**CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL MEETING**

11:00 a.m. – May 12, 2016

WITH

Mr. Brian Geye, Chair

Mr. Bob Bowcock, Vice-Chair

(800) 930-9525 PASS CODE: 917924

Call can be taken at

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

ROLL CALL

AGENDA – ADDITIONS/REORDER

I. BUSINESS ITEMS - ROUTINE

A. MINUTES

1. Minutes of the Non-Agricultural Pool Meeting held April 14, 2016 *(Page 5)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2016 *(Page 13)*
2. Watermaster VISA Check Detail for the month of March 2016 *(Page 27)*
3. Combining Schedule for the Period July 1, 2015 through March 31, 2016 *(Page 31)*
4. Treasurer's Report of Financial Affairs for the Period March 1, 2016 through March 31, 2016 *(Page 35)*
5. Budget vs. Actual Report for the Period July 1, 2015 through March 31, 2016 *(Page 39)*

C. FINANCING PLAN FOR THE 2013 AMENDMENT TO THE 2010 RMPU *(Page 57)*

Recommend to the Advisory Committee to approve the Financing Plan for the 2013 RMPU.

D. MASTER RECHARGE FACILITIES FINANCING AGREEMENT BETWEEN CHINO BASIN REGIONAL FINANCING AUTHORITY, INLAND EMPIRE UTILITIES AGENCY, AND CHINO BASIN WATERMASTER *(Page 69)*

Recommend to Advisory Committee to approve the Master Recharge Facilities Financing Agreement.

E. PROPOSITION 1 – GROUNDWATER GRANT *(Page 95)*

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

F. PROPOSITION 1 – STORMWATER GRANT *(Page 101)*

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G. CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM *(Page 105)*

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

H. REVENUE PLEDGE TO STATE REVOLVING FUND FINANCING *(Page 109)*

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

I. FIRST AMENDMENT TO THE MASTER COST SHARING AGREEMENT BETWEEN CHINO BASIN WATERMASTER AND INLAND EMPIRE UTILITIES AGENCY *(Page 113)*

Recommend to Advisory Committee to approve changes made to the Master Cost Sharing Agreement between CBWM and IEUA.

II. BUSINESS ITEMS**A. BUDGET AMENDMENT FORM A-16-04-01** *(Page 125)*

Recommend Advisory Committee approval of Budget Amendment Form (A-16-04-01) for FY 2015/16 in the amount of \$250,000 as presented.

B. WATERMASTER FISCAL YEAR 2016/17 PROPOSED BUDGET

Staff report will be issued separately.

C. MEMBER STATUS CHANGES (For Discussion and Possible Action)

1. Any proposed transfer of Safe Yield by a Member.
2. Any transfer of Safe Yield that has actually closed or been completed.
3. Any change in name or corporate identity of a Member (such as results from a merger or filing of a change of name certificate).
4. Any change in the name of a representative or alternate representative of a Member, or a change in e-mail address for either such person.

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

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

B. ENGINEER REPORT

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

C. CFO REPORT

1. Fiscal Year 2015/16 Second Assessment

D. GM REPORT

1. RMPU Grant Funding – CBWM Letter
2. Other

IV. INFORMATION

1. Cash Disbursements for April 2016 (*Page 131*)
2. Recharge Investigations and Projects Committee (RIPCom) (*Page 141*)

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

1. Safe Yield Reset
2. Proposed Order re Filing and Service

VIII. FUTURE MEETINGS AT WATERMASTER

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**CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING**

1:30 p.m. – May 12, 2016

WITH

*Mr. Bob Feenstra, Chair
Mr. Jeff Pierson, Vice-Chair*

**At The Offices Of
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730**

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held April 14, 2016 *(Page 9)*

B. FINANCIAL REPORTS

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Recommend to the Advisory Committee to approve the Financing Plan for the 2013 RMPU.

D. MASTER RECHARGE FACILITIES FINANCING AGREEMENT BETWEEN CHINO BASIN REGIONAL FINANCING AUTHORITY, INLAND EMPIRE UTILITIES AGENCY, AND CHINO BASIN WATERMASTER *(Page 69)*

Recommend to Advisory Committee to approve the Master Recharge Facilities Financing Agreement.

E. PROPOSITION 1 – GROUNDWATER GRANT *(Page 95)*

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

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Appropriative Pool Meeting held on April 14, 2016

DRAFT MINUTES
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL MEETING

April 14, 2016

The Appropriative Pool meeting was held at the offices of Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on April 14, 2016.

APPROPRIATIVE POOL MEMBERS PRESENT

Darron Poulsen, Chair	City of Pomona
Todd Corbin, Vice-Chair	Jurupa Community Services District
Dave Crosley	City of Chino
Teri Layton	San Antonio Water Company
Rosemary Hoerning	City of Upland
Justin Scott-Coe	Monte Vista Water District
Van Jew	Monte Vista Irrigation Company
Ron Craig	City of Chino Hills
Jo Lynne Russo-Pereyra for Marty Zvirbulis	Cucamonga Valley Water District
Josh Swift	Fontana Water Company
Cris Fealy	Fontana Union Water Company
Ryan Shaw for Scott Burton	City of Ontario
J. Arnold Rodriguez	Santa Ana River Water Company
Bob Page	County of San Bernardino

WATERMASTER STAFF PRESENT

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

WATERMASTER CONSULTANTS PRESENT

Brad Herrema	Brownstein Hyatt Farber Schreck, LLP
Andy Malone	Wildermuth Environmental, Inc.

OTHERS PRESENT

Pete Hall	State of California – CIM
Marsha Westropp	Orange County Water District
Raul Garibay	City of Pomona
David DeJesus	Three Valleys Municipal Water District
Curtis Paxton	Chino Basin Desalter Authority
Sheri Rojo	Fontana Water Company
Ben Lewis	Golden State Water Company
Eric Tarango	Fontana Water Company
Joel Ignacio	Inland Empire Utilities Agency
Mark Kinsey	Monte Vista Water District
Eunice Ulloa	Chino Basin Water Conservation District
Paula Lantz	City of Pomona
Manny Martinez	Monte Vista Water District

CALL TO ORDER

Chair Poulsen called the Appropriative Pool meeting to order at 9:01 a.m.

AGENDA - ADDITIONS/REORDER

(0:00:13) Chair Poulsen stated that the Pool intends to take Business Item II.A., East Declez Basin project, after all other business, and before the Pool convened into confidential session.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Appropriative Pool Meeting held March 10, 2016

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2016
2. Watermaster VISA Check Detail for the month of February 2016
3. Combining Schedule for the Period July 1, 2015 through February 29, 2016
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5. Budget vs. Actual Report for the Period July 1, 2015 through February 29, 2016

C. WATER TRANSACTIONS

1. Notice of Sale or Transfer – The purchase of 1,200,000 acre-feet of water from Santa Ana River Water Company (SARWCo) by Jurupa Community Services District (JCSD). This purchase is made from SARWCo's Annual Production Right / Operating Safe Yield first, then any additional from storage. In addition, JCSD will purchase 99,000 acre-feet of water from SARWCo's excess carryover account. Date of application: March 15, 2016.
2. Notice of Sale or Transfer - The purchase of 1,000,000 acre-feet of water from San Antonio Water Company by the City of Upland. This purchase is made from San Antonio Water Company's Annual Production Right/Operating Safe Yield first, then any additional from storage. The City of Upland is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: January 22, 2016.

(0:00:47)

*Motion by Ms. Rosemary Hoerning, seconded by Mr. Josh Swift, and by unanimous vote
Moved to approve the Consent Calendar as presented*

II. BUSINESS ITEMS

A. EAST DECLEZ BASIN PROJECT

This item was moved to follow all other business and taken before the Pool convened to confidential session.

(0:29:37) Mr. Kavounas gave a report. The action is noted below under Item VII, Confidential Session.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. May 6, 2016 Hearing
2. Notice of Related Case No. CIVDS1601994
3. CalPERS Appeal Hearing

(0:01:09) Mr. Herrema gave a report. A discussion ensued.

B. ENGINEER REPORT

1. 2015 Chino Basin Maximum Benefit Annual Report
2. IEUA Stormwater Resources – Grant Application
3. Prado Basin Habitat Adaptive Management Plan

(0:07:09) Mr. Malone gave a report. A discussion ensued.

C. CFO REPORT

None

D. GM REPORT

1. SGMA Update
2. RMPU Financing
3. Water Transactions – Submittal Process
4. Other

(0:15:46) Mr. Kavounas gave a report. A discussion ensued.

(0:20:55) Mr. Bob Page joined the meeting.

(0:22:32) Ms. Jo Lynne Russo-Pereyra joined the meeting.

IV. INFORMATION

1. Cash Disbursements for March 2016
2. Recharge Investigations and Projects Committee (RIPCom)
3. RMPU Status Report
4. Ground Level Monitoring Report
5. Update on South Archibald and Chino Airport Plumes

V. POOL MEMBER COMMENTS

(0:28:45) Mr. Justin Scott-Coe thanked parties for their support with the letter sent to the State Water Board regarding the Urban Water Workshop where they will be reconsidering emergency regulation.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Poulsen called for a confidential session at 9:34 a.m. to discuss the East Declez Basin project as well as to have the Appropriative Pool Strategic Planning discussion. Confidential session concluded at 10:55 a.m. with the following reportable action:

(0:33:28)

Motion by Vice-Chair Corbin, seconded by Mr. Van Jew, and by majority vote

Moved to cancel the East Declez Basin project as one of the RMPU suite of projects and to cancel the property purchase.

Abstention by Chair Poulsen – City of Pomona

No vote by Mr. Ryan Shaw – City of Ontario

ADJOURNMENT

Chair Poulsen adjourned the Appropriative Pool meeting at 10:56 a.m.

Secretary: _____

Approved: _____

CHINO BASIN WATERMASTER

I. BUSINESS ITEM ROUTINE

A. MINUTES

1. Non-Agricultural Pool Meeting held on April 14, 2016

DRAFT MINUTES
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL MEETING

April 14, 2016

The Non-Agricultural Pool meeting was held at the offices of Chino Basin Watermaster and via conference call using the Chino Basin Watermaster conference call number on April 14, 2016.

NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER

Brian Geye, Chair	Auto Club Speedway
Bob Bowcock, Vice-Chair	Calmat Company (Vulcan Materials Co.)
Bob Page	County of San Bernardino
Mark Kinsey	Monte Vista Water District

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Ken Jeske	California Steel Industries (CSI)
Tom O'Neill	Ontario City Non-Agricultural

OTHERS PRESENT AT WATERMASTER

Pete Hall

WATERMASTER STAFF PRESENT AT WATERMASTER

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

WATERMASTER CONSULTANTS PRESENT AT WATERMASTER

Andy Malone	Wildermuth Environmental, Inc.
Brad Herrema	Brownstein Hyatt Farber Schreck, LLP

CALL TO ORDER

Chair Geye called the Non-Agricultural Pool meeting to order at 11:01 a.m.

ROLL CALL

Ms. Truong conducted the roll call.

AGENDA – ADDITIONS/REORDER

None

I. BUSINESS ITEMS - ROUTINE

A. MINUTES

1. Minutes of the Non-Agricultural Pool Meeting held March 10, 2016

(0:02:05)

Motion by Mr. Bob Bowcock, seconded by Mr. Bob Page. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.

Moved to receive and file Business Item I.A. as presented.

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2016
2. Watermaster VISA Check Detail for the month of February 2016
3. Combining Schedule for the Period July 1, 2015 through February 29, 2016
4. Treasurer's Report of Financial Affairs for the Period February 1, 2016 through February 29, 2016
5. Budget vs. Actual Report for the Period July 1, 2015 through February 29, 2016

(0:02:22)

Motion by Mr. Bob Bowcock, seconded by Mr. Mark Kinsey. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.

Moved to receive and file Business Item I.B. without approval as presented.

C. WATER TRANSACTIONS

1. Notice of Sale or Transfer – The purchase of 1,200.000 acre-feet of water from Santa Ana River Water Company (SARWCo) by Jurupa Community Services District (JCSD). This purchase is made from SARWCo's Annual Production Right / Operating Safe Yield first, then any additional from storage. In addition, JCSD will purchase 99.000 acre-feet of water from SARWCo's excess carryover account. Date of application: March 15, 2016.
2. Notice of Sale or Transfer - The purchase of 1000.000 acre-feet of water from San Antonio Water Company by the City of Upland. This purchase is made from San Antonio Water Company's Annual Production Right/Operating Safe Yield first, then any additional from storage. The City of Upland is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: January 22, 2016.

(0:02:48)

Motion by Mr. Ken Jeske, seconded by Mr. Mark Kinsey. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.

Moved to direct the Pool representatives to support Business Item I.C. at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

II. BUSINESS ITEMS**A. EAST DECLEZ BASIN PROJECT**

(0:03:13) Mr. Kavounas gave a report indicating that the Appropriative Pool took action to cancel the East Declez Basin project and related property purchase. As a result, no action is needed by the Non-Agricultural Pool. A discussion ensued.

B. MEMBER STATUS CHANGES (For Discussion and Possible Action)

1. Any proposed transfer of Safe Yield by a Member.
2. Any transfer of Safe Yield that has actually closed or been completed.
3. Any change in name or corporate identity of a Member (such as results from a merger or filing of a change of name certificate).
4. Any change in the name of a representative or alternate representative of a Member, or a change in e-mail address for either such person.

(0:04:31) There were no changes to report.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. May 6, 2016 Hearing
2. Notice of Related Case No. CIVDS1601994
3. CalPERS Appeal Hearing

(0:04:39) Mr. Herrema gave a report.

B. ENGINEER REPORT

1. 2015 Chino Basin Maximum Benefit Annual Report
2. IEUA Stormwater Resources – Grant Application
3. Prado Basin Habitat Adaptive Management Plan

(0:10:14) Mr. Malone gave a report.

C. CFO REPORT

None

D. GM REPORT

1. SGMA Update
2. RMPU Financing
3. Water Transactions – Submittal Process
4. Other

(0:14:15) Mr. Kavounas gave a report. A discussion ensued.

IV. INFORMATION

1. Cash Disbursements for March 2016
2. Recharge Investigations and Projects Committee (RIPCom)
3. RMPU Status Report
4. Ground Level Monitoring Report
5. Update on South Archibald and Chino Airport Plumes

V. POOL MEMBER COMMENTS

None

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Geye called for a Confidential Session at 11:24 a.m. to discuss the Non-Agricultural Pool Legal Services Budget for FY 2016/17. Confidential session concluded at 11:29 a.m. with the following reportable actions:

1. Direct Watermaster to include an amount of \$60,000 for the Non-Agricultural Pool legal services (account 8567) for the FY 2016/17 budget.
2. Direct Watermaster to invoice the amount of \$60,000 to the Non-Agricultural Pool members (based on the Non-Agricultural Pool's Actual FY 2015/16 Production) when the FY 2016/17 Assessment invoices are issued.

ADJOURNMENT

Chair Geyse adjourned the Non-Agricultural Pool meeting at 11:31 a.m.

Secretary: _____

Approved: _____

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool Meeting held on April 14, 2016

DRAFT MINUTES
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING

April 14, 2016

The Agricultural Pool meeting was held at the offices of Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on April 14, 2016.

AGRICULTURAL POOL MEMBERS PRESENT

Bob Feenstra, Chair	Dairy
Jeff Pierson, Vice-Chair	Crops
Noah Golden-Krasner	State of California – DOJ
Bob Page	County of San Bernardino
Pete Hall	State of California – CIM
Larry Dimock	State of California – CIM
John Huitsing	Dairy
Ron LaBrucherie, Jr.	Crops
Rob Vanden Heuvel	Dairy
Henry DeHaan, for Gene Koopman	Dairy

WATERMASTER BOARD MEMBERS PRESENT

Paul Hofer	Crops
Geoffrey Vanden Heuvel	Dairy

WATERMASTER STAFF PRESENT

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

WATERMASTER CONSULTANTS PRESENT

Brad Herrema	Brownstein Hyatt Farber Schreck, LLP
Andy Malone	Wildermuth Environmental, Inc.

OTHERS PRESENT

Richard Rees	AMEC
Tracy Egoscue	Egoscue Law Group

CALL TO ORDER

Chair Feenstra called the Agricultural Pool meeting to order at 1:37 p.m.

AGENDA - ADDITIONS/REORDER

(0:00:18) Chair Feenstra reordered the agenda to take Confidential Session after the Consent Calendar.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held March 10, 2016
2. Minutes of the Agricultural Pool Special Meeting held on March 23, 2016

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2016
2. Watermaster VISA Check Detail for the month of February 2016
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C. WATER TRANSACTIONS

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

(0:01:47)

Motion by Vice-Chair Pierson, seconded by Mr. Ron Labrucherie, Jr., and by unanimous vote

Moved to approve Consent Calendar as presented

II. BUSINESS ITEMS

A. EAST DECLEZ BASIN PROJECT

(0:02:59) Mr. Kavounas gave a report indicating that the Appropriative Pool took action to cancel the East Declez Basin project and related property purchase. As a result, no action is needed by the Agricultural Pool.

B. OLD BUSINESS

None

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. May 6, 2016 Hearing
2. Notice of Related Case No. CIVDS1601994
3. CalPERS Appeal Hearing

(0:04:00) Mr. Herrema gave a report. A discussion ensued.

B. ENGINEER REPORT

1. 2015 Chino Basin Maximum Benefit Annual Report
2. IEUA Stormwater Resources – Grant Application
3. Prado Basin Habitat Adaptive Management Plan

(0:08:31) Mr. Malone gave a report. A discussion ensued.

C. CFO REPORT

None

D. GM REPORT

- 1. SGMA Update
- 2. RMPU Financing
- 3. Water Transactions – Submittal Process
- 4. Other

(0:13:42) Mr. Kavounas gave a report. A discussion ensued.

E. AGRICULTURAL POOL LEGAL COUNSEL REPORT

None

IV. INFORMATION

- 1. Cash Disbursements for March 2016
- 2. Recharge Investigations and Projects Committee (RIPCom)
- 3. RMPU Status Report
- 4. Ground Level Monitoring Report
- 5. Update on South Archibald and Chino Airport Plumes

V. POOL DISCUSSION

- 1. Chairman's Update
- 2. Pool Member Comments

None

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Feenstra called for a Confidential Session at 1:39 p.m. to hold the Agricultural Pool Strategic Planning Discussion. Confidential session concluded at 2:34 p.m. with no reportable action. The Pool resumed the meeting at Business Item II.A. as shown above.

ADJOURNMENT

Chair Feenstra adjourned the Agricultural Pool meeting at 2:52 p.m.

Secretary: _____

Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR (App & Ag Pool)

B. FINANCIAL REPORTS

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

I. BUSINESS ITEM ROUTINE (Non-Ag Pool)

B. FINANCIAL REPORTS

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



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 12, 2016
TO: Pool Committee Members
SUBJECT: Cash Disbursement Report - Financial Report B1 (March 31, 2016)

SUMMARY

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

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

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

Future Consideration

Appropriative Pool: May 12, 2016; Receive and File
Non-Agricultural Pool: May 12, 2016; Receive and File
Agricultural Pool: May 12, 2016; Receive and File
Advisory Committee: May 19, 2016; Receive and File
Watermaster Board: May 26, 2016; Receive and File (Normal Course of Business)

ACTIONS:

May 12, 2016 – Appropriative Pool –
May 12, 2016 – Non-Agricultural Pool –
May 12, 2016 – Agricultural Pool –
May 19, 2016 – Advisory Committee –
May 26, 2016 – Watermaster Board –

BACKGROUND

A monthly cash disbursement report is provided to keep all members apprised of Watermaster expenditures.

DISCUSSION

Total cash disbursements during the month of March 2016 were \$742,949.82.

