

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, October 19, 2017

9:00 a.m. – Advisory Committee Meeting

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

CHINO BASIN WATERMASTER

Thursday, October 19, 2017

9:00 a.m. – Advisory Committee Meeting

AGENDA

**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

9:00 a.m. – October 19, 2017

WITH

Mr. Brian Geye, Chair

Mr. Jeff Pierson, Vice-Chair

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Advisory Committee Meeting held September 21, 2017 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2017 *(Page 7)*
2. Watermaster VISA Check Detail for the month of August 2017 *(Page 21)*
3. Combining Schedule for the Period July 1, 2017 through August 31, 2017 *(Page 25)*
4. Treasurer's Report of Financial Affairs for the Period August 1, 2017 through August 31, 2017 *(Page 29)*
5. Budget vs. Actual Report for the Period July 1, 2017 through August 31, 2017 *(Page 33)*

C. PROFESSIONAL SERVICES AGREEMENT BETWEEN APPLIED COMPUTER TECHNOLOGIES AND CHINO BASIN WATERMASTER *(Page 49)*

Recommend to the Watermaster Board to approve.

D. SAN ANTONIO WATER COMPANY APPLICATION FOR RECHARGE FOR WATER YEAR 2017/18 *(Page 67)*

Recommend to the Watermaster Board to approve San Antonio Water Company's Application for Recharge and direct Watermaster staff to account for this supplemental water recharged in San Antonio Water Company's existing Local Supplemental storage account.

E. CITY OF CHINO HILLS APPLICATION FOR RECHARGE FOR PERIOD AUGUST 2017 THROUGH AUGUST 2025 *(Page 83)*

Recommend to the Watermaster Board to approve the City of Chino Hills Application for Recharge and direct Watermaster staff to account for any recharge into the Chino Basin in the appropriate storage account.

F. CALMAT CO. REQUEST FOR INTERVENTION INTO APPROPRIATIVE POOL (*Page 111*)
Recommend Watermaster filing the request for intervention with the Court.

G. NCL CO., LLC REQUEST FOR INTERVENTION INTO APPROPRIATIVE POOL (*Page 125*)
Recommend Watermaster filing the request for intervention with the Court.

II. BUSINESS ITEMS

A. DESALTER REPLENISHMENT OBLIGATION ALLOCATION (*Page 137*)
Offer advice to Watermaster on the acceptable methodology to allocate Desalter Replenishment Obligation among parties.

B. GROUND-LEVEL MONITORING COMMITTEE CHANGE IN ANNUAL REPORTING SCHEDULE
(*Page 151*)
Offer advice and assistance to the Watermaster Board regarding the suggested changes to the Ground Level Monitoring Committee annual reporting schedule.

C. EXHIBIT "G" PHYSICAL SOLUTION TRANSFER RATE SUBSTITUTION (*Page 153*)
Approve the proposed Fiscal Year 2017-18 substitute Physical Solution Transfer rate, and approve Watermaster legal counsel's filing of motion for Court approval of the same.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. October 13, 2017 Watermaster Board Special Meeting
2. Appeal of April 28, 2017 Order
3. Petitions for Extension of Time (State Water Board Permits 19895 and 20753)

B. ENGINEER REPORT

1. Ground-Level Monitoring Program Implementation
2. Storage Management
3. Other efforts

C. CFO REPORT

None

D. GM REPORT

1. DYY Program Update
2. Preservation of Well Data
3. November Meeting Schedule
4. Other

E. INLAND EMPIRE UTILITIES AGENCY (ORAL)

1. Inland Empire Utilities Agency Proposition 1 Application

F. INLAND EMPIRE UTILITIES AGENCY (WRITTEN)

1. MWD Water Supply Conditions (*Page 156*)
2. State and Federal Legislative Reports (*Page 159*)
3. Community Outreach/Public Relations Report (*Page 199*)

G. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

1. Cash Disbursements for September 2017 *(Page 203)*

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

A Confidential Session may be held during the Advisory Committee meeting for the purpose of discussion and possible action.

VIII. FUTURE MEETINGS AT WATERMASTER

10/19/17	Thu	8:00 a.m.	Appropriative Pool Strategic Planning (Confidential Session Only)
10/19/17	Thu	9:00 a.m.	Advisory Committee
10/26/17	Thu	9:00 a.m.	Ground-Level Monitoring Committee
10/26/17	Thu	11:00 a.m.	Watermaster Board
10/30/17	Mon	1:30 p.m.	Assessment Package Workshop
11/02/17	Thu	10:00 a.m.	Storage Workshop #4

All Watermaster meeting dates can be found on our website at the "View Schedules" button on the Home Page, and also accessible at this link: <http://www.cbwm.org/calendar.pdf>

ADJOURNMENT

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting held on September 21, 2017

DRAFT MINUTES
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

September 21, 2017

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on September 21, 2017.

ADVISORY COMMITTEE MEMBERS PRESENT

NON-AGRICULTURAL POOL MEMBERS PRESENT

Brian Geye, Chair
Ramsey Haddad

Auto Club Speedway
California Steel Industries

AGRICULTURAL POOL MEMBERS PRESENT

Jeff Pierson, Vice-Chair
Pete Hall
Lawrence Dimock

Crops
State of California – CIM
State of California – CIM

APPROPRIATIVE POOL MEMBERS PRESENT

Todd Corbin
Teri Layton
John Bosler for Marty Zvirbulis
Rosemary Hoerning
Seth Zielke
Dave Crosley
Raul Garibay for Darron Poulsen
Cris Fealy
Ron Craig
Van Jew
Katie Gienger for Scott Burton

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

WATERMASTER BOARD MEMBERS PRESENT

Bob Kuhn
Bob Bowcock

Three Valleys Municipal Water District
Calmat Company (Vulcan Materials Co.)

WATERMASTER STAFF PRESENT

Peter Kavounas
Joseph Joswiak
Edgar Tellez Foster
Anna Truong
Justin Nakano

General Manager
Chief Financial Officer
Senior Environmental Engineer
Executive Services Director/Board Clerk
Water Resources Senior Associate

WATERMASTER CONSULTANTS PRESENT

Brad Herrema
Mark Wildermuth
Andy Malone
Garrett Rapp
Carolina Sanchez

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

OTHERS PRESENT

Eunice Ulloa
Curtis Paxton
Chris Berch
Shaun Stone
Andy Campbell

City of Chino
Chino Basin Desalter Authority
Inland Empire Utilities Agency
Inland Empire Utilities Agency
Inland Empire Utilities Agency

Sheri Rojo
Braden Yu
Richard Rees
Joel Ignacio
Eric Tarango
David De Jesus
Manny Martinez
Vivian Castro

Basin Creek Consulting
Cucamonga Valley Water District
AMEC
Inland Empire Utilities Agency
Fontana Water Company
Three Valleys Municipal Water District
Monte Vista Water District
Chino Basin Water Conservation District

CALL TO ORDER

Chair Geyé called the Advisory Committee meeting to order at 9:02 a.m.

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held July 20, 2017
2. Minutes of the Advisory Committee Special Meeting held August 3, 2017

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2017
2. Watermaster VISA Check Detail for the month of June 2017
3. Combining Schedule for the Period July 1, 2016 through June 30, 2017
4. Treasurer's Report of Financial Affairs for the Period June 1, 2017 through June 30, 2017
5. Budget vs. Actual Report for the Period July 1, 2016 through June 30, 2017
6. Cash Disbursements for the month of July 2017
7. Watermaster VISA Check Detail for the month of July 2017
8. Combining Schedule for the Period July 1, 2017 through July 31, 2017
9. Treasurer's Report of Financial Affairs for the Period July 1, 2017 through July 31, 2017
10. Budget vs. Actual Report for the Period July 1, 2017 through July 31, 2017

C. PROFESSIONAL PUBLIC OUTREACH SERVICES AGREEMENT BETWEEN RAUCH COMMUNICATION CONSULTANTS INC. AND CBWM

Recommend to the Watermaster Board to approve.

D. OBMP SEMI-ANNUAL STATUS REPORTS 2016-2 AND 2017-1

Recommend to Watermaster Board to adopt the Semi-Annual OBMP Status Report 2016-2 and 2017-1, along with filing a copy with the Court, subject to any necessary non-substantive changes.

E. FONTANA WATER COMPANY APPLICATION FOR RECHARGE

Approve Fontana Water Company's Application for Recharge and direct Watermaster staff to account for this supplemental water recharged in Fontana Water Company's existing Local Supplemental Storage.

F. WATER TRANSACTIONS

Provide advice and assistance to the Watermaster Board on the proposed transactions:

1. The purchase of 119.844 acre-feet of water from the City of Upland by Golden State Water Company, effective for FY 2016/2017. This purchase is made from the City of Upland's Annual Production Right/Operating Safe Yield first, then any additional from Excess Carryover storage. Date of application: May 24, 2017.

2. The purchase of 138.156 acre-feet of water from West End Consolidated Water Company by Golden State Water Company, effective for FY 2016/2017. This purchase is made from West End Consolidated Water Company's Annual Production Right/Operating Safe Yield first, then any additional from Excess Carryover storage. Golden State Water Company is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of application: May 24, 2017.
3. The purchase of 1,474.258 acre-feet of water from West End Consolidated Water Company by the City of Upland, effective for FY 2016/2017. This purchase is made from West End Consolidated Water Company's Annual Production Right/Operating Safe Yield first, then any additional from Excess Carryover storage. The City of Upland is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of application: May 24, 2017.
4. The purchase of 6,000.000 acre-feet of water from the City of Upland by Fontana Water Company, effective for FY 2016/2017. This purchase is made from the City of Upland's Annual Production Right/Operating Safe Yield first, then any additional from Excess Carryover storage. Date of application: June 14, 2017.
5. The permanent transfer of 18.789 acre-feet from Angelica Corporation to 9W Halo Western OpCo L.P. This transfer is contingent on 9W Halo Western OpCo L.P.'s successful intervention into the Overlying (Non-Agricultural) Pool. Date of application: July 6, 2017.

(0:00:39)

Motion by Vice-Chair Jeff Pierson, seconded by Mr. Ron Craig, and by unanimous vote

Moved to approve the Consent Calendar as presented.

II. BUSINESS ITEMS

A. DESALTER REPLENISHMENT OBLIGATION ALLOCATION

Offer advice to Watermaster on the acceptable methodology to allocate Desalter Replenishment Obligation among parties.

(0:01:03) Mr. Kavounas gave a report. A discussion ensued.

(0:06:44) Motion introduced by Mr. Craig. Further discussion ensued.

(0:16:40) Board Member Kuhn offered comment.

(0:18:26) *Vote Taken*

Motion by Mr. Ron Craig, seconded by Ms. Teri Layton, and by unanimous vote

Moved to request the Watermaster Board to not act on Business Item II.A. and allow the Appropriate Pool additional time to move forward with its negotiations on the matter.

B. EVAPORATIVE LOSSES TO SUPPLEMENTAL WATER RECHARGE IN CHINO BASIN

Approve the amendment of the Rules and Regulations by adding section 7.2(d) to account for evaporative losses to all supplemental water delivered to Recharge Basins at a rate of 1.5% during the Rainy Season (November through March) and 4.2% during the Dry Season (April through October) beginning on October 1, 2017. Further, that evaporative losses be re-evaluated on a periodic basis as more data becomes available.

(0:18:45) Mr. Kavounas gave a report. A discussion ensued.

(0:21:21) Mr. Craig commented on municipal water system losses. A discussion ensued.

(0:28:56) Motion introduced by Mr. Craig, and seconded by Mr. Jew. Further discussion ensued.

(0:30:47) *Vote Taken*

Motion by Mr. Ron Craig, seconded by Mr. Van Jew, and by unanimous vote

Moved to approve Business Item II.B. as presented; and requested a review of collective municipal system losses to assess the order of magnitude.

C. 2016 ANNUAL REPORT OF THE GROUND-LEVEL MONITORING COMMITTEE

Recommend to the Watermaster Board to approve the 2016 Annual Report of the Ground-Level Monitoring Committee, along with filing a copy with the Court.

(0:31:00) Mr. Kavounas offered the same reports as was given at the Pool meetings last week. The Committee declined to have the reports provided again.

(0:31:36)

Motion by Mr. Raul Garibay, seconded by Vice-Chair Jeff Pierson, and by unanimous vote

Moved to approve Business Item II.C. as presented.

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

Recommend to the Watermaster Board to approve the proposed Master Agreement between Chino Basin Watermaster and Inland Empire Utilities Agency Regarding the Management of Collaborative Projects.

(0:32:08) Mr. Kavounas gave a report.

(0:33:04)

Motion by Vice-Chair Jeff Pierson, seconded by Mr. Raul Garibay, and by unanimous vote

Moved to approve Business Item II.D. as presented.

E. TASK ORDER NO. 1 UNDER THE MASTER AGREEMENT REGARDING THE MANAGEMENT OF COLLABORATIVE PROJECTS (SALINITY MANAGEMENT)

Approve Task Order No. 1 (Salinity Management).

(0:33:33) Mr. Kavounas gave a report. A discussion ensued.

(0:33:56)

Motion by Ms. Katie Gienger, seconded by Vice-Chair Jeff Pierson, and by unanimous vote

Moved to approve Business Item II.E. as presented.

F. FIRST AMENDMENT TO THE MASTER RECHARGE FACILITIES FINANCING AGREEMENT

Recommend to the Watermaster Board to approve.

(0:34:36) Mr. Kavounas gave a report.

(0:35:16)

Motion by Ms. Rosemary Hoerning, seconded by Mr. Raul Garibay, and by unanimous vote

Moved to approve Business Item II.F. as presented.

G. FISCAL YEAR 2016/17 BUDGET TRANSFER (FORM T-17-06-01)

Approve Budget Transfer Form T-17-06-01 for FY 2016/17 as presented.

(0:35:40) Mr. Joswiak gave a report.

(0:36:27)

Motion by Vice-Chair Jeff Pierson, seconded by Mr. John Bosler, and by unanimous vote

Moved to approve Business Item II.G. as presented.

H. SCADA INSTALLATION, MONITORING AND REIMBURSEMENT LETTER AGREEMENT BETWEEN WATERMASTER AND MONTE VISTA WATER DISTRICT

Approve the proposed SCADA Installation, Monitoring and Reimbursement Letter Agreement between Watermaster and MVWD.

(0:36:52) Mr. Kavounas gave a report. A discussion ensued.

(0:37:24)

Motion by Mr. Ron Craig, seconded by Mr. Raul Garibay, and by unanimous vote

Moved to approve Business Item II.H. as presented.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order
2. Hearing on Motion to Confirm Stay Pending Appeal

(0:37:42) Mr. Herrema gave a report.

B. ENGINEER REPORT

1. Storage Workshop
2. Other Efforts

(0:39:03) Mr. Malone offered the same reports as was given at the Pool meetings last week. The Committee declined to have the reports provided again.

C. CFO REPORT

1. Status of FY 2016/17 Audit Report

(0:39:17) Mr. Joswiak gave a report.

D. GM REPORT

1. Pump to Waste Reporting
2. DYY Program Update
3. Santa Ana River Update
4. CSI Basin Project Decision
5. Other

(0:39:45) Mr. Kavounas gave reports on Items III.D.1. through III.D.4., and gave an update on Water Activity Reports, Exhibit "G" rates, Storage Agreements, and Storage Workshop #4. A discussion ensued.

(0:43:44) Mr. Kavounas announced that Storage Workshop #4 may be cancelled due to lack of information received. Further discussion ensued.

E. INLAND EMPIRE UTILITIES AGENCY (WRITTEN)

1. MWD Water Supply Conditions
2. State and Federal Legislative Reports
3. Community Outreach/Public Relations Report
4. IEUA Water Forum Newsletter

(0:47:13) Mr. Berch gave a report. A discussion ensued

(0:53:39) Mr. Campbell gave a report on groundwater recharge, and announced that recycled water deliveries hit a record for 2016/17. A discussion ensued.

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

None

IV. INFORMATION

1. Cash Disbursements for August 2017

V. COMMITTEE MEMBER COMMENTS

None

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

None

ADJOURNMENT

Chair Geye adjourned the Advisory Committee meeting at 10:06 a.m.

Secretary: _____

Approved: _____

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2017
2. Watermaster VISA Check Detail for the month of August 2017
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CHINO BASIN WATERMASTER

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Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: October 19, 2017
TO: Advisory Committee Members
SUBJECT: Cash Disbursement Report - Financial Report B1 (August 31, 2017)

SUMMARY

Issue: Record of Cash Disbursements for the month of August 31, 2017.

Recommendation: Receive and file Cash Disbursements for August 31, 2017 as presented.

Financial Impact: Funds disbursed were included in the FY 2017/18 "Amended" Watermaster Budget.

Future Consideration

Advisory Committee – October 19, 2017: Receive and File

Watermaster Board – October 26, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – October 12, 2017: Unanimously approved

Non-Agricultural Pool – October 12, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – October 12, 2017: Unanimously approved

Advisory Committee – October 19, 2017:

Watermaster Board – October 26, 2017:

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of August 2017 were \$1,641,774.65.

The most significant expenditures during the month were to Inland Empire Utilities Agency in the amounts of \$37,979.42, \$19,261.77, \$1,032,633.00, \$35,758.80, and \$12,615.05 (check number 20287 dated August 3, 2017, check number 20298 dated August 3, 2017, check number 20300 dated August 9, 2017, check number 20301 dated August 9, 2017, and check number 20319 dated August 24, 2017); Wildermuth Environmental, Inc. in the amount of \$195,697.75 (check number 20341 dated August 31, 2017); and Brownstein Hyatt Farber Schreck in the amount of \$93,898.46 (check number 20340 dated August 31, 2017).

ATTACHMENTS

1. Financial Report - B1

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/03/2017	20270	CHINO CHAMPION NEWSPAPER	8043	1012 · Bank of America Gen'l Ckg	
Bill	07/25/2017	8043		Subscription-Chino Champion newspaper-1 yr.	6112 · Subscriptions/Publications	35.00
TOTAL						35.00
Bill Pmt -Check	08/03/2017	20271	LEVEL 3 COMMUNICATIONS	58095369	1012 · Bank of America Gen'l Ckg	
Bill	07/24/2017	58095369		7/17/17-8/16/17	6053 · Internet Expense	1,047.26
TOTAL						1,047.26
Bill Pmt -Check	08/03/2017	20272	OFFICE DEPOT	944446269001	1012 · Bank of America Gen'l Ckg	
Bill	07/19/2017	944446269001		4-drawer lateral filing cabinet for Acctg. Office	6036 · Minor Office Furniture	524.08
TOTAL						524.08
Bill Pmt -Check	08/03/2017	20273	R&D PEST SERVICES	0216838	1012 · Bank of America Gen'l Ckg	
Bill	07/24/2017	0216838		Pest and insect control-inside and outside	6024 · Building Repair & Maintenance	100.00
TOTAL						100.00
Bill Pmt -Check	08/03/2017	20274	RAUCH COMMUNICATION CONSULTANTS, LLC Jul-1710		1012 · Bank of America Gen'l Ckg	
Bill	07/25/2017	Jul-1710		AR39 - July 2017	6061.3 · Rauch	262.50
TOTAL						262.50
Bill Pmt -Check	08/03/2017	20275	READY REFRESH BY NESTLE	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	07/25/2017	0023230253		Office Water Bottle - July 2017	6031.7 · Other Office Supplies	50.29
TOTAL						50.29
Bill Pmt -Check	08/03/2017	20276	RR FRANCHISING, INC.	42585	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	42585		Carpet cleaning on 6/24/17	6024 · Building Repair & Maintenance	600.00
TOTAL						600.00
Bill Pmt -Check	08/03/2017	20277	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	07/26/2017	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	765.80
TOTAL						765.80
Bill Pmt -Check	08/03/2017	20278	UNITED HEALTHCARE	0043939228	1012 · Bank of America Gen'l Ckg	
Bill	07/25/2017	0043939228		Dental Insurance Premium - August 2017	60182.2 · Dental & Vision Ins	749.75
TOTAL						749.75
Bill Pmt -Check	08/03/2017	20279	VERIZON WIRELESS	9789170437	1012 · Bank of America Gen'l Ckg	
Bill	07/20/2017	9789170437		Acct #642073270-00001	7103.7 · Grdwtr Qual-Computer Svc	100.04
TOTAL						100.04

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/03/2017	20280	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	07/25/2017	001017890001		Vision Insurance Premium - August 2017	60182.2 · Dental & Vision Ins	88.20
TOTAL						<u>88.20</u>
Bill Pmt -Check	08/03/2017	20281	APPLIED COMPUTER TECHNOLOGIES	2894	1012 · Bank of America Gen'l Ckg	
Bill	07/30/2017	2894		Database Consulting - July 2017	6052.2 · Applied Computer Technol	4,064.20
TOTAL						<u>4,064.20</u>
Bill Pmt -Check	08/03/2017	20282	BOWCOCK, ROBERT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/24/2017	7/24 Special Board		7/24/17 Special Board Meeting	6311 · Board Member Compensation	125.00
Bill	07/27/2017	7/27 Board Mtg		7/27/17 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>250.00</u>
Bill Pmt -Check	08/03/2017	20283	CURATALO, JAMES	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	6/30 Admin Mtg		6/30/17 Administrative Meeting w/GM	6311 · Board Member Compensation	125.00
Bill	07/14/2017	7/14 Admin Mtg		7/14/17 Administrative Meeting w/GM	6311 · Board Member Compensation	125.00
Bill	07/17/2017	7/17 Admin Mtg		7/17/17 Administrative mtg-April 28th court order	6311 · Board Member Compensation	125.00
Bill	07/18/2017	7/18 Admin Mtg		7/18/17 Adiministrative mtg-April 28th court order	6311 · Board Member Compensation	125.00
Bill	07/20/2017	7/20 Admin Mtg		7/20/17 Administrative mtg-April 28th court order	6311 · Board Member Compensation	125.00
Bill	07/24/2017	7/24 Special Board		7/24/17 Special Board meeting	6311 · Board Member Compensation	125.00
Bill	07/25/2017	7/25 Board Agenda		7/25/17 Board agenda preview	6311 · Board Member Compensation	125.00
Bill	07/26/2017	7/26 Admin Mtg		7/26/17 Administrative meeting w/GM	6311 · Board Member Compensation	125.00
Bill	07/27/2017	7/27 Board Mtg		7/27/17 Board meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>1,125.00</u>
Bill Pmt -Check	08/03/2017	20284	DI PRIMIO, ROBERT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/24/2017	7/24 Special Board		7/24/17 Special Board meeting	6311 · Board Member Compensation	125.00
Bill	07/25/2017	7/25 Board Agenda		7/25/17 Board agenda preview meeting	6311 · Board Member Compensation	125.00
Bill	07/27/2017	7/27 Board Meeting		7/27/17 Board meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>375.00</u>
Bill Pmt -Check	08/03/2017	20285	ELIE, STEVEN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/24/2017	7/24 Special Board		7/24/17 Special Board Meeting	6311 · Board Member Compensation	125.00
Bill	07/27/2017	7/27 Board Mtg		7/27/17 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>250.00</u>
Bill Pmt -Check	08/03/2017	20286	FILIPPI, GINO	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/24/2017	7/24 Special Board		7/24/17 Special Board meeting	6311 · Board Member Compensation	125.00
Bill	07/27/2017	7/27 Board Mtg		7/27/17 Board meeting	6311 · Board Member Compensation	125.00

P 10

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						250.00
Bill Pmt -Check	08/03/2017	20287	INLAND EMPIRE UTILITIES AGENCY	1800003312	1012 - Bank of America Gen'l Ckg	
Bill	07/26/2017	1800003312		Lower Day Improvement Projects Invoice #4	7690.8 - Lower Day Basin RMPU (TO #2)	37,979.42
TOTAL						37,979.42
Bill Pmt -Check	08/03/2017	20288	KUHN, BOB	Board Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	07/13/2017	7/13 Appro Pool Mtg		7/13/17 Appropriative Pool Meeting	6311 - Board Member Compensation	125.00
Bill	07/14/2017	7/14 Admin Mtg		7/14/17 Administrative meeting w/GM	6311 - Board Member Compensation	125.00
Bill	07/20/2017	7/20 Advisory Comm		7/20/17 Advisory Committee Meeitng	6311 - Board Member Compensation	125.00
Bill	07/24/2017	7/24 Special Board		7/24/17 Special Board Meeitng	6311 - Board Member Compensation	125.00
Bill	07/25/2017	7/25 Executive Comm		7/25/17 Executive Committee conference call	6311 - Board Member Compensation	125.00
Bill	07/26/2017	7/26 Admin Mtg		7/26/17 Administrative meeting w/GM	6311 - Board Member Compensation	125.00
Bill	07/27/2017	7/27 Board Mtg		7/27/17 Board meeting	6311 - Board Member Compensation	125.00
TOTAL						875.00
Bill Pmt -Check	08/03/2017	20289	LOEB & LOEB LLP	1727996	1012 - Bank of America Gen'l Ckg	
Bill	06/30/2017	1727996		Non-Ag Pool Legal Services - June 2017	8567 - Non-Ag Legal Service	3,001.50
TOTAL						3,001.50
Bill Pmt -Check	08/03/2017	20290	PIERSON, JEFFREY	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	07/13/2017	7/13 Ag Pool Mtg		7/13/17 Ag Pool meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	07/20/2017	7/20 Advisory Comm		7/20/17 Advisory Committee meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	07/24/2017	7/24 Special Board		7/24/17 Special Board meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	07/27/2017	7/27 Board Mtg		7/27/17 Board meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						500.00
Bill Pmt -Check	08/03/2017	20291	PIETERSMA, RONALD	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	07/13/2017	7/13 Ag Pool Mtg		7/13/17 Ag Pool Meeting	8411 - Compensation	25.00
				7/13/17 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	08/03/2017	20292	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
Bill	08/02/2017	1394905143		Annual Unfunded Accrued Liability	60180 - Employers PERS Expense	4,348.52
TOTAL						4,348.52
Bill Pmt -Check	08/03/2017	20293	PURCHASE POWER	8000-9090-0016-8851	1012 - Bank of America Gen'l Ckg	
Bill	07/30/2017	8000909000168851		Postage refill and ink cartridges	6042 - Postage - General	709.23
TOTAL						709.23

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/03/2017	20294	RR FRANCHISING, INC.	42877	1012 - Bank of America Gen'l Ckg	
Bill	08/01/2017	42877		Monthly janitorial service - August 2017	6024 - Building Repair & Maintenance	740.00
TOTAL						740.00
Bill Pmt -Check	08/03/2017	20295	STATE COMPENSATION INSURANCE FUND	1970970-17	1012 - Bank of America Gen'l Ckg	
Bill	08/02/2017	1970970-17		Monthly premium 7/26/17-8/26/17	60183 - Worker's Comp Insurance	520.50
TOTAL						520.50
Bill Pmt -Check	08/03/2017	20296	WESTERN MUNICIPAL WATER DISTRICT	Board Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	07/24/2017	7/24 Special Board		7/24/17 Special Board Mtg - Galleano attendance	6311 - Board Member Compensation	125.00
Bill	07/27/2017	7/27 Board Mtg		7/27/17 Board Meeting - Galleano attendance	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	08/03/2017	20297	YUKON DISPOSAL SERVICE	08-K2 213849	1012 - Bank of America Gen'l Ckg	
Bill	08/02/2017	08-k2 213849		Disposal Service - August 2017	6024 - Building Repair & Maintenance	117.14
TOTAL						117.14
Bill Pmt -Check	08/03/2017	20298	INLAND EMPIRE UTILITIES AGENCY	1800003308	1012 - Bank of America Gen'l Ckg	
Bill	07/24/2017	1800003308		San Sevaine Basin Improv. Proj. - Invoice #6	7690.4 - San Sevaine Recharge (TO # 8)	19,261.77
TOTAL						19,261.77
Bill Pmt -Check	08/03/2017	20299	STATE COMPENSATION INSURANCE FUND	1970970-16	1012 - Bank of America Gen'l Ckg	
Bill	06/30/2017	1970970-16		Final Premium statement 6/26/16-6/26/17	60183 - Worker's Comp Insurance	1,571.27
TOTAL						1,571.27
Bill Pmt -Check	08/04/2017	ACH 080417	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	07/29/2017	07/29/2017	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 07/16/17-07/29/17	2000 - Accounts Payable	6,739.16
TOTAL						6,739.16
Bill Pmt -Check	08/09/2017	20300	INLAND EMPIRE UTILITIES AGENCY	90020560	1012 - Bank of America Gen'l Ckg	
Bill	06/30/2017	90020560		Replenishment water: 1,550.50 AF @ \$666	5011 - Replenishment Water	1,032,633.00
TOTAL						1,032,633.00
Bill Pmt -Check	08/09/2017	20301	INLAND EMPIRE UTILITIES AGENCY	90020559	1012 - Bank of America Gen'l Ckg	
Bill	06/30/2017	90020559		Replenishment water: 60.20 AF @ \$594	5011 - Replenishment Water	35,758.80
TOTAL						35,758.80
General Journal	08/12/2017	17/08/06	Payroll and Taxes for 07/30/17-08/12/17	Payroll and Taxes for 07/30/17-08/12/17	1012 - Bank of America Gen'l Ckg	
				Direct Deposits for 07/30/17-08/12/17	1012 - Bank of America Gen'l Ckg	24,661.55
				Payroll Taxes for 07/30/17-08/12/17	1012 - Bank of America Gen'l Ckg	8,654.08

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
			ICMA-RC	457(b) Employee Deductions for 07/30/17-08/12/17	1012 · Bank of America Gen'l Ckg	4,410.56
			ICMA-RC	401(a) Employee Deductions for 07/30/17-08/12/17	1012 · Bank of America Gen'l Ckg	1,276.75
TOTAL						39,002.94
Bill Pmt -Check	08/15/2017	20302	ACWA JOINT POWERS INSURANCE AUTHORITY	0499665	1012 · Bank of America Gen'l Ckg	
Bill	08/08/2017	0499665		Prepayment - September 2017	1409 · Prepaid Life, BAD&D & LTD	134.43
				August 2017	60191 · Life & Disab.Ins Benefits	153.16
TOTAL						287.59
Bill Pmt -Check	08/15/2017	20303	CHEF DAVE'S CAFE & CATERING	6835	1012 · Bank of America Gen'l Ckg	
Bill	07/27/2017	6835		Lunch for 7/27/17 Watermaster Board meeting	6312 · Meeting Expenses	602.00
TOTAL						602.00
Bill Pmt -Check	08/15/2017	20304	CORELOGIC INFORMATION SOLUTIONS	80825481	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2017	81825481		80825481	7103.7 · Grdwtr Qual-Computer Svc	62.50
				80825481	7101.4 · Prod Monitor-Computer	62.50
TOTAL						125.00
P13 Bill Pmt -Check	08/15/2017	20305	DE HAAN, HENRY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/13/2017	7/13 Ag Pool Mtg		7/13/17 Ag Pool Meeting	8411 · Compensation	25.00
				7/13/17 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	08/15/2017	20306	MINDSHIFT	0251361	1012 · Bank of America Gen'l Ckg	
Bill	08/01/2017	0251361		IT Managed Services	6052.4 · mindSHIFT-Managed Services	3,770.00
				Backup & Recovery	6052.5 · mindSHIFT-Data Backup/Storage	792.00
TOTAL						4,562.00
Bill Pmt -Check	08/15/2017	20307	PAYCHEX	2017072700	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2017	2017072700		July 2017	6012 · Payroll Services	319.77
TOTAL						319.77
Bill Pmt -Check	08/15/2017	20308	PREMIERE GLOBAL SERVICES	24109795	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2017	24109795		Groundwater use-San Bernardino Cnty-call on 6/27	6909.1 · OBMP Meetings	10.03
				DYY call on 6/29	6909.1 · OBMP Meetings	14.21
				Non-Ag Pool meeting call on 7/13	8512 · Meeting Expense	25.29
				Fee - General	6022 · Telephone	49.00
				Fee - Confidential	6022 · Telephone	49.00
				Pool agenda prep call on 7/05	8312 · Meeting Expenses	3.97
				Pool agenda prep call on 7/05	8412 · Meeting Expenses	3.97

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
				Pool agenda prep call on 7/05	8512 · Meeting Expense	3.97
				WM coordination call on 7/10	6909.1 · OBMP Meetings	11.61
				Pool meeting pre-check call on 7/12	8312 · Meeting Expenses	5.38
				Pool meeting pre-check call on 7/12	8412 · Meeting Expenses	5.37
				Pool meeting pre-check call on 7/12	8512 · Meeting Expense	5.37
				WM coordination call on 7/17	6909.1 · OBMP Meetings	14.93
				WM coordination call on 7/17	6909.1 · OBMP Meetings	8.97
				Special Board meeting call on 7/24	6312 · Meeting Expenses	37.54
				Special Board meeting call on 7/24	6312 · Meeting Expenses	6.09
				Special Board meeting call on 7/24	6312 · Meeting Expenses	6.09
				Special Board meeting pre call on 7/24	6312 · Meeting Expenses	9.15
				Special Board meeting call on 7/24	6312 · Meeting Expenses	7.28
				Board agenda call on 7/25	6312 · Meeting Expenses	6.07
				Board agenda call on 7/25	6312 · Meeting Expenses	11.73
				Service Fee	6022 · Telephone	6.96
TOTAL						<u>301.98</u>
Bill Pmt -Check	08/15/2017	20309	TELLEZ-FOSTER, EDGAR	Mileage Reimbursement	1012 · Bank of America Gen'l Ckg	
Bill	08/08/2017			Reimburse-8/03/17 Groundwater Sharing conf.	6191 · Conferences - General	282.81
TOTAL						<u>282.81</u>
Bill Pmt -Check	08/15/2017	20310	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2017	7076224530355049		Fuel charges - July 2017	6175 · Vehicle Fuel	264.08
TOTAL						<u>264.08</u>
Check	08/15/2017	08/15/2017	Service Charge	Service Charge	1012 · Bank of America Gen'l Ckg	
				Service Charge	6039.1 · Banking Service Charges	399.56
TOTAL						<u>399.56</u>
Bill Pmt -Check	08/18/2017	ACH 081817	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	08/12/2017	08/12/2017	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 07/30/17-08/12/17	2000 · Accounts Payable	6,739.16
TOTAL						<u>6,739.16</u>
Bill Pmt -Check	08/24/2017	20311	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	08/14/2017	1394905143		Medical Insurance Premium - September 2017	60182.1 · Medical Insurance	8,174.35
TOTAL						<u>8,174.35</u>
Bill Pmt -Check	08/24/2017	20312	CUCAMONGA VALLEY WATER DISTRICT	Office Lease	1012 · Bank of America Gen'l Ckg	
Bill	08/16/2017			Office lease due September 1, 2017	1422 · Prepaid Rent	6,447.61
TOTAL						<u>6,447.61</u>

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/24/2017	20313	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
Bill	07/19/2017	L0336708		L0336708	7108.4 · Hydraulic Control-Lab Svcs	440.00
Bill	07/19/2017	L0338486		L0338488	7108.4 · Hydraulic Control-Lab Svcs	1,592.00
TOTAL						2,032.00
Bill Pmt -Check	08/24/2017	20314	FIRST LEGAL NETWORK LLC	40011230	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2017	40011230		Filings on 7/06/17, 7/07/17	6061.5 · Court Filing Services	166.88
TOTAL						166.88
Bill Pmt -Check	08/24/2017	20315	FRONTIER COMMUNICATIONS	909-484-3890-050914-5	1012 · Bank of America Gen'l Ckg	
Bill	08/10/2017	90948438900503145		Office fax and telephone line	6022 · Telephone	142.05
TOTAL						142.05
Bill Pmt -Check	08/24/2017	20316	GRAINGER	9520633091	1012 · Bank of America Gen'l Ckg	
Bill	08/02/2017	9520633091		Chemical buffer solution for water quality	7103.6 · Grdwtr Qual-Supplies	136.80
TOTAL						136.80
P15 Bill Pmt -Check	08/24/2017	20317	GREAT AMERICA LEASING CORP.	21150282	1012 · Bank of America Gen'l Ckg	
P15 Bill	08/16/2017	21150282		Invoice for August 2017	6043.1 · Ricoh Lease Fee	2,553.68
TOTAL						2,553.68
Bill Pmt -Check	08/24/2017	20318	HUITSING, JOHN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	07/13/2017	7/13 Ag Pool Mtg		7/13/17 Ag Pool Meeting	8411 · Compensation	25.00
				7/13/17 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	08/24/2017	20319	INLAND EMPIRE UTILITIES AGENCY	1800003330	1012 · Bank of America Gen'l Ckg	
Bill	08/03/2017	1800003330		GWR SCADA upgrades - Project Invoice #7	7690.61 · GWR SCADA Upgrades (TO #4)	12,615.05
TOTAL						12,615.05
Bill Pmt -Check	08/24/2017	20320	LOEB & LOEB LLP	1731028	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2017	1731028		Non-Ag Pool Legal Services - July 2017	8567 · Non-Ag Legal Service	4,306.50
TOTAL						4,306.50
Bill Pmt -Check	08/24/2017	20321	OFFICE DEPOT	9497085888001	1012 · Bank of America Gen'l Ckg	
Bill	08/03/2017	9497085888001		Miscellaneous office supplies	6031.7 · Other Office Supplies	185.48
TOTAL						185.48
Bill Pmt -Check	08/24/2017	20322	PETTY CASH	2667-2680	1012 · Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/15/2017	2667-2680		Parking-PK to RWQCB-Supplies for 6/23 Tour	6909.1 · OBMP Meetings	24.52
				Lunch for staff before 6/20 Storage Workshop	7604 · PE8&9-Supplies	85.08
				Lunch & supplies for various meetings	6141.3 · Admin Meetings	155.99
				Supplies, dry cleaning for office tablecloths	6031.7 · Other Office Supplies	45.58
				Delivery tip for 7/13 Appropriative Pool lunch	8312 · Meeting Expenses	4.96
				Mileage reimbursement to AT for SAWPA mtg	6173 · Airfare/Mileage	24.52
TOTAL						340.65
Bill Pmt -Check	08/24/2017	20323	RAUCH COMMUNICATION CONSULTANTS, LLC Aug-1702		1012 · Bank of America Gen'l Ckg	
Bill	07/31/2017	Aug-1702		AR39 - July 2017	6061.3 · Rauch	668.75
TOTAL						668.75
Bill Pmt -Check	08/24/2017	20324	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017			Retiree Medical	60182.4 · Retiree Medical	22.24
TOTAL						22.24
Bill Pmt -Check	08/24/2017	20325	VERIZON WIRELESS	9790410188	1012 · Bank of America Gen'l Ckg	
Bill	08/15/2017	9790410188		Acct #470810953-00001	6022 · Telephone	452.06
TOTAL						452.06
Bill Pmt -Check	08/25/2017	20326	EGOSCUE LAW GROUP	11668	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2017	11668		Ag Pool Legal Services - July 2017	8467 · Ag Legal & Technical Services	46,050.00
TOTAL						46,050.00
Bill Pmt -Check	08/25/2017	20327	YSI INCORPORATED	698817	1012 · Bank of America Gen'l Ckg	
Bill	08/09/2017	698817		Cond Calibrator Solution	7103.6 · Grdwtr Qual-Supplies	170.84
TOTAL						170.84
General Journal	08/26/2017	08/26/2017	Payroll and Taxes for 08/13/17-08/26/17	Payroll and Taxes for 08/13/17-08/26/17	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 08/13/17-08/26/17	1012 · Bank of America Gen'l Ckg	32,196.29
				Payroll Taxes for 08/13/17-08/26/17	1012 · Bank of America Gen'l Ckg	11,633.41
			ICMA-RC	457(b) Employee Deductions for 08/13/17-08/26/17	1012 · Bank of America Gen'l Ckg	4,410.56
			ICMA-RC	401(a) Employee Deductions for 08/13/17-08/26/17	1012 · Bank of America Gen'l Ckg	1,276.75
TOTAL						49,517.01
Bill Pmt -Check	08/29/2017	20328	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	
Bill	08/23/2017	0111802		Employee deductions - August 2017	60194 · Other Employee Insurance	79.70
TOTAL						79.70
Bill Pmt -Check	08/29/2017	20329	LEVEL 3 COMMUNICATIONS	59416228	1012 · Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/23/2017	59416228		8/17/17-9/16/17	6053 · Internet Expense	1,047.25
TOTAL						1,047.25
Bill Pmt -Check	08/29/2017	20330	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
Bill	08/23/2017	100000015044228		Fees for GASB-68 Reports & Schedules	60180 · Employers PERS Expense	700.00
TOTAL						700.00
Bill Pmt -Check	08/29/2017	20331	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	08/23/2017	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	765.80
TOTAL						765.80
Bill Pmt -Check	08/29/2017	20332	STAPLES BUSINESS ADVANTAGE	8045924947	1012 · Bank of America Gen'l Ckg	
Bill	08/12/2017	8045924947		Replacement shredder	6031.7 · Other Office Supplies	215.49
TOTAL						215.49
Bill Pmt -Check	08/29/2017	20333	UNITED HEALTHCARE	0044206059	1012 · Bank of America Gen'l Ckg	
Bill	08/23/2017	0044206059		Dental Insurance - September 2017	60182.2 · Dental & Vision Ins	749.75
TOTAL						749.75
P17						
Bill Pmt -Check	08/29/2017	20334	INLAND EMPIRE UTILITIES AGENCY	September 7, 2017 Leadership Breakfast	1012 · Bank of America Gen'l Ckg	
Bill	08/23/2017			Registration-Sept. 7, 2017 Leadership Breakfast	6192 · Seminars - General	80.00
TOTAL						80.00
Bill Pmt -Check	08/29/2017	20335	VERIZON WIRELESS	9790919216	1012 · Bank of America Gen'l Ckg	
Bill	08/23/2017	9790919216		Acct #642073270-00001	7103.7 · Grdwtr Qual-Computer Svc	100.10
TOTAL						100.10
Bill Pmt -Check	08/29/2017	20336	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2017	XXXX-XXXX-XXXX-9341		Registration-Joswiak-CalPERS Educational Forum	6191 · Conferences - General	337.86
				Lunch for 7/13/17 Appropriative Pool meeting	8312 · Meeting Expenses	64.67
				Software for CFO desktop	6054 · Computer Software	25.24
				Send Board packages to Board members	6042 · Postage - General	203.21
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	381.14
				PK mtg w/Chris Berch	8312 · Meeting Expenses	17.59
				Lunch for staff	6141.3 · Admin Meetings	42.06
				New logo version set up fee	6154 · Uniforms	43.44
				Lunch for staff before Ag mtg	8412 · Meeting Expenses	76.13
				PK mtg w/B. Kuhn, J. Curatalo	6312 · Meeting Expenses	49.38
				Reg.-PK-ACWA 2017 Fall Conf. and Exhibition	6191 · Conferences - General	674.74
				Parking for Pk mtg w/J. Rossi	8312 · Meeting Expenses	6.76

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
				Cost for 7/19/17 Vistage meeting	6191 · Conferences - General	933.78
				PK mtg w/B. DiPrimio	6312 · Meeting Expenses	28.76
				PK mtg w/B. Kuhn, J. Curatalo	6312 · Meeting Expenses	51.47
				Lunch for OBMP Update meeting	6909.1 · OBMP Meetings	90.11
				Purchase shirts for Board	6313 · Board Member Expenses	451.43
				PK mtg w/S. Elie	6312 · Meeting Expenses	43.97
TOTAL						3,521.74
Bill Pmt -Check	08/29/2017	20337	READY REFRESH BY NESTLE	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	0023230253		Office Water Bottle - August 2017	6031.7 · Other Office Supplies	62.84
TOTAL						62.84
Bill Pmt -Check	08/29/2017	20338	TELLEZ-FOSTER, EDGAR	Mileage/Toll Reimbursement	1012 · Bank of America Gen'l Ckg	
Bill	08/23/2017			Mileage/toll reimbursement for various meetings	6173 · Airfare/Mileage	407.50
TOTAL						407.50
Bill Pmt -Check	08/29/2017	20339	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	08/25/2017	001017890001		Vision Insurance Premium - September 2017	60182.2 · Dental & Vision Ins	88.20
TOTAL						88.20
Bill Pmt -Check	08/31/2017	20340	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	07/31/2017	689603		689603	6907.44 · SGMA Compliance	2,162.70
Bill	07/31/2017	689604		689604	6907.42 · Safe Yield Recalculation	38,203.20
				Research - Lexis	6907.42 · Safe Yield Recalculation	156.32
				Filing Fee	6907.42 · Safe Yield Recalculation	10.50
Bill	07/31/2017	689605		689605	6907.41 · Prado Basin Habitat Sustain	2,436.75
Bill	07/31/2017	689606		689606	6907.40 · Storage Agreements	2,625.30
Bill	07/31/2017	689607		689607	6907.39 · Recharge Master Plan	26.55
Bill	07/31/2017	689608		689608	6907.38 · Reg. Water Quality Cntrl Board	580.05
Bill	07/31/2017	689609		689609	6072 · BHFS Legal - Rules & Regs	1,085.40
Bill	07/31/2017	689610		689610	6071 · BHFS Legal - Court Coordination	447.30
Bill	07/31/2017	689611		689611	8575 · BHFS Legal - Non-Ag Pool	2,399.40
				Mileage/Parking Expense	8575 · BHFS Legal - Non-Ag Pool	20.32
Bill	07/31/2017	689612		689612	8475 · BHFS Legal - Agricultural Pool	2,399.40
				Mileage/Parking Expenses	8475 · BHFS Legal - Agricultural Pool	20.34
Bill	07/31/2017	689613		689613	8375 · BHFS Legal - Appropriative Pool	2,399.40
				Mileage/Parking Expenses	8375 · BHFS Legal - Appropriative Pool	20.37
Bill	07/31/2017	689614		689614	6375 · BHFS Legal - Board Meeting	7,308.90
				Ground Trasportation	6375 · BHFS Legal - Board Meeting	45.97
				Lodging	6375 · BHFS Legal - Board Meeting	225.00

TOTAL
818

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2017

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
				Mileage/Parking Expenses	6375 · BHFS Legal - Board Meeting	18.01
Bill	07/31/2017	689615		689615	6275 · BHFS Legal - Advisory Committee	994.50
Bill	07/31/2017	689616		689616	6907.36 · Santa Ana River Habitat	2,612.25
Bill	07/31/2017	689618		Personnel	6073 · BHFS Legal - Personnel Matters	81.00
Bill	07/31/2017	689619		689619	6078 · BHFS Legal - Miscellaneous	23,619.59
				Angelica BK	6078 · BHFS Legal - Miscellaneous	635.18
				NRG BK	6078 · BHFS Legal - Miscellaneous	1,446.98
				Pomona Extensometer	6078 · BHFS Legal - Miscellaneous	1,260.90
				Research - Lexis	6078 · BHFS Legal - Miscellaneous	20.05
				Ground Transportation	6078 · BHFS Legal - Miscellaneous	352.27
				Ground Transportation	6375 · BHFS Legal - Board Meeting	150.00
				Mileage/Parking Expenses	6078 · BHFS Legal - Miscellaneous	53.07
				Research	6078 · BHFS Legal - Miscellaneous	30.49
				Miscellaneous	6078 · BHFS Legal - Miscellaneous	51.00
TOTAL						93,898.46

TOTAL

Bill Pmt -Check	08/31/2017	20341	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
Bill	07/31/2017	2017224		2017224	6906.31 · OBMP-Pool, Adv. Board Mtgs	8,555.21
Bill	07/31/2017	2017225		2017225	6906.32 · OBMP-Other General Meetings	7,034.22
Bill	07/31/2017	2017226		2017226	6906.74 · OBMP-Mat'l Phy. Injury Requests	1,989.00
Bill	07/31/2017	2017227		2017227	6906.71 · OBMP-Data Req.-CBWM Staff	6,565.00
Bill	07/31/2017	2017228		2017228	6906.71 · OBMP-Data Req.-CBWM Staff	8,452.60
Bill	07/31/2017	2017229		2017229	6906.22 · Water Rights Compliance Rprting	1,224.15
Bill	07/31/2017	2017230		2017230	6906 · OBMP Engineering Services	1,267.20
Bill	07/31/2017	2017231		2017231	6906.9 · OBMP-2018 RMPU Master Update	18,560.00
Bill	07/31/2017	2017232		2017232	6906.81 · Prepare 38th/39th Annual Rpts	498.00
Bill	07/31/2017	2017233		2017233	7103.3 · Grdwtr Qual-Engineering	10,925.68
Bill	07/31/2017	2017234		2017234	7104.3 · Grdwtr Level-Engineering	12,608.91
Bill	07/31/2017	2017235		2017235	7107.2 · Grd Level-Engineering	3,382.58
				WSP USA, Inc.	7107.6 · Grd Level-Contract Svcs	14,295.88
Bill	07/31/2017	2017236		2017236	7108.31 · Hydraulic Control - PBHSP	7,634.50
Bill	07/31/2017	2017237		2017237	7202.2 · Engineering Svc	14,432.24
Bill	07/31/2017	2017238		2017238	7402 · PE4-Engineering	28,637.68
Bill	07/31/2017	2017239		2017239	7402.10 · PE4 - Northwest MZ1 Area Proj.	3,148.50
Bill	07/31/2017	2017240		2017240	7502 · PE6&7-Engineering	11,418.60
Bill	07/31/2017	2017241		2017241	7510 · PE6&7-IEUA Salinity Mgmt. Plan	10,850.30
Bill	07/31/2017	2017242		2017242	7602 · PE8&9-Engineering	24,217.50
TOTAL						195,697.75

TOTAL

General Journal	08/31/2017	08/31/2017	Wage Works FSA Direct Debits - August 2017	Wage Works FSA Direct Debits - August 2017	1012 · Bank of America Gen'l Ckg	
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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
				Wage Works FSA Direct Debits - August 2017	1012 - Bank of America Gen'l Ckg	696.15
				Wage Works FSA Direct Debits - August 2017	1012 - Bank of America Gen'l Ckg	696.15
				Wage Works FSA Direct Debits - August 2017	1012 - Bank of America Gen'l Ckg	81.50
TOTAL						<u>1,473.80</u>
					Total Disbursements:	<u><u>1,641,774.65</u></u>

P 20



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: October 19, 2017
TO: Advisory Committee Members
SUBJECT: VISA Check Detail Report - Financial Report B2 (August 31, 2017)

SUMMARY

Issue: Record of VISA credit card payment disbursed for the month of August 31, 2017.