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

ATTACHMENTS

1. Financial Report - B1

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	03/04/2016	ACH 030416	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	02/25/2016	16/02/08	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 02/14/16 - 02/25/16	2000 · Accounts Payable	1,125.49
General Journal	02/27/2016	16/02/06	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 02/14/16-02/27/16	2000 · Accounts Payable	5,435.76
TOTAL						6,561.25
Bill Pmt -Check	03/08/2016	19259	ADVANCED OFFICE SMART OFFICE SOLUTION: AR606359		1012 · Bank of America Gen'l Ckg	
Bill	02/24/2016	AR606359		Staples for color copier - acct. # 28019	6031.7 · Other Office Supplies	81.48
TOTAL						81.48
Bill Pmt -Check	03/08/2016	19260	APPLIED COMPUTER TECHNOLOGIES	2662	1012 · Bank of America Gen'l Ckg	
Bill	02/28/2016	2662		Database Consulting - February 2016	6052.2 · Applied Computer Technol	4,069.00
TOTAL						4,069.00
Bill Pmt -Check	03/08/2016	19261	CHARTER COMMUNICATIONS	8245100651455350	1012 · Bank of America Gen'l Ckg	
Bill	03/03/2016	8245100651455350		3/06/16-4/05/16	6053 · Internet Expense	64.99
TOTAL						64.99
P15 Bill Pmt -Check	03/08/2016	19262	EGOSCUE LAW GROUP	11178	1012 · Bank of America Gen'l Ckg	
P15 Bill	02/28/2016	11178		Ag Pool Legal Services - February 2016	8467 · Ag Legal & Technical Services	9,092.50
TOTAL						9,092.50
Bill Pmt -Check	03/08/2016	19263	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
Bill	02/25/2016	L0251704		L0251704	7108.4 · Hydraulic Control-Lab Svcs	440.00
Bill	02/25/2016	L0250377		L0250377	7108.4 · Hydraulic Control-Lab Svcs	1,592.00
TOTAL						2,032.00
Bill Pmt -Check	03/08/2016	19264	LEVEL 3 COMMUNICATIONS	42280355	1012 · Bank of America Gen'l Ckg	
Bill	02/23/2016	42280355		2/17/16-3/16/16	6053 · Internet Expense	1,335.58
TOTAL						1,335.58
Bill Pmt -Check	03/08/2016	19265	MIJAC ALARM	385090	1012 · Bank of America Gen'l Ckg	
Bill	03/01/2016	385090		Fire monitoring 3/01/16-5/31/16	6026 · Security Services	411.00
				Opening/closing reports 3/01/16-5/31/16	6026 · Security Services	54.00
				Annex - opening/closing reports 3/01/16-5/31/16	6026 · Security Services	45.00
				Commercial monitoring 3/01/16-5/31/16	6026 · Security Services	147.00
TOTAL						657.00
Bill Pmt -Check	03/08/2016	19266	PARK PLACE COMPUTER SOLUTIONS, INC.	509	1012 · Bank of America Gen'l Ckg	
Bill	02/29/2016	509		IT Consulting Services - February 1-29, 2016	6052.1 · Park Place Comp Solutn	3,000.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

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

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

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

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
TOTAL							225,923.16
	Bill Pmt -Check	03/08/2016	19276	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
	Bill	03/01/2016	08-k2 213849		Disposal Service - March 2016	6024 · Building Repair & Maintenance	111.57
TOTAL							111.57
	Bill Pmt -Check	03/09/2016	19277	MAURIZIO, DANIELLE		1012 · Bank of America Gen'l Ckg	
	Bill	03/08/2016			UPS reimbursement - Returned laptop	6042 · Postage - General	12.00
TOTAL							12.00
	Bill Pmt -Check	03/09/2016	19278	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
	Bill	01/31/2016	629374		629374	6907.44 · SGMA Compliance	3,368.70
	Bill	01/31/2016	629375		629375	6907.42 · Safe Yield Recalculation	117,403.65
					Expenses	6907.42 · Safe Yield Recalculation	108.25
	Bill	01/31/2016	629376		629376	6907.39 · Recharge Master Plan	1,962.90
	Bill	01/31/2016	629377		629377	6071 · BHFS Legal - Court Coordination	1,359.45
					Expenses	6071 · BHFS Legal - Court Coordination	35.31
	Bill	01/31/2016	629378		629378	8575 · BHFS Legal - Non-Ag Pool	1,568.25
P18	Bill	01/31/2016	629379		629379	8475 · BHFS Legal - Agricultural Pool	1,568.25
	Bill	01/31/2016	629380		629380	8375 · BHFS Legal - Appropriative Pool	1,568.25
	Bill	01/31/2016	629381		629381	6375 · BHFS Legal - Board Meeting	4,017.60
					Expenses	6375 · BHFS Legal - Board Meeting	35.31
	Bill	01/31/2016	629382		629382	6275 · BHFS Legal - Advisory Committee	1,185.75
					Expenses	6275 · BHFS Legal - Advisory Committee	35.31
	Bill	01/31/2016	629383		629383	6907.36 · Santa Ana River Habitat	181.80
	Bill	01/31/2016	629384		Personnel	6073 · BHFS Legal - Personnel Matters	7,866.00
					Contracts	6073 · BHFS Legal - Personnel Matters	729.00
					Alvarez-CalPERS	6073 · BHFS Legal - Personnel Matters	20.70
					Expenses	6073 · BHFS Legal - Personnel Matters	11.06
	Bill	01/31/2016	629385		629385	6078 · BHFS Legal - Miscellaneous	6,763.95
					Expenses	6078 · BHFS Legal - Miscellaneous	198.20
TOTAL							149,987.69
	Bill Pmt -Check	03/10/2016	19279	ACWA JOINT POWERS INSURANCE AUTHORIT	0399884	1012 · Bank of America Gen'l Ckg	
	Bill	02/29/2016	0399884		Prepayment - April 2016	1409 · Prepaid Life, BAD&D & LTD	70.87
					March 2016	60191 · Life & Disab.Ins Benefits	106.38
TOTAL							177.25
	Bill Pmt -Check	03/10/2016	19280	CORELOGIC INFORMATION SOLUTIONS	81665734	1012 · Bank of America Gen'l Ckg	
	Bill	02/29/2016	81665734		81665734	7103.7 · Grdwtr Qual-Computer Svc	62.50

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

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

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

Type	Date	Num	Name	Memo	Account	Paid Amount	
Bill	02/25/2016	2/25 Board Mtg		2/25/16 Board Meeting	6311 · Board Member Compensation	125.00	
TOTAL						125.00	
Bill Pmt -Check	03/16/2016	19287	BOWMAN, JIM	Board Member Compensation	1012 · Bank of America Gen'l Ckg		
Bill	02/25/2016	2/25 Board Mtg		2/25/16 Board Meeting	6311 · Board Member Compensation	125.00	
TOTAL						125.00	
Bill Pmt -Check	03/16/2016	19288	CURATALO, JAMES	Board Member Compensation	1012 · Bank of America Gen'l Ckg		
Bill	02/08/2016	2/08 Admin Mtg		2/08/16 Administrative Meeting	6311 · Board Member Compensation	125.00	
Bill	02/22/2016	2/22 Board Agenda		2/22/16 Board Agenda Preview Meeting	6311 · Board Member Compensation	125.00	
Bill	02/25/2016	2/25 Board Mtg		2/25/16 Board Meeting	6311 · Board Member Compensation	125.00	
TOTAL						375.00	
Bill Pmt -Check	03/16/2016	19289	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg		
Bill	02/18/2016	2/18 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00	
				2/18/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00	
TOTAL						125.00	
P20	Bill Pmt -Check	03/16/2016	19290	ELIE, STEVEN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	02/18/2016	2/18 Admin Mtg		2/18/16 Administrative Meeting	6311 · Board Member Compensation	125.00
	Bill	02/22/2016	2/22 Board Agenda		2/22/16 Board Agenda Preview Meeting	6311 · Board Member Compensation	125.00
	Bill	02/24/2016	2/24 Admin Mtg		2/24/16 Administrative Meeting	6311 · Board Member Compensation	125.00
	Bill	02/25/2016	2/25 Board Mtg		2/25/16 Board Meeting	6311 · Board Member Compensation	125.00
	TOTAL						500.00
Bill Pmt -Check	03/16/2016	19291	FEENSTRA, BOB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg		
Bill	02/11/2016	2/11 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00	
				2/11/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00	
Bill	02/25/2016	2/25 Board Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00	
				2/25/16 Board Meeting	8470 · Ag Meeting Attend -Special	100.00	
TOTAL						250.00	
Bill Pmt -Check	03/16/2016	19292	HALL, PETE*	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg		
Bill	02/11/2016	2/11 Appro Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00	
				2/11/16 Appropriative Pool Meeting	8470 · Ag Meeting Attend -Special	100.00	
Bill	02/11/2016	2/11 Non Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00	
				2/11/16 Non Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00	
Bill	02/11/2016	2/11 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00	
				2/11/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00	
Bill	02/18/2016	2/18 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

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

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

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

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

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

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

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

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
March 2016

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	03/25/2016	9762055779		9762055779	7103.7 · Grdwtr Qual-Computer Svc	100.06
TOTAL						100.06
Bill Pmt -Check	03/30/2016	19319	VERIZON WIRELESS	9761576819	1012 · Bank of America Gen'l Ckg	
Bill	03/14/2016	9761576819		9761576819	6022 · Telephone	274.58
TOTAL						274.58
General Journal	03/31/2016	03/31/2016	Payroll and Taxes for 03/13/16-03/26/16	Payroll and Taxes for 03/13/16-03/26/16	1012 · Bank of America Gen'l Ckg	
				Direct Deposit for 03/13/16-03/26/16	1012 · Bank of America Gen'l Ckg	20,392.69
				Payroll Taxes for 03/13/16-03/26/16	1012 · Bank of America Gen'l Ckg	6,799.81
			ICMA-RC	457(f) Employee Deductions for 03/13/16-03/26/16	1012 · Bank of America Gen'l Ckg	3,390.52
			ICMA-RC	401(a) Employee Deductions for 03/13/16-03/26/16	1012 · Bank of America Gen'l Ckg	974.11
TOTAL						31,557.13
Bill Pmt -Check	03/31/2016	ACH 033116	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	03/31/2016	16/03/06	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 03/13/16-03/26/16	2000 · Accounts Payable	5,524.82
TOTAL						5,524.82
P25 General Journal	03/31/2016	03/31/2016	Wage Works FSA Direct Debits - Mar. 2016	Wage Works FSA Direct Debits - Mar. 2016	1012 · Bank of America Gen'l Ckg	
				Wage Works FSA Direct Debits - Mar. 2016	1012 · Bank of America Gen'l Ckg	115.00
				Wage Works FSA Direct Debits - Mar. 2016	1012 · Bank of America Gen'l Ckg	577.14
				Wage Works FSA Direct Debits - Mar. 2016	1012 · Bank of America Gen'l Ckg	-1,560.00
				Wage Works FSA Direct Debits - Mar. 2016	1012 · Bank of America Gen'l Ckg	577.14
				Wage Works FSA Direct Debits - Mar. 2016	1012 · Bank of America Gen'l Ckg	81.50
TOTAL						-209.22
					Total Disbursements:	742,949.82

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CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 12, 2016
TO: Pool Committee Members
SUBJECT: VISA Check Detail Report - Financial Report B2 (March 31, 2016)

SUMMARY

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

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

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

Future Consideration

Appropriative Pool: May 12, 2016; Receive and File
Non-Agricultural Pool: May 12, 2016; Receive and File
Agricultural Pool: May 12, 2016; Receive and File
Advisory Committee: May 19, 2016; Receive and File
Watermaster Board: May 26, 2016; Receive and File (Normal Course of Business)

ACTIONS:

May 12, 2016 – Appropriative Pool –
May 12, 2016 – Non-Agricultural Pool –
May 12, 2016 – Agricultural Pool –
May 19, 2016 – Advisory Committee –
May 26, 2016 – Watermaster Board –

BACKGROUND

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

DISCUSSION

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

ATTACHMENTS

1. Financial Report - B2

CHINO BASIN WATERMASTER
VISA Check Detail Report
March 2016

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

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 12, 2016
TO: Pool Committee Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2015 through March 31, 2016 - Financial Report B3 (March 31, 2016)

SUMMARY

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

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

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

Future Consideration

Appropriative Pool: May 12, 2016; Receive and File
Non-Agricultural Pool: May 12, 2016; Receive and File
Agricultural Pool: May 12, 2016; Receive and File
Advisory Committee: May 19, 2016; Receive and File
Watermaster Board: May 26, 2016; Receive and File (Normal Course of Business)

ACTIONS:

May 12, 2016 – Appropriative Pool –
May 12, 2016 – Non-Agricultural Pool –
May 12, 2016 – Agricultural Pool –
May 19, 2016 – Advisory Committee –
May 26, 2016 – Watermaster Board –

BACKGROUND

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

DISCUSSION

The Combining Schedule of Revenue, Expenses and Changes in Net Assets has been created from various financial reports and statements created from Intuit QuickBooks Enterprise Solutions 15.0, the Watermaster accounting system. The Combining Schedule provided balances to the supporting documentation in the Watermaster accounting system as presented.

ATTACHMENTS:

1. Financial Report - B3

CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE PERIOD JULY 1, 2015 THROUGH MARCH 31, 2016

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUNDWATER OPERATIONS		LAIF VALUE ADJ.	GASB 68 BEG. NET POSITION	GRAND TOTALS	AMENDED BUDGET 2015-2016
			APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS				
Administrative Revenues:											
Administrative Assessments			3,569,781		151,739					3,721,520	8,934,215
Interest Revenue			16,606	1,384	120					18,110	22,050
Mutual Agency Project Revenue	157,349									157,349	157,941
Miscellaneous Income										-	0
Total Revenues	157,349	-	3,586,387	1,384	151,859	-	-	-	-	3,896,980	9,114,206
Administrative & Project Expenditures:											
Watermaster Administration	1,050,492									1,050,492	1,227,268
Watermaster Board-Advisory Committee	118,827									118,827	222,418
Ag Pool Misc. Expense - Ag Fund										-	400
Pool Administration			93,445	288,263	75,898					457,607	595,933
Optimum Basin Mgmt Administration		1,500,375								1,500,375	1,473,093
OBMP Project Costs		1,798,450								1,798,450	3,525,355
Debt Service		304,376								304,376	460,200
Basin Recharge Improvements		386,128								386,128	3,472,477
Mutual Agency Project Costs										-	10,000
Total Administrative/OBMP Expenses	1,169,318	3,989,328	93,445	288,263	75,898	-	-	-	-	5,616,254	10,987,144
Net Administrative/OBMP Expenses	(1,011,969)	(3,989,328)									
Allocate Net Admin Expenses To Pools	<u>1,011,969</u>		732,659	246,051	33,259					-	
Allocate Net OBMP Expenses To Pools		3,298,825	2,388,329	802,079	108,417					-	
Allocate Debt Service to App Pool		304,376	304,376							-	
Allocate Basin Recharge to App Pool		<u>386,128</u>	386,128							-	
Agricultural Expense Transfer*			1,336,393	(1,336,393)						-	
Total Expenses	5,241,330		-	-	217,574	-	-	-	-	5,616,254	10,987,144
Net Administrative Income			(1,654,943)	1,384	(65,715)	-	-	-	-	(1,719,274)	(1,872,938)
Other Income/(Expense)											
Replenishment Water Assessments										-	0
Non-Ag Stored Water Purchases										-	0
Exhibit "G" Non-Ag Pool Water										-	0
Interest Revenue						4,198				4,198	0
MWD Water Purchases										-	0
Non-Ag Stored Water Purchases										-	0
Exhibit "G" Non-Ag Pool Water			2,540,000							2,540,000	0
MWD Water Purchases										-	0
Groundwater Replenishment			(2,540,000)							(2,540,000)	0
LAIF - Fair Market Value Adjustment										-	0
Other Post-Employment Benefits (OPEB)										-	0
Refund-Excess Reserves										-	0
Refund-Recharge Debt										-	0
Net Other Income/(Expense)			-	-	-	4,198	-	-	-	4,198	0
Net Transfers To/(From) Reserves		(1,715,076)	(1,654,943)	1,384	(65,715)	4,198	-	-	-	(1,715,076)	(1,872,938)
Net Assets, July 1, 2015			6,346,620	481,130	69,774	1,388,080	158,251	3,446	(740,195)	7,707,106	
Net Assets, End of Period			4,691,677	482,514	4,059	1,392,278	158,251	3,446	(740,195)	5,992,030	5,992,030
13/14 Assessable Production			100,165,551	33,638,883	4,546,972					138,351,406	
13/14 Production Percentages			72.399%	24.314%	3.287%					100.000%	

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

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CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 12, 2016

TO: Pool Committee Members

SUBJECT: Treasurer's Report of Financial Affairs for the Period March 1, 2016 through March 31, 2016 - Financial Report B4 (March 31, 2016)

SUMMARY

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

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

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

Future Consideration

Appropriative Pool: May 12, 2016; Receive and File

Non-Agricultural Pool: May 12, 2016; Receive and File

Agricultural Pool: May 12, 2016; Receive and File

Advisory Committee: May 19, 2016; Receive and File

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

ACTIONS:

May 12, 2016 – Appropriative Pool –

May 12, 2016 – Non-Agricultural Pool –

May 12, 2016 – Agricultural Pool –

May 19, 2016 – Advisory Committee –

May 26, 2016 – Watermaster Board –

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period March 1, 2016 through March 31, 2016 is provided to keep all members apprised of the total cash in banks (Bank of America, LAIF, and CalTRUST) and on hand at the Watermaster office (petty cash) at the end of the period stated. The Treasurer's Report details the change (increase or decrease) in the overall cash position of Watermaster, as well as the changes (increase or decrease) to the assets and liabilities section of the balance sheet. The report also provides a detailed listing of all deposits and/or withdrawals in the California State Treasurer's Local Agency Investment Fund (LAIF) and/or CalTRUST, the most current effective yield as of the last quarter, and the ending balance in LAIF as of the reporting date.

DISCUSSION

The Treasurer's Report of Financial Affairs has been created from various financial reports and statements created from Intuit QuickBooks Enterprise Solutions 15.0, the Watermaster accounting system. The Treasurer's Report provided, balances to the supporting documentation in the Watermaster accounting system, as well as the supporting bank statements.

ATTACHMENTS

1. Financial Report - B4

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

Financial Report - B4

DEPOSITORIES:

Cash on Hand - Petty Cash			\$	500
Bank of America				
Governmental Checking-Demand Deposits	\$	468,018		
Zero Balance Account - Payroll	\$	-		468,018
Local Agency Investment Fund - Sacramento				7,388,927
TOTAL CASH IN BANKS AND ON HAND		3/31/2016	\$	7,857,446
TOTAL CASH IN BANKS AND ON HAND		2/29/2016		8,573,671
PERIOD INCREASE (DECREASE)			\$	(716,225)

CHANGE IN CASH POSITION DUE TO:

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

SUMMARY OF FINANCIAL TRANSACTIONS:

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

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

INVESTMENT TRANSACTIONS

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

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

**INVESTMENT STATUS
March 31, 2016**

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

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

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

Respectfully submitted,



Joseph S. Joswiak
Chief Financial Officer
Chino Basin Watermaster



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 12, 2016
TO: Pool Committee Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2015 through March 31, 2016 -
Financial Report B5 (March 31, 2016)

SUMMARY

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

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

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

Future Consideration

Appropriative Pool: May 12, 2016; Receive and File
Non-Agricultural Pool: May 12, 2016; Receive and File
Agricultural Pool: May 12, 2016; Receive and File
Advisory Committee: May 19, 2016; Receive and File
Watermaster Board: May 26, 2016; Receive and File (Normal Course of Business)

ACTIONS:

May 12, 2016 – Appropriative Pool –
May 12, 2016 – Non-Agricultural Pool –
May 12, 2016 – Agricultural Pool –
May 19, 2016 – Advisory Committee –
May 26, 2016 – Watermaster Board –

BACKGROUND

A Budget vs. Actual Report for the period July 1, 2015 through March 31, 2016 is provided to keep all members apprised of the total revenues and expenses for the current fiscal year. The expense section is categorized into four distinct sections. Those sections are: General and Administrative Expenses; Optimum Basin Management Program Expenses; Project Expenses; and Other Income/Expenses. The Budget vs. Actual report has been created from Intuit QuickBooks Enterprise Solutions 15.0, the Watermaster accounting system. The Budget vs. Actual report provided, balances to the supporting documentation in the Watermaster accounting system, as well as the supporting bank statements.

DISCUSSION

CURRENT MONTH – MARCH 2016

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

The Watermaster budget for FY 2015/16 is divided into 12-monthly amounts and allocated accordingly. As the fiscal year progresses, several of the above listed categories might level out over time and be within the budget levels.

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

PREVIOUSLY REPORTED ACTIONS (Descending Order)

July 2015:

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

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

SALARIES EXPENSE

CURRENT MONTH – MARCH 2016

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

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

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

When the FY 2015/16 budget was developed, basic assumptions were used in allocating how staff's time would be spent and on which of the projects or activities. The staffing dollars were then allocated into those specific areas and budgeted on a 1/12 monthly budget. When actual staffing activities vary from the budgeted assumptions, a positive or negative variance can be created. Currently, the allocations are tracking within budget.

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

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

PREVIOUSLY REPORTED ACTIONS (Descending Order)

February 2016:

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

January 2016:

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

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

LEGAL SERVICES

BROWNSTEIN HYATT FARBER SCHRECK EXPENSES

CURRENT MONTH – MARCH 2016

As of March 31, 2016, the total (YTD) Watermaster Legal Services expenses (consolidating the three categories of Watermaster Administrative Legal Services, Pool/Advisory/Board Meeting legal expenses, and OBMP legal expenses) were \$280,184 or 40.1% above the (YTD) budgeted amount of \$699,662. The Watermaster Legal Services budget was developed jointly by the Watermaster staff and Brownstein Hyatt Farber Schreck staff with specific assumptions regarding the tasks and legal activities that would occur during FY 2015/16. The "Approved" budget amount was adopted for the amount of \$933,815. The total budget was developed by multiplying the number of hours that would be required to complete the specific tasks by the hourly rate.

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

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

WATERMASTER ADMINISTRATIVE LEGAL SERVICES:

Overall, the Watermaster Administrative Legal Services expense (6070's), as of March 31, 2016, was \$45,821 or 27.6% above the budgeted amount of \$165,812. The specific items within the Administrative Legal Services expenses (6070's) which were under budget were the expenses for Court Coordination (6071) under budget by \$12,068 or 39.3%; Annotated Judgment (6072) under budget by \$30,112 or 100.0%; Interagency Issues (6074) under budget by \$22,950 or 100.0%; and the Party Status Maintenance (6077) under budget by \$21,066 or 97.9%. The specific items within the Administrative Legal Services expenses (6070's) which were over budget were the expenses for Personnel Matters (6073) over budget by \$32,633 or 96.0%; Miscellaneous (6078) over budget by \$96,303 or 363.2%; and CCG Motion (6078.12) over budget by \$3,080 or 100.0%.

Personnel Matters: As reported during the previous monthly meetings, Watermaster's legal counsel filed an appeal with CalPERS regarding CalPERS original determination (from February 2013) which rejected the base salary of the former CEO, Desi Alvarez, with regards to his retirement pension benefit. There have been several filings of appeal and we are awaiting CalPERS determination. On December 9, 2013

CalPERS notified the attorneys of record that the CalPERS Legal Office received the case on November 22, 2013 and we would be notified when the case has been assigned to an attorney who will represent CalPERS regarding the appeal. On February 27, 2014 the case was assigned to Wesley E. Kennedy, Senior Staff Attorney for CalPERS. On July 17, 2014 a document request from CalPERS was received by Watermaster related to the pending case. On August 22, 2014 the specific documents were provided to CalPERS. On September 9, 2014 Watermaster received the Notice of Hearing from CalPERS and the hearing has been scheduled for March 11-13, 2015 at the Glendale CalPERS Regional office. On October 1, 2014 Watermaster received from CalPERS a discovery request for Case No. 2013-1113. On December 31, 2014 Brownstein Hyatt Farber Schreck provided the information to Mr. Kennedy of CalPERS as requested on October 1, 2014. On January 16, 2015 a Prehearing conference along with a Settlement conference was conducted in Los Angeles. On March 2, 2015 a Motion to Continue was granted and the new Administrative Hearing (OAH Case No. 2014080757) was scheduled for November 16-18, 2015 at the Glendale CalPERS Regional Office. On September 28, 2015 the attorney for Mr. Alvarez (Mr. Jensen), at the suggestion of Mr. Kennedy, requested a short continuance of the OAH hearing because CalPERS has scheduled a full Board hearing on the claims of one of Mr. Jensen's clients for May 12, 2016 which is right in the middle of the three-day hearing scheduled for Mr. Alvarez's case. On October 9, 2015, an Order Granting Continuance; Notice of New Hearing Dates was provided by the State of California, Department of General Services, Office of Administrative Hearings. The administrative hearing was rescheduled for January 4-6, 2016 at the Glendale CalPERS Regional Office. On October 14, 2015 a Notice of Case Reassignment was received from the CalPERS providing notice that OAH Case No. 2014080757 has been reassigned from attorney Wesley Kennedy to Preet Kaur, Staff Attorney. On November 20, 2015, a Request for Continuance was issued from CalPERS to reschedule the hearing to either the period of April 4 through April 6, 2016 or April 11 through April 15, 2016. On December 11, 2015, an Order Granting Continuance; Notice of New Hearing Dates was issued from the State of California, Department of General Services, Office of Administrative Hearings to reschedule the hearing to April 11-13, 2016. The Administrative Hearing was held on April 11-13, 2016 at the Glendale CalPERS Regional Office. A ruling is scheduled for issuance by the Administrative Judge in July 2016.