Recommendation: Receive and file VISA Check Detail Report for August 31, 2017 as presented.

Financial Impact: Funds disbursed were included in the FY 2017/18 "Amended" Watermaster Budget.

Future Consideration

Advisory Committee – October 19, 2017: Receive and File

Watermaster Board – October 26, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – October 12, 2017: Unanimously approved

Non-Agricultural Pool – October 12, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – October 12, 2017: Unanimously approved

Advisory Committee – October 19, 2017:

Watermaster Board – October 26, 2017:

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 disbursements during the month of August 2017 were \$3,521.74. The payment was processed in the amount of \$3,521.74 (by check number 20336 dated August 29, 2017). The monthly charges for August 2017 of \$3,521.74 were for routine and customary expenditures and properly documented with receipts.

ATTACHMENTS

1. Financial Report - B2

CHINO BASIN WATERMASTER
VISA Check Detail Report
August 2017

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/29/2017	20336	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2017	XXXX-XXXX-XXXX-9341		Registration-Joswiak-CalPERS Educational Forum	6191 · Conferences - General	337.86
				Lunch for 7/13/17 Appropriative Pool meeting	8312 · Meeting Expenses	64.67
				Software for CFO desktop	6054 · Computer Software	25.24
				Send Board packages to Board members	6042 · Postage - General	203.21
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	381.14
				PK mtg w/Chris Berch	8312 · Meeting Expenses	17.59
				Lunch for staff	6141.3 · Admin Meetings	42.06
				New logo version set up fee	6154 · Uniforms	43.44
				Lunch for staff before Ag mtg	8412 · Meeting Expenses	76.13
				PK mtg w/B. Kuhn, J. Curatalo	6312 · Meeting Expenses	49.38
				Reg.-PK-ACWA 2017 Fall Conf. and Exhibition	6191 · Conferences - General	674.74
				Parking for Pk mtg w/J. Rossi	8312 · Meeting Expenses	6.76
				Cost for 7/19/17 Vistage meeting	6191 · Conferences - General	933.78
				PK mtg w/B. DiPrimio	6312 · Meeting Expenses	28.76
				PK mtg w/B. Kuhn, J. Curatalo	6312 · Meeting Expenses	51.47
				Lunch for OBMP Update meeting	6909.1 · OBMP Meetings	90.11
				Purchase shirts for Board	6313 · Board Member Expenses	451.43
				PK mtg w/S. Elie	6312 · Meeting Expenses	43.97
				Total Disbursements:		<u>3,521.74</u>

P23
TOTAL

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: October 19, 2017
TO: Advisory Committee Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2017 through August 31, 2017 - Financial Report B3 (August 31, 2017)

SUMMARY

Issue: Record of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2017 through August 31, 2017.

Recommendation: Receive and file Combining Schedule of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2017 through August 31, 2017 as presented.

Financial Impact: Funds disbursed were included in the FY 2017/18 "Amended" Watermaster Budget.

Future Consideration

Advisory Committee – October 19, 2017: Receive and File

Watermaster Board – October 26, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – October 12, 2017: Unanimously approved

Non-Agricultural Pool – October 12, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – October 12, 2017: Unanimously approved

Advisory Committee – October 19, 2017:

Watermaster Board – October 26, 2017:

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Net Assets for the period July 1, 2017 through August 31, 2017 is provided to keep all members apprised of the FY 2017/18 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 18.0, 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, 2017 THROUGH AUGUST 31, 2017

P27

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUNDWATER REPLENISHMENT	LAIF VALUE ADJ.	GASB 68 BEG. NET POSITION	GRAND TOTALS	AMENDED BUDGET 2017-2018
			APPROPRIATIVE POOL	AG POOL	NON-AG POOL					
Administrative Revenues:										
Administrative Assessments			-		-				-	11,607,166
Interest Revenue			-	-	-				-	39,906
Mutual Agency Project Revenue	193,622								193,622	191,626
Miscellaneous Income	11								11	0
Total Revenues	193,633	-	-	-	-	-	-	-	193,633	11,838,698
Administrative & Project Expenditures:										
Watermaster Administration	310,077								310,077	1,339,393
Watermaster Board-Advisory Committee	20,691								20,691	219,454
Ag Pool Misc. Expense - Ag Fund				57					57	400
Pool Administration			25,788	87,327	16,911				130,026	619,252
Optimum Basin Mgmt Administration		223,699							223,699	1,374,142
OBMP Project Costs		650,680							650,680	5,198,168
Debt Service		515,375							515,375	515,375
Basin Recharge Improvements		141,525							141,525	6,692,293
Total Administrative/OBMP Expenses	330,768	1,531,279	25,788	87,327	16,911	-	-	-	1,992,129	15,958,477
Net Administrative/OBMP Expenses	(137,136)	(1,531,279)								
Allocate Net Admin Expenses To Pools	137,136		103,195	30,035	3,906				-	
Allocate Net OBMP Expenses To Pools		874,379	657,973	191,502	24,904				-	
Allocate Debt Service to App Pool		515,375	515,375						-	
Allocate Basin Recharge to App Pool		141,525	141,525						-	
Agricultural Expense Transfer*			308,864	(308,864)					-	
Total Expenses			1,752,719	57	45,721	-	-	-	1,992,129	15,958,477
Net Administrative Income			(1,752,719)	(57)	(45,721)	-	-	-	(1,798,497)	(4,119,779)
Other Income/(Expense)										
Replenishment Water Assessments						-			-	0
Desalter Replenishment Obligation						-			-	0
Non-Ag Stored Water Purchases						-			-	0
Exhibit "G" Non-Ag Pool Water			-			-			-	0
Interest Revenue						-			-	0
MWD Water Purchases						-			-	0
Non-Ag Stored Water Purchases						-			-	0
Exhibit "G" Non-Ag Pool Water			-			-			-	0
MWD Water Purchases						-			-	0
Groundwater Replenishment						-			-	0
LAIF - Fair Market Value Adjustment							-		-	0
Other Post-Employment Benefits (OPEB)									-	0
Refund-Excess Reserves									-	0
Refund-Recharge Debt									-	0
Funding To/(From) Reserves									-	0
Net Other Income/(Expense)			-	-	-	-	-	-	-	0
Net Transfers To/(From) Reserves	(1,798,497)		(1,752,719)	(57)	(45,721)	-	-	-	(1,798,497)	(4,119,779)
Net Assets, July 1, 2017			9,038,790	486,234	45,146	(102,141)	(11,905)	(740,195)	8,715,929	
Net Assets, End of Period			7,286,071	486,177	(575)	(102,141)	(11,905)	(740,195)	6,917,433	6,917,433
15/16 Assessable Production			89,906.000	26,167.031	3,402.908				119,475.939	
15/16 Production Percentages			75.250%	21.902%	2.848%				100.000%	

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

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: October 19, 2017

TO: Advisory Committee Members

SUBJECT: Treasurer's Report of Financial Affairs for the Period August 1, 2017 through August 31, 2017 - Financial Report B4 (August 31, 2017)

SUMMARY

Issue: Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of August 1, 2017 through August 31, 2017.

Recommendation: Receive and file Treasurer's Report of Financial Affairs for the Period August 1, 2017 through August 31, 2017 as presented.

Financial Impact: Funds disbursed were included in the FY 2017/18 "Amended" Watermaster Budget.

Future Consideration

Advisory Committee – October 19, 2017: Receive and File

Watermaster Board – October 26, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – October 12, 2017: Unanimously approved

Non-Agricultural Pool – October 12, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – October 12, 2017: Unanimously approved

Advisory Committee – October 19, 2017:

Watermaster Board – October 26, 2017:

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period August 1, 2017 through August 31, 2017 is provided to keep all members apprised of the total cash in banks (Bank of America, LAIF, and CalTRUST); cash on deposit in trust with the County of San Bernardino as a result of the Cooperation and Reimbursement Agreement between Chino Basin Watermaster and County of San Bernardino dated May 25, 2017; and cash 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 18.0, 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
AUGUST 1, 2017 THROUGH AUGUST 31, 2017**

Financial Report - B4

DEPOSITORIES:

Cash on Hand - Petty Cash			\$		500
Bank of America					
Governmental Checking-Demand Deposits			\$	158,698	
Zero Balance Account - Payroll			\$	-	158,698
Trust Account - County of San Bernardino					15,000
Local Agency Investment Fund - Sacramento					8,655,833
TOTAL CASH IN BANKS AND ON HAND	8/31/2017				\$ 8,830,031
TOTAL CASH IN BANKS AND ON HAND	7/31/2017				10,137,849
PERIOD INCREASE (DECREASE)					\$ (1,307,819)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:					
Accounts Receivable					\$ 324,388
Assessments Receivable					9,163
Prepaid Expenses, Deposits & Other Current Assets					(15,103)
(Decrease)/Increase in Liabilities:					
Accounts Payable					(1,035,123)
Accrued Payroll, Payroll Taxes & Other Current Liabilities					18,868
Long Term Liabilities					2,198
Transfer to/(from) Reserves					(612,210)
PERIOD INCREASE (DECREASE)					\$ (1,307,819)

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Trust Account County of San Bernardino	Local Agency Investment Funds	Totals
Balances as of 7/31/2017	\$ 500	\$ 66,516	\$ -	\$ 15,000	\$ 10,055,833	\$ 10,137,849
Deposits	-	1,733,956	-	-	-	1,733,956
Transfers	-	(125,719)	(98,993)	-	(1,400,000)	(1,624,712)
Withdrawals/Checks	-	(1,516,056)	98,993	-	-	(1,417,063)
Balances as of 8/31/2017	\$ 500	\$ 158,698	\$ -	\$ 15,000	\$ 8,655,833	\$ 8,830,031
PERIOD INCREASE OR (DECREASE)	\$ -	\$ 92,181	\$ -	\$ -	\$ (1,400,000)	\$ (1,307,819)

P 31

CHINO BASIN WATERMASTER
 TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
 AUGUST 1, 2017 THROUGH AUGUST 31, 2017

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
8/10/2017	Withdrawal		\$ (1,400,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ (1,400,000)	\$0			

* The earnings rate for L.A.I.F. is a daily variable rate; 0.92% was the effective yield rate at the Quarter ended June 30, 2017.

INVESTMENT STATUS
 August 31, 2017

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 8,655,833			
TOTAL INVESTMENTS	\$ 8,655,833			

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

P32



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: October 19, 2017
TO: Advisory Committee Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2017 through August 31, 2017 -
Financial Report B5 (August 31, 2017)

SUMMARY

Issue: Record of revenues and expenses of Watermaster for the Period of July 1, 2017 through August 31, 2017.

Recommendation: Receive and file Budget vs. Actual Report for the Period July 1, 2017 through August 31, 2017 as presented.

Financial Impact: Funds disbursed were included in the FY 2017/18 "Amended" Watermaster Budget.

Future Consideration

Advisory Committee – October 19, 2017: Receive and File
Watermaster Board – October 26, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – October 12, 2017: Unanimously approved
Non-Agricultural Pool – October 12, 2017: Moved unanimously to receive and file, without approval
Agricultural Pool – October 12, 2017: Unanimously approved
Advisory Committee – October 19, 2017:
Watermaster Board – October 26, 2017:

BACKGROUND

A Budget vs. Actual Report for the period July 1, 2017 through August 31, 2017 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 18.0, 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 – AUGUST 2017

Year-To-Date (YTD) for the two months ending August 31, 2017, all but four categories were at or below the projected budget. The categories over budget were (1) Administration Salary/Benefits expenses (6010's) which were over budget by \$9,210 or 5.4% as a result of increased staff time and activities in the administrative functions. Please note that the overage is only in the administrative section, not with the entire consolidated staffing budget; (2) Watermaster Legal Services expenses (6070's) over budget by \$19,927 or 60.9% as a result of miscellaneous legal matters as detailed in the BHFS section; (3) Appropriative Pool Administrative expenses (8300's) over budget by \$2,336 or 10.0% as a result of increased legal services performed by the Appropriative Pool legal counsel during the months of July 2017 through August 2017; and (4) Agricultural Pool Legal Services (8467's) over budget by \$34,446 or 100.8% as a result of increased legal services performed during the months of July 2017 through August 2017. For the majority of the expense categories within the Watermaster budget for FY 2017/18, the individual line-item budgets are divided into 12-monthly amounts and allocated accordingly. As the fiscal year progresses, these categories listed above might level out over time and be within the budget levels.

Overall, the Watermaster (YTD) Actual Expenses were \$4,258,085 or 68.1% below the (YTD) Budgeted Expenses of \$6,250,214.

There were no Pool, Advisory or Board meetings scheduled for the month of August 2017.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

July 2017:

During the month of July 2017, the "Carry Over" funding was calculated. The Total "Carry Over" funding amount of \$4,119,779.24 has been posted to the general ledger accounts. The total amount of \$4,119,779.24 consisted of \$3,926,672.24 from Capital Improvement Projects and \$193,107 from Engineering Services. More detailed information is provided regarding this issue under the "Carry Over" Funding section.

The Amended Budget for FY 2017/18 is \$15,958,477.24 which includes \$4,119,779.24 for the prior years "Carry Over" funding. The Original Approved budget for FY 2017/18 of \$11,838,698 was approved by the Watermaster Board on May 25, 2017 ($\$11,838,698 + \$4,119,779.24 = \$15,958,477.24$).

SALARIES EXPENSE

CURRENT MONTH – AUGUST 2017

As of August 31, 2017, the total (YTD) Watermaster salary expenses were \$10,646 or 3.6% below the (YTD) budgeted amount of \$294,941. The overall staffing budget was developed with a staffing level of ten Full-Time Equivalents (FTE's), and staffing is currently at nine Full-Time Equivalents (FTE's). The position of Water Resources Associate remains vacant and could be recruited for in the future as the work demands increase.

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 2017/18 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 August 31, 2017. 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 '17 - Aug '17 Actual	Jul '17 - Aug '17 Budget	\$ Over Budget	% of Budget	FY 2017/18 Annual Budget
WM Salary Expense					
6011 · WM Staff Salaries	165,562.59	163,537.00	2,025.59	101.24%	966,354.00
6011.1 · WM Staff Salaries - Overtime	1,400.89	0.00	1,400.89	100.0%	0.00
6011.4 · 457(f) NQDC Plan	4,361.27	3,951.00	410.27	110.38%	23,710.00
6015 · Miscellaneous Payments	0.00	0.00	0.00	0.0%	0.00
6017 · Temporary Services	0.00	3,500.00	-3,500.00	0.0%	21,000.00
6201 · Advisory Committee - WM Staff Salaries	2,580.25	4,181.00	-1,600.75	61.71%	24,708.00
6301 · Watermaster Board - WM Staff Salaries	3,900.95	6,408.00	-2,507.05	60.88%	37,863.00
8301 · Appropriative Pool - WM Staff Salaries	6,303.16	5,727.00	576.16	110.06%	33,842.00
8401 · Agricultural Pool - WM Staff Salaries	2,678.29	5,053.00	-2,374.71	53.0%	29,853.00
8501 · Non-Agricultural Pool - WM Staff Salaries	2,580.93	3,309.00	-728.07	78.0%	19,557.00
6901 · OBMP - WM Staff Salaries	13,469.05	15,542.00	-2,072.95	86.66%	91,832.00
7101.1 · Production Monitor - WM Staff Salaries	7,704.78	9,138.00	-1,433.22	84.32%	53,992.00
7102.1 · In-line Meter - WM Staff Salaries	0.00	1,725.00	-1,725.00	0.0%	10,197.00
7103.1 · Grdwater Quality - WM Staff Salaries	4,145.71	9,405.00	-5,259.29	44.08%	55,574.00
7104.1 · Grdwater Level - WM Staff Salaries	10,077.78	6,772.00	3,305.78	148.82%	40,022.00
7107.1 · GrdLevel Monitoring - WM Staff Salaries	253.33	0.00	253.33	100.0%	0.00
7108.1 · Hydraulic Control - WM Staff Salaries	0.00	568.00	-568.00	0.0%	3,356.00
7108.11 · Prado Basin - WM Staff Salaries	588.51	1,053.00	-464.49	55.89%	6,219.00
7201 · Comp Recharge - WM Staff Salaries	10,688.63	16,073.00	-5,384.37	66.5%	94,978.00
7301 · PE3&5 - WM Staff Salaries	0.00	2,710.00	-2,710.00	0.0%	16,017.00
7401 · PE4 - WM Staff Salaries	0.00	1,650.00	-1,650.00	0.0%	9,747.00
7501 · PE6&7 - WM Staff Salaries	1,247.98	806.00	441.98	154.84%	4,759.00
7501.1 · PE 6&7 - WM Staff Salaries (Plume)	0.00	903.00	-903.00	0.0%	5,338.00
7601 · PE8&9 - WM Staff Salaries	2,431.03	8,064.00	-5,632.97	30.15%	47,656.00
Subtotal WM Staff Costs	239,975.13	270,075.00	-30,099.87	88.86%	1,596,574.00
60185 · Vacation	30,719.47	12,082.00	18,637.47	254.26%	72,497.00
60186 · Sick Leave	3,464.19	8,523.00	-5,058.81	40.65%	51,138.00
60187 · Holidays	10,136.04	4,261.00	5,875.04	237.88%	51,138.00
Subtotal WM Paid Leaves	44,319.70	24,866.00	19,453.70	178.23%	174,773.00
Total WM Salary Costs	284,294.83	294,941.00	-10,646.17	96.39%	1,771,347.00

PREVIOUSLY REPORTED ACTIONS (Descending Order)
None

LEGAL SERVICES
BROWNSTEIN HYATT FARBER SCHRECK EXPENSES

CURRENT MONTH – AUGUST 2017

As of August 31, 2017, 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 \$19,877 or 12.0% below the (YTD) budgeted amount of \$165,025.

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 2017/18. The total legal services budget was developed by multiplying the number of hours that would be required to complete the specific tasks by the hourly rate. The "Approved" budget was adopted for the original amount of \$964,783.

WATERMASTER ADMINISTRATIVE LEGAL SERVICES:

Overall, the Watermaster Administrative Legal Services expense (6070's) as of August 31, 2017, was \$19,927 or 60.9% above the budgeted amount of \$32,708. The specific items within the Administrative Legal Services expenses (6070's) which were under budget were the expenses for Court Coordination (6071) under budget by \$6,429 or 93.5%; Rules and Regulations (6072) under budget by \$3,688 or 72.9%; Personnel Matter (6073) under budget by \$4,919 or 98.4%; Interagency Issues (6074) under budget by \$5,100 or 100.0%; and Party Status Maintenance (6077) under budget by \$4,782 or 100.0%. The specific items within the Administrative Legal Services expenses (6070's) which were over budget were the Miscellaneous Category expenses (6078) over budget by \$44,844 or 761.2%. Please see Note 1 on the following page for a more detailed explanation of the miscellaneous types of expenses.

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, 6375.1, 8375, 8475 and 8575). The legal service costs associated with the Board Workshop(s) are also included as part of this group. Overall, this category of legal expenses as of August 31, 2017 was \$16,509 or 50.4% below the budgeted amount of \$32,740. 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 August 2017, 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 below the budget for the month. As of August 31, 2017 the category of OBMP legal expenses were \$23,295 or 23.4% below the budgeted amount of \$99,577. The majority of expenses within this OBMP category were under budget (YTD), however, the Safe Yield Redetermination and Reset legal expenses (6907.42) were over budget by \$39,567 or 343.1%.

The table listed below summarizes the Brownstein Hyatt Farber Schreck (BHFS) expenses as of August 31, 2017 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 '17 - Aug '17 Actual	Jul '17 - Aug '17 Budget	\$ Over Budget	% of Budget	FY 2017/18 Annual Budget
6070 · Watermaster Legal Services					
6071 · BHFS Legal - Court Coordination	447.30	6,876.00	-6,428.70	6.51%	41,250.00
6072 · BHFS Legal - Rules & Regulations	1,371.15	5,059.00	-3,687.85	27.1%	15,175.00
6073 · BHFS Legal - Personnel Matters	81.00	5,000.00	-4,919.00	1.62%	25,000.00
6074 · BHFS Legal - Interagency Issues	0.00	5,100.00	-5,100.00	0.0%	30,600.00
6076 · BHFS Legal - Storage Issues	0.00	0.00	0.00	0.0%	0.00
6077 · BHFS Legal - Party Status Maintenance	0.00	4,782.00	-4,782.00	0.0%	28,700.00
6078 · BHFS Legal - Miscellaneous (Note 1)	50,735.47	5,891.00	44,844.47	861.24%	35,350.00
Total 6070 · Watermaster Legal Services	52,634.92	32,708.00	19,926.92	160.92%	176,075.00
6275 · BHFS Legal - Advisory Committee	1,147.50	3,400.00	-2,252.50	33.75%	18,700.00
6375 · BHFS Legal - Board Meeting	7,824.36	14,040.00	-6,215.64	55.73%	77,220.00
6375.1 · BHFS Legal - Board Workshop(s)	0.00	0.00	0.00	0.0%	11,163.00
8375 · BHFS Legal - Appropriative Pool	2,419.77	5,100.00	-2,680.23	47.45%	28,050.00
8475 · BHFS Legal - Agricultural Pool	2,419.74	5,100.00	-2,680.26	47.45%	28,050.00
8575 · BHFS Legal - Non-Ag Pool	2,419.72	5,100.00	-2,680.28	47.45%	28,050.00
Total BHFS Legal Services	16,231.09	32,740.00	-16,508.91	49.58%	191,233.00
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	4,083.00	-4,083.00	0.0%	24,500.00
6907.32 · Chino Airport Plume	0.00	4,083.00	-4,083.00	0.0%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	3,587.00	-3,587.00	0.0%	21,525.00
6907.34 · Santa Ana River Water Rights	670.20	4,367.00	-3,696.80	15.35%	26,200.00
6907.36 · Santa Ana River Habitat	2,803.50	11,550.00	-8,746.50	24.27%	69,300.00
6907.38 · Reg. Water Quality Cntrl Board	2,035.35	2,391.00	-355.65	85.13%	14,350.00
6907.39 · Recharge Master Plan	512.10	14,400.00	-13,887.90	3.56%	86,400.00
6907.40 · Storage Agreements	13,171.60	28,933.00	-15,761.40	45.52%	173,600.00
6907.41 · Prado Basin Habitat Sustainability	2,436.75	2,533.00	-96.25	96.2%	15,200.00
6907.42 · Safe Yield Recalculation	51,099.74	11,533.00	39,566.74	443.07%	69,200.00
6907.44 · SGMA Compliance	3,553.20	7,200.00	-3,646.80	49.35%	43,200.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	4,917.00	-4,917.00	0.0%	29,500.00
Total 6907 · WM Legal Counsel	76,282.44	99,577.00	-23,294.56	76.61%	597,475.00
Total Brownstein, Hyatt, Farber, Schreck Costs	145,148.45	165,025.00	-19,876.55	87.96%	964,783.00

Note 1: The types of legal activities that have been charged against the "Miscellaneous" legal category account 6078 are as follows:
 (1) Correspondence and discussions with Watermaster staff regarding current issues/topics; (2) Correspondence with Watermaster staff regarding special projects (assessment package, replenishment obligations, annual report, audit report, business plan, etc.); (3) Brownstein's status review of ongoing Watermaster projects and issues; (4) Brownstein's update of the outstanding issues list; (5) Coordination of ongoing Watermaster projects; (6) Review of draft documents and contracts; (7) Review transfer documents; (8) Ground-Level Monitoring Committee reports/meetings; (9) Review process and criteria for SGMA reporting; (10) MVWD SCADA Agreement and installation; (11) Angelica Corporation Bankruptcy matter; (12) NRG/GENON Bankruptcy matter; (13) Pomona extensometer project, CEQA review and compliance; (14) Desalter Replenishment obligations, assessment methodologies, and ongoing issues; (15) Master Cost Sharing Agreement with IEUA; (16) Estimation and adoption of an evaporative loss policy for Recharge; and (17) Miscellaneous legal research on current and pending issues.

PREVIOUSLY REPORTED ACTIONS (Descending Order)
None

OBMP ENGINEERING SERVICES AND LEGAL COSTS

CURRENT MONTH – AUGUST 2017

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 two months ending August 31, 2017, the actual expenses of \$217,113 were below the budgeted amount of \$227,804 by \$10,691 or 4.7%. For a detailed discussion, the following is provided.

For August 31, 2017, the accounts 6901-6903 (Optimum Basin Mgmt. Program) section was below the Year-To-Date (YTD) budget by \$14,327 or 51.5%. Watermaster utilizes an in-house database time and

attendance system to record and document staff's actual hours worked and also allocates those hours to a specific project or activity. Watermaster staff time could be charged to Administrative, OBMP, or Implementation Project categories. Recently, Watermaster staff spent less time on specific OBMP related areas as budgeted. As a result, Watermaster staff allocated less actual time to the OBMP project as budgeted, which resulted in an under budget variance of \$2,073 or 13.3%. The remaining expense was the Santa Ana Watershed Project Authority (SAWPA) FY 2017/18 Basin Monitoring Program Task Force Contribution which was budgeted at \$12,254 but actual expenses have not yet been received or booked and resulted in an under budget variance of \$12,254 or 100.0% as of August 31, 2017.

For August 31, 2017, the accounts 6906 (Optimum Basin Mgmt. Program Engineering Services) section was above the Year-To-Date (YTD) budget by \$28,846 or 29.4%. For FY 2017/18, the OBMP-Safe Yield Redetermination and Reset expenses (6906.73) did not have a budget amount authorized and for the month of August, there were no expenses charged to the OBMP-Safe Yield Redetermination and Reset account. The majority of expenses within this OBMP category were under budget (YTD), however, the accounts which were over budget were as follows: the OBMP-Watermaster Model Update expenses (6906.1) which were over budget by \$2,744 or 27.8%; the Water Rights Compliance Reporting expenses (6906.22) which were over budget by \$5,205 or 122.3%; the OBMP-Other General Meetings Engineering Services expenses (6906.32) which were over budget by \$4,261 or 70.3%; the OBMP-Data Requests-CBWM Staff Engineering Services expenses (6906.71) which were over budget by \$3,831 or 21.0%; the OBMP-Material Physical Injury Request expenses (6906.74) which were over budget by \$3,809 or 32.6%; Preparation of the 40th Annual Report expenses (6906.81) which were over budget by \$326 or 5.7%; and the OBMP-2018 RMPU Master Update expenses (6906.90) which were over budget by \$28,786 or 265.7%.

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 \$39,567 while some other line item activities were below the budget by \$62,862. Above the budget line items was the Safe Yield Redetermination and Reset expenses of \$39,567. The individual legal projects/activities that were below budget for the Year-To-Date (YTD) period were the Archibald South Plume of \$4,083; the Chino Airport Plume of \$4,083; the Desalter/Hydraulic Control of \$3,587; the Santa Ana River Water Rights expenses of \$3,697; the Santa Ana River Habitat expenses of \$8,747; the Regional Water Quality Control Board of \$356; the Recharge Master Plan of \$13,888; Storage Agreements of \$15,761; the Prado Basin Habitat Sustainability of \$96; the SGMA Compliance of \$3,647; and the WM Unanticipated legal expenses of \$4,9171. For the two months ended August 31, 2017, the overall cumulative (YTD) budget was \$99,577 and the actual (BHFS) legal expenses totaled \$76,282 which resulted in an under budget variance of \$23,295 or 23.4%.

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 August 31, 2017 this category of expenses was \$1,915 or 85.1% below the budgeted amount of \$2,250.

The WEI Support for IEUA expenses are categorized within the category (6910's). The individual general ledger accounts are as follows: IRP Groundwater Modeling-WEI expenses (6910.10); As Needed Support for Obtaining Grant Funding of RMPU Projects expenses (6910.11); Preparation of a Compliance Demonstration for Stormwater Recharge expenses (6910.12); Ground Water Velocity Field for the San Sevaine Improvement Project expenses (6910.13); Truing-Up the 2013 RMPU Estimates expenses (6910.14); WEI Support-HCP Modeling expenses (6910.15); and RMPU-MPI Analysis expenses (6910.20). These expenses are billed directly to IEUA on the following month once the payment has been issued to Wildermuth Environmental, Inc. per the agreement. As of August 31, 2017 this category of expenses was fully invoiced in the amount of \$0 to IEUA.

Overall, the Optimum Basin Management Program (OBMP) category was \$217,113 compared to a (YTD) budget of \$227,804 for an under budget of \$10,691 or 4.7% as of August 31, 2017.

The table listed below summarizes the Optimum Basin Management Program (OBMP) expenses as of August 31, 2017 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 '17 - Aug '17 Actual	Jul '17 - Aug '17 Budget	\$ Over Budget	% of Budget	FY 2017/18 Annual Budget
6900 · Optimum Basin Mgmt Plan					
6901 · WM Staff Salaries	13,469.05	15,542.00	-2,072.95	86.66%	91,832.00
6903 · OBMP SAWPA Group	0.00	12,254.00	-12,254.00	0.0%	12,254.00
Total 6901-6903 · OBMP WM Staff/SAWPA	13,469.05	27,796.00	-14,326.95	48.46%	104,086.00
6906 · OBMP Engineering Services					
6906.1 · OBMP - Watermaster Model Update	12,604.50	9,861.00	2,743.50	127.82%	59,164.00
6906.21 · State of the Basin Report	0.00	0.00	0.00	0.0%	0.00
6906.22 · Water Rights Compliance Reporting	9,460.25	4,255.00	5,205.25	222.33%	25,528.00
6906.23 · SGMA Reporting Requirements	0.00	4,066.00	-4,066.00	0.0%	24,392.00
6906.24 · Compliance - SB88 and SWRCB	0.00	1,169.00	-1,169.00	0.0%	7,012.00
6906.25 · Initial Assessment - Section 4.5-SYRA	0.00	0.00	0.00	0.0%	0.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	8,555.21	16,159.00	-7,603.79	52.94%	96,950.00
6906.32 · OBMP - Other General Meetings	10,323.95	6,063.00	4,260.95	170.28%	36,381.00
6906.71 · OBMP - Data Requests - CBWM Staff	22,070.60	18,240.00	3,830.60	121.0%	109,440.00
6906.72 · OBMP - Data Requests - Non CBWM	195.00	5,292.00	-5,097.00	3.69%	31,752.00
6906.73 · OBMP - Safe Yield Recalculation	0.00	0.00	0.00	0.0%	0.00
6906.74 · OBMP - Mat'l Phy. Injury Requests	15,475.75	11,667.00	3,808.75	132.65%	70,000.00
6906.75 · OBMP - Recharge Master Plan	0.00	0.00	0.00	0.0%	0.00
6906.81 · Prepare 40th Annual Report	6,041.30	5,715.00	326.30	105.71%	20,000.00
6906.82 · Support for Assessment Package	0.00	0.00	0.00	0.0%	0.00
6906.90 · OBMP - 2018 RMPU Master Update	39,619.00	10,833.00	28,786.00	365.73%	65,000.00
6906 · OBMP Engineering Services - Other	2,681.20	4,861.00	-2,179.80	55.16%	29,164.00
Total 6906 · OBMP Engineering Services	127,026.76	98,181.00	28,845.76	129.38%	574,783.00
6907 · OBMP Legal Fees					
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	4,083.00	-4,083.00	0.0%	24,500.00
6907.32 · Chino Airport Plume	0.00	4,083.00	-4,083.00	0.0%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	3,587.00	-3,587.00	0.0%	21,525.00
6907.34 · Santa Ana River Water Rights	670.20	4,367.00	-3,696.80	15.35%	26,200.00
6907.36 · Santa Ana River Habitat	2,803.50	11,550.00	-8,746.50	24.27%	69,300.00
6907.38 · Reg. Water Quality Cntrl Board	2,035.35	2,391.00	-355.65	85.13%	14,350.00
6907.39 · Recharge Master Plan	512.10	14,400.00	-13,887.90	3.56%	86,400.00
6907.40 · Storage Agreements	13,171.60	28,933.00	-15,761.40	45.52%	173,600.00
6907.41 · Prado Basin Habitat Sustainability	2,436.75	2,533.00	-96.25	96.2%	15,200.00
6907.42 · Safe Yield Recalculation	51,099.74	11,533.00	39,566.74	443.07%	69,200.00
6907.44 · SGMA Compliance	3,553.20	7,200.00	-3,646.80	49.35%	43,200.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	4,917.00	-4,917.00	0.0%	29,500.00
Total 6907 · WM Legal Counsel	76,282.44	99,577.00	-23,294.56	76.61%	597,475.00
Total 6907 · OBMP Legal Fees	76,282.44	99,577.00	-23,294.56	76.61%	597,475.00
6909 · OBMP Other Expenses					
6909.1 · OBMP Meetings	335.11	250.00	85.11	134.04%	1,500.00
6909.3 · Other OBMP Expenses	0.00	333.00	-333.00	0.0%	2,000.00
6909.6 · OBMP Expenses - Miscellaneous	0.00	1,667.00	-1,667.00	0.0%	10,000.00
Total 6909 · OBMP Other Expenses	335.11	2,250.00	-1,914.89	14.89%	13,500.00
6910 · WEI Support for IEUA					
6910.10 · IRP Groundwater Modeling - WEI	0.00	0.00	0.00	0.0%	0.00
6910.11 · WEI Support-Grant Funding-RMPU	0.00	0.00	0.00	0.0%	0.00
6910.12 · WEI Support-Stormwater Recharge	0.00	0.00	0.00	0.0%	0.00
6910.13 · IEUA-San Sevaine Improvement Project	0.00	0.00	0.00	0.0%	0.00
6910.14 · Truing-Up 2013 RMPU Estimates	0.00	0.00	0.00	0.0%	0.00
6910.15 · WEI Support-HCP Modeling	0.00	0.00	0.00	0.0%	0.00
6910.20 · RMPU-MPI Analysis	0.00	0.00	0.00	0.0%	0.00
6910.50 · WEI Support for IEUA-Billings	0.00	0.00	0.00	0.0%	0.00
Total 6910 · WEI Support for IEUA	0.00	0.00	0.00	0.0%	0.00
Total 6900 · Optimum Basin Mgmt Plan	217,113.36	227,804.00	-10,690.64	95.31%	1,289,844.00

PREVIOUSLY REPORTED ACTIONS (Descending Order)
None

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

CURRENT MONTH – AUGUST 2017

As of August 31, 2017, the total (YTD) Engineering Services expenses were \$419,167 or 48.2% below the (YTD) budget amount of \$869,844. The OBMP Implementation Projects (consolidated accounts 7100's – 7700's) were all under budget as of August 31, 2017.

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 first quarter ECAC report (for the months July 2017 - September 2017) is scheduled to be produced by Wildermuth Environmental, Inc. and distributed to Watermaster during the month of October 2017.

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 August 31, 2017. 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 '17 - Aug '17 Actual	Jul '17 - Aug '17 Budget	\$ Over Budget	% of Budget	FY 2017/18 Annual Budget
6906 · OBMP Engineering Services - Other	2,681.20	4,861.00	-2,179.80	55.16%	29,164.00
6906.1 · OBMP - Watermaster Model Update	12,604.50	9,861.00	2,743.50	127.82%	59,164.00
6906.21 · State of the Basin Report	0.00	0.00	0.00	0.0%	0.00
6906.22 · Water Rights Compliance Reporting	9,460.25	4,255.00	5,205.25	222.33%	25,528.00
6906.23 · SGMA Reporting Requirements	0.00	4,066.00	-4,066.00	0.0%	24,392.00
6906.24 · Compliance - SB88 and SWRCB	0.00	1,169.00	-1,169.00	0.0%	7,012.00
6906.25 · Initial Assessment - Section 4.5-SYRA	0.00	0.00	0.00	0.0%	0.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	8,555.21	16,159.00	-7,603.79	52.94%	96,950.00
6906.32 · OBMP - Other General Meetings	10,323.95	6,063.00	4,260.95	170.28%	36,381.00
6906.71 · OBMP - Data Requests - CBWM Staff	22,070.60	18,240.00	3,830.60	121.0%	109,440.00
6906.72 · OBMP - Data Requests - Non CBWM	195.00	5,292.00	-5,097.00	3.69%	31,752.00
6906.74 · OBMP - Mat'l Physical Injury Requests	15,475.75	11,667.00	3,808.75	132.65%	70,000.00
6906.81 · Prepare 40th Annual Report	6,041.30	5,715.00	326.30	105.71%	20,000.00
6906.90 · OBMP - 2018 RMPU Master Update	39,619.00	10,833.00	28,786.00	365.73%	65,000.00
7103.3 · Grdwtr Qual-Engineering	33,075.90	25,433.00	7,642.90	130.05%	128,595.00
7103.5 · Grdwtr Qual-Lab Svcs	14,256.00	16,369.00	-2,113.00	87.09%	49,109.00
7104.3 · Grdwtr Level-Engineering	27,258.02	34,309.00	-7,050.98	79.45%	205,859.00
7104.8 · Grdwtr Level-Contracted Services	0.00	1,667.00	-1,667.00	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equipment	0.00	1,333.00	-1,333.00	0.0%	8,000.00
7107.2 · Grd Level-Engineering	7,414.91	29,145.00	-21,730.09	25.44%	71,356.00
7107.3 · Grd Level-SAR Imagery	0.00	21,652.00	-21,652.00	0.0%	86,608.00
7107.6 · Grd Level-Contract Svcs	14,295.88	48,255.00	-33,959.12	29.63%	168,552.00
7107.8 · Grd Level-Capital Equipment	0.00	583.00	-583.00	0.0%	3,500.00
7108.3 · Hydraulic Control-Engineering	0.00	3,300.00	-3,300.00	0.0%	19,800.00
7108.31 · Hydraulic Control-PBHSP	19,782.46	26,359.00	-6,576.54	75.05%	128,159.00
7108.32 · Hydraulic Control-Adaptive Mgmt Plan	0.00	0.00	0.00	0.0%	0.00
7108.4 · Hydraulic Control-Lab Svcs	2,032.00	4,011.00	-1,979.00	50.66%	24,064.00
7108.41 · Hydraulic Control-PBHSP	0.00	3,083.00	-3,083.00	0.0%	18,500.00
7108.6 · Hydraulic Control-Outside Professionals	0.00	833.00	-833.00	0.0%	5,000.00
7109.3 · Recharge & Well - Engineering	902.30	3,897.00	-2,994.70	0.0%	23,377.00
7202.2 · Comp Recharge-Engineering Services	32,191.34	26,996.00	5,195.34	119.25%	161,976.00
7303 · PE3&5-Engineering - Other	0.00	1,607.00	-1,607.00	0.0%	9,640.00
7402 · PE4-Engineering	34,782.43	17,215.00	17,567.43	202.05%	103,290.00
7402.10 · PE4-MZ1 Pomona Project	30,148.25	396,764.00	-366,615.75	7.6%	1,669,543.00
7403 · PE4-Contract Svcs	0.00	3,333.00	-3,333.00	0.0%	20,000.00
7502 · PE6&7-Engineering	23,960.40	19,186.00	4,774.40	124.89%	79,113.00
7510 · PE6&7-IEUA Salinity Mgmt. Plan	13,037.20	20,966.00	-7,928.80	62.18%	125,806.00
7602 · PE8&9-Engineering	70,513.23	65,367.00	5,146.23	107.87%	182,207.00
Total Engineering Services Costs	450,677.08	869,844.00	-419,166.92	51.81%	3,876,837.00 *

* Wildermuth and Subcontractor Engineering Budget of \$3,683,730 plus Carryover Funds from FY 2016/17 of \$193,107 = \$3,876,837
Carryover Funds from FY 2016/17 of \$193,107 = \$20,702 (7107.2); \$24,196 (7107.6); \$6,000 (7108.31); and \$142,209 (7402.10)

PREVIOUSLY REPORTED ACTIONS (Descending Order)

July 2017:

The breakdown of the total Task Order amount of \$3,683,730 includes direct labor costs for Wildermuth Environmental, Inc. (55.9%) along with other direct charges such as equipment rental, laboratory fees, travel costs, reproduction costs, and outside professional services (44.1%).

The approved "Original" Engineering Services budget of \$3,683,730 was increased by "Carry Over" funding in the amount of \$193,107 to the "Amended" amount of \$3,876,837 for FY 2017/18 as provided in the Engineering Services Task Order. 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 2017/18 timeframe or future years. The Carry-Over amount of \$193,107 from FY 2016/17 to the FY 2017/18 budget are provided in detail as follows:

1. 7107.2 Ground-Level – Engineering Services of \$20,702. This budget was for work to identify and install a new horizontal extensometer in the Managed Area. This work was not performed in FY

2016/17 because the GLMC did not recommend the installation of a horizontal extensometer as of yet, and may not recommend the installation in FY 2017/18. The budget is recommended to be carried over because the GLMC may recommend the use of this budget in FY 2017/18 to install additional benchmark monuments across the historical fissure zone for monitoring of ground motion via traditional leveling surveys and electronic distance measurements.

2. 7107.6 Ground-Level – Contract Services of \$24,196. This budget was for Outside Professional services to assist with identifying and installing a new horizontal extensometer in the Managed Area. This work was not performed in FY 2016/17 because the GLMC did not recommend the installation of a horizontal extensometer as of yet, and may not recommend the installation in FY 2017/18. The budget is recommended to be carried over because the GLMC may recommend the use of this budget in FY 2017/18 to install additional benchmark monuments across the historical fissure zone for monitoring of ground motion via traditional leveling surveys and electronic distance measurements.
3. 7108.31 HCMP – Engineering Services for \$6,000. This carryover budget is for finalizing the 2016 Annual Report of the PBHSC, including responding to comments from the state and federal Fish and Wildlife departments.
4. 7402.1 OBMP Engineering Services Northwest MZ-1 for \$142,209. This carryover budget is for work not performed in FY 2016/17 including: (i) finalizing the Categorical Exemption for the Pomona Extensometer to comply with CEQA; (ii) support for preparation of the bid package for selection of the drilling contractor; (iii) support for the bid and contractor selection; (iv) updating the SCADA systems for MVWD and City of Pomona to collect high-resolution production and water-level data; and (v) finalizing the reports on the hydrogeology of the Northwest MZ-1 Area and the modeling of subsidence management alternatives. All of this work will be completed in FY 2017/18.

PRADO BASIN HABITAT SUSTAINABILITY PROGRAM

Ongoing Costs

Program costs that are ongoing (Ongoing Costs) will be cost-shared between Watermaster and IEUA, split on a 50/50 basis, subject to the following limitation: in each fiscal year, neither Watermaster nor IEUA shall be obligated to reimburse the other for Ongoing Costs that exceed the amount that the reimbursing party has budgeted for Ongoing Costs in that fiscal year, except as agreed upon by both parties in writing or as amended during the fiscal year. The first year expenses (FY 2016/17) to be cost shared is approximately \$300,000, with projected future years (FY 2017/18 and forward) estimated at approximately \$150,000. For the purposes of the agreement, Ongoing Costs are defined as the costs associated with the following Program activities:

1. A Riparian Habitat Monitoring Program, including, but not limited to, the following sub-tasks:
 - a. Design and implement a site-specific vegetation monitoring program with the United States Bureau of Reclamation (USBR) and Orange County Water District, pursuant to which USBR will perform site-specific vegetation surveys.
 - b. Manage and perform custom flight to collect a high resolution air photo of the Prado Basin Region.
 - c. Collect, check, and upload historical air photos and vegetation survey data in the Prado Basin region.
 - d. Collect, check, and upload historical Landsat data in the Prado Basin region.
2. A Climate Monitoring Program, including, but not limited to, the following sub-task:
 - a. Collect, check, and upload climatic data on an annual basis
3. Preparation of the AMP Annual Report (Annual Report), including, but not limited to, the following sub-tasks:
 - a. Water level monitoring, vegetation survey, photo monitoring, landsat data, climate data and analysis of the components.

- b. Analyze data and prepare an administrative draft of the Annual Report for Watermaster/IEUA.
 - c. Incorporate the Watermaster and IEUA comments and prepare a draft Annual Report for review by the PBHSC.
 - d. Meet with PBHSC to review draft Annual Report.
 - e. Incorporate PBHSC comments and finalize the Annual Report.
4. Annual license fees for monitoring wells.
 5. Project management and administration activities associated with the Program undertaken by a Party's consultant, including, but not limited to, the following sub-tasks:
 - a. Ad-Hoc Meetings
 - b. Preparation of scope and budget for the Program
 - c. Project administration and financial reporting
 6. Other costs required to fulfill the requirements of Peace II Subsequent EIR mitigation measure 4.4-3.

Watermaster shall be responsible for the costs associated with the Groundwater Level Monitoring Program, Groundwater Quality Monitoring Program, and Surface Water Monitoring Program.

Watermaster and IEUA shall each have responsibility for its own administrative costs, excluding the tasks and expenses included under Set-Up Costs and Ongoing Costs.

Watermaster and IEUA will meet to review the cost-sharing structure under this agreement and negotiate necessary adjustments in good faith on at least an annual basis.

The Peace II SEIR does not explicitly state a duration for the monitoring and mitigation program. It is logical to assume that the program will last until the drawdown impacts, if any, on the riparian habitat from Peace II activities are fully manifested and not predicated to worsen, and that mitigation measures, if any are required, are fully implemented. This is not a perpetual agreement. Upon termination of the monitoring and any necessary mitigation obligations, the parties may elect to terminate the cost share agreement.