WATERMASTER POOLS, ADVISORY AND BOARD LEGAL SERVICES:

The Pools, Advisory Committee and the Board meeting legal expenses from BHFS are captured by month within the accounts (6275, 6375, 8375, 8475 and 8575). Overall, this category of legal expenses as of March 31, 2016 was \$65,135 or 39.7% below the budgeted amount of \$164,075. Normal Brownstein Hyatt Farber Schreck meeting attendance during any given month includes attendance at all three pool meetings, one Advisory Committee meeting and one Board meeting. The Watermaster parties agreed that during the month of December 2015, the three Pools, the Advisory Committee and the Watermaster Board meetings would not be held, adding additional cost savings to this category.

OBMP LEGAL SERVICES:

The OBMP legal expenses (accounts 6907.31 through 6907.90) were above the budget for the month. As of March 31, 2016 the category of OBMP legal expenses were \$299,498 or 81.0% above the budgeted amount of \$369,775. The majority of expenses within this OBMP category were under budget (Y-T-D), however, the BHFS Safe Yield Redetermination and Reset legal expenses (6907.42) continue to increase and exceed the monthly budget. As of March 31, 2016, the Safe Yield Redetermination and Reset legal expenses were \$495,703 or 479.9% above the budgeted amount of \$103,300. It should be noted that the 12-month annual legal budget for the Safe Yield Redetermination and Reset category was approved at an amount of \$103,300 and anticipated to be allocated within the first six months of the FY 2015/16 (July 2015 – December 2015). The approved BHFS legal budget anticipated 230 labor hours for consolidated legal staff time with regards to the Safe Yield Redetermination and Reset effort.

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

The table listed below summarizes the Brownstein Hyatt Farber Schreck (BHFS) expenses as of March 31, 2016 compared to the Year-To-Date (YTD) budget. Please be advised that the "\$ Over Budget" and the "% of Budget" columns are a comparison of the (YTD) Actual to the (YTD) Budget, not the 12-month

Annual Budget. The 12-month Annual Budget column is presented only to provide the data in a full and complete format. The following details are provided:

	Jul '15 - Mar '16 Actual	Jul '15 - Mar '16 Budget	\$ Over Budget	% of Budget	FY 2015/16 Annual Budget
6070 · Watermaster Legal Services					
6071 · BHFS Legal - Court Coordination	18,645.41	30,713.00	-12,067.59	60.71%	40,950.00
6072 · BHFS Legal - Annotated Judgment	0.00	30,112.00	-30,112.00	0.0%	40,150.00
6073 · BHFS Legal - Personnel Matters	66,633.13	34,000.00	32,633.13	195.98%	80,700.00
6074 · BHFS Legal - Interagency Issues	0.00	22,950.00	-22,950.00	0.0%	30,600.00
6076 · BHFS Legal - Storage Issues	0.00	0.00	0.00	0.0%	0.00
6077 · BHFS Legal - Party Status Maintenance	459.00	21,525.00	-21,066.00	2.13%	28,700.00
6078 · BHFS Legal - Miscellaneous (Note 1)	122,815.48	26,512.00	96,303.48	463.25%	35,350.00
6078.12 · BHFS Legal - CCG Motion	3,079.82	0.00	3,079.82	100.0%	0.00
Total 6070 · Watermaster Legal Services	211,632.84	165,812.00	45,820.84	127.63%	256,450.00
6275 · BHFS Legal - Advisory Committee	11,940.11	15,300.00	-3,359.89	78.04%	20,400.00
6375 · BHFS Legal - Board Meeting	49,805.72	79,925.00	-30,119.28	62.32%	106,565.00
8375 · BHFS Legal - Appropriative Pool	12,646.90	22,950.00	-10,303.10	55.11%	30,600.00
8475 · BHFS Legal - Agricultural Pool	12,024.68	22,950.00	-10,925.32	52.4%	30,600.00
8575 · BHFS Legal - Non-Ag Pool	12,522.80	22,950.00	-10,427.20	54.57%	30,600.00
Total BHFS Legal Services	98,940.21	164,075.00	-65,134.79	60.3%	218,765.00
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	18,375.00	-18,375.00	0.0%	24,500.00
6907.32 · Chino Airport Plume	0.00	18,375.00	-18,375.00	0.0%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	36,675.00	-36,675.00	0.0%	48,900.00
6907.34 · Santa Ana River Water Rights	3,053.35	18,975.00	-15,921.65	16.09%	25,300.00
6907.36 · Santa Ana River Habitat	964.80	14,775.00	-13,810.20	6.53%	19,700.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	10,762.50	-10,762.50	0.0%	14,350.00
6907.39 · Recharge Master Plan	9,764.05	51,075.00	-41,310.95	19.12%	68,100.00
6907.40 · Storage Agreements	535.50	64,575.00	-64,039.50	0.83%	86,100.00
6907.41 · Prado Basin Habitat Sustainability	6,240.15	10,762.50	-4,522.35	57.98%	14,350.00
6907.42 · Safe Yield Recalculation	599,002.64	103,300.00	495,702.64	579.87%	103,300.00
6907.44 · SGMA Compliance	49,712.75	0.00	49,712.75	100.0%	0.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	22,125.00	-22,125.00	0.0%	29,500.00
Total 6907 · WM Legal Counsel	669,273.24	369,775.00	299,498.24	181.0%	458,600.00
Total Brownstein, Hyatt, Farber, Schreck Costs	979,846.29	699,662.00	280,184.29	140.05%	933,815.00

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

OBMP ENGINEERING SERVICES AND LEGAL COSTS

CURRENT MONTH – MARCH 2016

Reviewing in total the OBMP Engineering Services and Legal Costs (consolidating the four categories of OBMP Watermaster Staff and SAWPA, OBMP Engineering Services, OBMP Legal Costs, and OBMP Other Expenses) for the nine month period ending March 31, 2016, the actual expenses of \$1,440,372 were above the budgeted amount of \$1,107,113 by \$333,259 or 30.1%. For a detailed discussion, the following is provided.

For March 31, 2016, the accounts 6901-6903 (Optimum Basin Mgmt Program) section was above the Year-To-Date (YTD) budget by \$900 or 0.8%. Watermaster utilizes an in-house database time and

attendance system to record and document staff's actual hours worked and also allocates those hours to a specific project or activity. Watermaster staff time could be charged to Administrative, OBMP, or Implementation Project categories. Recently, Watermaster staff spent more time on specific OBMP related areas and less time on administrative related tasks. As a result, Watermaster staff allocated more actual time to the OBMP project as budgeted, which resulted in an over budget variance of \$1,241 or 1.3%. The remaining expense was the Santa Ana Watershed Project Authority (SAWPA) FY 2015/16 Basin Monitoring Program Task Force Contribution which was budgeted at \$12,500 but actual expenses were billed at \$12,159 which was below the budget by \$341 or 2.7% as of March 31, 2016.

For March 31, 2016, the accounts 6906 (Optimum Basin Mgmt Program Engineering Services) section was above the Year-To-Date (YTD) budget by \$39,776 or 6.4%. For FY 2015/16, the OBMP-Safe Yield Redetermination and Reset expenses (6906.73) did not have a budget amount assigned. For the month of March 2016, there were expenses of \$5,891 charged to the OBMP-Safe Yield Redetermination and Reset expenses. As of the Year-To-Date (YTD), this account was over budget by \$97,575 or 100.0%. The OBMP-Watermaster Model Update and the Material Physical Injury Request expenses had a budget provided for the month, but there was a small amount of activity and Engineering expenses recorded for this period. These two expenses, along with several other engineering related line items within the (6906's) assisted in reducing the overall budget variance and is a large factor as to why this expense category was under budget for the month.

Within the category 6907 (Optimum Basin Mgmt Program Legal Fees) are the remaining Brownstein Hyatt Farber Schreck (BHFS) Watermaster's legal expenses. Within the legal expense category, some individual line item activities were above the budget by \$545,416 while some other line item activities were below the budget by \$245,918. Above the budget line items were the Safe Yield Redetermination and Reset of \$495,703; and the SGMA Compliance of \$49,713. Please note the SGMA Compliance is a new GL account created in January 2016 to capture these costs. The individual legal projects/activities that were below budget for the Year-To-Date (YTD) period were the Archibald South Plume of \$18,375; the Chino Airport Plume of \$18,375; the Desalter/Hydraulic Control of \$36,675; the Santa Ana River Water Rights of \$15,922; the Santa Ana River Habitat of \$13,810; the Regional Water Quality Control Board of \$10,763; the Recharge Master Plan of \$41,311; Storage Agreements of \$64,040; the Prado Basin Habitat Sustainability of \$4,522; and the WM Unanticipated of \$21,125. For the nine months ended March 31, 2016, the overall cumulative (YTD) budget was \$369,775 and the actual (BHFS) legal expenses totaled \$669,273 which resulted in an over budget variance of \$299,498 or 81.0%.

As mentioned in the Brownstein Hyatt Farber Schreck section, the annual legal budget for the Safe Yield Redetermination and Reset was approved at an amount of \$103,300. The approved BHFS legal budget anticipated 230 labor hours for consolidated legal staff time with regards to the Safe Yield Redetermination and Reset effort. The budget assumed these expenses would be recorded during the period of July 2015 through December 2015. The Mid-Year Review presentation during the February 2016 meetings discussed the anticipated over budget of the Safe Yield Redetermination and Reset category. This month, a Budget Amendment Form (A-16-04-01) is being proposed to add additional budget of \$250,000 to this category and the funding would come from the FY 2015/16 OBMP Budget Reserves. The OBMP Budget Reserve amount is calculated at 15% of the OBMP Approved Budget which is \$715,363 ($\$4,769,087 \times 15\% = \$715,363$) for FY 2015/16.

The OBMP Other Expenses (6909's) were below the budget for the month. These expenses are typically conference calls, meeting expenses, supplies, annual inspection fees, and other miscellaneous type expenses. As of March 31, 2016 this category of expenses was \$6,915 or 68.3% below the budgeted amount of \$10,125.

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

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

The table listed below summarizes the Optimum Basin Management Program (OBMP) expenses as of March 31, 2016 compared to the Year-To-Date (YTD) budget. Please be advised that the "\$ Over Budget" and the "% of Budget" columns are a comparison of the (YTD) Actual to the (YTD) Budget, not the 12-month Annual Budget. The 12-month Annual Budget column is presented only to provide the data in a full and complete format. The following details are provided:

	Jul '15 - Mar '16 Actual	Jul '15 - Mar '16 Budget	\$ Over Budget	% of Budget	FY 2015/16 Annual Budget
6900 · Optimum Basin Mgmt Plan					
6901 · WM Staff Salaries	94,773.12	93,532.00	1,241.12	101.33%	124,709.00
6903 · OBMP SAWPA Group	12,159.00	12,500.00	-341.00	97.27%	12,500.00
Total 6901-6903 · OBMP WM Staff/SAWPA	106,932.12	106,032.00	900.12	100.85%	137,209.00
6906 · OBMP Engineering Services					
6906.1 · OBMP - Watermaster Model Update	250,406.55	279,340.00	-28,933.45	89.64%	279,340.00
6906.21 · State of the Basin Report	0.00	0.00	0.00	0.0%	0.00
6906.22 · Water Rights Compliance Reporting	15,593.75	18,302.99	-2,709.24	85.2%	24,404.00
6906.23 · SGMA Reporting Requirements	19,729.38	13,044.01	6,685.37	151.25%	17,392.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	56,113.11	65,744.25	-9,631.14	85.35%	87,659.00
6906.32 · OBMP - Other General Meetings	20,515.60	24,657.75	-4,142.15	83.2%	32,877.00
6906.33 · OBMP - App. Pool Issue Resolution	0.00	41,223.00	-41,223.00	0.0%	54,964.00
6906.71 · OBMP - Data Requests - CBWM Staff	154,286.60	48,048.00	106,238.60	321.11%	64,064.00
6906.72 · OBMP - Data Requests - Non CBWM	8,094.25	28,656.00	-20,561.75	28.25%	38,208.00
6906.73 · OBMP - Safe Yield Recalculation	97,575.33	0.00	97,575.33	100.0%	0.00
6906.74 · OBMP - Mat'l Phy. Injury Requests	5,324.16	82,725.00	-77,400.84	6.44%	110,300.00
6906 · OBMP Engineering Services - Other	33,318.25	19,440.00	13,878.25	171.39%	25,920.00
Total 6906 · OBMP Engineering Services	660,956.98	621,181.00	39,775.98	106.4%	735,128.00
6907 · OBMP Legal Fees					
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	18,375.00	-18,375.00	0.0%	24,500.00
6907.32 · Chino Airport Plume	0.00	18,375.00	-18,375.00	0.0%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	36,675.00	-36,675.00	0.0%	48,900.00
6907.34 · Santa Ana River Water Rights	3,053.35	18,975.00	-15,921.65	16.09%	25,300.00
6907.36 · Santa Ana River Habitat	964.80	14,775.00	-13,810.20	6.53%	19,700.00
6907.38 · Reg. Water Quality Cntrl Board	0.00	10,762.50	-10,762.50	0.0%	14,350.00
6907.39 · Recharge Master Plan	9,764.05	51,075.00	-41,310.95	19.12%	68,100.00
6907.40 · Storage Agreements	535.50	64,575.00	-64,039.50	0.83%	86,100.00
6907.41 · Prado Basin Habitat Sustainability	6,240.15	10,762.50	-4,522.35	57.98%	14,350.00
6907.42 · Safe Yield Recalculation	599,002.64	103,300.00	495,702.64	579.87%	103,300.00
6907.44 · SGMA Compliance	49,712.75	0.00	49,712.75	100.0%	0.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	22,125.00	-22,125.00	0.0%	29,500.00
Total 6907 · WM Legal Counsel	669,273.24	369,775.00	299,498.24	181.0%	458,600.00
Total 6907 · OBMP Legal Fees	669,273.24	369,775.00	299,498.24	181.0%	458,600.00
6909 · OBMP Other Expenses					
6909.1 · OBMP Meetings	1,894.55	1,125.00	769.55	168.4%	1,500.00
6909.3 · Other OBMP Expenses	1,315.00	1,500.00	-185.00	87.67%	2,000.00
6909.6 · OBMP Expenses - Miscellaneous	0.00	7,500.00	-7,500.00	0.0%	10,000.00
Total 6909 · OBMP Other Expenses	3,209.55	10,125.00	-6,915.45	31.7%	13,500.00
6910 · Integrated Resource Plan					
6910.10 · IRP Groundwater Modeling - WEI	33,814.00	0.00	33,814.00	100.0%	0.00
6910.11 · WEI Support-Grant Funding-RMPU	11,961.25	0.00	11,961.25	100.0%	0.00
6910.12 · WEI Support-Stormwater Recharge	35,495.75	0.00	35,495.75	100.0%	0.00
6910.13 · IEUA-San Seivaine Improvement Project	384.00	0.00	384.00	100.0%	0.00
6910.15 · IRP Groundwater Modeling - IEUA	-81,655.00	0.00	-81,655.00	100.0%	0.00
Total 6910 · Integrated Resource Plan	0.00	0.00	0.00	0.0%	0.00
Total 6900 · Optimum Basin Mgmt Plan	1,440,371.89	1,107,113.00	333,258.89	130.1%	1,344,437.00

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

CURRENT MONTH – MARCH 2016

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

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

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

PREVIOUSLY REPORTED ACTIONS (Descending Order)

February 2015:

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

November 2015:

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

July 2015:

The breakdown of the total FY 2015/16 Task Order amount of \$2,595,942 includes direct labor costs for Wildermuth Environmental, Inc. (80%) along with other direct charges such as equipment rental, laboratory fees, travel costs, reproduction costs, and outside professional services (20%).

The approved "Original" Engineering Services budget of \$2,595,942 was increased by "Carry Over" funding in the amount of \$136,696 to the "Amended" amount of \$2,732,638 for FY 2015/16 as provided in the Engineering Services Task Order. The "Carry Over" amount of \$136,696 from FY 2014/15 to the FY 2015/16 budget are expenses related to the ongoing long-term pumping test (\$9,813 for account 7107.2 and \$34,770 for account 7107.6), the PBHSP monitoring program (\$12,127 for account 7108.31 and \$35,986 for account 7108.41), the hydraulic control monitoring program Adaptive Management Plan (\$33,000 for account 7107.8), and expenses related to the upload of GeoTracker and EnviroStor data (\$11,000 for account 7502). All of the "Carry Over" funding is for projects or activities that have bridged previous fiscal years and are expected to be completed in the FY 2015/16 timeframe.

The table listed below summarized the Year-To-Date (YTD) Actual Wildermuth Environmental, Inc., (WEI) and other Engineering costs compared to the Year-To-Date (YTD) Budget as of March 31, 2016. Please be advised that the "\$ Over Budget" and the "% of Budget" columns are a comparison of the (YTD) Actual to the (YTD) Budget, not the 12-month Annual Budget. The 12-month Annual Budget column is presented only to provide the data in a full and complete format. The following details are provided:

	Jul '15 - Mar '16	Jul '15 - Mar '16	\$ Over Budget	% of Budget	FY 2015/16
	Actual	Budget			Annual Budget
6906 · OBMP Engineering Services - Other	33,318.25	19,440.00	13,878.25	171.39%	25,920.00
6906.1 · OBMP - Watermaster Model Update	250,406.55	279,340.00	-28,933.45	89.64%	279,340.00
6906.21 · State of the Basin Report	0.00	0.00	0.00	0.0%	0.00
6906.22 · Water Rights Compliance Reporting	15,593.75	18,302.99	-2,709.24	85.2%	24,404.00
6906.23 · SGMA Reporting Requirements	19,729.38	13,044.01	6,685.37	151.25%	17,392.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	56,113.11	65,744.25	-9,631.14	85.35%	87,659.00
6906.32 · OBMP - Other General Meetings	20,515.60	24,657.75	-4,142.15	83.2%	32,877.00
6906.33 · OBMP - App. Pool Issue Resolution	0.00	41,223.00	-41,223.00	0.0%	54,964.00
6906.71 · OBMP - Data Requests - CBWM Staff	154,286.60	48,048.00	106,238.60	321.11%	64,064.00
6906.72 · OBMP - Data Requests - Non CBWM	8,094.25	28,656.00	-20,561.75	28.25%	38,208.00
6906.73 · OBMP - Safe Yield Recalculation	97,575.33	0.00	97,575.33	100.0%	0.00
6906.74 · OBMP - Mat'l Physical Injury Requests	5,324.16	82,725.00	-77,400.84	6.44%	110,300.00
7103.3 · Grdwtr Qual-Engineering	82,314.84	90,387.00	-8,072.16	91.07%	120,516.00
7103.5 · Grdwtr Qual-Lab Svcs	48,037.00	29,403.75	18,633.25	163.37%	39,205.00
7104.3 · Grdwtr Level-Engineering	127,468.03	132,322.50	-4,854.47	96.33%	176,430.00
7104.8 · Grdwtr Level-Contracted Services	0.00	7,500.00	-7,500.00	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equipment	0.00	5,250.00	-5,250.00	0.0%	7,000.00
7107.2 · Grd Level-Engineering	37,515.69	44,713.50	-7,197.81	83.9%	56,347.00
7107.3 · Grd Level-SAR Imagery	29,000.00	63,750.00	-34,750.00	45.49%	85,000.00
7107.6 · Grd Level-Contract Svcs	106,221.78	121,986.75	-15,764.97	87.08%	151,059.00
7107.8 · Grd Level-Capital Equipment	0.00	4,200.00	-4,200.00	0.0%	5,600.00
7108.3 · Hydraulic Control-Engineering	29,512.70	37,476.00	-7,963.30	78.75%	49,968.00
7108.31 · Hydraulic Control-PBHSP	89,210.95	99,891.25	-10,680.30	89.31%	129,146.00
7108.32 · Hydraulic Control-Adaptive Mgmt Plan	52,153.22	43,176.00	8,977.22	120.79%	43,176.00
7108.4 · Hydraulic Control-Lab Svcs	6,496.00	18,810.75	-12,314.75	34.53%	25,081.00
7108.41 · Hydraulic Control-PBHSP	34,534.00	45,818.50	-11,284.50	75.37%	49,096.00
7108.6 · Hydraulic Control-Outside Professionals	0.00	67,500.00	-67,500.00	0.0%	90,000.00
7108.7 · Hydraulic Control-Prado Basin Habitat	4,428.00	0.00	4,428.00	100.0%	0.00
7109.3 · Recharge & Well - Engineering	10,196.75	14,900.25	-4,703.50	0.0%	19,867.00
7202.2 · Comp Recharge-Engineering Services	69,867.84	119,628.00	-49,760.16	58.4%	159,504.00
7303 · PE3&5-Engineering - Other	0.00	17,538.00	-17,538.00	0.0%	23,384.00
7402 · PE4-Engineering	39,131.88	63,531.00	-24,399.12	61.6%	84,708.00
7402.10 · PE4-MZ1 Pomona Project	211,296.84	379,691.25	-168,394.41	55.65%	506,255.00
7403 · PE4-Contract Svcs	11,000.00	15,000.00	-4,000.00	73.33%	20,000.00
7502 · PE6&7-Engineering	25,009.75	64,130.00	-39,120.25	39.0%	81,840.00
7602 · PE8&9-Engineering	14,536.00	48,246.00	-33,710.00	30.13%	64,328.00
Total Engineering Services Costs	1,688,888.25	2,156,031.50	-467,143.25	78.33%	2,732,638.00

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

PRADO BASIN HABITAT SUSTAINABILITY PROGRAM

The Prado Basin Habitat Sustainability Program came about as a result of the Peace II Agreement SEIR mitigation measure 4.4-3 and was adopted by IEUA's Board in October, 2010. The purpose of the mitigation measure is to ensure that the Prado Basin riparian habitat will not be impacted by Hydraulic Control. The basic program tasks are to convene a committee that will develop this adaptive management plan, to install necessary monitoring wells, to complete vegetation and aerial surveys, and to implement photo station monitoring. In terms of the financial aspects of this program, there is a cost sharing agreement, which was approved by the Watermaster Board in September, 2012 for a total budget of \$440,000. The cost sharing agreement between IEUA and Watermaster was increased from \$220,000 to \$300,000 effective August 22, 2013 with the approval of the Board. This is a 50/50 cost sharing agreement between Watermaster and IEUA with a not to exceed amount of \$300,000 for each party. Included in that cost is hiring a consultant to develop the adaptive management plan, WEI performing the project management tasks related to the monitoring well installation, hiring a contractor to construct and install up to seventeen monitoring wells at nine separate sites, and United States Bureau of Reclamation

performing vegetation monitoring every three years. Grants have been applied for to offset the cost of this program; however, the Grants were not approved.