	Wildermuth Environmental, Inc.	50% Billing "TO" IEUA	50% Billing "FROM" IEUA	Costs For Watermaster
Jul. 2017 - Aug. 2017	\$ 8,491.70	\$ (4,245.85)	\$ -	\$ 4,245.85
Totals	\$ 8,491.70	\$ (4,245.85)	\$ -	\$ 4,245.85
	7108.31	7108.31	7108.31	
Maximum Costs	\$ 150,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00

PREVIOUSLY REPORTED ACTIONS (Descending Order)

July 2017:

Start-up Costs

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 was to ensure that the Prado Basin riparian habitat was not impacted by Hydraulic Control. The basic program tasks were to convene a committee that would 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 was 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 Watermaster Board. The increase from \$220,000 to \$300,000 was to reflect a change in the consultant preparing the Adaptive Management Plan. On August 25, 2016, the cost sharing agreement between IEUA and Watermaster was increased

from \$300,000 to \$385,000 ($\$770,000 \times 50\% = \$385,000$) with the approval of the Watermaster Board. A number of issues associated with the drilling of the monitoring wells (unavailable locations requiring negotiation of new easements, nesting season limitations, etc.), increased the cost of the construction of the 16 wells. The majority of the additional costs were due to extended construction management, additional easement fees, and environmental reporting for the pre- and during construction time period. The associated increase in cost was \$170,000, changing the total amount from \$600,000 to \$770,000.

The agreement was a 50/50 cost sharing agreement between Watermaster and IEUA with a not to exceed amount of \$385,000 for each party. Included in that cost was 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 had been applied for to offset the cost of this program; however, the Grants were not approved.

The information listed below is provided for the period of May 1, 2012 through June 30, 2017.

	Actual (Program Costs)
Adaptive Management Plan (AMP) - RBF	\$ 123,030.00
Monitoring Wells	\$ 166,326.66
WEI - Field Service	\$ 326,119.00
Tom Dodson - Initial Enviro	\$ 13,500.00
ESA - Enviro Reporting	\$ 39,328.79
Easements and Fees	\$ 65,465.06
IEUA - Contract CM labor	\$ 11,409.00
USBR Vegetation Survey	\$ 20,000.00
Annual Permit Fees	\$ 2,469.44
Grand Total	\$ 767,647.95
50/50 Share	\$ 383,823.98
Amount Paid by IEUA	\$ 383,823.98
Amount Paid by CBWM	\$ 383,823.98
Grand Total Paid	\$ 767,647.95

OTHER INCOME AND EXPENSE

Per section VI.D.3 of the Groundwater Storage Program Funding Agreement No. 49960 in the Chino Basin with The Metropolitan Water District of Southern California, the FY 2017/18 annual administrative fee invoice was issued on July 6, 2017 in the amount of \$163,621.82 under invoice number DYY 17-01. Payment in the amount of \$163,621.82 was received and deposited on August 7, 2017.

The three contributions of \$10,000 each (totaling \$30,000) to update the Blomquist Report were invoiced in July 2017 and all three payments have been received from Three Valleys Municipal Water District, Western Municipal Water District, and Inland Empire Utilities Agency.

There were no other significant items to report within the category of Other Income and Expenses for the month ending August 31, 2017.

PREVIOUSLY REPORTED ACTIONS (Descending Order)
 None

"CARRY OVER" FUNDING
 BACKGROUND OF "CARRY OVER" FUNDING

Once the FY 2016/17 period as of June 30, 2017 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 2017/18 budget. The Total "Carry Over" funding amount of \$4,119,779.24 was posted to the accounts as of July 1, 2017. The total amount of \$4,119,779.24 consisted of \$3,926,672.24 from Capital Improvement Projects and \$193,107 from Engineering Services.

CURRENT MONTH – AUGUST 2017

As of August 31, 2017, the total (YTD) amount remaining of the "Carried Over" funding is \$3,920,395.98 (\$4,119,779.24 - \$199,383.26 = \$3,920,395.98).

The following details are provided:

"Carried Over" Expenses At June 30, 2017

			<u>GL Account</u>		
Ground Level - Engineering Services	\$ 20,702.00	A	7107.2 ²	FY 2016/17	ENG
Ground Level - Contract Services	\$ 24,196.00	B	7107.6 ³	FY 2016/17	ENG
Hydraulic Control Engineering - PBHSP	\$ 6,000.00	C	7108.31 ⁴	FY 2016/17	ENG
PE4 - Northwest MZ-1 Area Project	\$ 142,209.00	D	7402.1 ⁵	FY 2016/17	ENG
Jurupa Pumping Station (TO #5)	\$ 37,981.33	E	7209.1 ¹	FY 2013/14	PROJ
Wineville Basin Proof of Concept (TO #6)	\$ 35,397.53	F	7209.2 ¹	FY 2013/14	PROJ
RMPU Amendment (TO #1)	\$ 1,205,263.30	G	7690.15	FY 2016/17	PROJ
East Decluz Basin (TO #1)	\$ 1,171.33	H	7690.16 ¹	FY 2016/17	PROJ
Hickory Basin Recharge Improvement Project	\$ 3,877.00	I	7690.3 ¹	FY 2013/14	PROJ
San Sevaine Recharge Improvement Project (TO #8)	\$ 125,851.95	J	7690.4	FY 2014/15	PROJ
San Sevaine Recharge Improvement Project (TO #8)	\$ 1,126,900.00	J	7690.4	FY 2015/16	PROJ
San Sevaine Recharge Improvement Project (TO #8)	\$ 1,065,600.00	J	7690.4	FY 2016/17	PROJ
CB20 Turnout Noise Abatement Project	\$ 859.80	K	7690.5 ¹	FY 2013/14	PROJ
GWR SCADA Upgrades (TO #4)	\$ 134,615.86	L	7690.61	FY 2014/15	PROJ
GWR SCADA Upgrades (TO #4)	\$ 38,675.00	L	7690.61	FY 2015/16	PROJ
Upper Santa Ana River HCP (TO #7)	\$ 32,836.88	M	7690.7	FY 2014/15	PROJ
Upper Santa Ana River HCP (TO #7)	\$ 5,000.00	M	7690.7	FY 2015/16	PROJ
Lower Day Basin RMPU (TO #2)	\$ 112,642.26	N	7690.8	FY 2016/17	PROJ
Total Balance, June 30, 2017	\$ 4,119,779.24				

"Carried Over" Balance, July 1, 2017 \$ 4,119,779.24

Less: (Invoices Received To Date FY 2017/18)

Ground Level - Engineering Services	\$ (7,414.91)	A	7107.2 ²	FY 2016/17	ENG
Ground Level - Contract Services	\$ (14,295.88)	B	7107.6 ³	FY 2016/17	ENG
Hydraulic Control Engineering - PBHSP	\$ (6,000.00)	C	7108.31 ⁴	FY 2016/17	ENG
PE4 - Northwest MZ-1 Area Project	\$ (30,148.25)	D	7402.1 ⁵	FY 2016/17	ENG
RMPU Amendment (TO #1)	\$ (71,667.98)	G	7690.15	FY 2016/17	PROJ
San Sevaine Recharge Improvement Project (TO #8)	\$ (19,261.77)	J	7690.4	FY 2014/15	PROJ
GWR SCADA Upgrades (TO #4)	\$ (12,615.05)	L	7690.61	FY 2014/15	PROJ
Lower Day Basin RMPU (TO #2)	\$ (37,979.42)	N	7690.8	FY 2016/17	PROJ
Updated Balance as of August 31, 2017	\$ 3,920,395.98				

¹ Project completed and funds are available for reallocation to another project, distribution to Appropriative Pool, or maintain as extra funding

² Work to identify and install a new horizontal extensometer in the Managed Area

³ Outside Professional services to assist with identifying and installing a new horizontal extensometer in the Managed Area

⁴ Finalizing the 2016 Annual Report of the PBHSC, including responding to comments from the state/federal Fish and Wildlife departments

⁵ For work not performed in FY 2016/17 related to the Northwest MZ-1 horizontal extensometer

ENGINEERING SERVICES:

Unspent funds related to ongoing projects and associated activities from the Engineering Services budget from FY 2016/17 in several accounts totaling \$193,107 were "Carried Over" into the current FY 2017/18 budget. These funds were from the Ground Level - Engineering Services [A] in the amount of \$20,702 in account (7107.2); Ground Level - Contract Services [B] in the amount of \$24,196 in account (7107.6); Hydraulic Control-Engineering - PBHSP [C] in the amount of \$6,000 in account (7108.31); and PE4-Northwest MZ-1 Area Project [D] in the amount of \$142,209 in account (7402.10).

COMPLETED PROJECTS WITH FUNDING AVAILABLE:

Several projects were completed during FY 2016/17 or in prior years 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 [E] in the amount of \$37,981.33 (account 7209.1); Wineville Basin Proof of Concept [F] in the amount of \$35,397.53 (account 7209.2); East Decluz Basin [H] in the amount of \$1,171.33 (account 7690.16); Hickory Basin Recharge Improvement Project [I] in the amount of \$3,877.00 (account 7690.3); and CB20 Turnout Noise Abatement Project [K] in the amount of \$859.80 (account 7690.5). The total amount available is \$79,286.99 ($\$37,981.33 + \$35,397.53 + \$1,171.33 + \$3,877.00 + \$859.80 = \$79,286.99$).

ONGOING RECHARGE IMPROVEMENT PROJECTS:

The RMPU Amendment-Task Order #1 [G] has a remaining budget from FY 2016/17 of \$1,205,263.30 in account (7690.15); the San Sevaine Recharge Improvement Project-Task Order #8 [J] has a remaining funded budget balance of \$2,318,351.95 in account (7690.4); the GWR SCADA Upgrades-Task Order #4 [L] has a remaining funded budget balance of \$173,290.86 in account (7690.61); the Upper Santa Ana River HCP-Task Order #7 [M] has a remaining funded balance of \$37,836.88 in account (7690.7); and the Lower Day Basin RMPU-Task Order #2 [N] has a remaining funded budget balance of \$112,642.26 in account (7690.8). The total funded budget for these combined projects is \$3,847,385.25.

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, 2018, any remaining balances of the FY 2017/18 and prior years funding (if any), along with any new FY 2017/18 expenses, will then be "Carried Over" into the FY 2018/19 budget.

AUDIT FIELD WORK

FY 2016/17:

The auditors from the audit firm of Fedak & Brown LLP were onsite at the Watermaster offices on April 5, 2017 through April 6, 2017. This was the start of the interim field work for the period of July 1, 2016 through February 28, 2017. The final field work for the period of March 1, 2017 through June 30, 2017 was completed during August 14, 2017 through August 16, 2017. The Annual Financial and Audit Reports are scheduled for presentation to the Watermaster Board by Fedak & Brown LLP at the October 26, 2017 Board meeting. The Annual Financial and Audit Reports for FY 2016/17 are anticipated to be posted to the Watermaster website no later than November 15, 2017.

ASSESSMENT INVOICING

CURRENT MONTH – AUGUST 2017

To date, all assessment invoice payments have been received and no other Assessment activity for the month to report.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

None

ATTACHMENTS

1. Financial Report - B5

	1/12th (8.33%) of the Total Budget				2/12th (16.67%) of the Total Budget				100% of the Total Budget			
	For The Month of August 2017				Year-To-Date as of August 31, 2017				Fiscal Year End as of June 30, 2018			
	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%	193,621.82	191,626.00	1,995.82	101.04%	193,621.82	191,626.00	1,995.82	101.04%
4110 · Admin Asmnts-Approp Pool	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	11,279,242.00	11,279,242.00	0.00	100.0%
4120 · Admin Asmnts-Non-Agri Pool	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	327,924.00	327,924.00	0.00	100.0%
4700 · Non Operating Revenues	3.56	0.00	3.56	100.0%	10.76	0.00	10.76	100.0%	39,906.00	39,906.00	0.00	100.0%
4900 · Miscellaneous Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Income	3.56	0.00	3.56	100.0%	193,632.58	191,626.00	2,006.58	101.05%	11,840,693.82	11,838,698.00	1,995.82	100.02%
Gross Profit	3.56	0.00	3.56	100.0%	193,632.58	191,626.00	2,006.58	101.05%	11,840,693.82	11,838,698.00	1,995.82	100.02%
Expense												
6010 · Admin. Salary/Benefit Costs	107,541.10	89,586.00	17,955.10	120.04%	180,946.94	171,737.00	9,209.94	105.36%	1,022,564.00	1,022,564.00	0.00	100.0%
6020 · Office Building Expense	8,288.42	8,931.00	-642.58	92.81%	16,678.16	17,767.00	-1,088.84	93.87%	112,914.00	112,914.00	0.00	100.0%
6030 · Office Supplies & Equip.	1,250.92	2,000.00	-749.08	62.55%	2,698.26	4,500.00	-1,801.74	59.96%	26,500.00	26,500.00	0.00	100.0%
6040 · Postage & Printing Costs	3,050.92	3,054.00	-3.08	99.9%	6,524.35	6,581.00	-56.65	99.14%	50,193.00	50,193.00	0.00	100.0%
6050 · Information Services	10,049.22	12,396.00	-2,346.78	81.07%	20,982.62	24,562.00	-3,579.38	85.43%	142,912.00	142,912.00	0.00	100.0%
6060 · Contract Services	7,792.04	8,300.00	-507.96	93.88%	16,390.17	17,100.00	-709.83	95.85%	60,000.00	60,000.00	0.00	100.0%
6070 · Watermaster Legal Services	23,551.69	13,854.00	9,697.69	170.0%	52,634.92	32,708.00	19,926.92	160.92%	176,075.00	176,075.00	0.00	100.0%
6080 · Insurance	0.00	0.00	0.00	0.0%	26,412.35	29,768.00	-3,355.65	88.73%	29,768.00	29,768.00	0.00	100.0%
6110 · Dues and Subscriptions	608.34	480.00	128.34	126.74%	9,633.22	9,730.00	-96.78	99.01%	23,385.00	23,385.00	0.00	100.0%
6140 · WM Admin Expenses	157.25	0.00	157.25	100.0%	200.82	350.00	-149.18	57.38%	2,350.00	2,350.00	0.00	100.0%
6150 · Field Supplies	-10.78	200.00	-210.78	-5.39%	34.22	400.00	-365.78	8.56%	1,450.00	1,450.00	0.00	100.0%
6170 · Travel & Transportation	1,690.13	1,325.00	365.13	127.56%	2,954.21	3,250.00	-295.79	90.9%	57,469.00	57,469.00	0.00	100.0%
6190 · Training, Conferences, Seminars	1,897.95	2,464.00	-566.05	77.03%	5,126.45	6,278.00	-1,151.55	81.66%	37,428.00	37,428.00	0.00	100.0%
6200 · Advisory Comm - WM Board	438.83	4,011.00	-3,572.17	10.94%	3,757.35	7,706.00	-3,948.65	48.76%	43,908.00	43,908.00	0.00	100.0%
6300 · Watermaster Board Expenses	872.32	13,244.00	-12,371.68	6.59%	16,933.76	26,273.00	-9,339.24	64.45%	175,546.00	175,546.00	0.00	100.0%
8300 · Appr PI-WM & Pool Admin	18,375.50	11,794.00	6,581.50	155.8%	25,787.99	23,452.00	2,335.99	109.96%	137,642.00	137,642.00	0.00	100.0%
8400 · Agri Pool-WM & Pool Admin	810.75	5,491.00	-4,680.25	14.77%	5,286.24	10,678.00	-5,391.76	49.51%	60,903.00	60,903.00	0.00	100.0%
8467 · Ag Legal & Technical Services	22,562.50	17,083.00	5,479.50	132.08%	68,612.50	34,167.00	34,445.50	200.82%	205,000.00	205,000.00	0.00	100.0%
8470 · Ag Meeting Attend -Special	1,475.00	1,850.00	-375.00	79.73%	2,275.00	3,700.00	-1,425.00	61.49%	22,200.00	22,200.00	0.00	100.0%
8471 · Ag Pool Expense	11,153.00	0.00	11,153.00	100.0%	11,153.00	21,250.00	-10,097.00	52.49%	85,000.00	85,000.00	0.00	100.0%
8485 · Ag Pool - Misc. Exp. - Ag Fund	57.02	100.00	-42.98	57.02%	57.02	100.00	-42.98	57.02%	400.00	400.00	0.00	100.0%
8500 · Non-Ag PI-WM & Pool Admin	8,347.56	9,355.00	-1,007.44	89.23%	16,910.78	18,559.00	-1,648.22	91.12%	108,507.00	108,507.00	0.00	100.0%
9400 · Depreciation Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9500 · Allocated G&A Expenditures	-18,818.76	-33,635.00	14,816.24	55.95%	-31,139.66	-67,269.00	36,129.34	46.29%	-403,615.00	-403,615.00	0.00	100.0%
6900 · Optimum Basin Mgmt Plan	106,698.22	108,128.00	-1,429.78	98.68%	217,113.36	227,804.00	-10,690.64	95.31%	1,289,844.00	1,289,844.00	0.00	100.0%
9501 · G&A Expenses Allocated-OBMP	4,087.64	7,025.00	-2,937.36	58.19%	6,585.56	14,049.00	-7,463.44	46.88%	84,298.00	84,298.00	0.00	100.0%
7101 · Production Monitoring	3,687.37	4,838.00	-1,150.63	76.22%	7,829.78	9,263.00	-1,433.22	84.53%	54,742.00	54,742.00	0.00	100.0%
7102 · In-line Meter Installation	0.00	3,668.00	-3,668.00	0.0%	0.00	9,858.00	-9,858.00	0.0%	68,072.00	68,072.00	0.00	100.0%
7103 · Grdwtr Quality Monitoring	40,092.85	26,326.00	13,766.85	152.29%	52,110.39	52,226.00	-115.61	99.78%	239,388.00	239,388.00	0.00	100.0%
7104 · Gdwtr Level Monitoring	19,281.83	23,175.00	-3,893.17	83.2%	37,335.80	46,039.00	-8,703.20	81.1%	275,631.00	275,631.00	0.00	100.0%
7105 · Sur Wtr Qual Monitoring	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
7107 · Ground Level Monitoring	4,116.77	16,676.00	-12,559.23	24.69%	21,964.12	99,901.00	-77,936.88	21.99%	331,612.00	331,612.00	0.00	100.0%
7108 · Hydraulic Control Monitoring	428.60	16,641.00	-16,212.40	2.58%	22,402.97	39,207.00	-16,804.03	57.14%	205,098.00	205,098.00	0.00	100.0%

P47

	1/12th (8.33%) of the Total Budget				2/12th (16.67%) of the Total Budget				100% of the Total Budget			
	For The Month of August 2017				Year-To-Date as of August 31, 2017				Fiscal Year End as of June 30, 2018			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
7109 · Recharge & Well Monitoring Prog	902.30	1,948.00	-1,045.70	46.32%	902.30	3,897.00	-2,994.70	23.15%	23,377.00	23,377.00	0.00	100.0%
7200 · PE2- Comp Recharge Pgm	25,145.36	22,692.00	2,453.36	110.81%	307,287.69	382,438.86	-75,151.17	80.35%	1,397,464.86	1,397,464.86	0.00	100.0%
7300 · PE3&5-Water Supply/Desalte	0.00	2,803.00	-2,803.00	0.0%	0.00	5,484.00	-5,484.00	0.0%	32,657.00	32,657.00	0.00	100.0%
7400 · PE4- Mgmt Plan	33,144.50	138,623.00	-105,478.50	23.91%	64,930.68	419,379.00	-354,448.32	15.48%	1,805,080.00	1,805,080.00	0.00	100.0%
7500 · PE6&7-CoopEfforts/SaltMgmt	15,742.06	17,970.00	-2,227.94	87.6%	38,245.58	41,861.00	-3,615.42	91.36%	215,016.00	215,016.00	0.00	100.0%
7600 · PE8&9-StorageMgmt/Conj Use	48,731.22	44,429.00	4,302.22	109.68%	73,116.56	73,490.00	-373.44	99.49%	230,213.00	230,213.00	0.00	100.0%
7690 · Recharge Improvement Debt Pymt	84,283.03	0.00	84,283.03	100.0%	656,899.72	4,368,668.38	-3,711,768.66	15.04%	7,207,668.38	7,207,668.38	0.00	100.0%
7700 · Inactive Well Protection Prgm	0.00	42.00	-42.00	0.0%	0.00	83.00	-83.00	0.0%	500.00	500.00	0.00	100.0%
9502 · G&A Expenses Allocated-Projects	14,731.12	26,610.00	-11,878.88	55.36%	24,554.10	53,219.00	-28,664.90	46.14%	319,317.00	319,317.00	0.00	100.0%
Total Expense	612,213.79	633,477.00	-21,263.21	96.64%	1,992,129.28	6,250,214.24	-4,258,084.96	31.87%	15,958,477.24	15,958,477.24	0.00	100.0%
Net Ordinary Income	-612,210.23	-633,477.00	21,266.77	96.64%	-1,798,496.70	-6,058,588.24	4,260,091.54	29.69%	-4,117,783.42	-4,119,779.24	1,995.82	99.95%
Other Income												
4210 · Approp Pool-Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4220 · Non-Ag Pool-Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4225 · Interest Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4226 · LAIF Fair Market Value	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
4600 · Groundwater Sales	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Other Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Other Expense												
5010 · Groundwater Replenishment	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5100 · Other Water Purchases	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9200 · Interest Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9251 · Other Post Employment Benefits	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9996 · Refund-Excess Reserves-Approp.	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9997 · Refund-Excess Reserves-NonAg	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9998 · Refund-Recharge Debt-Approp.	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9999 · To/(From) Reserves	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Other Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Net Other Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Net Income	-612,210.23	-633,477.00	21,266.77	96.64%	-1,798,496.70	-6,058,588.24	4,260,091.54	29.69%	-4,117,783.42	-4,119,779.24	1,995.82	99.95%

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

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

**C. PROFESSIONAL SERVICES AGREEMENT BETWEEN APPLIED
COMPUTER TECHNOLOGIES AND CHINO BASIN WATERMASTER**



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: October 12, 2017
TO: Pool Committee Members
SUBJECT: Professional Services Agreement Between Applied Computer Technologies and Chino Basin Watermaster (Consent Calendar Item I.C.)

SUMMARY

Issue: Watermaster intends to enter into a professional services agreement with Applied Computer Technologies to provide continuing software development and database administrator services. Applied Computer Technologies has been providing services to Watermaster since 2001.

Recommendation: Recommend to the Watermaster Board to approve.

Financial Impact: The FY 2017/18 budget (which includes account number 6052.2 in the amount of \$42,000) was approved by the Board on May 25, 2017. The contract expense of \$42,000 has been funded within the FY 2017/18 budget.

Future Consideration

Appropriative Pool - October 12, 2017: Recommend to Advisory Committee to recommend to the Watermaster Board to approve

Non-Agricultural Pool - October 12, 2017: Recommend to Advisory Committee to recommend to the Watermaster Board to approve

Agricultural Pool - October 12, 2017: Recommend to Advisory Committee to recommend to the Watermaster Board to approve
Advisory Committee - October 19, 2017: Recommend to Watermaster Board to approve.

Watermaster Board - October 26, 2017: Approve and authorize the General Manager to execute the contract on behalf of Watermaster [Normal Course of Business]

ACTIONS:

Appropriative Pool – October 12, 2017:

Non-Agricultural Pool – October 12, 2017:

Agricultural Pool – October 12, 2017:

Advisory Committee – October 19, 2017:

Watermaster Board – October 26, 2017:

BACKGROUND

In the normal course of business, Chino Basin Watermaster (Watermaster) maintains many databases. The following is a listing of those databases and their functions:

1. Administration Database
 - a. Records of all documents we have in storage in the Annex.
 - b. Records of all Motions and Resolutions.
 - c. Generates annual mailing labels.
2. Assessment Package Database
 - a. Creates the annual Assessment Package.
 - b. Linked to Production Database.
 - c. Tracks Water Transactions, transfers, purchases, etc.
3. Production Database
 - a. Tracks production from all parties.
 - b. Contains records of parties and their contact information.
 - c. Tracks Assignments, Voluntary Agreements, and other transfers.
 - d. Records of wells, their owners and users, and the meters.
 - e. Generates quarterly/annual production request forms.
4. Tasks Database
 - a. Used as the basis for the SharePoint's Task and Obligations.
5. Time Keeping Database
 - a. Tracks employees' work, vacation, sick, and comp hours.
 - b. Generates Timesheets for payroll.
 - c. Calculates accrual worksheets by employee.
6. Human Resource Database
 - a. HR related employee information.
 - b. Job descriptions.
7. Recharge Database
 - a. Tracks all recharge by basin and source.
 - b. Generates monthly reports for meetings.

Watermaster does not currently have an employee on staff with the special qualifications and talents needed to maintain and develop the number of databases used at Watermaster. Watermaster utilizes specialized consultants when needed to fill in the operational needs since Watermaster intentionally employs a small number of full time employees. As a result, Watermaster utilizes the services of Applied Computer Technologies for software development and database administrator services. Applied Computer Technologies provides specialized services such as application development and support, application interface development, SQL database administration, SharePoint programming and support, SSRS report development, system interface development, and other technologies as needed.

Watermaster has utilized the services of Applied Computer Technologies since 2001 and plans to continue the working relationship.

DISCUSSION

During the annual budget development cycle, Watermaster staff works with Applied Computer Technologies to review the ongoing services required, along with developing the upcoming budget and ensure proper funding of the database administration services is included. In the past, an informal arrangement regarding the cost and scope of work for services was reviewed by Watermaster, however,

a formal contract for services has never been executed. Beginning with the FY 2017/18, Watermaster plans to enter into a formal professional services agreement with Applied Computer Technologies (Attachment 1). Entering into a contract for each fiscal year will help memorialize the description of responsibilities, cost, and schedule, as well as provide legal protection should disputes arise. Additionally, it will aid in clearly identifying this annual budgeted cost.

The software development and SQL database administrator services scope of work for July 1, 2017 to June 30, 2018 are shown in the Scope of Work (Addendum A) - (Attachment 2). As reported above, the budget of \$42,000 for the estimated costs for the FY 2017/18 ongoing services have been included in the approved FY 2017/18 budget.

ATTACHMENTS

1. Professional Services Agreement
2. Scope of Work (Addendum A)

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CONSULTING SERVICES AGREEMENT

This Consulting Services Agreement ("Agreement") is entered into by and between the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, California 91730 (the "Watermaster"), and Applied Computer Technologies ("Consultant"), located at 39252 Winchester Road, Suite 107-209, Murrieta, California 92563, effective as of the 26th day of October, 2017 (the "Effective Date").

1. Term of Agreement. This Agreement will terminate June 30, 2018 (as set forth in Addendum A) or prior to that time in accordance with Section 5 of this Agreement. (The period during which this Agreement is in effect, including any extensions agreed upon by the parties, is referred to as the "Term.")

2. Services. The Watermaster and Consultant agree that, during the Term, Consultant will provide the services set forth in the Scope of Work, attached as Addendum A to this Agreement, as it may be modified from time to time in writing. Consultant must provide regular written progress reports to the Watermaster, no less frequently than monthly, and maintain regular contact with the Watermaster for project clarification, guidance and issue resolution. Consultant may from time to time be required to perform other duties that are reasonably related to Consultant's expertise and skills. Collectively, these are referred to as the "Services." Consultant will coordinate with Peter Kavounas as Consultant's Watermaster contact (the "Watermaster Contact").

3. Compensation and Terms of Payment.
 - a. Cost of Services. In compensation for the Services, the Watermaster will pay Consultant an amount equal to the actual time worked as detailed in billing to the Watermaster, at an hourly rate of \$125.00 per hour, payable in accordance with the schedule set forth in Addendum A upon completion of the designated milestones. Consultant must submit an estimated budget of the total cost to the Watermaster for approval with respect to each project prior to initiation of the Services. Consultant also must provide reports on performance and costs incurred against the approved budget on a monthly basis. The Watermaster will be responsible for paying up to the approved budget amount only, as that may be modified from time to time in a writing signed by both parties.
 - i. Billing Increments. Time will be billed in fifteen (15) minute intervals. Consultant will invoice time such that intervals of time worked that are less than fifteen (15) minutes are combined with other time worked, so the Watermaster is not billed for more than actual time worked by Consultant (provided that any partial intervals of time on the last invoice will be paid as if the full 15-minute interval had been worked).

 - ii. Billable Time. Consultant will not bill the Watermaster for any travel time, provided that if the Watermaster requests that Consultant travel to a location more than fifty (50) miles from its Rancho Cucamonga location, reasonable travel time to and from such location will be compensable. To the extent work performed is primarily for the Watermaster's benefit, Consultant will bill the Watermaster for work performed at the Watermaster's facilities, work performed via telephone (including conferences with Watermaster staff and third parties, and communications with customers, vendors), and preparation of required Watermaster paperwork and documentation. Consultant will not bill the Watermaster for administrative time of Consultant, including but not limited to

preparing invoices for submission to Client; communications with the Watermaster regarding billing issues, scheduling and the like; negotiating with the Watermaster; completing IRS Form W-9; communications with Consultant's own insurance carrier(s); time spent maintaining the license(s) and certification(s) of Consultant and its agents; etc.

b. Expenses. Consultant will be responsible for any and all expenses that may be incurred in performing the Services, including all direct and indirect costs, insurance, mileage and overhead, except as otherwise expressly agreed in writing by the Watermaster in advance with respect to particular expenses in Addendum A.

c. Method of Payment.

i. Consultant must submit monthly invoices that include an accurate and detailed summary of the Services performed and the billable hours worked, itemization of any pre-approved costs incurred in accordance with Section 3(b), and documentation and receipts acceptable to the Watermaster supporting any such costs.

ii. The Watermaster Contact will verify the Services and costs detailed on the invoice and will confirm that the Services described therein have been satisfactorily completed and that appropriate documentation has been provided.

iii. The Watermaster will make a reasonable effort to pay undisputed invoiced amounts within thirty (30) calendar days. The Watermaster will communicate with Consultant regarding any disputed amounts or amounts as to which inadequate documentation has been provided by Consultant.

iv. The Watermaster reserves the right to withhold payment for Services that are not completed as scheduled, are completed unsatisfactorily, are behind schedule or are otherwise performed in an inadequate or untimely fashion, as determined by the Watermaster, with such payments to be released and paid to Consultant promptly when the Services are determined by the Watermaster to be satisfactory.

4. Affirmation of Independent Contractor Status.

a. Independent Contractor. The Watermaster and Consultant each expressly understand, agree and intend that Consultant is an independent contractor in the performance of each and every part of this Agreement, and is solely responsible for all costs and expenses arising in connection with the performance of its duties, except as expressly set forth herein. All Services are to be performed solely at the risk of Consultant, and Consultant agrees to take all precautions necessary for the proper performance thereof. Consultant is solely responsible for any and all claims, liabilities or damages or debts of any type whatsoever that may arise on account of the activities of Consultant and its agents. Consultant has and retains control of, and supervision over, the performance of its obligations hereunder, including scheduling and day-to-day control over the performance of the Services, and except as expressly provided herein, the Watermaster will have no right to exercise any control whatsoever over the activities or operations of Consultant. Notwithstanding the foregoing, however, Consultant may not subcontract all or any portion of the performance of the Services, or assign performance of the Services to any individual(s), without the express prior written approval of the Watermaster.

- b. Other Engagements. Nothing in this Agreement will be construed as limiting in any manner Consultant's ability to procure other engagements consistent with its obligations to the Watermaster hereunder, including its post-Term obligations.
 - c. Taxes and Related Matters. Consultant will be solely responsible for all tax and other government-imposed responsibilities relating to the performance of the Services, including but not limited to payment of all applicable federal, state, local and social security taxes, unemployment insurance, workers' compensation and self-employment or other business taxes and licensing fees. Consultant will be solely responsible for payment of all compensation owed to its agents with respect to the Services, including all applicable federal, state and local employment taxes, and will make deductions for all taxes and withholdings required by law. No federal, state or local taxes of any kind will be withheld or paid by the Watermaster on Consultant's behalf or on behalf of any employee or agent of Consultant. Consultant acknowledges that the compensation paid pursuant to this Agreement will not be considered "wages" for purposes of the Federal Insurance Contributions Act ("FICA"), unemployment or other taxes. The Watermaster will issue Consultant an IRS Form 1099 with respect to payments made under this Agreement. Consultant will be responsible for performing all payroll and record-keeping functions required by law. The compensation provided hereunder is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as it may be amended from time to time ("Section 409A"). No provision of this Agreement may be interpreted or construed to transfer any liability for failure to comply with any tax obligations, including failure to comply with the requirements of Section 409A, from Consultant to the Watermaster.
 - d. No Employee Benefits from the Watermaster. As an independent contractor, neither Consultant nor its employees or agents will be eligible for benefits from the Watermaster or any related entity, including but not limited to workers' compensation, unemployment insurance, health, dental, vision, life or disability insurance, paid holidays, sick leave, vacation or other paid time off, pension or 401(k) plans, educational assistance, expense reimbursement, or any other employee benefit that may be offered now or in the future.
 - e. No Third-Party Beneficiaries. This Agreement is between the Watermaster and Consultant, and creates no individual rights for any employees or agents of Consultant. No employee or agent of Consultant will be deemed to be a third-party beneficiary hereunder, nor will any employee or agent of Consultant be deemed to have any employment or contractual relationship with the Watermaster as a result of this Agreement or his, her or its performance of services for Consultant. The Parties acknowledge that all individuals performing Services on behalf of Consultant are solely the employees and/or agents of Consultant. The Watermaster will not be responsible for payments due and owing to any subcontractors, employees or agents of Consultant; provided, however, that in the event Consultant fails timely to pay its subcontractors or agents, if the Watermaster deems it appropriate to make payments directly to any such subcontractors or agents on behalf of Consultant, notwithstanding that it has no legal obligation to do so, Consultant will reimburse the Watermaster therefor.
5. Termination of Agreement. This Agreement will expire at the end of the Term, unless earlier terminated as follows:
- a. Termination upon Written Notice. Either Party may terminate this Agreement during the Term by providing the other Party with thirty (30) days' written notice of such

termination. The Watermaster may, in its sole discretion, provide compensation in lieu of all or a portion of the notice period, regardless of who initiates the termination, prorating the fees as appropriate. Payment in lieu of notice will be calculated by averaging the fees received during the prior three (3) month period and pro-rating as appropriate.

b. Termination for Cause by the Watermaster. The Watermaster may terminate this Agreement immediately for "Cause." Cause includes, but is not be limited to, the following, as determined in the Watermaster's sole discretion: (i) failure of Consultant to comply in any material respect with this Agreement, the Confidentiality Agreement (as defined below), or any applicable Watermaster policy or procedure, including but not limited to the Watermaster's policy against harassment; (ii) serious personal or professional misconduct by Consultant or its agents (including, but not limited to, dishonesty, fraud, misappropriation, criminal activity or gross or willful neglect of duty); (iii) breach of Consultant's duties to the Watermaster (including but not limited to theft or misuse of Watermaster property) by Consultant or its agents; (iv) conduct that threatens public health or safety, or threatens to do immediate or substantial harm to the Watermaster's Business (as defined below), including potentially subjecting the Watermaster to civil or criminal liability; (v) falsification by Consultant or its agents of any business-related document, including invoices, or the making of any materially false or misleading statement by Consultant or its agents to or in connection with the Watermaster; (vi) failure or refusal of Consultant or its agents to submit to legally-permissible drug screening, testing and/or medical examinations; or (vii) the professional license(s), and/or qualifications of Consultant or its agents deemed necessary by the Watermaster to perform the Services are not maintained or renewed, or are revoked or suspended by an authorized regulatory agency, or an investigation that could have an adverse impact on the Watermaster is commenced with respect to Consultant and/or its agents by an authorized regulatory agency. The Watermaster's exercise of its right to terminate for Cause will be without prejudice to any other remedy to which it may be entitled at law, in equity, or under this Agreement or the Confidentiality Agreement. In the event of termination for Cause by the Watermaster, the only compensation due to Consultant will be payment up to the date of termination (*i.e.*, a prorated portion of the undisputed consulting fees) and outstanding reimbursable expenses, less appropriate offsets and any applicable penalty. In the event the Watermaster terminates this Agreement for Cause, it will be entitled to recover a penalty from Consultant in the amount of thirty (30) days' compensation, which penalty may be deducted from and offset against outstanding compensation due to Consultant.

c. Penalty for Failure to Provide Notice. In the event either Party fails to provide notice of termination as required under this Agreement, the other Party will be entitled to recover a penalty in the amount of the compensation that would have been due for the length of the notice period that was not provided. By way of example, if Consultant failed to provide any notice, the Watermaster would be entitled to recover a penalty from Consultant in the amount of thirty (30) days' compensation. The penalty amount will be calculated by averaging the fees received during the prior three (3) month period and pro-rating as appropriate.

6. Obligations of Consultant.

a. Best Abilities; Good Workmanship. Consultant will proceed with diligence and the Services will be performed in accordance with the highest professional workmanship, service and ethical standards in the field and to the satisfaction of the Watermaster. If Consultant's workmanship does not conform to these standards and the

Watermaster so notifies Consultant, Consultant agrees immediately to take all action necessary to remedy the nonconformance. Any costs incurred by Consultant to correct such nonconformance will be at Consultant's sole expense. To the extent Consultant fails to correct such nonconformance to the Watermaster's satisfaction, or the Watermaster deems Consultant incapable of correcting such nonconformance to the Watermaster's satisfaction, the Watermaster may elect to have a third party (including a subcontractor of Consultant) correct such nonconformance at Consultant's sole expense.

- b. Compliance with Law and Policies. Consultant will comply with all applicable federal, state and local laws, rules and regulations applicable to it and its agents, including but not limited to the Occupational Safety and Health Act ("OSHA"), non-discrimination laws and wage and hour requirements (including those related to classification of employees and payment of minimum wage and overtime), in the performance of the Services. Consultant will comply with the Watermaster's Code of Ethics as it may be amended from time to time, except to the extent that the Code of Ethics is inconsistent with this Agreement or with local law, rules and/or regulations. Consultant also agrees to comply with other Watermaster policies that may be applicable to it, including but not limited to the Watermaster's policies against harassment and discrimination.
- c. Compliance with Code of Ethics and Related Watermaster Policies. Consultant will comply with the Watermaster's Code of Ethics as it may be amended from time to time, except to the extent that the Code of Ethics is inconsistent with this Agreement or with local law, rules and/or regulations. Consultants also agrees to comply with other Watermaster policies that may be applicable to it, including but not limited to the Watermaster's policies against harassment and discrimination,
- d. Qualifications. Consultant and its agents understand that the Watermaster may elect to conduct background screening and drug screening with respect to Consultant's agents, and that satisfactory completion of the same is a material condition of this Agreement. In addition, during the Term, Consultant will continuously maintain in good standing the qualifications set forth on Addendum A and will cause its agents to do the same. Consultant and its agents must keep all licensure/certification records fully up to date with the Watermaster, including promptly reporting to the Watermaster any revocation, suspensions, restrictions, censures or investigations.
- e. Equipment; Use of Watermaster Technology. In general, Consultant will be responsible for providing its own supplies, equipment and work location(s). However, to facilitate performance of the Services, Consultant and/or its agents may be provided with certain equipment by the Watermaster. In addition, to facilitate performance of the Services and communications with Watermaster representatives, agents and customers, and to ensure appropriate security levels, confidentiality and privacy protection and document retention procedures, Consultant and/or its agents may be provided with (i) a Watermaster email address, (ii) access to the Watermaster's computer system, data, files and/or premises, and (iii) access authority and login information with respect to select Watermaster accounts. To the extent Consultant and/or its agents are provided with a Watermaster email address, the applicable signature block must be approved by the Watermaster and must clearly indicate Consultant's status with respect to the Watermaster. Consultant and its agents will be subject to applicable Watermaster policies relating to usage of Watermaster equipment and systems.

- f. Insurance. The Watermaster is not obligated to procure liability or other insurance on behalf of Consultant or its employees and agents, provided that, in the event the Watermaster does elect to procure any such insurance, Consultant and its agents will assist the Watermaster in doing so by submitting to examinations and signing such applications and other instruments as may be required by the insurance carriers to which application is made for such insurance. Procurement of all appropriate insurance coverage for Consultant and/or its employees and agents is the sole responsibility of Consultant. Promptly upon request, Consultant will provide the Watermaster with certificates of insurance evidencing coverage for workers' compensation, unemployment insurance, Comprehensive General Liability insurance, and motor vehicle insurance, to include provisions for property damage, personal injury and automobile liability, to the extent applicable to Consultant. Such insurance must be in amounts satisfactory to the Watermaster and may not be reduced or canceled without the Watermaster's written approval of such reduction or cancellation. Any insurance maintained by Consultant and/or its agents will be primary insurance to the full approved limits of liability and, should the Watermaster have other valid insurance, the Watermaster insurance will be excess insurance only. The Watermaster, however, is not required to, and will not, include Consultant or its agents as additional insureds under any policy the Watermaster maintains on its own behalf, unless otherwise required by applicable law or the terms of the Watermaster's existing insurance policies.
- g. Non-Contravention; No Improper Use of Materials. Neither Consultant nor its agents have entered into, or will enter into, any agreements inconsistent with this Agreement. Consultant certifies that neither it nor its agents will utilize or disclose any confidential, trade secret or proprietary information of any prior employer or other individual or entity in connection with this Agreement or the performance of the Services, and they will not bring any such information onto the Watermaster's premises or introduce such information onto the Watermaster's equipment or systems.
- h. No Conflict of Interest. Consultant confirms that its and its agents undertaking the Services contemplated hereunder will not pose any actual or present any perceived conflict of interest. Consultant agrees that neither it nor its agents will, during the Term, perform any services for, or enter into an engagement with, any other individual or entity that poses an actual conflict, or that may pose a perceived conflict, with the Watermaster's Business without the Watermaster's prior written approval. For purposes of this Agreement, the "Watermaster's Business" is to manage the Chino Groundwater Basin in the most beneficial manner and to equitably administer and enforce the provisions of the Chino Basin Watermaster Judgment.
- i. Non-Disparagement. Consultant agrees that, during the Term and thereafter, neither it nor its agents will, directly or indirectly, take any action or make any statements, written or verbal, including statements on social media sites, that defame, disparage or in any way criticize the personal or business reputation, practices or conduct of the Watermaster or its officers, directors, employees, or other consultants. Consultant further agrees that neither it nor its agents will engage in any conduct, directly or indirectly, that may be detrimental to the Watermaster's mission, reputation, practices or conduct, including but not limited to failing timely to provide payment to Consultant's employees, agents and subcontractors.
- j. Confidential Information. In connection with the performance of the Services, Consultant and its agents will have access to Confidential Information that has been

developed by, created by or provided to the Watermaster (including without limitation, information created or developed by Consultant and its agents) that has commercial value to the Watermaster's Business, and is not generally known to the public or others, or is otherwise required to be kept confidential by the Watermaster.

- i. "Confidential Information" includes any information (whether in paper or electronic form, or contained in Consultant's memory, or otherwise stored or recorded) that is not generally known and relates to the Watermaster's Business, if such information has been expressly or implicitly protected by the Watermaster from unrestricted use by persons not associated with the Watermaster. Confidential Information includes, but is not limited to, information contained in or relating to the manner and details of the Watermaster's operation, organization and management; passwords; concepts; programs; trade secrets; product designs; innovations; source codes and documentation; software; data; protocols; best practices; testing and diagnostic methods; plans; processes and techniques; treatment methodologies; program data; projects; patient names, addresses and other data; patient schedules, treatment methods, plans, notes and therapies; the identities and contact information of, and details regarding Watermaster's relationship with, actual and prospective distributors, contractors and vendors; fees and charges to the Watermaster's clients; pricing data and related information; marketing methods, plans or proposals; prospective patient lists and related information; applicant and employee personnel information; pricing information; financial information; and legal and business strategies and plans, as well as any other information marked "confidential," "proprietary," "secret" or the like. Confidential Information also includes information of the Watermaster's affiliates, customers, vendors, consultants, referral sources, contractors, partners, shareholders, investors, employees and other third parties that was disclosed or entrusted to the Watermaster or to Consultant in the course of business with the expectation of confidentiality.
- ii. Consultant agrees that, unless authorized in writing by the Watermaster's General Manager, neither Consultant nor its agents will, directly or indirectly, disclose or use any Confidential Information for their own benefit or for the benefit of any other individual or entity, either during the Term or thereafter.
- iii. If, during the Term or at any time thereafter, Consultant or its agents receives a request to disclose any Confidential Information, whether under the terms of a subpoena, court order, or other governmental order or otherwise, Consultant or its agents will notify the Watermaster immediately of the details of the request, including providing a copy thereof, and will consult with the Watermaster on the advisability of taking legally available steps to resist or narrow such request. If disclosure of such Confidential Information is required to prevent Consultant and/or its agents from being held in contempt or subject to other penalty, Consultant or its agents will furnish only such portion of the Confidential Information as, in the written opinion of legal counsel satisfactory to the Watermaster, Consultant or its agents is legally compelled to disclose, and Consultant and its agents will use their best efforts to assist the Watermaster in obtaining an order or other reliable assurance that confidential treatment will be accorded to the disclosed Confidential Information.

- k. Ownership, Return of Property and Duties upon Termination. All Confidential Information, reports, recommendations, documents, drawings, plans, presentations, specifications, technical data, databases, charts, files, actual and prospective donor information, fundraising plans and other information developed by or provided to Consultant and/or its agents in connection with Consultant's affiliation with the Watermaster are and will remain the property of the Watermaster. Upon termination of this Agreement for any reason, or at such earlier time as the Watermaster may request, Consultant and its agents will immediately (i) discontinue any use of the name, logo, trademarks, or slogans of the Watermaster; (ii) discontinue all representations or statements from which it might be inferred that any continuing relationship exists between Consultant and/or its agents and the Watermaster; (iii) provide to the Watermaster reproducible copies (including electronic versions if available, in native format and with all supporting materials such as fonts, graphics and attachments) of all work product prepared or modified by Consultant and/or its agents and not previously provided to the Watermaster, whether completed or not; (iv) return to the Watermaster all tangible and intangible property, documents, information, and products of the Watermaster, in whatever form or format, including originals and all copies of documents, drawings, computer printouts, notes, memoranda, specifications, hard drives, flash drives, disks or storage media of any kind, including all copies, summaries and compilations thereof, in the possession, custody or control of Consultant and/or its agents; (v) promptly and permanently delete any Confidential Information stored in the internal and/or personal email account(s), computer(s), electronic devices, voicemails, storage media and cloud-based storage (including but not limited to external hard drives, flash drives, and discs) of Consultant and/or its agents, and certify the same to the Watermaster; and (vi) provide the Watermaster with any and all passwords, source codes, security codes, administrative access information and/or other information in the possession of Consultant and/or its agents necessary to enable the Watermaster to get the benefit of the Services.
- l. Cooperation. During the Term and thereafter, Consultant and its agents will fully cooperate in the investigation by the Watermaster of any issues, and the defense of any claims by, against or otherwise involving the Watermaster that might arise that could involve Consultant and/or its agents or information within their knowledge, regardless of whether Consultant and/or its agents personally are named in the action, without additional compensation for such cooperation other than reimbursement of reasonable costs related to such cooperation.
7. No Authority to Bind the Watermaster. Neither Consultant nor its agents have any authority, right or ability to bind or commit the Watermaster in any way or incur any debts or liabilities in the name of or on behalf of the Watermaster (including, without limitation, by entering into contracts or agreeing to contract terms) without the express prior written consent of the Watermaster in each individual instance, and will not attempt to do so or imply that it may do so. Consultant and its agents agree not to advertise, promote or represent to any third party that Consultant or its agents are the employees or agents of the Watermaster. Consultant and its agents may represent only that the Parties have an independent contractor relationship pursuant to which Consultant has accepted an opportunity to provide Consultant's customary services to the Watermaster. Consultant and its agents will refrain from using the Watermaster's name in any advertisement, promotion, business card, website, or similar manner without the Watermaster's prior written consent. Consultant and its agents will not add to, delete from or modify any documentation or forms provided by the Watermaster, except with the prior written consent of the Watermaster.
8. Indemnification; Limitation on Liability.