The process of invoicing IEUA for their 50% portion of the (WEI) invoices will be completed by Watermaster staff at the end of every quarter. The information listed below is provided for the period of May 1, 2012 through March 31, 2016:

	Wildermuth Environmental, Inc.	50% Billing "TO" IEUA	50% Billing "FROM" IEUA	Costs For Watermaster	Watermaster Staff "Hours"	Watermaster Staff "Costs"
May 2012 - Jun. 2012	\$ 11,143.75	\$ (5,571.88)	\$ -	\$ 5,571.88	4.00	\$ 411.38
Jul. 2012 - Jun. 2013	\$ 120,945.28	\$ (60,472.64)	\$ 6,275.92	\$ 66,748.56	73.00	\$ 7,837.27
Jul. 2013 - Jun. 2014	\$ 21,722.09	\$ (10,861.05)	\$ 474.09	\$ 11,335.14	56.00	\$ 5,719.30
Jul. 2014 - Jun. 2015	\$ 198,138.44	\$ (99,069.22)	\$ -	\$ 99,069.22	9.00	\$ 1,141.63
Jul. 2015 - Mar. 2016	\$ 4,428.00	\$ (2,214.00)	\$ -	\$ 2,214.00	30.00	\$ 3,587.65
Totals	\$ 356,377.56	\$ (178,188.78)	\$ 6,750.01	\$ 184,938.79	172.00	\$ 18,697.23
	7108.7	7108.71, 7108.72	7108.75			7108.11

OTHER INCOME AND EXPENSE

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

PREVIOUSLY REPORTED ACTIONS (Descending Order)

July 2015:

Per section VI.D.3 of the Groundwater Storage Program Funding Agreement No. 49960 in the Chino Basin with The Metropolitan Water District of Southern California, the FY 2015/16 annual administrative fee invoice was issued on July 1, 2015 in the amount of \$157,349.47 under invoice number DYY 15-01. On August 3, 2015 payment in the amount of \$157,349.47 was received from The Metropolitan Water District of Southern California.

"CARRY OVER" FUNDING

CURRENT MONTH – MARCH 2016

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

"Carried Over" Expenses At June 30, 2015

			GL Account		
Printing - Annual Report	\$ 5,000.00	A	6045	FY 2014/15	ADM
Rauch Communication Consultants - Annual Report	\$ 15,000.00	B	6061.3	FY 2014/15	ADM
Ground Level Monitoring - Engineering	\$ 9,813.00	C	7107.2 ¹	FY 2014/15	ENG
Ground Level - Contracted Services	\$ 34,770.00	D	7107.6 ¹	FY 2014/15	ENG
Chino Hills ASR Project	\$ 29,285.99	E	7107.62	FY 2013/14	ASR
Hydraulic Control Engineering - PBHSP	\$ 12,127.00	F	7108.31 ²	FY 2014/15	ENG
Hydraulic Control Monitoring Lab Services - PBHSP	\$ 35,986.00	G	7108.41 ²	FY 2014/15	ENG
Hydraulic Control Monitoring - Adaptive Mgmt Plan	\$ 33,000.00	H	7108.32 ³	FY 2014/15	ENG
Jurupa Pumping Station (TO #5)	\$ 37,981.33	I	7209.1	FY 2013/14	PROJ
Wineville Basin Proof of Concept (TO #6)	\$ 35,397.53	J	7209.2	FY 2013/14	PROJ
PE 6&7 - Engineering Services	\$ 11,000.00	K	7502 ⁴	FY 2014/15	ENG
Hickory Basin Recharge Improvement Project	\$ 3,877.00	L	7690.3	FY 2013/14	PROJ
San Sevaine Recharge Improvement Project (TO #8)	\$ 300,000.00	M	7690.4	FY 2013/14	PROJ
San Sevaine Recharge Improvement Project (TO #8)	\$ 175,000.00	M	7690.4	FY 2014/15	PROJ
CB20 Turnout Noise Abatement Project	\$ 58,193.00	N	7690.5	FY 2011/12	PROJ
CB20 Turnout Noise Abatement Project	\$ 21,807.00	N	7690.5	FY 2013/14	PROJ
GWR SCADA Upgrades (TO #4)	\$ 45,700.00	O	7690.61	FY 2013/14	PROJ
GWR SCADA Upgrades (TO #4)	\$ 337,500.00	O	7690.61	FY 2014/15	PROJ
SCADA Communication Upgrades (TO #3)	\$ 547,500.00	P	7690.62	FY 2014/15	PROJ
Upper Santa Ana River HCP (TO #7)	\$ 75,000.00	Q	7690.7	FY 2014/15	PROJ
Lower Day Basin RMPU (TO #2)	\$ 49,000.00	R	7690.8	FY 2014/15	PROJ
Total Balance, June 30, 2015	\$ 1,872,937.85				

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

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

Printing - Annual Report	\$ (5,000.00)	A	6045	FY 2014/15	ADM
Rauch Communication Consultants - Annual Report	\$ (15,000.00)	B	6061.3	FY 2014/15	ADM
Hydraulic Control Monitoring Lab Services - PBHSP	\$ (9,820.00)	G	7108.41 ²	FY 2014/15	ENG
Hydraulic Control Monitoring - Adaptive Mgmt Plan	\$ (33,000.00)	H	7108.32 ³	FY 2014/15	ENG
San Sevaine Recharge Improvement Project (TO #8)	\$ (111,118.08)	M	7690.4	FY 2014/15	PROJ
CB20 Turnout Noise Abatement Project	\$ (25,207.74)	N	7690.5	FY 2014/15	PROJ
GWR SCADA Upgrades (TO #4)	\$ (56,514.47)	O	7690.61	FY 2014/15	PROJ
SCADA Communication Upgrades (TO #3)	\$ (97,034.16)	P	7690.62	FY 2014/15	PROJ
Lower Day Basin RMPU (TO #2)	\$ (49,000.00)	R	7690.8	FY 2014/15	PROJ
Updated Balance as of February 29, 2016	\$ 1,471,243.40				

¹ Long-Term Pumping Test

² Prado Basin Habitat Sustainability Program monitoring program

³ Adaptive Management Plan

⁴ Upload GeoTracker and EnviroStor sites

BACKGROUND OF "CARRY OVER" FUNDING

Once the FY 2014/15 period as of June 30, 2015 was closed, the amount of unfinished capital projects and related engineering costs was calculated and the "Carry Over" funding amount was added to the current FY 2015/16 budget. The Total "Carry Over" funding amount of \$1,872,937.852 was posted to the accounts as of July 1, 2016. The total amount of \$1,872,937.85 consisted of \$1,686,955.86 from Capital

Improvement Projects; \$136,696.00 from Engineering Services; \$29,285.99 from the Chino Hills ASR Project; and \$20,000.00 from the Administration budget for completion of the Annual Reports.

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

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

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

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

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

As invoices are received from the vendors and booked against these items listed above, the "Carried Over" balance will be reduced throughout the current fiscal year. At June 30, 2016, any remaining balances of the FY 2015/16 and prior years funding (if any), along with any new FY 2015/16 expenses, will then be "Carried Over" into the FY 2016/17 budget.

AUDIT FIELD WORK

FY 2015/16

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

FY 2014/15

Auditors from the audit firm of Fedak & Brown LLP were onsite at the Watermaster offices on August 10 and August 11, 2015. This was the final field work and the start of the development of the audited

financial reports and statements for FY 2014/15. The initial field work was completed on June 15 and June 16, 2015. On November 19, 2015, the Senior Manager of Fedak & Brown, LLP presented the Annual Financial and Audit Reports to the Watermaster Board. The Annual Financial and Audit Reports for FY 2014/15 were posted to the Watermaster website on November 23, 2015.

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

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

The invoices to the eleven Appropriators who purchased Exhibit "G" water from the Non-Agricultural Pool were issued on March 25, 2016 totaling \$2,540,000. Once Watermaster has received all of the payments from the Appropriators and those payments have cleared the bank, Watermaster will issue payment to California Steel Industries, Inc. (CSI) in the amount of \$1,270,000 (2,500.000 AF x \$508.00 = \$1,270,000); California Speedway Corporation (Auto Club Speedway) in the amount of \$508,000 (1,000.000 AF x \$508.00 = \$508,000); and NRG CA South, LP in the amount of \$762,000 (1,500.000 AF x \$508.00 = \$762,000).

ASSESSMENT INVOICING

CURRENT MONTH – MARCH 2016

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

PREVIOUSLY REPORTED ACTIONS (Descending Order)

February 2015:

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

December 2015:

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

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

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

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

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

All "interim" Assessment invoice payments have been received.

ATTACHMENTS

1. Financial Report - B5

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	1/12th (8.33%) of the Total Budget				9/12th (75%) of the Total Budget				100% of the Total Budget			
	For The Month of March 2016				Year-To-Date as of March 31, 2016				Fiscal Year End as of June 30, 2016			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
Income												
4010 · Local Agency Subsidies	0.00	0.00	0.00	0.0%	157,349.47	157,941.00	-591.53	99.63%	157,349.47	157,941.00	-591.53	99.63%
4110 · Admin Asmnts-Approp Pool	0.00	0.00	0.00	0.0%	3,569,781.01	8,637,418.00	-5,067,636.99	41.33%	8,637,418.00	8,637,418.00	0.00	100.0%
4120 · Admin Asmnts-Non-Agri Pool	0.00	0.00	0.00	0.0%	151,739.47	296,797.00	-145,057.53	51.13%	296,797.00	296,797.00	0.00	100.0%
4700 · Non Operating Revenues	8,011.61	5,512.00	2,499.61	145.35%	18,110.07	16,537.00	1,573.07	109.51%	24,146.00	22,050.00	2,096.00	109.51%
4900 · Miscellaneous Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Income	8,011.61	5,512.00	2,499.61	145.35%	3,896,980.02	9,108,693.00	-5,211,712.98	42.78%	9,115,710.47	9,114,206.00	1,504.47	100.02%
Gross Profit	8,011.61	5,512.00	2,499.61	145.35%	3,896,980.02	9,108,693.00	-5,211,712.98	42.78%	9,115,710.47	9,114,206.00	1,504.47	100.02%
Expense												
6010 · Admin. Salary/Benefit Costs	71,441.86	73,134.00	-1,692.14	97.69%	658,268.61	661,843.00	-3,574.39	99.46%	877,531.46	880,591.00	-3,059.54	99.65%
6020 · Office Building Expense	9,922.89	9,590.00	332.89	103.47%	78,064.96	83,569.00	-5,504.04	93.41%	105,814.08	110,381.00	-4,566.92	95.86%
6030 · Office Supplies & Equip.	1,907.32	3,130.00	-1,222.68	60.94%	19,315.88	24,670.00	-5,354.32	78.3%	30,638.84	32,560.00	-1,921.16	94.1%
6040 · Postage & Printing Costs	7,739.36	3,953.00	3,786.36	195.78%	39,159.50	46,874.00	-7,714.50	83.54%	59,445.16	60,032.00	-586.84	99.02%
6050 · Information Services	16,516.67	12,320.00	4,196.67	134.06%	93,916.52	102,630.00	-8,713.48	91.51%	129,001.54	131,840.00	-2,838.46	97.85%
6060 · Contract Services	6,357.00	0.00	6,357.00	100.0%	30,572.75	55,600.00	-25,027.25	54.99%	54,381.50	55,600.00	-1,218.50	97.81%
6070 · Watermaster Legal Services	26,659.90	19,647.00	7,012.90	135.7%	211,632.84	165,812.00	45,820.84	127.63%	267,114.14	256,450.00	10,664.14	104.16%
6080 · Insurance	0.00	0.00	0.00	0.0%	26,083.25	26,776.00	-692.75	97.41%	27,583.25	27,916.00	-332.75	98.81%
6110 · Dues and Subscriptions	306.00	500.00	-194.00	61.2%	19,016.72	20,585.00	-1,568.28	92.38%	20,842.60	21,335.00	-492.40	97.69%
6140 · WM Admin Expenses	0.00	375.00	-375.00	0.0%	1,407.28	2,175.00	-767.72	64.7%	2,400.66	2,700.00	-299.34	88.91%
6150 · Field Supplies	142.53	0.00	142.53	100.0%	828.11	1,450.00	-621.89	57.11%	1,117.20	1,450.00	-332.80	77.05%
6170 · Travel & Transportation	2,498.74	2,850.00	-351.26	87.68%	17,196.78	19,240.00	-2,043.22	89.38%	22,456.22	25,320.00	-2,863.78	88.69%
6190 · Training, Conferences, Seminars	1,995.00	0.00	1,995.00	100.0%	20,480.16	18,142.00	2,338.16	112.89%	27,640.06	22,400.00	5,240.06	123.39%
6200 · Advisory Comm - WM Board	2,029.37	3,582.00	-1,552.63	56.66%	23,948.17	32,755.00	-8,806.83	73.11%	34,104.56	43,674.00	-9,569.44	78.09%
6300 · Watermaster Board Expenses	11,776.79	14,802.00	-3,025.21	79.56%	94,878.74	134,059.00	-39,180.26	70.77%	137,526.70	178,744.00	-41,217.30	76.94%
8300 · Appr PI-WM & Pool Admin	60,619.67	11,262.00	49,357.67	538.27%	93,445.47	102,051.00	-8,605.53	91.57%	122,696.88	136,069.00	-13,372.12	90.17%
8400 · Agri Pool-WM & Pool Admin	3,309.60	4,907.00	-1,597.40	67.45%	29,743.22	44,767.00	-15,023.78	66.44%	47,492.78	59,690.00	-12,197.22	79.57%
8467 · Ag Legal & Technical Services	19,167.50	17,083.00	2,084.50	112.2%	235,920.00	153,750.00	82,170.00	153.44%	331,855.00	205,000.00	126,855.00	161.88%
8470 · Ag Meeting Attend -Special	2,375.00	1,850.00	525.00	128.38%	22,600.00	16,650.00	5,950.00	135.74%	33,250.00	22,200.00	11,050.00	149.78%
8471 · Ag Pool Expense	0.00	16,250.00	-16,250.00	0.0%	0.00	48,750.00	-48,750.00	0.0%	30,000.00	65,000.00	-35,000.00	46.15%
8485 · Ag Pool - Misc. Exp. - Ag Fund	0.00	0.00	0.00	0.0%	0.00	300.00	-300.00	0.0%	100.00	400.00	-300.00	25.0%
8500 · Non-Ag PI-WM & Pool Admin	6,482.64	8,958.00	-2,475.36	72.37%	75,898.23	80,980.00	-5,081.77	93.73%	97,727.24	107,974.00	-10,246.76	90.51%
9400 · Depreciation Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	5,500.00	0.00	5,500.00	100.0%
9500 · Allocated G&A Expenditures	-15,377.83	-33,442.00	18,064.17	45.98%	-165,451.64	-300,980.00	135,528.36	54.97%	-229,474.56	-401,307.00	171,832.44	57.18%
6900 · Optimum Basin Mgmt Plan	197,042.88	109,826.45	87,216.43	179.41%	1,440,371.89	1,107,113.00	333,258.89	130.1%	1,614,587.02	1,344,437.00	270,150.02	120.09%
6950 · Mutual Agency Projects	0.00	0.00	0.00	0.0%	0.00	10,000.00	-10,000.00	0.0%	0.00	10,000.00	-10,000.00	0.0%
9501 · G&A Expenses Allocated-OBMP	3,043.07	10,721.33	-7,678.26	28.38%	60,002.73	96,492.00	-36,489.27	62.18%	92,931.12	128,656.00	-35,724.88	72.23%
7101 · Production Monitoring	4,273.90	4,569.50	-295.60	93.53%	58,736.34	42,410.50	16,325.84	138.5%	78,696.28	56,547.00	22,149.28	139.17%
7102 · In-line Meter Installation	711.78	5,566.92	-4,855.14	12.79%	5,738.08	50,316.25	-44,578.17	11.4%	33,247.10	67,087.00	-33,839.90	49.56%
7103 · Grdwtr Quality Monitoring	7,017.30	18,222.24	-11,204.94	38.51%	137,621.40	165,257.25	-27,635.85	83.28%	251,627.78	220,342.00	31,285.78	114.2%
7104 · Gdwtr Level Monitoring	11,713.98	20,443.00	-8,729.02	57.3%	172,969.71	185,720.00	-12,750.29	93.14%	235,510.64	247,627.00	-12,116.36	95.11%
7105 · Sur Wtr Qual Monitoring	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
7107 · Ground Level Monitoring	89,848.79	14,035.25	75,813.54	640.17%	177,679.14	263,936.24	-86,257.10	67.32%	247,192.28	327,291.99	-80,099.71	75.53%

PS5

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

	1/12th (8.33%) of the Total Budget				9/12th (75%) of the Total Budget				100% of the Total Budget			
	For The Month of March 2016				Year-To-Date as of March 31, 2016				Fiscal Year End as of June 30, 2016			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
7108 · Hydraulic Control Monitoring	31,396.04	25,467.16	5,928.88	123.28%	219,922.52	320,748.50	-100,825.98	68.57%	374,344.70	397,236.00	-22,891.30	94.24%
7109 · Recharge & Well Monitoring Prog	193.75	1,655.58	-1,461.83	11.7%	10,196.75	14,900.25	-4,703.50	68.43%	12,419.50	19,867.00	-7,447.50	62.51%
7200 · PE2- Comp Recharge Pgm	215,936.51	215,010.67	925.84	100.43%	607,369.24	1,027,108.86	-419,739.62	59.13%	1,010,552.00	1,078,549.86	-67,997.86	93.7%
7300 · PE3&5-Water Supply/Desalte	0.00	3,735.00	-3,735.00	0.0%	0.00	33,957.00	-33,957.00	0.0%	0.00	45,276.00	-45,276.00	0.0%
7400 · PE4- Mgmt Plan	47,403.39	51,851.92	-4,448.53	91.42%	263,169.22	466,879.25	-203,710.03	56.37%	565,215.04	622,505.00	-57,289.96	90.8%
7500 · PE6&7-CoopEfforts/SaltMgmt	0.00	6,802.33	-6,802.33	0.0%	25,009.75	72,475.00	-47,465.25	34.51%	71,609.50	92,966.00	-21,356.50	77.03%
7600 · PE8&9-StorageMgmt/Conj Use	0.00	6,377.84	-6,377.84	0.0%	14,589.18	57,681.50	-43,092.32	25.29%	49,178.36	76,909.00	-27,730.64	63.94%
7690 · Recharge Improvement Debt Pymt	0.00	0.00	0.00	0.0%	690,503.45	3,369,227.00	-2,678,723.55	20.49%	2,786,006.90	3,932,677.00	-1,146,670.10	70.84%
7700 · Inactive Well Protection Prgm	0.00	41.67	-41.67	0.0%	0.00	375.00	-375.00	0.0%	0.00	500.00	-500.00	0.0%
9502 · G&A Expenses Allocated-Projects	12,334.76	22,720.92	-10,386.16	54.29%	105,448.91	204,488.25	-99,039.34	51.57%	136,543.44	272,651.00	-136,107.56	50.08%
Total Expense	856,786.16	687,798.78	168,987.38	124.57%	5,616,253.66	9,031,533.85	-3,415,280.19	62.19%	9,796,406.97	10,987,143.85	-1,190,736.88	89.16%
Net Ordinary Income	-848,774.55	-682,286.78	-166,487.77	124.4%	-1,719,273.64	77,159.15	-1,796,432.79	-2,228.22%	-680,696.50	-1,872,937.85	1,192,241.35	36.34%
Other Income												
4210 · Approp Pool-Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4220 · Non-Ag Pool-Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4225 · Interest Income	1,795.35	0.00	1,795.35	100.0%	4,198.12	0.00	4,198.12	100.0%	5,597.00	0.00	5,597.00	100.0%
4226 · LAIF Fair Market Value	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
PS 4600 · Groundwater Sales	2,540,000.00	0.00	2,540,000.00	100.0%	2,540,000.00	0.00	2,540,000.00	100.0%	2,540,000.00	0.00	2,540,000.00	100.0%
PS Total Other Income	2,541,795.35	0.00	2,541,795.35	100.0%	2,544,198.12	0.00	2,544,198.12	100.0%	2,545,597.00	0.00	2,545,597.00	100.0%
Other Expense												
5010 · Groundwater Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5100 · Other Water Purchases	2,540,000.00	0.00	2,540,000.00	100.0%	2,540,000.00	0.00	2,540,000.00	100.0%	2,540,000.00	0.00	2,540,000.00	100.0%
9200 · Interest Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9251 · Other Post Employment Benefits	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9996 · Refund-Excess Reserves-Approp.	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9997 · Refund-Excess Reserves-NonAg	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9998 · Refund-Recharge Debt-Approp.	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9999 · To/(From) Reserves	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Other Expense	2,540,000.00	0.00	2,540,000.00	100.0%	2,540,000.00	0.00	2,540,000.00	100.0%	2,540,000.00	0.00	2,540,000.00	100.0%
Net Other Income	1,795.35	0.00	1,795.35	100.0%	4,198.12	0.00	4,198.12	100.0%	5,597.00	0.00	5,597.00	100.0%
Net Income	-846,979.20	-682,286.78	-164,692.42	124.14%	-1,715,075.52	77,159.15	-1,792,234.67	-2,222.78%	-675,099.50	-1,872,937.85	1,197,838.35	36.05%

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

CHINO BASIN WATERMASTER

- I. **CONSENT CALENDAR (App & Ag Pool)**
 - C. **FINANCING PLAN FOR THE 2013 AMENDMENT TO THE 2010 RMPU**

- I. **BUSINESS ITEMS – ROUTINE (Non-Ag Pool)**
 - C. **FINANCING PLAN FOR THE 2013 AMENDMENT TO THE 2010 RMPU**



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General Manager

STAFF REPORT

DATE: May 12, 2016
TO: Pool Committee Members
SUBJECT: Financing Plan for the 2013 Amendment to the 2010 Recharge Master Plan Update

SUMMARY

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

Recommendation: Recommend to the Advisory Committee to approve of the Financing Plan for the 2013 RMPU.