- a. By Consultant. Consultant agrees to indemnify, defend (with counsel selected by the Watermaster) and hold harmless the Watermaster and its affiliates, successors, agents, employees, insurers, officers and directors (the "Watermaster Indemnified Parties") from and against any and all claims, demands, damages, costs, losses, taxes, penalties, assessments, judgments, interest payments, and expenses of whatever kind and nature, to the fullest extent permitted by law, including but not limited to attorneys' fees and expert witness costs, directly or indirectly arising out of or resulting from or on account of: (i) any claim, demand, and/or determination that the Watermaster is the employer (whether sole, joint and/or common law) of any employee or agent provided by Consultant and any claims brought under employment laws by Consultant's agents or employees, including but not limited to claims for discrimination, workers' compensation, unemployment or unpaid compensation or benefits; (ii) any claim, demand or charge based upon acts or omissions of Consultant or its agents in relation to the Services; (iii) any claim for negligence or misconduct against any of the Watermaster Indemnified Parties in connection with the engagement of Consultant and/or arising under or relating to this Agreement, including without limitation any unauthorized effort by Consultant or its agents to bind the Watermaster with respect to third parties or the failure of Consultant or its agents to comply with their obligations under this Agreement; (iv) any claim for injuries or deaths to any person or for damage to or destruction of property resulting from any act or omission of Consultant or its agents arising under or relating to this Agreement, including but not limited to any motor vehicle accident; (v) any misappropriation, misuse or theft of Confidential Information, unfair competition, breach of contract, or other acts or omissions of Consultant or its agents that harm or damage (or threaten to harm or damage) any of the Watermaster Indemnified Parties or their business, goodwill or reputation; and (vi) any claim that any Invention (as defined in the Confidentiality Agreement) infringes or violates any third party's patent, copyright, trade secret or any other intellectual property or proprietary right. Such obligations will not be construed to negate, abridge, or otherwise reduce other rights or obligations of indemnity that would otherwise exist as to a Watermaster Indemnified Party, and do not limit the Watermaster's rights under any applicable law to seek additional relief. The indemnification obligations of Consultant under this Paragraph will not be subject to any limitation on amount or type of damages, compensation or benefits payable by or for the Watermaster under workers' compensation laws, unemployment statutes, disability or other employee benefit acts, any applicable insurance policy, or any other federal, state or local law or regulation.
- b. By the Watermaster. The Watermaster agrees to defend, indemnify and hold Consultant and its officers, directors, employees and agents harmless from and against any and all claims, demands, damages, costs, losses, taxes, penalties, assessments, judgments, interest payments, and expenses of whatever kind and nature, to the fullest extent permitted by law, including but not limited to attorneys' fees and expert witness costs, directly or indirectly arising out of or resulting from (i) the Watermaster's gross negligence or willful misconduct relating to its performance under this Agreement, and (ii) claims brought against Consultant by a third party as a result of Consultant's activities as authorized by the Watermaster and/or Consultant's activities that are within the course and scope of this Agreement, in each case only to the extent that such losses, costs, claims, demands, judgments or liability are not due in whole or in part to the negligence or wrongful act(s) of Consultant and/or its agents. The Watermaster may, at its option, elect to provide a defense in lieu of indemnifying Consultant for attorneys' fees and related defense costs, subject to applicable conflict of interest considerations. In any proceeding in which defense and/or indemnification will be sought by Consultant, Consultant must give prompt

written notice of such proceeding to the Watermaster. As a condition to receiving indemnification, Consultant also must promptly cooperate with all reasonable requests by the Watermaster in connection with the defense of such proceeding. The right to indemnification of Consultant does not apply to (i) any proceeding initiated by Consultant or its agents against the Watermaster or any other person or entity, including counterclaims, unless the Watermaster has expressly agreed in writing to waive this provision with respect to the proceeding at issue, (ii) any proceeding initiated by the Watermaster against Consultant and/or its agents, (iii) any Proceeding alleging or involving conduct by Consultant and/or its agents that the Watermaster in its sole discretion determines was outside the course and scope of the Services, was in breach of this Agreement, constituted gross misconduct or was a violation of applicable law or the ethical duties of Consultant and/or its agents, or (iv) any situation in which indemnification of Consultant and/or its agents is not authorized or permitted pursuant to the Watermaster's Bylaws or applicable law.

- c. Limitation on the Watermaster's Liability. The Watermaster will not be liable to Consultant or its agents for any incidental, indirect, special, consequential, punitive or reliance damages of any nature whatsoever, regardless of the foreseeability thereof (including, but not limited to, any claim for loss of services, lost profits or lost revenues) arising under or related to this Agreement, whether based on breach of contract, tort, breach of warranty, negligence or any other theory of liability in law or in equity. Notwithstanding anything to the contrary in this Agreement, the Watermaster's entire liability, and Consultant's ability to recover damages, at law or in equity, with respect to any and/or all claims, damages, losses, costs or causes of action arising from or related to this Agreement (other than any action for payment of the Services and invoices related thereto) may not exceed the aggregate dollar amount paid by the Watermaster to Consultant under this Agreement.

9. General Provisions.

- a. Entire Agreement. This Agreement, along with other documents incorporated herein, constitutes the entire agreement between the Watermaster and Consultant relating to the subject matter hereof and supersedes all prior oral and written understandings, communications and agreements relating to such subject matter, whether verbal or written, implied or otherwise. In the event of a conflict between any provisions appearing in any other writing and in this Agreement, the provisions of this Agreement will be controlling.
- b. Assignment. This Agreement is not assignable by Consultant, and any purported transfer or assignment is void. This Agreement, or the Watermaster's interest in this Agreement, may be assigned and transferred by the Watermaster, temporarily or permanently, whether expressly, by operation of law or otherwise, and Consultant agrees to perform the Services for the benefit of any such assignee.
- c. Nonexclusive Nature of Agreement. This Agreement does not grant Consultant and/or its agents an exclusive privilege or right to supply Services to the Watermaster. Other than as expressly set forth in this Agreement, the Watermaster makes no representations or warranties as to a minimum or maximum procurement of Services hereunder. Nothing in this Agreement will be construed as limiting in any manner the ability of Consultant or its agents to procure other engagements consistent with their obligations to the Watermaster hereunder, including the post-Term obligations.

- d. Use of Name, Likeness and Biography. The Watermaster will have the right (but not the obligation) to make public announcements concerning the affiliation of Consultant and its agents with the Watermaster. The Watermaster will have the right (but not the obligation) to use, publish and broadcast, and to authorize others to do so, the name, likeness and biographical material of Consultant and its agents to advertise, publicize and promote the business of the Watermaster.
- e. Amendments; Waiver. This Agreement may not be amended except by a writing executed by all of the Parties hereto. No waiver by either Party of a right or remedy hereunder will be deemed to be a waiver of any other right or remedy or of any subsequent right or remedy of the same kind.
- f. Provisions Subject to Applicable Law; Modification; Severability. All provisions of this Agreement will be applicable only to the extent that they do not violate any applicable law. If any term, provision or condition of this Agreement is held to be invalid, illegal, or unenforceable by any court or arbitrator of competent jurisdiction, as to such jurisdiction that provision will be limited ("blue-penciled") to the minimum extent necessary so this Agreement will otherwise remain enforceable in full force and effect. To the extent such provision cannot be so modified, the offending provision will, as to such jurisdiction, be deemed severable from the remainder of this Agreement.
- g. Notices. All notices, consents, waivers, and other communications under this Agreement will be deemed to have been duly given when (i) delivered by hand; (ii) when received by the addressee, if sent by registered mail (return receipt requested), a nationally recognized overnight delivery service (signature requested) or electronic mail, in each case to the addresses or mail addresses set forth below (or to such other addresses as either Party may designate upon written notice):

If to Consultant:

Susan M. Knowlton
39252 Winchester Road, Suite 107-209
Murrieta, California 92563
Email: sueknowlton@abetcorporation.com

If

to

Watermaster:

Peter Kavounas
9641 San Bernardino Road
Rancho Cucamonga, California 91730
Email: PKavounas@cbwm.org

With a copy to:

Brownstein Hyatt Farber Schreck, LLP
21 E. Carrillo Street
Santa Barbara, California 93101-2782
Attention: Scott Slater
Email:

sslater@bhfs.com

- h. Construction. The Section headings throughout this Agreement are for convenience and reference only, and the words contained therein in no way will be held to explain, modify, amplify or aid in the interpretation, construction, or meaning of the provisions of this Agreement. The word "including" will mean "including but not limited to." The

word "agents" includes employees, contractors and other representatives. Both Parties participated in the drafting of this Agreement, and each had the opportunity to consult with counsel of their own choosing in connection therewith. The rule that ambiguities in an agreement will be construed against the drafter does not apply to this Agreement.

- i. Force Majeure. Each Party's obligations hereunder will be suspended during the duration of events beyond that Party's reasonable control (including but not limited to labor strikes, lockouts, enactment of laws or regulations, civil unrest, and acts of God), provided such Party makes reasonable efforts to perform and resumes performance at the earliest opportunity. If Consultant suspends the Services for a period in excess of five (5) calendar/business days, the Watermaster may elect to terminate this Agreement immediately thereafter by providing written notice thereof, notwithstanding anything to the contrary in Section 5 of this Agreement .

- j. Governing Law and Forum. This Agreement is entered into and will be governed by and construed and enforced in accordance with the laws of the State of California. Any action brought to enforce any right or obligation under this Agreement will be subject to the exclusive jurisdiction of the courts of the State of California. The Parties irrevocably consent to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such action, suit or proceeding. The prevailing Party in any action related to this Agreement, including the breach or enforcement hereof, will be entitled to recover its costs and reasonable attorneys' fees and expenses.

- k. Legal and Equitable Remedies. Because Consultant's services are personal and unique, and because Consultant and its agents will have access to and become acquainted with the Confidential Information (as defined in the Confidentiality Agreement), the Watermaster will have the right to enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief, without bond, without prejudice to any other rights and remedies that the Watermaster may have for a breach of this Agreement, and Consultant and its agents waive the claim or defense that the Watermaster has an adequate remedy at law.

- l. Counterparts. This Agreement may be executed in separate counterparts, each of which will be deemed an original but both of which taken together will constitute but one and the same instrument.

Consultant

Watermaster

By: _____
Its: _____
Email: _____

By: _____
Its: _____
Email: _____

Date: _____

Date: _____

ADDENDUM A

Applied Computer Technologies

A DIVISION OF ABET CORPORATION
BUSINESS SOLUTIONS PROVIDER

September 29, 2017

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

SUBJECT: Software Development and SQL Database Administrator Services
Scope of Work for July 1, 2017 to June 30, 2018

Dear Mr. Joswiak,

I am pleased to offer continuing software development and database administrator services for Chino Basin Watermaster (CBWM) for the 2017-2018 fiscal year. The ongoing services to be provided include the following:

- Application Development and Support
- Application Interface Development
- SQL Database Administration
- SharePoint Programming and Support
- SSRS Report Development
- System Interface Development
- Other technologies as needed

The exact work to be performed will be identified in coordination with and directed by CBWM staff. These services will continue to be provided one day per week with one day per month onsite at Watermaster's offices in Rancho Cucamonga. Onsite visits will include 120 miles billed at IRS approved reimbursement rates. The hourly consulting rate for fiscal year 2017-2018 is \$125 per hour.

If you have additional questions, please do not hesitate to contact me at 951-265-0433 or by email to sueknowlton@abetcorporation.com

Thank you.



Susan M. Knowlton
President, Applied Computer Technologies

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

**D. SAN ANTONIO WATER COMPANY APPLICATION FOR
RECHARGE FOR WATER YEAR 2017/18**



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: October 19, 2017
TO: Pool Committee Members
SUBJECT: San Antonio Water Company Application for Recharge for Water Year 2017/18
(Consent Calendar Item I.D.)

SUMMARY

Issue: On August 3, 2017, San Antonio Water Company submitted an Application for Recharge for up to 2,000,000 acre-feet to be recharged into basins along the San Antonio Channel.

Recommendation: Recommend to the Watermaster Board to approve San Antonio Water Company's Application for Recharge and direct Watermaster staff to account for this supplemental water recharged in San Antonio Water Company's existing Local Supplemental storage account.

Financial Impact: None

Future Consideration

Advisory Committee – October 19, 2017: Recommend Board to approve
Watermaster Board – October 26, 2017: Approval [Within WM Duties and Powers]

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously recommended Advisory Committee to approve
Non-Agricultural Pool – September 14, 2017: Unanimously recommended Pool representatives to support at the Advisory Committee and Board meetings subject to changes which they deem appropriate
Agricultural Pool – September 14, 2017: Unanimously recommended Advisory Committee to approve
Advisory Committee – October 19, 2017:
Watermaster Board – October 26, 2017:

BACKGROUND

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

Where there is no Material Physical Injury (MPI), Watermaster must approve the application. Where the request for Watermaster approval is submitted by a Party to the Judgment, there is a rebuttable presumption that the proposed activities do not result in Material Physical Injury to a Party to the Judgment or the Basin (Storage and Recovery Programs do not have this presumption). San Antonio Water Company (SAWCo) regularly submits an Application for Recharge for their water coming from the San Antonio Creek.

DISCUSSION

On August 3, 2017, SAWCo submitted an Application for Recharge for up to 2,000 acre-feet from October 2017 to September 2018. The Application states that the method of recharge is surface spreading into Basins aligned with the San Antonio Creek system (Attachment 1), and identifies the source of water to be San Antonio Creek water. Attached to the Application are water quality results from an April sampling event to aid in the MPI analysis (Attachment 2).

If and when approved, SAWCo intends to recharge the water into the Basin to offset over-production during the 2017/18 fiscal year. This recharge, consistent with that of other Parties that have submitted Applications for Recharge and have Local Storage Agreements, will be placed in its Local Supplemental Storage account and will be tracked by Watermaster staff. Per the Peace II Agreement, losses will be applied to all water placed into a Local Supplemental Storage Account in a manner consistent with all other water held in storage. Currently, Watermaster is currently evaluating the impact of evaporative losses within the recharge basins. Water delivered by way of surface spreading may be subject to evaporative losses in the future. The total volume held in local storage accounts is pending a future determination, and the recommendation as written is intended to be consistent with prior recharge and storage application recommendations.

Should the water not be used in the fiscal year for over-production, the water will be placed into SAWCo's Local Supplemental storage account. An Application to Recapture Water in Storage will need to be submitted prior to recapture. If the method and location of recapture from storage is to exchange with other groundwater producers in the Basin, when such an exchange is proposed, San Antonio Water Company and the transacting Party will need to submit the appropriate water transfer forms, which includes the recapture plan.

Wildermuth Environmental, Inc. (WEI) completed a MPI analysis on August 24, 2017 declaring no negative impacts to the Basin from this recharge event (Attachment 3). Staff has reviewed and recommends approval of the Application for Recharge as presented.

Once approved, SAWCo must complete Form 2b *Request to Recharge Supplemental Water by a Person* to Watermaster. Form 2b will be used by Watermaster staff to coordinate with SAWCo and the Inland Empire Utilities Agency (IEUA) to develop a Recharge Operations Plan. During the Recharge event, Watermaster and IEUA will collect data to ensure the water is accounted for. Upon completion of the recharge event, SAWCo will be required to submit Form 2c *Report of Supplemental Water Recharge by a Person* to Watermaster for final review and accounting.

There is no financial impact to Watermaster associated with the approval of the Recharge Application.

ATTACHMENTS

1. SAWCo Recharge Application Dated August 03, 2017
2. Clinical Laboratory of San Bernardino, Inc. Water Quality results
3. August 24, 2017 Letter from WEI to Watermaster: *Analysis of Material Physical Injury for the San Antonio Water Company (SAWCo) Recharge Application, Submitted to the Chino Basin Watermaster on August 3, 2017*

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Form 2a - Application for Supplemental Water Recharge

Applicant Information and Recharge Request			
Person	San Antonio Water Company	Date Requested	08/03/2017
Contact (individual)	Teri Layton	Date Approved	
Street Address	139 N. Euclid Avenue	Proposed Period of Time Covered by Recharge Application (mm/yyyy to mm/yyyy)	10/2017 to 9/1/2018
City	Upland		
State	CA		
Zip Code	91786	Requested Total Amount of Recharge Over the Application Period (AF)	2,000
Telephone	(909)982-4107	Approved Total Amount of Recharge Over the Application Period (AF)	
Fax	(909)920-3047		
Email	tlayton@sawaterco.com		

Source(s) of Supply (check box and provide supporting information)	
<input type="checkbox"/>	State Water Project
<input type="checkbox"/>	Colorado River Aqueduct
<input checked="" type="checkbox"/>	Local Supplemental (identify source and attach source water quality characterization including TDS and TN; use as many sheets as necessary)
<input type="checkbox"/>	Recycled Water (Identify source and attach source water quality characterization including TDS and TN; use as many sheets as necessary)
<input type="checkbox"/>	Other (identify source and attach source water quality characterization including TDS and TN; use as many sheets as necessary)

Method of Recharge (check box and provide supporting information)	
<input checked="" type="checkbox"/>	Surface Spreading
	Recharge Basin Name(s)
	Expected Period of Recharge (mm/dd to mm/dd)
	Depth to Water in Recharge Area (ft-bgs)
	Water Quality in Recharge Area (attach characterization)
<input type="checkbox"/>	Injection
	Well Names and Locations (attach well completion report if not on file with the Watermaster)
	Expected Period of Recharge (mm/dd to mm/dd)
	Depth to Water in Recharge Area (ft-bgs)
	Water Quality in Recharge Area (attach characterization)
<input type="checkbox"/>	In-Lieu Exchange
	Treatment Plant and Turnout
	Share of Safe Yield (percent and AFY)
	Carryover Right, if Applicable (AF)
	Water in Storage (AF)
	Pumping Capacity (mgd or AFM)
	Expected Period of Recharge (mm/dd to mm/dd)
	Depth to Water in Area Impacted by In-Lieu Recharge (ft-bgs)
	Water Quality in Area Impacted by In-Lieu Recharge (attach characterization)

Form 2a - Application for Supplemental Water Recharge

Material Physical Injury
<p>Is the applicant aware of any potential material physical injury to a Party to the Judgment or the Basin that may be caused by the action covered by the Application? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p> <p>If yes what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a Party or the Basin (provide list of mitigation measures and rationale either below or attach one to this application)</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>

BY: *Seri Layton*
Applicant

August 4, 2017
Date

To Be Completed by Watermaster
<p>Is the Person a Party to the Judgment that has:</p> <p> Previously contributed to the implementation of the OBMP? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p> Is in compliance with their continuing covenants under the Peace Agreement? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p> (If answer to previous question is NO)</p> <p> Paid or delivered to Watermaster "financial equivalent" consideration to offset the past performance prior to the OBMP implementation? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p> Promised continued future compliance with Watermaster Rules and Regulations? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>Date of Approval from Appropriate Pool (mm/dd/yyyy) _____</p> <p>Date of Approval from Overlying Non-Ag Pool (mm/dd/yyyy) _____</p> <p>Date of Approval from Overlying Ag Pool (mm/dd/yyyy) _____</p> <p>Hearing Date (if any) (mm/dd/yyyy) _____</p> <p>Date of Approval by Advisory Committee (mm/dd/yyyy) _____</p> <p>Date of Approval from Board (mm/dd/yyyy) _____</p> <p>Recharge Agreement Number _____</p>

Clinical Laboratory of San Bernardino, Inc.
Celebrating 50 Years of Analytical Service 1967-2017



San Antonio Water Co.
 139 N Euclid Ave
 Upland CA, 91786

Project: Routine
 Sub Project:
 Project Manager: Charles Moorrees

Work Order: 17D0825
 Received: 04/11/17 16:05
 Reported: 04/26/17

V-Screen (Surface Water)

17D0825-01 (Water)

Sample Date: 04/11/17 10:30

Sampler: Not Listed

Analyte	Method	Result	Rep. Limit	MCL	Units	Prepared	Analyzed	Batch	Qualifier
Field Analyses									
pH (Field)	Field	8.1			pH Units	04/11/17	04/11/17	1715061	
Temperature (Field)	Field	50			°F	04/11/17	04/11/17	1715061	
General Chemical Analyses									
Alkalinity, Total (as CaCO ₃)	SM 2320 B	150	5.0		mg/L	04/24/17	04/24/17	1715011	
Bicarbonate (HCO ₃)	SM 2320 B	190	5.0		mg/L	04/24/17	04/24/17	1715011	
Carbonate (CO ₃)	SM 2320B	ND	5.0		mg/L	04/24/17	04/24/17	1715011	
Chloride (Cl)	EPA 300.0	1.5	1.0	500	mg/L	04/14/17	04/14/17	1715146	
Specific Conductance (E.C.)	SM 2510B	330	2.0	1600	umhos/cm	04/24/17	04/24/17	1715011	
Fluoride (F)	EPA 300.0	0.29	0.10	2	mg/L	04/11/17	04/12/17	1715039	
Hydroxide (OH)	SM 2320B	ND	5.0		mg/L	04/24/17	04/24/17	1715011	
MBAS (LAS Mole. Wt 340.0)	SM 5540C	ND	0.10	0.5	mg/L	04/12/17	04/12/17	1715079	
Nitrate as N (NO ₃ -N)	EPA 300.0	ND	0.40	10	mg/L	04/11/17	04/12/17	1715039	
pH (Lab)	SM 4500HB	7.8			pH Units	04/11/17	04/11/17	1715011	
Sulfate (SO ₄)	EPA 300.0	18	0.50	500	mg/L	04/11/17	04/12/17	1715039	
Total Filterable Residue/TDS	SM 2540C	230	5.0	1000	mg/L	04/18/17	04/21/17	1716051	
Metals									
Boron (B)	EPA 200.7	ND	100		ug/L	04/20/17	04/21/17	1716142	
Calcium (Ca)	EPA 200.7	49	1.0		mg/L	04/19/17	04/19/17	1716078	
Copper (Cu)	EPA 200.7	ND	50	1000	ug/L	04/20/17	04/21/17	1716142	
Iron (Fe)	EPA 200.7	100	100	300	ug/L	04/20/17	04/21/17	1716142	
Magnesium (Mg)	EPA 200.7	7.8	1.0		mg/L	04/19/17	04/19/17	1716078	
Manganese (Mn)	EPA 200.7	ND	20	50	ug/L	04/20/17	04/21/17	1716142	
Potassium (K)	EPA 200.7	1.7	1.0		mg/L	04/19/17	04/19/17	1716078	
Sodium (Na)	EPA 200.7	4.8	1.0		mg/L	04/19/17	04/19/17	1716078	
Zinc (Zn)	EPA 200.7	ND	50	5000	ug/L	04/20/17	04/21/17	1716142	
Anion / Cation Balance									
Hardness, Total (as CaCO ₃)	Calculated	160			mg/L	04/19/17	04/19/17	[CALC]	
Total Anions	Calculated	3.55			meq/L	04/19/17	04/24/17	[CALC]	
Total Cations	Calculated	3.34			meq/L	04/19/17	04/19/17	[CALC]	
% difference	Calculated	5.9				04/19/17	04/24/17	[CALC]	

pH (Lab) was analyzed ASAP but received and analyzed past the 15 minute hold time.

ND Analyte NOT DETECTED at or above the reporting limit

Bob Glaubig
 Laboratory Director



August 24, 2017

Chino Basin Watermaster
Attention: Mr. Peter Kavounas, General Manager
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Subject: Analysis of Material Physical Injury for the San Antonio Water Company (SAWC) Recharge Application, Submitted to the Chino Basin Watermaster on August 3, 2017

Dear Mr. Kavounas:

Pursuant to your direction, Wildermuth Environmental, Inc. (WEI) conducted a material physical injury (MPI) analysis of the SAWC's August 3, 2017 recharge application. This MPI analysis was completed pursuant to the Watermaster Rules and Regulations and the Peace Agreement. Specifically, Article 10 of the Watermaster Rules and Regulations (paragraph 10.10) requires that:

“[...] Watermaster prepare a written summary and analysis (which will include an analysis of the potential for material physical injury) of the Application and provide the Parties with a copy of the written summary and advanced notice of the date of Watermaster’s scheduled consideration and possible action on any pending Applications.”

Per the Peace Agreement, material physical injury is defined as:

“[...] material injury that is attributable to Recharge, Transfer, storage and recovery, management, movement or Production of water or implementation of the OBMP, including, but not limited to, degradation of water quality, liquefaction, land subsidence, increases in pump lift and adverse impacts associated with rising groundwater” (Peace Agreement, page 8).

The MPI analysis presented herein is based on our professional experience and judgment in the Chino Basin, including the collection and analysis of monitoring data, past evaluation of Chino Basin storage programs, groundwater modeling of various groundwater management alternatives in the Chino Basin, and prior MPI analyses.

SAWC's Recharge Application of August 3, 2017

The SAWC proposes to recharge up to 2,000 acre-feet (af) of San Antonio Creek water into the Chino Basin during the period of October 2017 through June 2018. The SAWC proposes to divert San Antonio Creek water through its existing non-potable system and subsequently discharge it to the concrete-lined reach of San Antonio Creek located downstream of the Pomona Valley Protective Association (PVPA) diversion facilities and upstream of the College Heights and Upland Basins. The SAWC proposes to recharge the subject water in the College Heights Basins, Upland Basin, Montclair Basins 1-4, and Brooks Basin. Diversion into the Montclair Basins will occur through the existing San Antonio Creek diversion into Montclair Basin 1 and subsequently routed downstream through the outlet of Basin 1 to Basin 2 and then, if necessary, to Basins 3 and 4. Diversions into the College Heights Basins, Upland Basin, and Brooks Basin would occur through the existing San Antonio Creek diversions into these basins. The SAWC would need to coordinate their proposed diversions for recharge with the Inland Empire Utilities Agency (IEUA), Chino Basin Water Conservation District, and Watermaster to ensure that their water is diverted as proposed and accounted for and to ensure that SAWC recharge activities do not interfere with other recharge operations. The proposed recharge will contribute to the Watermaster obligation to recharge 6,500 AFY of supplemental water in MZ1.

The SAWC did not submit a recapture plan in its August 3, 2017 recharge application.

In March 2017, the SAWC applied to recharge up to 1,500 af of San Antonio Creek water into the Chino Basin over a four-month period, using the same recharge facilities referenced in the August 2017 application. The MPI analysis for the March recharge application indicated that there would be no MPI for the recharge and storage of San Antonio Creek water as proposed, but it did not opine on the recovery of the stored water because no recovery plan was provided. The Watermaster Board approved the recharge application in May 2017.

The scope of this analysis is to determine if the recharge as proposed in the SAWC's August 3, 2017 application has the potential to cause MPI.

Analysis of August 3, 2017 Recharge Application Based on Prior MPI Analyses

For the SAWC's March 2017 recharge application, WEI determined the potential for MPI by evaluating the impacts of the recharge on the following:

- Groundwater Level Impacts (liquefaction, land subsidence, and increases in pump lift)
- Balance of Recharge and Discharge in Every Area and Subarea
- Total Dissolved Solids and Nitrate Concentrations of the Recharge Water
- Water Quality Impacts on Other Pumpers

Conditions proximate to the area of planned recharge have not changed significantly since WEI determined that there would be no potential MPI for the proposed recharge in the SAWC's March 2017 application. A summary of the conclusions from the March 2017 analysis and a discussion of the validity of the conclusions for the recharge proposed in the August 2017 recharge application is provided below.

Groundwater Level Impacts (liquefaction, land subsidence, and increases in pump lift)

The proposed project will produce a localized increase in groundwater levels in the vicinity of the recharge basins where the recharge occurs, followed by a return to the groundwater levels that would occur had the water not been recharged. The depth to groundwater beneath the basins proposed for recharge presently ranges from about 310 feet below ground surface (bgs) to about 680 ft bgs. There will be no adverse liquefaction or land subsidence impacts from the groundwater level changes caused by the recharge and storage proposed by the SAWC. There may be some diminishing of the current land subsidence in the recharge area if the stored water resulting from the proposed recharge is recovered outside of the Northwest Management Zone 1 subsidence management area (Northwest MZ1 area).

The planned recharge area in SAWC's August 2017 application is identical to its March 2017 application, and the location of future recovery remains unknown. A review of recent groundwater level data indicates that groundwater levels have not changed significantly in the area proximate to the recharge. The expected groundwater level impact from the proposed recharge is identical to the expected impact from the March 2017 MPI analysis. There will be no adverse impacts from groundwater level changes from the proposed recharge.

Balance of Recharge and Discharge in Every Area and Subarea

Analysis of SAWC's March 2017 recharge application concluded that if the proposed recharge is produced in the Northwest MZ1 area, where the recharge is proposed, there will likely be no imbalance in recharge and discharge attributable to the proposed recharge. If the recharged water is recovered outside of the Northwest MZ1 area, there will be an imbalance in recharge and discharge attributable to the proposed recharge, resulting in higher groundwater levels and greater groundwater storage in the Northwest MZ1 area, both of which will benefit the area. There will be a decline in groundwater levels in the area where the groundwater is recovered.

As previously noted, the planned location for recharge in the SAWC's August 2017 application is identical to its March 2017 application, and like the March 2017 application, the location of future recovery remains unknown. The basin response described above, regarding the balance of recharge and discharge for the proposed recharge, is identical to that reached in the MPI analysis of the March recharge application: there will be no adverse impacts on the balance of recharge and discharge from the proposed recharge. Watermaster should conduct an MPI review when the SAWC submits a recovery plan.

Total Dissolved Solids and Nitrate Concentration of the Recharge Water

Analysis of the SAWC’s March 2017 recharge application concluded that the proposed recharge project would not: encroach on the Chino Basin’s current assimilative capacity for TDS,¹ degrade current ambient TDS and nitrate concentrations, or negatively impact the ability of Watermaster and the IEUA to comply with their regulatory obligations in the Regional Water Quality Control Plan for the Santa Ana River Watershed (Basin Plan). In fact, the proposed recharge was determined to be helpful in complying with the Basin Plan.

The source of the supplemental water is San Antonio Creek water for both the March 2017 and the August 2017 recharge applications. The SAWC provided a water quality analysis of San Antonio Creek water sample taken on April 11, 2017. WEI supplemented these findings with the San Antonio Creek water quality data available from the City of Pomona’s recent Water Quality Reports, which indicate that the TDS and nitrate concentrations vary and average about 224 mg/L and non-detect (nd), respectively, for the period of 2012 through 2016. These averages are consistent with the SAWC’s April 11, 2017 water quality sample analysis, which had TDS and nitrate concentrations of 230 mg/L and non-detect, respectively. The table below shows the groundwater-quality objectives and current ambient concentration for the Chino-North GMZ; the five-year volume-weighted concentrations of recycled water, imported water, and stormwater recharge in Chino Basin; and the TDS and nitrate concentration statistics for the proposed recharge water.

Comparison of TDS and Nitrate Concentrations in the Proposed Recharge Water to Applicable Regulatory Limits in the Basin Plan (all units in mg/L)

Constituent (1)	Chino-North GMZ Basin Plan Objective (2)	Chino-North GMZ Ambient Concentration ² (3)	Assimilative Capacity (4)	Total Five-Year, Volume-Weighted Concentration ³ (5)	Proposed Recharge Water ⁴		
					Min (6)	Max (7)	Average (8)
TDS	420	350	70	345	200	260	224
Nitrate - N	5	10	-5	2.8	nd	nd	nd

¹ There is no assimilative capacity for nitrate since the ambient nitrate concentration exceeds the objective. The SAWC cannot recharge water with nitrate concentrations that exceeds the 5 mg/L objective.

² Calculated from the Recomputation of Ambient Water Quality in the Santa Ana Watershed for the Period 1993 to 2012 (WEI, 2014).

³ Average through December 2016

⁴ Based on the 2013 through 2017 City of Pomona Consumer Confidence Reports, covering water quality testing performed from 2012 through 2016. nd = non-detect.

These results are similar to the characterization of San Antonio Creek water quality presented in the analysis of the March 2017 recharge application. And the conclusions for this MPI analysis are the same as those for the March 2017 recharge application. There will be no adverse TDS or nitrate concentration impacts from the proposed recharge.

Water Quality Impacts on Other Pumpers

Analysis of the SAWC's March 2017 application concluded that the recharge would not have a significant impact on the movement of existing plumes in the basins and that there would be no adverse water quality impacts on other pumpers in the Chino Basin. The 2,000 af of recharge over eight months proposed in the August 2017 application is similar to the 1,500 af of recharge over four months proposed in the March 2017 application, and the proposed recharge locations are identical. There will be no adverse water quality impacts on other pumpers from the proposed recharge.

Conclusion and Recommendations

There will be no MPI due to the SAWC's proposed recharge as described in its August 3, 2017 recharge application. A no-MPI determination cannot be made regarding the recovery of the recharged water until a recovery plan is provided to Watermaster for MPI review. The scope of the MPI analysis for the recovery plan should consider the recovery of all water recharged and stored by the SAWC.

Pursuant to Watermaster's Supplemental Water Recharge Procedures, the SAWC is required to submit a Form 2b "Request to Recharge Supplemental Water by a Person" prior to beginning a recharge event. This will allow for coordination with Watermaster and the IEUA to develop a Recharge Plan for proper execution, ensuring that the SAWC will receive credit for the recharged water.

Watermaster should require the SAWC to obtain one water quality sample of the San Antonio Creek water diverted for recharge. Table 1 (attached) contains the recommended water quality constituents. This water quality data is necessary to demonstrate compliance with the IEUA-Watermaster maximum benefit commitments related to recharge. These data will be used for regulatory reporting, as required in the IEUA-Watermaster recharge permit, and for other groundwater management purposes.

Please contact Mark Wildermuth or me if you have any questions or concerns regarding this MPI analysis.

Very truly yours,

Wildermuth Environmental, Inc.



Garrett Rapp, PE
Staff Engineer



Mark Wildermuth, PE
President, Principal Engineer

Attachments: Table 1

Draft

**Table 1
Water Quality Constituents Recommended
to be Sampled by the SAWC**

Chemical Parameter
Alkalinity in CaCO ₃ units
Ammonia Nitrogen
Bicarbonate as HCO ₃ <i>Calculated</i>
Boron Total ICAP
Calcium Total ICAP
Carbonate as CO ₃ <i>Calculated</i>
Chloride
Flouride
Hydroxide as OH <i>Calculated</i>
Kjeldahl Nitrogen
Magnesium Total ICAP
Nitrate as Nitrogen by IC
Nitrate as NO ₃ <i>Calculated</i>
Nitrite as Nitrogen by IC
Organic Nitrogen <i>Calculated</i>
PH (H3=past HT not compliant)
Potassium Total ICAP
Sodium Total ICAP
Specific Conductance, 25 C
Sulfate
Silica
Total Dissolved Solids (TDS)
Total Hardness as CaCO ₃ by ICP <i>Calculated</i>
Total Organic Carbon
Turbidity



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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

E. CITY OF CHINO HILLS APPLICATION FOR RECHARGE FOR PERIOD AUGUST 2017 THROUGH AUGUST 2025



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: October 19, 2017
TO: Advisory Committee Members
SUBJECT: City of Chino Hills Application for Recharge for Period August 2017 through August 2025
(Consent Calendar Item I.E.)

SUMMARY

Issue: On June 2, 2017, The City of Chino Hills submitted an Application for Recharge for up to a total of 4,800 acre-feet of State Project Water to be recharged by injection through their ASR wells until August 2025.

Recommendation: Recommend to the Watermaster Board to approve the City of Chino Hills Application for Recharge and direct Watermaster staff to account for any recharge into the Chino Basin in the appropriate storage account.

Financial Impact: There is no income statement impact associated with this approval. Supplemental water recharged with this application may be used toward the completion of a pilot testing program which, upon successful completion, will result in Watermaster reimbursing \$29,258.99 to the City of Chino Hills. The expense of \$29,258.99 was previously recorded in FY 2016/17 and funding was also assessed in previous years as part of a cost sharing agreement between Chino Basin Watermaster and the City of Chino Hills. Upon payment of \$29,258.99 the Watermaster cash balance would be reduced along with the reduction in the offsetting liability.

Future Consideration

Advisory Committee – October 19, 2017: Recommend Watermaster Board to approve
Watermaster Board – October 26, 2017: Approval [Within WM Duties and Powers]

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously recommended Advisory Committee to approve
Non-Agricultural Pool – September 14, 2017: Unanimously recommended Pool representatives to support at the Advisory Committee and Board meetings subject to changes which they deem appropriate
Agricultural Pool – September 14, 2017: Unanimously recommended Advisory Committee to approve
Advisory Committee – October 19, 2017:
Watermaster Board – October 26, 2017:

BACKGROUND

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

Where there is no Material Physical Injury (MPI), Watermaster must approve the application. Where the request for Watermaster approval is submitted by a Party to the Judgment, there is a rebuttable presumption that most of the proposed activities do not result in MPI to a Party to the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).

In June 2017, the City of Chino Hills (Chino Hills) submitted an Application for Recharge (Attachment 1). The Application identified the maximum quantity of recharge to be 4,800 acre-feet from 2017 to 2025.

DISCUSSION

Currently, Chino Hills does not have a permit with the Regional Water Quality Control Board (RWQCB) to inject water into the Chino Basin and therefore must be in compliance before any recharge event can begin. Approval of the Recharge Application and the findings of the MPI will assist Chino Hills in the permitting process.

Once approved and fully permitted, Chino Hills will have the ability to inject State Project Water into the Chino Basin to add to their own Local Supplemental Storage Account, or, participate in the Dry Year Yield (DYY) Program. If Chino Hills intends to recharge into their Local Supplemental Storage Account, they must complete Form 2b *Request to Recharge Supplemental Water by a Person* to Watermaster. During the Recharge event, Watermaster will collect data to ensure the water is accounted for. Upon completion of the recharge event, Chino Hills will be required to submit Form 2c *Report of Supplemental Water Recharge by a Person* to Watermaster for final review and accounting.

Prior to recapture, an Application to Recapture Water in Storage will need to be submitted. If the method and location of recapture from storage is to exchange with other groundwater producers in the Basin, when such an exchange is proposed, Chino Hills and the transacting Party will need to submit the appropriate water transfer forms, which includes the recapture plan. Per the Peace II Agreement and achievement of Hydraulic Control, losses will be applied to all water placed into a Local Supplemental storage account in a manner consistent to all other water held in storage.

Should Chino Hills choose to use the ASR wells as part of the DYY Program, they will be subject to the terms and agreements of the DYY with Metropolitan Water District (MWD), in which Watermaster will account for the recharge in MWD's Storage and Recovery account.

Wildermuth Environmental, Inc. (WEI) completed a MPI analysis on September 5, 2017 declaring no negative impacts to the Basin from the recharge (Attachment 3). Staff has reviewed and recommends approval of the Application for Recharge as presented.

There is no financial impact to Watermaster associated with the approval of this application. All expenses have been recorded in previous fiscal years along with the funding through prior assessments. However, it is important to note that the Chino Hills ASR wells were built as part of a pilot project which was cost shared with Watermaster and Chino Hills (Attachment 2). Watermaster has made a commitment to fund \$368,058 of this project and previously collected the funds of \$164,500 during the assessment process in FY 2011/12, \$161,903 in FY 2012/13, and \$41,655 in FY 2013/14 ($\$164,500 + \$161,903 + \$41,655 = \$368,058$). The remaining \$29,258.99 of Watermaster's cost share, which has already been assessed in previous years, will be paid to Chino Hills upon completion of the project. The payment of \$29,258.99

would reduce the overall cash balance on the balance sheet along with the offsetting reduction in liabilities.

ATTACHMENTS

1. The City of Chino Hills Recharge Application Dated June 2, 2017
2. Cost Sharing Agreement Between Chino Basin Watermaster and the City of Chino Hills Regarding the Chino Hills ASR Pilot Project.
3. September 5, 2017 Letter from WEI to Watermaster: *Analysis of Material Physical Injury for the Chino Hills Recharge Application, Submitted to the Chino Basin Watermaster on June 30, 2017*

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Form 2a - Application for Supplemental Water Recharge

Applicant Information and Recharge Request			
Person	City of Chino Hills	Date Requested	06/30/2017
Contact (individual)	Mark Wiley, Water & Sewer Manager	Date Approved	
Street Address	14000 City Center Drive	Proposed Period of Time Covered by	08/2017 -08/2025
City	Chino Hills	Recharge Application (mm/yyyy to mm/yyyy)	
State	CA		
Zip Code	91709	Requested Total Amount of Recharge	Maximum of 4,800
Telephone	909-364-2854	Over the Application Period (AF)	
Fax		Approved Total Amount of Recharge	
Email	mwiley@chinohills.org	Over the Application Period (AF)	

Source(s) of Supply (check box and provide supporting information)	
<input checked="" type="checkbox"/>	State Water Project
<input type="checkbox"/>	Colorado River Aqueduct
<input type="checkbox"/>	Local Supplemental (identify source and attach source water quality characterization including TDS and TN; use as many sheets as necessary)
<input type="checkbox"/>	Recycled Water (identify source and attach source water quality characterization including TDS and TN; use as many sheets as necessary)
<input type="checkbox"/>	Other (identify source and attach source water quality characterization including TDS and TN; use as many sheets as necessary)

Method of Recharge (check box and provide supporting information)	
<input type="checkbox"/>	Surface Spreading
	Recharge Basin Name(s)
	Expected Period of Recharge (mm/dd to mm/dd)
	Depth to Water in Recharge Area (ft-bgs)
	Water Quality in Recharge Area (attach characterization)
<input checked="" type="checkbox"/>	Injection
	Well Names and Locations (attach well completion report if not on file with the Watermaster) City Well 16
	Expected Period of Recharge (mm/dd to mm/dd) 08/2017 -08/2025
	Depth to Water in Recharge Area (ft-bgs) 137
	Water Quality in Recharge Area (attach characterization) Submitted
<input type="checkbox"/>	In-Lieu Exchange
	Treatment Plant and Turnout
	Share of Safe Yield (percent and AFY)
	Carryover Right, if Applicable (AF)
	Water in Storage (AF)
	Pumping Capacity (mgd or AFM)
	Expected Period of Recharge (mm/dd to mm/dd)
	Depth to Water in Area Impacted by In-Lieu Recharge (ft-bgs)
	Water Quality in Area Impacted by In-Lieu Recharge (attach characterization)


Form 2a - Application for Supplemental Water Recharge

Material Physical Injury

Is the applicant aware of any potential material physical injury to a Party to the Judgment or the Basin that may be caused by the action covered by the Application?

YES NO

If yes what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a Party or the Basin (provide list of mitigation measures and rational either below or attach one to this application)

BY:  _____
Applicant

June 30, 2017 _____
Date

To Be Completed by Watermaster

Is the Person a Party to the Judgment that has:

Previously contributed to the implementation of the OBMP? YES NO

Is in compliance with their continuing covenants under the Peace Agreement? YES NO

(If answer to previous question is NO)

Paid or delivered to Watermaster "financial equivalent" consideration to offset the past performance prior to the OBMP implementation? YES NO

Promised continued future compliance with Watermaster Rules and Regulations? YES NO

Date of Approval from Appropriative Pool (mm/dd/yyyy) _____

Date of Approval from Overlying Non-Ag Pool (mm/dd/yyyy) _____

Date of Approval from Overlying Ag Pool (mm/dd/yyyy) _____

Hearing Date (if any) (mm/dd/yyyy) _____

Date of Approval by Advisory Committee (mm/dd/yyyy) _____

Date of Approval from Board (mm/dd/yyyy) _____

Recharge Agreement Number _____



City of Chino Hills

June 27, 2017



14000 City Center Drive
Chino Hills, CA 91709
(909) 364-2600
www.chinohills.org

Chino Basin Watermaster
Attn: Joseph S. Joswiak, MBA, Chief Financial Officer
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

RE: Establish Framework for Implementation & Funding - Chino Hills Aquifer Storage and Recovery Pilot Project

Mr. Joswiak, MBA,

At their regular meeting held June 27, 2017, the City Council of the City of Chino Hills authorized execution of the Chino Hills Aquifer Storage and Recovery Pilot Project Agreement No. A2017-153 between the Chino Basin Watermaster and the City of Chino Hills.

Enclosed are two executed original agreements. Upon execution by the Chino Basin Watermaster, please return one original agreement to me for our files.

Should you have any questions regarding this matter, you may contact Management Analyst II Cheryl Yeamans at (909) 364-2807.

Sincerely,

A handwritten signature in blue ink that reads "Lynnae Sisemore".

Lynnae Sisemore, CMC
Assistant City Clerk

Enclosures

cc: Cheryl Yeamans
Public Works Management Analyst II

City Council: Art Bennett ▪ Ed M. Graham ▪ Ray Marquez ▪ Cynthia Moran ▪ Peter J. Rogers

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**AGREEMENT BETWEEN CHINO BASIN WATERMASTER
AND CITY OF CHINO HILLS
REGARDING THE CHINO HILLS ASR PILOT PROJECT**

This Cost Sharing Agreement (“Agreement”) is entered into as of June 27, 2017, by and between the CHINO BASIN WATERMASTER (“Watermaster”) and the CITY OF CHINO HILLS (“Chino Hills”) (each a “Party” and collectively, the “Parties”) for the purposes of establishing a framework for the implementation and funding of the Chino Hills Aquifer Storage and Recovery Pilot Project (“ASR Project”).

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 RS51010 (formerly Case No. SCV 164327);

B. Chino Hills is a municipal corporation and general law city organized and existing under the laws of the State of California;

C. Pursuant to its November 15, 2007 Order on Motion for Approval of Watermaster’s Long Term Plan for the Management of Subsidence, the Watermaster Court approved the Long Term Plan for the Management of Subsidence (“Long Term Plan”). The Long Term Plan describes an injection feasibility study at a production well within Management Zone 1 (“MZ-1”). The objective of this test is to help determine if aquifer injection is a viable tool to manage subsidence within MZ-1 while maximizing the use of existing infrastructure (i.e. wells);

D. In preparing the 2010 Recharge Master Plan Update and the 2013 Amendment to the 2010 Recharge Master Plan Update (Collectively, the “RMPU”), Watermaster considered whether existing groundwater production facilities owned or controlled by producers within MZ1 could be used in connection with an aquifer storage and recovery project so as to further enhance recharge in specific locations and to otherwise meet the objectives of the RMPU;

E. Watermaster’s approved budget for fiscal year 2008-2009 included a task item for an ASR pilot test at Chino Hills’ Well CH-16. The ASR Project is that pilot test. Watermaster has included this budget item in its annual budgets each fiscal year since;

F. The primary objective of the ASR Project is to determine the feasibility of using an existing well within an area prone to land subsidence for aquifer storage and recovery and the management of land subsidence and ground fissuring;

G. On behalf of Chino Hills, Watermaster submitted an AB303 grant application to help fund the ASR Project. This application was approved in the amount of \$250,000. Chino Hills entered into a contract with Department of Water Resources ("DWR") on December 30, 2008 in order to make use of these funds and all such funds have been appropriated and expended; and

H. Chino Hills has begun to implement the ASR Project pursuant to its agreement with DWR ("DWR Grant Agreement") and its amendments, and shall ensure completion of the ASR Project and compliance with all DWR terms. In March 2014, Amendment 3 to the DWR Grant Agreement was approved. Amendment 3 revised the scope of work, budget, schedule, and some of the terms of the DWR Grant Agreement. The ASR Project scope of work was revised to include two phases. Phase 1 includes tasks that will be completed under the DWR Grant Agreement and funded through the DWR Grant Agreement and in, part, by Watermaster and Chino Hills; Phase 2 will include additional tasks necessary to complete the project, but which are not subject to this Cost Sharing Agreement. Chino Hills expects to expend approximately \$500,000 on Phase 2 of the DWR Project.