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

Future Consideration

Appropriative Pool: May 12, 2016; Review and recommend
Non-Agricultural Pool: May 12, 2016; Review and recommend
Agricultural Pool: May 12, 2016; Review and recommend
Advisory Committee: May 19, 2016; Approval
Watermaster Board: May 26, 2016; Approval (Advisory Committee Approval required)

ACTIONS:

May 12, 2016 – Appropriative Pool –
May 12, 2016 – Non-Agricultural Pool –
May 12, 2016 – Agricultural Pool –

BACKGROUND

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

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

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

DISCUSSION

The Financing Plan introduces the possibility of debt financing, therefore if it is approved, the prior financing agreement between Watermaster and the Chino Basin Regional Financing Authority will need to be amended to incorporate the 2013 RMPU projects. Necessary amendments to the *Master Agreement Between Chino Basin Watermaster and Inland Empire Utilities Agency Regarding the Management of Collaborative Recharge Projects* and the *Master Recharge Facilities Financing Agreement* are presented as separate agenda items in the May 12, 2016 agenda (items I.D and I.I).

Staff recommends for the Pools to recommend adoption of the Financing Plan for the 2013 RMPU.

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

ATTACHMENTS

1. Financing Plan for the 2013 Recharge Master Plan Update

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

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

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

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

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

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

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

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

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

1. Proposition 84 (State) – \$1,500,000 was received for the San Sevaine and Lower Day RMPU projects. These funds have already been approved and resulted in the acceleration of these projects within specific Task Order Nos. 2 & 8.

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

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

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

1. SRF Planning Loan – IEUA submitted a pre-application in March 2016 for a planning loan for the remaining RMPU design work. It is anticipated that approximately \$5,000,000 may be needed to fund all remaining “soft costs”. If successful in attaining this loan, all remaining soft costs will be funded through the loan and will not result in any special assessments or assessment adjustments. Repayment would not be triggered until after the completion of corresponding efforts (5-year repayment period) and can be rolled into SRF construction loan (if received). Interest rates for these loans are currently at 1.6%-1.8% (30-year).
2. SRF Construction Loan – It is anticipated that IEUA will submit several SRF loan packages for the RMPU projects. To maximize the potential of receiving some matching principle forgiveness (grant), loan

packages should be sized at approximately \$25,000,000. Dependent upon the status of the RMPU project list approval, loan packages should start to be submitted to the State in mid-2016. Interest rates for these loans are currently at 1.6%-1.8% (30-year). SRF loans can be applied through either of the following state programs:

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

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

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

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

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

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

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

would require both IEUA and CBWM to pledge revenues to the CBRFA. A 2016 Financing Agreement is being developed for consideration by IEUA, CBWM and CBRFA for adoption.

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

1. SRF Planning Loan – cover all remaining soft costs into loan such that parties will not fund these costs until construction is complete. The following action items are planned:
 - a. IEUA Action
 - i. File application (*April 20, 2016*)
 - ii. Approve the 2016 Financing Agreement (*May 18, 2016*)
 - iii. Adopt Resolutions (*May 18, 2016*)
 - b. CBWM Action
 - i. Approve the 2016 Financing Agreement (*May 19, 2016*)
 - ii. Adopt Resolutions (*May 19, 2016*)
 - c. CBRFA Action
 - i. Approve the 2016 Financing Agreements (*May 18, 2016*)
 - ii. Adopt Resolutions (*May 18, 2016*)
 - iii. File Resolutions to State Water Board (*May 2016*)
2. USBR Drought Resiliency Implementation Grant – submit application to fund up to \$300K for drought project implementation. This will be helpful to use for purpose of attaining State funds (i.e. Proposition 1). This would be applied to the 23a RMPU Project (i.e. Wineville to Jurupa to RP-3). This project has an anticipated project cost of approximately \$21M and has both stormwater and recycled water benefits (3,166 AFY and 2,905 AFY, respectively). The following action items are planned:
 - a. IEUA Action
 - i. File application (*April 11, 2016*)
 - ii. Adopt Resolution (*April 20, 2016*)
3. Proposition 1 Stormwater Grant Round 1 – submit application to fund up to 50% of the cost (up to maximum of \$10M) of multi-benefit stormwater related projects. It is proposed that IEUA will submit for the 23a RMPU Project. The following action items are planned:
 - a. IEUA Action
 - i. File pre-application (*April 15, 2016*)
 - ii. Adopt Resolutions (*May 18, 2016*)
 - iii. File application and associated Resolutions to State Water Board (*June 2016*)
 - b. CBWM Action
 - i. Adopt Resolutions (*May 19, 2016*)
4. CWSRF – submit application to fund all of RMPU projects, TCE Plume Cleanup project and remaining/planned CDA wells/infrastructure. This application will be used to fund all remaining projects and will include nearly all the requirements needed to file for the Proposition 1 GWQ Grant (see item no. 5 below). The following action items are planned:
 - a. IEUA Action
 - i. Adopt Resolutions (*July 20, 2016*)
 - b. CBWM Action
 - i. Adopt Resolutions (*July 21, 2016*)
 - c. CDA Action

- i. Adopt Resolutions (*July 2016*)
 - d. CBRFA Action
 - i. File application and associated Resolutions to State Water Board (*July 2016*)
 - 5. Proposition 1 Groundwater Quality Grant – submit application to fund all of RMPU projects, TCE Plume Cleanup project and remaining/planned CDA wells/infrastructure. It is anticipated that this request will be approximately \$75M in projects (depending on success of prior actions) and would be eligible for up to 50% grant funding through Proposition 1 and Drinking Water SRF for non-grant portion. The following action items are planned:
 - a. IEUA Action
 - i. Filed pre-application in November 2015 via CBRFA without RMPU projects
 - ii. Amend the pre-application to include RMPU and CDA projects (*April 2016*)
 - iii. Adopt Resolutions (*May 18, 2016*)
 - iv. Approval of Programmatic Environmental Impact Report (includes 2013 RMPU projects) (*November 16, 2016*)
 - b. CBWM Action
 - i. Adopt Resolutions (*May 19, 2016*)
 - c. CBRFA Action
 - i. File application and associated Resolutions to State Water Board (*by June 2016*)

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

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

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

Table 2 – OSY by Party

Party	Share of OSY	% Share of OSY
Arrowhead Mtn Spring Water Co	-	0.00%
Chino Hills, City Of	2,111.422	3.85%
Chino, City Of	4,033.857	7.36%
Cucamonga Valley Water District	3,619.454	6.60%
Desalter Authority	-	0.00%
Fontana Union Water Company	6,391.736	11.66%
Fontana Water Company	1,000	0.00%
Fontana, City Of	-	0.00%
Golden State Water Company	411.476	0.75%
Jurupa Community Services District	2,061.118	3.76%
Marygold Mutual Water Company	655.317	1.20%
Monte Vista Irrigation Company	676.759	1.23%
Monte Vista Water District	4,823.954	8.80%
Niagara Bottling, LLC	-	0.00%
Nicholson Trust	4,000	0.01%
Norco, City Of	201.545	0.37%
Ontario, City Of	11,373.816	20.74%
Pomona, City Of	11,215.852	20.45%
San Antonio Water Company	1,506.888	2.75%
San Bernardino County Shtg Prk	-	0.00%
Santa Ana River Water Company	1,301.374	2.37%
Upland, City Of	2,852.401	5.20%
West End Consolidated Water Company	947.714	1.73%
West Valley Water District	644.317	1.18%
Totals	54,834.000	100.00%

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

Table 3 – Debt Impact Based on OSY

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

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

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

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

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

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

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

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR (App & Ag Pool)

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

I. BUSINESS ITEMS – ROUTINE (Non-Ag Pool)

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



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 12, 2016

TO: Pool Committee Members

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

SUMMARY

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

Recommendation: Recommend to Advisory Committee to approve the Master Recharge Facilities Financing Agreement.

Financial Impact: None.

Future Consideration

Appropriative Pool: May 12, 2016; Review and recommend
Non-Agricultural Pool: May 12, 2016; Review and recommend
Agricultural Pool: May 12, 2016; Review and recommend
Advisory Committee: May 19, 2016; Approval
Watermaster Board: May 26, 2016; Approval (Advisory Committee Approval required)

ACTIONS:

May 12, 2016 – Appropriative Pool –
May 12, 2016 – Non-Agricultural Pool –
May 12, 2016 – Agricultural Pool –

BACKGROUND

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

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

DISCUSSION

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

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

There are no financial impacts to the budget.

ATTACHMENTS

1. Proposed Master Recharge Facilities Financing Agreement

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

MASTER RECHARGE FACILITIES FINANCING AGREEMENT

Dated as of June 1, 2016

By and Among

CHINO BASIN REGIONAL FINANCING AUTHORITY,

INLAND EMPIRE UTILITIES AGENCY

and

CHINO BASIN WATERMASTER

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DRAFT

MASTER RECHARGE FACILITIES FINANCING AGREEMENT

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

WITNESSETH:

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

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

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

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

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

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

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

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

NOW THEREFORE, the parties hereto do agree as follows:

Section 1. Definitions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 2. Purpose; Financing and Construction.

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

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

Section 3. Recharge Facilities.

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

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

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

Section 5. Rates and Charges.

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

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

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

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

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

(e) Allocation of Costs and Expenses.

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

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

(f) Time and Method of Payment.

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

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

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

Section 6. Annual Capital Budget and Billing Statement.

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

Section 7. Obligation in the Event of Default.

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

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

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

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

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

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

Section 8. Covenants of Watermaster.

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

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

(c) Accounting Records and Financial Statements.

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

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

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

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

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

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

Section 9. Covenants of IEUA and the Authority.

(a) Accounting Records and Financial Statements.

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

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

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

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

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

Section 10. Term.

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

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

Section 11. Assignment.

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

Section 12. Amendments.

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

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

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

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

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

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

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

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

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

Section 13. Miscellaneous.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DRAFT

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

CHINO BASIN REGIONAL FINANCING
AUTHORITY

By: _____
President

CHINO BASIN WATERMASTER

By: _____
General Manager

INLAND EMPIRE UTILITIES AGENCY

By: _____
President

DRAFT

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EXHIBIT A

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

_____, 2016

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

Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, California 91708

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT B

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

_____, 2016

Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, California 91708

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

Respectfully submitted,

EXHIBIT C

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

_____, 2016

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

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

Respectfully submitted,

ANNEX A-1

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

ANNEX A-1

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

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

Approved by:

CHINO BASIN WATERMASTER

INLAND EMPIRE UTILITIES AGENCY

By: _____
General Manager

By: _____
General Manager

ANNEX A-2

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

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

Approved by:

CHINO BASIN WATERMASTER

INLAND EMPIRE UTILITIES AGENCY

By: _____
General Manager

By: _____
General Manager

CHINO BASIN WATERMASTER

- I. CONSENT CALENDAR (App & Ag Pool)**
 - E. PROPOSITION 1 – GROUNDWATER GRANT**

- I. BUSINESS ITEMS – ROUTINE (Non-Ag Pool)**
 - E. PROPOSITION 1 – GROUNDWATER GRANT**



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 12, 2016
TO: Pool Committee Members
SUBJECT: Proposition 1 Groundwater Grant

SUMMARY

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

Recommendation: Recommend to Advisory Committee to recommend to the Watermaster Board adoption of Resolution No. 2016-04, authorizing the Chino Basin Regional Financing Authority to submit a grant application for a Proposition 1 Groundwater Grant for Chino Basin Improvements and the Groundwater Cleanup Project.

Financial Impact: None

Future Consideration

Appropriative Pool: May 12, 2016; Review and recommend
Non-Agricultural Pool: May 12, 2016; Review and recommend
Agricultural Pool: May 12, 2016; Review and recommend
Advisory Committee May 19, 2016; Review and recommend
Watermaster Board: May 26, 2016; Adoption (on Advisory Committee recommendation)

ACTIONS:

May 12, 2016 – Appropriative Pool –
May 12, 2016 – Non-Agricultural Pool –
May 12, 2016 – Agricultural Pool –

BACKGROUND

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

As part of the Financing Plan for the 2013 RMPU, Item I.C of the May 12, 2016 agenda, IEUA has identified many sources of grants and loans for the 2013 RMPU projects, some of which have already been obtained for the Lower Day and San Sevaine projects.

DISCUSSION

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

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

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

Staff recommends that the Pools consider recommendation of Resolution No. 2016-04 (Attachment 1) to the Advisory Committee, to recommend to the Board for adoption.

There is no financial impact to the budget.

ATTACHMENTS

1. Resolution No. 2016-04

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RESOLUTION NO. 2016-04

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

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

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

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

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

APPROVED:

By: _____
Chair, Watermaster Board

ATTEST:

By: _____
Board Secretary/Treasurer
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Bob Kuhn, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-04, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

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

CHINO BASIN WATERMASTER

Watermaster Secretary

Date: _____

CHINO BASIN WATERMASTER

- I. CONSENT CALENDAR (App & Ag Pool)**
 - F. PROPOSITION 1 – STORMWATER GRANT**

- I. BUSINESS ITEMS – ROUTINE (Non-Ag Pool)**
 - F. PROPOSITION 1 – STORMWATER GRANT**



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 12, 2016
TO: Pool Committee Members
SUBJECT: Proposition 1 Stormwater Grant

SUMMARY

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

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

Financial Impact: None

Future Consideration

Appropriative Pool: May 12, 2016; Review and recommend
Non-Agricultural Pool: May 12, 2016; Review and recommend
Agricultural Pool: May 12, 2016; Review and recommend
Advisory Committee May 19, 2016; Recommendation
Watermaster Board: May 26, 2016; Adoption (On Advisory Committee recommendation)

ACTIONS:

May 12, 2016 – Appropriative Pool –
May 12, 2016 – Non-Agricultural Pool –
May 12, 2016 – Agricultural Pool -

BACKGROUND

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

As part of the Financing Plan for the 2013 RMPU, Item I.C of the May 12, 2016 agenda, IEUA has identified many sources of grants and loans for the 2013 RMPU projects, some of which have already been obtained for the Lower Day and San Sevaine projects.

DISCUSSION

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

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

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

Staff recommends that the Pools consider recommendation of Resolution No. 2016-05 (Attachment 1) to the Advisory Committee to recommend to the Board for adoption.

There is no financial impact to the budget.

ATTACHMENTS

1. Resolution No. 2016-05

RESOLUTION NO. 2016-05

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

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

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

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

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

APPROVED:

By: _____
Chair, Watermaster Board

ATTEST:

By: _____
Board Secretary/Treasurer
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Bob Kuhn, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-05, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

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

CHINO BASIN WATERMASTER

Watermaster Secretary

Date: _____

CHINO BASIN WATERMASTER

- I. CONSENT CALENDAR (App & Ag Pool)**
 - G. CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM**

- I. BUSINESS ITEMS – ROUTINE (Non-Ag Pool)**
 - G. CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM**



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 12, 2016
TO: Pool Committee Members
SUBJECT: Clean Water State Revolving Fund Loan Program

SUMMARY

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

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

Financial Impact: None

Future Consideration

Appropriative Pool: May 12, 2016; Review and recommend
Non-Agricultural Pool: May 12, 2016; Review and recommend
Agricultural Pool: May 12, 2016; Review and recommend
Advisory Committee May 19, 2016; Recommendation
Watermaster Board: May 26, 2016; Adoption (On Advisory Committee recommendation)

ACTIONS:

May 12, 2016 – Appropriative Pool –
May 12, 2016 – Non-Agricultural Pool –
May 12, 2016 – Agricultural Pool -

BACKGROUND

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

As part of the Financing Plan for the 2013 RMPU, Item I.C of the May 12, 2016 agenda, IEUA has identified many sources of grants and loans for the 2013 RMPU projects, some of which have already been obtained for the Lower Day and San Sevaine projects.

DISCUSSION

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

The SRF loan application will require a revenue pledge, which is the subject of a separate staff report and Resolution in the May 12, 2016 agenda.

Staff recommends that the Pools consider recommendation of Resolution No. 2016-06 (Attachment 1) to the Advisory Committee to recommend to the Board for adoption.

There is no financial impact to the budget.

ATTACHMENTS

1. Resolution No. 2016-06

RESOLUTION NO. 2016-06

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

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

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

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

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

APPROVED:

By: _____
Chair, Watermaster Board

ATTEST:

By: _____
Board Secretary/Treasurer
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Bob Kuhn, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-06, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

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

CHINO BASIN WATERMASTER

Watermaster Secretary

Date: _____

CHINO BASIN WATERMASTER

- I. CONSENT CALENDAR (App & Ag Pool)**
 - H. REVENUE PLEDGE TO STATE REVOLVING FUND FINANCING**

- I. BUSINESS ITEMS – ROUTINE (Non-Ag Pool)**
 - H. REVENUE PLEDGE TO STATE REVOLVING FUND FINANCING**



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 12, 2016
TO: Pool Committee Members
SUBJECT: Revenue Pledge to State Revolving Fund Financing

SUMMARY

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

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

Financial Impact: None

Future Consideration

Appropriative Pool: May 12, 2016; Review and recommend
Non-Agricultural Pool: May 12, 2016; Review and recommend
Agricultural Pool: May 12, 2016; Review and recommend
Advisory Committee May 19, 2016; Recommendation
Watermaster Board: May 26, 2016; Adoption (On Advisory Committee Recommendation)

ACTIONS:

May 12, 2016 – Appropriative Pool –
May 12, 2016 – Non-Agricultural Pool –
May 12, 2016 – Agricultural Pool –

BACKGROUND

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

As part of the Financing Plan for the 2013 RMPU, Item I.C of the May 12, 2016 agenda, IEUA has identified many sources of grants and loans for the 2013 RMPU projects, some of which have already been obtained for the Lower Day and San Sevaine projects.

Resolution No. 2016-06, Item I.G of the May 12, 2016 agenda, establishes the intent of CBWM and IEUA to apply for Clean Water State Revolving Fund (SRF) loans assistance funds for the planning and design of 2013 RMPU projects.

DISCUSSION

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

Staff recommends that the Pools consider recommendation of Resolution No. 2016-07 (Attachment 1) to the Advisory Committee to recommend to the Board for adoption.

There is no impact to the budget.

ATTACHMENTS

1. Resolution No. 2016-07

RESOLUTION NO. 2016-07

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

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

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

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

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

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

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

APPROVED:

By: _____
Chair, Watermaster Board

ATTEST:

By: _____
Board Secretary/Treasurer
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Bob Kuhn, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-07, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

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

CHINO BASIN WATERMASTER

Watermaster Secretary

Date: _____

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR (App & Ag Pool)

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

I. BUSINESS ITEMS – ROUTINE (Non-Ag Pool)

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



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 12, 2016
TO: Pool Committee Members
SUBJECT: First Amendment to the Master Cost Sharing Agreement between Chino Basin Watermaster and Inland Empire Utilities Agency

SUMMARY

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

Recommendation: Recommend to Advisory Committee to approve changes made to the Master Cost Sharing Agreement between CBWM and IEUA

Financial Impact: None

Future Consideration

Appropriative Pool: May 12, 2016; Review and recommend
Non-Agricultural Pool: May 12, 2016; Review and recommend
Agricultural Pool: May 12, 2016; Review and recommend
Advisory Committee: May 19, 2016; Approval
Watermaster Board: May 26, 2016; Approval (Advisory Committee Approval required)

ACTIONS:

May 12, 2016 – Appropriative Pool –
May 12, 2016 – Non-Agricultural Pool –
May 12, 2016 – Agricultural Pool –

BACKGROUND

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

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

DISCUSSION

The Financing Plan for the 2013 RMPU was considered under Item I.C and identifies opportunities for grants, loans, and other low cost financing options for the 2013 RMPU projects; the Master Recharge Facilities Financing Agreement was considered under Item I.D of the May 12, 2016 agenda, to allow the Chino Basin Regional Financing Authority to facilitate obtaining grants and low cost financing for projects. These documents require modifications to the Master Cost Sharing agreement between CBWM and IEUA.

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

Staff recommends that the Pools recommend to the Advisory Committee to approve amendment to Master Cost Sharing Agreement between CBWM and IEUA (Attachment 1).

There are no financial impacts to the budget.

ATTACHMENTS

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

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

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

RECITALS

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 1

PROJECT MANAGEMENT

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

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

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

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

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

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

ARTICLE 2

COST SHARING

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

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

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

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

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

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

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

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

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

ARTICLE 3

REIMBURSEMENT OF COSTS

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

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

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

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

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

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

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

ARTICLE 4

TERM

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

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

ARTICLE 5

INDEMNITY

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

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

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

ARTICLE 6

GENERAL PROVISIONS.

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

If to Watermaster:

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

If to IEUA:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CHINO BASIN WATERMASTER

By _____
PETER KAVOUNAS
General Manager

INLAND EMPIRE UTILITIES AGENCY

By _____
P. JOSEPH GRINDSTAFF
General Manager

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

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



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 12, 2016
TO: Pool Committee Members
SUBJECT: Budget Amendment Form (A-16-04-01)

SUMMARY

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

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

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

Future Consideration

Appropriative Pool: May 12, 2016; Recommend Advisory Committee approval
Non-Agricultural Pool: May 12, 2016; Recommend Advisory Committee approval
Agricultural Pool: May 12, 2016; Recommend Advisory Committee approval
Advisory Committee: May 19, 2016; Approval
Watermaster Board: May 26, 2016; Adoption (Advisory Committee approval required)

ACTIONS:

May 12, 2016 – Appropriative Pool –
May 12, 2016 – Non-Agricultural Pool –
May 12, 2016 – Agricultural Pool –
May 19, 2016 – Advisory Committee –
May 26, 2016 – Watermaster Board –

BACKGROUND

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

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

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

DISCUSSION

During the creation and development of the FY 2015/16 budget, Brownstein Hyatt Farber Schreck estimated the cost of the Safe Yield and Redetermination Reset by assuming the number of estimated hours needed to complete the task multiplied by the hourly rate. It should be noted that the 12-month annual legal budget for the Safe Yield Redetermination and Reset category was approved at an amount of \$103,300 and anticipated to be allocated within the first six months of the FY 2015/16 (July 2015 – December 2015). The approved BHFS legal budget anticipated 230 labor hours for consolidated legal staff time with regards to the Safe Yield Redetermination and Reset effort.