AGREEMENT TERMS

1. PURPOSE

Through this Agreement, the Parties wish to clarify the respective responsibilities of each Party for the purpose of the implementation and funding of Phase 1 of the ASR Project. Much of this work has already been completed, and thus this agreement reflects the understanding between the Parties of each Party's responsibility for funding and paying remaining invoices.

2. SCOPE

This Agreement establishes a cost sharing arrangement for the tasks composing Phase 1 of the ASR Project, as the Phase 1 tasks are defined in the Scope of Work included in that document referenced above as "Amendment 3" to the DWR Grant Agreement 4600008330 dated March 20, 2014, attached as Exhibit A and incorporated by reference into this Agreement ("Scope of Work").

3. WATERMASTER RESPONSIBILITIES

a. Watermaster will fund the Phase 1 tasks in an amount not to exceed the \$368,058. Watermaster shall not fund any activities not described in the Scope of Work as Phase 1 tasks, including, but not limited to, the purchase of water to be used for aquifer recharge in the ASR Project.

b. For any Phase 1 work performed by Wildermuth Environmental, Inc. ("WEI"), which administered the ASR Project on behalf of Watermaster, Watermaster will pay the invoices for such work from the money budgeted in the Watermaster budget to fund the Scope of Work. The remaining total to be paid to WEI shall not exceed \$101,412.13. Watermaster will provide Chino Hills with copies of the WEI invoices for submission to DWR within thirty (30) days of the execution of this Agreement.

c. Watermaster will assist Chino Hills in the preparation of status reports required under the DWR Grant Agreement, and such assistance shall be funded as a part of the work plan.

d. Schedule of Payment.

i. Within thirty (30) days of execution of this agreement, Watermaster shall reimburse the City for expenditures of \$155,256.85 made to vendors, on invoices that the City has already submitted to Watermaster.

ii. Within thirty (30) days of the execution of this Agreement, Watermaster shall also pay three 2014 invoices submitted by Geoscience to Watermaster in the total amount of \$15,952.00 directly to Geoscience.

iii. Within thirty (30) days of completion of the Scope of Work, Watermaster shall reimburse City an additional \$29,285.99 for payment of invoices to contractors on the Scope of Work.

iv. These payments set forth in this Article 3 are obligations of Watermaster and shall survive the termination of this Agreement pursuant to Section 6 below.

4. CHINO HILLS RESPONSIBILITIES

a. Chino Hills shall lead all aspects of ASR Project administration (i.e., invoicing, grant funds, grant administration, sub-contractors, *etc.*) except for the work done by WEI and the payment of invoices submitted by Geoscience in 2014 totaling \$15,952.00.

b. Chino Hills has submitted invoices for qualifying work to DWR for reimbursement pursuant to the terms the DWR Grant Agreement and been paid the full \$250,000 under the DWR Grant.

c. For any work performed by Chino Hills or its consultants that qualifies for reimbursement by Watermaster, Chino Hills has already or will submit invoices for such work to Watermaster for reimbursement.

5. BUDGET AND COST ALLOCATION

a. **Total Financial Contribution.** Amendment 3 of the DWR Grant Agreement modified the anticipated project costs for Phase 1 of the ASR Project. The ASR Project shall be funded according to the following allocations:

Total funding from DWR Grant Agreement	\$250,000
Maximum Watermaster contribution, including \$167,563.16 already paid and \$ 184,542.84 pending payments to City of Chino Hills and \$15,952 pending payments to Geoscience	\$368,058
Expected Chino Hills total contribution	\$46,306.20
Expected total ASR Project Costs, Phase 1	\$664,364.20

Chino Hills is responsible for any additional costs associated with the ASR Project, including tasks in Phase 1 and Phase 2 described in this Agreement in the Recitals, at section "H".

b. **Project Expenditures.** The Parties agree that the following project contributions have been paid or will be paid as follows:

DWR Invoices	\$250,000.00
Watermaster Contributions: includes \$184,542.84 pending payments to the City and \$15,952 pending payments to Geoscience	\$368,058.00
Chino Hills Contribution: this reflects \$75,592.19 currently expended, less the \$29,285.99 reimbursement from Watermaster withheld until completion of the Scope of Work	\$46,306.20
Total Expenditures	\$664,364.20

6. TERM

a. **Term.** This agreement shall remain in effect from June 27, 2017 ("Effective Date") through completion of the ASR Project, unless terminated pursuant to Section 6.2, below.

b. **Termination.** This Agreement shall be mutually terminable at any time by majority vote of either Party's governing body, 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, which shall all be paid after receipt of an invoice as provided in Article 3, above. The parties agree that the responsibilities of Watermaster to pay invoices to Chino Hills and Geoscience set forth in Article 3 of this Agreement above accrue upon execution of

this Agreement, so termination shall not relieve Watermaster of its duty to pay such obligations.

7. INDEMNITY

7.1 Chino Hills 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 Chino Hills' activities pursuant to this Agreement. The provisions of this Section 7 shall survive termination of this Agreement.

7.2 Watermaster shall indemnify Chino Hills against and hold Chino Hills 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. The provisions of this Section 7 shall survive termination of this Agreement.

8. GENERAL PROVISIONS

a. **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:

Chino Basin Watermaster:	City:
Chino Basin Watermaster	City of Chino Hills
Attn: General Manager	Attn: City Manager
9641 San Bernardino Road	14000 City Center Drive
Rancho Cucamonga, CA 91730	Chino Hills, CA 91709

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.

b. **Assignability.** The Parties may not assign all or any part of this Agreement without advance written consent of each Party's governing board.

c. **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.

d. **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.

e. **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.

f. **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.

g. **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.

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

i. **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.

j. **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.


k. **Entire Agreement.** This Agreement contains the entire understanding and agreement of the Parties with respect to the implementation and funding of the ASR Project, 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.

l. **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 hereto have caused this Agreement to be executed the day and year first above written.

CITY OF CHINO HILLS

CHINO BASIN WATERMASTER



Ray Marquez
Mayor

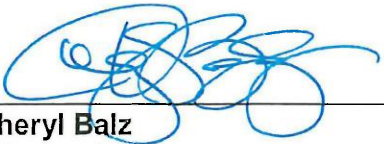


(Signature)

ATTEST:

GENERAL MANAGER

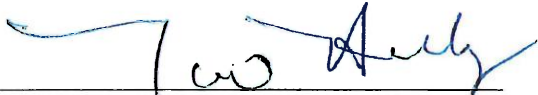
(Title)



Cheryl Balz
City Clerk

(Signature)

APPROVED AS TO FORM:



Mark D. Hensley
City Attorney

(Title)



September 5, 2017

Chino Basin Watermaster
Attention: Mr. Peter Kavounas, General Manager
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Subject: Analysis of Material Physical Injury for the Chino Hills Recharge Application, Submitted to the Chino Basin Watermaster on June 30, 2017

Dear Mr. Kavounas:

Pursuant to your direction, Wildermuth Environmental, Inc. (WEI) conducted a material physical injury (MPI) analysis of Chino Hills' June 30, 2017 recharge application. This MPI analysis has been completed pursuant to the Watermaster Rules and Regulations and the Peace Agreement. Specifically, Article 10 of the Watermaster Rules and Regulations (paragraph 10.10) requires that:

“[...] Watermaster prepare a written summary and analysis (which will include an analysis of the potential for material physical injury) of the Application and provide the Parties with a copy of the written summary and advanced notice of the date of Watermaster’s scheduled consideration and possible action on any pending Applications.”

Per the Peace Agreement, material physical injury is defined as:

“[...] material injury that is attributable to Recharge, Transfer, storage and recovery, management, movement or Production of water or implementation of the OBMP, including, but not limited to, degradation of water quality, liquefaction, land subsidence, increases in pump lift and adverse impacts associated with rising groundwater” (Peace Agreement, page 8).

The MPI analysis presented herein is based on our professional experience and judgment in the Chino Basin, including the collection and analysis of monitoring data, past evaluations of Chino Basin storage programs, groundwater modeling of various groundwater management alternatives in the Chino Basin, and prior MPI analyses.

Chino Hills' Recharge Application of June 30, 2017

Chino Hills proposes to recharge up to 4,800 acre-feet (af) of State Water Project (SWP) water into the Chino Basin at a rate of approximately 600 af/ year (afy). Prior to injection, the SWP water will be treated at the Agua de Lejos Treatment Plant, owned by the Water Facilities Authority (WFA). Chino Hills plans to use well No. 16 (CH-16) to inject the treated SWP water. CH-16 has not been used for production since 2000 and was converted to an ASR well in 2014.

CH-16 is located at the intersection of Schaefer and Ramona Avenues in the City of Chino. Figure 1 shows the location of CH-16, the locations of historical ground fissuring, the approximate location of the Riley Barrier east of CH-16, the locations of nearby production and monitoring wells, and September 2016 groundwater elevation contours and directional flow vectors. Groundwater moves from northwest to southeast in the vicinity of CH-16.

In 2003, the Dry-Year Yield Program (DYYP)¹ was developed jointly by Watermaster, the Inland Empire Utilities Agency (IEUA), and the Metropolitan Water District of Southern California (MWDSC). The DYYP is a 100,000 af groundwater storage and recovery program where supplemental water is stored in the Chino Basin during years of surplus supplemental water and extracted in years when the availability of supplemental water is limited. Supplemental water recharge to "put" water into the DYYP storage account occurs through in-lieu means, wet-water recharge at spreading grounds, and injection at ASR wells owned by Monte Vista Water District (MVWD).

In 2008, Watermaster, the IEUA, and the MWDSC investigated expanding the maximum storage of the DYYP program to 150,000 af. The expanded program would include the use of ASR wells in the City of Chino, City of Chino Hills, Cucamonga Valley Water District, and MVWD service areas. The IEUA completed an Initial Study² (IS) for the DYYP Expansion project and ultimately adopted a Mitigated Negative Declaration (MND). The project description for the DYYP Expansion project included one Chino Hills ASR well: well No 19 (CH-19). The MPI analysis³ that was developed to support the IS assumed that Chino Hills would inject up to 1,823 afy in CH-19 during a put period. This analysis concluded that some MPI related to storage losses, groundwater level changes, and plume migration would result from the DYYP Expansion project, but these impacts could be mitigated.

¹ WEI. *Chino Basin Dry-Year Yield Program Modeling Report*. Prepared for Watermaster and the IEUA under a subcontract agreement with Black & Veatch Corp., July 2003.

² Tom Dodson and Associates. *Initial Study for Chino Groundwater Basin Dry-Year Yield Program Expansion*. Prepared for the IEUA and responsible parties, November 2008.

³ WEI. *Analysis of Material Physical Injury from the Proposed Expansion of the Dry-Year Yield Program*. Prepared for the Chino Basin Watermaster, December 2008.

In 2014, Chino Hills determined the use CH-16 was more preferable for ASR than CH-19. The City prepared an addendum⁴ to the MND to cover this proposed change. This Addendum included a professional opinion on potential groundwater impacts from switching ASR from CH-19 to CH-16.⁵ For the following reasons, the professional opinion concluded that the differences in groundwater impacts from switching wells would be insignificant:

- CH-16 is located approximately 5,960 feet west of CH-19; both are within areas that exhibit similar hydrogeologic characteristics.
- Both wells are located within the MZ-1 managed area for subsidence.
- CH-16 is located farther from downgradient contaminant plumes.
- Both wells are primarily screened within the lower alluvial aquifer system.

New information has become available since the original MPI analysis of ASR in the Chino Hills service area. These more recent investigations provide a more detailed characterization of the hydrologic conditions in the project area, and an updated groundwater model⁶ was developed to more accurately simulate the potential impacts of future operations. Based on this new information, a new MPI analysis of the proposed recharge at CH-16 was completed. The results of the updated analysis are discussed below.

Groundwater Level Impacts (liquefaction, land subsidence, and increases in pump lift)

CH-16 is screened in the confined deep aquifer system. In the vicinity of CH-16, the deep aquifer system ranges from about 250 to 1,250 feet below ground surface (bgs);⁷ the shallow aquifer system overlies the deep aquifer system. The deep aquifer system is characterized by confined groundwater conditions and lower permeability within its sand and gravel units. The proposed project will produce a localized increase in the groundwater level in the deep aquifer system, followed by a return to the groundwater level that would occur had the water not been recharged. Based on historical data, variations in piezometric levels in the deep aquifer system have only a slight impact on groundwater levels in the shallow aquifer system. Variations in the deep aquifer system, ranging from 180 to 350 feet, have corresponding variations in the shallow aquifer system, ranging from only about 10 to 20 feet.⁸ Increases in piezometric levels in the deep

⁴ Tom Dodson and Associates. *Addendum to the Mitigated Negative Declaration for the Dry-Year Yield Program Expansion Project*. Prepared for the City of Chino Hills, March 2014.

⁵ Geoscience *Statement of Professional Opinion Regarding Changes to Chino Basin Hydrology from Utilizing Well CH-16 for Aquifer Storage and Recovery (ASR)*, submitted to the City of Chino Hills Engineering Department on February 20, 2014.

⁶ WEI. *2013 Chino Basin Groundwater Model Update and Recalculation of Safe Yield Pursuant to the Peace Agreement*. Prepared for the Chino Basin Watermaster, October 2015.

⁷ *Ibid.* See Appendix A.

⁸ See Figure 2-1 in the *Management Zone 1 Interim Monitoring Program MZ-1 Summary Report* (WEI, February 2006).

aquifer system caused by the proposed recharge are not likely to significantly affect groundwater levels in the shallow aquifer.

Groundwater levels at CH-16 have not been measured since 2014. The depth-to-water at Chino Hills' well No. 7C, which is completed in the deep aquifer system and about 1,600 feet south of CH-16, ranged from 160 to 170 feet bgs in July 2017. Provided that Chino Hills conducts injection at CH-16 such that the piezometric level in CH-16 remains below 50 feet bgs, there will be no liquefaction impact due to the mounding of the shallow groundwater system.⁹

The Riley Barrier, which exists approximately 1.4 miles east of CH-16, is a groundwater barrier in the deep aquifer system. Its approximate location is shown on Figure 1.¹⁰ This barrier will restrict the area of influence of the proposed recharge in the deep aquifer system to the west side of the barrier.

CH-16 lies within an area that is managed for land subsidence (hereafter, the Managed Area). The Managed Wells shown on Figure 1, including CH-16, are all screened primarily in the deep aquifer system and are subject to the Guidance Criteria established by the Ground-Level Monitoring Committee.¹¹ These Guidance Criteria were developed to minimize the potential for land subsidence and fissuring in the Managed Area. Groundwater production at the Managed Wells is voluntarily managed such that the measured piezometric elevation in the PA-7 piezometer does not fall below the Guidance Level of 400 feet above mean sea level. No new land subsidence will occur from the proposed recharge project as it will not contribute to lowering the piezometric level below the Guidance Level. There will be no adverse impacts from changes in groundwater levels from the proposed recharge.

Balance of Recharge and Discharge in Every Area and Subarea

Chino Hills has not provided a recapture plan, so an assessment of the balance of recharge and discharge cannot be precisely made. If the proposed recharge is produced from CH-16 or other Managed Wells in the Managed Area, there will likely be no imbalance and no adverse impacts.

⁹ Fife, Donald et al. *Geologic Hazards in Southwestern San Bernardino County, California*. California Division of Mines and Geology, 1976.

¹⁰ More details about the Riley Barrier can be found in the *Management Zone 1 Interim Monitoring Program MZ-1 Summary Report* (WEI, February 2006).

¹¹ Chino Basin Watermaster. *Chino Basin Subsidence Management Plan*. July 23, 2015.

Total Dissolved Solids and Nitrate Concentration of the Recharge Water

In the Regional Water Quality Control Plan for the Santa Ana River Watershed (Basin Plan), the total dissolved solids (TDS) and nitrate (as nitrogen) concentration objectives for the Chino-North Groundwater Management Zone (GMZ) are 420 milligrams per liter (mg/L) and 5 mg/L, respectively. The proposed recharge will occur in the Chino-North GMZ. Pursuant to the Basin Plan and the Watermaster-IEUA recharge permit, Watermaster and the IEUA are required to manage recharge in the Chino Basin such that the five-year volume-weighted average TDS and nitrate concentrations of the combined recycled, imported, and storm water recharged from all recharge basins does not exceed the Basin Plan objectives for the Chino-North GMZ. Chino Hills did not provide a complete characterization of WFA water quality in its June 30, 2017 recharge application. WEI reviewed recent Water Quality Reports from the WFA, which indicate that the TDS and nitrate concentrations vary, averaging about 322 mg/L and 0.7 mg/L, respectively, for 2013 through 2016. The table below shows the groundwater-quality objectives and current ambient concentrations for the Chino-North GMZ; the five-year volume-weighted concentration of recycled water, imported water, and stormwater recharge in the Chino Basin; and TDS and nitrate concentration statistics for the water proposed for recharge.

Comparison of TDS and Nitrate Concentrations in the Proposed Recharge Water to Applicable Regulatory Limits in the Basin Plan (all units in mg/L)

Constituent	Chino-North GMZ Basin Plan Objective	Chino-North GMZ Ambient Concentration ¹²	Assimilative Capacity	Five-Year, Volume-Weighted Concentration of Recharge in the Chino Basin ¹³	Proposed Recharge Water ¹⁴		
					Min	Max	Average
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TDS	420	350	70	345	270	370	322
Nitrate - N	5	10	-5	2.8	nd	5.0	0.7

The current ambient TDS and nitrate concentrations in the Chino-North GMZ are 350 mg/L and 10 mg/L, respectively; therefore, the proposed recharge project will not encroach into the current assimilative capacity for TDS,¹⁵ degrade current ambient TDS

¹² WEI. *Recomputation of Ambient Water Quality in the Santa Ana Watershed for the Period 1993 to 2012*. Prepared for the Santa Ana Watershed Project Authority Basin Plan Monitoring Program Task Force, 2014.

¹³ Average through December 2016.

¹⁴ Based on the 2013 through 2016 WFA Water Quality Reports, covering water quality testing performed from 2013 through 2016. nd = non-detect.

¹⁵ There is no assimilative capacity for nitrate since the ambient nitrate concentration exceeds the objective. Chino Hills cannot recharge water with nitrate concentrations exceeding the 5 mg/L objective.

and nitrate concentrations, or negatively impact the ability of Watermaster and the IEUA to comply with their regulatory obligations in the Basin Plan. In fact, the proposed recharge will be helpful in complying with the Basin Plan. There will be no adverse TDS or nitrate concentration impacts caused by the proposed recharge.

Water Quality Impacts on Other Pumpers

The TDS and nitrate concentrations in the proposed recharge are lower than their ambient concentrations, which is a benefit to the parties. The proposed recharge of 600 afy in the application is not unusually large, and it will not create a significant change in the direction and/or speed of groundwater flow in the area. The Riley barrier will limit these impacts on the solvent plumes east of the barrier. And, Chino Hills is the only party producing groundwater in the deep aquifer system that could be impacted.

Groundwater quality data for wells within and near the area of the proposed recharge were reviewed for constituents monitored pursuant to Title 22 of the California Code of Regulations to identify constituents of concern. Review of this data indicated arsenic, 1,2,3-Trichloropropane (1,2,3-TCP), and nitrate concentrations in excess of their respective maximum contaminant levels (MCLs).¹⁶ Figures 2, 3, and 4 characterize the spatial distribution of arsenic, 1,2,3-TCP, and nitrate concentrations in groundwater, respectively, in the wells near and downgradient of CH-16. These figures show the maximum constituent concentration measurement at each well in the past five years (fiscal years 2013 through 2017). The indicated concentration value at wells without measurements in the past five years is the maximum concentration in the past ten years; wells without measurements within the past ten years were not included in these figures. Arsenic concentrations exceeding the MCL are found in wells screened primarily in the deep aquifer system. 1,2,3-TCP concentrations exceeding the MCL are found in wells screened in both the deep and the shallow aquifer systems. Nitrate concentrations exceeding the MCL are primarily found in wells screened in the shallow aquifer system.

In addition to TDS and nitrate, WEI reviewed the WFA's Water Quality Reports to determine the expected range of arsenic and 1,2,3-TCP in the proposed recharge water. Arsenic concentrations range from nd to 4 µg/L, averaging about 1 µg/L for 2013 through 2016. No information was available for 1,2,3-TCP in WFA's water quality reports.

The recent adoption of an MCL for 1,2,3-TCP has necessitated additional groundwater treatment in this area. Chino Hills staff has indicated that they plan to install granular activated carbon (GAC) filters on the wellheads of their production wells.¹⁷ Future production plans are uncertain until these filters come online, so it is undetermined where the recharge water will likely be captured. The proposed recharge will not exacerbate existing water quality problems at downgradient wells. There will be no

¹⁶ A primary MCL of 0.005 micrograms per liter (µg/L) for 1,2,3-TCP was adopted by the State Water Resources Control Board in July 2017.

¹⁷ Conversation with Mark Wiley of the City of Chino Hills, July 20, 2017.

adverse water quality impacts on other pumpers from the proposed recharge.

Conclusion and Recommendations

There will be no MPI resulting from Chino Hills' proposed recharge, as described in its June 30, 2017 recharge application. A "no-MPI" determination cannot be made regarding the recovery of the recharge until a recovery plan is provided to Watermaster for MPI review.

The piezometric levels at CH-16 should be monitored pursuant to the methods and Guidance Criteria recommended by the Ground-Level Monitoring Committee. Watermaster should require Chino Hills to monitor the amount of water recharged by month and to provide a Title 22 drinking water quality analysis annually for the SWP water that is recharged.¹⁸ These data should be provided to Watermaster in electronic format and in a timely manner. These data are required for Watermaster accounting, the regulatory reporting required in the Watermaster-IEUA recharge permit, and other groundwater management purposes. And, prior to initiating recharge, Chino Hills should provide Watermaster the time history of 1,2,3-TCP concentrations in WFA water.

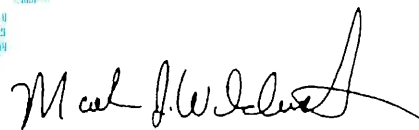
Please call us if you have any questions or concerns regarding this MPI analysis.

Very truly yours,

Wildermuth Environmental, Inc.



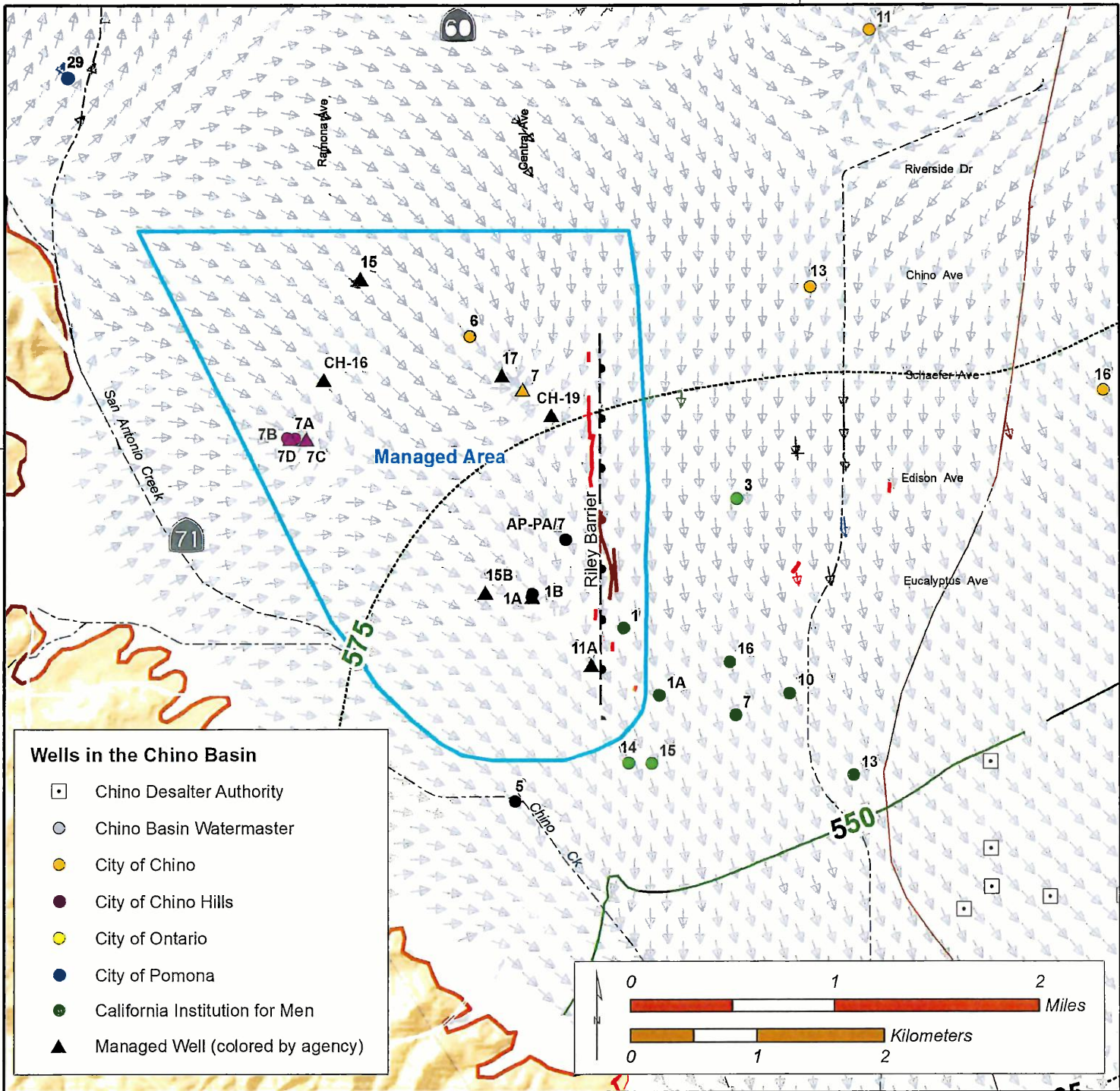
Garrett Rapp, PE
Staff Engineer



Mark Wildermuth, PE
President, Principal Engineer

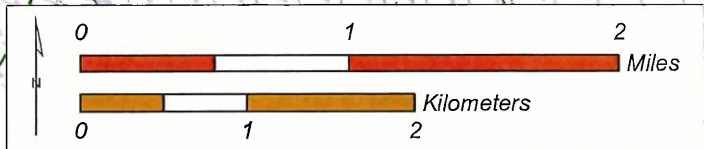
Attachments: Figures 1 through 4

¹⁸ Routine Title 22 analysis provided to the DDW pursuant to WFA monitoring requirements would be sufficient.



Wells in the Chino Basin

- Chino Desalter Authority
- Chino Basin Watermaster
- City of Chino
- City of Chino Hills
- City of Ontario
- City of Pomona
- California Institution for Men
- ▲ Managed Well (colored by agency)



550 Groundwater-Elevation Contours for Fall 2016 (feet above mean sea level)
 Contours represent groundwater elevations based on a model projection for Fall 2016.

525

Groundwater-Flow Direction for Fall 2016
 Arrows represent groundwater-flow direction based on a model projection for Fall 2016.

▲ Riley Barrier

— Ground Fissures

— Streams and Flood Control Channels

OBMP Management Zones

Geology

Water-Bearing Sediments

□ Quaternary Alluvium

Consolidated Bedrock

□ Undifferentiated Pre-Tertiary to Early Pleistocene Igneous, Metamorphic, and Sedimentary Rocks



Author: GAR
 Date: 20170828
 File: 20170828_CH_ASR_MPI_Figure_1.mxd

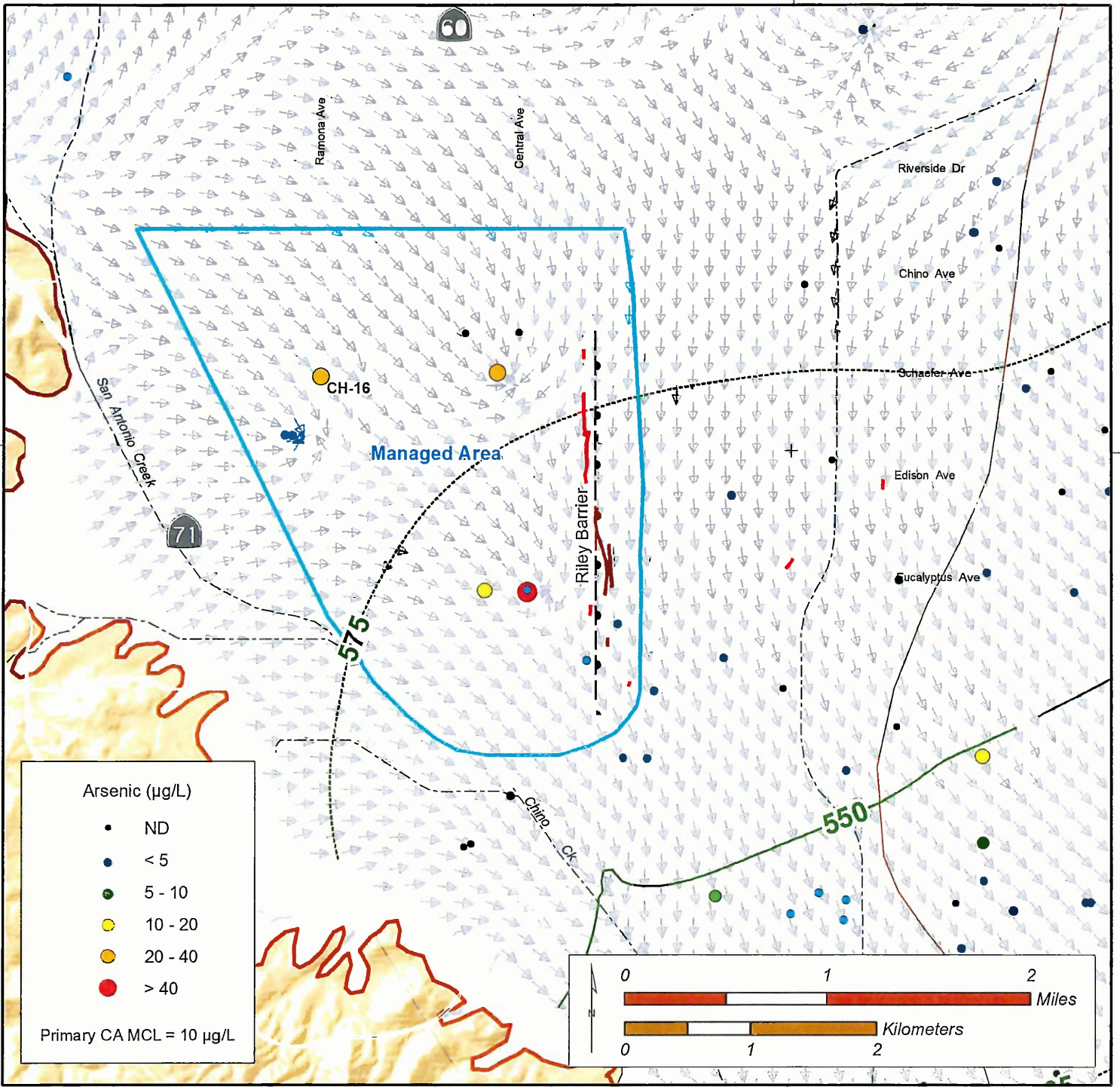
DRAFT



MPI Analysis of Chino Hills' June 30, 2017 Recharge Application P106

Proximate Area to Chino Hills Well No. 16

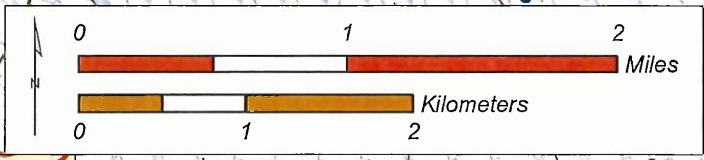
Figure 1



Arsenic ($\mu\text{g/L}$)

- ND
- < 5
- 5 - 10
- 10 - 20
- 20 - 40
- > 40

Primary CA MCL = 10 $\mu\text{g/L}$



550 Groundwater-Elevation Contours for Fall 2016 (feet above mean sea level)
 Contours represent groundwater elevations based on a model projection for Fall 2016.

575

590

Groundwater-Flow Direction for Fall 2016
 Arrows represent groundwater-flow direction based on a model projection for Fall 2016.

Riley Barrier

Ground Fissures

Streams and Flood Control Channels

OBMP Management Zones

117°40'0"W

Geology

Water-Bearing Sediments

- Quaternary Alluvium

Consolidated Bedrock

- Undifferentiated Pre-Tertiary to Early Pleistocene Igneous, Metamorphic, and Sedimentary Rocks



Prepared by:
 Author: GAR
 Date: 20170828
 File: 20170828_CH_ASR_MPI_Figure_1.mxd

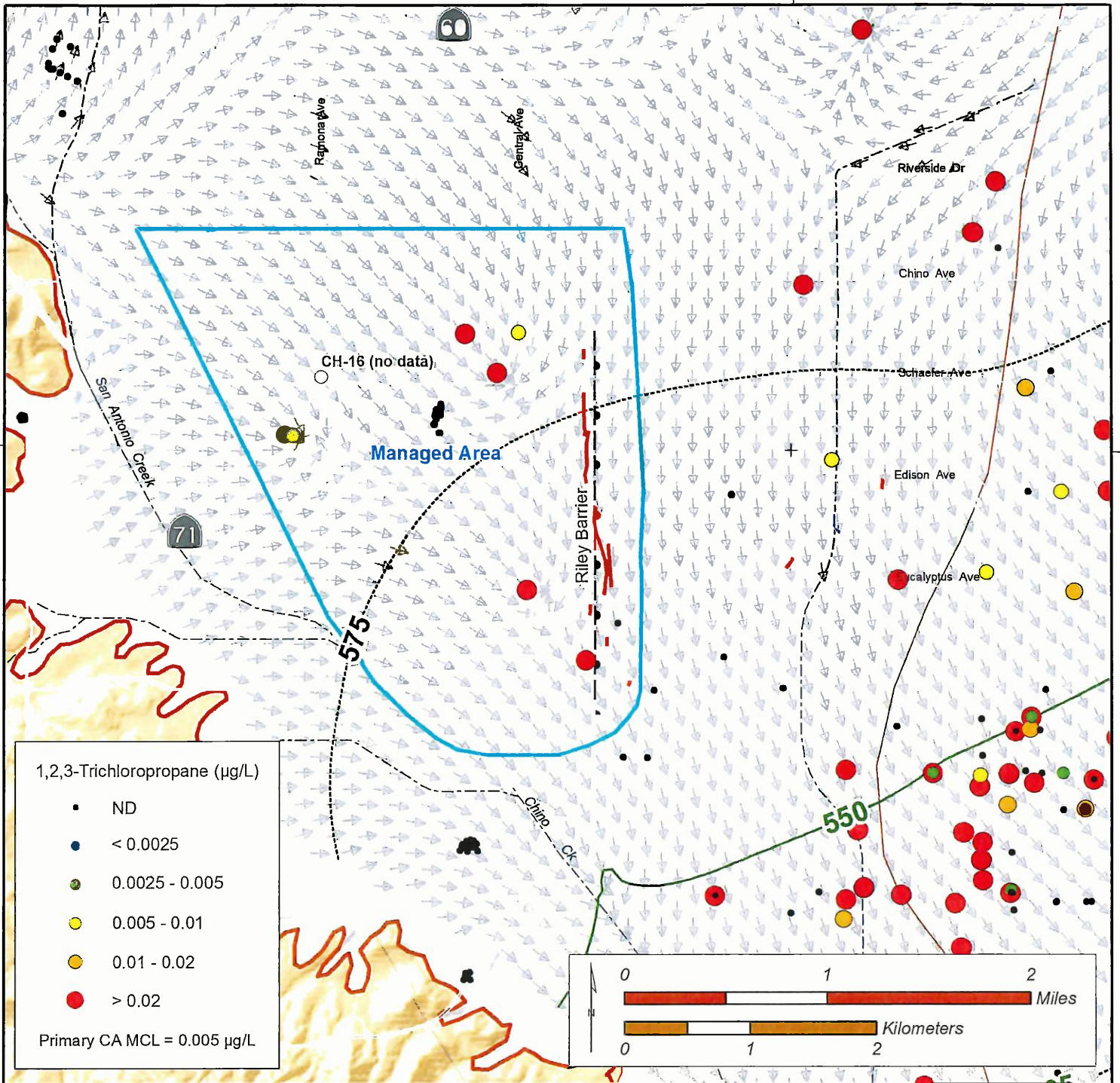
DRAFT



MPI Analysis of Chino Hills'
 June 30, 2017 Recharge Application
P107

Arsenic in Groundwater
 Maximum Concentration (Fiscal Years 2013-2017)

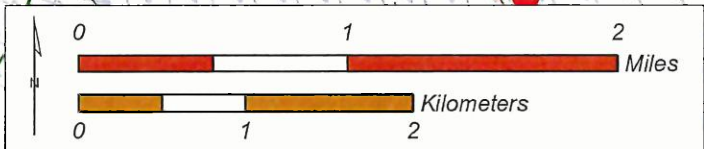
Figure 2



1,2,3-Trichloropropane (µg/L)

- ND
- < 0.0025
- 0.0025 - 0.005
- 0.005 - 0.01
- 0.01 - 0.02
- > 0.02

Primary CA MCL = 0.005 µg/L



550 Groundwater-Elevation Contours for Fall 2016 (feet above mean sea level)
 525 Contours represent groundwater elevations based on a model projection for Fall 2016.

Groundwater-Flow Direction for Fall 2016
 Arrows represent groundwater-flow direction based on a model projection for Fall 2016.

Riley Barrier

Ground Fissures

Streams and Flood Control Channels

OBMP Management Zones

117°40'0"W

Geology

Water-Bearing Sediments

- Quaternary Alluvium
- Consolidated Bedrock
- Undifferentiated Pre-Tertiary to Early Pleistocene Igneous, Metamorphic, and Sedimentary Rocks



Author: GAR
 Date: 20170828
 File: 20170828_CH_ASR_MPL_Figure_1.mxd

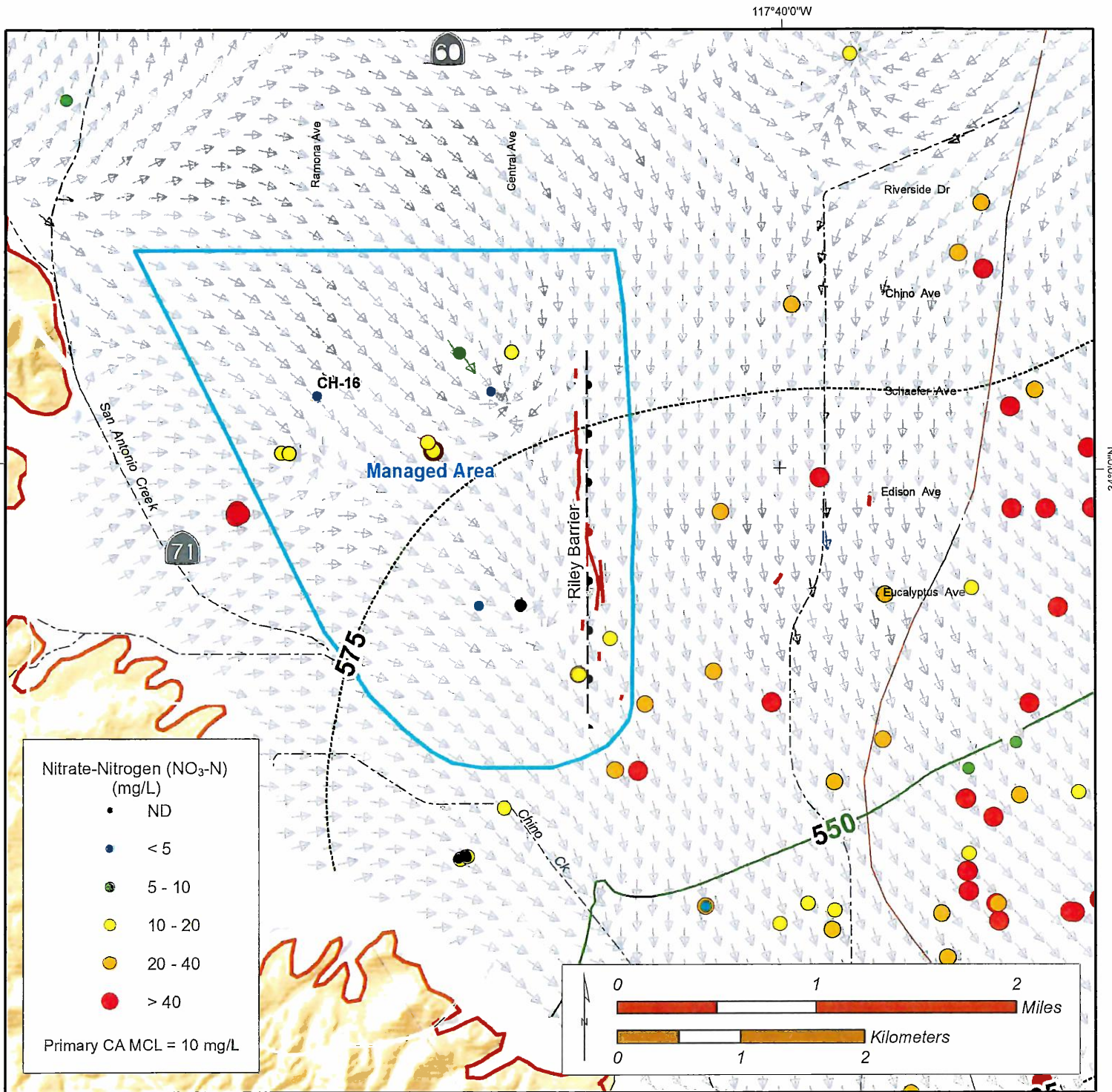
DRAFT

MPI Analysis of Chino Hills' June 30, 2017 Recharge Application P108



1,2,3-TCP in Groundwater
 Maximum Concentration (Fiscal Years 2013-2017)

Figure 3



550 Groundwater-Elevation Contours for Fall 2016 (feet above mean sea level)
525 Contours represent groundwater elevations based on a model projection for Fall 2016.

Groundwater-Flow Direction for Fall 2016
 Arrows represent groundwater-flow direction based on a model projection for Fall 2016.

Riley Barrier
 Ground Fissures
 Streams and Flood Control Channels
 OBMP Management Zones

Geology
 Water-Bearing Sediments
 Quaternary Alluvium
 Consolidated Bedrock
 Undifferentiated Pre-Tertiary to Early Pleistocene Igneous, Metamorphic, and Sedimentary Rocks

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

F. CALMAT CO. REQUEST FOR INTERVENTION INTO APPROPRIATIVE POOL



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: October 19, 2017
TO: Advisory Committee Members
SUBJECT: CalMat Co. Request for Intervention into Appropriative Pool (Consent Calendar Item I.F.)

SUMMARY

Issue: On August 14, 2017, Watermaster received a request for intervention into the Appropriative Pool from CalMat Co.

Recommendation: Recommend Watermaster filing the request for intervention with the Court.

Financial Impact: None.

Future Consideration

Advisory Committee: October 19, 2017: Recommend Watermaster Board to recommend to Court

Watermaster Board: October 26, 2017: Recommend to Court

ACTIONS:

Non-Agricultural Pool – September 14, 2017: Unanimously recommended Pool representatives to support at the Advisory Committee and Board meetings subject to changes which they deem appropriate

Agricultural Pool – September 14, 2017: Unanimously recommended to the Advisory Committee to recommend to the Watermaster Board to recommend to the Court to approve the request for intervention

Appropriative Pool: October 12, 2017: Unanimously voted to consider the request during the October 19, 2017 Advisory Committee meeting, after requesting further information from the applicant

BACKGROUND

By letter dated August 14, 2017 (Attachment 1) CalMat Co. (CalMat) requested to intervene in the Appropriative Pool. CalMat is a division of Vulcan Materials Co., an existing party to the Judgment, and a member of the Non-Agricultural Pool with no current entitlement to Safe Yield. CalMat is also a shareholder in San Antonio Water Company¹ ("SAWCo"). SAWCo and CalMat previously submitted Consolidated Forms 3, 4 & 5 (Application for Sale or Transfer of Right to Produce Water from Storage, Application or Amendment to Application to Recapture Water in Storage, and Application to Transfer Annual Production Right or Safe Yield – Attachment 2), requesting the transfer of 4.375 acre feet of water to CalMat, pursuant to which, CalMat might obtain a share of SAWCo water by pumping through its own well. By letter of October 4, 2017, SAWCo indicated that it was withdrawing the transfer (Attachment 3). CalMat has indicated that it still wishes, at a future date, to obtain water through a transfer from SAWCo.

Interventions are governed by paragraph 60 of the Restated Judgment: "Any non-party assignee of the adjudicated appropriative rights of any appropriator, or any other person newly proposing to produce water from the Chino Basin, may become a party to this Judgment upon filing a petition in intervention. Said intervention must be confirmed by order of [the] Court. Such intervenor shall thereafter be a party bound by [the] Judgment and entitled to the rights and privileges accorded under the Physical Solution ... through the pool to which the Court shall assign such intervenor."

Watermaster's practice has been to accept intervention requests informally by way of a letter and then process the request through the Pool Committees, Advisory Committee and Board. After this internal process, the request for intervention is filed with the Court for approval with Watermaster's recommendation as to its disposition.

The Restated Judgment provides that Parties changing the character of their use or new parties intervening into the Restated Judgment will be assigned to the proper Pool by the order of the Court authorizing such intervention. (Restated Judgment, ¶ 43.) It further provides that a producer is assigned to the Appropriative Pool if it is an owner of appropriative rights. (Restated Judgment, ¶ 43(c).)

The Appropriative Pool Pooling Plan, Exhibit "H" to the Restated Judgment, describes the membership of the Appropriative Pool as including "Any city, district or other public entity and public utility – either regulated under Public Utilities Commission jurisdiction, or exempt therefrom as a non-profit mutual water company (other than those assigned to the Overlying (Agricultural) Pool)." (Restated Judgment, Ex. "H", § 1.) Since the time of the Judgment's entrance, at least three non-purveyor entities have previously intervened and been assigned by the Court – consistent with Watermaster's recommendation – to the Appropriative Pool: Arrowhead Mountain Springs Water Company in 1993, Nicholson Trust in 2001 or 2002 and Niagara Bottling, LLC in 2003, and each of these entities remains a member of the Appropriative Pool. Relevant in this case, neither Arrowhead or Niagara own any Appropriative Rights, and the Nicholson Trust was the recipient of a portion of the former rights of Fontana Union Water Company.

DISCUSSION

CalMat requested intervention into the Appropriative Pool for the purpose of accepting the transfer of 4.375 acre feet of water from SAWCo, pursuant to SAWCo's appropriative right, in order to receive water pursuant to its rights as a SAWCo shareholder. CalMat intends to exercise this appropriative right – or any others which it may be assigned – as a member of the Appropriative Pool, separate and apart from any water it might produce pursuant to an Overlying Right as a member of the Non-Agricultural Pool. To

¹ San Antonio Water Company (SAWCo) is an original Appropriative Pool Party to the Judgment entered in *Chino Basin Municipal Water District v. City of Chino, et al.*, San Bernardino Superior Court No. RVCRS 51010 (formerly 164327), on January 27, 1978. As a member of the Appropriative Pool, San Antonio Water Company currently owns water rights comprising 1,506.888 acre feet of Safe Yield.

the extent it does not produce this water, CalMat would require a Storage agreement with Watermaster. The transfer from SAWCo to CalMat was the subject of a separate item on the September 14, 2017 Pool meeting agenda – it was approved by both the Overlying Pool Committees and deferred by the Appropriative Pool.

Although CalMat is a Party to the Judgment and a member of the Overlying (Non-Ag) Pool, for purposes of the potential exercise of an Appropriative Right it would be considered a Non-Appropriative Pool Party Assignee of Appropriative Rights, or, alternatively, could be considered to be newly proposing to Produce water pursuant to an Appropriative Right. (See Restated Judgment, ¶ 60.) While CalMat may not be proposing to make a new end use pursuant to use of an Appropriative Right, by use of an Appropriative Right, it would be changing the character of the water right pursuant to which it makes such end use. (See Restated Judgment, ¶ 43.)

CalMat seeks intervention to exercise Appropriative Rights. Watermaster staff interprets the language of the Appropriative Pooling Plan (Exhibit H, § 1) referenced above as a description of the members of the Pool at the time of the Judgment, and not a limit to membership in the Pool to water purveyors. Further, given the prior intervention of non-purveyor entities, such as Arrowhead, Niagara, and the Nicholson Trust, into the Appropriative Pool for similar purposes, Watermaster staff believes intervention by CalMat into the Appropriative Pool to be appropriate in this instance. On this basis, Watermaster staff recommends the approval of the request for intervention.

ATTACHMENTS

1. August 14, 2017 Letter from Kevin Sage RE Intervention into Chino Basin Watermaster
2. Consolidated Forms 3, 4, and 5
3. Letter from SAWCo dated October 4, 2017 withdrawing the 4.375 AF water transfer

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Date: August 14, 2017

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

Subject: Intervention into Chino Basin Watermaster

Dear Mr. Kavounas:

I, or the company I represent (see below), request intervention into the Chino Basin Watermaster Judgment. I/we request that the Watermaster attorneys process the Intervention paperwork through the Court.

Number of wells: 1

Permission is granted to obtain drilling logs from: Yes

Location(s) of wells (including addresses, parcel numbers, and landmarks):
4711 Huntington Drive, Claremont, California 91763 (existing CalMat well)

Type of usage (Irrigation, Dairy, Domestic, etc.):

Industrial

Property Owner (Well Owner) Information:

Name: Ca Mat Co.
Address: 405 North Indian Hill Boulevard, Claremont, California 91711
Phone: (909) 621-1266 Email: _____

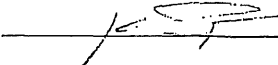
Property Occupant (Well User) Information (if different from Owner):

Name: CalMat Co.
Address: 405 North Indian Hill Boulevard, Claremont, California 91711
Phone: (909) 621-1266 Email: _____

Representative Handling Intervention:

Name: Kevin Sage Title: Resource Manager
Address: 405 North Indian Hill Boulevard, Claremont, CA 91711
Phone: (909) 621-1266 Email: ksage@irmwater.com

Sincerely,

Signed:  _____ Print name: Kevin Sage

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Consolidated Forms 3, 4 & 5

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

FISCAL YEAR 2017 - 2018

DATE REQUESTED: August 14, 2017

AMOUNT REQUESTED: 4.375 Acre-Feet

<p>TRANSFER FROM (SELLER / TRANSFEROR):</p> <p><u>San Antonio Water Company</u> Name of Party</p> <p><u>139 North Euclid Avenue</u> Street Address</p> <p><u>Upland</u> <u>CA</u> <u>91786</u> City State Zip Code</p> <p><u>(909) 982-4107</u> Telephone</p> <p>_____ Facsimile</p>	<p>TRANSFER TO (BUYER / TRANSFEREE):</p> <p><u>Vulcan Materials Company</u> Name of Party</p> <p><u>405 North Indian Hill Boulevard</u> Street Address</p> <p><u>Claremont</u> <u>CA</u> <u>91711</u> City State Zip Code</p> <p><u>(909) 621-1266</u> Telephone</p> <p><u>(909) 621-1196</u> Facsimile</p>
---	--

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

Consolidated Forms 3, 4 & 5 cont.

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

Projected Rate of Recapture _____ Projected Duration of Recapture _____

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

PLACE OF USE OF WATER TO BE RECAPTURED:

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

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

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

MATERIAL PHYSICAL INJURY

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

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

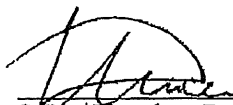
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

Yes No



Seller / Transferor Representative Signature

Charles Moorrees

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Kevin Sage

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

September 8, 2017

This notice is to advise interested persons that the attached application(s) will come before the Watermaster Board on or after 30 days from the date of this notice.

TRANSFER OF WATER

A party to the Judgment has submitted a proposed transfer of water for Watermaster approval. Unless contrary evidence is presented to Watermaster that overcomes the rebuttable presumption provided in Section 5.3(b)(iii) of the Peace Agreement, Watermaster must find that there is “no material physical injury” and approve the transfer. Watermaster staff is not aware of any evidence to suggest that this transfer would cause material physical injury and hereby provides this notice to advise interested persons that this transfer will come before the Watermaster Board on or after 30 days from the date of this notice. The attached staff report will be included in the meeting package at the time the transfer begins the Watermaster process (comes before Watermaster).

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **August 14, 2017** Date of this notice: **September 8, 2017**

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

- Notice of Sale or Transfer – The purchase of 4.375 acre-feet of water from San Antonio Water Company by Calmat Company (Vulcan Materials). This purchase is made from San Antonio Water Company’s Excess Carryover Account. Calmat Company (Vulcan Materials) is utilizing this transaction to produce its San Antonio Water Company shares. This transfer is contingent on Calmat Company (Vulcan Materials) successful intervention in to the Appropriative Pool.

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

Appropriative Pool: September 14, 2017

Non-Agricultural Pool: September 14, 2017

Agricultural Pool: September 14, 2017

This *Application* will be scheduled for consideration by the Advisory Committee *no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days* after the last pool committee reviews it.

After consideration by the Advisory Committee, the *Application* will be considered by the Board.

Unless the *Application* is amended, as *Contests* must be submitted a minimum of fourteen (14) days prior to the Advisory Committee’s consideration of an *Application*, parties to the Judgment may file *Contests* to the *Application* with Watermaster *within seven calendar days* of when the last pool committee considers it. Any *Contest* must be in writing and state the basis of the *Contest*.

Watermaster address:

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

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



San Antonio Water Company

Incorporated October 25, 1882

Serving the original Ontario Colony lands

October 4, 2017

Mr. Bob Bowcock
Calmat Company
405 North Indian Hill Boulevard
Claremont, CA 91711

Re: Chino Basin Water Transfer 4.375AF

Please be advised that the San Antonio Water Company hereby withdraws the subject transfer of 4.375 AF to Calmat dated August 14, 2017.

A handwritten signature in black ink, appearing to read "Charles Moorrees", is written over a horizontal line.

Charles Moorrees
General Manager
/cm

Cc: PKavounas/CBWM
TCorbin/Chair CB Appropriate Pool
SAWCo Board
TMcPeters/Legal Counsel

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

**G. NCL CO., LLC REQUEST FOR INTERVENTION INTO
APPROPRIATIVE POOL**



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: October 19, 2017
TO: Advisory Committee Members
SUBJECT: NCL Co. LLC Request for Intervention into Appropriative Pool
(Consent Calendar Item I.G.)

SUMMARY

Issue: On August 14, 2017, Watermaster received a request for intervention into the Appropriative Pool from NCL Co. LLC.

Recommendation: Recommend Watermaster filing the request for intervention with the Court.

Financial Impact: None.

Future Consideration

Advisory Committee: October 19, 2017: Recommend Watermaster recommend to Court

Watermaster Board: October 26, 2017: Recommend to Court

ACTIONS:

Non-Agricultural Pool – September 14, 2017: Unanimously recommended Pool representatives to support at the Advisory Committee and Board meetings subject to changes which they deem appropriate

Agricultural Pool – September 14, 2017: Unanimously recommended to the Advisory Committee to recommend to the Watermaster Board to recommend to the Court to approve the request for intervention

Appropriative Pool: October 12, 2017: Unanimously voted to consider the request during the October 19, 2017 Advisory Committee meeting, after requesting further information from the applicant

BACKGROUND

By letter dated August 14, 2017 (Attachment 1) NCL Co. LLC (NCL) – not a party to the Judgment – requested to intervene in the Appropriative Pool for the purpose of accepting future transfers of water from CalMat Co. (CalMat). CalMat has also requested to intervene in the Appropriative Pool (see Consent Calendar I.D. of this October 12, 2017 agenda).

Simultaneously with the proposed SAWCo and CalMat transfer (see Consent Calendar I.D., CalMat and NCL Co. LLC (NCL) have submitted Consolidated Forms 3, 4 & 5 (Application for Sale or Transfer of Right to Produce Water from Storage, Application or Amendment to Application to Recapture Water in Storage, and Application to Transfer Annual Production Right or Safe Yield – Attachment 2) to transfer 4.00 acre feet of the appropriative right CalMat would receive from SAWCo to NCL. This proposed transfer was deferred by the Appropriative Pool, and unanimously approved by the Overlying (Non-Agricultural) Pool and the Overlying (Agricultural) Pool during the September 2017 Pool Committee meetings.

Interventions are governed by paragraph 60 of the Restated Judgment: “Any non-party assignee of the adjudicated appropriative rights of any appropriator, or any other person newly proposing to produce water from the Chino Basin, may become a party to this Judgment upon filing a petition in intervention. Said intervention must be confirmed by order of [the] Court. Such intervenor shall thereafter be a party bound by [the] Judgment and entitled to the rights and privileges accorded under the Physical Solution ... through the pool to which the Court shall assign such intervenor.”

Watermaster’s practice has been to accept interventions informally by way of a letter request and then process the request through the Pools, Advisory Committee and Board. After this internal approval process, the request for intervention is filed with the Court for approval.

The Restated Judgment provides that Parties changing the character of their use or new parties intervening into the Restated Judgment will be assigned to the proper Pool by the order of the Court authorizing such intervention. (Restated Judgment, ¶ 43.) It further provides that a producer is assigned to the Appropriative Pool if it is an owner of appropriative rights. (Restated Judgment, ¶ 43(c).)

The Appropriative Pool Pooling Plan, Exhibit “H” to the Restated Judgment, describes the membership of the Appropriative Pool as including “Any city, district or other public entity and public utility – either regulated under Public Utilities Commission jurisdiction, or exempt therefrom as a non-profit mutual water company (other than those assigned to the Overlying (Agricultural) Pool).” (Restated Judgment, Ex. “H”, § 1.) Since the time of the Judgment’s entrance, at least three non-purveyor entities have previously intervened and been assigned by the Court – consistent with Watermaster’s recommendation – to the Appropriative Pool: Arrowhead Mountain Springs Water Company in 1993, Nicholson Trust in 2001 or 2002 and Niagara Bottling, LLC in 2003, and each of these entities remains a member of the Appropriative Pool. Relevant in this case, neither Arrowhead nor Niagara own any Appropriative Rights, and the Nicholson Trust was the recipient of a portion of the former rights of Fontana Union Water Company.

DISCUSSION

NCL has requested intervention into the Appropriative Pool for the purpose of accepting future transfers of water from CalMat. NCL intends to be a member of the Appropriative Pool, and, to the extent it does not produce water it receives from transfers from CalMat, would require a Storage agreement with Watermaster.

NCL seeks intervention to receive and exercise Appropriative Rights. Watermaster staff interprets the language of the Appropriative Pooling Plan (Exhibit H, § 1) referenced above as a description of the members of the Pool at the time of the Judgment, and not a limit to membership in the Pool to water

purveyors. Further, given the prior intervention of non-purveyor entities, such as Arrowhead, Niagara, and the Nicholson Trust, into the Appropriative Pool for similar purposes, Watermaster staff believes intervention by NCL into the Appropriative Pool to be appropriate in this instance. On this basis, Watermaster staff recommends the approval of the request for intervention.

ATTACHMENTS

1. August 14, 2017 Letter from Robert Bowcock RE Intervention into Chino Basin Watermaster
2. Consolidated Forms 3, 4, and 5

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Date: August 14, 2017

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

Subject: Intervention into Chino Basin Watermaster

Dear Mr. Kavounas:

I, or the company I represent (see below), request intervention into the Chino Basin Watermaster Judgment. I/we request that the Watermaster attorneys process the Intervention paperwork through the Court.

Number of wells: 1

Permission is granted to obtain drilling logs from: Yes

Location(s) of wells (including addresses, parcel numbers, and landmarks): _____

4711 Huntington Drive, Claremont, California 91763 (existing Calmat well)

Type of usage (Irrigation, Dairy, Domestic, etc.): _____

Industrial

Property Owner (Well Owner) Information:

Name: CalMat Co.

Address: 405 North Indian Hill Boulevard, Claremont, California 91711

Phone: (909) 621-1266 Email: _____

Property Occupant (Well User) Information (if different from Owner):

Name: NCL Co, LLC

Address: 405 North Indian Hill Boulevard, Claremont, California 91711

Phone: (909) 621-1266 Email: _____


Representative Handling Intervention:

Name: Robert Bowcock Title: Resource Manager

Address: 405 North Indian Hill Boulevard, Claremont, CA 91711

Phone: (909) 621-1266 Email: bbowcock@irmwater.com

Sincerely,

Signed: 

Print name: Robert Bowcock

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

FISCAL YEAR 2017 - 2018

DATE REQUESTED: August 14, 2017

AMOUNT REQUESTED: 4 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
<u>CalMat Co.</u>	<u>NCL Co, LLC</u>
Name of Party	Name of Party
<u>405 North INdian Hill Boulevard</u>	<u>405 North Indian Hill Boulevard</u>
Street Address	Street Address
<u>Claremont</u> <u>CA</u> <u>91711</u>	<u>Claremont</u> <u>CA</u> <u>91711</u>
City State Zip Code	City State Zip Code
<u>(909) 621-1266</u>	<u>(909) 621-1266</u>
Telephone	Telephone
<u>(909) 621-1266</u>	<u>(909) 621-1196</u>
Facsimile	Facsimile

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:	
Projected Rate of Recapture _____	Projected Duration of Recapture _____
METHOD OF RECAPTURE (e.g. pumping, exchange, etc.): _____	
PLACE OF USE OF WATER TO BE RECAPTURED: _____	
LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES): _____	

WATER QUALITY AND WATER LEVELS

Are the Parties aware of any water quality issues that exist in the area? Yes No
If yes, please explain:

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

MATERIAL PHYSICAL INJURY

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

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

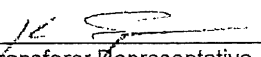
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

Yes No



Seller / Transferor Representative Signature

Kevin Sage
Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Robert Bowcock
Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

September 8, 2017

This notice is to advise interested persons that the attached application(s) will come before the Watermaster Board on or after 30 days from the date of this notice.

TRANSFER OF WATER

A party to the Judgment has submitted a proposed transfer of water for Watermaster approval. Unless contrary evidence is presented to Watermaster that overcomes the rebuttable presumption provided in Section 5.3(b)(iii) of the Peace Agreement, Watermaster must find that there is “no material physical injury” and approve the transfer. Watermaster staff is not aware of any evidence to suggest that this transfer would cause material physical injury and hereby provides this notice to advise interested persons that this transfer will come before the Watermaster Board on or after 30 days from the date of this notice. The attached staff report will be included in the meeting package at the time the transfer begins the Watermaster process (comes before Watermaster).

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **August 14, 2017**

Date of this notice: **September 8, 2017**

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

- Notice of Sale or Transfer – The transfer of 4,000 acre-feet of water from Calmat Company (Vulcan Materials) to NCL Company, LLC. This transfer is made from Calmat Company (Vulcan Materials) Local Supplemental Storage Account. This transfer is contingent on NCL Company, LLC.'s successful intervention into the Appropriative Pool.

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

Appropriative Pool:	September 14, 2017
Non-Agricultural Pool:	September 14, 2017
Agricultural Pool:	September 14, 2017

This *Application* will be scheduled for consideration by the Advisory Committee *no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days* after the last pool committee reviews it.

After consideration by the Advisory Committee, the *Application* will be considered by the Board.

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

A. DESALTER REPLENISHMENT OBLIGATION ALLOCATION



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: October 19, 2017
TO: Advisory Committee Members
SUBJECT: Desalter Replenishment Obligation Allocation (Business Item II.A.)

SUMMARY

Issue: A resolution is required for the Chino Basin Watermaster to levy Desalter Replenishment assessments according to a methodology that is agreed to by the Peace II parties.

Recommendation: Offer advice to Watermaster on the acceptable methodology to allocate Desalter Replenishment Obligation among parties.

Financial Impact: Collection of the assessments creates the funds that are used for buying replenishment water toward any unmet Desalter Replenishment Obligation.

Future Consideration

Advisory Committee – October 19, 2017: Offer advice and assistance

Watermaster Board – October 26, 2017: Approval [Function related to administration of the Pool Committees]

ACTIONS:

Appropriative Pool – May 11, 2017: No action

Non-Agricultural Pool – May 11, 2017: No Action

Agricultural Pool – May 11, 2017: No Action

Advisory Committee – May 18, 2017: No Action

Watermaster Board – May 25, 2017: No Action

Appropriative Pool – June 8, 2017: Discussion only

Appropriative Pool – July 13, 2017: Advice given (Confidential Session)

Advisory Committee – July 20, 2017: Recommend Board approval of Resolution 2017-05

Watermaster Board – July 27, 2017: Request the Advisory Committee to reconsider the Desalter Replenishment Obligation allocation methodology; continue the item to the September 2017 meeting of the Board

Advisory Committee – August 3, 2017: Refer the item to individual Pools for further consideration, in light of the new information presented in the staff letter, and during the July 27, 2017 Board meeting

Non-Agricultural Pool – August 30, 2017: Offered advice

Appropriative Pool – September 14, 2017: No action

Non-Agricultural Pool – September 14, 2017: No action

Agricultural Pool – September 14, 2017: Offered advice

Advisory Committee – September 21, 2017: Offered advice

Watermaster Board – September 28, 2017: No action; continue the item to the October 2017 meeting of the Board

Appropriative Pool – October 12, 2017: Unanimously voted to request that, in light of progress in ongoing negotiations among the Pool, the Advisory Committee and Watermaster Board defer taking action on the item

Non-Agricultural Pool – October 12, 2017: No action

Agricultural Pool – October 12, 2017: No action

BACKGROUND

Watermaster asked for the Pool Committees' advice and assistance on the methodology by which to allocate Desalter Replenishment Obligation (DRO) among the parties. The request was made in May 2017 following the Court's April 28, 2017 Order, which resulted in approximately 28,000 ac-ft of DRO for Production Year 2013/14.

The subsequent appeal from the Order has left the amount of the DRO to be assessed uncertain; however, the need for clear methodology for future assessments remains. Since the DRO stems from the Peace II Agreement, the lack of unanimity among the parties as to the methodology to be applied would require the Court's determination as to the proper method of assessment. During its July 27, 2017 meeting the Watermaster Board referred the matter back to the Advisory Committee to re-consider the proposed methodology in light of additional information as to Staff's interpretation of the Peace II language, and continued its discussion until the September 2017 meeting. By way of background information, the July 27, 2017 Staff Letter is attached (Attachment 1).

The Advisory Committee held a Special Meeting on August 3, 2017 and referred the matter back to the individual Pool Committees.

The Overlying (Non-Agricultural) Pool Committee transmitted a letter with its recommendation to Watermaster dated August 30, 2017 (Attachment 2) and asked that the letter be distributed to all Pool Committees. During its September 14, 2017 meeting the Overlying (Agricultural) Pool adopted a recommendation shown as Attachment 3. The Appropriative Pool also met and discussed the item without reaching any explicit advice or recommendation.

During its September 21, 2017 meeting the Advisory Committee unanimously requested the Board not to act on the matter, giving more time for the Appropriative Pool to reach a unified recommendation. The recommendation was in part based on comments made by the Appropriative Pool Chair, Mr. Todd Corbin, who stated among other things that the Pool is diligently working toward resolution of a number of items including the Desalter Replenishment Obligation allocation methodology, and that the Pool realizes a decision cannot be postponed indefinitely.

The Watermaster Board discussed the item during its September 28, 2017 meeting and took no action, other than to request the matter be brought back to the Board for consideration during the October 26, 2017 meeting.

The Appropriative Pool discussed the item during its October 12, 2017 meeting. The Pool voted unanimously to recommend to the Advisory Committee and the Watermaster Board to defer action in light of progress in the negotiations among Pool members.

ATTACHMENTS

1. July 27, 2017 Staff Letter
2. Overlying (Non-Agricultural) Pool Committee letter dated August 30, 2017
3. Overlying (Agricultural) Pool Committee action

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CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
 General Manager

STAFF REPORT

DATE: July 27, 2017
 TO: Watermaster Board Members
 SUBJECT: Resolution 2017-05 to Levy Desalter Replenishment Assessments for Fiscal Year 2013/2014 (Based on Production Year 2013/14) (Business Item II.C.)

SUMMARY

Issue: A resolution is required for the Chino Basin Watermaster to levy Desalter Replenishment assessments for Fiscal Year 2013/14. The Advisory Committee has recommended, by 81.99% vote, adoption of a replenishment obligation allocation methodology that is different than staff's interpretation of the Peace II Agreement, based upon contemporaneous usage and custom and practice of the parties in the years following its adoption.

Recommendation: While the Board may approve the Advisory Committee recommendation and forward it to the Court for confirmation, Staff recommends instead that the Board request the Advisory Committee to reconsider the Desalter Replenishment Obligation allocation methodology that is to be used in Resolution 2017-05 in light of the common practice of Watermaster and the consistent, contemporaneous and subsequent usage of the similar language followed by Court confirmation of the adopted interpretation.

Financial Impact: Collection of the assessments creates the funds that are used for buying replenishment water for unmet Desalter Replenishment Obligation through Production Year 2013/14. Deferring adoption until the next Board meeting and allowing the Advisory Committee to reconsider does not have a direct financial consequence.

Future Consideration

Watermaster Board – July 27, 2017: Refer to Advisory Committee for reconsideration

ACTIONS:

Appropriative Pool – May 11, 2017: No action
 Non-Agricultural Pool – May 11, 2017: No Action
 Agricultural Pool – May 11, 2017: No Action
 Advisory Committee – May 18, 2017: No Action
 Watermaster Board – May 25, 2017: No Action
 Appropriative Pool – June 8, 2017: Discussion only
 Appropriative Pool – July 13, 2017: Advice given (Confidential Session)
 Advisory Committee – July 20, 2017: Recommend Board approval of Resolution 2017-05

BACKGROUND

A. Legal Issue

At issue is the meaning of Peace II Agreement §6.2(b)(ii) that provides in relevant part:

“A Replenishment Assessment against the Appropriative Pool, pro-rata based on each Producer’s combined share of Operating Safe Yield and the previous year’s actual production.”

The Peace II Agreement is controlling on Watermaster under the Peace II Agreement. In short the question is whether “actual production” means “assessable” or “physical production”?

B. Procedural Posture

Watermaster is endowed with powers to levy and collect administrative, special project, and replenishment assessments necessary to maintain water levels and to cover the cost of administering the Chino Basin Restated Judgment. Pursuant to the Restated Judgment, each party has thirty days from the date of invoice to remit the amount of payment for assessments due. After that date, interest will accrue on that portion which was due as provided for in Section 55(c) of the Restated Judgment.

Through Production Year 2013/14, there is an unmet Desalter Replenishment Obligation of 27,940 acre-feet that has not been levied due to the pending Safe Yield Reset disposition from the Court. After the Court’s disposition on April 28, 2017, which does not mandate any changes to the approved Assessment Package for Production Year 2013/14, Watermaster is required to levy assessments for unmet Desalter Replenishment Obligation through that year.

The total Desalter Replenishment Obligation that needs to be assessed has been calculated based on the approved Assessment Package (approved November 25, 2014). Parties will have the opportunity to utilize water purchased pre-emptively for replenishment, or transfer water from their Storage Accounts to meet their Desalter Replenishment Obligation. Parties also have the option to pay Watermaster to purchase water on their behalf to meet the obligation.

At the time Resolution 2017-05 is approved by the Watermaster Board, supplemental Water Activity Reports will be issued to determine each party’s preference on how to meet the obligation. Subsequently, if necessary, invoices will be mailed and assessments will be due 30 days later. Watermaster has invited the Pools and Advisory Committee to offer any advice on the matter, as this is the first time Desalter Replenishment is being levied pursuant to the Peace II Agreement.

Desalter Replenishment Obligation and other aspects of the approved Production Years 2014/15 and 2015/16 Assessment Packages need to be re-evaluated in light of the April 28, 2017 Court Order rejecting the Safe Yield Reset Agreement in its entirety and the ongoing appeals. The Safe Yield Reset Agreement did not raise or resolve this issue and the Court’s April 28, 2017 Order provides no direction as to how this Obligation might be resolved, leaving it to Watermaster to apply the Court Approved Management Agreements and applicable governance documents.

It is possible for the parties to the Peace Agreement to arrive at a formula different than as provided in the Peace II Agreement but only with unanimous consent of the Parties to the Peace II Agreement or a Court Order authorizing the activity in consideration of the Peace II Agreement. However, absent a unanimous consent, Watermaster has agreed and been directed to assess costs in accordance with the Peace Agreements.

On May 11, 2017 the Appropriative Pool, the Overlying (Non-Agricultural) Pool and the Overlying (Agricultural) Pool were presented with the resolution to offer advice to Watermaster on the applicable method. The Appropriative Pool recommended a citation be added to the Resolution; and also requested through June 30, 2017 to gather more information about the distribution of the obligation to each party. The

Overlying (Non-Agricultural) Pool offered no advice. The Overlying (Agricultural) Pool cautioned that the [then] current contest of Appropriative Pool's Excess Carry Over Storage Agreement Applications might interfere with the possibility of using water in storage accounts for meeting Desalter Replenishment Obligation as mentioned in Resolution 2017-05.

On May 18, 2017 the Advisory Committee was presented with the resolution to offer advice to Watermaster on resolution of this question. The City of Ontario suggested moving forward with the assessment of Desalter Replenishment Obligation sooner rather than later to be in compliance with the new court order implementation. On May 22, 2017 the Watermaster Board was presented with this resolution for discussion only and no action was taken.

This item was again presented to back to the Appropriative Pool on June 8, 2017, and references to relevant documents were added to facilitate discussion among Appropriative Pool members. On June 8, 2017 the Appropriative and Agricultural Pools signed a tolling agreement removing constraints on the use of stored Excess Carry Over water toward replenishment of the unmet Desalter Replenishment Obligation.

Resolution 2017-05 (Attachment 1) has been updated to incorporate a citation as suggested by the Appropriative Pool. The Appropriative Pool at its July 13, 2017 meeting reported out of Confidential Session that the Pool voted and passed by majority vote for Watermaster to move forward with the levying of Desalter Replenishment assessments for Fiscal Year 2013/2014 using the 50/50 formula based on half of Operating Safe Yield, and half of Physical Production. The Cities of Chino and Ontario voted against. The Appropriative Pool transmitted a letter dated July 20, 2017, to Watermaster affirming its preference (Attachment 2).

During its July 20, 2017 meeting the Advisory Committee approved the allocation as approved by the majority of the Appropriative Pool, with a passing vote of 81.993%.

DISCUSSION

Exhibit A to Resolution 2017-05 indicates the allocation of the entire replenishment obligation to the Appropriative Pool parties according to the methodology approved by the Advisory Committee on July 20, 2017, that is calculating each party's share of the obligation based 50% on each party's share of the Operating Safe Yield, and 50% on each party's physical production portion of the total physical production. In any year, a party's physical production may be different than its assessable production.

Principles of Contractual Interpretation

Under California law, the fundamental aim of contractual interpretation is to give effect to the mutual intention of the parties. (*Powerine Oil Co., Inc. v. Superior Court* (2005) 37 Cal.4th 377, 390 [internal citations and quotations omitted]; *County of San Diego v. Ace Prop. & Cas. Ins. Co.* (2005) 37 Cal.4th 406, 415.) California takes a "realistic approach" to interpretation where courts seek to enforce the parties' actual understanding. (*Scott v. Pacific Gas & Electric Co.* (1995) 11 Cal.4th 454, 463.) Courts consider the objective manifestations of the parties' intent, including the words used in the agreement, as well as extrinsic evidence of the circumstances under which the parties negotiated or entered into the contract; the object, nature and subject matter of the contract; and the subsequent conduct of the parties. (*People v. Shelton* (2006) 37 Cal.4th 759, 767.) When interpreting contracts, courts consider all the rules of interpretation and give each its proper weight in order to arrive at the true effect of the agreement. (*City of Manhattan Beach, supra*, 13 Cal.4th at 238.)

California's rules of contract interpretation are stated in the Civil Code, and include:

- Contracts must be interpreted to give effect to the mutual intention of the parties as it existed at the time of contracting, so far as the same is ascertainable and lawful. (Civ. Code § 1636.)

- In interpreting written contracts, the intention of the parties is to be determined from the writing alone, if possible. (Civ. Code § 1639; *Falkowski v. Imation Corp.* (2005) 132 Cal.App.4th 499, 506 [“in the first instance, contractual interpretation turns on what was intended by what was said – not what a party intended to say.”])
- A contract should be interpreted in such a way as to give force and effect to every provision, with each clause helping to interpret the others, and interpretations that render part of the contract surplusage, inoperative or meaningless should be avoided. (Civ. Code §1641; *Boghos v. Certain Underwriters at Lloyd’s of London* (2005) 36 Cal.4th 495, 503.)
- A contract should be interpreted in a manner that will make it lawful, operative, definite, reasonable, and capable of being carried into effect. (Civ. Code §1643.; *Khavarian Enters., Inc. v. Commline, Inc.* (2013) 216 Cal.App.4th 310, 318 [If two constructions are possible, the interpretation that renders the contract valid and effective should be adopted].)
- Words in a contract are to be understood in their ordinary and popular sense, rather than according to their strict legal meaning; unless used by the parties in a technical sense, or unless a special meaning is given to them by usage, in which case the latter must be followed. (Civ. Code § 1644.)
- A contract will be interpreted in light of the circumstances under which it was made, and the matter to which it relates. (Civ. Code § 1647.) This means courts may consider all the facts, circumstances and conditions surrounding the execution of the contract when interpreting the contractual language. (*Falkowski, supra*, 132 Cal.App.4th at 506.)
- If a term is ambiguous, the Court will interpret it in the sense in which the party promising performance believed that the party to which performance was promised understood it. (Civ. Code § 1649.)

While the “parol evidence rule” prohibits the introduction of any extrinsic evidence, either oral or written, to vary or supplement the terms of an “integrated written instrument” – a complete and exclusive statement of the parties’ agreement (*Casa Herrera, Inc. v. Beydoun* (2004) 32 Cal.4th 336, 343-44; *FPI Dev., Inc. v. Nakashima* (1991) 231 Cal.App.3d 367, 388.), it does not, however, prohibit the introduction of extrinsic evidence to explain the meaning of a contract. (*Id.* at 344.)

Courts may also consider the parties’ course of conduct – both at the time of contracting and thereafter – to interpret the contract. (*Employers Reinsurance Co. v. Superior Court* (2008) 161 Cal.App.4th 906, 922 [“...when the parties perform under a contract, without objection or dispute, they are fulfilling their understanding of the terms of the contract. This is true regardless of the actual language of the contract, as long as the parties’ interpretation is reasonable.”].)

In the instant case, the formula for allocation of the parties’ respective Desalter replenishment obligations is addressed in the Peace II Agreement, Section 6.2(b)(ii). As there are differing interpretations as to the meaning of the term “actual production”: does it mean physical or assessable production - Watermaster staff has examined the following: (i) Watermaster’s general accounting principles; (ii) contemporaneous usage and (iii) subsequent usage by Watermaster and the parties.

Based upon these considerations, Staff’s opinion is that the proper interpretation is to construe actual production as meaning assessable production and not physical production. That is, application of the Peace II language of Section 6.2(b)(ii) should base each party’s obligation based 50% on each party’s share of the Operating Safe Yield, and 50% on each party’s assessable production portion of the total assessable production.

CONTEMPORANEOUS CONSTRUCTION AND REFERENCES RELEVANT TO INTERPRETATION OF PEACE II SECTION 6.2(b)(ii)

A. General Assessments and Cost Allocation.

First, independent research has not disclosed a single instance in which Watermaster has assessed any cost or charge on the basis of “physical production” unless that was expressly stated and requested by the Appropriate Pool. This suggests that if the parties truly intended to use a new characterization or

methodology “physical production” that is different from any other assessment Watermaster has ever levied, the language would have clearly stated it.

B. Contemporaneous Use

- Appropriative Pool Meeting June, 2007 – Minutes of Discussion and Approval of Amended Volume Vote

“Move to approve the adoption of the revised volume vote to include half of the **vote based on operating safe yield and half of the vote based on the prior year’s assessable production**. Each volume vote will be valid until a subsequent volume vote is adopted, as presented”

C. Subsequent Course of Dealings

- Groundwater Production by an Replenishment for Desalters - Peace II Article VI, 6.2 (b) (ii)

“A replenishment assessment against the **Appropriative Pool, pro-rata based on each Producer’s combined total share of Operating Safe Yield and the previous year’s actual production**. Desalter Production is excluded from this calculation. (...)”

- Desalter Replenishment Post-Peace II Measures- Resolution 2010-04 – Exhibit “D”

“In summary, that formula divides the **residual Replenishment obligation among the members of the Appropriative Pool on the basis of 50% Base Annual Production Right and 50% actual Production**. The actual language of Section 6.2(b)(ii) reads slightly different, but it is not inconsistent. This formula is used elsewhere in the Peace II Agreement and it is commonly understood by the Parties to the Judgment and Watermaster to apply in the manner described in this paragraph and this Exhibit.”

D. Other instances of “50/50” and “pro rata” apportionment

- Plan Regarding Disposition of Water Purchased from Non-Agricultural Pool Pursuant to the Peace II Purchase and Sale Agreement; and Assessment Package 2008-2009 – Pool 3 Water Production Summary

“2) A Special Assessment will be levied by Watermaster on the Appropriative Pool in an amount necessary to fund the purchase of water. **This assessment shall be levied according to a 50/50 split between shares of Operating Safe Yield and the previous year’s production. The previous year’s production shall be calculated as the average of columns 2L and 2J from the Pool 3 Water Production Summary in the 2008-2009 Watermaster Assessment Package.** The assessment allocation used for the first installment of the purchase price shall also be used for the subsequent three installments”. It is noted that the above-referenced columns refer to assessable production.

- Restated Judgment- Exhibit “G” ¶ 9 (b)

“(b) Except as they may be limited by paragraph 9(e) below, each member of the Appropriative Pool will have, in their discretion, a right to purchase its pro-rata share of the supply made available from the Overlying (Non-Agricultural) Pool at the price established in 9(d) below. **Each Appropriative Pool member’s pro-rata share of the available supply will be based on each Producer’s combined total share of Operating Safe Yield and the previous year’s actual Production by each party;**” it should be noted that this has been consistently interpreted as 50% based on share of Operating Safe Yield and 50% based on share of assessable production as a portion of the total assessable production.

- Appropriative Pool Meeting March 21 and April 12, 2012 Staff Letter – Special Assessment of The Appropriative Pool Only in the Amount of \$70,000 for Legal Services

“At a special meeting on March 21, 2012, the Appropriative Pool directed Watermaster staff to prepare an item for the Pool’s consideration at the next upcoming Appropriative Pool meeting regarding a Special Assessment of \$70,000.”

“The attached worksheet (Exhibit A) provides **the individual breakdown of the \$70,000 amount by the Appropriative Pool Members based upon an allocation of 50% 2008/2009 “Averaged” Production and Exchanges and 50% Based on Operating Safe Yield (OSY)**. This method and formula is consistent with the previous Special Assessment for Legal Services of \$100,000 billed on March 18, 2010.” It should be noted that the formula requested by the Appropriative Pool specifically in this instance was based on assessable production.

- March 12, 2015 Appropriative Pool Meeting (Confidential Session)
“The Pool took action to increase its Legal Services budget to \$140,000 and that the cost sharing associated with the entire budget would be based on 50% physical production and 50% operating Safe Yield.”

NO PREJUDICE

No prejudice will arise to any party or the Basin while enabling the Advisory Committee to consider the general practice, contemporaneous construction and subsequent course of dealing pertinent to this provision. Moreover, given that the Peace II Agreement includes a formulaic direction of this cost allocation, it is highly likely that this or the Advisory Committee’s interpretation will ultimately require court confirmation unless the parties to the Judgment are in unanimous agreement. The record should be made as clear as possible for consideration by the Court.

ATTACHMENTS

- 1 Resolution 2017-05: A resolution of the Chino Basin Watermaster levying Desalter Replenishment assessments for Production Year 2013/2014
- 2 Appropriative Pool letter dated July 20, 2017

Non-Agricultural Pool

Chair: Brian Geye

Vice-Chair: Bob Bowcock

Chino Basin Watermaster

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730

Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org



August 30 , 2017

Mr. Peter Kavounas
General Manager
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Non-Agricultural Pool Action Regarding Desalter Replenishment Assessment

Dear Mr. Kavounas,

On August 30 , 2017, the Non-Agricultural Pool Committee reported out of confidential session the following action:

The Non-Agricultural Pool Committee opposes the inclusion of Non-Agricultural Pool water as a component of "actual production" for the purpose of calculating the Replenishment Assessment for Fiscal Year 2013/14 pursuant to Section 6.2(b)(ii) of the Peace II Agreement. The Committee requests that, going forward, any Replenishment Assessment pursuant to Section 6.2(b)(ii) which is presented for consideration by the Pool Committees, the Advisory Committee or the Watermaster Board include detailed calculations of each component, and the basis therefor, so that the parties can understand the basis for the assessment and the calculation. The Chair is authorized to request that Watermaster staff include a report on this matter in the September meeting agenda packages for the Pool Committees, the Advisory Committee and the Watermaster Board.

Please include this letter in the September meeting agenda packages for the Pool Committees, the Advisory Committee and the Watermaster Board, along with other supporting documents for consideration of Resolution 2017-05.

Regards,

A handwritten signature in blue ink, appearing to be 'Brian Geye', is written over a horizontal line.

Brian Geye, Chair
Non-Agricultural Pool Committee

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9/14/17 Ag Pool Closed Session Reportable Action

By motion of Vice Chair Jeff Pierson, with a second by Bob Page and passed by unanimous vote of the Committee, the Agricultural Pool offers the following advice:

Regarding Business Item II. A. DESALTER REPLENISHMENT OBLIGATION ALLOCATION--Offer advice to Watermaster on the acceptable methodology to allocate Desalter Replenishment Obligation among parties,

It is the advice of the Ag Pool that it is clear that this obligation is entirely borne by the Appropriative Pool. The obligation to cover desalter replenishment has been in existence and part of the Judgement and Peace Agreements and therefore the law of the Basin for some time. The Ag Pool supports the staff recommendation that the proper interpretation is to construe actual production as meaning assessable production and not physical production.

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B. GROUND-LEVEL MONITORING COMMITTEE CHANGE IN ANNUAL REPORTING SCHEDULE



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: October 19, 2017
TO: Advisory Committee Members
SUBJECT: Ground Level Monitoring Committee Changes to Annual Reporting Schedule
(Business Item II.B.)

SUMMARY

Issue: The Ground Level Monitoring Committee (GLMC) is recommending a change to its Court approved annual reporting schedule to better coincide with seasonal fluctuations in groundwater levels and to provide enough time for review of the annual reports.

Recommendation: Offer advice and assistance to the Watermaster Board regarding the suggested changes to the Ground Level Monitoring Committee annual reporting schedule.

Financial Impact:

The proposed schedule will require Watermaster to purchase one additional InSAR scene for March 2018 in FY 2017/18; the additional expense will be covered from reserves through a budget transfer. The increase in current fiscal year's expense is only a change in timing of image acquisitions and does not represent an increase in the long-term expense for the Ground Level Monitoring Program.

Future Consideration

Advisory Committee – October 19, 2017: Advice and assistance

Watermaster Board – October 26, 2017: Approval [Within WM Duties and Powers]

ACTIONS:

October 12, 2017 – Appropriative Pool: No Action
October 12, 2017 – Non-Agricultural Pool: No Action
October 12, 2017 – Agricultural Pool: No Action
October 19, 2017 – Advisory Committee:
October 26, 2017 – Watermaster Board:

BACKGROUND

Watermaster prepares and files an annual report of the GLMC (formerly the Land Subsidence Committee) that describes the GLMC's activities and recommendations in each calendar year. The draft annual report goes through extensive review by the Watermaster Engineer, Watermaster staff and counsel, and by the GLMC before it is recommended for Watermaster approval by the GLMC. In 2007, the Court directed Watermaster to proceed with its MZ-1 Subsidence Management Plan (the "Long Term Plan"), and ordered Watermaster to timely file annual reports with the Court, with the expectation that they would be filed by September 1st of each year.

Watermaster's 2015 Subsidence Management Plan provided that during the first quarter of each calendar year, Watermaster staff and the Watermaster engineer will analyze the data generated by the Ground Level Monitoring Program during the prior calendar year and prepare a draft Annual Report, with the reports being approved through the Watermaster Pool process by the end of each fiscal year and then submitted to the Court."

This item was presented to the three Pool Committees at its October 12, 2017 meetings, no concerns were raised and the three Pools expressed their support of the proposed changes.

DISCUSSION

Hydraulic heads in the aquifer system fluctuate annually under the seasonal stresses of pumping and recharge. Hydraulic heads typically rise to a peak in the spring. It is appropriate to perform the repeated annual analysis of land subsidence data consistent with the springtime peak in hydraulic heads. Therefore, the GLMC has recommended that data collection for the annual report should end in March of each year, as opposed to the current practice of ending in December. For this technical reason, and to provide sufficient review time, the Ground Level Monitoring Committee recommends that the due date for submittal of the annual report to the Court be shifted from June 30 to November 30.

To transition from the present annual report schedule to the proposed schedule, the next annual report would cover an 18-month period (January 2017-June 2018), and subsequent annual reports would cover a fiscal year (July-June) timeframe. As this differs from the Court's expectation in its direction as to the implementation of the Long-Term Plan, Watermaster would have to request the Court's concurrence in the proposed new schedule.

The proposed schedule will require Watermaster to purchase one additional InSAR scene for March 2018 in FY 2017/18. In the conduct of the monitoring program InSAR images are currently budgeted to be purchased on a calendar year basis; for the Fiscal Year 2017/18 there is budget to purchase InSAR images in calendar year 2017 only. For the adjustment of the reporting schedule Watermaster will need to purchase during Fiscal Year 2017/2018 an additional image in 2018, one that would have otherwise been purchased in FY 2018/19, in advance. While this is an increase in the current Fiscal Year's expense, it does not represent an increase in the long-term expense for the Ground Level Monitoring Program.

CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

C. EXHIBIT "G" PHYSICAL SOLUTION TRANSFER RATE SUBSTITUTION



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: October 19, 2017
TO: Advisory Committee Members
SUBJECT: Exhibit "G" Physical Solution Transfer Rate Substitution (Business Item II.C.)

SUMMARY

Issue: There is no identified Physical Solution Transfer rate for Fiscal Year 2017-18.

Recommendation: Approve the proposed Fiscal Year 2017-18 substitute Physical Solution Transfer rate, and approve Watermaster legal counsel's filing of motion for Court approval of the same.

Financial Impact: None

Future Consideration

Advisory Committee – October 19, 2017: Approval

Watermaster Board – October 26, 2017: Approval [with advice and assistance from Pools and Advisory Committee]

ACTIONS:

October 12, 2017 – Appropriative Pool: Recommended a one-year rate substitution for FY 2017/18 of \$595/AF. Passed by majority vote with MVWD, MVIC, and the City of Ontario abstaining.

October 12, 2017 – Non-Agricultural Pool: Unanimously voted to recommend a one-year rate substitution for FY 2017/18 of \$639.40/AF and authorize the Chair to continue to negotiate the rate with the Appropriative Pool.

October 12, 2017 – Agricultural Pool: Information only; no action needed.

October 19, 2017 – Advisory Committee:

October 26, 2017 – Watermaster Board:

BACKGROUND

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

According to Watermaster's past practice, the MWD Replenishment Rate utilized would be that applicable for the calendar year in which Watermaster's purchase takes place. As applied to transfers in Fiscal Year 2017-18, as payment would be made by June 30, 2018, if MWD had a Replenishment Rate in effect for 2018, that rate would be utilized. MWD ceased publishing a Replenishment Rate in 2013 and it is not presently known when and how MWD may reinitiate a replenishment program. Accordingly, Watermaster and the parties to the Restated Judgment are without a rate from which to calculate the Physical Solution Transfers in Fiscal Year 2017-18. This has been the case since Fiscal Year 2012-13, during which the Watermaster Court approved a requested one-year rate substitution.

DISCUSSION

The Chairs of the Overlying (Non-Agricultural) and Appropriative Pools had proposed to use a two-year substitute rate for Fiscal Year 2017-18 at \$600/acre-feet and Fiscal Year 2018/19 at \$630/acre-feet.

The Appropriative Pool at its October 12, 2017 meeting rejected the two-year deal and recommended by majority vote to approve a single year rate of \$595/acre-feet for Fiscal Year 2017/18 instead. Monte Vista Water District, Monte Vista Irrigation Company, and the City of Ontario, abstained from the vote. The Overlying (Non-Agricultural) Pool at its October 12, 2017 meeting unanimously rejected the offer and countered at \$639.40/acre-feet as the substitute rate for Fiscal Year 2017/18, or 92% of the 2018 MWD Tier 1 Untreated Rate, and authorized its Chair to continue negotiations.

Negotiations are ongoing as of the release of this staff report, and if a substitute rate is agreed upon by both the Appropriative and Overlying (Non-Agricultural) Pools, staff recommends Advisory Committee approval of that negotiated rate and approve Watermaster legal counsel's filing of the motion for Court approval of the same.

A motion to allow substitution of Physical Solution Transfer rate for Fiscal Year 2017-18 would request the deviation from the terms of the Restated Judgment in order to utilize a substitute "Physical Solution Transfer" rate applicable to transfers from the Overlying (Non-Agricultural) Pool to Watermaster, and thence to members of the Appropriative Pool, pursuant to Paragraph 9 of Exhibit "G" to the Restated Judgment. If granted, this would allow Watermaster to substitute the Physical Solution Transfer rates as shown above, as MWD no longer publishes a Replenishment Rate.

If approved, Counsel for the Pool and Watermaster will collaborate to prepare a draft stipulation and proposed order, and draft motion for Court approval of the Fiscal Year 2017-18 substitute rate.

The Court's approval of a substitute rate under Paragraph 9(d) of Exhibit "G" would allow transfers to proceed without issue in Fiscal Year 2017-18, allowing the Overlying (Non-Agricultural) and Appropriative Pools to continue to transact among one another until a longer-term solution and MWD's long term replenishment plans become clear.

CHINO BASIN WATERMASTER

III. REPORTS/UPDATES

F. INLAND EMPIRE UTILITIES AGENCY (WRITTEN)

1. MWD Water Supply Conditions
2. State and Federal Legislative Report
3. Community Outreach/Public Relations Report



CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

October 26, 2017

INLAND EMPIRE UTILITIES AGENCY REPORTS

The following items are provided for receive and file.