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

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

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

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

ATTACHMENTS

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



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

To: **All Parties**

Fiscal Year 2015/16

From : Joseph S. Joswiak, CFO

Date: May 12, 2016

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

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

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

Amendment Procedure	Finance Use Only
1. Staff takes amendment requests to the Pools, Advisory Committee & Board for approval.	Date Board Approved _____
2. The Chief Financial Officer will prepare and process the budget entry.	Entered into System By _____
4. A log will be maintained by the Finance Department detailing the adjustment.	Finance Log # _____
5. A fiscal year file will also be kept to hold all budget amendment forms for auditor review.	Date Posted _____
	Approved By _____
	Date Approved _____

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B. WATERMASTER FISCAL YEAR 2016/17 PROPOSED BUDGET



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 12, 2016
TO: Pool Committee Members
SUBJECT: Proposed Fiscal Year 2016/17 Budget

SUMMARY

Issue: Proposed FY 2016/17 Budget.

Recommendation: Recommend Advisory Committee approval of the proposed FY 2016/17 budget as presented.

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

Future Consideration

Appropriative Pool: May 12, 2016; Review and recommend
Non-Agricultural Pool: May 12, 2016; Review and recommend
Agricultural Pool: May 12, 2016; Review and recommend
Advisory Committee: May 19, 2016; Approval
Watermaster Board: May 26, 2016; Approval (Advisory Committee Approval required)

ACTIONS:

May 12, 2016 – Appropriative Pool -
May 12, 2016 – Non-Agricultural Pool -
May 12, 2016 – Agricultural Pool -
May 19, 2016 – Advisory Committee -
May 26, 2016 – Watermaster Board -

BACKGROUND

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

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

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

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

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

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

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

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

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

<http://www.cbwm.org/FTP/5%20Year%20Watermaster%20Budget%20Projection/>

CHINO BASIN WATERMASTER
5-YEAR BUDGET PROJECTION

FOR GENERAL INFORMATION ONLY

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

Notes:

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

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

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

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

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

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

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

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

Attachment 1: <http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%201%20-%20FY%202016-17%20Proposed%20Budget.pdf>

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

becomes the basis for the Production Based Assessment. The Proposed Assessment is then calculated as $\$6,869,857 \div 124,492.513 \text{ AF} = \55.18 AF .

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

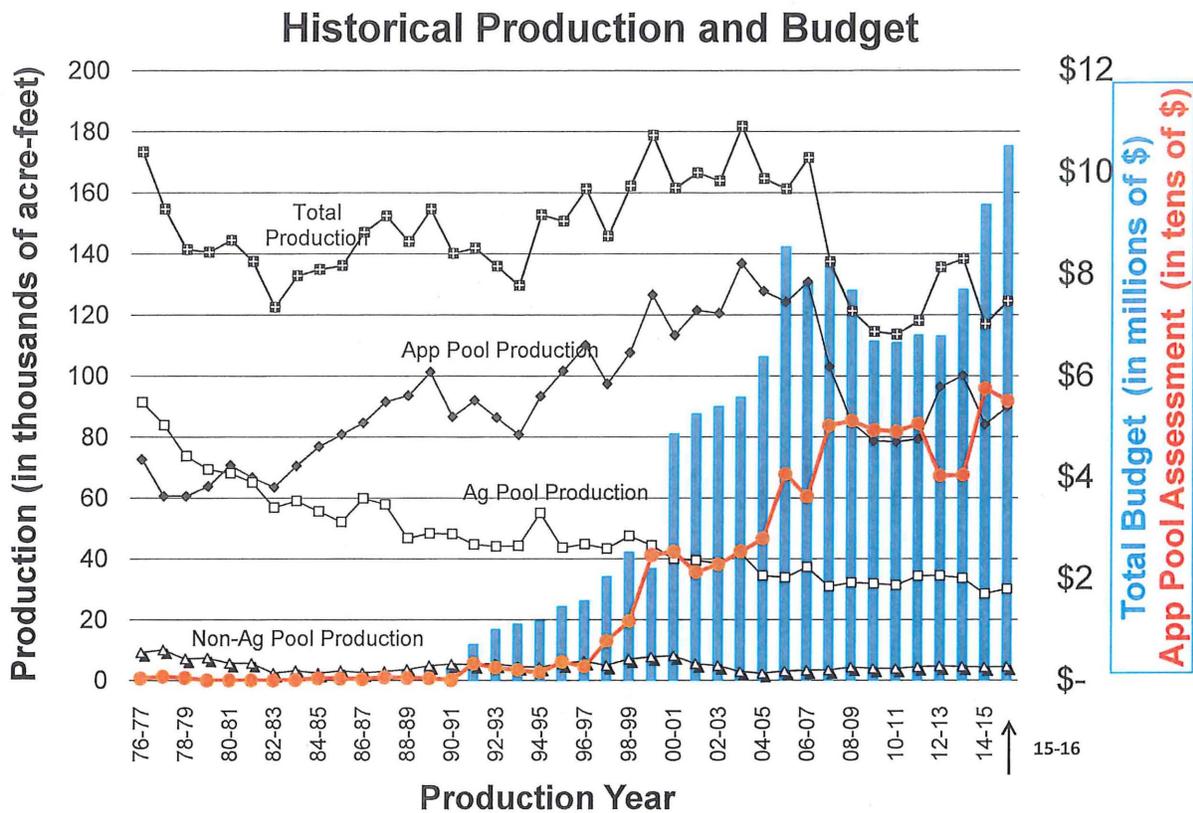
The Total Assessable Production (for budget purposes) is estimated to be 124,492.513 acre-feet which is based upon the actual production numbers for the first two quarters, and projected to estimate the full year's production. The "projected" Total Assessable Production of 124,492.513 acre-feet is higher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

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

Comparing the current Proposed Assessment as of May 12, 2016 of \$55.18 to the Actual Assessment paid (to be invoiced in June 2016) of \$57.54, a variance of (\$2.36) or (4.1%) is shown. For comparison purposes only, when using last year's actual production of 116,961.798 acre-foot, the Proposed

Assessment amount would be \$15.98 per acre-foot for Administration and \$42.76 per acre-foot for OBMP and Implementation Projects, for a combined total of \$58.74 per acre-foot.

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



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

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

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

LABOR AND BURDEN EXPENSE

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

employees for the Proposed FY 2016/17 Budget is 10.0 (FTE) which is one additional Watermaster employee as the Approved Budget for FY 2015/16.

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

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

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

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

Attachment 2: <http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%202%20-%20FY%202016-17%20Proposed%20Staffing%20and%20Pay%20Schedule.pdf>

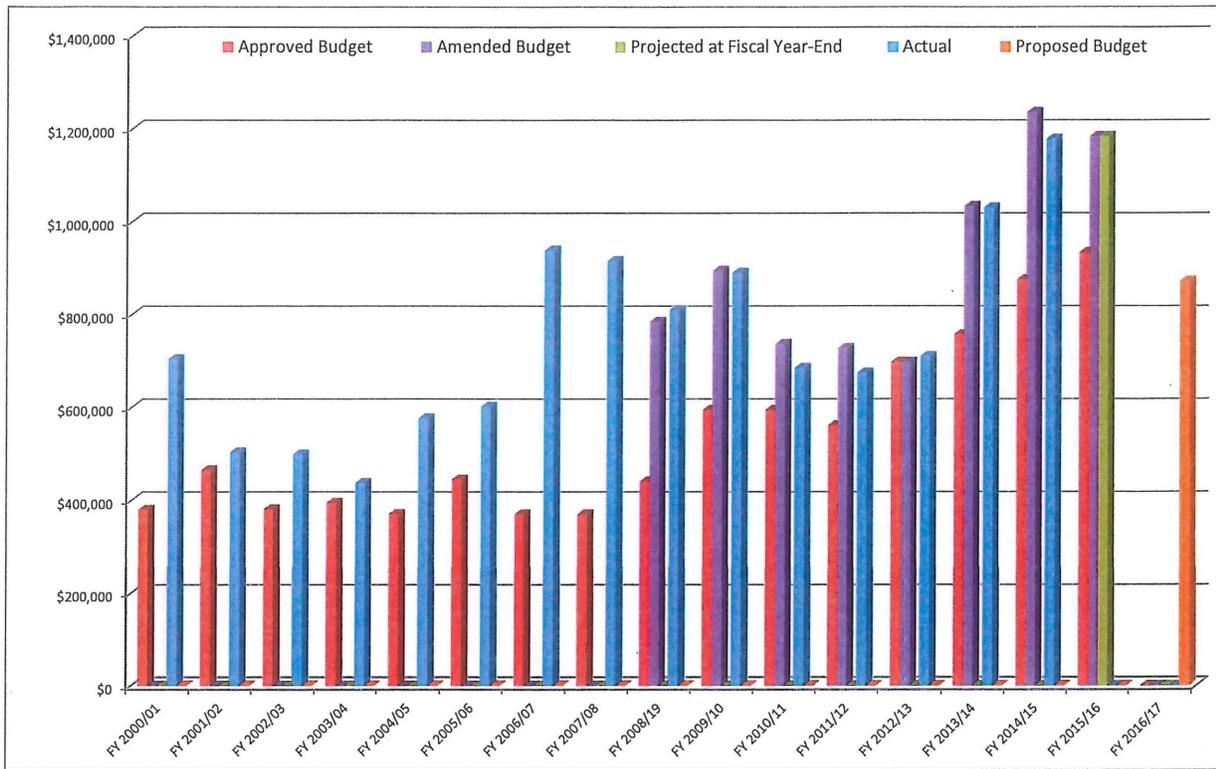
LEGAL SERVICES

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

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

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

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



Activities resulting in legal expenses beyond routine activities:

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

	FY 2011/12 June Actual	FY 2012/13 June Actual	FY 2013/14 June Actual	FY 2014/15 June Actual	FY 2015/16 Projected Actual	FY 2015/16 Amended Budget	FY 2016/17 Apr. 18, 2016 Budget	FY 2016/17 May 12, 2016 Budget	\$'s Over (Under)
6070 Watermaster Legal Services									
6071 Legal Services - Court Coordination	939	28,395	5,555	5,851	15,451	40,950	40,950	40,950	0
6072 Legal Services - Annotated/Rules & Regs	30,466	38,313	17,122	0	0	40,150	40,150	30,113	(10,037)
6073 Legal Services - Personnel Matters	57,511	50,142	109,549	147,908	81,539	80,700	35,000	35,000	(45,700)
6074 Legal Services - Interagency Issues	7,667	18,477	3,717	1,721	0	30,600	30,600	30,600	0
6075 Legal Services - Replenishment Water	42,187	0	0	0	0	0	0	0	0
6076 Legal Services - Storage Issues	16,387	6,642	0	0	15,000	0	0	0	0
6077 Legal Services - Party Status Maintenance	0	0	1,512	20,070	909	28,700	28,700	28,700	0
6078 Legal Services - Miscellaneous	69,604	64,186	101,269	122,341	158,229	35,350	35,350	35,350	0
6078.10 Refresh, Recharge, Reunite	0	36,196	0	0	0	0	0	0	0
6078.11 Safe Yield Recalculation	0	19,492	0	0	0	0	0	0	0
6078.12 CCG Motion	0	0	75,505	9,455	3,080	0	0	0	0
6078.20 Pool Issues Resolution Facilitation	0	4,055	0	0	0	0	0	0	0
Total 6070 Watermaster Legal Services	\$ 224,759	\$ 265,898	\$ 314,230	\$ 307,346	\$ 274,208	\$ 256,450	\$ 210,750	\$ 200,713	\$ (55,737)
6275 Legal Services - Advisory Committee Meeting									
6375 Legal Services - Board Meeting	25,781	21,659	12,969	14,358	20,149	20,400	20,400	18,700	(1,700)
6375 Legal Services - Board Briefings/Workshops	68,299	58,568	108,899	61,455	70,951	108,565	84,240	77,220	(29,345)
8375 Legal Services - Approp. Pool Meeting	0	0	0	0	0	0	22,325	11,163	11,163
8475 Legal Services - Ag. Pool Meeting	23,117	46,387	20,691	18,595	19,766	30,600	30,600	28,050	(2,550)
8575 Legal Services - Non-Ag. Pool Meeting	20,763	28,171	24,194	17,877	19,144	30,600	30,600	28,050	(2,550)
8575.1 Legal Services - Paragraph 51 - CSI/ACM	26,075	31,115	37,073	19,137	19,642	30,600	30,600	28,050	(2,550)
Total Watermaster Legal Services - Meetings	\$ 164,036	\$ 196,660	\$ 203,826	\$ 131,422	\$ 149,652	\$ 218,765	\$ 218,765	\$ 191,233	\$ (27,532)
6907 OBMP - Legal									
6907.3 WM Legal Counsel	0	0	0	0	0	0	0	0	0
6907.30 Peace II - CEQA	3,365	1,071	0	0	0	0	0	0	0
6907.31 Archibald South Plume	6,642	0	0	95	0	24,500	24,500	24,500	0
6907.32 Chino Airport Plume	10,359	67,665	11,277	0	0	24,500	24,500	24,500	0
6907.33 Desalter/Hydraulic Control Issues	84,113	85,754	23,780	1,229	0	48,900	28,700	28,700	(20,200)
6907.34 Santa Ana River Water Rights	15,439	10,681	3,223	10,800	1,770	25,300	25,300	25,300	0
6907.35 Paragraph 31 Motion	112,572	20,912	0	0	0	0	0	0	0
6907.36 Santa Ana River Habitat	12,100	4,757	684	2,164	1,583	19,700	0	0	(19,700)
6907.37 Storage and Recovery, Water Auction	0	0	0	0	0	0	0	0	0
6907.38 Reg. Water Quality Control Board	0	0	63	0	0	14,350	14,350	14,350	0
6907.39 Recharge Master Plan	41,812	64,399	98,026	34,225	10,672	68,100	56,400	56,400	(11,700)
6907.40 Storage Agreements	0	12,770	4,197	0	43,585	86,100	180,300	108,180	22,080
6907.41 Prado Basin Habitat Sustainability	0	153	0	0	11,705	14,350	14,350	14,350	0
6907.42 Safe Yield Recalculation	0	0	206,810	691,014	675,640	353,300	68,600	68,600	(284,700)
6907.43 RMPU - City of Fontana Motion	0	0	164,907	63	0	0	0	0	0
6907.44 SGMA Compliance * new as of Jan. 1, 2016	0	0	0	0	15,000	0	85,100	85,100	85,100
6907.9 WM Legal Counsel - Unanticipated	0	0	0	0	0	29,500	29,500	29,500	0
Total 6907 Watermaster Legal Expenses	\$ 286,402	\$ 248,162	\$ 512,969	\$ 739,590	\$ 759,955	\$ 708,600	\$ 551,600	\$ 479,480	\$ (229,120)
TOTAL WATERMASTER LEGAL EXPENSES	\$ 675,196	\$ 710,720	\$ 1,031,025	\$ 1,178,358	\$ 1,183,815	\$ 1,183,815	\$ 981,115	\$ 871,426	\$ (312,389)
5 Year Average (Actuals)								\$ 955,823	

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

Attachment 3: [http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%203%20-%20FY%202016-17%20Proposed%20Legal%20Services%20Budget \\$871,426.pdf](http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%203%20-%20FY%202016-17%20Proposed%20Legal%20Services%20Budget%20$871,426.pdf)

ENGINEERING SERVICES

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

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

Attachment 4: [http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%204%20-%20FY%202016-17%20Proposed%20Engineering%20Services%20Budget_\\$2,896,321.pdf](http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%204%20-%20FY%202016-17%20Proposed%20Engineering%20Services%20Budget_$2,896,321.pdf)

Attachment 6: <http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%206%20-%20FY%202016-17%20Proposed%20Engineering%20Budget%20-%20Narrative.pdf>

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

Attachment 5: [http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%205%20-%20FY%202016-17%20Ground-Level%20Monitoring%20Program%20&%20Northwest%20MZ1%20Area%20Plan_\\$2,830,431.pdf](http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%205%20-%20FY%202016-17%20Ground-Level%20Monitoring%20Program%20&%20Northwest%20MZ1%20Area%20Plan_$2,830,431.pdf)

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

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

DEBT SERVICE AND RECHARGE IMPROVEMENT PROJECTS

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

Debt Service:

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

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

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

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

Recharge Improvement Projects:

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

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

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

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

Attachment 8: <http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%208%20-%20FY%202016-17%20Proposed%20Recharge%20Improvement%20Projects%20Budget.pdf>

ALL OTHER EXPENSES

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

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

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

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

OPERATIONS & MAINTENANCE

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

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

Attachment 7: <http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%207%20-%20FY%202016-17%20Proposed%20Recharge%20O&M%20and%20Debt%20Service.pdf>

The complete set of FY 2016/17 detailed documents have been uploaded to the FTP site at <http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/>

ATTACHMENTS

1. FY 2016-17 Proposed Budget <http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%201%20-%20FY%202016-17%20Proposed%20Budget.pdf>
2. FY 2016-17 Proposed Staffing and Pay Schedule <http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%202%20-%20FY%202016-17%20Proposed%20Staffing%20and%20Pay%20Schedule.pdf>
3. FY 2016-17 Proposed Legal Services Budget_\$871,426 [http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%203%20-%20FY%202016-17%20Proposed%20Legal%20Services%20Budget_\\$871,426.pdf](http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%203%20-%20FY%202016-17%20Proposed%20Legal%20Services%20Budget_$871,426.pdf)
4. FY 2016-17 Proposed Engineering Services Budget_\$2,896,321 [http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%204%20-%20FY%202016-17%20Proposed%20Engineering%20Services%20Budget_\\$2,896,321.pdf](http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%204%20-%20FY%202016-17%20Proposed%20Engineering%20Services%20Budget_$2,896,321.pdf)
5. FY 2016-17 Ground-Level Monitoring Program & Northwest MZ1 Area Plan_\$2,830,431 [http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%205%20-%20FY%202016-17%20Ground-Level%20Monitoring%20Program%20&%20Northwest%20MZ1%20Area%20Plan_\\$2,830,431.pdf](http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%205%20-%20FY%202016-17%20Ground-Level%20Monitoring%20Program%20&%20Northwest%20MZ1%20Area%20Plan_$2,830,431.pdf)
6. FY 2016-17 Proposed Engineering Budget – Narrative <http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%206%20-%20FY%202016-17%20Proposed%20Engineering%20Budget%20-%20Narrative.pdf>
7. FY 2016-17 Proposed Recharge O&M and Debt Service <http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%207%20-%20FY%202016-17%20Proposed%20Recharge%20O&M%20and%20Debt%20Service.pdf>
8. FY 2016-17 Proposed Recharge Improvement Projects Budget <http://www.cbwm.org/FTP/FY%202016-17%20Proposed%20Budget/FY%202016-17%20Budget/20160512%20-%20Proposed%20Budget/Attachment%208%20-%20FY%202016-17%20Proposed%20Recharge%20Improvement%20Projects%20Budget.pdf>

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	04/07/2016	19320	APPLIED COMPUTER TECHNOLOGIES	2665	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	2665		Database Consulting Services - March 2016	6052.2 · Applied Computer Technol	3,319.00
TOTAL						3,319.00
Bill Pmt -Check	04/07/2016	19321	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	02/29/2016	633506		633506	6907.44 · SGMA Compliance	27,426.50
Bill	02/29/2016	633507		633507	6907.42 · Safe Yield Recalculation	26,284.50
Bill	02/29/2016	633508		633508	6907.39 · Recharge Master Plan	1,408.00
Bill	02/29/2016	633509		633509	6071 · BHFS Legal - Court Coordination	8,013.50
Bill	02/29/2016	633510		633510	8575 · BHFS Legal - Non-Ag Pool	1,530.00
Bill	02/29/2016	633511		633511	8475 · BHFS Legal - Agricultural Pool	1,530.00
Bill	02/29/2016	633512		633512	8375 · BHFS Legal - Appropriative Pool	1,530.00
Bill	02/29/2016	633513		633513	6375 · BHFS Legal - Board Meeting	6,570.50
Bill	02/29/2016	633514		633514	6275 · BHFS Legal - Advisory Committee	1,020.00
				Expenses	6275 · BHFS Legal - Advisory Committee	35.31
Bill	02/29/2016	633515		633515	6907.34 · Santa Ana River Water Rights	1,648.00
Bill	02/29/2016	633516		Personnel	6073 · BHFS Legal - Personnel Matters	13,405.00
				Alvarez-CalPERS	6073 · BHFS Legal - Personnel Matters	616.00
				Expenses	6073 · BHFS Legal - Personnel Matters	20.72
Bill	02/29/2016	633517		633517	6078 · BHFS Legal - Miscellaneous	12,330.00
				Expenses	6078 · BHFS Legal - Miscellaneous	11.67
				Expenses	6375 · BHFS Legal - Board Meeting	150.00
				Expenses	6078 · BHFS Legal - Miscellaneous	35.31
				Expenses	8375 · BHFS Legal - Appropriative Pool	11.77
				Expenses	8475 · BHFS Legal - Agricultural Pool	11.77
				Expenses	8575 · BHFS Legal - Non-Ag Pool	11.77
TOTAL						103,600.32
Bill Pmt -Check	04/07/2016	19322	BUSINESS TELECOMMUNICATION SYSTEMS IN 10603		1012 · Bank of America Gen'l Ckg	
Bill	04/01/2016	10603		1 year support plan - ShoreTel phone system	6054 · Computer Software	1,787.00
TOTAL						1,787.00
Bill Pmt -Check	04/07/2016	19323	CHARTER COMMUNICATIONS	8245100651455350	1012 · Bank of America Gen'l Ckg	
Bill	04/04/2016	8245100651455350		3406/16-5/05/16	6053 · Internet Expense	64.99
TOTAL						64.99
Bill Pmt -Check	04/07/2016	19324	CHEF DAVE'S CAFE & CATERING		1012 · Bank of America Gen'l Ckg	
Bill	03/30/2016	5934		Lunch for 2/25/16 Watermaster Board meeting	6312 · Meeting Expenses	769.40
Bill	03/30/2016	5989		Lunch for 3/24/16 Watermaster Board meeting	6312 · Meeting Expenses	526.40