- IEUA Updates (Written)
- Water Supply Conditions
- State and Federal Legislative Reports
- Community Outreach/Public Relations Report

**CBWM Advisory Committee Meeting
October 26, 2017**

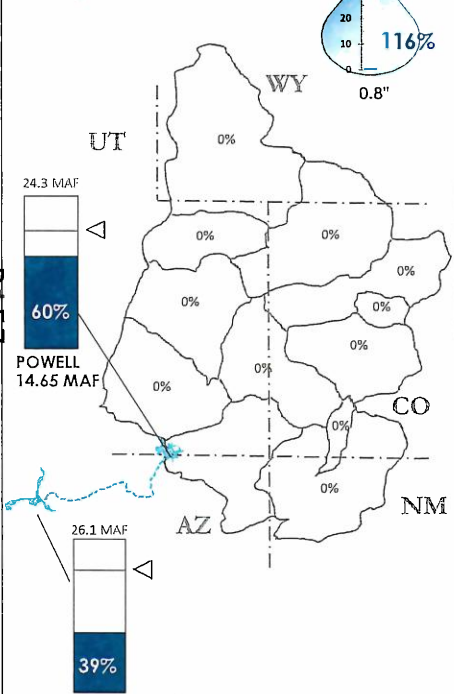
Inland Empire Utilities Agency
Water Resources Updates

MWD:

- Dry Year Yield Program (DYY): On June 1, 2017, MWD issued a request to store water under the DYY agreement. For FY2017-18, a total of 18,369 acre-feet (AF) was delivered through the month of September.
- On October 10, MWD Board approved participation in the California WaterFix. Based on the current project cost/benefit allocations, MWD is 26% shareholder of the proposed project.
- Phase 1 repairs at Lake Oroville are scheduled to complete by end October. These repairs will allow use of the main spillway as we move into wet months.

2017 Colorado River
955,000 AF
76% of full CRA
Does not include storage withdrawals

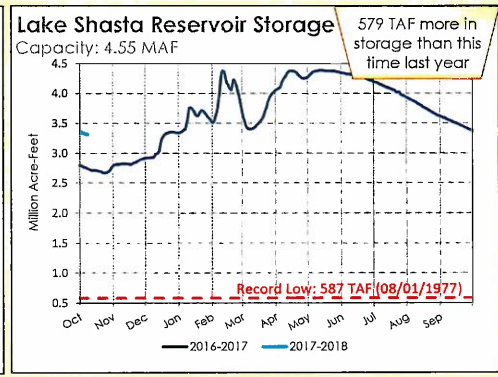
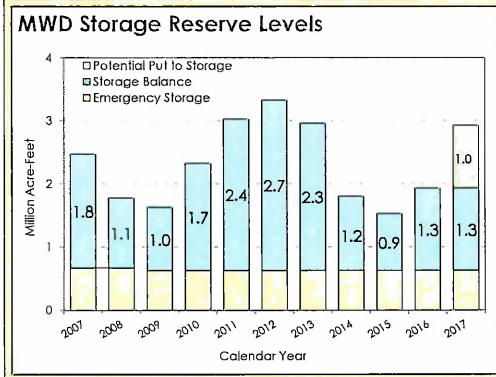
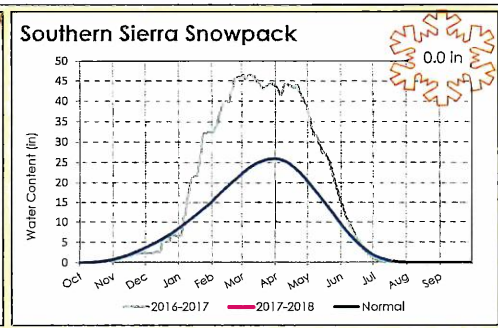
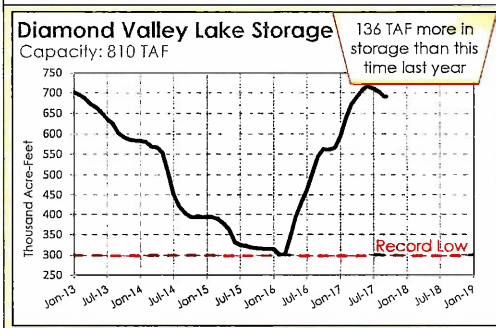
Upper Colorado River Basin
0%



Snowpack % of Normal

- No Data
- Less than 50
- 50 - 80
- 81 - 120
- 121 - 150
- Greater than 150

Happy New Water Year!

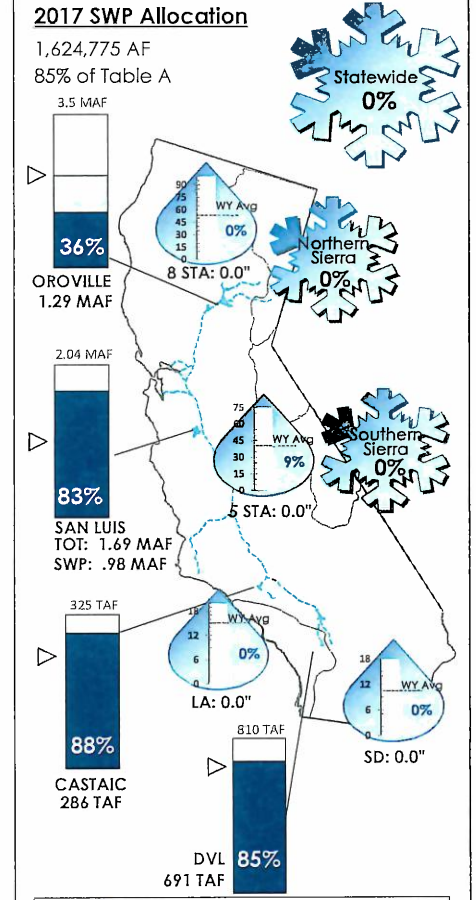


This report is produced by the Water Resource Management and contains information from various federal, state, and local agencies. The Metropolitan Water District of Southern California cannot guarantee the accuracy or completeness of this information. Readers should refer to the relevant state, federal,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

<http://www.mwdh2o.com/WSCR>

This report is best printed double sided on legal size paper (8.5" x 14") and folded in quarters

2017 SWP Allocation
1,624,775 AF
85% of Table A



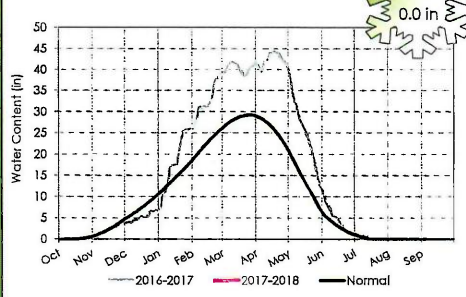
Legend:

- WY Avg
- % Normal WY to Date
- Rainfall to Date (in)
- Capacity
- Average EOM
- Current Storage (% Capacity)

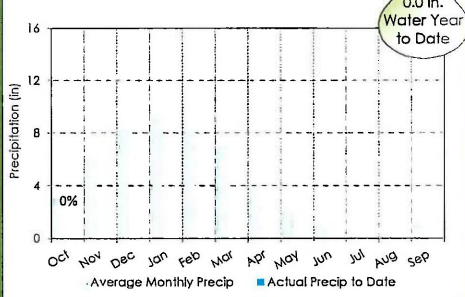
As of: 10/08/2017

State Water Project Resources

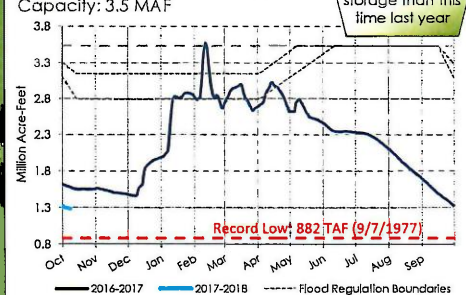
Northern Sierra Snowpack



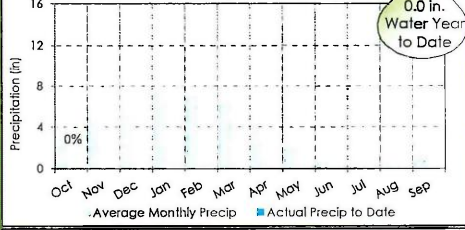
8 Station Index Precip



Oroville Reservoir Storage



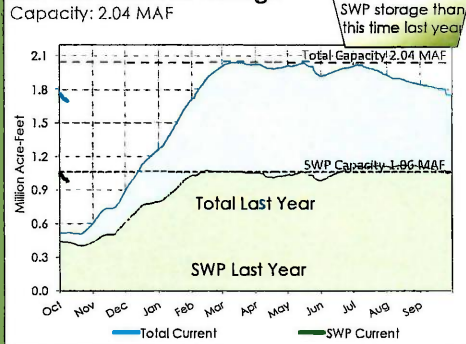
5 Station Index Precip



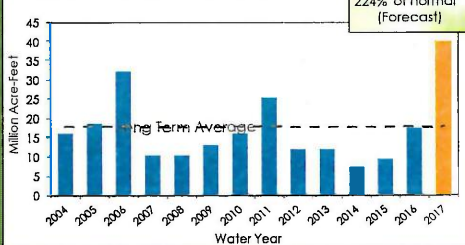
Other SWP Contract Supplies for 2017 (AF)

Transfer/Exchanges	16,000
Article 21	124,000
Pool A/B (Purchased)	0
Carryover Supplies	210,000

San Luis Reservoir Storage



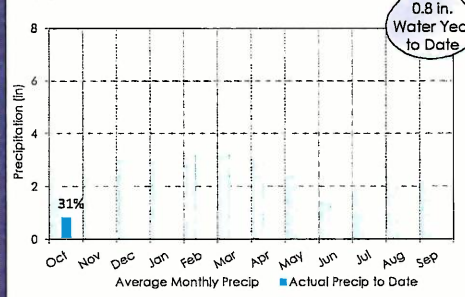
Sacramento River Runoff



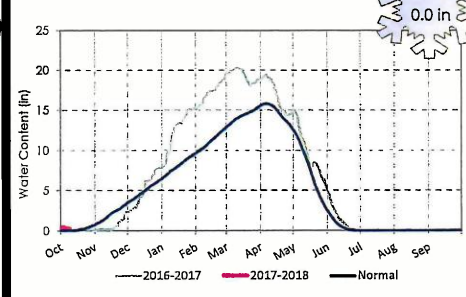
Colorado River Resources

As of: 10/08/2017

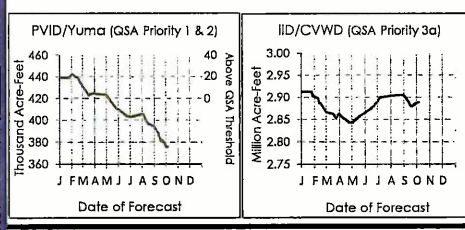
Upper Colorado Basin Precip



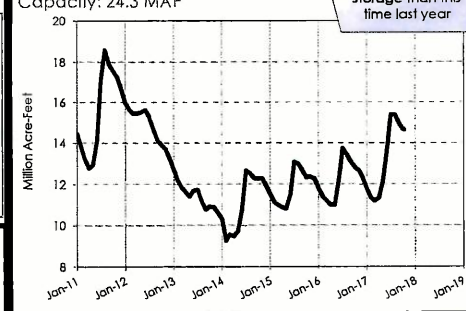
Upper Colorado Basin Snowpack



2017 Colorado River Ag Use



Lake Powell Storage

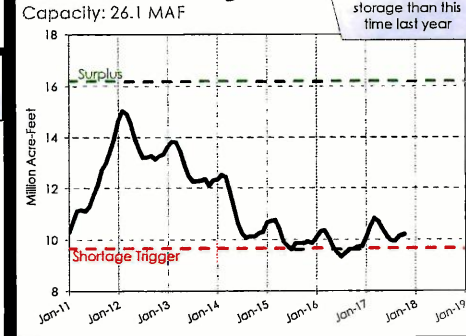


Lake Mead Shortage/Surplus Outlook

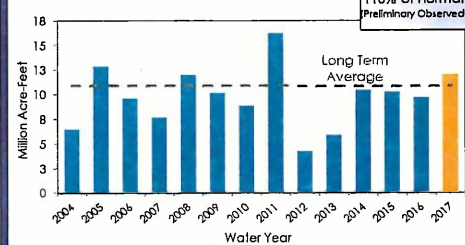
	2018	2019	2020	2021	2022
Shortage	0%	0%	42%	45%	52%
Surplus	0%	0%	7%	12%	17%

Likelihood based on results from the August 2017 USBR CRSS model run.

Lake Mead Storage



Powell Unregulated Inflow



PT 58



September 29, 2017

To: Inland Empire Utilities Agency
From: Michael Boccadoro
Beth Olhasso
RE: September Legislative Report

Overview:

The first year of the 2017-2018 Legislative Session concluded in the very early morning hours of September 16. Over the course of the year 1,191 bills were passed with about 700 still on the Governor's desk awaiting action before the October 15 deadline. In the final weeks, days and hours of the session, consideration was given to bills ranging from water conservation to clean energy.

Establishing long-term water-use efficiency standards and a drinking water fee were among the hottest topics in Sacramento at the end of the session. Both proposals were made two-year bills. Other hot legislative topics include revising Proposition 218 for stormwater financing and low-income rates, and establishing a 100 percent Renewable Portfolio Standard.

The Public Policy Institute of California (PPIC) recently released a report urging new commitment and specific management techniques to improve the health of California's headwater forests. The funding for such projects is still unclear.

The U.S. Bureau of Reclamation and water contractors have proposed to increase pumping from the Sacramento-San Joaquin Delta starting the first week of October by a total of 400,000 acre-feet.

As widely reported, the Westlands Water District recently voted to not participate in the California WaterFix. While not unexpected, it still leaves many wondering what the fate of the project will be. The Metropolitan Water District of Southern California held a public hearing on WaterFix ahead of its October 10 vote on the project with other contractors holding votes in the coming weeks.

California Air Resources Board Chair Mary Nichols was in New York at the end of September and stated that Governor Brown has expressed interest in barring the sale of vehicles powered by internal combustion engines to help meet the state's long-term greenhouse gas emissions goals.

Efforts to allow the California Independent System Operator (CAISO) to move forward with entering into an agreement to establish a western regional grid were once again introduced at the very end of the legislative session and were once again shelved because of significant opposition. This issue remains very important to the Governor, so the ongoing discussion will likely return in 2018.

Inland Empire Utilities Agency

Status Report – September 2017

PPIC Recommends Action to Protect Headwater Forests

The Public Policy Institute of California (PPIC) recently released a report urging new commitment and specific management techniques to improve the health of California's headwater forests.

The report, *Improving the Health of California's Headwater Forests*, noted that headwater forests provide two-thirds of the state's surface water, and their condition affects both the quantity and quality of that supply. The long-standing policy of fire suppression has severely increased the density of trees and other fuels, resulting in massive tree die-offs and large, severe wildfires.

The report contained recommendations from the Water Policy Center of PPIC including management techniques such as prescribed fire, managed wildfire, and mechanical thinning to help rebuild forest resilience.

The PPIC report states that many reforms can be made at low or no added financial cost, but require political vision and commitment to bring state, federal and local stakeholders together.

"Making forest health a top land management priority for public and private lands would be a critical first step in reversing the degraded condition of the state's headwater forests," said report coauthor Henry McCann, a research associate with the PPIC Water Policy Center.

The report urges management, regulatory, and legal reforms that will allow strategic removal of high-density smaller trees and fuels to increase the long-term resilience of headwater forests.

Recommendations are grouped into these categories:

- Make long-term forest health the top priority for guiding agency rules, policy, and management practices.
- Define forest treatment needs and make the most of available funds.
- Make greater use of tools that create opportunities for collaboration.

A roundtable discussion of the report with stakeholders and public speakers was also held. One of the major barriers identified to headwater management was funding. In the past, several environmental groups have suggested that headwater management is as crucial as managing the State Water Project. They have suggested that funding headwater management come from all downstream water users. Several years ago, there was talk of legislation to fund headwater management through a water user fee, and it is possible a similar proposal could emerge in 2018.

Contractors Seek Increased Pumping

The U.S. Bureau of Reclamation and the water contractors have proposed to increase pumping from the Sacramento-San Joaquin Delta starting the first week of October. They contend that the complicated set of requirements federal scientists use to set Delta pumping rates would allow for 400,000 acre-feet of additional water to be pumped south this year. The pumping restrictions change with the seasons depending on river flows through the Delta, how salty the water is and where Delta smelt and other fish live at various points during the year.

The contractors see increased need to move more water south because of the crisis earlier this year at Lake Oroville. For safety purposes, dam managers are releasing an additional 1.5 million

acre-feet from the reservoir by Nov. 1- leaving less water available next spring and summer for the south-of-Delta State Water Project contractors.

Environmentalists, including the Natural Resources Defense Council, say the proposal would put the critically endangered Delta smelt at unnecessary risk when an abnormally wet year was supposed to give the fish a break, while the contractors contend that pumping reductions haven't been proven to help the smelt. Environmentalists additionally argue that during exceptionally wet years, Delta smelt are entitled to get flows heading toward the Pacific Ocean that keep them in their preferred habitat in the Suisun Marsh. The additional pumping proposed by the contractors could reduce flows to the point that smelt would be pushed into undesirable areas. Environmentalists also noted that the last time conditions allowed for high Delta outflows this time of year was in 2011, and the smelt saw a "10-fold increase" in their population numbers.

Federal regulators are expected to make a decision sometime during the first week of October.

WaterFix Update

As widely reported, the Westlands Water District recently voted to not participate in the California WaterFix. While not unexpected, it still leaves many wondering what the fate of the project will be. The Metropolitan Water District of Southern California held a public hearing on WaterFix ahead of its October 10 vote on the project. There was about five hours of public comment and only minor discussion from MWD Directors. Several directors made it very clear they were not interested in picking up Westlands share of the cost.

Zone 7 Water Agency, a contractor just east of San Francisco, voted to support the WaterFix, while other contractors such as Kern County Water Agency, and Santa Clara Valley Water District have scheduled votes in the days and weeks following the MWD vote.

In the meantime, the State Water Resources Control Board announced they will move forward with Part 2 of the hearing, on DWR and the U.S. Bureau of Reclamation's (Reclamation) water right change petition needed to move the intake location for the WaterFix project, beginning on January 18, 2018. A number of opponents have called for the indefinite delay of Part 2 pending the issuance of a Record of Decision (ROD) by Reclamation, and further consultation between Reclamation and the U.S. Fish and Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS) in accordance with the National Environmental Policy Act.

Regulators have concluded that a continuation of the hearing is not legally required, and that the public interest weighs in favor of proceeding with the hearing. At the hearing, they will take into consideration: (1) the substantial information available concerning the potential effects of the project, (2) DWR and Reclamation's burden of demonstrating that each element necessary for approval of their petition has been met, (3) the risks and costs of postponing for an indefinite period the conclusion of the evidentiary hearing, and (4) either the hearing or the State Water Board's decision on the petition can be re-opened if necessary and appropriate to consider new information.

Following the hearing it is up to the SWRCB to either approve or deny the change in water right request. No timeline for that decision has been released.

California to Ban Internal Combustion Engines?

California Air Resources Board Chair Mary Nichols was in New York at the end of September and stated that Governor Brown has expressed interest in barring the sale of vehicles powered by internal combustion engines to help meet the state's long-term greenhouse gas emissions goals. According to Nichols, the Governor sees similar policies being discussed in China, the U.K. and France and is interested in a very similar policy for California.

Nichols notes that California already has the authority to write its own pollution rules, dating back to the 1970 Clean Air Act. But those rules are contingent upon waivers granted by the Environmental Protection Agency. Noting that it is highly unlikely that the Trump administration would grant such a waiver, Nichols said that the state would have to take a different route.

As Governor Brown enters his final year of office, this could be the final piece of legacy he is looking to create.

Regional Grid Proposal Update

Efforts to allow the California Independent System Operator (CAISO) to move forward with entering into an agreement to establish a regional grid in the West were once again introduced at the very end of the legislative session and were once again shelved because of significant opposition. Stakeholder discussions about a regional western grid previously happened through early 2017 before stalling.

Conversations over the regional grid virtually stopped until the late proposal surfaced.

Opposition was wide spread, as the proposal introduced had few details and no opportunity for legislative oversight once a more comprehensive plan is created. The proposal was for a CAISO driven process over ten months to create a governance proposal for a regional independent board. The “Regional Grid Transformation Committee” would be made up of four representatives from the legislature and four from the administration who would have final approval or refusal of the proposal. There would be a “market advisory committee” made up of market participants to advise throughout the process. A proposal was to be released by the end of October 2018 with a final decision by the committee by December of 2018.

Originally, one of the main reasons some other western states might want to join a western grid is to help with clean power mandates authorized by the Obama administration. With those mandates likely to be weakened or repealed, western states have less incentive to join California and other states.

Some lawmakers and environmentalists noted that any deal would have to ensure that California does not import "dirty electrons" from other states and that other states need to be like-minded to California when it comes to climate leadership. Large energy users are concerned that including other states could cause higher costs for ratepayers. The State Water Contractors are also concerned about cost implications.

A regional grid is a top priority for Governor Brown, so it is likely this issue will return next year.

Legislative Update

The first year of the 2017-2018 Legislative Session concluded in the very early morning hours of September 16. Over the course of the year 1,191 bills were passed with about 700 still on the Governor's desk awaiting action before the October 15 deadline. In the final weeks, days and hours of the session, consideration was given to bills ranging from water conservation to clean energy. Below is a summary of key legislation IEUA has been tracking.

SB 100: 100 Percent RPS

Senate President Pro Tem Kevin de Leon (D-Los Angeles) introduced legislation to establish an accelerated Renewable Portfolio Standard (RPS) culminating in 100 percent clean power by 2045. The bill would have accelerated the current 50 percent requirement to 2026 and created a new 60 percent renewable requirement by 2030.

The Investor Owned Utilities (IOUs) expressed concern about the renewable electricity mandates and would prefer broader clean energy goals, with a focus on GHG emission reductions providing opportunities for the market to work in the most cost-effective manner, without compromising reliability.

As reported previously, the author surprisingly agreed to take amendments to require the State Water Project to transition to zero-carbon/renewable energy resources by the end of 2045.

Metropolitan Water District and the State Water Contractors went back and forth with the author of the bill and the committee chairs who had other differing opinions on whether to include the

SWP or not. The most current version of the bill not only included the SWP, but all state agencies.

The bill was not taken up for a vote in the Assembly before the deadline. The bill still had too much opposition from the utilities and the Pro Tem had other priorities at the end of session. It is likely that the bill will return in 2018.

Water Financing

Senator Bill Monning's (D-Carmel) legislation that would have created a fund for clean drinking water was also made into a two-year bill. SB 623 (Monning), sponsored by the Community Water Center and Western Growers Association, would create the "Safe, Affordable Drinking Water Fund." Stakeholders representing agriculture and some urban water interests worked with the proponents of the bill to reach a compromise, but one was never reached. The Association of California Water Agencies (ACWA) was in fierce opposition to the bill noting that, while they support clean drinking water for all, the General Fund is the more appropriate funding source.

The most recent amendments added a \$0.95 per month charge on all residential meters to fund the operation and maintenance of failing water systems. Some in the agricultural community also agreed to the portion of the bill that levees a mill tax on fertilizer and a livestock fee on milk production.

The proponents have vowed to work with the opposition over the winter to hopefully reach a compromise.

Water Use Efficiency Legislation

Implementation of the Brown Administration's final report on "Making Conservation a Way of Life" was not successful in 2017.

Several vehicles were used to try to implement new water-use efficiency standards including a budget trailer bill from the Governor to establish a process for creating long-term water use efficiency standards. Many in the water community were concerned with the proposed trailer bill because it deviated from the final report in that it left broad authority for the SWRCB to develop efficiency standards.

As previously reported, the Governor's office hosted meetings throughout the early summer to hear and address the concerns of the water community. They released a revised Trailer Bill in mid-June, but indicated they would delay voting so that members of a legislative working group could attempt to develop an acceptable proposal to move through the legislative process.

The water community, under the leadership of the Association of California Water Agencies (ACWA) developed their own legislation to establish short and long-term efficiency standards with Assemblymember Blanca Rubio (D-West Covina) as the sponsor.

Finally, Assemblymember Laura Friedman (D-Burbank), a former MWD director, introduced three bills that put the Governor's original trailer bill language into policy bills to be considered in the normal legislative process.

The bills were heard in Senate Natural Resources and Water Committee on July 11 and Chair Hertzberg (D-Van Nuys) took the opportunity to take control of the process. He held all bills and only passed out two, AB 1654 (Rubio) and AB 1668 (Friedman), and committed to work with stakeholders and the administration to come up with a final package.

Senator Hertzberg set up a process run through his committee in coordination with the Assembly Water, Parks and Wildlife Committee and other Assembly stakeholders, to craft a comprehensive policy over the summer recess. Hertzberg and Senator Nancy Skinner (D-Berkeley) authored SB 606 to serve as the “Senate Version” of the package.

After several stakeholder meetings SB 606 and AB 1668 were amended to establish water efficiency targets. Many stakeholders saw this language as a step in the right direction, with many taking a Support if amended position, and eventual full support positions after some minor tweaks. The language gives the SWRCB authority to establish a statewide efficiency standard, however, requiring them to go back to the legislature if they want to revise the standard.

Protection of water rights is clearly laid out in the language and Commercial Institutional Industrial customers are only to implement “performance measures.” However, some stakeholders were still concerned with how recycled water would be treated in the efficiency standards.

Among those concerned was Assemblymember Blanca Rubio, the author of AB 1654, who declined to take the amendments offered by the Natural Resources and Water Committee.

Throughout the end of session, she remained angry that Senator Hertzberg took over the process and didn't give her concerns significant attention.

While not the only reason the package failed, she was able to garner the support of enough members of the Moderate Democrats Caucus to make it difficult to find the 41 votes necessary for passage.

AB 869 (Rubio), which would give a full credit for potable reuse and a significant credit for landscape irrigation, had been stalled in the Senate Natural Resources and Water Committee.

Proposition 218 Reform

Senator Bob Hertzberg had introduced two bills to address Proposition 218 reform. The bills pick up where the 2016 ACWA effort left off. SB 231 is sponsored by the California Water Foundation and addresses stormwater, specifically how to finance stormwater capture, cleanup and reuse in rates. The bill ran into a little trouble from many California cities worried that the bill might add onto the already onerous new MS4 permit requirements. The bill passed off the Senate floor with 23 votes, just two over the minimum needed, and passed off the Assembly floor with just 41 votes, the minimum needed for passage. It awaits action on the Governor's desk.

SCA 4, also by Senator Hertzberg is a constitutional amendment that would address lifeline and conservation rates. ACWA has agreed to sponsor SCA 4, and has been working out the final details about which article of the California Constitution to amend. The compromise position

seems to be using Article 17, an empty article of the constitution. Disagreement continues between the author's office and ACWA, with ACWA wanting complete transparency by referencing Article 13 and Prop 218. Hertzberg's office prefers the language to be vague, to help the bill gain votes by avoiding Proposition 218. Since the bill is a Constitutional Amendment, it is not subject to the typical legislative deadlines.

Recycled Water

The WaterReuse bill (AB 574, Quirk) which would re-define specific categories of recycled water passed out of both the Senate Environmental Quality Committee and the Senate Natural Resources and Water Committee. The bill passed both houses, having never received a single "no" vote and is awaiting final action by the Governor.

Parks/Water Bonds

At the end of the session, SB 5 (de Leon, D-Los Angeles) passed through the legislature. While it was called a \$4 billion "Water and Parks Bond," there is very little funding for water projects included in the measure. Most notably, there is \$100 million for water recycling. Other "water" funding categories include: clean drinking water and drought preparedness, groundwater sustainability, flood protection and repair, regional sustainability, and funding for state and local conservancies.

Soon after the legislative session ended, Jerry Meral filed his bond measure and began the campaign to qualify the measure for the ballot. The \$8.78 billion bond is water and resource related and includes the following highlights:

- \$400 million for water recycling and desal
- \$750 million for safe drinking water
- \$5 million for IRWM
- 400 million for the capture and use of urban runoff and stormwater

The bond previously filed with the Secretary of State from The Nature Conservancy has been pulled from consideration after SB 5 passed.

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State Legislation

Bill Number	Sponsor	Title and/or Summary	Summary/Status	IEUA Position
AB 574	Quirk	Potable Reuse	Current law required the State Department of Public Health to develop and adopt uniform water recycling criteria for surface water augmentation, as defined, by December 31, 2016, if a specified expert panel found that the criteria would adequately protect public health health. Current law defined the terms "direct potable reuse," "indirect potable reuse for groundwater recharge," and "surface water augmentation" for these purposes. This bill would remove certain references to "direct potable reuse," "indirect potable reuse for groundwater recharge," and "surface water augmentation," and would instead specify the four different types of potable reuse projects as "groundwater augmentation," "reservoir augmentation," "raw water augmentation," and "treated water augmentation."	SUPPORT Waiting for action by Governor
AB 791	Frazier	Sacramento-San Joaquin Delta: State Water Project and federal Central Valley Project: new conveyance facility.	The Sacramento-San Joaquin Delta Reform Act of 2009 prohibits construction of a new Delta conveyance facility from being initiated until the persons or entities that contract to receive water from the State Water Project and the federal Central Valley Project or a joint powers authority representing those entities have made arrangements or entered into contracts to pay for certain costs required for the construction, operation, and maintenance of the facility and full mitigation of property tax or assessments levied for land used in the construction, location, mitigation, or operation of the facility. This bill would require, before a water contractor enters into a contract to pay for these costs, that the lead agency provide the breakdown of costs for each water contractor entering into a contract and what benefits each contractor will receive based on the proportion it has financed of the proposed conveyance project.	OPPOSE Failed in Assm. Appropriations DEAD

AB 792	Frazier	Sacramento-San Joaquin Delta: Delta Plan: certification of consistency.	The Sacramento-San Joaquin Delta Reform Act of 2009 establishes the Delta Stewardship Council and requires the council to develop, adopt, and commence implementation of a comprehensive management plan for the Delta, known as the Delta Plan. The act requires a state or local public agency that proposes to undertake a covered action to prepare and submit to the council a written certification of consistency with the Delta Plan before undertaking that action. This bill would prohibit the council from granting a certification of consistency with the Delta Plan until the board has completed its update of a specified water quality control plan.	OPPOSE 2 Year Bill
AB 793	Frazier	Sacramento-San Joaquin Delta: financing.	Would declare it to be state policy that the existing state of the Sacramento-San Joaquin Delta is recognized and defined as an integral component of California's water infrastructure. The bill would state that the maintenance and repair of the Delta are eligible for the same forms of financing as other water collection and treatment infrastructure and would specify the maintenance and repair activities that are eligible are limited to certain cleanup and abatement-related restoration and conservation activities.	OPPOSE 2 Year Bill
SB 231	Hertzberg	Local government: fees and charges.	Articles XIIC and XIID of the California Constitution generally require that assessments, fees, and charges be submitted to property owners for approval or rejection after the provision of written notice and the holding of a public hearing. Current law, the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with Articles XIIC and XIID of the California Constitution and defines terms for these purposes. This bill would define the term "sewer" for these purposes. The bill would also make findings and declarations relating to the definition of the term "sewer" for these purposes.	SUPPORT Waiting for action by Governor

AB 1668	Friedman	An Act Relating to Water	This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	SUPPORT 2-year bill
AB 1669	Friedman	Urban water conservation standards and use reporting	Requires the State Water Resources Control Board (SWRCB) in consultation with the Department of Water Resources (DWR) to adopt long-term standards for urban water conservation and water use by May 20, 2021	WATCH Held in Assembly Appropriations
AB 968	Rubio	Urban water use: water efficiency	Establishes a new 2025 water use efficiency requirement for urban retail water suppliers	WATCH Held Assembly Appropriations
AB 1654	Rubio	An Act Relating to Water	This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	WATCH DEAD in Senate Natural Resources and Water
AB 869	Rubio	Sustainable water use and demand reduction: recycled water	Excludes, from the calculation of any water use or water efficiency target established after 2020, recycled water, as specified, delivered within the service area of an urban retail or wholesale water supplier	WATCH Held in Senate Natural Resources and Water
SB 606	Skinner/Hertzberg	An Act Relating to Water	This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	Support 2-Year bill

Federal Legislation of Significance

Bill Number	Sponsor	Title and/or Summary	Summary/Status
H.R. 3711	Reps. Lamar Smith (R-TX)/Ken Calvert (R-CA) /Bob Goodlatte (R-VA)	The Legal Workforce Act	<p>A bill that would require all U.S. employers to use the E-Verify electronic employment verification system. The requirement would be phased over a two-year period, starting with the largest employers. The agriculture industry would have an additional six months (or 30 months total) to come into compliance.</p> <p>H.R. 3711 was referred to the Committee on the Judiciary, and in addition to the Committees on Ways and Means, and Education and the Workforce on Friday, September 8th.</p>
H.R. 601	Rep. Nita Lowey (D-NY)	Reinforcing Education Accountability in Development Act	<p>\$15.25 billion dollar bill for disaster aid following the destruction caused by Hurricane Harvey and anticipated by Hurricane Irma. This bill will also raise the debt limit and includes a continuing resolution funding the government until December 8th.</p> <p>H.R. 601 was passed in the Senate on Thursday, September 7 will additional Hurricane funding and the deficit reduction until December provisions. The House passed the bill on Friday, September 8, and was signed by the President on the same day.</p>
H.R. 3354	Rep. Ken Calvert (R-CA)	Make America Secure and Prosperous Appropriations Act, 2018	<p>An omnibus package including the Interior; Homeland Security; Financial Services; Commerce, Science, and Justice; Transportation, Housing and Urban Development; Agriculture; Labour and Health and Human Services, and Education; and State and Foreign Operations Appropriations Acts, fiscal year 2018. The House-passed version of H.R. 3354 includes all 12 appropriations bills, including four that were previously passed in H.R. 3219.</p> <p>Highlighted bills in this package are below.</p> <p>H.R. 3219 was introduced in the House Rules Committee on Wednesday, August 16. was considered and passed by a vote of 211 to 198 on the House Floor on September 14, 2017.</p>
H.R. 3219	Rep. Kay Granger (R-TX)	Make America Secure Appropriations Act, 2018	<p>A small omnibus package including the Defense, Energy and Water, Military Construction and Veterans Affairs, and Related Agencies, Legislative Branch, and Border Barrier funds from the Homeland Security Bill Appropriations Acts, fiscal year 2018.</p> <p>Highlighted bills in this package are below.</p>

			H.R. 3219 was introduced in the House Rules Committee on Monday, June 24. It was passed on the House Floor by a vote of 235-192.
Rep. Charlie Dent (R-PA)	Fiscal 2018 Military Construction and Veterans Affairs, and Related Agencies Appropriations Act		<p>This legislation provides \$88.8 billion in discretionary funding, \$6 billion above the fiscal year 2017 level. Within this total, funding for the Department of Veterans Affairs was increased by \$4 billion over the fiscal year 2017 level, and increases access to services for veterans and regulatory oversight within the department. Also within the total, Military construction was increased by \$2.1 billion over the fiscal year 2017 level.</p> <p>This bill was passed out of the Appropriations Committee on June 15th. The Senate's corresponding legislation was reported out of the Senate Appropriations Committee in July.</p> <p>This bill was included in H.R. 3219 and passed on the House Floor by a vote of 235-192.</p>
Rep. Mike Simpson (R-ID)	Fiscal 2018 Energy and Water Appropriations Act		<p>The House Appropriations Committee marked up the FY18 Energy and Water Bill in full committee on July 17th.</p> <p>Within the bill, the Bureau of Reclamation funding is reduced from the FY17 level but well above what the Administration had requested for FY18. Also, the bill would authorize the EPA and Army to withdraw from the Waters of the United States rule.</p> <p>This bill was included in H.R. 3219 and passed on the House Floor by a vote of 235-192.</p>
Rep. Mario Diaz-Balart (R-FL)	Fiscal 2018 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act		<p>The House Appropriations Committee today approved the fiscal year 2018 Transportation, Housing and Urban Development funding bill on July 17, 2017.</p> <p>In total, the bill reflects an allocation of \$56.5 billion in discretionary spending – \$1.1 billion below fiscal year 2017 and \$8.6 billion above the request.</p> <p>Within the bill, Community Development Block Grants are funded at \$2.9 billion, \$100 million below fiscal year 2017 level.</p>
Sen. Lamar Alexander (R-TN)	Fiscal 2018 Energy and Water Appropriations Act		The Senate Appropriations Committee approved their FY18 Energy and Water Bill on July 20 th in full committee markup.

			<p>Within the bill the Committee recommended funding the Bureau of Reclamation at \$1,287,725,000, which is \$190,332,000 above the President's FY18 budget request. Similar to the House mark, the Senate provided \$34,406,000 for Title XVI and \$24,000,000 for WaterSMART grants. Also, an additional \$98,000,000 for drought resiliency programs authorized in the Water Infrastructure Improvements Act (WIIN Act).</p>
	Sen. Susan Collins (R-ME)	Fiscal 2018 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act	<p>The Senate Appropriations Committee marked up the FY18 Transportation, Housing and Urban Development, and Related Agencies Bill in subcommittee on July 25th. At this time the bill and report text has not been released.</p> <p>The FY2018 appropriations bill providing \$60.058 billion in discretionary spending for the U.S. Department of Transportation, U.S. Department of Housing and Urban Development, and related agencies. Within the bill, TIGER grants were funded at \$550 million, \$50 million above the FY2017 enacted level; and the Community Development Block Grant (CDBG) formula program is funded at \$3 billion.</p>
H.R. 23	Rep. David Valadao (R-CA)	Gaining Responsibility on Water Act of 2017	<p>Among other things the legislation would require regulators to comply with the Bay-Delta Accord and make changes to the state's Central Valley and State Water projects and streamline permitting processes. The bill included provisions from multiple other bills previously passed by the House that sought to increase the flow of water to areas of California that have experienced drought over the past five years. The measure was referred to the House Committee on Natural Resources and the Committee on Agriculture.</p> <p>By a vote of 230-190, the House passed H.R. 23, as amended, on July 12, 2017.</p>
	Rep. Bill Shuster (R-PA) /Sens. Jim Inhofe (R-WY) and Kamala Harris (D-CA)	Infrastructure Package	<p>Throughout the month, the House Transportation and Infrastructure Committee have held a series of hearings entitled, "Building a 21st Century Infrastructure for America," which have focused on various aspects of infrastructure, from passenger rail service to reauthoring the Federal Aviation Authorization (FAA).</p> <p>On June 7, President Trump outlined that he intends to leverage \$200 billion in direct federal funding over ten years to help stimulate \$1 trillion in investment in infrastructure. This federal funding will consist of 1) grants and loans that seek to privatize the country's air traffic control system, 2) grants to repair bridges, road, 3) enhanced loan program with the Transportation Infrastructure Finance and Innovation Act, and 4) incentive programs with grants to states and municipalities.</p> <p>One part of the president's plan has already been put into legislation. House Transportation and Infrastructure Committee Chairman Bill Shuster and Aviation</p>

			<p>Subcommittee Chairman Frank LoBiondo (R-NJ) introduced the FAA’s reauthorization legislation, H.R. 4441, the 21st Century Aviation Innovation, Reform, and Reauthorization (AIRR) Act, which will transfer air traffic control operations from the FAA to a private, nonprofit, 13-member board. While Representative Shuster said that the bill does not “mirror” President Trump’s infrastructure outline, he said that he considered many aspects of the proposal. Shuster has also voiced his hope that the committee will markup the legislation on Tuesday, June 27 and move to the floor in mid-July.</p> <p>Currently, it is unclear who will champion the bill in the other chamber. Senate Commerce, Science and Transportation Committee Chairman John Thune (R-SD) announced that the Senate’s FAA reauthorization legislation will not include privatizing the air traffic control system. That said, Representative Sam Graves (R-MO), who last year voted against the 2016 FAA reauthorization bill, helped develop the legislation with Chairman Shuster.</p>
H.R. 1663	Rep. Grace Napolitano (D-CA) / Rep. Rob Wittman (R-VA)	Water Resources Research Amendments Act	<p>This legislation would extend a Federal-State partnership aimed at addressing state and regional water problems, promoting distribution and application of research results, and providing training and practical experience for water-related scientists and engineers. H.R. 1663 would authorize \$9,000,000 annually over five years for grants to water resources research institutes and require two-to-one matching with non-federal funds. It would also promote exploration of new ideas, expand research to reduce energy consumption, and bolster reporting and accountability requirements.</p> <p>The bill has been introduced in the House Committee on Natural Resources and no actions have yet been scheduled on it.</p>
H.R. 497/ S.357	Rep. Paul Cook (R-CA)/ Sen. Dianne Feinstein (D-CA)	Santa Ana River Wash Plan Land Exchange Act	<p>This bill directs the Department of the Interior: (1) to quitclaim to the San Bernardino Valley Water Conservation District in California approximately 327 acres of identified federal land administered by the Bureau of Land Management, and (2) in exchange for such land, to accept from the Conservation District a conveyance of approximately 310 acres of its land.</p> <p>On April 27th HR 497 passed through the House Natural Resources Committee by unanimous consent, and was schedule for the House Floor Consideration on June 2nd.</p> <p>This bill was passed by the House on June 27th by a vote of 424-0.</p>

			The Senate Environment and Public Works Committee held a hearing on S. 357 on July 26, 2017. No further activity is anticipated until the Fall.
S. 32	Sen. Dianne Feinstein (D-CA)	California Desert Protection and Recreation Act	<p>This bill would designate important wilderness in the California desert and protect lands for recreation, wildlife and tourism. Aspects of the bill include:</p> <ul style="list-style-type: none"> • Mandate study and protection of Native American cultural trails along the Colorado River. • Designate 230,000 acres of additional wilderness area between the Avawatz Mountains near Death Valley to Imperial County's Milpitas Wash. • Add 43,000 acres to Death Valley and Joshua Tree national parks. • Create a 75,000-plus acre special management area at Imperial County's Vinagre Wash. • Designate Inyo County's Alabama Hills as a National Scenic Area. • Prohibit new mining claims on 10,000 acres in Imperial County considered sacred by the Quechan Tribe. <p>Additionally, the bill protects 140,000 acres of existing off-road vehicle riding areas from mining, energy development, military base expansion or other decisions that would close them to vehicle use.</p> <p>The Senate Environment and Public Works Committee held a hearing on S.32 on July 26, 2017. No further activity is anticipated until the Fall.</p>
H.R. 2510	Rep. Peter DeFazio (D-OR)	Water Quality Protection and Job Creation Act of 2017	<p>This bill would amend the Federal Water Pollution Control Act to authorize appropriations for State water pollution control revolving funds.</p> <p>This bill has been introduced to the House Transportation and Infrastructure subcommittee on Water resources and Environment.</p>
H.R. 1654	Rep. Tom McClintock (R-CA)	Water Supply Permitting Coordination Act	<p>This bill would allow water project sponsors the opportunity to use an expedited permitting process for new or expanded surface non-federal storage facilities through the Bureau of Reclamation, which would be the lead and central agency coordinating the review process.</p> <p>The House Natural Resources Committee approved the bill by a vote of 24-16 on April 27th. The House Rules Committee on June 20th dictated final amendments for passage on the House Floor; this bill passed the House on June 22nd by a vote of 233-180.</p>

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Comprehensive Government Relations

MEMORANDUM

To: Joe Grindstaff, Kathy Besser
From: Letitia White, Jean Denton, Annie Wake
Date: September 29, 2017
Re: September Monthly Legislative Update

Congress Sends Debt Ceiling, Continuing Resolution, Hurricane Aid Package to Trump

Congress cleared legislation Friday, September 8 to suspend the U.S. debt limit and provide \$15.25 billion for hurricane relief under a deal between President Donald Trump and Democrats. In a 316-90 vote, the House agreed to suspend the debt limit and keep the government open through Friday, December 8 and finance aid to flood victims in Texas and other parts of the Gulf Coast. The President also signed the measure on Friday, September 8.

To many Republicans, President Trump's deal with Democrats showed that even with their party in control of the White House and both chambers of Congress, they cannot easily accomplish their goals. They wanted spending cuts and a longer-term debt limit extension. House Speaker Paul Ryan (R-WI) backed the bill after initially seeking a longer extension and then reversed course after the President agreed to the short-term deal with Democratic leaders.

Republicans say Democrats may gain the upper hand in negotiations when the short-term agreements are due to expire in early December. The agenda likely will include President Trump's proposed border wall with Mexico, his decision to end a program that lets young undocumented immigrants stay in the U.S., and perhaps the debt limit.

All of the votes against the bill were cast by Republicans. Many GOP members said they had little choice but to support the measure because funding is urgently needed for disaster relief.

"Of course, I have to vote yes. It's my district that was hit," said Representative Blake Farenthold (R-TX), whose Texas district includes Corpus Christi and much of the area

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along the Gulf of Mexico damaged by Hurricane Harvey. "The saving grace of this is we can revisit the debt ceiling in a couple of months and maybe get some spending reforms."

With Hurricane Irma bearing down on Florida and tens of thousands suffering flood damage along the Gulf coast from Harvey, the bill will replenish the depleted Federal Emergency Management Agency (FEMA) disaster relief fund with \$7.4 billion, plus \$450 million in funding for the Small Business Administration and \$7.4 billion for the Community Development Block Grant (CDBG) program to address housing needs in disaster zones.

The bill, H.R. 601, also extends the nation's flood insurance program to Friday, December 8, a high priority in the wake of Harvey and Irma.

An earlier version of the bill containing just Harvey aid passed the House on a 419-3 vote. The President then surprised Republicans by agreeing to attach the short-term debt ceiling and government funding bill, even though the final bill did not include funding for a border wall. In May, President Trump suggested a government shutdown in September would be needed to force Democrats to fund the wall on the U.S.-Mexico border.

Bruising December

The legislation sets up a bruising December for Congress, which is already attempting to rewrite the U.S. tax code by the end of the year. December presents big opportunities for congressional Democrats and risks for Republicans.

Senate Minority Leader Chuck Schumer (D-NY) and House Minority Leader Nancy Pelosi (D-CA) had advocated for a short-term debt ceiling increase to obtain more leverage in December talks over a final spending deal for fiscal 2018.

Democratic leaders, knowing their votes are needed to pass a debt ceiling increase, plan to seek higher domestic spending in those talks. They may use the occasion to push for legislation exempting undocumented immigrants who arrived in the U.S. as children from deportation.

Senator Schumer said his hopes for an immigration deal have been raised by the "happy ending" that President Trump provided to the September fiscal debate. President Trump and Democrats also discussed working on a deal to end periodic debt ceiling votes, an idea that splits Republicans.

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“For many years, people have been talking about getting rid of debt ceiling altogether,” President Trump told reporters Thursday, September 7 at the White House. “And there are a lot of good reasons to do that, so certainly that’s something that will be discussed. House Speaker Ryan and Senate Majority Leader Mitch McConnell (R-KY) lost the fight over the length of the debt ceiling extension at a tense Oval Office meeting Wednesday, September 6 hours after Speaker Ryan denounced a short-term debt extension in a press conference.

“The longer, the better for the stability of the credit markets. That’s my strong opinion,” the House Speaker said afterward. He added that in agreeing to the short-term extension, President Trump “was interested in making sure that this is a bipartisan moment while we respond to these hurricanes.”

House Passes Spending Package as Lawmakers Eye December Talks

Thursday, September 14, the House passed a \$1.2 trillion fiscal year 2018 spending package, laying down a marker ahead of negotiations with the Senate and White House over a final spending deal in December, as the current continuing resolution (CR) expires on Friday, December 8.

The 12-bill package (H.R. 3354), which includes \$510 billion for non-defense discretionary spending and \$621 billion for defense spending, passed by a vote of 211-198.