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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						1,295.80
Bill Pmt -Check	04/07/2016	19325	COSTCO WHOLESale	7003-7309-1000-2744	1012 · Bank of America Gen'l Ckg	
Bill	03/26/2016	7003730910002744		Annual membership #331700781020	6111 · Membership Dues	165.00
TOTAL						165.00
Bill Pmt -Check	04/07/2016	19326	FEDAK & BROWN LLP	Audit Services	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016			Progress billing - March 2016	6062 · Audit Services	4,632.00
TOTAL						4,632.00
Bill Pmt -Check	04/07/2016	19327	INLAND EMPIRE UTILITIES AGENCY	90017850	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	90017850		Groundwater Recharge O&M Cost Reimbursement	7206 · Comp Recharge-O&M	197,976.87
TOTAL						197,976.87
Bill Pmt -Check	04/07/2016	19328	PARK PLACE COMPUTER SOLUTIONS, INC.	510	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	510		IT Consulting Services - March, 2016	6052.1 · Park Place Comp Solutn	3,000.00
TOTAL						3,000.00
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Bill Pmt -Check	04/07/2016	19329	PAYCHEX	2016033100	1012 · Bank of America Gen'l Ckg	
Bill	03/26/2016	2016033100		Payroll services - March 2016	6012 · Payroll Services	399.72
TOTAL						399.72
Bill Pmt -Check	04/07/2016	19330	PRINTING RESOURCES	62993	1012 · Bank of America Gen'l Ckg	
Bill	03/18/2016	62993		#10 self sealing envelopes w/logo	6031.7 · Other Office Supplies	244.60
TOTAL						244.60
Bill Pmt -Check	04/07/2016	19331	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
Bill	04/04/2016	1394905143		Annual Unfunded Accrued Liability	60180 · Employers PERS Expense	3,077.00
TOTAL						3,077.00
Bill Pmt -Check	04/07/2016	19332	READY REFRESH BY NESTLE	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	03/30/2016	0023230253		Office Water Bottle - March 2016	6031.7 · Other Office Supplies	98.85
TOTAL						98.85
Bill Pmt -Check	04/07/2016	19333	RR FRANCHISING, INC.	20126	1012 · Bank of America Gen'l Ckg	
Bill	04/01/2016	20126		Janitorial services - April 2016	6024 · Building Repair & Maintenance	740.00
TOTAL						740.00
Bill Pmt -Check	04/07/2016	19334	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
Bill	03/26/2016	7076224530355049		Vehicle fuel - March 2016	6175 · Vehicle Fuel	152.31

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	Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL							152.31
	Bill Pmt -Check	04/07/2016	19335	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
	Bill	03/30/2016	001017890001		Vision insurance premium - April 2016	60182.2 · Dental & Vision Ins	85.60
TOTAL							85.60
	Bill Pmt -Check	04/07/2016	19336	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
	Bill	04/01/2016	08-k2 213849		Disposal service - April 2016	6024 · Building Repair & Maintenance	111.57
TOTAL							111.57
	General Journal	04/07/2016	04/07/2016	Payroll and Taxes for 03/27/16-04/06/16	Payroll and Taxes for 03/27/16-04/06/16	1012 · Bank of America Gen'l Ckg	
					Payroll Check for 03/27/16-04/06/16	1012 · Bank of America Gen'l Ckg	1,184.88
					Payroll Taxes for 03/27/16-04/06/16	1012 · Bank of America Gen'l Ckg	380.83
				ICMA-RC	457(f) Employee Deduction for 03/27/16-04/06/16	1012 · Bank of America Gen'l Ckg	66.20
				ICMA-RC	401(a) Employee Deduction for 03/27/16-04/06/16	1012 · Bank of America Gen'l Ckg	28.83
TOTAL							1,660.74
P146	General Journal	04/09/2016	04/09/16	Payroll and Taxes for 03/27/16-04/09/16	Payroll and Taxes for 03/27/16-04/09/16	1012 · Bank of America Gen'l Ckg	
					Direct Deposits for 03/27/16-04/09/16	1012 · Bank of America Gen'l Ckg	19,473.09
					Payroll Taxes for 03/27/16-04/09/16	1012 · Bank of America Gen'l Ckg	6,539.79
					Payroll Checks for 03/27/16-04/09/16	1012 · Bank of America Gen'l Ckg	241.43
				ICMA-RC	457(f) Employee Deduction for 03/27/16-04/09/16	1012 · Bank of America Gen'l Ckg	3,324.52
				ICMA-RC	401(a) Employee Deduction for 03/27/16-04/09/16	1012 · Bank of America Gen'l Ckg	945.28
TOTAL							30,524.11
	Bill Pmt -Check	04/15/2016	ACH 041516	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
	General Journal	04/07/2016	04/07/2016	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 03/27/16-04/06/16	2000 · Accounts Payable	180.92
	General Journal	04/09/2016	04/07/2016	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 03/27/16-04/09/16	2000 · Accounts Payable	5,343.90
TOTAL							5,524.82
	Bill Pmt -Check	04/21/2016	19337	MAURIZIO, DANIELLE	Expense Reimbursement	1012 · Bank of America Gen'l Ckg	
	Bill	03/31/2016			Reimbursement for expenses	6016 · New Employee Search Costs	50.82
TOTAL							50.82
	Bill Pmt -Check	04/22/2016	19338	ACWA JOINT POWERS INSURANCE AUTHORITY	0407488	1012 · Bank of America Gen'l Ckg	
	Bill	04/14/2016	0407488		Prepayment - May 2016	1409 · Prepaid Life, BAD&D & LTD	202.95
					April 2016	60191 · Life & Disab.Ins Benefits	113.63
TOTAL							316.58
	Bill Pmt -Check	04/22/2016	19339	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	

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Bill	03/31/2016	XXXX-XXXX-XXXX-9341		Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	237.28
				Purchase keyboard and mouse for GM	6055 · Computer Hardware	34.66
				Purchase adapter for CFO laptop	6055 · Computer Hardware	14.69
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	593.83
				Purchase wireless mouse for GM	6055 · Computer Hardware	12.67
				Lunch for court prep meeting	6906.73 · OBMP-Safe Yield Recalculation	126.11
				Purchase wireless mouse for office	6055 · Computer Hardware	10.57
				Dessert for court prep meeting	6906.73 · OBMP-Safe Yield Recalculation	2.95
				Purchase uniform shirts for staff	6154 · Uniforms	74.32
				Place ad for open position	6016 · New Employee Search Costs	196.58
				Place ad for open position	6016 · New Employee Search Costs	293.89
				Purchase uniform shirts for staff	6154 · Uniforms	65.78
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	259.34
				Place ad for open position	6016 · New Employee Search Costs	172.01
				Reg. for PK-attend the ACWA Spring Conference	6191 · Conferences - General	683.12
				Lunch for Ag Pool Meeting prep	8412 · Meeting Expenses	100.84
				Replenish fastrak account	6174 · Public Transportation	29.49
				PK meeting w/Board member Tom Thomas	6312 · Meeting Expenses	37.54
				IAAP Membership for B. Ruiz	6111 · Membership Dues	138.59
				Copy paper	6031.1 · Copy Paper	67.92
P147						3,152.18
TOTAL						
Bill Pmt -Check	04/22/2016	19340	BOWCOCK, ROBERT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	04/22/2016	19341	BOWMAN, JIM	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	04/22/2016	19342	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	04/19/2016	1394905143		1394905143	60182.1 · Medical Insurance	8,384.05
TOTAL						8,384.05
Bill Pmt -Check	04/22/2016	19343	CORELOGIC INFORMATION SOLUTIONS	81680955	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	81680955		81680955	7103.7 · Grdwtr Qual-Computer Svc	62.50
				81680955	7101.4 · Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	04/22/2016	19344	CUCAMONGA VALLEY WATER DISTRICT	Lease due May 1, 2016	1012 · Bank of America Gen'l Ckg	

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Bill	04/18/2016			Lease due May 1, 2016	1422 · Prepaid Rent	6,371.16
TOTAL						6,371.16
Bill Pmt -Check	04/22/2016	19345	CURATALO, JAMES	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/17/2016	3/17 Personnel Comm		3/17/16 Personnel Committee Meeting	6311 · Board Member Compensation	125.00
Bill	03/23/2016	3/23 Admin Mtg		3/23/16 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	04/22/2016	19346	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/10/2016	3/10 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/10/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	03/23/2016	3/23 Special Ag Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/23/16 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	04/22/2016	19347	DE HAAN, HENRY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/10/2016	3/10 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/10/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	04/22/2016	19348	EGOSCUE LAW GROUP	11223	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	11223		Ag Pool Legal Services - March 2016	8467 · Ag Legal & Technical Services	19,167.50
TOTAL						19,167.50
Bill Pmt -Check	04/22/2016	19349	ELIE, STEVEN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/03/2016	3/03 Admin Mtg		3/03/16 Administrative Mtg	6311 · Board Member Compensation	125.00
Bill	03/17/2016	3/17 Personnel Comm		3/17/16 Personnel Committee Meeting	6311 · Board Member Compensation	125.00
Bill	03/23/2016	3/23 Admin Mtg		3/23/16 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	04/22/2016	19350	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	L0256985		L0256985	7108.41 · Hydraulic Control - PBHSP	2,512.00
Bill	03/31/2016	L0257559		L0257559	7108.41 · Hydraulic Control - PBHSP	3,768.00
Bill	03/31/2016	L0257122		L0257122	7108.41 · Hydraulic Control - PBHSP	3,928.00
Bill	03/31/2016	L0257127		L0257127	7108.41 · Hydraulic Control - PBHSP	1,396.00
TOTAL						11,604.00
Bill Pmt -Check	04/22/2016	19351	FEENSTRA, BOB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	

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<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
Bill	03/10/2016	3/10 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/10/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	03/17/2016	3/17 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/17/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	03/17/2016	3/17 Personnel Comm		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/17/16 Personnel Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	03/23/2016	3/23 Special Ag Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/23/16 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						500.00
Bill Pmt -Check	04/22/2016	19352	GREAT AMERICA LEASING CORP.	18610686	1012 · Bank of America Gen'l Ckg	
Bill	04/19/2016	18610686		Invoice	6043.1 · Ricoh Lease Fee	3,285.30
				Usage for Color Copies	6043.2 · Ricoh Usage & Maintenance Fee	100.05
TOTAL						3,385.35
Bill Pmt -Check	04/22/2016	19353	HALL, PETE*	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/10/2016	3/10 Appro Pool Mtg		3/10/16 Appropriative Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	03/10/2016	3/10 Ag Pool Mtg		3/10/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	03/17/2016	3/17 Advisory Comm		3/17/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	03/17/2016	3/17 RIPCom Mtg		3/17/16 RIPCom Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	03/21/2016	3/21 GW Level Mtg		3/21/16 Groundwater Level Monitoring Committee	8470 · Ag Meeting Attend -Special	125.00
Bill	03/23/2016	3/23 Special Ag Mtg		3/23/16 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						875.00
Bill Pmt -Check	04/22/2016	19354	HARMONY PRESS	00-6109	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	00-6109		Printing for 36th Annual Report	6045 · Printing	4,218.75
TOTAL						4,218.75
Bill Pmt -Check	04/22/2016	19355	HOGAN LOVELLS	2972812	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	2972812		Non-Ag Pool Legal Services - February 2016	8567 · Non-Ag Legal Service	4,007.38
TOTAL						4,007.38
Bill Pmt -Check	04/22/2016	19356	HUITSING, JOHN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/10/2016	3/10 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/10/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	04/22/2016	19357	KUHN, BOB	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/11/2016	3/11 Admin Mtg		3/11/16 Administrative Meeting	6311 · Board Member Compensation	125.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	03/17/2016	3/17 Personnel Comm		3/17/16 Personnel Committee Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	04/22/2016	19358	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	
Bill	04/19/2016	0111802		Employee deductions - April 2016	60194 · Other Employee Insurance	79.70
TOTAL						79.70
Bill Pmt -Check	04/22/2016	19359	MARK IV COMMUNICATIONS, INC.	20975	1012 · Bank of America Gen'l Ckg	
Bill	03/30/2016	20975		20975	6024 · Building Repair & Maintenance	760.64
TOTAL						760.64
Bill Pmt -Check	04/22/2016	19360	MINDSHIFT	0215815	1012 · Bank of America Gen'l Ckg	
Bill	04/01/2016	0215815		April 2016 monthly services	6052.4 · mindSHIFT Technologies, Inc.	3,770.00
TOTAL						3,770.00
Bill Pmt -Check	04/22/2016	19361	PIERSON, JEFFREY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/10/2016	3/10 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
P150	Bill	03/17/2016	3/17 Advisory Comm	3/10/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
	Bill	03/17/2016	3/17 RIPCom Mtg	Ag Pool Member Compensation	8411 · Compensation	25.00
	Bill	03/17/2016	3/17 RIPCom Mtg	3/17/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
	Bill	03/17/2016	3/17 RIPCom Mtg	Ag Pool Member Compensation	8411 · Compensation	25.00
	Bill	03/17/2016	3/17 RIPCom Mtg	3/17/16 RIPCom Meeting	8470 · Ag Meeting Attend -Special	100.00
	Bill	03/23/2016	3/23 Special Ag Mtg	Ag Pool Member Compensation	8411 · Compensation	25.00
	Bill	03/23/2016	3/23 Special Ag Mtg	3/23/16 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	03/24/2016	3/24 Board Mtg	Ag Pool Member Compensation	8411 · Compensation	25.00	
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						625.00
Bill Pmt -Check	04/22/2016	19362	PREMIERE GLOBAL SERVICES	20796490	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	20796490		WM coordination call on 2/29	6909.1 · OBMP Meetings	6.15
				SGMA compliance call on 2/29	6906.23 · SGMA Reporting Requirements	20.99
				Appropriative Pool agenda call on 3/02	8312 · Meeting Expenses	13.78
				SGMA compliance call on 3/03	6906.23 · SGMA Reporting Requirements	20.54
				GLMC discussion call on 3/04	6909.1 · OBMP Meetings	11.66
				UC Santa Cruz report discussion call on 3/07	6909.1 · OBMP Meetings	18.45
				WM coordination call on 3/07	6909.1 · OBMP Meetings	28.74
				Annual Report discussion call on 3/09	6909.1 · OBMP Meetings	13.28
				Pool mtgs check call on 3/09	8312 · Meeting Expenses	8.52
				Pool mtgs check call on 3/09	8412 · Meeting Expenses	8.51
				Pool mtgs check call on 3/09	8512 · Meeting Expense	8.51

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2016

For Informational Purposes Only

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
				Non-Ag Pool mtg call on 3/10	8512 · Meeting Expense	26.07
				Non-Ag Pool mtg call on 3/10	8512 · Meeting Expense	6.14
				SGMA compliance call on 3/14	6906.23 · SGMA Reporting Requirements	6.14
				SGMA compliance call on 3/14	6906.23 · SGMA Reporting Requirements	11.80
				SGMA compliance call on 3/17	6906.23 · SGMA Reporting Requirements	8.23
				SGMA compliance call on 3/17	6906.23 · SGMA Reporting Requirements	6.65
				SGMA compliance call on 3/21	6906.23 · SGMA Reporting Requirements	6.13
				SGMA compliance call on 3/21	6906.23 · SGMA Reporting Requirements	25.80
				SGMA compliance call on 3/21	6906.23 · SGMA Reporting Requirements	6.15
				Ag Pool Special meeting call on 3/23	8412 · Meeting Expenses	134.95
				Fee - Confidential	6022 · Telephone	49.00
				Fee - General	6022 · Telephone	49.00
				Fee - Service	6022 · Telephone	13.90
TOTAL						509.09
Bill Pmt -Check	04/22/2016	19363	RAUCH COMMUNICATION CONSULTANTS, LLC Mar-1606		1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	Mar-1606		Finalize 36th Annual Report	6061.3 · Rauch	850.00
				Kickoff 37th Annual Report	6061.3 · Rauch	875.00
TOTAL						1,725.00
Bill Pmt -Check	04/22/2016	19364	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	04/19/2016	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	591.13
TOTAL						591.13
Bill Pmt -Check	04/22/2016	19365	STAPLES BUSINESS ADVANTAGE		1012 · Bank of America Gen'l Ckg	
Bill	04/02/2016	8038729024		Miscellaneous office supplies	6031.7 · Other Office Supplies	138.15
				Toner for printers	6031.7 · Other Office Supplies	57.23
Bill	04/09/2016	8038822283		Miscellaneous office supplies	6031.7 · Other Office Supplies	149.14
				Budget folders & inserts	6031.7 · Other Office Supplies	711.67
Bill	04/25/2016	8038615444		Miscellaneous office supplies	6031.7 · Other Office Supplies	228.45
TOTAL						1,284.64
Bill Pmt -Check	04/22/2016	19366	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2016			Retiree Medical	60182.4 · Retiree Medical	23.62
TOTAL						23.62
Bill Pmt -Check	04/22/2016	19367	THOMAS, THOMAS R.	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/18/2016	3/18 Admin Mtg		3/18/16 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2016

For Informational Purposes Only

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
Bill Pmt -Check	04/22/2016	19368	UNITED PARCEL SERVICE	2x81x0	1012 · Bank of America Gen'l Ckg	
Bill	03/31/2016	2x81x0		Return laptop and aircard to Watermaster	6042 · Postage - General	19.30
TOTAL						19.30
Bill Pmt -Check	04/22/2016	19369	VANDEN HEUVEL, GEOFFREY	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/10/2016	3/10 Ag Pool Mtg		3/10/16 Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	03/23/2016	3/23 Special Ag Mtg		3/23/16 Special Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Mtg	6311 · Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	04/22/2016	19370	VANDEN HEUVEL, ROB	AG Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/10/2016	3/10 Ag Pool Mtg		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/10/16 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	03/17/2016	3/17 Advisory Comm		Ag Pool Member Compensation	8411 · Compensation	25.00
				3/17/16 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
P152 Bill Pmt -Check	04/22/2016	19371	VERIZON WIRELESS	9763222531	1012 · Bank of America Gen'l Ckg	
Bill	04/19/2016	9763222531		9763222531	6022 · Telephone	315.59
TOTAL						315.59
Bill Pmt -Check	04/22/2016	19372	WESTERN MUNICIPAL WATER DISTRICT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	03/24/2016	3/24 Board Mtg		3/24/16 Board Meeting - Don Galleano attendance	6311 · Board Member Compensation	125.00
TOTAL						125.00
General Journal	04/23/2016	04/23/2016	Payroll and Taxes for 04/10/16-04/23/16	Payroll and Taxes for 04/10/16-04/23/16	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 04/10/16-04/23/16	1012 · Bank of America Gen'l Ckg	18,833.52
				Payroll Taxes for 04/10/16-04/23/16	1012 · Bank of America Gen'l Ckg	5,440.10
				Payroll Checks for 04/10/16-04/23/16	1014 · Bank of America P/R Ckg	1,075.16
			ICMA-RC	457(f) Employee Deductions for 04/10/16-04/23/16	1012 · Bank of America Gen'l Ckg	3,324.52
			ICMA-RC	401(a) Employee Deductions for 04/10/16-04/23/16	1012 · Bank of America Gen'l Ckg	945.28
TOTAL						29,618.58
Bill Pmt -Check	04/29/2016	ACH 042916	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	04/23/2016	04/23/2016	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 04/10/16-04/23/16	2000 · Accounts Payable	5,343.90
TOTAL						5,343.90
General Journal	04/30/2016	04/30/2016	Wage Works FSA Direct Debits - Apr. 2016	Wage Works FSA Direct Debits - Apr. 2016	1012 · Bank of America Gen'l Ckg	
				Wage Works FSA Direct Debits - Apr. 2016	1012 · Bank of America Gen'l Ckg	81.50

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
April 2016

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Type	Date	Num	Name	Memo	Account	Paid Amount
				Wage Works FSA Direct Debits - Apr. 2016	1012 · Bank of America Gen'l Ckg	577.14
				Wage Works FSA Direct Debits - Apr. 2016	1012 · Bank of America Gen'l Ckg	577.14
TOTAL						1,235.78
					Total Disbursements:	469,395.04

P153

Recharge Investigations and Projects

Committee Meeting

Agenda

When: Thursday, April 21, 2016 @ 9:30 a.m.

Where: Chino Basin Watermaster
9641 San Bernardino Rd.
Rancho Cucamonga, CA 91730

Topics:

1. Introductions
2. RMPU Financing Plan
 - a) Status updates
 - i. 2013 Recharge Master Plan Update Financing Plan
3. New/Old Projects consideration
 - a) Open forum for potential new projects
4. IEUA/CBWM joint projects
 - a) Status updates
 - b) Budget updates
5. RMPU Implementation updates
 - a) Sustainability projects
 - i. Vulcan Pit
 - b) Contact with sand and gravel companies
 - c) AP New Yield and cost allocation agreement
 - d) Flood Control and water conservation agreement
 - e) Agreement with property owners
 - f) Prepare Preliminary Design/Environmental for Yield Enhancement Projects
 - g) MS4

Next Meeting Date: Thursday, May 19, 2016 @ 9:30 A.M.