Bipartisan negotiations will be needed to avoid automatic spending cuts known as sequestration because the measure exceeds the Budget Control Act (BCA) military spending cap of \$549 billion. The cap on non-defense discretionary spending is \$516 billion. Democrats have criticized the focus on defense spending over non-defense spending.

While skinnier than the bills that Senate appropriators have marked up so far this year, the House omnibus would provide more funding overall than President Donald Trump requested. The White House sought \$462 billion in non-defense discretionary funds, or \$48 billion less than the House’s spending package. The White House had asked for \$603 billion in defense funds, \$18 billion less than the House measure would provide. Any measure lifting the defense caps would require support from Senate Democrats, who’ve called for a corresponding increase in the caps for domestic programs.

House and Senate Appropriations Committee staffers have started informal discussions, and talks will intensify before the current continuing resolution (CR) funding runs out,

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said Representative Ken Calvert (R-CA), who chairs the House Appropriations Interior-Environment Subcommittee.

"We have an eventful day coming up in December, so I hope this leads to a budget agreement," Representative Calvert said. "That would be the best thing."

The Senate has not passed any appropriations bills. Senate Appropriators have advanced eight of their 12 bills, avoiding some of the partisan flash points that turned off Democrats to the House's bills.

House Disputes

In addition to debates over the topline numbers, the House spending package has prompted fights over policy riders -- some that Republicans included, and others that Democrats were not permitted to have considered.

"The process for this bill has been outrageous, and this debate is an utter waste of time," House Appropriations Committee Ranking Member Representative Nita Lowey (D-NY) said in a floor speech.

The House Rules Committee didn't allow a vote on an amendment that would have barred the federal government from interfering in areas that have legalized medical marijuana, including 29 states, the District of Columbia, Guam and Puerto Rico. Offered by Representative Dana Rohrabacher (R-CA), the House has included the provision since fiscal year 2015, and the Senate Appropriations Committee incorporated it in its fiscal 2018 proposal. Senate Subcommittee Chairman Senator Richard Shelby (R-AL) has said he would like to see it omitted from a final spending deal.

Democratic amendments that didn't get floor votes included a proposal to let participants in the Deferred Action for Childhood Arrivals (DACA) program eligible to work for the federal government.

Trump Administration Tax Plan Released

President Trump and Republican leaders launched an urgent effort to get a major legislative win this year, announcing a long-awaited tax plan that will immediately set off a fight over how much top earners should pay.

The framework proposes cutting the top individual rate to 35 percent -- but leaves it up to Congress to decide whether to create a higher bracket for those at the top of the income scale, according to the document released Wednesday, September 27.

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The rate on corporations would be set at 20 percent, down from the current 35 percent, and businesses would be allowed to immediately write off their capital spending for at least five years. Pass-through businesses would have their tax rate capped at 25 percent.

The plan sets out three tax brackets for individuals -- 12 percent, 25 percent and 35 percent, down from the existing seven rates, which top out at 39.6 percent. Though a system of three tax brackets are not firmly set, as congressional tax-writing committees will be given flexibility to add a fourth rate for the highest earners -- an effort to prevent the overhaul from providing too much of a benefit for the wealthy.

There is significant support among Republican members of the tax-writing House Ways and Means Committee to create a special top income-tax bracket for the highest earners, according to a GOP member of the panel. Still, House Ways and Means Chairman Kevin Brady (R-TX) has said he's committed to offering across-the-board tax relief. President Trump has repeatedly said he's focusing on middle-class individuals.

At the same time, though, the tax plan calls for repealing the alternative minimum tax, the estate tax and the generation-skipping estate tax, all of which would be a boon for higher earners and the wealthy.

"The last thing we should be doing right now is providing hundreds of billions in tax breaks to the wealthiest people and most profitable corporations in this country," Senator Bernie Sanders (I-VT), an independent who caucuses with the Democrats, said in an statement. "It is particularly obscene to repeal the estate tax that would provide a \$269 billion tax break to the top 0.2 percent."

The release of the plan is the result of a months-long process to craft a tax overhaul that was a key promise in President Trump's campaign. But it marks only the start of what could be a brutal fight in Congress among lawmakers who disagree on key elements of the framework. One influential skeptic has been Senate Finance Committee Chairman Orrin Hatch (R-UT), who pledged his committee would not be a "rubber stamp" for the plan.

Other Republicans cheered the plan. "At first glance, the policies released today are good news to the American people," Representative Mark Walker (R-NC), chairman of a large conservative caucus, said in statement. "We need to begin acting on this framework legislatively as soon as possible."

International Plans

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On the international side, the plan would move toward a “territorial” approach that would scale back the U.S.’s unique worldwide approach to taxing corporate profits regardless of where they’re earned. But it includes “rules to protect the U.S. tax base by taxing at a reduced rate and on a global basis the foreign profits of U.S. multinational corporations.” The amount of that reduced rate isn’t specified.

Companies with accumulated offshore profits would be subject to a one-time tax on those earnings -- clearing the way for that income to return to the U.S. The rates that would be applied are unclear, but there would be a higher rate for income held in cash compared to the rate for less liquid investments. Firms would be able to pay the new tax over several years.

Under current law, companies can defer paying U.S. tax on their offshore earnings until they bring them to the U.S. As a result, U.S. firms have stockpiled an estimated \$2.6 trillion in profit offshore.

So-called pass-through entities, which include partnerships and limited liability companies, would see their rate capped at 25 percent. Currently, those businesses -- which can range from mom-and-pop grocers to hedge funds -- don’t pay income tax themselves but pass their earnings through to their owners, who then pay tax based on their individual rates.

While the pass-through rate cut would represent a major tax break for lucrative pass-throughs, tax-writers would craft measures aimed at preventing individuals from recharacterizing their personal wages as business income.

Middle-Class Benefits

In terms of middle-class benefits, the framework outlines a near doubling of the standard deduction -- to \$12,000 for individuals and \$24,000 for married couples -- and calls for “significantly increasing” the child tax credit from the current \$1,000 per child under 17. It would also expand eligibility to include more upper-middle class parents.

The tax plan still lacks extensive details about ways to offset its rate cuts with additional revenue. It says most itemized deductions for individuals should be eliminated, without providing specifics -- while calling for mortgage interest and charitable giving deductions to be preserved. The tax exemption for municipal bonds would also be retained.

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However, the state and local tax deduction would be abolished. Ending that break, which tends to benefit high-income filers in Democratic states, would raise an estimated \$1.3 trillion over a decade. The move faces some Republican headwinds from lawmakers in districts that use the deduction heavily.

The plan would also limit the interest deduction companies can take on their borrowing, but no additional details were provided. Congress's tax-writing committees will be tasked with limiting other business credits to help generate additional revenue.

Seeking Offsets

House leaders have proposed abolishing the corporate interest deduction, a move opposed by debt-reliant industries like private equity and commercial real estate. Senate leaders, including Senators Hatch and John Thune (R-ND), the chamber's No. 3 Republican, have said they want to maintain the deduction at some level at least.

The lack of consensus on how to offset tax cuts -- a prerequisite to making them permanent under the procedure that Senate leaders plan to use to pass the legislation -- poses hurdles. If they fail to raise enough money to avoid a long-term hit to the deficit, at least part of the package would have to expire within a decade under current rules. But as tax writers surface ideas to raise revenue by closing loopholes or ending specific tax breaks, they'll unleash a torrent of lobbying similar to the campaign that killed a proposed border-adjusted tax earlier this year.

"We're already working on it," said Representative Carlos Curbelo (R-FL), a member of the Ways and Means panel, in reference to finding offsets. "There are a number of pay-fors out there that are not just pay-fors, but also good elements of tax reform that will level the playing field across the economy and lead to greater growth," said Representative Curbelo. He said the committee's goal is to make the tax changes as permanent as possible.

Demise of Obamacare Repeal Shows How Far GOP Remains from Goal

Senate Republicans spent the last few weeks making one last desperate push to repeal Obamacare. But as they neared a final deadline, it became clear: They were never really all that close.

Senator Susan Collins (R-ME) said Monday, September 25 the bill would cause too many Americans to lose insurance, while Senator Rand Paul (R-KY) said it preserved too many of the federal subsidies for health care -- even after the bill's authors made a spate of last-minute changes to win them over. Their opposition followed Senator John

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McCain's (R-AZ) declaration last week that it was too hasty and partisan, as the Republican raced to meet a Saturday, September 30 deadline.

Their firm stances against it -- each for a very different reason -- underscore the difficulty Republicans face in trying to make dramatic changes to the 2010 Affordable Care Act (ACA). Even though most Republicans relish replacing President Barack Obama's signature achievement with something less costly and more flexible, doing so is all but impossible with wafer-thin control of one of the chambers.

Senate Majority Leader Mitch McConnell (R-KY) decided not to put Republicans through the spectacle of one more vote on a bill to repeal the ACA that is doomed. Republicans, who hold 52 seats in the chamber, could also make another run at repeal later in the year when they try to enact a GOP tax overhaul, but that could prove even more challenging.

Meanwhile, Senator Lamar Alexander (R-TN), who leads a key Senate health committee, said on Tuesday, September 26 that he's resumed exploring bipartisan ways to shore up the market and limit premium increases for next year. An earlier effort he spearheaded with Senator Patty Murray (D-WA) state was sidelined by the renewed repeal push. A likely compromise would fund cost-sharing reduction payments while giving states more flexibility to set their own insurance rules.

President Trump and Democrats Near Another Deal, This Time on Immigrants

President Trump said he is close to a deal with congressional Democrats to permanently safeguard from deportation nearly a million immigrants brought illegally to the U.S. as children -- people whose protections he promised as a candidate to end on his first day in office.

He also said that a deal to reinstate the protections, known as Deferred Action for Childhood Arrivals (DACA) and established under former President Barack Obama, would not include money to construct a wall on the border with Mexico.

"We're working on a plan for DACA. People want to see that happen," President Trump told reporters as he left the White House to visit hurricane-ravaged Florida. "You have 800,000 young people brought here, no fault of their own, so we're working on a plan." The plan would include "massive border control," he said, but money for his promised border wall "will come later," he said.

After criticism by members of his own party, President Trump repeatedly shifted his conditions for a DACA deal over the course of the day. Upon landing in Florida, he said the border wall wouldn't have to be included in the legislation -- but that Democrats

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would have to promise not to “obstruct” it in the future. When he returned to the White House later, he again made clear the wall and DACA would be handled separately.

The President’s deal-making -- which came at a White House dinner on Wednesday, September 13 with Senate Minority Leader Chuck Schumer (D-NY) and House Minority Leader Nancy Pelosi (D-CA), both Democrats -- left Republicans flummoxed as the president issued multiple, and sometimes contradictory statements, about what exactly had been agreed to.

News of the deal drew swift rebukes from factions of the Republican party that want to reduce immigration to the U.S. It was the president’s second such deal with Senator Schumer and Representative Pelosi in as many weeks, following an agreement to delay a potential default on the nation’s debt and a fight over the government’s budget until December.

President Trump defended his plan to enact a DACA-like program, telling reporters in Florida, “We’re not looking to citizenship. We’re not looking at amnesty. We’re looking at allowing people to stay here.”

‘Trump Caves’

Representative Steve King (R-IA), who is one of the strongest advocates of immigration restrictions in Congress, lumped the President together with previous presidents who had sought to grant undocumented immigrants legal status.

Representative King said he worries that a DACA deal will rip apart the party’s base. But he said that Republicans will have trouble rejecting something if President Trump is behind it. “It’s hard to oppose the president of your own party,” he said.

Several Senate Republicans said they could support some kind of package with DACA protections and border security. House Speaker Paul Ryan (R-WI) said that President Trump made clear in a phone call from Air Force One Thursday, September 14 that “there is no agreement.”

“I think the president understands he needs to work with majority,” Speaker Ryan told reporters. “We’re not going to bring a solution to the floor that doesn’t have the support of President Trump.”

A White House spokeswoman, Lindsay Walters, told reporters aboard Air Force One that the DACA legislation would provide the immigrants a “responsible path forward” that “could include legal citizenship over a period of time.”

“There will be no amnesty,” Walters said. Representative King and other immigration restrictionists generally consider any path to citizenship for undocumented immigrants to be amnesty.

President Trump told reporters as he boarded the presidential helicopter that he’d spoken with Republican leaders in Congress and that House Speaker Ryan and Senate Majority Leader Mitch McConnell (R-KY) were on board with a DACA deal.

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Earlier on Thursday, September 14, the President promised a bipartisan group of House members that he would seek a vote in Congress soon on protecting the young undocumented immigrants, said Representative Henry Cuellar (R-TX) “He did say, ‘We need to move on this quickly. I don’t want to wait six months. People forget about it in six months,’” Representative Cuellar said after President Trump met Wednesday, September 13 at the White House with about a dozen lawmakers who call themselves the “problem solvers.”

Representative Cuellar said the President wanted to put in law the Obama-era program shielding immigrants illegally brought to the U.S. as children, and combine it with increased security along the U.S.-Mexico border and elements of a separate proposal giving immigration priority to high-skilled workers. President Trump also stressed the need for low-skilled workers in the agricultural industry, Representative Cuellar said.

DHS Announces Grant Allocations for Fiscal Year 2017 Preparedness Grants

On Friday, September 1, the Department of Homeland Security (DHS) announced allocations of \$288 million for six Fiscal Year (FY) 2017 DHS competitive preparedness grant programs to be used for states, urban areas, tribal and territorial governments, nonprofit agencies, and the private sector in conjunction with their preparedness efforts.

Upon the announcement of the grants, Acting Secretary Elaine Duke stated, “The Department of Homeland Security remains committed to supporting our partners in government and the private sector nationwide as we strengthen our ability to prepare for and respond to a variety of threats together,” said Acting Secretary Elaine Duke. “The threat environment today is continuing to evolve quickly, and these grants help our partners plan for and ready themselves against everything from natural disasters to terrorist attacks. Protecting the American people is a shared responsibility, and we must remain vigilant and ready to respond.”

Notable DHS grant funding for FY 2017 include:

Homeland Security Grant Program (HSGP)—provides more than \$1 billion for states and urban areas to prevent, protect against, mitigate, respond to, and recover from acts of terrorism and other threats.

Emergency Management Performance Grant (EMPG) Program—provides more than \$350 million to assist local, tribal, territorial, and state governments in enhancing and sustaining all-hazards emergency management capabilities.

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Transit Security Grant Program (TSGP)—provides \$88 million to owners and operators of transit systems to protect critical surface transportation and the traveling public from acts of terrorism and to increase the resilience of transit infrastructure.

President Trump’s Indefinite Travel Ban Opens New Stage in Legal Fight

President Trump restricted or suspended travel to the U.S. from eight countries, adding North Korea and Venezuela, while subtracting Sudan, from his earlier ban on travelers from six Muslim-majority nations.

“I must act to protect the security and interests of the United States and its people,” the President wrote in the Sunday, September 24 proclamation. The move came as the original order, which had been limited by court challenges, was set to expire. Speaking to reporters earlier, President Trump said “the tougher, the better” about the restrictions, which will remain in place until the countries are found to have changed their behavior. During his presidential campaign, President Trump spoke often of “extreme vetting” of those wanting to enter the U.S.

The new restrictions impact travel to varying degrees from Iran, Libya, Somalia, Syria and Yemen, all of which were on the original list. The U.S. will also now restrict or ban travel from Chad, North Korea and Venezuela. Each of the countries will be subject to its own set of restrictions, as set out in the new order. Sudan is no longer on the list. The Department of Homeland Security would have the authority to add or remove travel restrictions on countries as conditions change, a senior administration official said.

New parts of the restrictions will take effect Monday, October 18, a grace period that may prevent the kind of mass confusion seen at airports in the U.S. and abroad after the initial iteration of the travel ban took effect immediately. Other limitations took effect Sunday, September 24.

“The State Department will coordinate with other federal agencies to implement these measures in an orderly manner,” Secretary of State Rex Tillerson said in a statement. The previous travel ban was scheduled to expire on Sunday after the Supreme Court’s ruling in June, which tailored the ban to only include those who have no “bona fide relationship” to the U.S.

DHS Study

Acting Homeland Security Secretary Elaine Duke sent President Trump recommendations for entry restrictions and additional visa requirements tailored to shortcomings in the information each country shares with the U.S. and an assessment of the risk of terrorist infiltration the nation poses, administration officials announced on Friday, September 22.

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“The restrictions announced are tough and tailored, and they send a message to foreign governments that they must work with us to enhance security,” Acting Secretary Duke said in a statement Sunday, September 24.

In the order, the President said the Secretary of Homeland Security assessed that Iraq also did not meet requirements for identity-management protocols and other risk-mitigating factors -- but that entry restrictions weren't warranted given the country's ties to the U.S. and efforts to combat terrorists.

President Trump's previous efforts to restrict travel to the U.S. prompted court challenges, mass protests and criticism from corporate leaders. He rescinded his first travel ban after it was halted by a judge and replaced it with a new executive order on Monday, March 6, which was challenged at the Supreme Court. That order was set for a Sunday, October 10 argument at the Supreme Court. It's unclear how the new restrictions issued by President Trump will impact that case, which also covers a separate provision of the order that suspends refugee admissions until Tuesday, October 24.

Justice Department spokeswoman Sarah Flores said last week that government lawyers would continue to “vigorously defend” the travel restrictions. A Trump Administration official said an updated brief will be filed with the Supreme Court Sunday, September 24.

Tensions Inflamed?

The travel restrictions could further inflame geopolitical tensions around the world as President Trump is engaged in heated rhetoric against the governments of Iran, North Korea and Venezuela.

The U.S. notified all countries in July of “baseline” standards they would need to meet to avoid travel restrictions, said Miles Taylor, a counselor to Duke at the Department of Homeland Security. Several countries didn't respond to the U.S. requests for more information, he said. “Some countries didn't even have the courtesy to say ‘fly a kite,’” Taylor said. “We're talking about countries that were willfully non-compliant and refused to engage with the United States.”

With Venezuela and North Korea now on the list, President Trump's ban may no longer be tagged as a de-facto ban on Muslims entering the U.S., as he pledged to do during his campaign. But that wasn't the reason the two countries were added, a White House official stated.

White House Regulatory Staffing and Future Plans

The White House has continued their focus on streamlining and limiting government regulations through and emphasis on staffing regulator positions and focusing on regulator budget plans.

Regulatory Staffing:

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The White House Office of Information and Regulatory Affairs (OIRA) is now fully staffed with four political appointees to help Administrator Neomi Rao fulfill the president's deregulatory agenda.

OIRA, an agency within the Office of Management and Budget (OMB), reviews all significant federal regulations before executive branch agencies release them, and therefore plays a key role in shaping the regulatory policies of the Trump Administration. Rao won Senate confirmation July 10 in a 54-41 vote to be President Trump's chief regulatory officer and leader of the administration's efforts to deregulate and simplify rules. Since then, Rao has hired or retained four senior staff officials from a variety of backgrounds who bring differing perspectives to the regulatory debate.

Agencies to Submit Next Year's Regulatory Plans

Federal agencies had to submit by Monday, September 18 their plans to regulate and deregulate in the year ahead, although the Office of Management and Budget (OMB) still has not given them their regulatory budgets for fiscal 2018.

Agencies also are being asked to fill out new worksheets to show compliance with Executive Order 13,771, which requires them to eliminate two regulations for every one issued and offset the cost of the new one. The new worksheets submitted to OMB will clearly identify deregulatory actions but won't be made public. "This process highlights agency priorities, promotes planning and coordination, and encourages public participation in the regulatory process," said an OMB memorandum dated Friday, August 18.

Beginning with the fall 2017 agenda, agencies were told they should not issue regulations in the coming year that have not been included in the most recent version of the agenda, the latest memo said.

Generally, agency plans should describe the most important significant regulatory and deregulatory actions that the agency reasonably expects to issue in proposed or final form during the upcoming year through October 2018, the memo said. This year, agencies should balance the costs of anticipated regulatory actions issued within the fiscal year with cost savings from anticipated deregulatory actions, the memo declared.

Senate Passes FY18 Defense Authorization Bill

By an 89 to 8 vote, the Senate passed legislation that authorizes \$700 billion for national security spending in fiscal year 2018 and permits \$60 billion in war spending. Under the legislation, defense programs would be authorized to receive \$692.1 billion in discretionary funding under the fiscal 2018 defense authorization measure, S. 1519, approved by the Senate Armed Services Committee. The measure could be offered as a substitute amendment to the House-passed bill, H.R. 2810.

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The authorization primarily covers defense activities at the Defense Department (DOD), as well as some programs at the Energy and State departments.

The authorization would include \$640 billion in base discretionary funding, which would exceed the \$549 billion defense spending cap under the 2011 Budget Control Act, Public Law 112-25. The bill also would authorize \$60.2 billion in Overseas Contingency Operations (OCO) funding that doesn't count against the cap on defense spending. The House-passed measure would have authorized \$74.6 billion in OCO funds.



CALIFORNIA STRATEGIES, LLC

Date: September 29, 2017
To: Inland Empire Utilities Agency
From: John Withers, Jim Brulte
Re: September Activity Report

California Strategies is pleased to provide consulting services to the Inland Empire Utilities Agency. In addition to our regular monthly meeting with the Senior Staff of the Agency, we continue to be available to members of the Senior Staff and Board Members throughout the month to deliver advice, answer questions or provide services consistent with the mission of IEUA. Here is our monthly activity report:

- We held our regularly scheduled face to face meeting with agency senior staff September 5th. Calstrat principals attended and did discuss various issues with senior staff including the Regional Contract, Water Bank planning efforts, and legislative matters.
- We discussed the Sept 7 Water Leadership event with Roger Patterson.
- We continued to review the Chino Basin Water Bank work plan related to the consultant selection and discussed the recent Prop 1 Grant activities.
- We answered inquiries from IEUA Board members
- We reviewed General Manager recruitment activities and timeline.
- We discussed member agency communications.
- We discussed various pieces of state legislation including SB 49 and AB 1000.
- We monitored Santa Ana Regional Board activity that might impact the district.
- We discussed various member agency political developments and issues.

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Date: October 18, 2017

To: The Honorable Board of Directors

From: P. Joseph Grindstaff, General Manager

Committee: Community & Legislative Affairs

10/11/17

Executive Contact: Kathy Besser, Executive Manager of Ext. Aff. & Policy Dev./AGM

Subject: Public Outreach and Communication

Executive Summary:

This is an informational item that provides highlights of the External Affairs team's monthly outreach, education and communication programs and updates.

October 21, Landscape and Water Conservation Festival, CBWCD: 4594 San Bernardino Street, Montclair, 9:00 a.m. – 2:00 p.m.

October 25, IEUA Blood Drive, IEUA HQB Blood Mobile, 8:00 a.m. – 1:00 p.m.

IEUA launched the updated KickWaterWaste.com micro-site. The site highlights the Kick the Habit campaign and focuses on water topics, rebates and water-saving tips.

IEUA distributed an email blast to 250,000 IP addresses (Geo Target: Educators, Families with children ages 5-18 – all within IEUA's service area) in September.

Staff is continuing to schedule Water Discovery field trips for program year 2017/18. To date, staff has provided field trips and scheduled approximately 1,417 students from July 2017 to March 2018.

Staff's Recommendation:

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

Budget Impact Budgeted (Y/N): N Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

N/A

Environmental Determination:

Not Applicable

Business Goal:

IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region's heritage.

Attachments:

Attachment 1 - Background

Background

Subject: Public Outreach and Communication

October

- October 21, Landscape and Water Conservation Festival, CBWCD: 4594 San Bernardino Street, Montclair, 9:00 a.m. – 2:00 p.m.
- October 25, IEUA Blood Drive, IEUA HQB Blood Mobile, 8:00 a.m. – 1:00 p.m.

December

- December 20, IEUA Holiday Luncheon, Los Serranos Country Club: 15656 Yorba Avenue, Chino Hills, 11:00 a.m. – 3:00 p.m.

Outreach/Education - Civic Publications Newspaper Campaign

- IEUA launched the updated KickWaterWaste.com micro-site. The site highlights the *Kick the Habit* campaign and focuses on rebates, water-saving tips and more.
- IEUA distributed an email blast to 250,000 IP addresses (Geo Target: Educators, Families with children ages 5-18 – all within IEUA’s service area) in September.
- A fall email blast will be distributed in the month of October that will focus on fall planting and irrigation tips.

Media and Outreach

- IEUA ran an ad in the Senior Living section of the *Champion Newspaper* on October 7.
- IEUA continues to run banner ads with *Fontana Herald News*.
- Staff ran a *Kick the Habit* Halloween-themed ad in October’s issue of Inland Empire Magazine.
- In September, 33 posts were published to the IEUA Facebook page and 33 tweets were sent on the @IEUAwater Twitter handle.
- The top three Facebook posts, based on reach and engagement, in the month of September were:
 - 9/7: #ThrowbackThursday Feature - Biogas Digester Project at Regional Water Recycling Plant No. 2 in May 1991
 - 9/6: National Preparedness Month – Make an Emergency Plan
 - 9/5: Free Landscape Evaluation Promo
- The top three tweets, based on reach and engagement, in the month of September were:
 - 9/20: Chino Day at the LA County Fair – Outreach
 - 9/6: National Preparedness Month – Make an Emergency Plan
 - 9/12: Drip Kit Workshop Promo

Education and Outreach Updates

- Staff held a lottery drawing to determine IEUA’s three sponsored Solar Cup teams for program year 2017/18. Team names were submitted to MWD on September 7: Chino High School (Chino), Upland High School (Upland), and Los Osos High School (Rancho Cucamonga). Staff has submitted a request to MWD for an additional allotment and should receive an answer by early October. Teams will attend their first boat building workshops November 4 and 5.

- Staff is continuing to schedule Water Discovery field trips for program year 2017/18. To date, staff has provided field trips and scheduled approximately 1,417 students from July 2017 to March 2018.
- Staff has conducted 11 of the 12 school site evaluations for the qualifying 2017/18 Garden in Every School® Mini-Grant participants. After site evaluations take place and recommendations are made, schools will receive \$1,000 to fund approved garden materials.

CHINO BASIN WATERMASTER

IV. INFORMATION

1. Cash Disbursements for September 2017

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/05/2017	ACH 090517	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	08/26/2017	08/26/2017	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 08/13/17-08/26/17	2000 · Accounts Payable	6,739.16
TOTAL						<u>6,739.16</u>
General Journal	09/09/2017	09/09/2017	Payroll and Taxes for 08/27/17-09/09/17	Payroll and Taxes for 08/27/17-09/09/17	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 08/27/17-09/09/17	1012 · Bank of America Gen'l Ckg	25,500.55
				Payroll Taxes for 08/27/17-09/09/17	1012 · Bank of America Gen'l Ckg	9,243.46
			ICMA-RC	457(b) Employee Deductions for 08/27/17-09/09/17	1012 · Bank of America Gen'l Ckg	4,410.56
			ICMA-RC	401(a) Employee Deductions for 08/27/17-09/09/17	1012 · Bank of America Gen'l Ckg	1,276.75
TOTAL						<u>40,431.32</u>
Bill Pmt -Check	09/11/2017	20342	APPLIED COMPUTER TECHNOLOGIES	2913	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	2913		Database Consulting - August 2017	6052.2 · Applied Computer Technol	4,314.20
TOTAL						<u>4,314.20</u>
Bill Pmt -Check	09/11/2017	20343	FEENSTRA, BOB	Ag Pool Fund Expenses	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017			Reimburse meeting expenses-Ag Pool Fund	8485 · Ag Pool - Misc. Expense-Ag Fund	57.02
TOTAL						<u>57.02</u>
Bill Pmt -Check	09/11/2017	20344	GEYE, BRIAN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/30/2017	8/30 Storage Wkshp		8/30/17 Storage Workshop	6311 · Board Member Compensation	125.00
TOTAL						<u>125.00</u>
Bill Pmt -Check	09/11/2017	20345	INLAND EMPIRE UTILITIES AGENCY	1800003394	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	1800003394		RMPU Yield Enhancement Projects Inv# 5	7690.15 · RMPU Amend. Yield (TO #1)	71,667.98
TOTAL						<u>71,667.98</u>
Bill Pmt -Check	09/11/2017	20346	PURCHASE POWER	8000-9090-0016-8851	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	8000909000168851		Postage refill	6042 · Postage - General	500.00
TOTAL						<u>500.00</u>
Bill Pmt -Check	09/11/2017	20347	STATE COMPENSATION INSURANCE FUND	1970970-17	1012 · Bank of America Gen'l Ckg	
Bill	09/01/2017	1970970-17		Monthly premium 8/26/17-9/26/17	60183 · Worker's Comp Insurance	520.50
TOTAL						<u>520.50</u>
Bill Pmt -Check	09/11/2017	20348	VISTAGE WORLDWIDE, INC.	SOPINV00000588121	1012 · Bank of America Gen'l Ckg	
Bill	08/20/2017	SOPINV00000588121		Membership dues for Oct. 2017 - Sept. 2018	1433 · Prepaid Membership Dues	16,482.00
TOTAL						<u>16,482.00</u>

203

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/11/2017	20349	WESTERN MUNICIPAL WATER DISTRICT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/30/2017	8/30 Storage Wkshp		8/30/17 Storage Workshop	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	09/11/2017	20350	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
Bill	09/01/2017	08-k2 213849		Disposal Service - September 2017	6024 · Building Repair & Maintenance	117.14
TOTAL						117.14
Bill Pmt -Check	09/14/2017	20351	ACWA JOINT POWERS INSURANCE AUTHORIT	0499665	1012 · Bank of America Gen'l Ckg	
Bill	09/12/2017	0505415		Prepayment - October 2017	1409 · Prepaid Life, BAD&D & LTD	146.27
				September 2017	60191 · Life & Disab.Ins Benefits	144.62
TOTAL						290.89
Bill Pmt -Check	09/14/2017	20352	CLEAN TECH SERVICES	7679	1012 · Bank of America Gen'l Ckg	
Bill	09/07/2017	7679		Window cleaning for office windows	6024 · Building Repair & Maintenance	284.00
TOTAL						284.00
Bill Pmt -Check	09/14/2017	20353	COMPUTER NETWORK	102905	1012 · Bank of America Gen'l Ckg	
Bill	09/05/2017	102905		SSD for GM's desktop	6055 · Computer Hardware	264.00
TOTAL						264.00
Bill Pmt -Check	09/14/2017	20354	CORELOGIC INFORMATION SOLUTIONS	81829026	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	81829026		81829026	7103.7 · Grdwtr Qual-Computer Svc	62.50
				81829026	7101.4 · Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	09/14/2017	20355	CURATALO, JAMES	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/14/2017	8/14 Admin Mtg		8/14/17 Admin Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	09/14/2017	20356	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/28/2017	8/28 Special Ag		8/28/17 Special Ag Pool meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						125.00
Bill Pmt -Check	09/14/2017	20357	FEDAK & BROWN LLP	Audit Progress	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017			August 2017	6062 · Audit Services	3,680.00
TOTAL						3,680.00
Bill Pmt -Check	09/14/2017	20358	HUITSING, JOHN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/28/2017	8/28 Special Ag Mtg		8/28/17 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00

P204

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						125.00
Bill Pmt -Check	09/14/2017	20359	KUHN, BOB	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/16/2017	8/16 Admin Mtg		8/16/17 Admin meeting	6311 · Board Member Compensation	125.00
Bill	08/28/2017	8/28 Admin Mtg		8/28/17 Admin meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	09/14/2017	20360	LOEB & LOEB LLP	1734651	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	1734651		Non-Ag Pool Legal Services - August 2017	8567 · Non-Ag Legal Service	7,569.00
TOTAL						7,569.00
Bill Pmt -Check	09/14/2017	20361	MINDSHIFT	0254110	1012 · Bank of America Gen'l Ckg	
Bill	09/01/2017	0254110		IT Managed Services	6052.4 · IT Managed Services	3,770.00
				Backup & Recovery	6052.5 · IT Data Backup/Storage	792.00
TOTAL						4,562.00
Bill Pmt -Check	09/14/2017	20362	PAYCHEX	2017083100	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	2017083100		August 2017	6012 · Payroll Services	466.51
TOTAL						466.51
Bill Pmt -Check	09/14/2017	20363	PIERSON, JEFFREY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/03/2017	8/03 Special Advis		8/03/17 Special Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	08/28/2017	8/28 Special Ag Pool		8/28/17 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	08/30/2017	8/30 Storage Wkshp		8/30/17 Storage Workshop	8470 · Ag Meeting Attend -Special	125.00
TOTAL						375.00
Bill Pmt -Check	09/14/2017	20364	PIETERSMA, RONALD	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/28/2017	8/28 Ag Pool Mtg		8/28/17 Special Ag Pool Meeting	8411 · Compensation	25.00
				8/28/17 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	09/14/2017	20365	PREMIERE GLOBAL SERVICES	24294407	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	24294407		DRO Assessment call on 8/01	6909.1 · OBMP Meetings	20.10
				AR report coordination call on 8/02	6909.1 · OBMP Meetings	6.06
				Advisory Committee Special Meeting call on 8/03	6212 · Meeting Expense	29.60
				AR report coordination call on 8/10	6909.1 · OBMP Meetings	6.10
				Evaporative Loss call on 8/24	6909.1 · OBMP Meetings	13.17
				Fee - General	6022 · Telephone	49.00
				Fee - Confidential	6022 · Telephone	49.00
				DYY call on 7/31	6909.1 · OBMP Meetings	6.11

TOTAL
1205

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
				Storage discussion call on 8/25	6909.1 · OBMP Meetings	12.40
				Service fee	6022 · Telephone	3.56
TOTAL						195.10
Bill Pmt -Check	09/14/2017	20366	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
Bill	09/08/2017	1394905143		Annual Unfunded Accrued Liability	60180 · Employers PERS Expense	4,348.52
TOTAL						4,348.52
Bill Pmt -Check	09/14/2017	20367	RR FRANCHISING, INC.	44310	1012 · Bank of America Gen'l Ckg	
Bill	09/01/2017	44310		Janitorial Service - September 2017	6024 · Building Repair & Maintenance	740.00
TOTAL						740.00
Bill Pmt -Check	09/14/2017	20368	STAPLES BUSINESS ADVANTAGE	8046271160	1012 · Bank of America Gen'l Ckg	
Bill	09/02/2017	8046271160		Copy paper	6031.1 · Copy Paper	66.55
TOTAL						66.55
Bill Pmt -Check	09/14/2017	20369	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	7076224530355049		Vehicle Fuel - August 2017	6175 · Vehicle Fuel	57.91
TOTAL						57.91
Bill Pmt -Check	09/14/2017	20370	VERIZON WIRELESS	9792158507	1012 · Bank of America Gen'l Ckg	
Bill	09/12/2017	9792158507		Acct #470810953-00001	6022 · Telephone	413.06
TOTAL						413.06
Bill Pmt -Check	09/15/2017	ACH 091517	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	09/09/2017	09/09/2017	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 08/27/17-09/09/17	2000 · Accounts Payable	6,739.16
TOTAL						6,739.16
Bill Pmt -Check	09/19/2017	20371	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	691560		NRG BK	6078 · BHFS Legal - Miscellaneous	1,004.63
				Angelica BK	6078 · BHFS Legal - Miscellaneous	1,206.67
				Desalter Repelnishment Assessment	6078 · BHFS Legal - Miscellaneous	803.25
				OBMP	6078 · BHFS Legal - Miscellaneous	4,344.30
				IEUA Cost Sharing Agreement	6078 · BHFS Legal - Miscellaneous	2,963.70
				691560	6078 · BHFS Legal - Miscellaneous	12,869.55
				Research - Lexis	6078 · BHFS Legal - Miscellaneous	37.74
				Mileage/Parking Expenses	6078 · BHFS Legal - Miscellaneous	36.10
Bill	08/31/2017	691561		691561	6907.34 · Santa Ana River Water Rights	659.70
Bill	08/31/2017	691562		691562	6907.36 · Santa Ana River Habitat	191.25
Bill	08/31/2017	691563		691563	6275 · BHFS Legal - Advisory Committee	153.00

F206

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/31/2017	691564		691564	6375 · BHFS Legal - Board Meeting	76.50
Bill	08/31/2017	691565		691565	6072 · BHFS Legal - Rules & Regs	285.75
Bill	08/31/2017	691566		691566	6907.38 · Reg. Water Quality Cntrl Board	1,455.30
Bill	08/31/2017	691567		691567	6907.39 · Recharge Master Plan	485.55
Bill	08/31/2017	691568		691568	6907.40 · Storage Agreements	10,510.20
				Mileage/Parking Expense	6907.40 · Storage Agreements	36.10
Bill	08/31/2017	691569		691569	6907.42 · Safe Yield Recalculation	12,726.00
				Filing Fee	6907.34 · Santa Ana River Water Rights	10.50
				Research	6907.42 · Safe Yield Recalculation	3.72
Bill	08/31/2017	691570		691570	6907.44 · SGMA Compliance	1,390.50
TOTAL						51,250.01
Bill Pmt -Check	09/26/2017	20372	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	XXXX-XXXX-XXXX-9341		Purchase battery backup	6055 · Computer Hardware	45.78
				Purchase power supply for GM laptop (2)	6055 · Computer Hardware	57.98
				Purchase software for GIS desktop	6054 · Computer Software	22.01
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	236.89
				Renew notary for A. Truong	6111 · Membership Dues	458.34
				Purchase stamp and ink	6031.7 · Other Office Supplies	14.52
				Purchase back support pillow	6031.7 · Other Office Supplies	16.99
				Membership for C. Gregory in IAAP	6111 · Membership Dues	150.00
				Lunch for staff for online seminar/training	6192 · Seminars - General	66.39
				Lunch for pre-storage workshop meeting	7604 · PE8&9-Supplies	86.53
				Purchase 5 water bottles	6031.7 · Other Office Supplies	73.20
				Reg.-ETF attend 10/6/17 ACWA Region Event	6191 · Conferences - General	65.00
				Reg.-PK attend 10/6/17 ACWA Region Event	6191 · Conferences - General	65.00
				Lunch for OBMP update meeting	6909.1 · OBMP Meetings	93.35
TOTAL						1,451.98
Bill Pmt -Check	09/26/2017	20373	BLUERIDGE SOFTWARE, INC.	9549	1012 · Bank of America Gen'l Ckg	
Bill	09/15/2017	9549		Annual support/maintenance 10/25/17-10/24/18	6054 · Computer Software	629.82
TOTAL						629.82
Bill Pmt -Check	09/26/2017	20374	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	09/14/2017	1394905143		1394905143	60182.1 · Medical Insurance	8,174.35
TOTAL						8,174.35
Bill Pmt -Check	09/26/2017	20375	CUCAMONGA VALLEY WATER DISTRICT	Rent Expense	1012 · Bank of America Gen'l Ckg	
Bill	09/19/2017			Office lease due October 1, 2017	1422 · Prepaid Rent	6,608.80
TOTAL						6,608.80

P207

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/26/2017	20376	EGOSCUE LAW GROUP	11713	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	11713		Ag Pool Legal Services - August 2017	8467 · Ag Legal & Technical Services	22,562.50
TOTAL						22,562.50
Bill Pmt -Check	09/26/2017	20377	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
Bill	08/08/2017	L0341130		L0341130	7103.5 · Grdwtr Qual-Lab Svcs	1,256.00
Bill	08/08/2017	L0341590		L0341590	7103.5 · Grdwtr Qual-Lab Svcs	3,140.00
Bill	08/08/2017	L0343035		L0343035	7103.5 · Grdwtr Qual-Lab Svcs	1,884.00
Bill	08/08/2017	L0342449		L0342449	7103.5 · Grdwtr Qual-Lab Svcs	3,140.00
Bill	08/08/2017	L0343520		L0343520	7103.5 · Grdwtr Qual-Lab Svcs	2,104.00
Bill	08/08/2017	L0343519		L0343519	7103.5 · Grdwtr Qual-Lab Svcs	1,884.00
Bill	08/23/2017	L0345675		L0345675	7103.5 · Grdwtr Qual-Lab Svcs	848.00
TOTAL						14,256.00
Bill Pmt -Check	09/26/2017	20378	FEENSTRA, BOB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/28/2017	8/28 Special Ag Mtg		8/28/17 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	08/30/2017	8/30 Storage Wkshp		8/30/17 Storage Workshop	8470 · Ag Meeting Attend -Special	125.00
Bill	08/30/2017	8/30 S. Burton Mtg		8/30/17 Mtg. w/Burton & Gienger-City of Ontario	8470 · Ag Meeting Attend -Special	125.00
Bill	08/31/2017	7/13 Ag Pool Mtg		7/13/17 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	08/31/2017	7/20 Advisory Comm		7/20/17 Advisory Committee meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	08/31/2017	7/27 Board Mtg		7/27/17 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						750.00
Bill Pmt -Check	09/26/2017	20379	FIRST LEGAL NETWORK LLC	40011765	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	40011765		Filings on 8/11/17, 8/16/17	6061.5 · Court Filing Services	212.04
TOTAL						212.04
Bill Pmt -Check	09/26/2017	20380	FRONTIER COMMUNICATIONS	909-484-3890-050914-5	1012 · Bank of America Gen'l Ckg	
Bill	09/18/2017	90948438880509145		Office fax lines	6022 · Telephone	141.45
TOTAL						141.45
Bill Pmt -Check	09/26/2017	20381	GRAINGER	954995506	1012 · Bank of America Gen'l Ckg	
Bill	09/07/2017	9549495506		Miscellaneous supplies	7103.6 · Grdwtr Qual-Supplies	99.93
TOTAL						99.93
Bill Pmt -Check	09/26/2017	20382	GREAT AMERICA LEASING CORP.	21315096	1012 · Bank of America Gen'l Ckg	
Bill	09/15/2017	21315096		Invoice for September 2017	6043.1 · Ricoh Lease Fee	2,553.68
TOTAL						2,553.68

P208

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/26/2017	20383	INLAND EMPIRE UTILITIES AGENCY	90020825	1012 · Bank of America Gen'l Ckg	
Bill	10/01/2017	90020825		GW Recharge O&M Costs - 2nd Quarter	7206 · Comp Recharge-O&M	264,407.72
TOTAL						264,407.72
Bill Pmt -Check	09/26/2017	20384	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	
Bill	09/15/2017	0111802		Employee deductions - September 2017	60194 · Other Employee Insurance	79.70
TOTAL						79.70
Bill Pmt -Check	09/26/2017	20385	McMASTER-CARR SUPPLY CO	46219719	1012 · Bank of America Gen'l Ckg	
Bill	09/18/2017	46219719		GW quality supplies	7103.6 · Grdwtr Qual-Supplies	29.80
TOTAL						29.80
Bill Pmt -Check	09/26/2017	20386	PLUMBING WHOLESALE OUTLET	S100202479.001	1012 · Bank of America Gen'l Ckg	
Bill	09/18/2017	S100202479.001		WQ supplies	7103.6 · Grdwtr Qual-Supplies	103.82
TOTAL						103.82
Bill Pmt -Check	09/26/2017	20387	R&D PEST SERVICES	0219320	1012 · Bank of America Gen'l Ckg	
Bill	09/18/2017	0219320		Pest control - inside and out	6024 · Building Repair & Maintenance	100.00
TOTAL						100.00
Bill Pmt -Check	09/26/2017	20388	RAUCH COMMUNICATION CONSULTANTS, LLC	Sept-1701	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	Sept-1701		AR39 - August 2017	6061.3 · Rauch	3,900.00
TOTAL						3,900.00
Bill Pmt -Check	09/26/2017	20389	SANTA ANA WATERSHED PROJECT AUTHORITY	9292	1012 · Bank of America Gen'l Ckg	
Bill	08/08/2017	9292		FY 2017-18 Santa Ana River TMDL Task Force	8471 · Ag Pool Expense	11,153.00
TOTAL						11,153.00
Bill Pmt -Check	09/26/2017	20390	SOCIETY FOR HUMAN RESOURCE MANAGEMENT	9007062525	1012 · Bank of America Gen'l Ckg	
Bill	09/18/2017	9007062525		Membership-Joswiak 12/01/17-11/30/18	6111 · Membership Dues	199.00
TOTAL						199.00
Bill Pmt -Check	09/26/2017	20391	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2017			Retiree Medical	60182.4 · Retiree Medical	22.24
TOTAL						22.24
Bill Pmt -Check	09/26/2017	20392	UNITED HEALTHCARE	0044386300	1012 · Bank of America Gen'l Ckg	
Bill	09/13/2017	0044386300		Dental Insurance Premium - October 2017	60182.2 · Dental & Vision Ins	749.75
TOTAL						749.75

209

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/26/2017	20393	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	2017243		2017243	6906.32 · OBMP-Other General Meetings	3,289.73
Bill	08/31/2017	2017244		2017244	6906.74 · OBMP-Mat'l Phy. Injury Requests	13,486.75
Bill	08/31/2017	2017245		2017245	6906.71 · OBMP-Data Req.-CBWM Staff	1,599.50
Bill	08/31/2017	2017246		2017246	6906.71 · OBMP-Data Req.-CBWM Staff	5,453.50
Bill	08/31/2017	2017247		2017247	6906.72 · OBMP-Data Req.-Non CBWM Staff	195.00
Bill	08/31/2017	2017248		2017248	6906.22 · Water Rights Compliance Rprting	8,236.10
Bill	08/31/2017	2017249		2017249	6906 · OBMP Engineering Services	1,414.00
Bill	08/31/2017	2017250		2017250	6906.1 · OBMP-Watermaster Model Update	12,604.50
Bill	08/31/2017	2017251		2017251	6906.9 · OBMP-2018 RMPU Master Update	21,059.00
Bill	08/31/2017	2017252		2017252	6906.81 · Prepare Annual Reports	5,543.30
Bill	08/31/2017	2017253		2017253	7103.3 · Grdwtr Qual-Engineering	22,150.22
Bill	08/31/2017	2017254		2017254	7104.3 · Grdwtr Level-Engineering	14,649.11
Bill	08/31/2017	2017255		2017255	7107.2 · Grd Level-Engineering	4,032.33
Bill	08/31/2017	2017256		2017256	7108.31 · Hydraulic Control - PBHSP	857.20
Bill	08/31/2017	2017257		2017257	7109.3 · Recharge & Well - Engineering	902.30
Bill	08/31/2017	2017258		2017258	7202.2 · Engineering Svc	17,759.10
Bill	08/31/2017	2017259		2017259	7402 · PE4-Engineering	6,144.75
Bill	08/31/2017	2017260		2017260	7402.10 · PE4 - Northwest MZ1 Area Proj.	26,999.75
Bill	08/31/2017	2017261		2017261	7502 · PE6&7-Engineering	12,541.80
Bill	08/31/2017	2017262		2017262	7510 · PE6&7-JEUA Salinity Mgmt. Plan	2,186.90
Bill	08/31/2017	2017263		2017263	7602 · PE8&9-Engineering	46,295.73
TOTAL						227,400.57
General Journal	09/29/2017	09/29/2017	Payroll and Taxes for 09/10/17-09/23/17	Payroll and Taxes for 09/10/17-09/23/17	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 09/10/17-09/23/17	1012 · Bank of America Gen'l Ckg	23,247.38
				Payroll Taxes for 09/10/17-09/23/17	1012 · Bank of America Gen'l Ckg	7,893.02
			ICMA-RC	457(b) Employee Deductions for 09/10/17-09/23/17	1012 · Bank of America Gen'l Ckg	4,410.56
			ICMA-RC	401(a) Employee Deductions for 09/10/17-09/23/17	1012 · Bank of America Gen'l Ckg	1,276.75
TOTAL						36,827.71
Bill Pmt -Check	09/29/2017	ACH 092917	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	09/29/2017	09/29/2017	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 09/10/17-09/23/17	2000 · Accounts Payable	6,739.16
TOTAL						6,739.16
Total Disbursements:						832,409.05

P210