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Recharge Investigation and Projects Committee, PAGE 1 OF 2

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Project Name	Project Status	Anticipated (Or Actual) Project Completion Date	Project Cost To Date	TOTAL PROJECT BUDGET			PERCENT COST SHARE		Lifetime of Project BUDGET ALLOCATION			IEUA PROJECT COSTS		CBWM PROJECT COSTS		
				Original Budget	Proposed Revised Budget	Approved Revised Budget	IEUA	CBWM	Grant Funding	IEUA	CBWM	Actual Cost To Date	Remaining Balance Available (Based on Project Budget)	Actual Share (Based on Actual Cost To Date)	Invoices Paid To Date	Remaining Balance Available (Based on Project Budget)
Pre-RMPU Ongoing Projects																
GWR SCADA Upgrades (Task No. 4) ³	Design	2/14/2017	\$ 179,859	\$ 892,000	\$ -	\$ 892,000	50%	50%	\$ 139,650	\$ 376,175	\$ 421,875	\$ 75,850	\$ 300,325	\$ 75,850	\$ 56,514	\$ 365,361
COMMUNICATION Upgrades (Task No. 3)	Construction	2/12/2016	\$ 1,207,716	\$ 1,245,000	\$ -	\$ 1,245,000	50%	50%	\$ 192,850	\$ 526,075	\$ 526,075	\$ 510,321	\$ 15,754	\$ 510,321	\$ 97,034	\$ 429,041
CB20 Noise Mitigation (CBFIP Phase II Agreement)	Construction	2/17/2016	\$ 143,588	\$ 160,000	\$ -	\$ 160,000	50%	50%	\$ -	\$ 80,000	\$ 80,000	\$ 71,794	\$ 8,206	\$ 71,794	\$ 25,208	\$ 54,792
Upper Santa Ana River Habitat Conservation Plan (Task No. 7)	Evaluation	6/30/2017	\$ 45,622	\$ 160,000	\$ -	\$ 160,000	50%	50%	\$ -	\$ 80,000	\$ 80,000	\$ 22,811	\$ 57,189	\$ 22,811	\$ -	\$ 80,000
East Declaz Basin (1st Amendment - Task No. 1)	Pre-Design	12/29/2017	\$ 150,735	\$ -	\$ -	\$ 3,665,000 *	-	100%	\$ -	\$ -	\$ 114,000	\$ -	\$ -	\$ 150,735	\$ -	\$ 114,000
SUBTOTAL PRE-RMPU PROJECTS	---	---	\$ 1,727,520	\$ 2,457,000	\$ -	\$ 6,122,000	---	---	\$ 332,500	\$ 1,062,250	\$ 1,221,950	\$ 680,776	\$ 381,474	\$ 831,511	\$ 178,756	\$ 1,043,194
RMPU Projects																
San Sevaine Improvements (Task No. 8)	Design	7/5/2017	\$ 398,556	\$ 2,500,000	\$ -	\$ 6,460,000	50%	50%	\$ 1,125,000	\$ 2,667,500	\$ 2,667,500	\$ 164,574	\$ 2,502,926	\$ 164,574	\$ 111,118	\$ 2,556,382
2013 RMPU Amendment Yield Enhancement Projects (Task No. 1)	Pre-Design	12/29/2017	\$ 295,016	\$ 8,122,500	\$ -	\$ 3,825,500 **	7%	93%	\$ -	\$ 250,250	\$ 3,575,250	\$ 19,299	\$ 230,951	\$ 275,717	\$ -	\$ 3,575,250
Lower Day Basin RMPU Improvement Project (Task No. 2)	Pre-Design	1/5/2018	\$ 174,796	\$ 2,480,000	\$ -	\$ 2,480,000	0%	100%	\$ 1,125,000	\$ -	\$ 1,355,000	\$ -	\$ -	\$ 95,503	\$ 96,254	\$ 1,258,746
2013 RMPU Amendment Yield Enhancement Projects Construction	Pending - Note ¹	6/30/2020	\$ -	\$ -	\$ 38,622,500	\$ -	0%	100%	\$ -	\$ -	\$ 38,622,500	\$ -	\$ -	\$ -	\$ -	\$ 38,622,500
2013 RMPU Amendment - Victoria Basin Construction	Pending - Note ²	6/30/2019	\$ -	\$ -	\$ 130,000	\$ -	50%	50%	\$ -	\$ 65,000	\$ 65,000	\$ -	\$ 65,000	\$ -	\$ -	\$ 65,000
2013 RMPU Amendment - RP-3 Construction	Pending - Note ²	6/30/2020	\$ -	\$ -	\$ 3,300,000	\$ -	50%	50%	\$ -	\$ 1,650,000	\$ 1,650,000	\$ -	\$ 1,650,000	\$ -	\$ -	\$ 1,650,000
SUBTOTAL RMPU PROJECTS	---	---	\$ 868,368	\$ 13,102,500	\$ 42,052,500	\$ 12,765,500	---	---	\$ 2,250,000	\$ 4,632,750	\$ 47,935,250	\$ 183,873	\$ 4,448,877	\$ 535,795	\$ 207,372	\$ 47,727,878
GRAND TOTALS	---	---	\$ 2,595,888	\$ 15,559,500	\$ 42,052,500	\$ 18,887,500	---	---	\$ 2,582,500	\$ 5,695,000	\$ 49,157,200	\$ 864,649	\$ 4,830,351	\$ 1,367,306	\$ 386,128	\$ 48,771,072

NOTES:
 * The total design cost of \$3,665,000 is part of the total approved budget as stated within the first amendment to Task Order No. 1. However, the full design for East Declaz will not be implemented until the initial pre-design report is completed and accepted by both IEUA and CBWM
 ** The total design cost of \$3,825,500 is a part of the total approved budget as stated within the first amendment to Task Order No. 1.
¹ Pending project awaiting evaluation by IEUA. Project has not been funded by an approved Task Order or approved by the Watermaster Board. 100% of construction costs are allocated to Watermaster
² Project(s) are under review by IEUA. Projects have not been funded by an approved Task Order or approved by the Watermaster Board. Project construction costs are allocated 50% to IEUA and 50% to Watermaster.
³ Watermaster Board approved an additional amount of \$45,700 (50% of the anticipated additional costs of \$91,400) on November 25, 2014 for the Programmable Logic Controller (PLC) replacements at the five Rubber Dam/Basin systems.

Recharge Investigation and Projects Committee, PAGE 2 OF 2

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Project Name	CBWM Fiscal Year 2015/16										CBWM Future Years				
	CURRENT YEAR CBWM BUDGET				CURRENT YEAR CBWM ACTUALS						CBWM FUTURE BUDGET NEEDS				
	Budget Carry-Over	Approved Budget	Budget Amendments/ Transfers	Total Fiscal Year Budget	Actual to Date (Including Paid & Outstanding Invoices)	Remaining Balance Available	Completed Projects With Available Funds To Be Distributed ¹	CBWM Remaining Projected Costs	Budget Amendment Required? (Yes/No)	Projected CarryOver Funds FY 2016/17	Fiscal Year 2016/17	Fiscal Year 2017/18	Fiscal Year 2018/19	Fiscal Year 2019/20	
Pre RMPU Ongoing Projects															
GWR SCADA Upgrades (7690.61) (Task No. 4)	\$ 383,200	\$ 38,675	\$ -	\$ 421,875	\$ 56,514	\$ 365,361	\$ -	\$ 365,361	No	\$ -	\$ -	\$ -	\$ -	\$ -	
COMMUNICATION Upgrades (7690.62) (Task No. 3)	\$ 547,500	\$ (21,425)	\$ -	\$ 526,075	\$ 97,034	\$ 429,041	\$ -	\$ 429,041	No	\$ -	\$ -	\$ -	\$ -	\$ -	
CB20 Noise Mitigation (7690.5)	\$ 80,000	\$ -	\$ -	\$ 80,000	\$ 25,208	\$ 54,792	\$ -	\$ 54,792	No	\$ -	\$ -	\$ -	\$ -	\$ -	
Upper Santa Ana River Habitat Conservation Plan (7690.7) (Task No. 7)	\$ 75,000	\$ 5,000	\$ -	\$ 80,000	\$ -	\$ 80,000	\$ -	\$ 80,000	No	\$ -	\$ -	\$ -	\$ -	\$ -	
East Declerz Basin (1st Amendment - Task No. 1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	No	\$ -	\$ 114,000	\$ -	\$ -	\$ -	
Wineville Proof of Concept (7209.2) (Task No. 6)	\$ 35,398	\$ -	\$ -	\$ 35,398	\$ -	\$ -	\$ 35,398	\$ -	No	\$ -	\$ -	\$ -	\$ -	\$ -	
Jurupa Pump Station (7209.1) (Task No. 5)	\$ 37,981	\$ -	\$ -	\$ 37,981	\$ -	\$ -	\$ 37,981	\$ -	No	\$ -	\$ -	\$ -	\$ -	\$ -	
Hickory Basin (7690.3) COMPLETED	\$ 3,877	\$ -	\$ -	\$ 3,877	\$ -	\$ -	\$ 3,877	\$ -	No	\$ -	\$ -	\$ -	\$ -	\$ -	
SUBTOTAL PRE-RMPU PROJECTS	\$ 1,162,956	\$ 22,250	\$ -	\$ 1,185,206	\$ 178,756	\$ 929,194	\$ 77,256	\$ 929,194	No	\$ -	\$ 114,000	\$ -	\$ -	\$ -	
RMPU Projects															
San Sevaine Improvements (7690.4) (Task No. 8)	\$ 475,000	\$ 1,126,900	\$ -	\$ 1,601,900	\$ 111,118	\$ 1,490,782	\$ -	\$ 1,490,782	No	\$ -	\$ 1,065,600	\$ -	\$ -	\$ -	
2013 RMPU Amendment Yield Enhancement Projects (7690.15) (Task No. 1)	\$ -	\$ 569,750	\$ -	\$ 569,750	\$ -	\$ 569,750	\$ -	\$ 569,750	No	\$ -	\$ 1,550,000	\$ 1,455,500	\$ -	\$ -	
Lower Day Basin RMPU Improvement Project (7690.8) (Task No. 2)	\$ 49,000	\$ 140,000	\$ -	\$ 189,000	\$ 96,254	\$ 92,746	\$ -	\$ 92,746	No	\$ -	\$ 140,000	\$ 1,026,000	\$ -	\$ -	
2013 RMPU Amendment Yield Enhancement Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	No	\$ -	\$ -	\$ 8,300,000	\$ 22,022,500	\$ 8,300,000	
Victoria Basin Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	No	\$ -	\$ -	\$ 32,500	\$ 32,500	\$ -	
RP-3 Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	No	\$ -	\$ -	\$ 325,000	\$ 825,000	\$ 500,000	
SUBTOTAL RMPU PROJECTS	\$ 524,000	\$ 1,836,650	\$ -	\$ 2,360,650	\$ 207,372	\$ 2,153,278	\$ -	\$ 2,153,278	---	\$ -	\$ 2,755,600	\$ 11,139,000	\$ 22,880,000	\$ 8,800,000	
GRAND TOTALS	\$ 1,686,956	\$ 1,858,900	\$ -	\$ 3,545,856	\$ 386,128	\$ 3,082,472	\$ 77,256	\$ 3,082,472	---	\$ -	\$ 2,869,600	\$ 11,139,000	\$ 22,880,000	\$ 8,800,000	

NOTES:
¹ \$77,256 of the Carry-Over funds could be (1) allocated to other projects; (2) kept in reserve; or (3) refunded to the Appropriators on the next Assessment. Wineville Project of \$35,398; Jurupa Pump Station of \$37,981; and Hickory Basin of \$3,877 = \$77,256.

Non-RMPU Ongoing Projects



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**GWR SCADA UPGRADES
PROJECT NO. EN14047
STATUS UPDATE: April 04, 2016**

During Inland Empire Utilities Agency’s asset review of the existing Supervisory Control & Data Acquisition (SCADA) system, a thorough and comprehensive evaluation of the recycled water and groundwater recharge control system was conducted. A Master Plan was developed; and it recommended critical upgrades to the RW and GWR SCADA systems. The purpose of this project is to provide control system improvements to sustain and support the continued growth of the RW and GWR programs. Under this project, five recharge basins which operate a rubber dam system will be replaced with newer, reliable and fully supported programmable logic controllers (PLCs). The current PLCs are outdated and lack critical product and technical support. The upgrade will extend the site’s reliability by 10 years and provide the initial development model when transitioning other sites to newer controllers.

Schedule:

<u>Project Budget</u>	<u>Actual Cost to Date</u>
\$892,000	\$179,859

<u>Phase</u>	<u>Start</u>	<u>Finish</u>	<u>Status</u>	<u>Projected Cost</u>	<u>Actual Cost</u>
Project Development	11/11/11	02/24/14	Completed	\$450	\$422
Design	02/26/14	01/15/16	Completed	\$176,000	\$175,934
Permits	09/12/14	01/15/16	Completed	\$50	\$42
Bid and Award	01/18/16	04/20/16	In Progress	\$4,000	\$3,461
Construction	04/21/16	02/14/17	Not Started	\$711,500	-
				<u>\$892,000</u>	<u>\$179,859</u>

Grant/Loan Update:

Awarded a \$139,650 grant and a 1% interest 30-year loan at \$740,145 from the Santa Ana Project Water Authority and Clean Water State Revolving Fund loan program respectively.

Cost Sharing Document: Task Order No. 4 of the Master Agreement of 2014

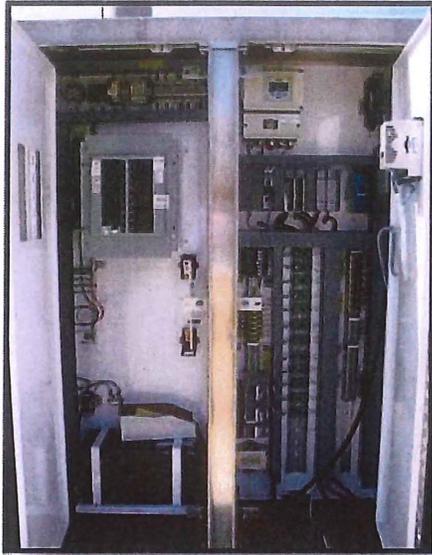
Project Update:

IEUA received the following three public bids for the contract to upgrade the GWR/RW SCADA System:

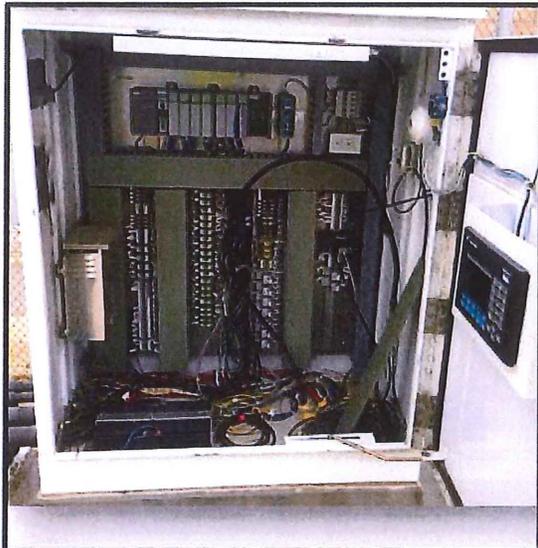
Bidder’s Name	Bid Amount
Trimax Systems, Inc.	\$250,989
Tesco Controls, Inc.	\$285,000
Southern Contracting Company, Inc.	\$389,900
Engineer’s Estimate	\$399,000

The lowest responsive and responsible bidder is Trimax. Their bid submittal met all required bid conditions. They have worked with IEUA in the past on developing the initial GWR SCADA system. Since the low bid price is within the approved project budget, IEUA proceeded to award the contract to Trimax.

Project Photos:



San Sevaine Turnout control panel



Turner Basin control panel



**COMMUNICATION UPGRADES
PROJECT NO. EN12019
STATUS UPDATE: April 04, 2016**

This project will transition the communication equipment within the remote GWR and RW sites (totaling over 20 sites) onto the new, faster and more reliable communication network. The upgrade will replace the radio equipment for each site and add several new communication towers to send all communication onto the Agency's new 18GHz Motorola network back-haul. The Communication System Upgrades Project proposes to upgrade all GWR remote sites to the new communication radio systems. Each site will be equipped with new antennas and radios. The proposed plan to include new towers at select sites will be deferred and planned for later capital projects because these sites do not require immediate remote communication and control.

Schedule:

	<u>Project Budget</u>		<u>Actual Cost to Date</u>		
	\$1,245,000		\$1,207,716		
<u>Phase</u>	<u>Start</u>	<u>Finish</u>	<u>Status</u>	<u>Projected Cost</u>	<u>Actual Cost</u>
Project Development	11/11/11	01/17/14	Completed	\$5,771	\$5,771
Pre-Design	01/20/14	11/27/14	Completed	\$130,000	\$130,000
RFP/Solicitation	11/30/14	03/18/15	Completed	\$44,000	\$44,000
Design/Construction	03/19/15	02/12/16	Completed	\$1,065,229	\$1,027,945
				<u>\$1,245,000</u>	<u>\$1,207,716</u>

Grant/Loan Update:

Awarded a \$192,850 grant and a 1% interest 30-year loan at \$1,022,105 from the Clean Water State Revolving Fund loan program, as part of the Proposition 50 grant program, and a Department of Water Resources Proposition 84 grant program through The Santa Ana Project Water Authority.

Cost Sharing Document: Task Order No. 3 of the Master Agreement of 2014

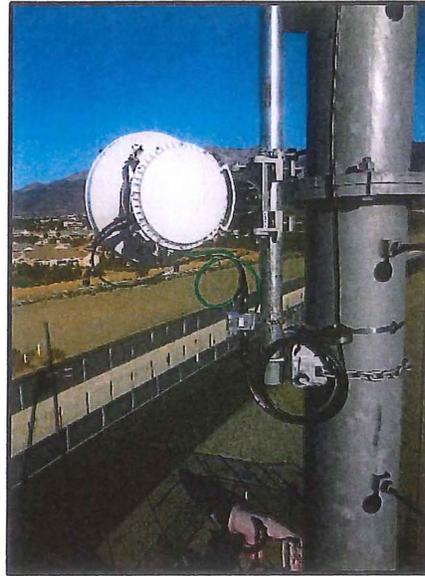
Project Update:

Design/Construction efforts are completed. The new equipment is installed and in use. The project is in the close-out phase and all costs will be finalized by April, 2016.

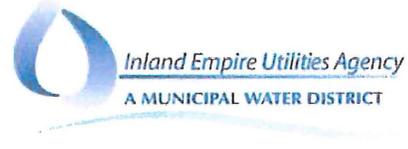
Project Photos:



6B Tower – New Receiving Dishes



San Sevaine Basin – New Radio Dish



**CB20 NOISE MITIGATION
PROJECT NO. EN14038
STATUS UPDATE: April 04, 2016**

In 2010, a recharge basin turnout structure was constructed within the Metropolitan Water District's right-of-way in the residential area of the City of Upland. The turnout was to provide immediate access to available raw water for the purpose of groundwater storage. Current sound studies reveal the facility generates noise levels above the allowable limits permitted by Upland's Ordinances. As a public service effort, IEUA and Chino Basin Watermaster initiated a capital project to design and build a sound enclosure by a qualified sound specialist. The objective is to maintain compliance with City Ordinance and reduce the impact of noise to nearby residents.

Schedule:

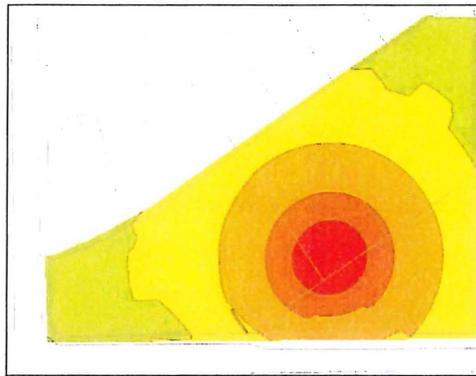
	<u>Project Budget</u>		<u>Actual Cost to Date</u>		
	\$160,000		\$143,588		
<u>Phase</u>	<u>Start</u>	<u>Finish</u>	<u>Status</u>	<u>Projected Cost</u>	<u>Actual Cost</u>
Project Development	09/25/13	01/23/14	Completed	\$200	\$182
Design	01/24/14	11/26/14	Completed	\$29,000	\$28,850
Construction	11/30/14	02/17/16	Completed	\$130,800	\$114,556
				<u>\$160,000</u>	<u>\$143,588</u>

Cost Sharing Document: CBFIP, Phase II Cost Sharing Agreement of 2006

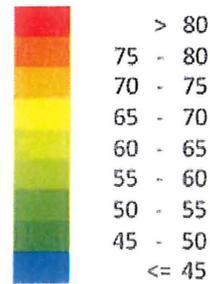
Project Update:

The installation of the sound enclosure is completed. IEUA performed a sound test of the Turnout to confirm the new enclosure met the required noise reductions. On April 6th the test was completed and confirmed the noise levels met ordinance requirements. With this, the project is officially complete. Staff is preparing the project for close out.

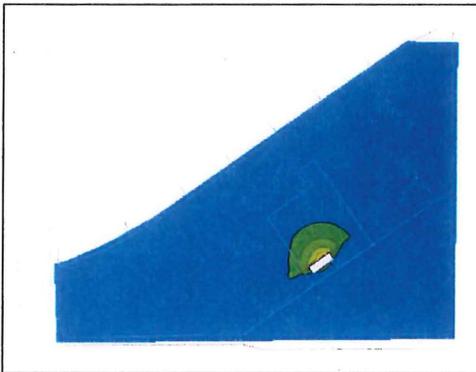
Results of sound modeling to confirm the proposed enclosure will meet project goal:



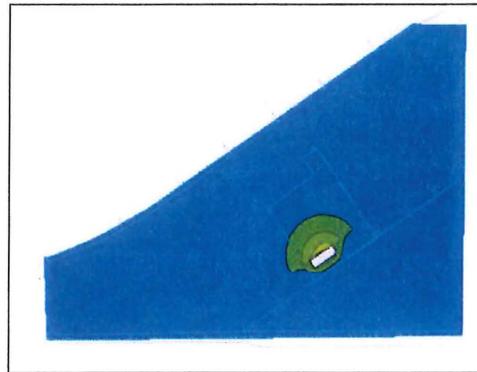
Noise Level, dBA



Noise level at 1st level without mitigation

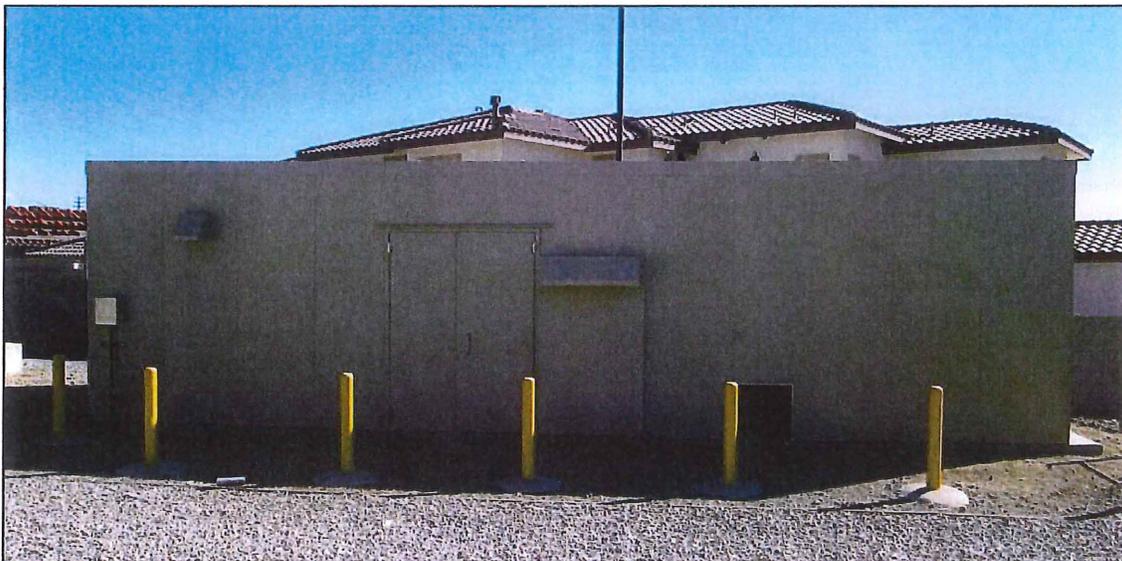


Noise level at 1st level with mitigation



Noise level at 2nd level with mitigation

Project Photo:



Completed installation of sound enclosure (facing south)